



Financial Results for the First Half of FY2011 and Projections for FY2011(Summary)

To be the best partner bank that grows with its customers



Earthquake Recovery and Reconstruction

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Support Project “Kizuna”	

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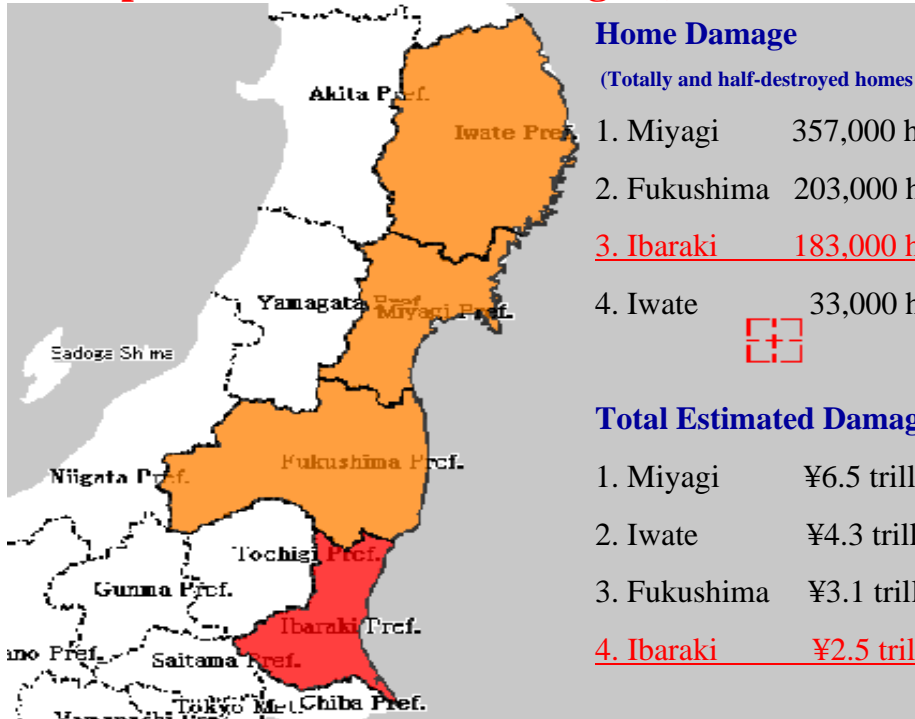
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Earthquake Recovery and Reconstruction ~ Status of Ibaraki Prefecture ~



Earthquake Damage Status (compared with three other prefectures in Tohoku Region)



Home Damage

(Totally and half-destroyed homes only)

1. Miyagi 357,000 homes
2. Fukushima 203,000 homes
3. Ibaraki 183,000 homes
4. Iwate 33,000 homes

Total Estimated Damage

1. Miyagi ¥6.5 trillion
2. Iwate ¥4.3 trillion
3. Fukushima ¥3.1 trillion
4. Ibaraki ¥2.5 trillion

Earthquake Insurance Paid

1. Miyagi ¥536 billion
2. Fukushima ¥148 billion
3. Ibaraki ¥145 billion
4. Iwate ¥56 billion

Percentage of Municipalities Receiving

Reconstruction Aid

1. Miyagi 94.3% (33/35)
2. Ibaraki 77.3% (34/44)
3. Fukushima 67.8% (40/59)
4. Iwate 64.7% (22/34)

Infrastructure Restoration Status

Lifelines (electricity / gas / water)	<u>Restored in March</u> (only water restored in May in some areas)
Roads (highways and general roads) Railways (JR Line <Joban Line/Mito Line> private railways) Air travel (Ibaraki Airport)	<u>Mostly restored by July</u> Roads to be completely restored from FY2012
Ports (Hitachi / Hitachinaka / Oarai / Kashima)	<u>30 of 39 docks</u> (approx. 77%) <u>that handle public freight have been temporarily restored</u> (Docks to be completely restored within about 2 years, including still un-restored docks)

Economic Conditions in Ibaraki

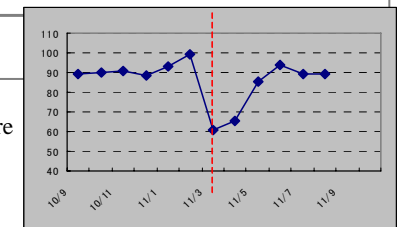
- Overall, key economic indicators continue to recover amid lingering effects of Earthquake disaster
- However, many indicators, such as industrial production, have not yet recovered to pre-earthquake levels.

Industrial production	Recovery slowed down due mainly to decrease in electrical machine industry
Consumption	Recovering as new automobile sales return to previous year's level
New housing starts	Recently declining in reaction to sharp recovery in July
Public construction	Continuing to decline due to delay in Earthquake reconstruction
Equipment investment	Recovery continues

※Appendix contains economic indicators for Ibaraki Prefecture

(Ibaraki industrial production index)

※Shipments/2005=100



Earthquake Recovery and Reconstruction Status



~ Regional Reconstruction Support Project “Kizuna” ~

Regional Reconstruction
Promotion Committee
Chairperson: President Terakado

- Established in June, 2011, the Committee plays an active key role in promoting local reconstruction efforts

Regional Reconstruction Support Project “Kizuna”

Provision of easily-accessible financial functions

1. Developed unique loan products
2. Diversified financing options to meet reconstruction demand
3. Enhanced customer consultation services
4. Offered asset management products related to recovery

1. Earthquake Disaster Reconstruction Support Loan “Kizuna” total: From ¥20 billion to ¥50 billion
2. “Ibaraki Kizuna Fund” jointly developed with Development Bank of Japan: ¥5 billion
3. Opened Iwaki Loan Plaza on Sept. 16
4. Offered “Kizuna-no-chikara” investment trust. Sold ¥5.9 billion worth of these trusts on first day offered.

Restoration and revitalization of local economy

1. Held *Ganbappe Ibaraki!*, a one day food-tasting event
2. Held risk management and BCP planning seminars
3. Promoted tourism

1. Held for three days in Nihonbashi, Tokyo with approx. 10,000 visitors
2. Held twice in Mito and Tsukuba with 203 participants from 162 companies
3. Disseminated information aimed at expanding sales channels of Ibaraki Prefecture’s products at branches and online

Contributions to local economy

1. Efforts to support recovery of cultural assets
2. Joyo Volunteer Club activities
3. Increased candidates for *Eco Ibaraki* conservation fund aid

1. Disseminated information and donated to recovery efforts
2. Disaster support activities by Bank and Group employees
3. Subsidized activities to support recovery



(*Ganbappe Ibaraki!* one day food-tasting event)

Financial Results for the First Half of FY2011

- **Financial Highlights**
- **Balance Sheets of September 30, 2011**
- **Balance of Loans and Deposits**
- **Loan Interest Margins (Domestic)**
- **Corporate Loans**
- **Housing-Related Loans**
- **Assets in Custody**
- **Securities**
- **Credit Costs**
- **Capital Management**
- **Shareholder Return**

Financial Highlights



- Profits declined year on year due mainly to a decrease in interest income caused by lower yields
- However, ordinary profit and net income exceeded announced levels thanks to lower expenses and credit costs than initially planned

Financial highlights for 1H FY2011

Non-consolidated		(Billions of yen)			
	1H FY2011	1H FY2010	YoY Change	Versus target	
Gross business profit	57.6	59.0	(1.3)	0.1	
Net interest income	48.3	49.7	(1.4)	(2.0)	
Fees and commissions	5.6	5.8	(0.2)	(0.7)	
Net other operating profit	3.5	3.3	0.2	2.8	
Expenses	35.3	35.4	0.0	(0.6)	
Net transfer to general reserve for possible loan losses (A)	2.0	(0.1)	2.2	1.5	
Business profit	20.1	23.7	(3.5)	(0.8)	
Core business profit	19.3	20.6	(1.3)	(2.1)	
Net non-recurring gains(losses)	(6.9)	(8.0)	1.1	2.0	
Disposal of non-performing loans (B)	4.1	7.0	(2.8)	(4.3)	
[Gains on collection of loan assets ※]	1.0	-	-	-	
Net gains (losses) on equity securities	(1.2)	(0.6)	(0.5)	-	
Ordinary profit	13.2	15.7	(2.4)	1.2	
Net special gains (losses)	(0.4)	0.4	(0.8)	(0.9)	
Net income before income taxes and others	12.8	16.2	(3.3)	-	
Net income after tax	8.6	10.6	(1.9)	1.6	
※"Gains on collection of loan assets" is posted under "Net non-recurring gains(losses)" (Until previous fiscal year posted under "Net special gains(losses)")					
Net credit costs (A)+(B)	6.2	6.0	0.2	(1.7)	

Breakdown of gross business profit

		(Billions of yen)		
	1H FY2011	1H FY2010	YoY Change	
Net interest income	48.3	49.7	(1.4)	
Interest income on domestic loans	38.7	41.9	(3.2)	
Interest income on securities	12.1	11.6	0.5	
(Domestic)	10.6	10.1	0.4	
(Foreign)	1.4	1.4	0.0	
Interest expenses on deposits	2.3	3.4	(1.0)	
Fees and commissions	5.6	5.8	(0.2)	
Investment trusts, annuities and whole-life insurance	2.0	2.0	0.0	
Net other operating profit	3.5	3.3	0.2	
Gains/losses on bonds	2.8	2.9	0.0	

Top-line

Factors contributing to lower interest income

Decreased interest income on loans: -¥3.2 billion

Decreased loan yields and lower than expected average loan balance

Factors contributing to higher interest income

Increased interest incomes on securities: +¥0.5 billion

Increased JPY bond interest and dividend payments

Decreased interest expenses on deposits: +¥1.0 billion

Decreased interest rates on deposits due to lower market interest rates

Balance Sheets as of September 30, 2011



- Total assets increased ¥254.7 billion due to substantial rise in deposit balance
- Main factors for the increase were securities (+¥158.8 billion) on the asset side, and deposits (+¥318.1 billion) on the liabilities side

As of March 31, 2011

(Billions of yen)

At the end of 1H FY2010.			
Assets		Liabilities	
Loans (floating rate)	2,527.9	Deposits (current)	3,943.8
Spread lending	576.8		
Loans (fixed rate)	2,300.6	Deposit (time)	2,808.1
Securities invested	2,185.6	Other liabilities	251.6
		Net assets	417.8
Others	407.2		
Total	7,421.3	Total	7,421.3
		Assets in custody	1,033.3

As of September 30, 2011

(Billions of yen)

At the end of 1H FY2011. Figures in [] shows change from the end of FY2010			
Assets		Liabilities	
Loans (floating rate)	2,526.2 [(1.7)]	Deposits (current)	4,120.2 [176.4]
Spread lending	576.3 [(0.5)]		
Loans (fixed rate)	2,308.5 [7.9]	Deposit (time)	2,884.2 [76.1]
Securities invested	2,344.4 [158.8]	Other liabilities	254.3 [2.7]
		Net assets	417.3 [(0.5)]
Others	496.8 [89.6]		
Total	7,676.0 [254.7]	Total	7,676.0 [254.7]
		Assets in custody	1,010.1 [(23.2)]

Loans and bills discounted (P.7)
Profit margin (P.8)
Profit margins squeezed by lower loan yields
Corporate loans (P.9)
Increased due to efforts to meet demand for reconstruction loans
Housing-related loans (P.10)
Up ¥12.2 billion YoY
Securities (P.12)
Increased due to growing gap between deposits and loans

Total assets increased ¥254.7 billion

Deposits (P.7)
Deposits increased significantly due to earthquake disaster etc.

Capital management (P.15)
Capital ratio 13.43%
Tier I ratio 12.54%

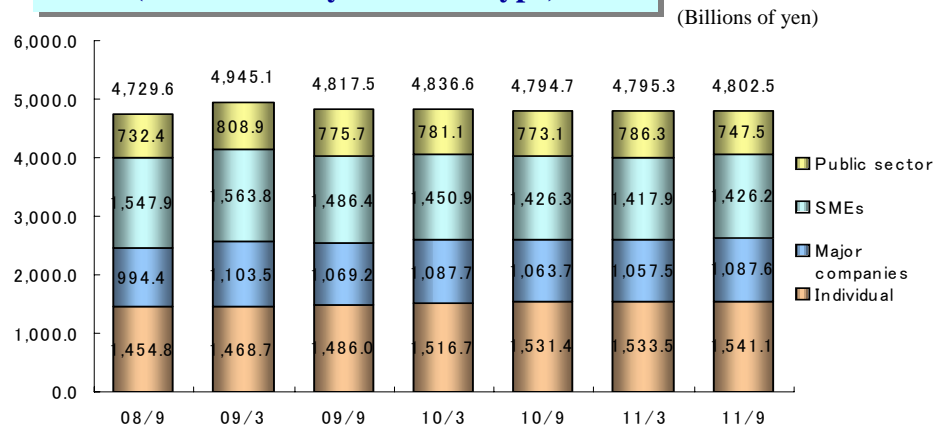
Assets in custody (P.11)
Balance decreased due to market factors

Balance of Loans and Deposits

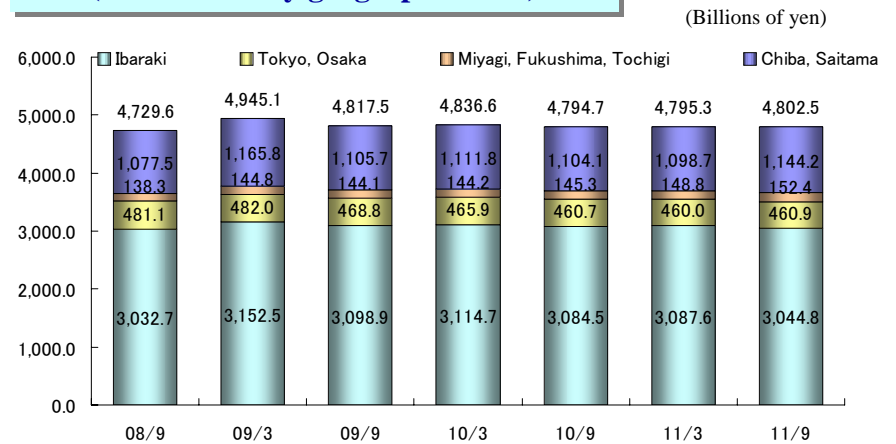


- Balance of loans and bills discounted increased ¥7.2 billion compared with end of FY2010, due to efforts to meet reconstruction loan demand (first 1st half increase in 3 years)
- Balance of deposits increased ¥252.4 billion (reaching ¥7.0 trillion mark) compared with end of FY2010, prompted by higher customer cash reserves after the earthquake

