



Financial Results for FY2011 and Projections for FY2012

To be the best partner bank that grows with its customers



Earthquake Recovery and Reconstruction

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- Regional Reconstruction
- Support Project “Kizuna” 3

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Earthquake Recovery and Reconstruction in Ibaraki (1)



Infrastructure Restoration Status

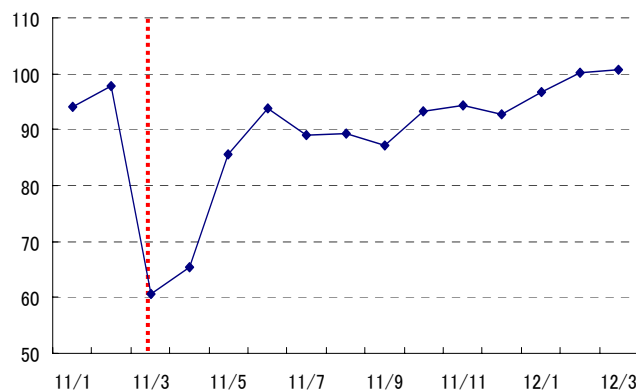
• The vast majority of critical infrastructure restored during FY2011; restoration of fishery-related facilities, which suffered the most damage, not expected until after FY2012; complete restoration forecast to take until FY2014

Infrastructure	Damage(Place)	Damage(Billions of yen)	Status of restoration; Projected date of complete restoration
Highways	75	4.5	[Highways] Emergency work completed for all highways; repavement of all highways to be completed in January 2013
General roads	328	2.8	[General roads] Restoration of certain bridges where damage was particularly severe scheduled for the end of FY2013
Ports	209	32.9	Vessel routes resumed excluding the Hitachinaka District; full-fledged restoration construction scheduled for completion during FY2013
Fishery-related facilities	—	66.0	Provisional steps taken to accommodate the hauling of fish through emergency measures; complete restoration projected to take up to FY2014

Manufacturing

• Supply chains largely restored around June and July last year; concerns however remain regarding the slowdown in overseas economic growth rates

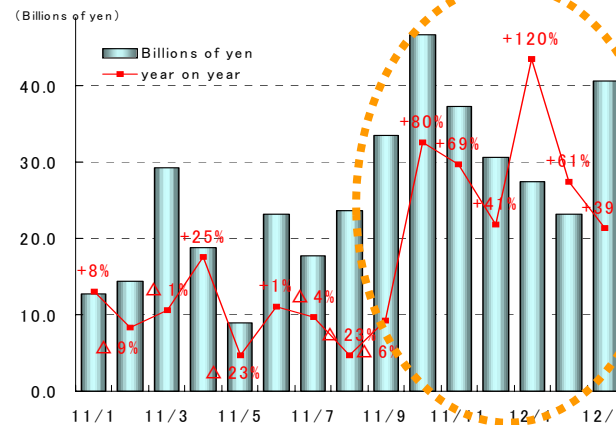
【Industrial Production for Ibaraki】



Construction (Public)

• Monthly contract amounts for public works up substantially year on year from autumn last year

【Value of public construction starts by order for Ibaraki】



Agriculture

• Relief from the dramatic deterioration that occurred immediately after the earthquake disaster; return to more settled conditions. Addressing negative rumors remain an issue.

Volume of greengrocery ※	2011: ¥45.8 billions (YoY Change : -17%)
※Volume of greengrocery in The central wholesale market in Tokyo	
Shipment regulation (Government)	Though seven kinds were regulated shipment, four of them were canceled.

Earthquake Recovery and Reconstruction in Ibaraki (1)



Economic Indicators for Ibaraki Prefecture (YoY change)

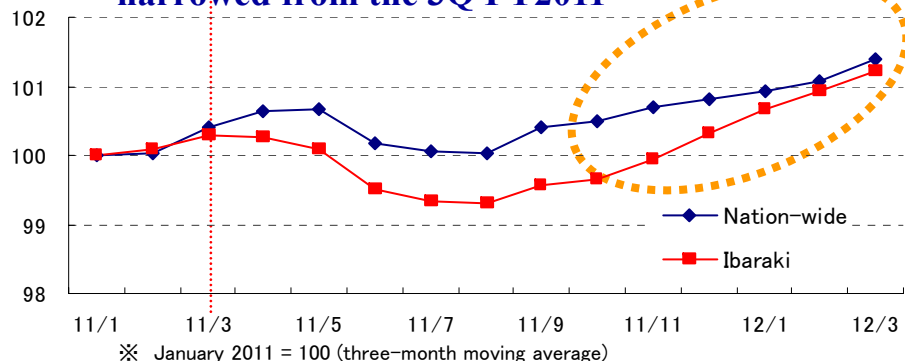
- Substantial downturn in March 2011 due to the earthquake disaster; weak conditions throughout the six-month period from April to September
- Year-on-year improvement in economic indicators from October 2011; signs of a steady recovery

	FY2011												FY2012		
	11/1	11/2	11/3	11/4	11/5	11/6	11/7	11/8	11/9	11/10	11/11	11/12	12/1	12/2	12/3
Industrial production(production/2005=100)	6.0	9.7	(32.8)	(30.4)	0.3	10.7	(3.5)	1.0	(1.9)	3.7	4.1	3.5	2.8	7.2	62.9
New housing starts(YoY)	21.0	(4.8)	(12.9)	(12.5)	18.0	(12.7)	49.5	(22.2)	(25.5)	(7.2)	1.1	(8.6)	(7.5)	18.6	47.5
Value of public construction starts by order	7.7	(9.3)	(1.1)	24.5	(22.9)	0.7	(4.1)	(22.7)	(6.1)	79.9	69.1	40.5	116.6	60.9	38.7
Total number of registered new automobiles	(21.3)	(14.4)	(37.8)	(52.7)	(42.6)	(26.3)	(27.8)	(34.2)	0.0	28.1	23.8	17.9	37.1	36.0	78.5
Large-scale retail store sales(YoY)	2.3	4.2	(40.3)	(9.2)	5.3	2.4	5.6	0.3	(0.8)	2.3	2.1	4.8	1.7	1.9	69.6
Deposits	2.5	2.2	1.7	4.4	4.5	5.3	4.9	4.8	5.0	5.3	4.8	5.1	4.8	4.4	5.8
Loans	(0.5)	(0.9)	(1.1)	(0.5)	(1.6)	(1.0)	(0.9)	(0.7)	(1.0)	(0.1)	0.5	0.6	0.7	1.0	0.9
Numbers of indicators increased year on year	9		-	10			7			18			20		

Loans and bills discounted

(comparison between Nation-wide and Ibaraki Prefecture)※

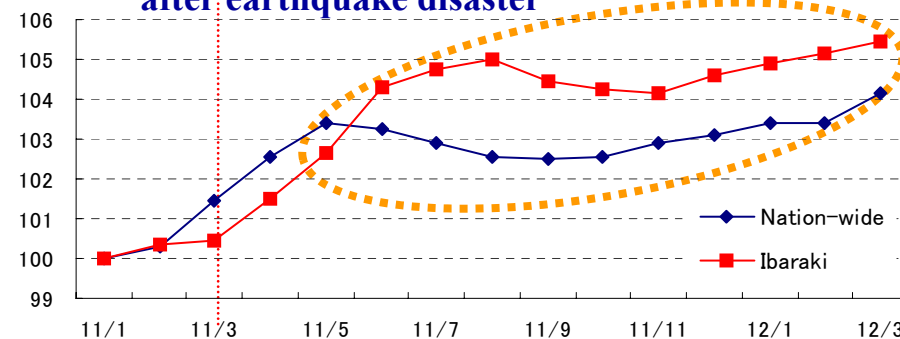
- Discrepancy with nation-wide data narrowed from the 3Q FY2011



Deposit



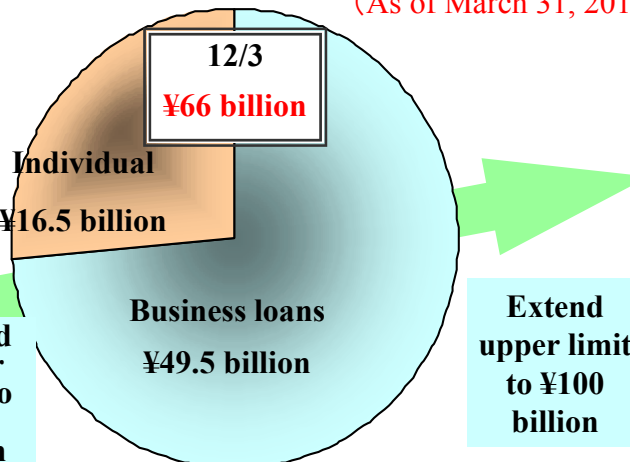
(comparison between Nation-wide and Ibaraki Prefecture)※

- Increased beyond nation-wide average, after earthquake disaster



Our Measures for Earthquake Recovery and Reconstruction

~ Regional Reconstruction Support Project “Kizuna” ~

Provision of easily-accessible financial functions	Restoration and revitalization of local economy	Contributions to local economy
<p>○Earthquake Disaster Reconstruction Support Loan “Kizuna”</p> <ul style="list-style-type: none"> Extend upper limit of the business loan from ¥50 billion to ¥100 billion (initial limit : ¥20billion) <p>○“Ibaraki Kizuna Fund”</p> <ul style="list-style-type: none"> Jointly developed with Development Bank of Japan: ¥5 billion Funds 1 and 2 implemented in March 2012 <p>○ Earthquake Disaster Reconstruction Support lease “Kizuna”</p> <ul style="list-style-type: none"> Provided by Joyo Lease, an affiliated company Track record as of March 31, 2012 Amount : ¥1 billion (Number :100) <p>○Investment trust, “Kizuna-no-chikara”</p> <ul style="list-style-type: none"> First nation-wide scheme (Money trust utilizing subordinated loans as trust assets) Track record : ¥5.9 billion  <p>○Subordinated debt</p> <ul style="list-style-type: none"> The Joyo Securities, affiliated company, assumed co-leader. securities Track record : ¥10 billion 	<p>○1 day · ¥100 tasting event (Contributed to increase sales of local foods)</p> <ul style="list-style-type: none"> Events held in Nihonbashi Tokyo and Mito Attended by an aggregate total of 45,000 <p>○ Concluded a comprehensive collaboration agreement to help revitalize the regional economy with Ibaraki Prefecture</p> <ul style="list-style-type: none"> Education support and assistance in expanding sales channels for local items and produce 	<p>○ Aid to education funds (grants)</p> <ul style="list-style-type: none"> Donated a part of profit on assets in custody sales to Ibaraki Prefecture (¥10 million)
<p style="text-align: center;">Earthquake Disaster Reconstruction Support Loan</p> <p>○ Executed Earthquake Disaster Reconstruction Support Loan “Kizuna”, ¥66 billion.</p> <p>○ Earthquake disaster-related loans including prefectural system loans</p> <p style="text-align: center;">Total amount executed ¥261.3 billion</p> <p>< Executed Earthquake Disaster Reconstruction Support lease “Kizuna” ></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>11/9</p> <p>¥27.8 billion</p> </div> <div style="text-align: center;"> <p>(As of March 31, 2012)</p>  <p>Individual ¥16.5 billion</p> <p>Business loans ¥49.5 billion</p> <p>12/3 ¥66 billion</p> </div> </div> <p>Business loans Initial upper limit : ¥20 billion</p> <p>Business loans Extend upper limit to ¥50 billion</p> <p>Business loans Extend upper limit to ¥100 billion</p>		

Financial Results for FY2011

- **Financial Highlights**
- **Balance Sheets of March 31, 2012**
- **Balance of Loans and Deposits**
- **Loan Interest Margins**
- **Corporate Loans**
- **Housing-Related Loans**
- **Assets in Custody**
- **Securities**
- **Credit Costs**
- **Capital Management**
- **Shareholder Return**

Financial Highlights



- Gross business profit decreased ¥2.8 billion year on year due mainly to decrease in net interest income caused by lower yields
- However, ordinary profit increased ¥11 billion and net income after tax increased ¥3.8 billion year on year due to decrease of expense and credit cost

Financial highlights for FY2011

【Non-consolidated】

(Billions of yen)

	FY2011	FY2012	YoY change	Versus target
Gross business profit	112.9	115.8	△ 2.8	△ 2.0
Net interest income	95.7	98.9	△ 3.1	△ 2.7
Fees and commissions	11.3	11.3	0.0	△ 1.6
Net other operating profit	5.7	5.4	0.3	2.2
Expenses	69.1	69.6	△ 0.4	0.1
Net transfer to general reserve for possible loan losses (A)	1.7	4.1	△ 2.4	△ 0.2
Business profit	41.9	41.9	0.0	△ 2.0
Core business profit	39.4	41.7	△ 2.2	△ 3.5
Net non-recurring gains(losses)	△ 11.9	△ 23.0	11.0	6.0
Disposal of non-performing loans (B)	8.1	18.7	△ 10.5	△ 5.8
[Gains on collection of loan assets ※]	2.2	-	2.2	-
Net gains (losses) on equity securities	△ 1.7	△ 3.1	1.4	△ 0.7
Ordinary profit	29.9	18.9	11.0	3.9
Net special gains (losses)	△ 0.7	0.8	△ 1.5	0.2
Net income before income taxes and others	29.2	19.7	9.4	-
Net income after tax	16.7	12.9	3.8	0.7
Net credit costs (A)+(B)	9.9	20.7	△ 10.8	△ 6.0

※ "Gains on collection of loan assets" is posted under "Net non-recurring gains(losses)".

Breakdown of gross business profit

(Billions of yen)

	FY2011	FY2010	YoY Change
Net interest income	95.7	98.9	△ 3.1
Interest income on domestic loans	76.7	82.5	△ 5.8
Interest income on securities	23.9	23.2	0.6
(Domestic)	21.0	20.0	0.9
(Foreign)	2.8	3.1	△ 0.3
Interest expenses on deposits	3.8	5.5	△ 1.6
Fees and commissions	11.3	11.3	0.0
Investment trusts, annuities and whole-life insurance	4.2	4.0	0.1
Net other operating profit	5.7	5.1	0.6
Gains/losses on bonds	4.2	4.4	△ 0.1

Top-line

Factors contributing to decrease at Top-line

Decreased interest income on loans : -¥5.8 billion

Lower interest rate

Factors contributing to increase Top-line

Increased interest income on securities : ¥0.6 billion

Increased dividend payments and interest on funds

Decreased interest expense on deposits : ¥1.6 billion

Decreased interest on deposit as lower market rates

Fees from investment trust and insurance : ¥0.1 billion

Increased sales of investment trusts and insurance

Impact of ¥2.4 billion attributable to the reversal of deferred tax assets following a reduction in the rate of income tax

Balance Sheets as of March 31, 2012



· Total assets increased ¥560.6 billion year on year

· Main factors for the increase were Yen-denominated loans (+¥173.9 billion), securities (+¥266.6 billion) and Yen-denominated deposits (+¥449.3 billion)

As of March 31, 2011

(Billions of yen)

At the end of FY2010.			
Assets		Liabilities	
Loans (floating rate) (Yen-denominated)	2,510.5	Deposits (current) (Yen-denominated)	3,943.8
Spread lending	572.3		
Loans (fixed rate) (Yen-denominated)	2,284.8		
Securities invested	2,185.6	Deposit (time) (Yen-denominated)	2,808.2
		Other liabilities	251.6
		Net assets	417.8
Others	440.4		
Total	7,421.3	Total	7,421.3

Assets in custody 1,033.3

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 ¥22.6 billion YoY

Securities (P.12)

Increased due to growing gap between deposits and loans

Total assets increased ¥560.6 billion

As of March 31, 2012

(Billions of yen)

At the end of FY2011. Figures in [] shows change from the end of FY2010			
Assets		Liabilities	
Loans (floating rate) (Yen-denominated)	2,593.4 [82.9]	Deposits (current) (Yen-denominated)	4,368.3 [424.4]
Spread lending	580.0 [76.7]		
Loans (fixed rate) (Yen-denominated)	2,375.7 [90.9]	Deposit (time) (Yen-denominated)	2,833.0 [24.8]
Securities invested	2,452.2 [266.6]	Other liabilities	343.0 [91.5]
		Net assets	437.5 [19.7]
Others	560.5 [20.1]		
Total	7,982.0 [560.6]	Total	7,982.0 [560.6]

Assets in custody 1,032.6
[(0.6)]

Deposits (P.7)

Deposits increased significantly due to earthquake disaster etc.

Capital management (P.15)

Capital ratio 12.78%
Tier I ratio 12.11%
(consolidated)

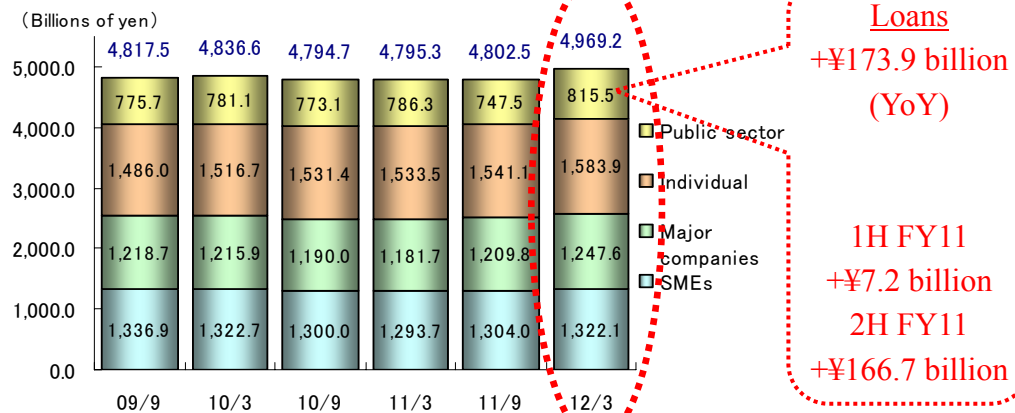
Assets in custody (P.11)

Balance decreased due to market factors

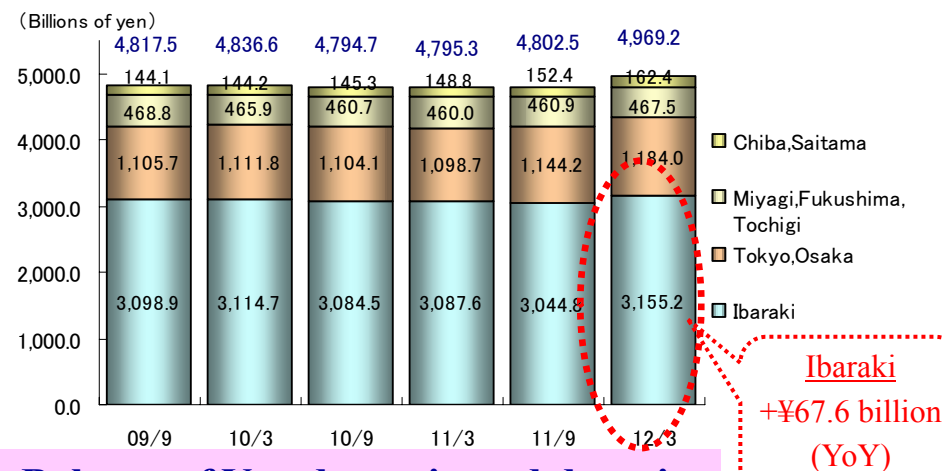
Balance of Loans and Deposits

- Balance of loans and bills discounted increased ¥173.9 billion compared with end of FY2010, due to active promotion of reconstruction and housing loans
- Balance of deposits increased ¥449.3 billion compared with end of FY2010, prompted by higher customer cash reserves after the earthquake and insurance payments

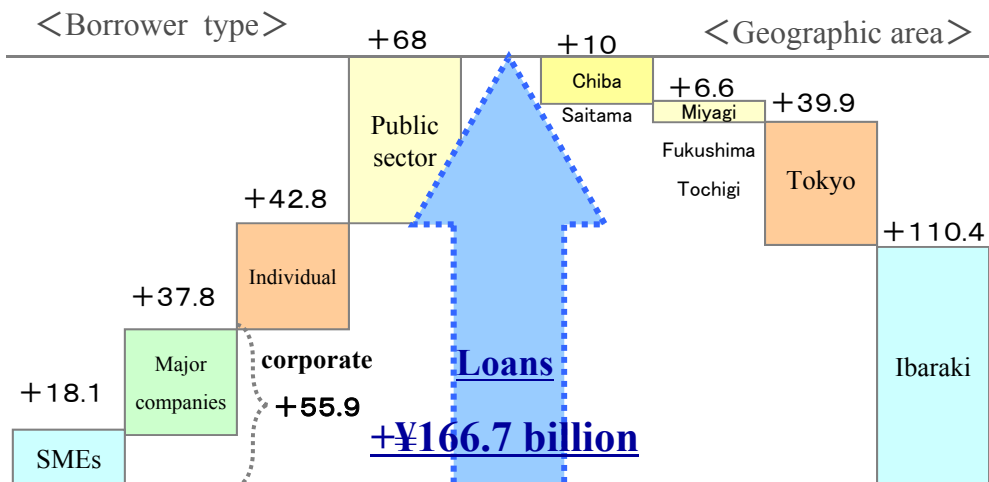
Balance of loans and bills discounted (Breakdown by borrower type)



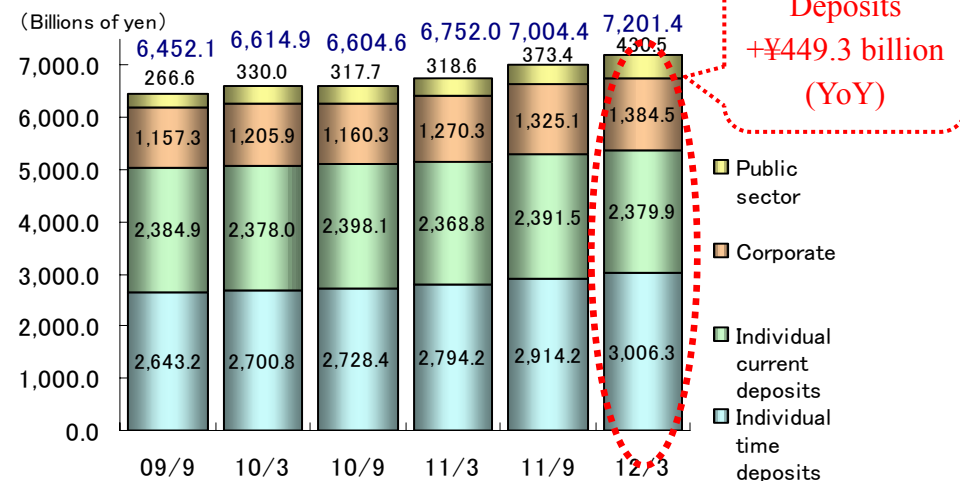
Balance of loans and bills discounted (Breakdown by geographic area)