**Balance of loans and bills discounted
(Breakdown by borrower type)**

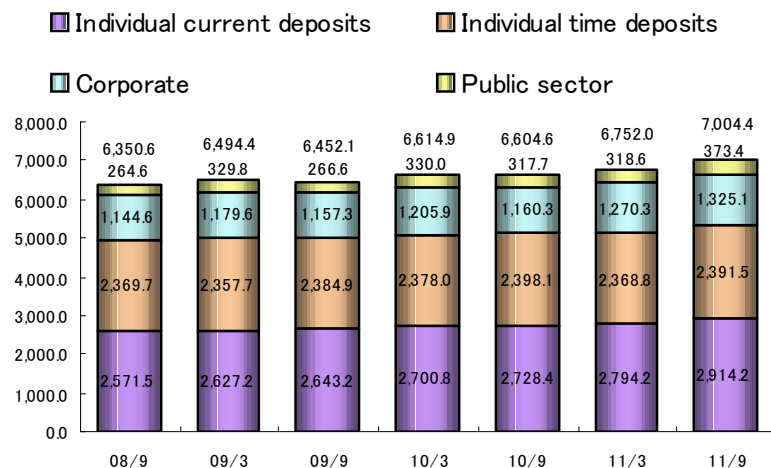


**Balance of loans and bills discounted
(Breakdown by geographic area)**

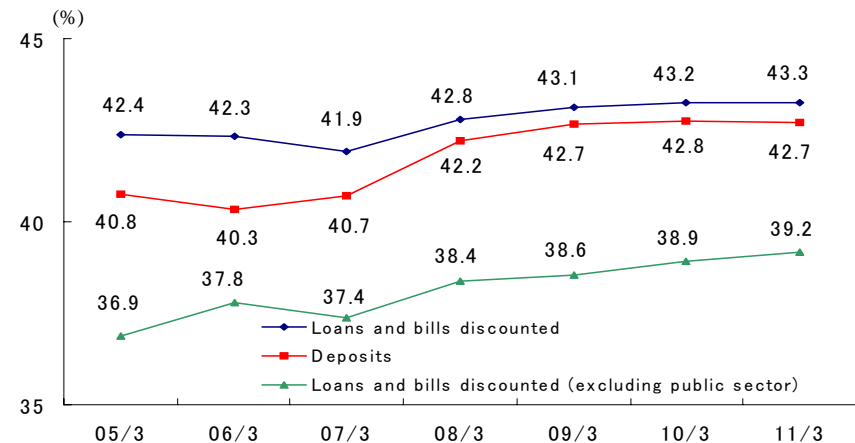


Deposits balance

(Billions of yen)



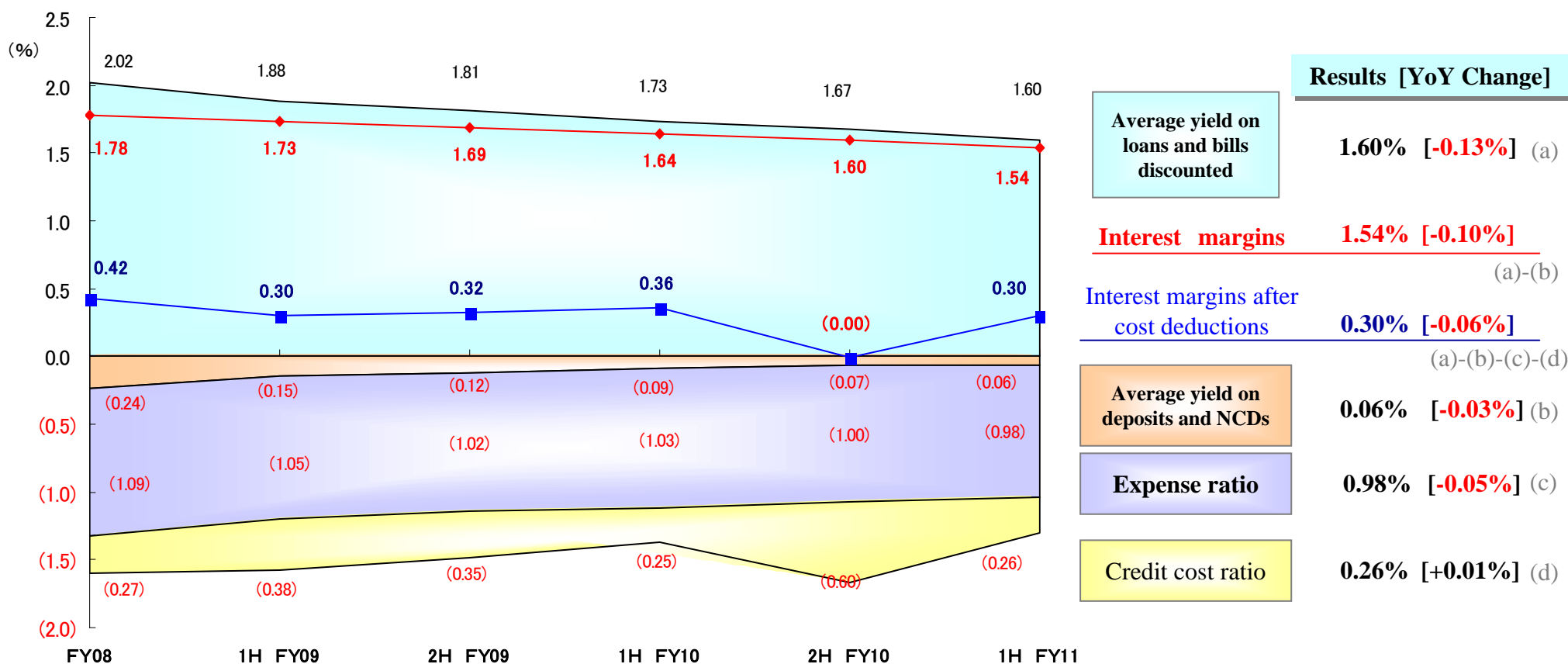
Market shares in Ibaraki Prefecture



Loan Interest Margins (Domestic)



- Yield on loans and bills discounted declined due to lower market interest rates and competitive factors; interest margins decreased 10bp year on year
- However, interest margins after cost deductions declined 6bp owing to expense ratio decrease of 5bp year on year



Corporate Loans

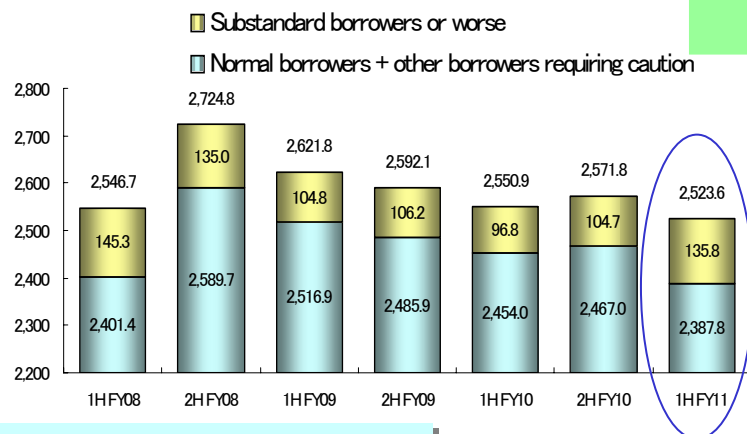


- Average balance of corporate loans decreased ¥48.2 billion year on year, due mainly to sluggish demand for funds in 1st quarter after the earthquake
- However, average balance of corporate loans increased due to demand for earthquake disaster reconstruction funds in 2nd quarter (1st quarter: ¥2,502 billion ⇒ 2nd quarter: ¥2,540.8 billion)

Average balance of corporate loans

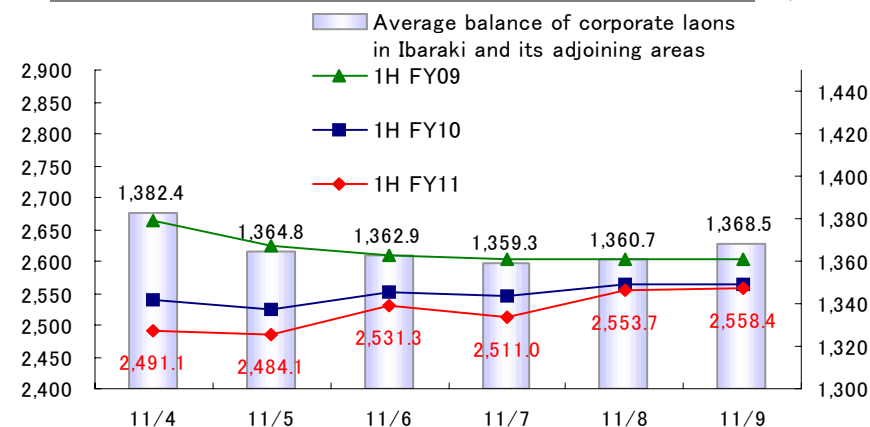
(Billions of yen)

Decreased ¥48.2 billion YoY



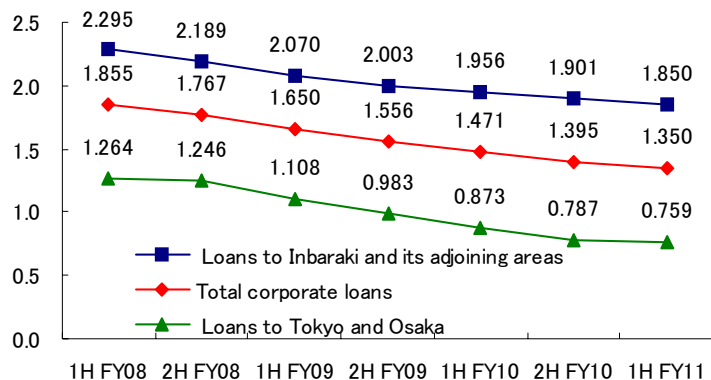
Average balance of corporate loans (monthly)

(Billions of yen)



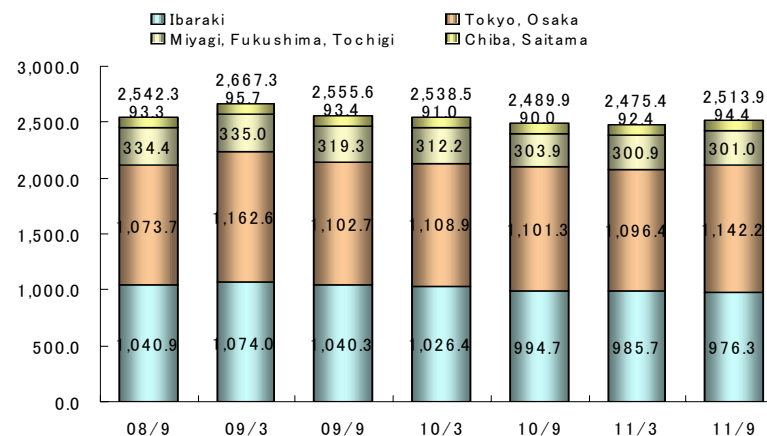
Yield on corporate loans

(%)



Corporate loans (Breakdown by geographic area)

(Billions of yen)

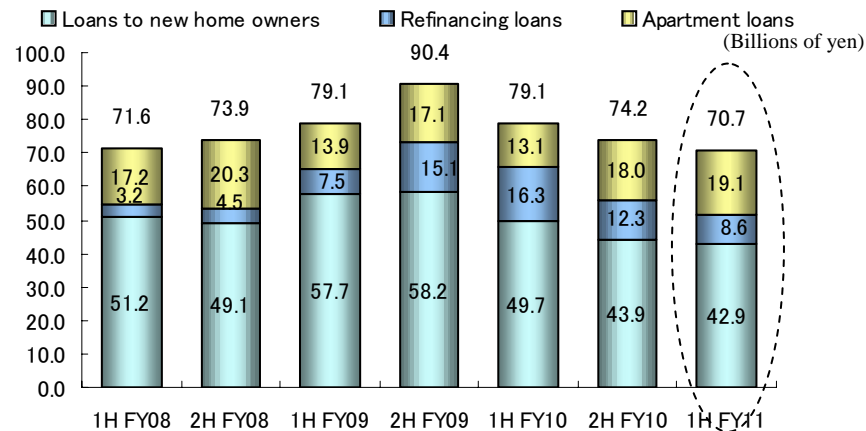


Housing-Related Loans

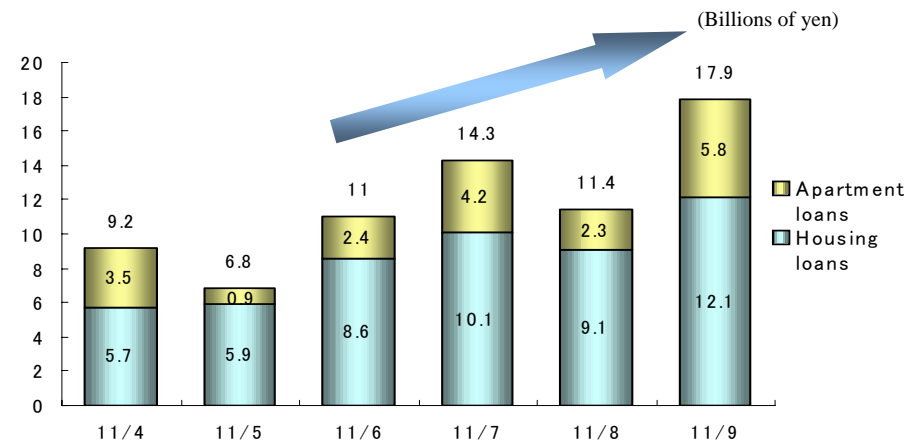


- Despite a year-on-year decrease in housing-related loans executed due to delayed housing starts in Ibaraki Prefecture caused by the earthquake disaster, housing-related loans executed have been on an upward trend since June 2011
- Increase housing loans by launching new products and increasing sales force in developing areas