Factors contributing to increase loans (Change from 11/9)



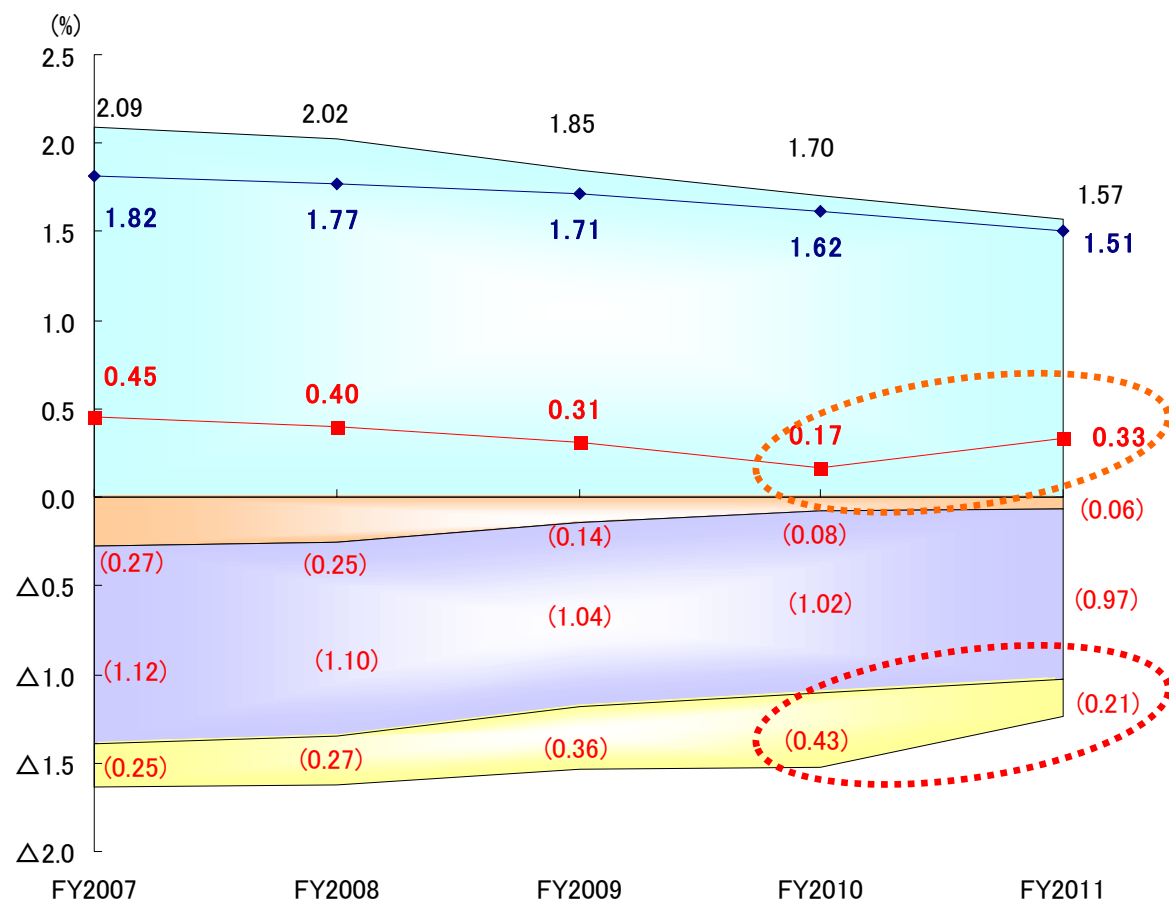
Balance of Yen-denominated deposits



Loan Interest Margins



- Yield on loans and bills discounted declined due to lower market interest rates ; interest margins decreased 11bp year on year
- However, interest margins after cost deductions increased 16bp owing to decrease in expense ratio and credit cost ratio



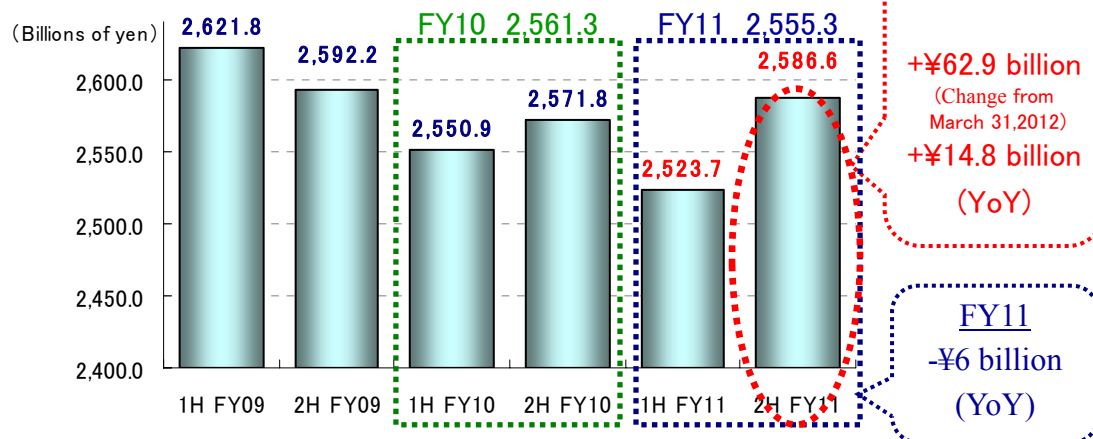
Result (YoY Change)	
Average yield on loans and bills discounted	1.57% [-0.13%] (a)
Interest margins	1.51% [-0.11%] (a)-(b)
Interest margins after cost deductions	0.33% [+0.16%] (a)-(b)-(c)-(d)
Average yield on deposits and NCDs	0.06% [-0.02%] (b)
Expense ratio	0.97% [-0.05%] (c)
Credit cost ratio	0.21% [-0.22%] (d)

Corporate Loans

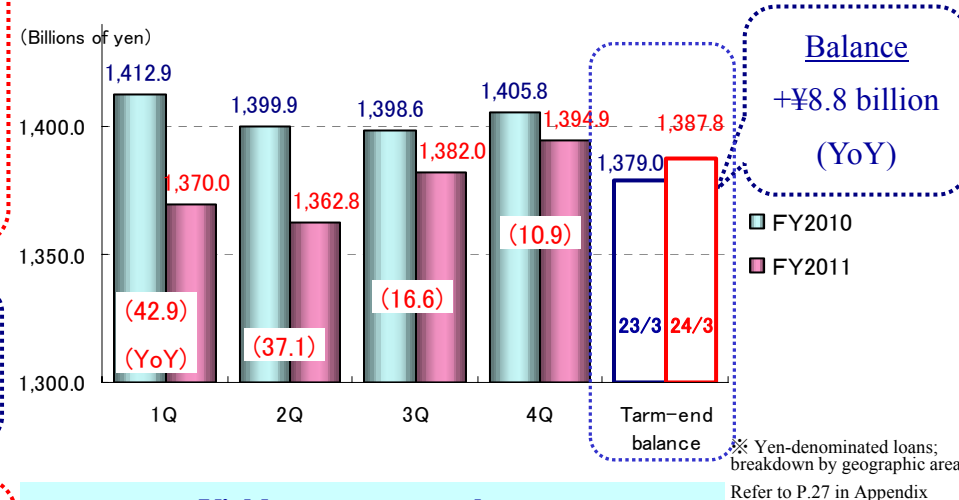


• Corporate loans declined during the 1HFY2011 due to the earthquake disaster; buoyed by proactive measures aimed at addressing reconstruction demand, corporate loans recovered dramatically in the 2HFY2011, up ¥62.9 billion compared with the previous period

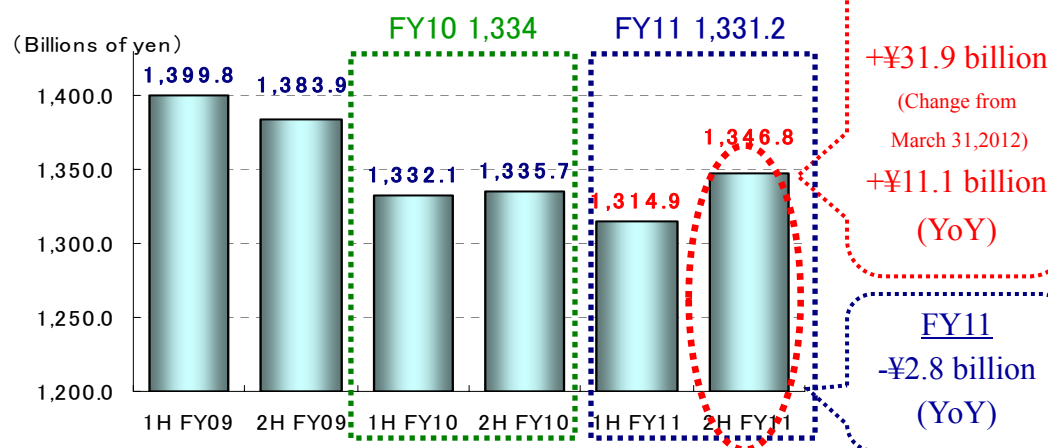
Average balance of corporate loans (Yen-denominated)



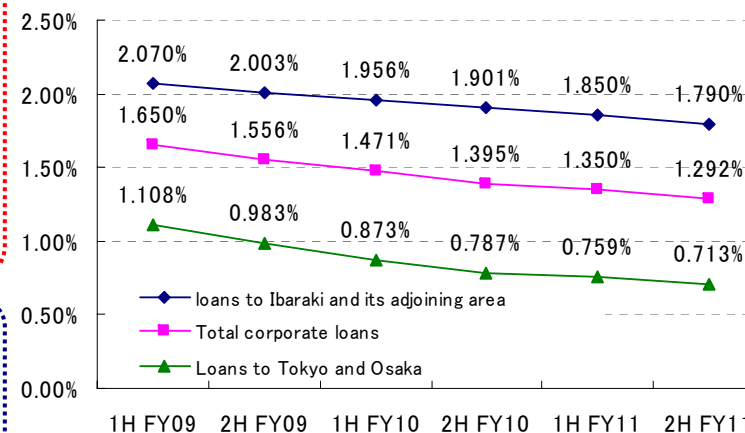
Average balance of corporate loans (Yen-denominated) (Quarterly, in Ibaraki and its adjoining area)*



Average balance of corporate loans (Yen-denominated) (For SMEs)



Yields on corporate loans

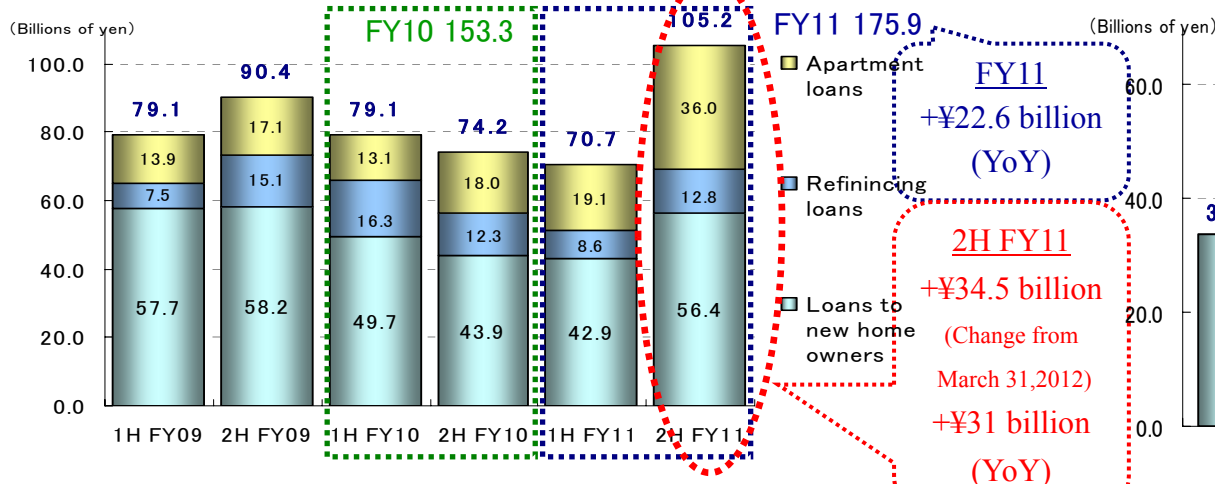


Housing-Related Loans

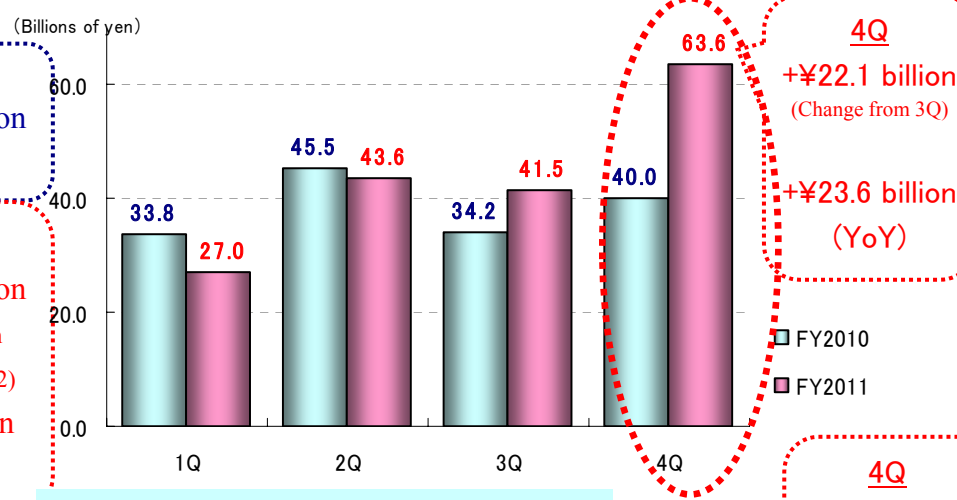


• Undertook a variety of measures (increased sales and marketing personnel in growth regions, introduced new products, conducted campaigns, put in place promotion channels); bolstered housing-related loan activities; YoY increase of ¥22.6 billion in loans executed in FY2011

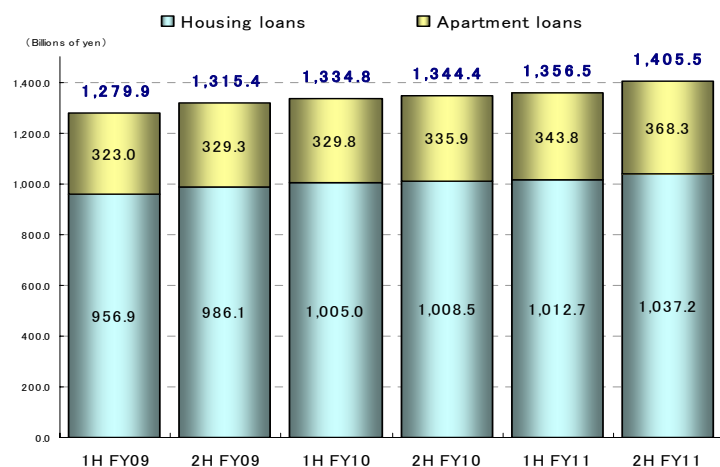
Housing-related loans executed



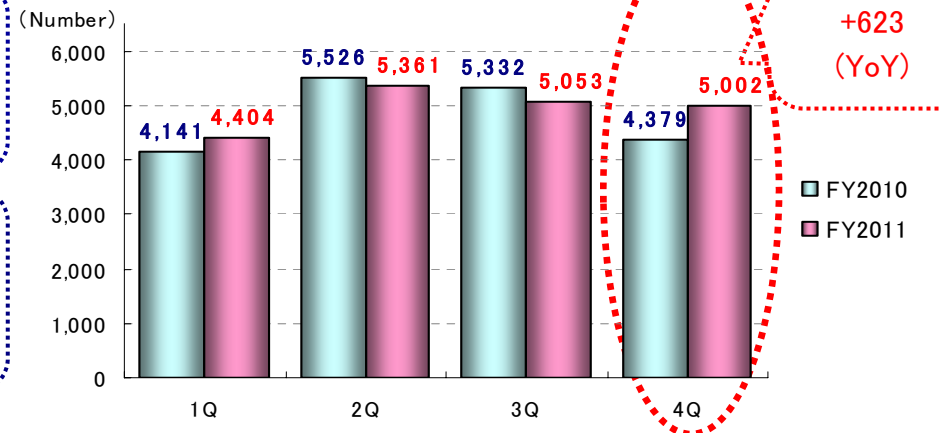
Housing-related loans executed in FY2011 (quarterly)



Balance of housing-related loans



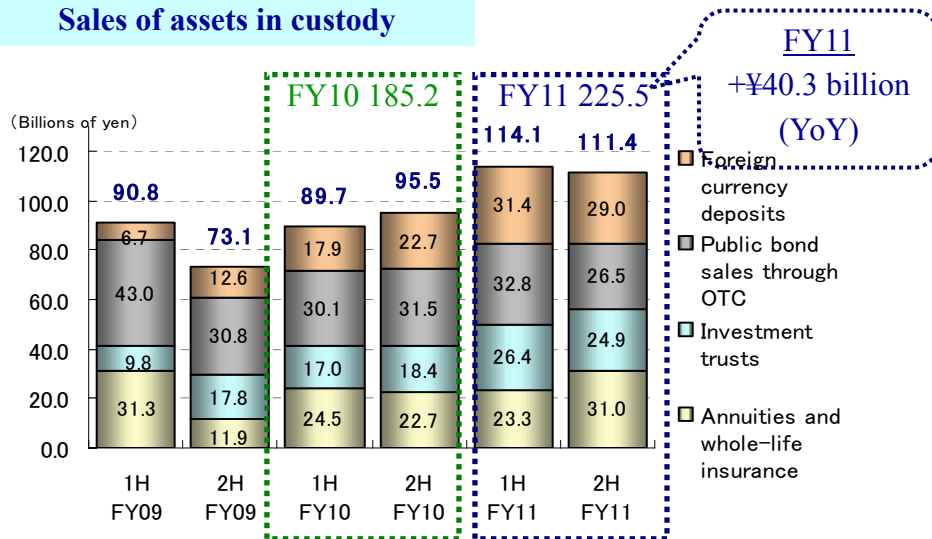
Housing starts in Ibaraki Prefecture



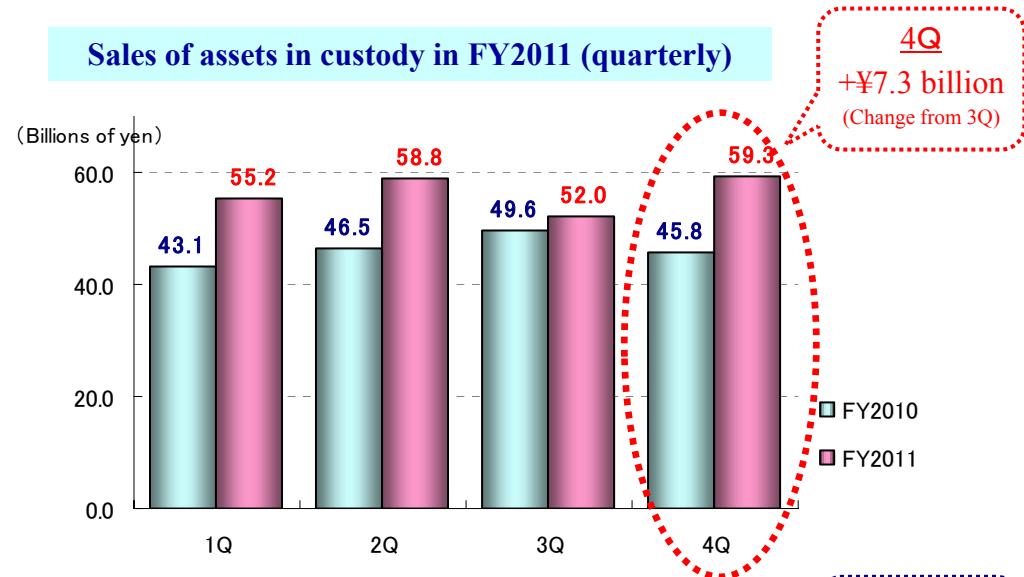
Assets in Custody

- Sales of assets in custody increased ¥40.3 billion compared with end of FY2010, due mainly to the sales promotion campaign “Assist” and new products
- Fee from assets in custody increased ¥0.3 billion year on year