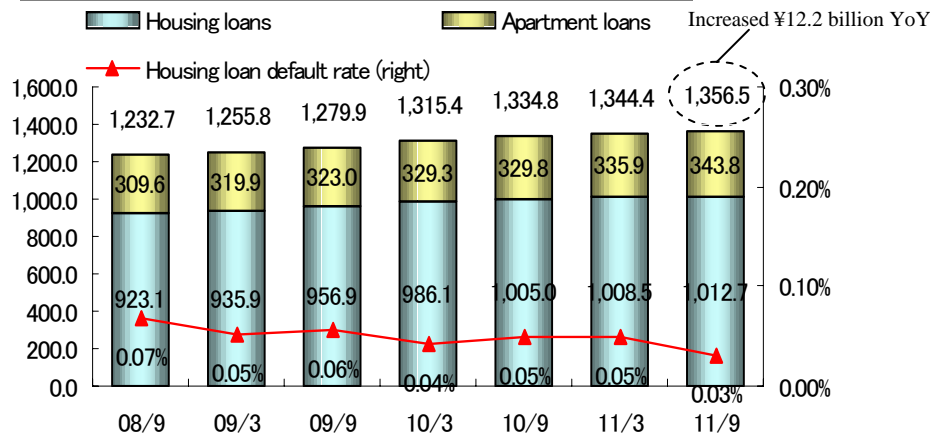
Housing-related loans executed



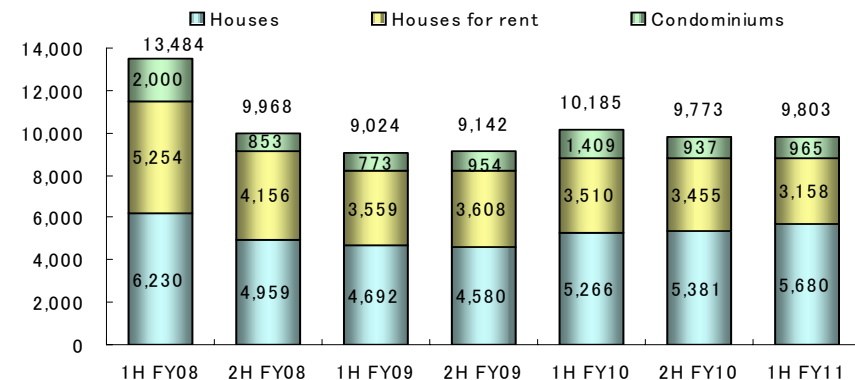
Housing-related loans executed in 1H FY2011 (monthly)



Balance of housing-related loans



Housing starts in Ibaraki Prefecture

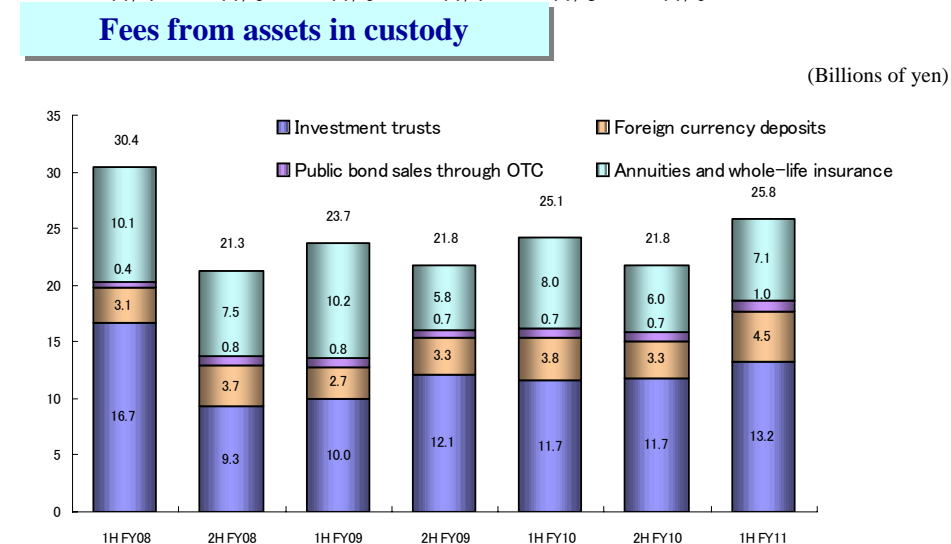
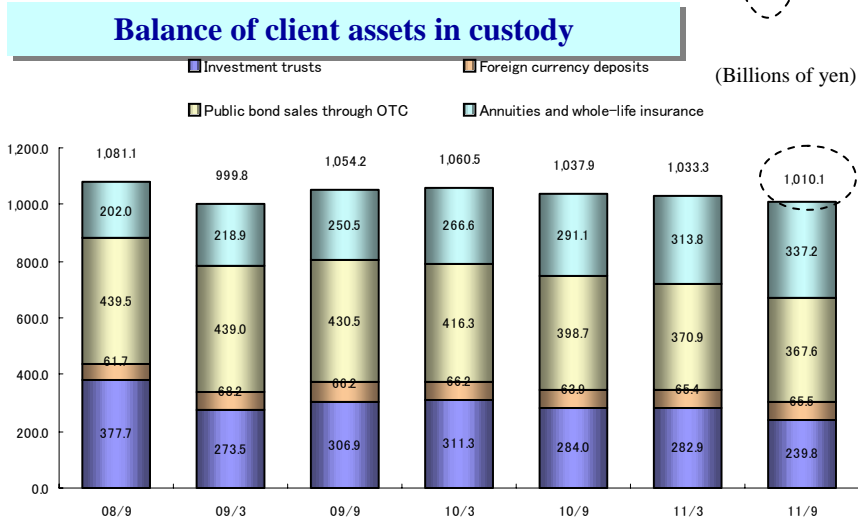
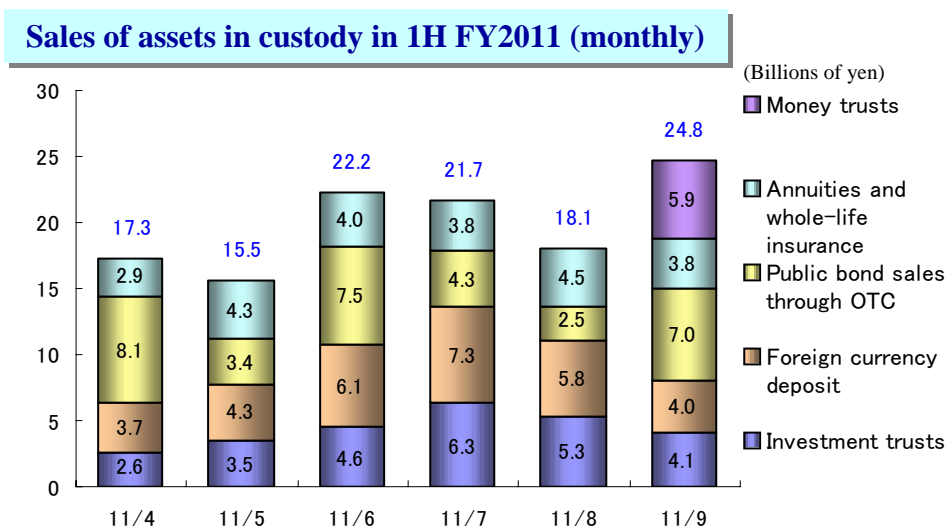
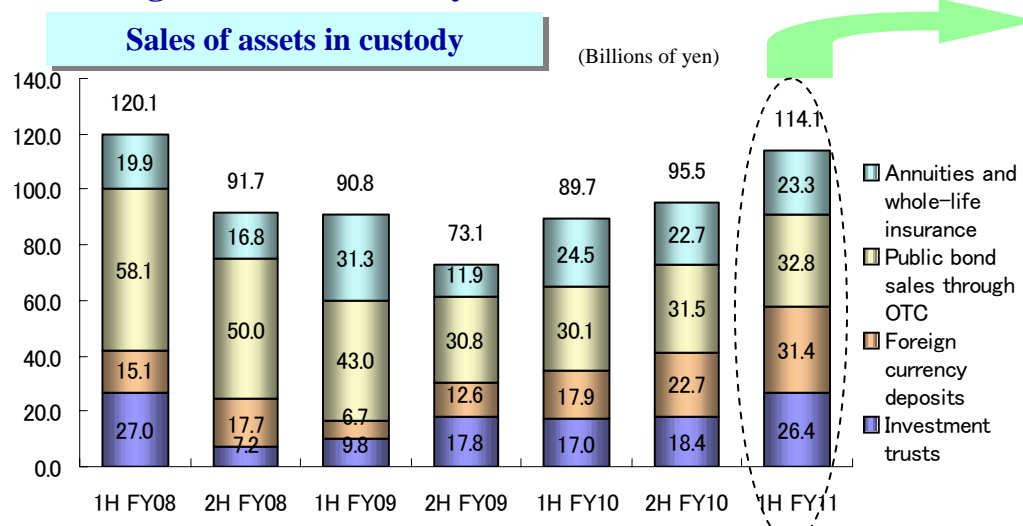


Assets in Custody



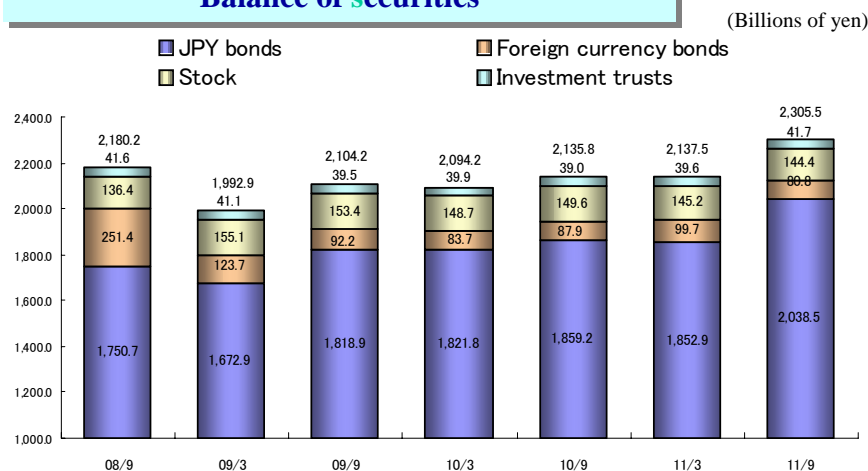
• Sales of assets in custody recovered almost to 1H FY08 level, due mainly to the new sales promotion campaign “Assist”, which commenced in July 2011

• Increased 2H sales through “Assist” campaign (2nd phase) begun in November, and further increased sales by expanding brokerage business with Joyo Securities

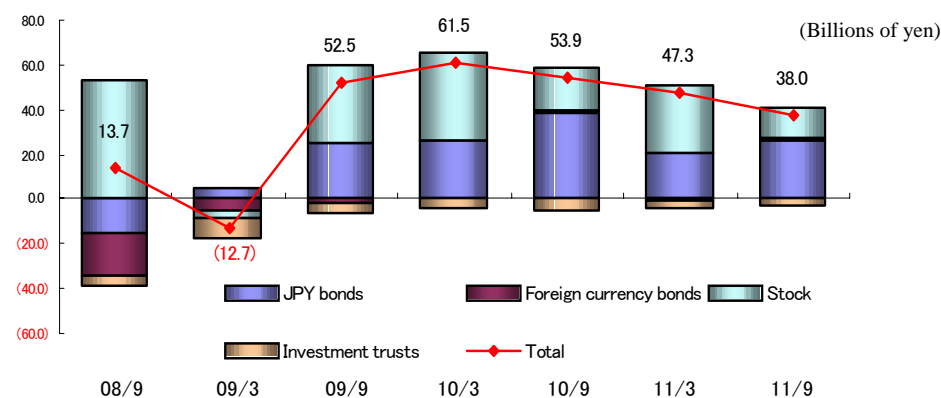


- Balance of securities (mainly JGBs) increased due to growing gap between deposits and loans
- Unrealized gains (losses) declined ¥9.3 billion compared with end of FY2010 (unrealized gain on stock: -¥17.6 billion; unrealized gain on bonds; +¥7.5 billion)

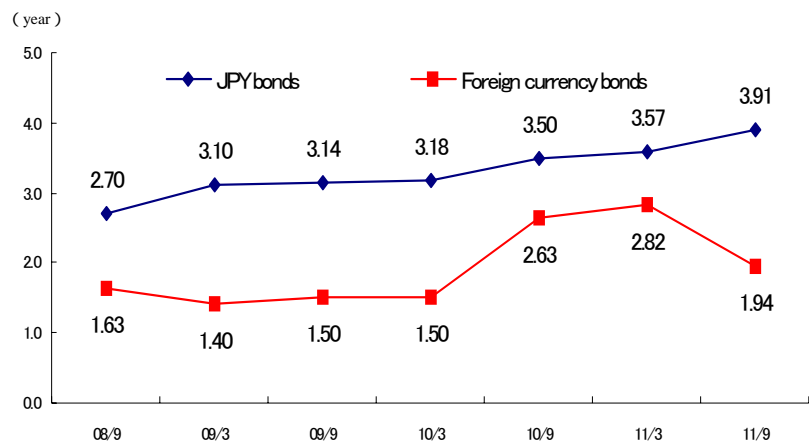
Balance of securities



Unrealized gains (losses) on available-for-sale securities



Duration of bond portfolios



Exposure in Europe

(Billions of yen)