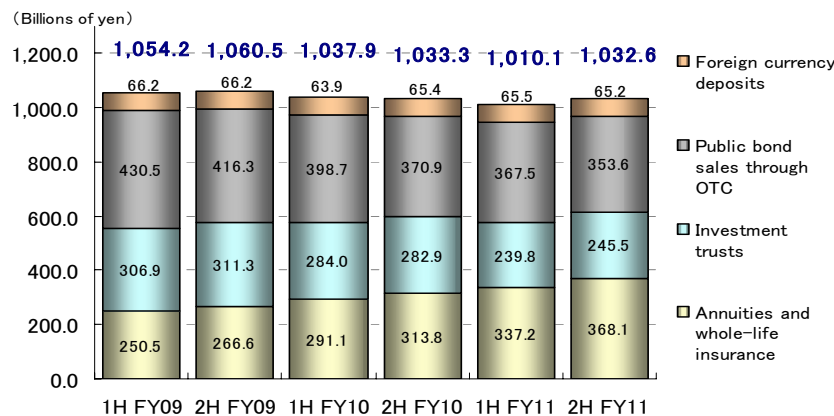
Sales of assets in custody



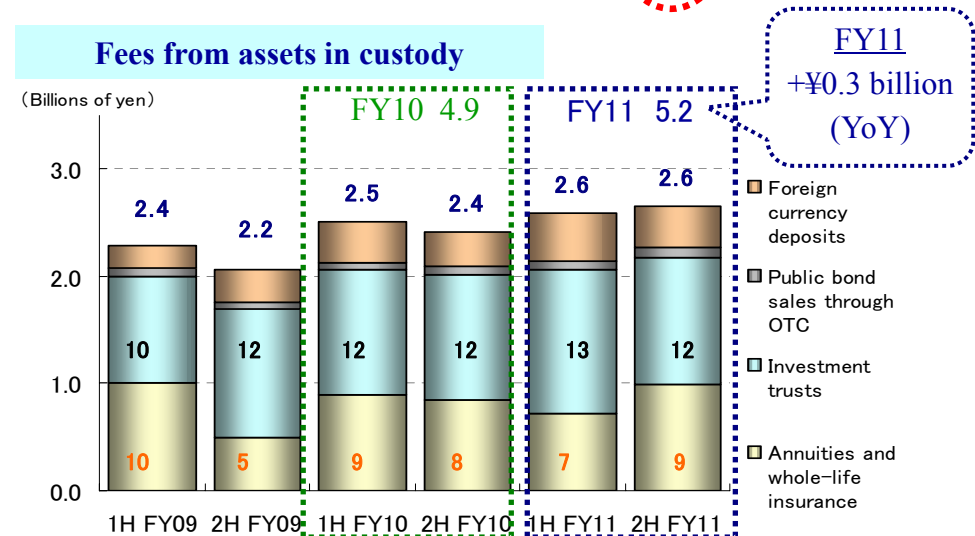
Sales of assets in custody in FY2011 (quarterly)



Balance of client assets in custody



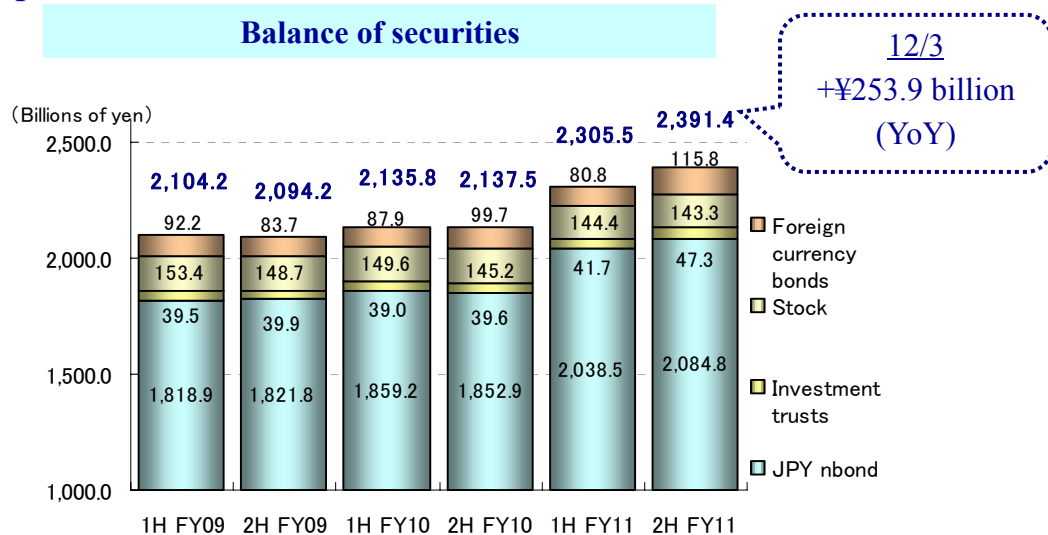
Fees from assets in custody



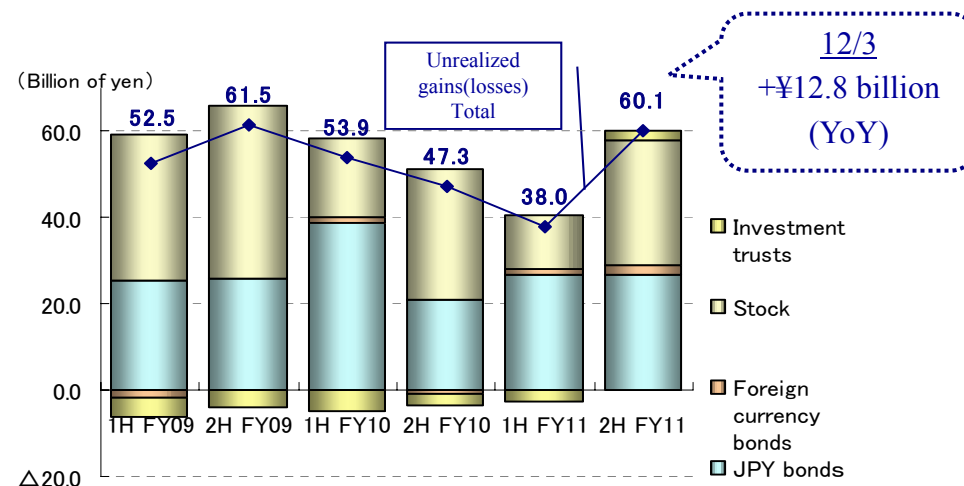
Securities

- Balance of securities increased ¥253.9 billion compared with end of FY2010, due to an expansion in the gap between deposits and loans
- Unrealized gains (losses) increased ¥12.8 billion compared with end of FY2010, due to lower long-term yield and higher stock price

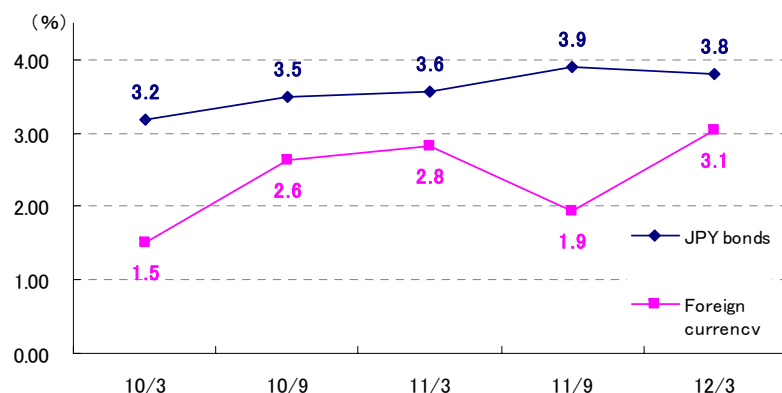
Balance of securities



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



Duration of bond portfolios



Exposure in Europe

(Billions of yen)

	Balance		Unrealized gains(losses)	
	Nothing	Sovereign	Nothing	Sovereign
PIIGS	Nothing		Nothing	
Germany	19.9	12.1	0.3	0.3
France	6.1	0.8	0.2	0.0
United Kingdom	2.1	0.0	0.0	0.0
Netherlands	1.6	0.0	0.2	0.0
Sweden	1.0	0.0	0.0	0.0
Czech Rep.	1.0	0.0	0.0	0.0
Total	32.0	13.0	1.0	0.3

Credit Costs

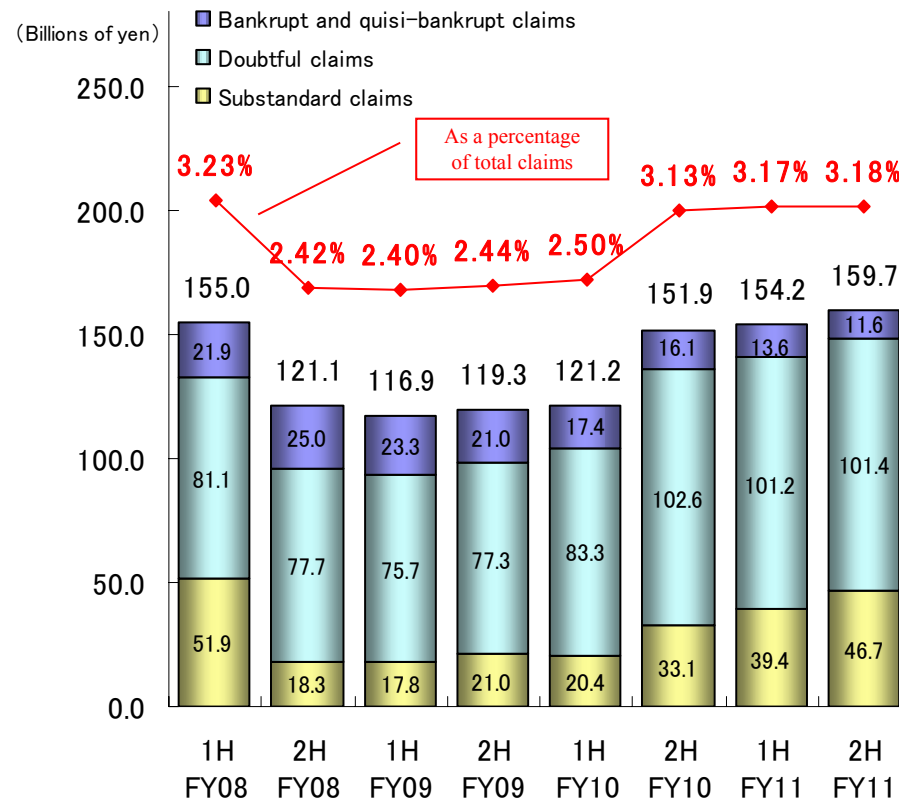
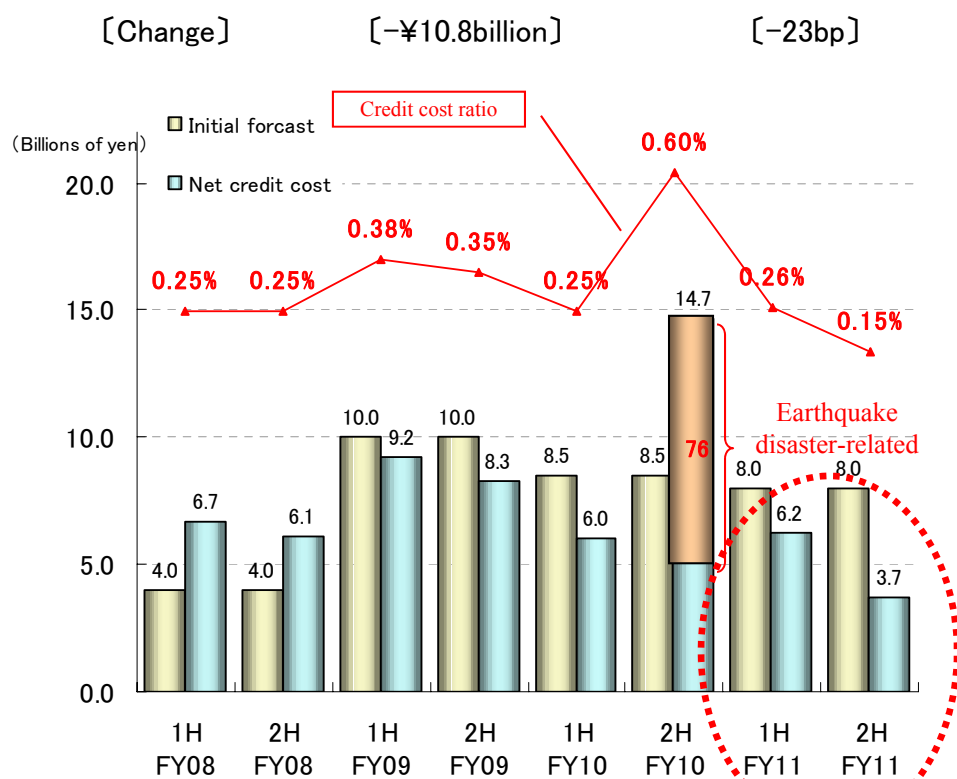