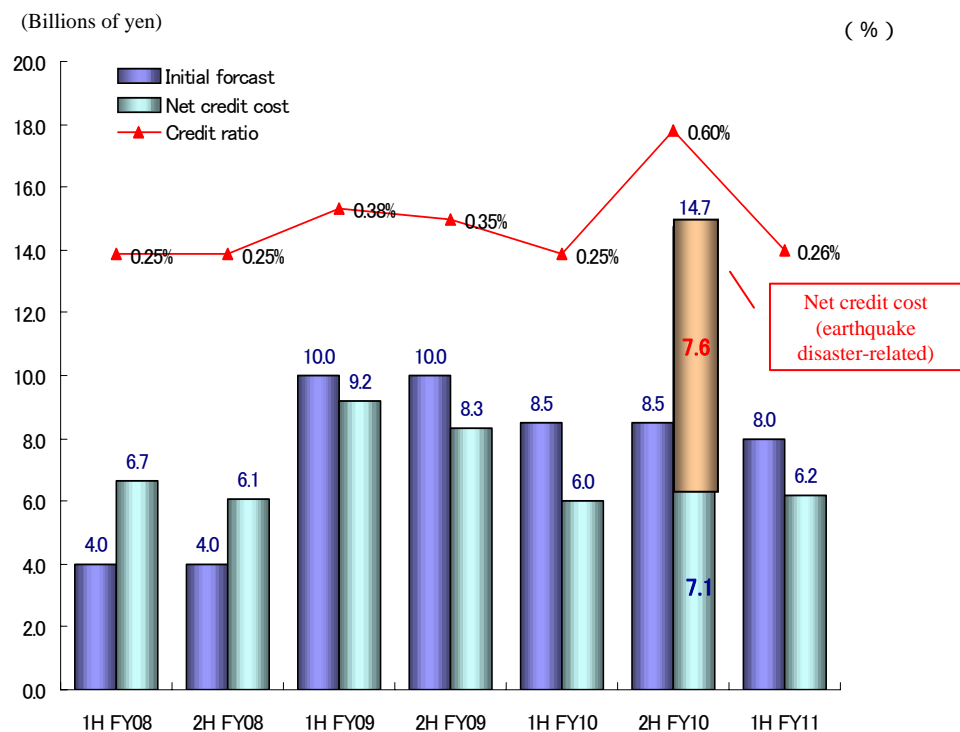
	Bond	
	Sovereign	
PIIGS	Nothing	
Germany	13.3	5.9
France	6.5	0.7
United Kingdom	4.1	0.0
Netherlands	3.7	0.0
Sweden	1.0	0.0
Czech	1.0	0.0
Total	29.8	6.7

Credit Costs

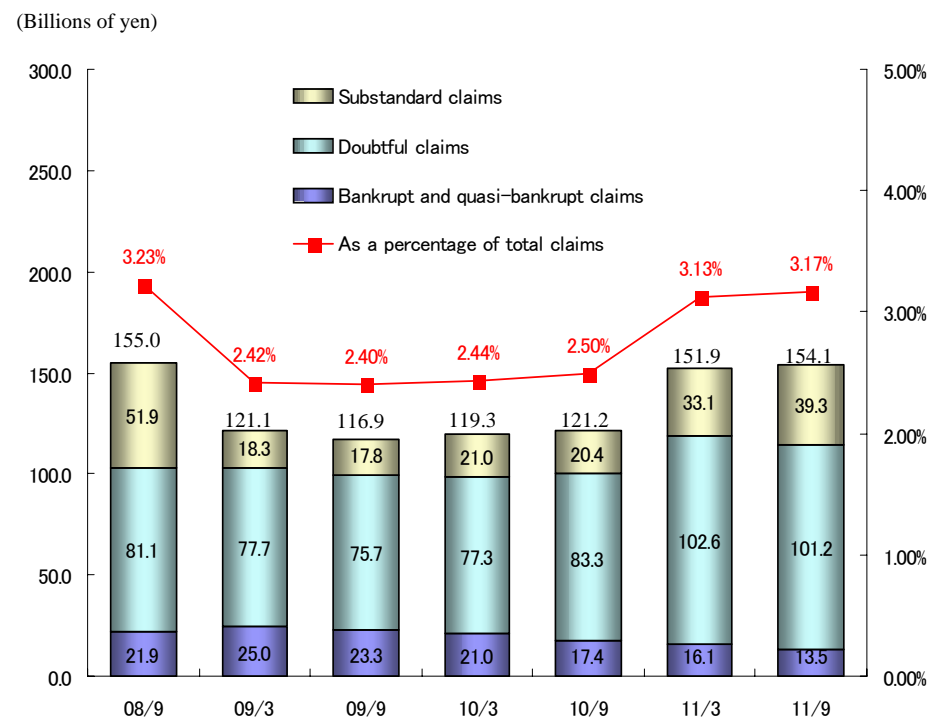


- Credit costs decreased to ¥6.2 billion, falling below initial target (¥8.0 billion)
- Credit cost ratio declined to 26bp as credit costs decreased ¥8.5 billion compared with 2H FY2010, when the earthquake disaster struck

Net credit costs(※) and Credit cost ratio



Problem assets under Financial Revitalization Low



Net credit costs = Transfer to general reserve for possible loan losses + Disposal of non-performing loans
 - Gains on collection of loan assets

Capital Management



- Maintain basic capital policy stance and capital policy that emphasizes Tier I capital
- Achieved medium-term business plan (Core Tier I ratio of about 12% in FY2013)

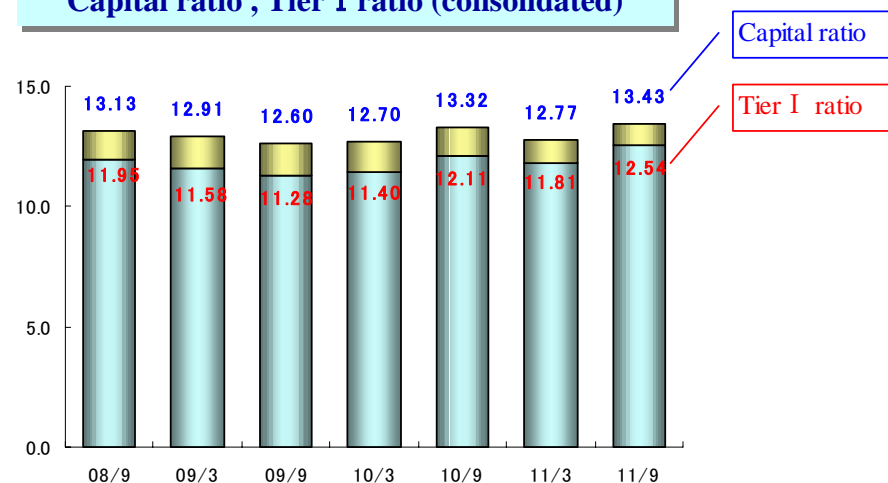
Capital Policy

Capital sufficiency	<ul style="list-style-type: none"> • Maintain sufficient capital level for our business • Conservative capital management under stress scenarios
Capital efficiency	<ul style="list-style-type: none"> • Optimize resource allocation to each business segment • Shareholder returns
Capital ratio	<ul style="list-style-type: none"> • Core Tier I ratio; c.12% (c.11.5% as of September 30, 2011) [FY2013 target, final year of 11th Medium-Term Business Plan]

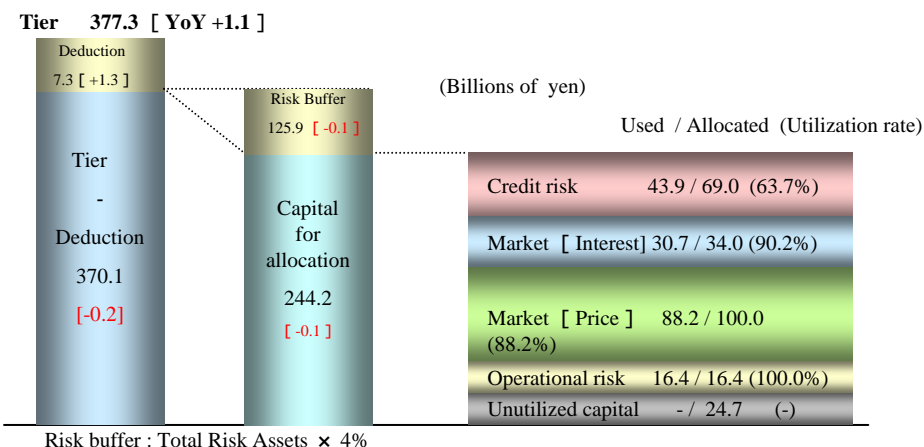
Record of stocks repurchased

Sep 2008- Mar 2009	Acquisition of treasury stock: 10 million shares (Shares owned: 49 million)
Apr 2010	Stock sold: 23 million shares (including over allotted stock)
Nov 2010	Acquisition of treasury stock : 6 million shares (Shares owned: 55 million)
Dec 2010	Retirement of treasury stock: 6 million shares (Shares owned: 49 million)

Capital ratio , Tier I ratio (consolidated)



Risk capital allocation as of Sept. 30, 2011



Shareholder Return



- Maintain basic shareholder return policy and stable dividend payout and continuous profit returns
- Plan annual dividend payout of ¥8 per share (interim: ¥4 per share) in FY2011

Shareholder return policy

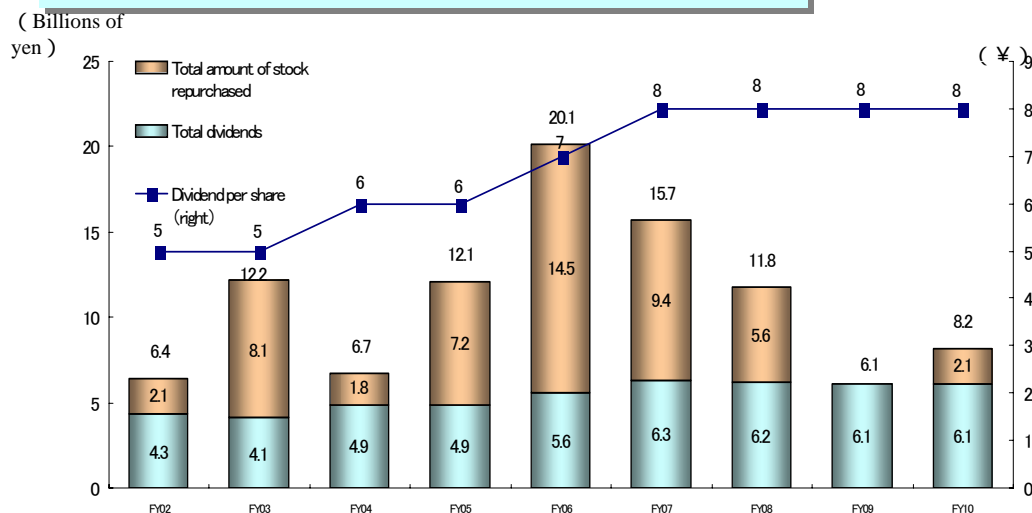
Shareholder return ratio	Targeting 40% or more of net income after tax (non-consolidated)
Dividend payout ratio	Targeting 20% or more of net income after tax (non-consolidated)

Shareholder return plan for FY2011

Dividend	Dividend in FY2011 of ¥8 per share is planned (interim: ¥4 per share)
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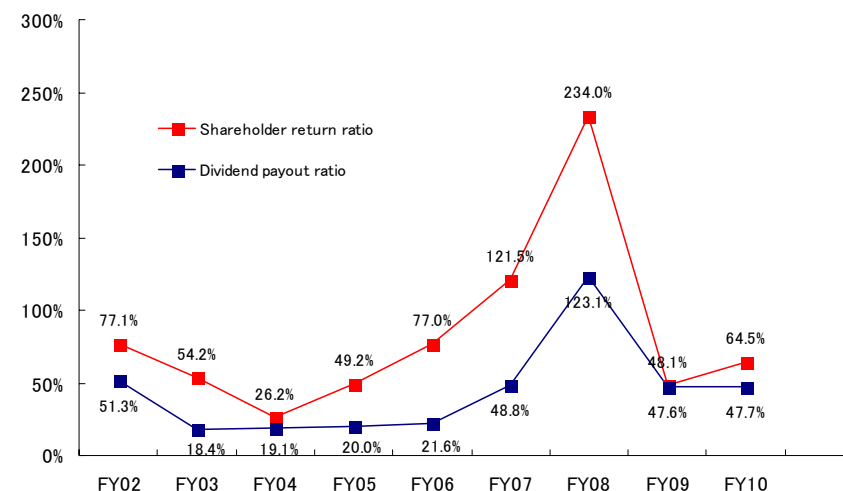
Actual shareholder return

[Total shareholder return <stock repurchased+dividend>]



Actual shareholder return

[Shareholder return ratio, dividend payout ratio]



FY2011 Projections

- **Overview — FY2011 Projections**
- **Potential of Ibaraki Prefecture and its Adjoining Areas**
- **Resource Allocation to Developing Areas**
- **Improve Employee On-the-Job Performance,
Raise Human Resource Capabilities**

Overview – FY2011 Projections



- Projections for FY2011 are in line with our initial plan
- Improve gross business profit by increasing the volume of loans and bills discounted and sales of assets in custody to achieve initially announced targets

FY2011 Projections

Non-consolidated			(Billions of yen)	
	1H FY2011	Progress against Target	FY2011 Projections	YoY Change
Gross business profit	57.6	50.09%	115.0	(0.8)
Net interest income	48.3	49.08%	98.5	(0.4)
Fees and commissions	5.6	43.57%	13.0	1.6
Net other operating profit	3.5	102.68%	3.5	(1.9)
Expenses	35.3	51.25%	69.0	(0.6)
Net transfer to general reserve for possible loan losses (A)	2.0	104.30%	2.0	(2.1)
Business profit	20.1	45.81%	44.0	2.0
Core business profit	19.3	45.04%	43.0	1.2
Net non-recurring gains (losses)	(6.9)	38.35%	(18.0)	5.0
Disposal of non-performing loans (B)	4.1	29.72%	14.0	(4.7)
[Gains on collection of loan assets ※]	1.0	52.55%	2.0	-
Net gains (losses) on equity securities	(1.2)	0.00%	(1.0)	2.1
Ordinary profit	13.2	50.97%	26.0	7.0
Net special gains (losses)	(0.4)	44.00%	(1.0)	(1.8)
Net income after tax	8.6	54.28%	16.0	3.0
Net credit costs (A)+(B)	6.2	39.1%	16.0	(4.7)

Gross business profit growth strategies

Secure interest income ~ Increase loans and bills discounted ~

【Corporate Loans】

- Continue to aggressively extend loans to meet earthquake disaster reconstruction demand

- Extend more loans in growth fields and businesses

【Individual (Housing Loan)】

- Introduce new products (with fixed interest rate over life of loan)

- Increase sales force in developing areas

Increase service transactions ~ Strengthen assets in custody marketing ~

- Implement first-time purchase campaign for investment trusts, etc.

- Strengthen collaboration with Jyo Securities

(increase number of agencies)

Credit risk

Credit costs

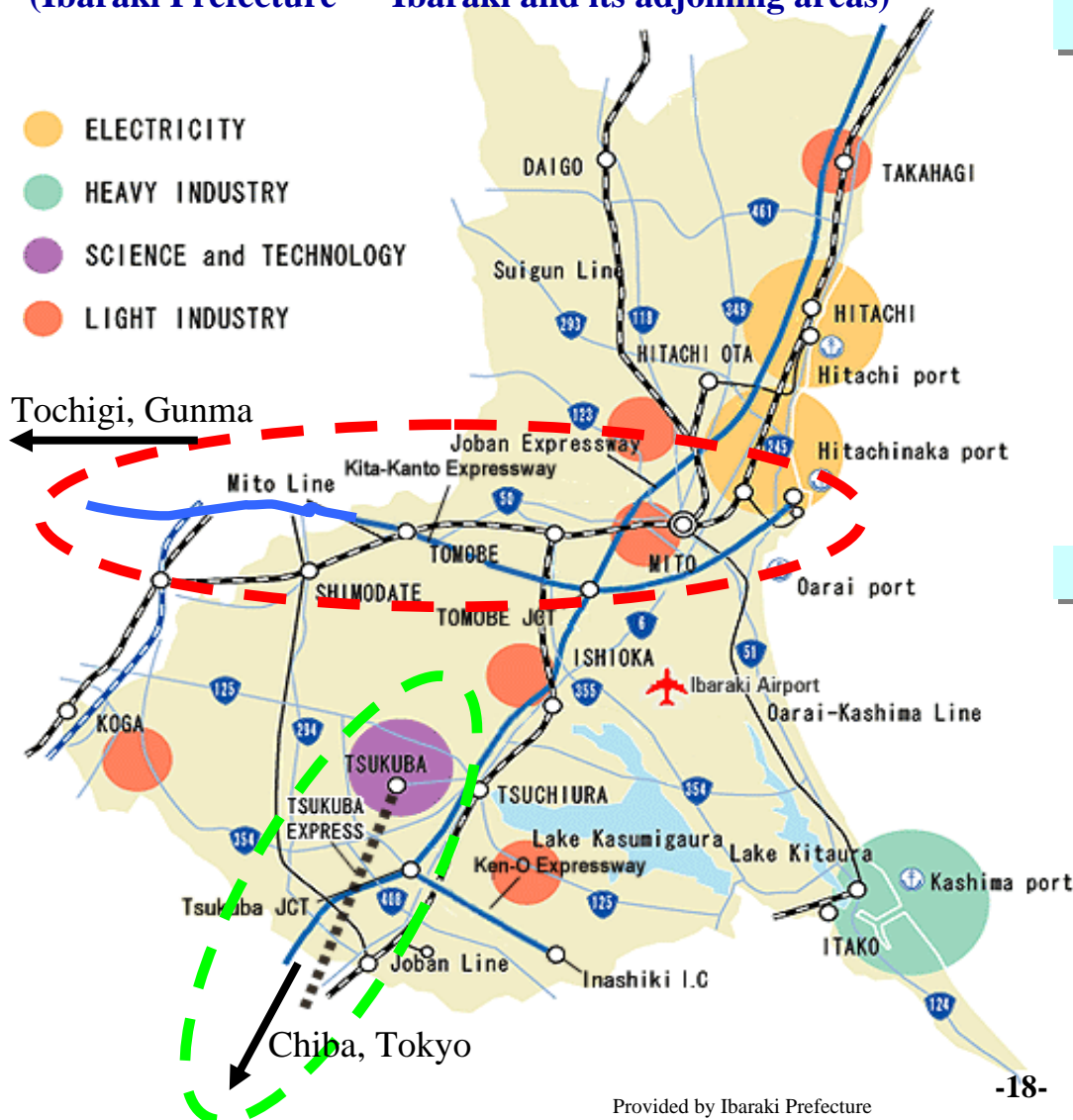
- Taking into account uncertainties about economic future and rumors of nuclear power plant problems, our full-year projections (¥16 billion) remain unchanged.

Potential of Ibaraki Prefecture and its Adjoining Areas



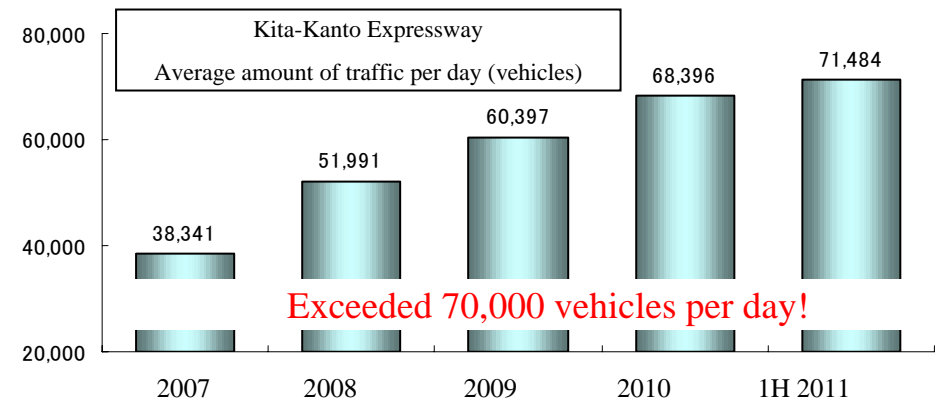
- Economic area is expanding due to development of transportation infrastructures

(Ibaraki Prefecture Ibaraki and its adjoining areas)



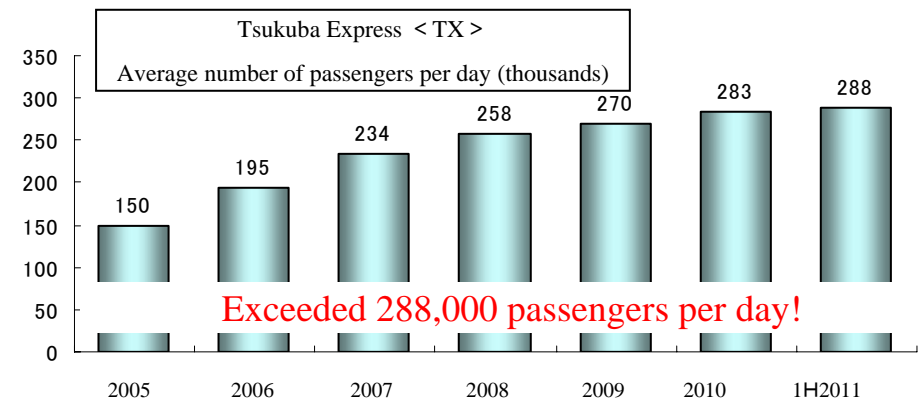
Kita-Kanto Expressway area

- Kita-Kanto Expressway connects Ibaraki to Tochigi and Gunma



Tsukuba Express area

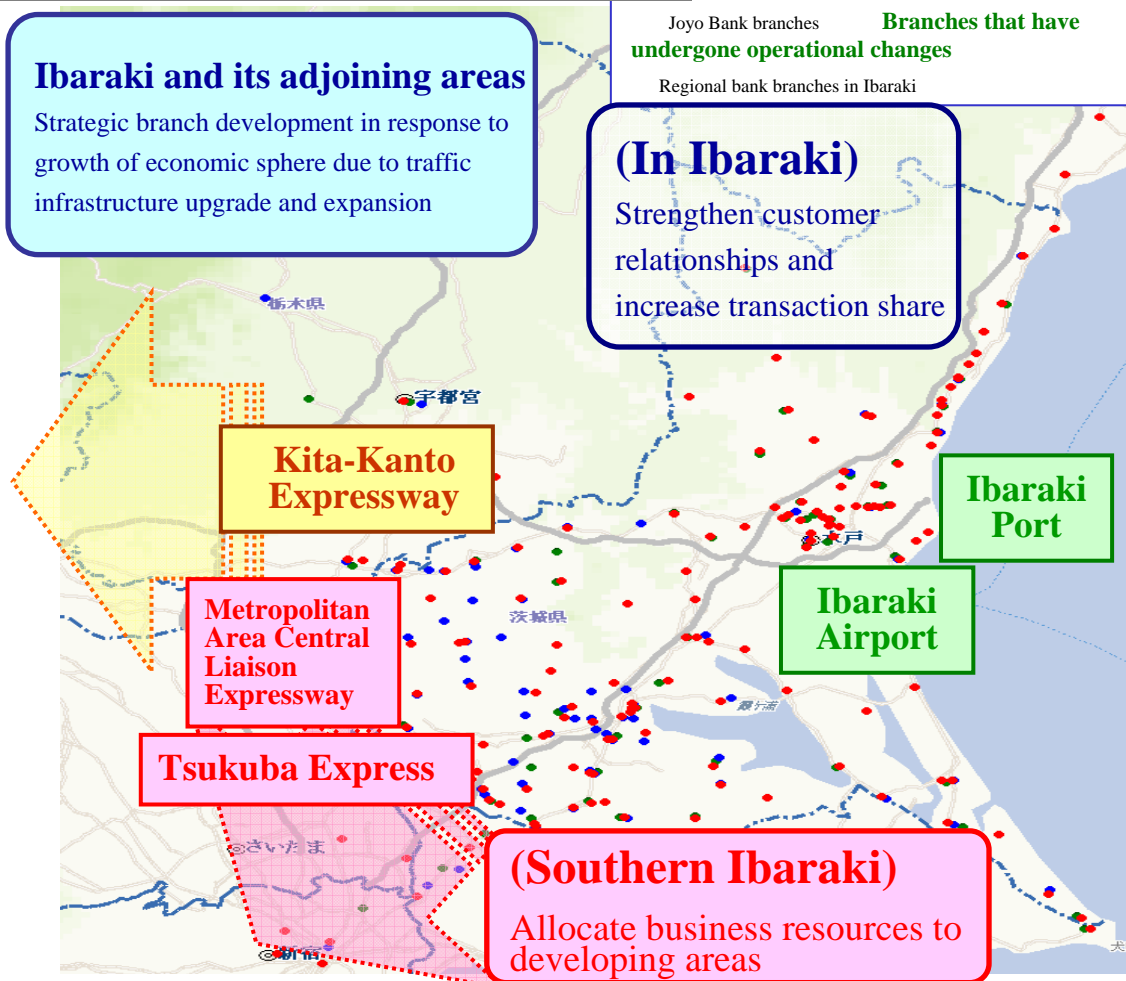
- Tsukuba Express improves train access to Tokyo area



Resource Allocation to Developing Areas

- Allocate business resources to southern Ibaraki, where growth potential is high, and to Ibaraki and its adjoining areas, where broad-based cooperation is increasing
- Rationalize branches in mature and densely populated areas and open new branches and Loan Plazas in developing areas

Growth of Ibaraki and its adjoining areas



Opened new branches

Jun 2010	Utsunomiya-Higashi Branch
July 2010	Hitachinouchiku Branch
July 2010	Miraidaira Branch
July 2010	J-Plaza Hitachinouchiku
Dec 2010	J-Plaza Mito

Medium-Term Business Plan
Consider opening many new branches, mainly in developing areas

- ⊙ Allocate 80 staff to developing areas (along Tsukuba Express, etc.) during medium-term business plan. Already allocated 30 staff as of Oct. 31.

Rationalize branches in mature and densely populated areas

FY2011 3Q
Reduce staff by 20 through operational changes at six branches

- ⊙ Reduce staff by 50 during medium-term business plan. Reduce staff by 20 during 3Q FY2011.