Net credit costs in FY2011 were ¥9.9 billion, ¥10.8 billion down from FY2010, when the quake hit

Net credit costs(※) and Credit cost ratio

FY2010	Credit Cost ¥20.7billion	Credit cost ratio 43bp
FY2011	Credit Cost ¥9.9billion	Credit cost ratio 20bp

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

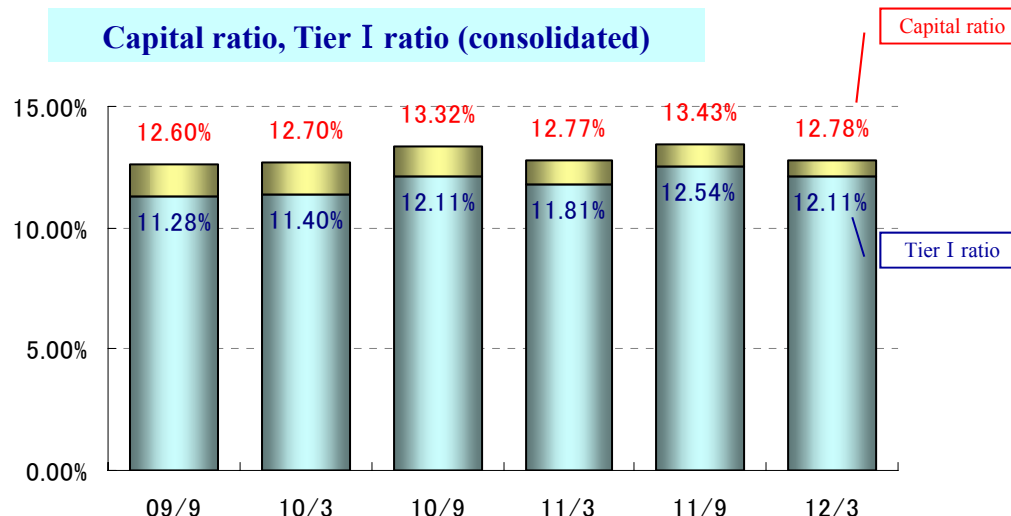


- Maintain capital policy that emphasizes Tier I capital
- Target of 11th Medium-term business plan : Core Tier I ratio of about 12% in FY2013

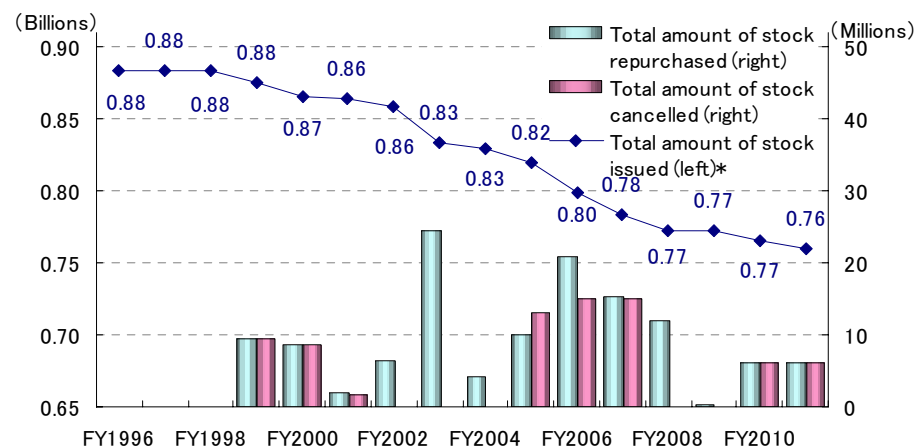
Capital Policy

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% as of March 31, 2012) [FY2013 target, final year of 11th Medium-Term Business Plan]

Capital ratio, Tier I ratio (consolidated)

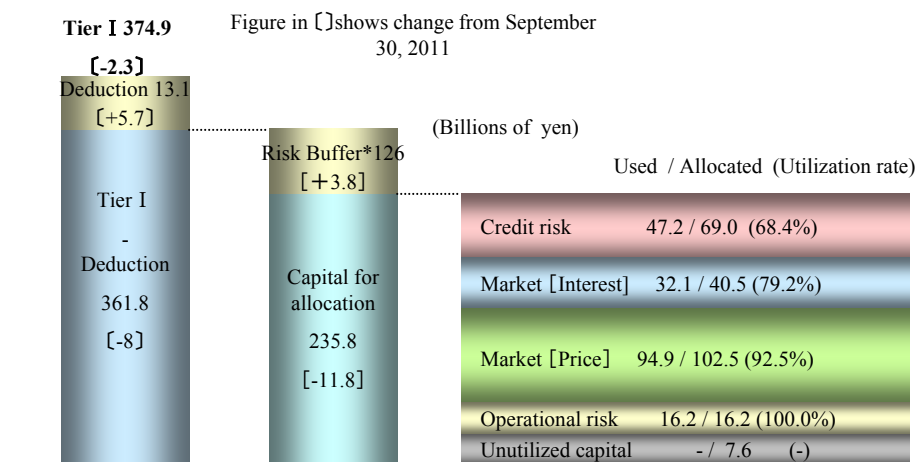


Record of stocks repurchased



※ excluding to stocks repurchased

Risk capital allocation as of March 31, 2012



※Risk buffer : Total Risk Assets × 4%

This is defined as capital reserved against non-quantified risk or some unexpected event in the future.

Shareholder Return



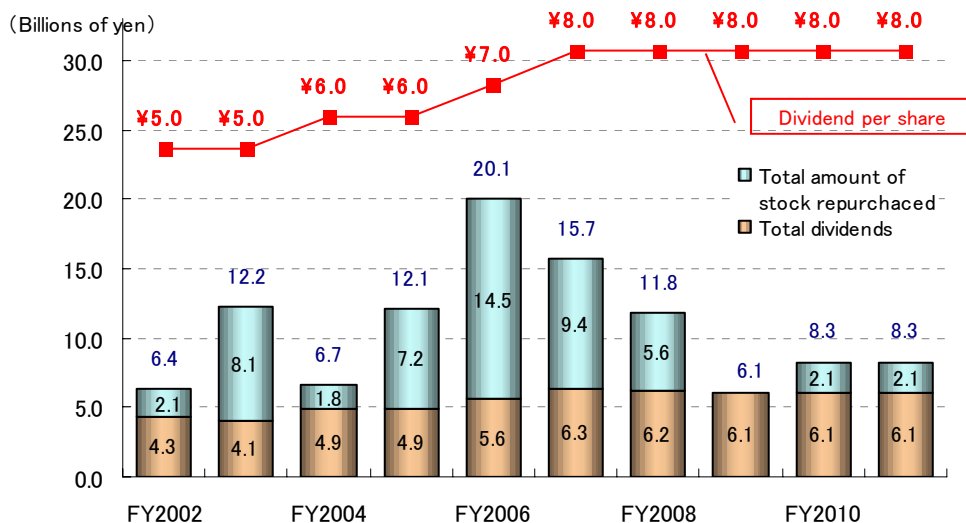
- Modified dividend payout ratio to “targeting 30% or more of net income after tax”
- Plan annual dividend payout of ¥8.5 per share (interim: ¥4 per share, year-end: ¥4.5) in FY2012

Shareholder return policy	FY2011	FY2012 (Projections)
Shareholder return ratio※	Targeting 40% or more in net income after tax (non-consolidated)	
Dividend payout ratio	Targeting 20% or more in net income after tax (non-consolidated)	Targeting 30% or more in net income after tax (non-consolidated)
Dividend	¥8.0 per share (interim: ¥4.0 + year-end: ¥4.0)	¥8.5 per share (interim: ¥4.0 + year-end: ¥4.5)

※ Shareholder return ratio = (Stock repurchased + dividend) ÷ Net income

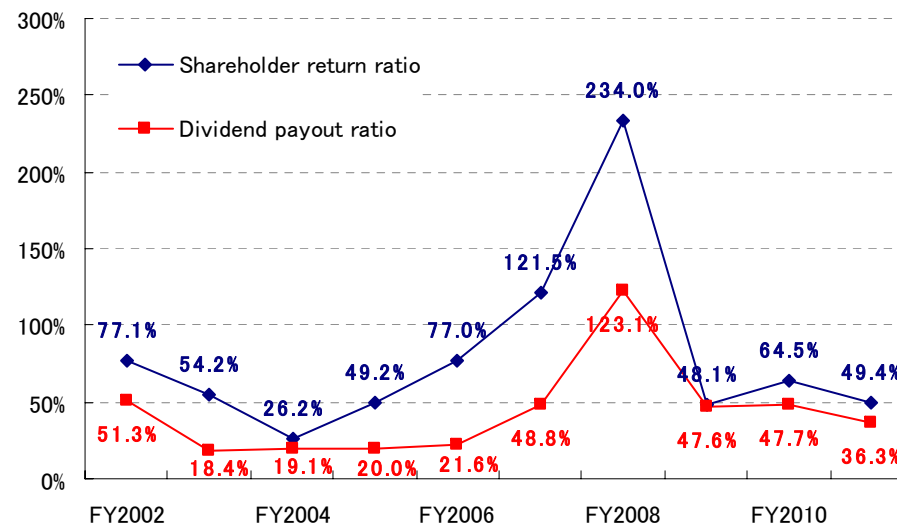
Actual shareholder return

[Total shareholder return <stock repurchased+dividend>]



Actual shareholder return

[Shareholder return ratio, dividend payout ratio]



FY2012 Projections

- **Overview — FY2012 Projections**
- **Resource Allocation to Developing Areas**
- **Support for Overseas Advance**
- **Improve Employee On-the-Job Performance,
raise Human Resource Capabilities**

Overview – FY2012 Projections



- Non-consolidated net income after tax of ¥19.0 billion (up ¥2.2 billion YoY) by bolstering core operations (loans and bills discounted as well as assets in custody)

FY2012 Projections

(Billions of yen)