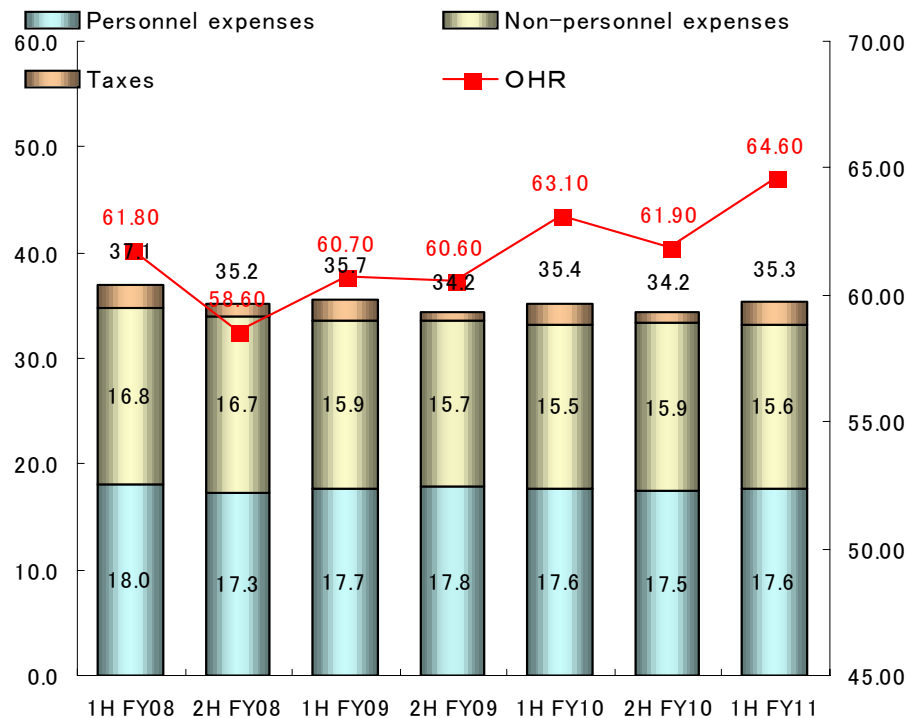
Improve Employee On-the-Job Performance, Raise Human Resource Capabilities



- Expenses were largely unchanged from the previous year. OHR rose 1.5 percentage points year on year due to decrease in core business profit
- Initiated BPR project 'ZERO' to increase sales force by 300 in 3 years

G&A Expenses and OHR (※)

(Billions of yen)



OHR = Expense / (Expense + Core business profit)

BPR project 'ZERO'

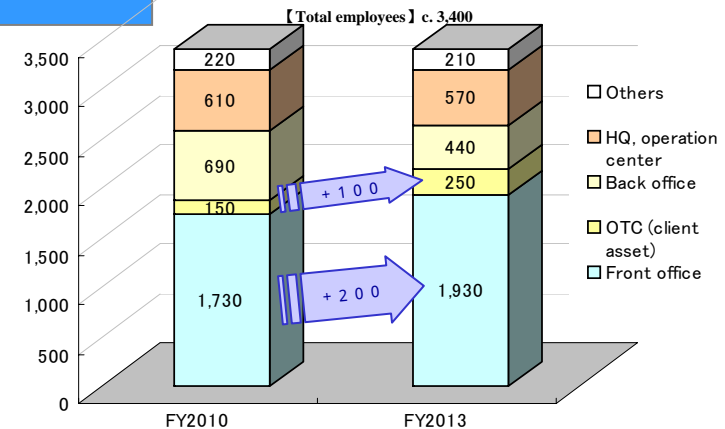
Goal

Reduce business processes to achieve greater efficiency and strength

Human resource

Increase sales force by 300 in 3 years

[Front office +200, OTC (client asset) +100]



○ Review business processes and categorize work

Eliminate and reduce, consolidate, manufacture in-house, put information technology to greater use, and improve back office, teller and special operations

○ Marketing support

Develop support tools and strengthen links between systems

○ Streamline head office

Reduce overlapping and inefficient work processes

Appendix

- **Economic Indicators for Ibaraki Prefecture (1), (2)**
- **Average Balance of Interest-Earning Assets and Interest-Bearing Liabilities**
- **Interest Yields and Spreads**
- **Yen-Denominated Loans (1), (2)**
- **Housing Loans, Investment Trusts and Insurance Products**
- **Deposits and Client Assets in Custody**
- **Investment Portfolio**
- **Foreign Securities Portfolio**
- **Cost Efficiency**
- **Management Indices (Non-consolidated)**

Economic Indicators for Ibaraki Prefecture (1)



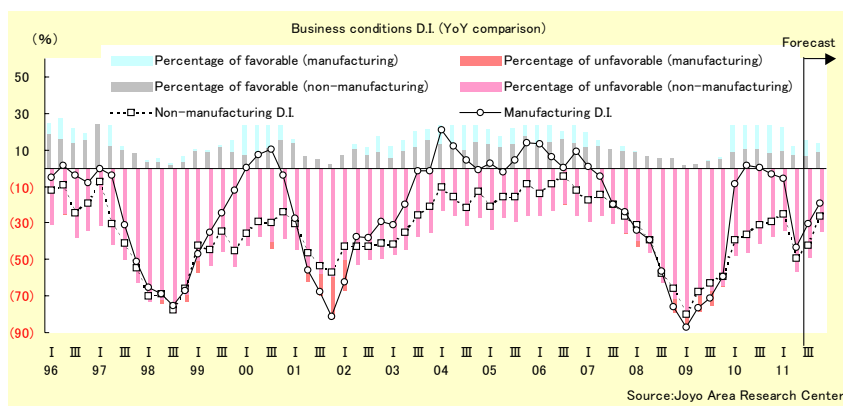
Basic data

	Contents	Units	Ibaraki	Japan	Rank	Date
Land area	Total land area	km ²	6,096	372,910	24	Oct 1, 2009
	Habitable land area	km ²	3,976	121,415	4	Oct 1, 2009
Population	Population	Thousand	2,960	128,050	11	Oct 1, 2009
	Proportion of senior citizens	%	22.5	23.0	36	Oct 1, 2009
Economy	Prefectural GDP (nominal)	¥ Billion	11,515.7	505,016.3	11	FY 2008
	Average prefectural income (per capita)	¥ Thousand	2,943	2,916	9	FY 2008
Industry	Farm output	¥ Billion	417	8,316.2	2	2009
	Value of manufactured goods shipped (more than 4 employees)	¥ Billion	10,813.2	285,482.8	8	2010
	Annual merchandise sales (wholesale)	¥ Billion	3,911.1	413,531.7	16	2007
	Annual merchandise sales (retail)	¥ Billion	2,958.8	134,705.4	13	2007
	Number of business establishments (private)	-	127,252	5,886,193	13	2009
	Number of plants constructed / Plant area	Plants / ha	11 / 7	403 / 419	14 / 23	1H FY 2011

Source: Statistics Div. of Ibaraki Pref. Ministry of Public Management, Ministry of Economy, Trade and Industry, The Cabinet Office

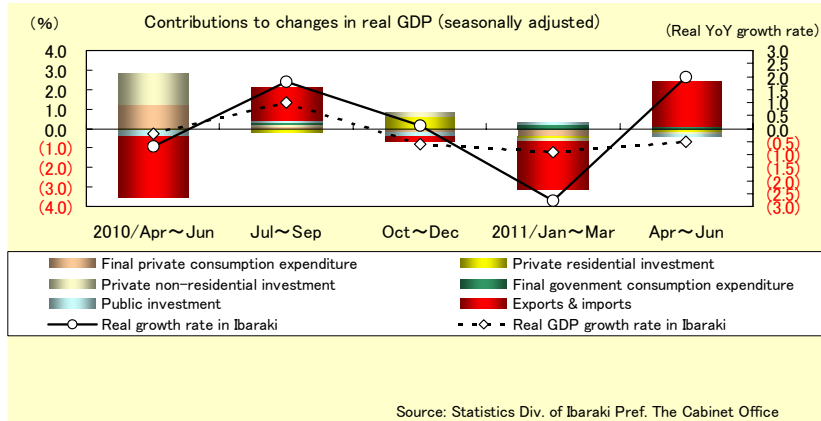
Business conditions D.I. [YoY comparison]

- Manufacturing: First improvement in last 5 quarters
- Non-Manufacturing: First improvement in last 2 quarters



Contributions to changes in real GDP [seasonally adjusted]

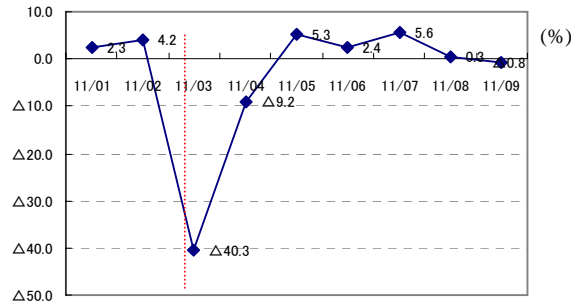
- First GDP growth in Ibaraki in last 2 quarters



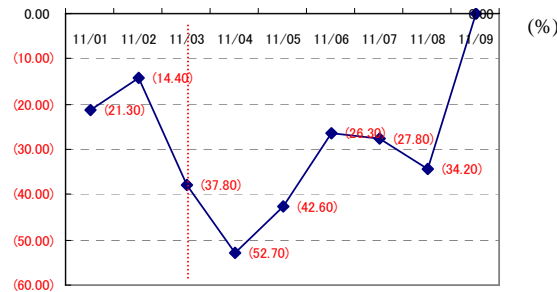
Economic Indicators for Ibaraki Prefecture (2)



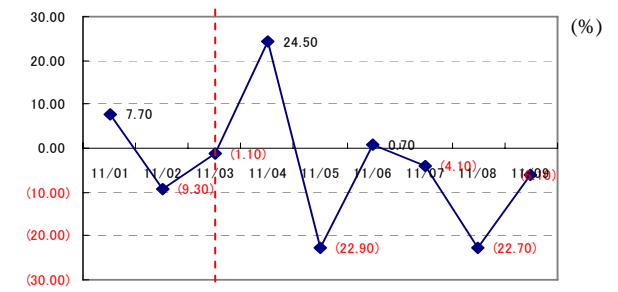
Large-scale retail store sales (YoY)



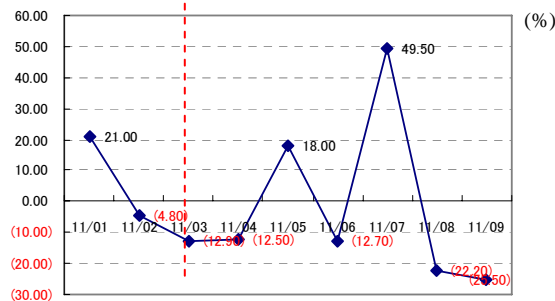
Total number of registered new automobiles (YoY)



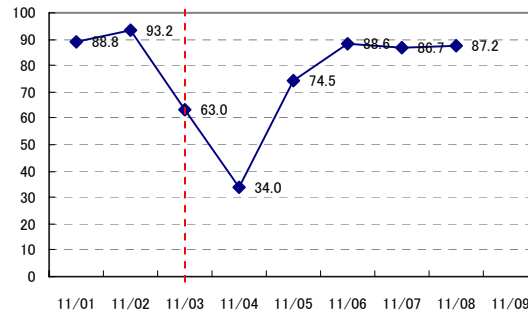
Value of public construction starts by order (YoY)



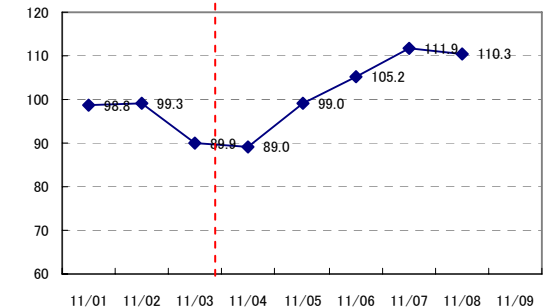
New housing starts (YoY)



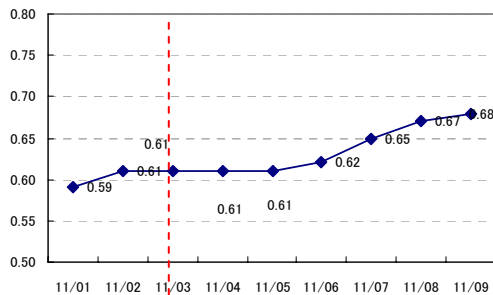
Industrial production (shipments /2005=100)



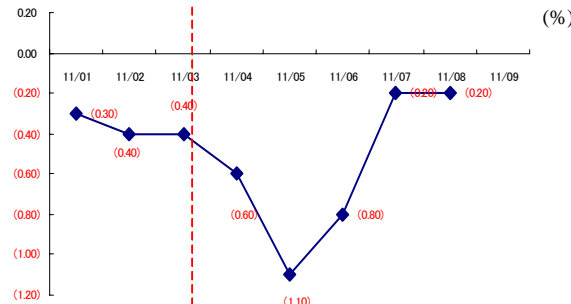
Industrial production (inventories/2005=100)



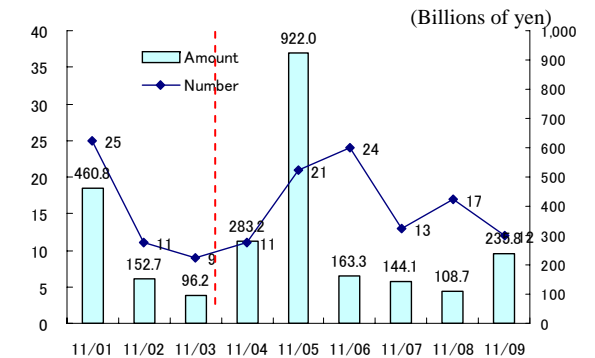
Ratio of job offers to job seekers



Consumer prices (YoY)



Business bankruptcies (number and value)



Average Balance of Interest-Earning Assets and Interest-Bearing Liabilities



Assets

(Average balance: ¥ bn, yield: %, interest income/expenses: ¥ mn)

	1H FY2011			YoY change		
	Average balance	Yield	Interest income	Average balance	Yield	Interest income
Loans and bills discounted	4,812.9	1.60	38,743	(26.7)	(0.13)	(3262)
JPY	4,805.8	1.60	38,716	(28.8)	(0.13)	(3267)
Foreign currency	7.1	0.76	27	2.1	(0.12)	4
Securities	2,160.6	1.12	12,184	66.6	0.02	542
Bonds	1,842.8	0.88	8,207	76.9	(0.03)	(8)
Stocks	145.2	3.04	2,220	(5.1)	0.62	394
Foreign securities	136.1	2.19	1,496	(3.8)	0.13	44
Others	36.4	1.42	259	(1.2)	0.64	111
Call loans	2.3	1.17	13	(5.9)	0.64	(8)
JPY	—	—	—	—	—	—
Foreign currency	2.3	1.17	13	(5.9)	0.64	(8)
Bills purchased	—	—	—	—	—	—
Commercial paper and other debt purchased	35.3	0.44	79	(8.7)	(0.03)	(25)
Due from banks	358.4	0.26	468	333.7	(1.69)	225
NCDs	—	—	—	—	—	—
Foreign exchange	2.1	0.43	4	0.4	0.10	1
Others	—	—	119	—	—	7
Interest rate swaps	—	—	—	—	—	—
Interest-earning assets	7,372.0	1.39	51,614	359.4	(0.14)	(2518)