	FY2012	FY2011	YoY Change	1H FY2012	1H FY2011	YoY Change
Gross business profit	112.0	112.9	△ 0.9	56.0	57.6	△ 1.6
Net interest income	96.0	95.7	0.2	48.0	48.3	△ 0.3
Fees and commissions	14.0	11.3	2.6	7.0	5.6	1.3
Net other operating profit	2.0	5.7	△ 3.7	1.0	3.5	△ 2.5
Expenses	69.0	69.1	△ 0.1	36.0	35.3	0.6
Net transfer to general reserve for possible loan losses (A)	2.0	1.7	0.2	1.0	2.0	△ 1.0
Business profit	41.0	41.9	△ 0.9	19.0	20.1	△ 1.1
Core business profit	43.0	39.4	3.5	20.0	19.3	0.6
Net non-recurring gains(losses)	△ 10.0	△ 11.9	1.9	△ 5.0	△ 6.9	1.9
Disposal of non-performing loans (B)	10.0	8.1	1.8	5.0	4.1	0.8
Ordinary profit	31.0	29.9	1.0	14.0	13.2	0.7
Net special gains (losses)	△ 1.0	△ 0.7	△ 0.2	△ 0.5	△ 0.4	0.0
Net income before income taxes and others	30.0	29.2	0.7	13.5	12.8	0.6
Net income after tax	19.0	16.7	2.2	9.0	8.6	0.3
Net credit costs (A)+(B)	12.0	9.9	2.0	6.0	6.2	△ 0.2

Gross business profit growth strategies

Increase loans and bills discounted

- Make up for a decrease of interest income caused by lower interest rates, by increasing loan volume

Average balance of corporate loans +¥45 billion
(+1.6% YoY)

Average balance of individual loans + ¥75 billion
(+4.8% YoY)

Strengthen assets in custody marketing

- Strengthen sales of insurance, investment trusts and public bonds

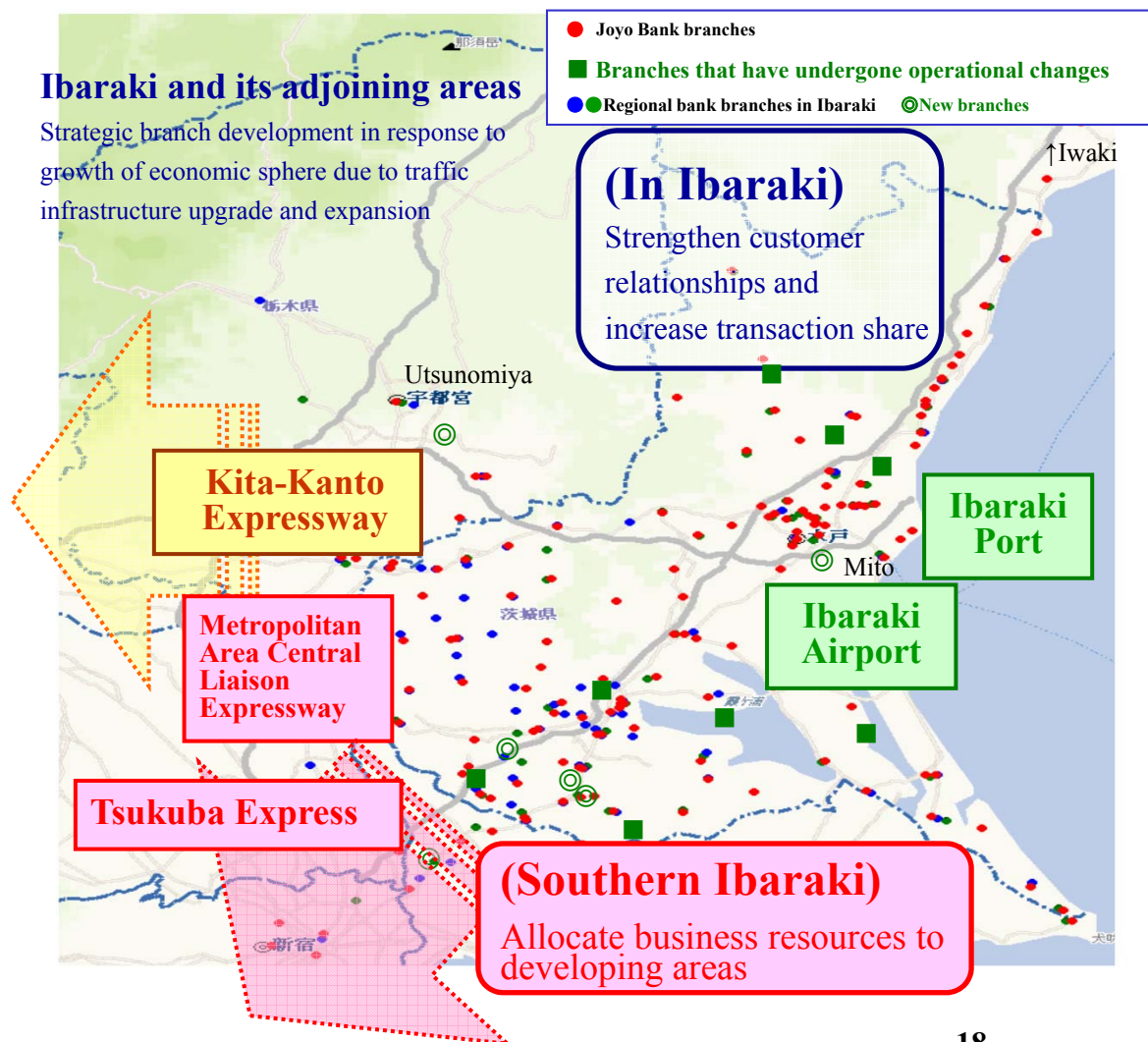
Fee from insurance sales +¥1 billion (+60% YoY)
 Fee from invest trusts sales +¥0.3 billion (+10% YoY)
 Fee from public bond sales +¥0.3 billion (+188% YoY)

Resource Allocation to Developing Areas



- Allocate business resources to southern Ibaraki, where growth potential is high, and to Ibaraki and its adjoining areas
- Rationalize branches in mature and densely populated areas

Growth of Ibaraki and its adjoining areas



Opened new branches

FY2010	Opened 3 new branches and 2 new plazas
	Along Tsukuba Express 2 branches, 1 plaza
	Along Kita-Kanto Expressway(Utsunomiya) 1 branch
	In Ibaraki (Mito) 1 plaza
FY2011	Opened a new plaza
	Iwaki Loan-plaza (Earthquake recovery and reconstruction)
As from FY2012	Continue to open new branches in developing area
	Nagareyama-Otakanomori branch (April 2012)
	And now planning

Rationalize branches in mature and densely populated areas

- Operational changes to reduce staff
 - FY2011 8 branches
 - FY2012 Continue taking into consideration market attributes

Support for overseas advance

- Actively engage in efforts to upgrade and expand support structures and systems in China and Southeast Asia where demand for overseas business entry and development are strong
- To support overseas advance, open a new representative office, strengthen support functions, improve skills and know-how

Action for overseas advance

Strengthen support functions

- Collect and provide local information
- Hold seminars for customers seeking to enter overseas markets as well as local business negotiation meetings
- Provide financial services including foreign currency translations in local currencies

Improve skills and know-how

- Trainees to Foreign institutions

◎ Open a new representative office

Singapore Fall, 2012

◎ Form an alliance with foreign banks

Thailand (KASIKORNBANK)

Thailand (Bangkok Bank)

◎ Trainee

Malaysia (JETRO)

Vietnam, China (Japanese banks)

Priority target customers

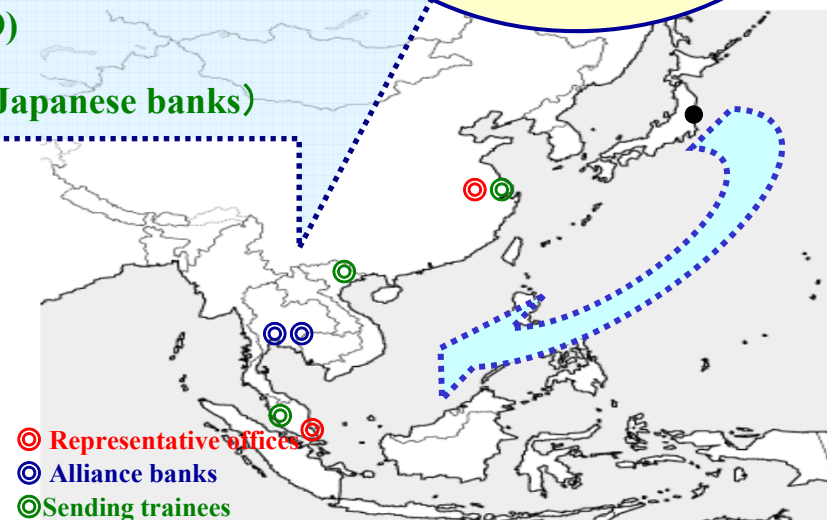
c. 110 companies

Existing customers

c. 500 companies

Results in FY2011

	1H	2H	FY2011
Results	46	93	139



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



Improve employee on-the-job performance, BPR project 'ZERO'

- Promote increased operating efficiency and streamline head office operations by implementing thoroughgoing and innovative operating initiatives
- Strengthen business capabilities through the efficient use of personnel and time

Radical business process restructuring

◎ Front office BPR

- Reduce loan processes
- Create a support system

◎ Back office BPR

- Reduce back office process in branches

(Increased use of IT in tax and public funding operations; consolidation of inheritance and asset seizure operations)

Allocate staff to sales force

◎ Human resource management

	11/3	12/3	YoY change	13/3	14/3 target	Change in 3 years
Front office	1,880	1,934	54		2,180	+300
Back office	690	665	△25		440	△250
HQ, operation center	610	591	△19		560	△50
Others	220	210	△10		220	0
Total	3,400	3,400	0		3,400	0

Strengthen business capabilities

◎ Increase the scope of iPad use: from assets in custody sales and marketing to over-the-counter sales and marketing; utilize additionally as an information dissemination tool

◎ Use of new internal bank channels: introduce TV conference systems to all branches (July 2012); introduce a designated internal bank SNS (January 2012)

Raise human resource capabilities

- ◎ Upgrade and expand training and self-education contents (use of iPads and TV conference systems)
- ◎ Upgrade and expand internal bank skills authorization system (development of staff with advanced skills: increase by 660 over three years)

【Development Plan for Staff with Advanced Skills】

	Number of qualified staff as of Mar. 31,2011	Increase in the fiscal year			Total in 3 years	Number of qualified staff as of Mar. 31,2012
		FY2011	FY2012	FY2013		
Client asset	179	98			220	277
Loans	49	32			80	81
Foreign exchange	9	23			60	32
Back office	308	230			300	538
Total	545	383			660	928

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)**
- **Deposits and Client Assets in Custody**
- **Investment portfolio**
- **Gains (losses) on bonds, Foreign Securities Portfolio**
- **Comparison between Self-Assessment, Disclosure of Problem Assets and Write-offs/Reserves**
- **Reserve ratio, Profit Performance Analysis**
- **Cost Efficiency**
- **Management Indices (Non-consolidated)**
- **Shareholder Composition**

Economic Indicators for Ibaraki Prefecture (1)