Liabilities

(Average balance: ¥ bn, yield: %, interest income/expenses: ¥ mn)

	1H FY2011			YoY change		
	Average balance	Yield	Interest expense	Average balance	Yield	Interest expense
Deposits	7,057.7	0.06	2,317	338.6	(0.04)	(1088)
JPY	6,992.9	0.06	2,105	338.3	(0.03)	(1139)
Foreign currency	64.8	0.65	211	0.3	0.16	51
NCDs	15.9	0.08	6	(21.7)	(0.04)	(16)
Call money	4.2	0.70	15	(14.6)	0.55	0
JPY	0.0	0.00	0	(15.3)	(0.08)	(6)
Foreign currency	4.2	0.70	15	0.6	0.30	7
Payables under securities lending transactions	11.4	0.30	17	7.7	0.25	16
Bills sold	—	—	—	—	—	—
Borrowed money	62.3	0.70	219	8.2	(0.46)	(97)
Foreign exchange	0.1	0.40	0	0.0	0.40	0
Corporate bonds	5.0	2.66	66	(2.7)	0.15	(30)
Others	1.5	—	624	0.0	—	107
Interest rate swaps	—	—	605	—	—	94
Interest-bearing liabilities	7,158.4	0.09	3,266	315.6	(0.03)	(1108)
Other expenses	—	—	—	—	—	—
Interest-bearing liabilities	7,158.4	0.09	3,266	315.6	(0.03)	(1108)

Interest Yields and Spreads



Total account

	1H FY09	FY2009	1H FY10	FY2010	1H FY11	YoY change
Average yield on interest-earning assets (A)	1.65	1.61	1.53	1.51	1.39	(0.14)
Average yield on loans and bills discounted (B)	1.88	1.85	1.73	1.70	1.60	(0.13)
Average yield on securities	1.15	1.10	1.10	1.09	1.12	0.02
Average yield on interest-bearing liabilities	0.19	0.17	0.12	0.11	0.09	(0.03)
Average yield on deposits and NCDs (C)	0.15	0.14	0.10	0.08	0.06	(0.04)
Expense ratio	1.05	1.04	1.04	1.02	0.99	(0.05)
Funding cost (D)	1.21	1.18	1.14	1.11	1.05	(0.08)
(B)-(C)	1.73	1.71	1.63	1.62	1.54	(0.09)
(A)-(D)	0.44	0.43	0.39	0.40	0.34	(0.06)

Domestic account

(%)

	1H FY09	FY2009	1H FY10	FY2010	1H FY11	YoY change
Average yield on interest-earning assets (A)	1.60	1.57	1.50	1.48	1.36	(0.14)
Average yield on loans and bills discounted (B)	1.88	1.85	1.73	1.70	1.60	(0.13)
Average yield on securities	1.04	1.00	1.04	1.01	1.05	0.01
Average yield on interest-bearing liabilities	0.18	0.16	0.12	0.10	0.08	(0.04)
Average yield on deposits and NCDs (C)	0.15	0.14	0.09	0.08	0.06	(0.03)
Expense ratio	1.05	1.03	1.03	1.01	0.98	(0.05)
Funding cost (D)	1.21	1.17	1.13	1.10	1.04	(0.09)
(B)-(C)	1.73	1.71	1.64	1.62	1.54	(0.10)
(A)-(D)	0.39	0.40	0.37	0.38	0.32	(0.05)

Yen-Denominated Loans (1)



Breakdown by self-assessment classification of borrowers

(Billions of yen)

	09/9		10/3		10/9		11/3		11/9		Change from 10/9		Change from 11/3	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%
Yen-denominated loans (Total)	4,817.5	10,000.0%	4,836.6	100.0	4,794.7	100.0	4,795.3	100.0	4,802.5	100.0	7.8	0.2	7.2	0.2
Normal (including borrowers without a credit score)	4,165.3	86.5	4,111.0	85.0	4,106.3	85.6	4,052.1	84.5	4,105.2	85.5	(1.1)	(0.0)	53.1	1.3
Ibaraki and its adjoining areas	3,120.8	64.8	3,054.7	63.2	3,072.8	64.1	3,038.7	63.4	3,026.8	63.0	(46.0)	(1.5)	(11.9)	(0.4)
Ibaraki	2,635.7	54.7	2,578.5	53.3	2,598.2	54.2	2,567.8	53.5	2,547.1	53.0	(51.1)	(2.0)	(20.7)	(0.8)
Miyagi, Fukushima and Tochigi	367.2	7.6	358.6	7.4	354.8	7.4	348.6	7.3	351.8	7.3	(3.0)	(0.8)	3.2	0.9
Chiba and Saitama	117.8	2.4	117.6	2.4	119.6	2.5	122.3	2.6	127.8	2.7	8.2	6.9	5.5	4.5
Tokyo and Osaka	1,044.4	21.7	1,056.2	21.8	1,033.5	21.6	1,013.3	21.1	1,078.3	22.5	44.8	4.3	65.0	6.4
Other borrowers requiring caution	524.1	10.9	597.9	12.4	562.4	11.7	579.4	12.1	527.5	11.0	(34.9)	(6.2)	(51.9)	(9.0)
Substandard borrowers	29.1	0.6	29.6	0.6	25.5	0.5	45.4	0.9	55.5	1.2	30.0	117.6	10.1	22.2
Potentially bankrupt or worse	98.9	2.1	98.0	2.0	100.4	2.1	118.3	2.5	114.2	2.4	13.8	13.7	(4.1)	(3.5)

Breakdown by geographic area

(Billions of yen)

	09/9		10/3		10/9		11/3		11/9		Change from 10/9		Change from 11/3	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%
Yen-denominated loans (Total)	4,817.5	100.0	4,836.6	100.0	4,794.7	100.0	4,795.3	100.0	4,802.5	100.0	7.8	0.16	7.2	0.2
Ibaraki and its adjoining areas	3,711.7	77.0	3,724.8	77.0	3,690.6	77.0	3,696.5	77.1	3,658.3	76.2	(32.3)	(0.88)	(38.2)	(1.0)
Ibaraki	3,098.8	64.3	3,114.7	64.4	3,084.5	64.3	3,087.6	64.4	3,045.0	63.4	(39.5)	(1.28)	(42.6)	(1.4)
Miyagi, Fukushima and Tochigi	468.8	9.7	465.9	9.6	460.7	9.6	460.0	9.6	460.9	9.6	0.2	0.04	0.9	0.2
Chiba and Saitama	144.0	3.0	144.1	3.0	145.3	3.0	148.8	3.1	152.4	3.2	7.1	4.89	3.6	2.4
Tokyo and Osaka	1,105.7	23.0	1,111.8	23.0	1,104.1	23.0	1,098.7	22.9	1,144.2	23.8	40.1	3.63	45.5	4.1

Number of medium sized companies and SMEs

08/9	09/3	09/9	10/3	10/9	11/3	11/9	change from 10/9	change from 11/3
33,292	33,601	33,340	33,576	33,643	33,568	33,063	△ 580	△ 505

Yen-Denominated Loans (2)



Breakdown by borrower type

(Billions of yen)

	09/9		10/3		10/9		11/3		11/9		Change from 10/9		Change from 11/3	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%
Yen denominated loans (Total)	4,817.5	100.0	4,836.6	100.0	4,794.7	100.0	4,795.3	100.0	4,802.5	100.0	7.8	0.2	7.2	0.2
Individual loans	1,486.0	30.8	1,516.7	31.4	1,531.4	31.9	1,533.5	32.0	1,541.1	32.1	9.7	0.6	7.6	0.5
Corporate loans	2,555.7	53.1	2,538.6	52.5	2,490.1	51.9	2,475.4	51.6	2,513.9	52.3	23.8	1.0	38.5	1.6
Major companies	149.5	3.1	128.1	2.6	126.2	2.6	124.1	2.6	122.2	2.5	(4.0)	(3.2)	(1.9)	(1.5)
Medium sized companies	1,336.9	27.8	1,322.7	27.3	1,300.0	27.1	1,293.7	27.0	1,304.1	27.2	4.1	0.3	10.4	0.8
Small and medium sized companies	775.7	16.1	781.1	16.1	773.1	16.1	786.3	16.4	747.5	15.6	(25.6)	(3.3)	(38.8)	(4.9)
Public sector	808.9	16.8	775.7	16.0	781.1	16.3	773.1	16.1	786.3	16.4	5.2	0.7	13.2	1.7

Individual loans

(Billions of yen)

	09/9		10/3		10/9		11/3		11/9		Change from 10/9		Change from 11/3	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%
Individual loans (Total)	1,486.0	100.0	1,516.7	100.0	1,531.4	100.0	1,533.5	100.0	1,541.1	100.0	9.7	0.6	7.6	0.5
Housing-related loans	1,280.0	86.1	1,315.5	86.7	1,334.8	87.2	1,344.5	87.7	1,356.5	88.0	21.7	1.6	12.0	0.9
Consumer loans	77.6	5.2	77.4	5.1	77.6	5.1	76.1	5.0	74.3	4.8	(3.3)	(4.3)	(1.8)	(2.4)
Loans to small businesses	128.4	8.6	123.8	8.2	119.0	7.8	112.9	7.4	110.3	7.2	(8.7)	(7.3)	(2.6)	(2.3)

Corporate loans

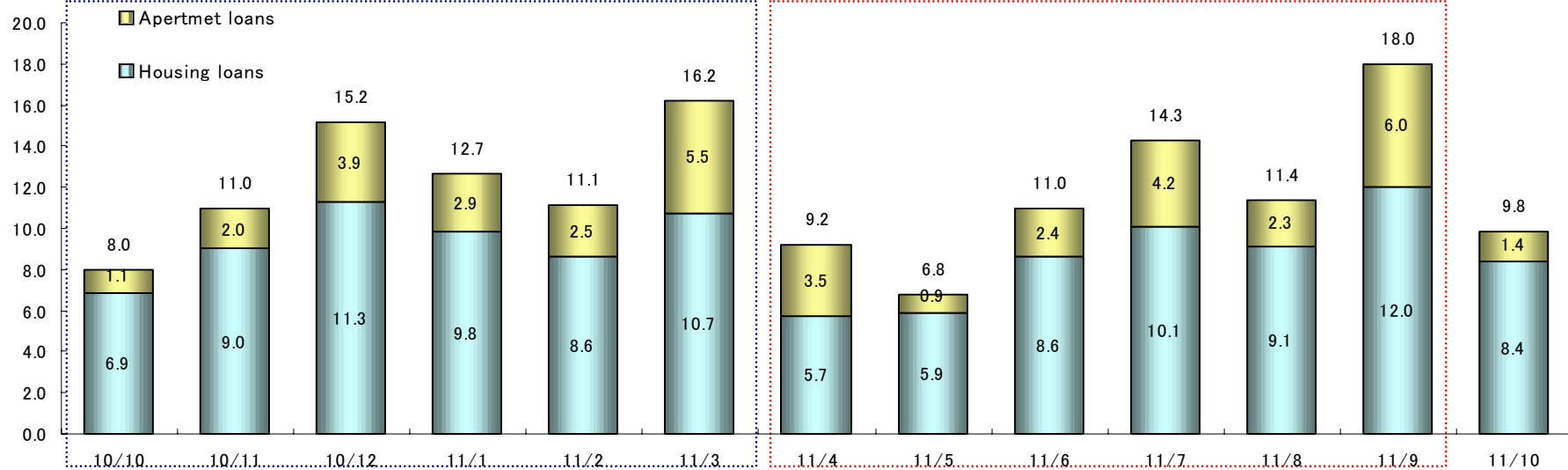
(Billions of yen)

	09/9		10/3		10/9		11/3		11/9		Change from 10/9		Change from 11/3	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%
Corporate loans (Total)	2,555.7	100.0	2,538.6	100.0	2,490.1	100.0	2,475.4	100.0	2,513.9	100.0	23.8	1.0	38.5	1.6
Ibaraki and its adjoining areas	1,452.9	56.8	1,429.7	56.3	1,388.7	55.8	1,379.0	55.7	1,371.7	54.6	(17.0)	(1.2)	(7.3)	(0.5)
Ibaraki	1,040.3	40.7	1,026.4	40.4	994.7	39.9	985.7	39.8	976.3	38.8	(18.4)	(1.8)	(9.4)	(1.0)
Miyagi, Fukushima and Tochigi	319.3	12.5	312.2	12.3	303.9	12.2	300.9	12.2	301.0	12.0	(2.9)	(1.0)	0.1	0.0
Chiba and Saitama	93.4	3.7	91.0	3.6	90.0	3.6	92.4	3.7	94.4	3.8	4.4	4.9	2.0	2.2
Tokyo and Osaka	1,102.7	43.1	1,108.9	43.7	1,101.3	44.2	1,096.4	44.3	1,142.2	45.4	40.9	3.7	45.8	4.2

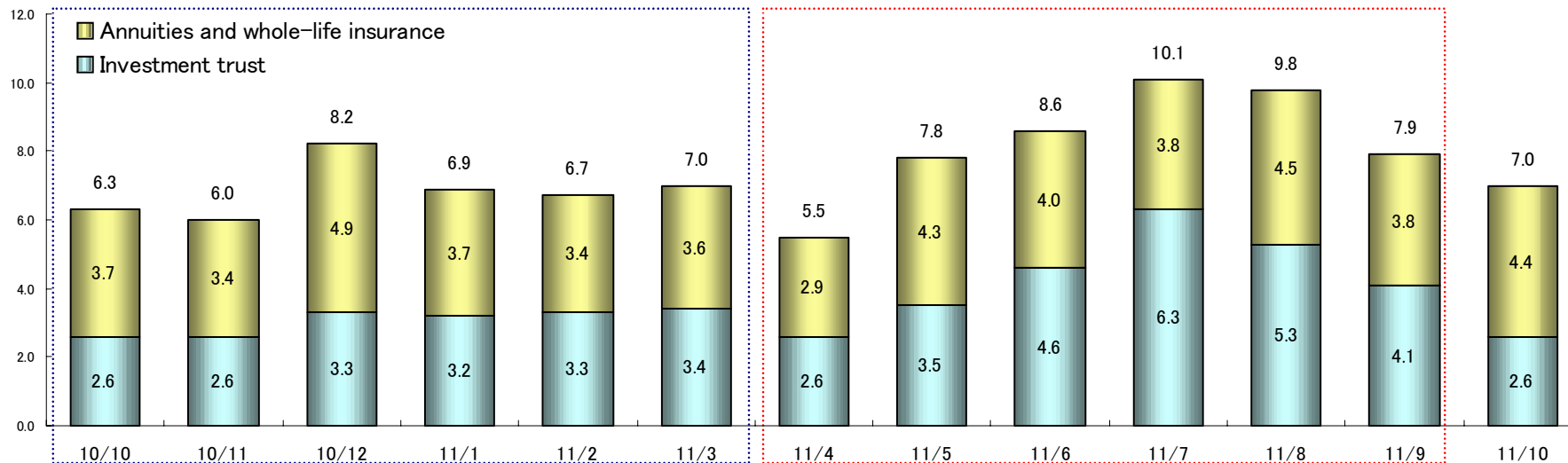
Housing Loans, Investment Trusts and Insurance Products



Housing loans executed (monthly)



Sales of investment trusts and insurance products (monthly)



Deposits and Client Assets in Custody



Deposits

(Billions of yen)

	09/9		10/3		10/9		11/3		11/9		Change from 10/9		Change from 11/3	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%
Deposits (Total)	6,554.9	100.0	6,681.1	100.0	6,677.6	100.0	6,817.5	100.0	7,070.0	100.0	392.4	5.9	252.5	3.7
Yen deposits	6,452.1	98.4	6,614.9	99.0	6,604.6	98.9	6,752.0	99.0	7,004.4	99.1	399.8	6.1	252.4	3.7
Foreign deposits	66.2	1.0	66.2	1.0	63.9	1.0	65.4	1.0	65.5	0.9	1.6	2.5	0.1	0.2
JOM deposits	36.6	0.6	0.0	0.0	9.0	0.1	-	-	-	-	(9.0)	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NCDs	58.8		24.5		34.7		12.9		3.3		(31.4)	(90.5)	(9.6)	(74.4)

Yen deposits by customer type

(Billions of yen)

	09/9		10/3		10/9		11/3		11/9		Change from 10/9		Change from 11/3	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%
Yen deposits (Total)	6,452.1	100.0	6,614.9	100.0	6,604.6	100.0	6,752.0	100.0	7,004.4	100.0	399.8	6.1	252.4	3.7
Individual	5,028.1	77.9	5,078.9	76.8	5,126.5	77.6	5,163.0	76.5	5,305.7	75.7	179.2	3.5	142.7	2.8
Corporate	1,157.3	17.9	1,205.9	18.2	1,160.3	17.6	1,270.3	18.8	1,325.1	18.9	164.8	14.2	54.8	4.3
Public sector	266.6	4.1	330.0	5.0	317.7	4.8	318.6	4.7	373.4	5.3	55.7	17.5	54.8	17.2

Client assets in custody

(Billions of yen)

	09/9		10/3		10/9		11/3		11/9		Change from 10/9		Change from 11/3	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%
Individual (Total)	6,082.3	100.0	6,139.4	100.0	6,164.4	100.0	6,196.3	100.0	6,315.8	100.0	151.4	2.5	119.5	1.9
Current	2,643.2	43.5	2,700.8	44.0	2,728.4	44.3	2,794.2	45.1	2,914.3	46.1	185.9	6.8	120.1	4.3
Time deposits	2,384.9	39.2	2,378.0	38.7	2,398.1	38.9	2,368.8	38.2	2,391.6	37.9	(6.5)	(0.3)	22.8	1.0
(Sub total)	5,028.1	82.7	5,078.9	82.7	5,126.5	83.2	5,163.0	83.3	5,305.7	84.0	179.2	3.5	142.7	2.8
Investment	1,054.2	17.3	1,060.5	17.3	1,037.9	16.8	1,033.3	16.7	1,010.1	16.0	(27.8)	(2.7)	(23.2)	(2.2)

Investment Portfolio



Balance of investment portfolio

(Billions of yen)

	10/9		11/3		11/9		Change from 11/3		Change from 10/9	
	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%
Yen-denominated bonds	1,859.2	87.0	1,852.8	86.7	2,038.5	88.4	185.7	1.7	179.3	1.4
Duration [years]	3.5	—	3.6	—	3.9	—	0.3	—	0.4	—
Fixed rate notes	1,611.6	75.5	1,625.3	76.0	1,813.0	78.6	187.7	2.6	201.4	3.2
[Average yield: %]	0.99	—	1.00	—	0.95	—	(0.05)	—	(0.04)	—
Floating rate notes	247.6	11.6	227.5	10.6	225.4	9.8	(2.1)	(0.9)	(22.2)	(1.8)
[Average yield: %]	0.46	—	0.39	—	0.39	—	(0.00)	—	(0.07)	—
Foreign-denominated bonds	87.9	4.1	99.7	4.7	80.8	3.5	(18.9)	(1.2)	(7.1)	(0.6)
Duration [years]	2.5	—	2.8	—	1.9	—	(0.9)	—	(0.6)	—
[Average yield: %]	2.51	—	2.45	—	2.28	—	(0.17)	—	(0.23)	—
Fixed rate notes	66.9	3.1	81.4	3.8	68.1	3.0	(13.3)	(0.9)	1.2	(0.2)
[Average yield: %]	3.76	—	3.61	—	3.35	—	(0.26)	—	(0.41)	—
[Average yield spread: %]	3.20	—	2.97	—	2.69	—	(0.28)	—	(0.51)	—
Floating rate notes	20.9	1.0	18.2	0.9	12.7	0.6	(5.5)	(0.3)	(8.2)	(0.4)
[Average yield: %]	0.74	—	0.72	—	0.66	—	(0.06)	—	(0.09)	—
[Average yield spread: %]	0.34	—	0.32	—	0.31	—	(0.01)	—	(0.03)	—
Stock	149.6	7.0	145.2	6.8	144.4	6.3	(0.8)	(0.5)	(5.2)	(0.7)
Tier I ratio	—	39.0	—	39.2	—	38.3	—	(0.0)	—	(0.8)
Investment trusts and others	39.0	1.8	39.6	1.9	41.7	1.8	2.1	(0.0)	2.7	(0.0)
Total	2,135.8	100.0	2,137.5	100.0	2,305.5	100.0	168.0	0.0	169.7	0.0
[Average yield: %]	1.10	—	1.09	—	1.12	—	0.03	0.0	0.0	0.0
Unrealized gains/(losses)	53.9	—	47.3	—	38.0	—	(9.3)	—	(15.9)	—

Foreign Securities Portfolio



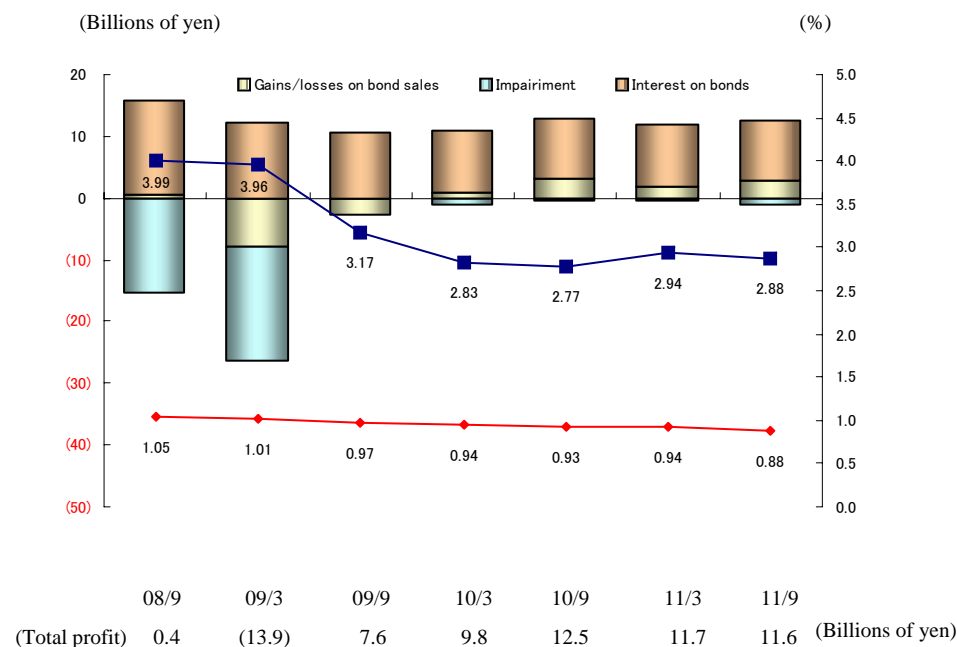
Securities portfolio

	11/3		11/9		change from 11/3	
	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)
Domestic bonds	1801.5	21.5	1995.0	26.6	193.4	5.1
Stocks	145.2	30.1	144.4	12.5	(0.8)	(17.5)
Foreign bonds	151.0	(1.2)	124.3	1.3	(26.7)	2.5
Investment trusts and others	39.6	(2.8)	41.7	(2.3)	2.1	0.5
Trust beneficiary rights	22.6	(0.2)	19.0	(0.1)	(3.5)	0.0
Total	2160.1	47.3	2324.5	38.0	164.4	(9.3)

Foreign bonds

	11/3		11/9		change from 11/3	
	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)
Sovereign	27.1	0.0	26.3	0.9	(0.7)	1.0
Corporate	76.1	0.3	59.6	0.1	(16.4)	(0.1)
CMO (including Ginnie Mae)	20.8	(0.5)	18.3	0.5	(2.4)	1.0
Securitization	26.9	(0.9)	20.0	(0.3)	(6.8)	0.6
Total	151.0	(1.2)	124.3	1.3	(26.7)	2.5

Bond profits and yields



Cost Efficiency



Breakdown of expenses

(Billions of yen)

	1H FY08	FY2008	1H FY09	FY2009	1H FY10	FY2010	1H FY11	Change (YoY)
Total expenses	37.1	72.3	35.7	69.9	35.4	69.6	35.3	(0.0)
Personnel expenses	18.0	35.3	17.7	35.5	17.5	35.1	17.6	(0.0)
Non-personnel expenses	16.8	33.5	15.9	31.6	15.5	31.4	15.6	0.0
Depreciation of property and equipment 1	2.1	4.8	2.6	5.3	2.7	5.8	3.0	0.3
Deposit insurance premium 2	2.5	5.1	2.6	5.2	2.7	5.4	2.7	0.0
Non-personal expenses excluding 1 and 2	12.1	23.5	10.6	21	10.1	20.1	9.7	(0.3)
Taxes	2.2	3.4	2.0	2.8	2.1	3.0	2.1	(0.0)
OHR (Core business profit basis)	61.8%	60.2%	60.7%	60.6%	63.1%	62.5%	64.6%	1.5%

Number of employees / branches

	08/9	09/3	09/9	10/3	10/9	11/3	11/9	Change (YoY)
Number of employees	3,425	3,368	3,529	3,442	3,443	3,360	3,457	14
Number of branches	398	400	405	397	397	400	402	5
Domestic branches	174	174	173	173	174	176	176	2
Overseas branches	1	1	1	1	1	1	1	0
Sub-branches (including those operated jointly with I-net)	223	225	231	223	222	223	225	3
Number of ATMs installed	23,072	24,167	24,952	25,718	26,591	27,307	28,143	1,552
Installed by Jojo Bank (including those operated jointly with I-net)	870	875	880	871	875	888	891	16
Installed by E-net	8,895	9,489	9,884	10,256	10,761	11,056	11,247	486
Installed by Seven Bank	13,307	13,803	14,188	14,591	14,955	15,363	16,005	1,050

Management Indices (Non-consolidated)



Management Indices (Non-consolidated)

	08/9	09/3	09/9	10/3	10/9	11/3	11/9	Change(YoY)
EPS (Yen)*1	5.46	6.46	9.25	16.81	13.77	16.74	11.32	(2.45)
ROE (Net income basis: %)*2	2.08	1.26	3.63	3.27	5.01	3.07	4.14	(0.87)
ROE (Net income basis: %)*3	2.22	1.32	3.78	3.46	5.53	3.38	4.46	(1.07)
BPS (Yen)	503.30	479.00	536.20	546.20	548.70	544.70	544.12	(4.58)
OHR (Core business profit basis: %)	61.80	60.20	60.70	60.60	63.10	62.50	64.60	1.50
ROA (Core business profit basis: %)	0.61	0.064	0.62	0.61	0.56	0.57	0.50	(0.06)

*1 The denominator of the equation for EPS is the average number of shares outstanding,

and the denominator of the equation for BPS is the number of shares outstanding at end of fiscal year (both excluding treasury stock)

*2 ROE figures are on top: net income ÷ (balance of net assets at end of previous fiscal year

+ balance of net assets at end of period) ÷ 2

*3 ROE figures are on bottom: net income ÷ average balance of net assets (excluding unrealized gains (losses) on available-for-sale securities)

Reference Indices

(%)

	08/9	09/3	09/9	10/3	10/9	11/3	Change(YoY)
Loans and bills discounted	42.80	42.66	43.12	43.24	43.13	43.25	0.01
Deposits	42.20	42.23	42.68	42.75	42.23	42.71	(0.04)

Share of deposits and loans in Ibaraki Prefecture, final figures for fiscal 2010

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