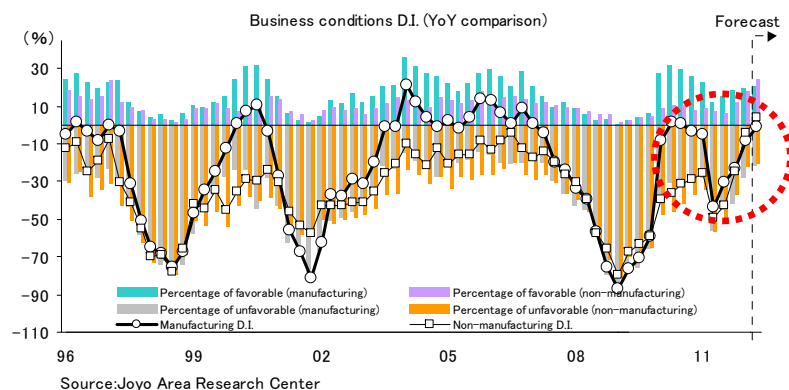
Basic data

	Contents	Units	Ibaraki	Japan	Rank	Date
Land area	Total land area	km ²	6,096	377,950	24	Oct 1, 2010
	Habitable land area	km ²	3,982	122,147	4	Oct 1, 2010
Population	Population	Thousand	2,960	127,800	11	Oct 1, 2011
	Proportion of senior citizens	%	22.9	23.3	36	Oct 1, 2011
Economy	Prefectural GDP (nominal)	¥ Billion	10,312.4	474,040.2	12	FY2009
	Average prefectural income (per capita)	¥ Thousand	2,653	2,660	16	FY2009
Industry	Farm output	¥ Billion	430.6	8,121.4	2	2010
	Value of manufactured goods shipped (more than 4 employees)	¥ Billion	10,545.8	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	18/38	869/1021	20/7	FY2011

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

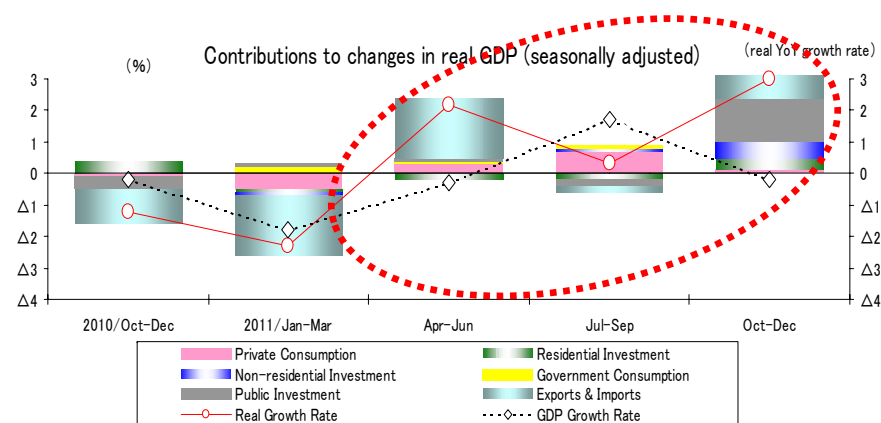
Business conditions D.I. [YoY comparison]

- Manufacturing and Non-manufacturing
- : Continuous improvement in last 3 quarters



Contributions to changes in real GDP [seasonally adjusted]

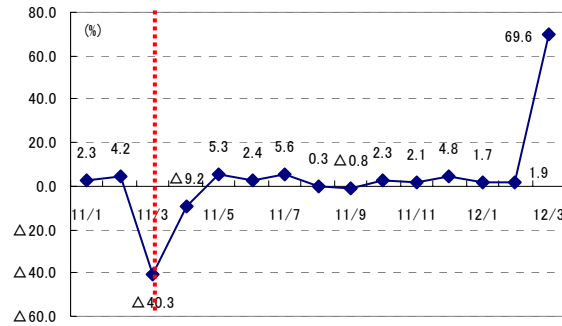
- Continuous GDP growth in Ibaraki in last 3 quarters



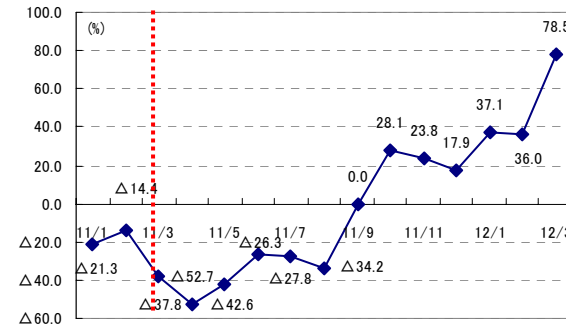
Economic Indicators for Ibaraki Prefecture (2)



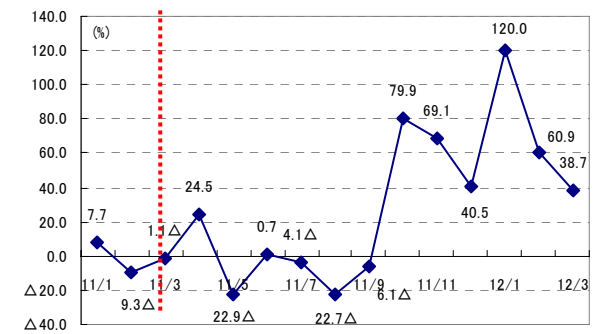
Large-scale retail store sales (YoY)



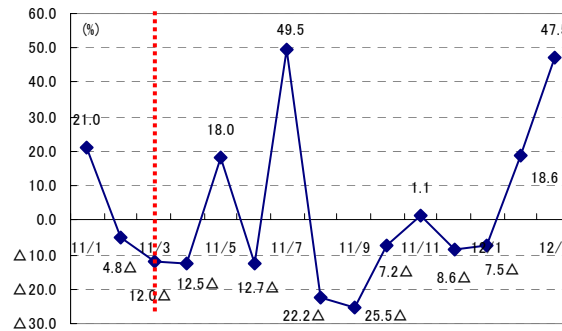
Total number of registered new automobiles (YoY)



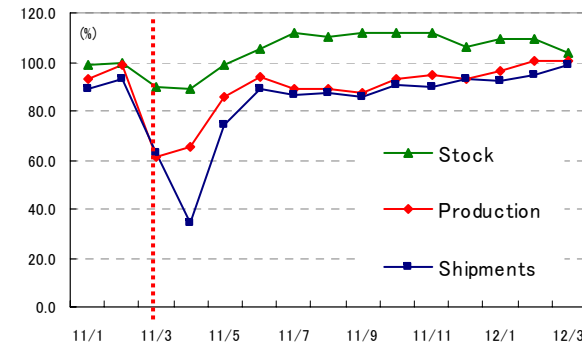
Value of public construction starts by order (YoY)



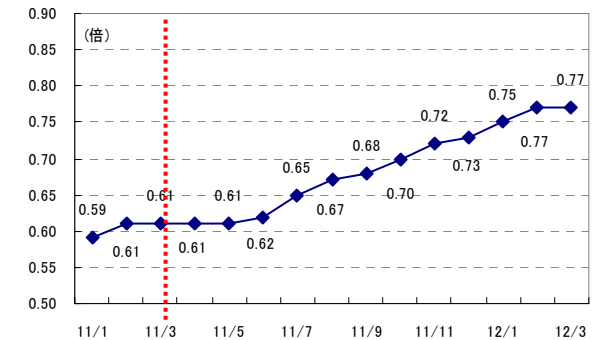
New housing starts (YoY)



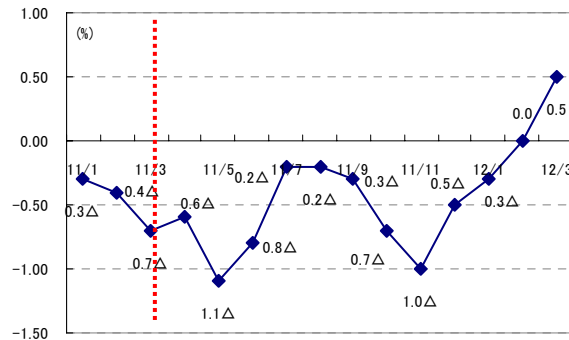
Industrial production (2005=100)



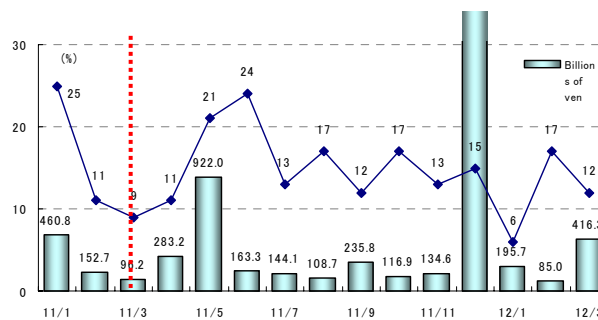
Ratio of job offers to job seekers



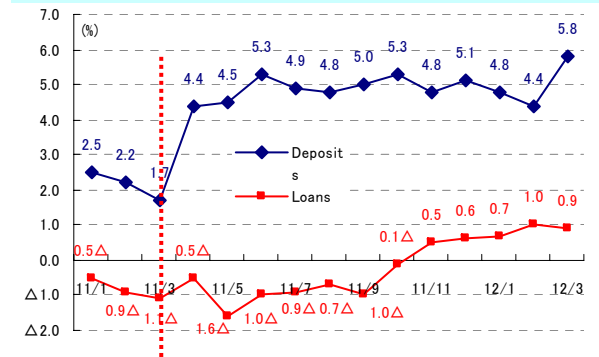
Consumer prices (YoY)



Business bankruptcies (number and value)



Deposit, Loans and bills discounted (YoY)



(Source: Mito Office of the Bank of Japan, other)

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



Assets

(Average balance: Billions of yen, yield: %, interest income/expenses: Millions of yen)

	FY2011			YoY change		
	Average balance	Yield	Interest income	Average balance	Yield	Interest income
Loans and bills discounted	4,864.8	1.57	76,733	10.4	(0.13)	(5817)
JPY	4,855.2	1.57	76,654	6.0	(0.13)	(5852)
Foreign currency	9.6	0.82	79	4.4	(0.02)	34
Securities	2,273.6	1.05	23,904	146.7	(0.04)	626
Bonds	1,950.1	1.00	16,598	156.1	0.00	(164)
Stocks	144.9	2.52	3,657	(4.0)	0.39	472
Foreign securities	136.4	2.10	2,868	(9.2)	(0.08)	(313)
Others	42.0	1.85	778	3.9	1.47	632
Call loans	4.5	3.47	156	0.0	2.73	123
JPY	-	-	-	-	-	-
Foreign currency	4.5	3.47	156	0.0	2.73	123
Bills purchased	-	-	-	-	-	-
Commercial paper and other debt purchased	33.9	0.44	150	(7.9)	(0.02)	(43)
Due from banks	238.5	0.29	705	220.6	(2.48)	206
NCDs	-	-	-	-	-	-
Foreign exchange	1.8	0.53	10	0.0	0.17	3
Others	-	-	279	-	-	7
Interest rate swaps	-	-	-	-	-	-
Interest-earning assets	7,417.4	1.37	101,940	369.9	0.00	(4892)

Liabilities

(Average balance: Billions of yen, yield: %, interest income/expenses: Millions of yen)

	FY2011			YoY change		
	Average balance	Yield	Interest expense	Average balance	Yield	Interest expense
Deposits	7,077.1	0.06	4,304	365.8	(0.02)	(1630)
JPY	7,011.0	0.05	3,887	365.6	(0.03)	(1694)
Foreign currency	66.1	0.63	417	0.1	0.10	63
NCDs	13.2	0.06	9	(20.0)	(0.04)	(26)
Call money	6.8	0.52	35	(37.7)	0.32	(55)
JPY	0.0	0.00	0	(32.1)	(0.08)	(27)
Foreign currency	6.8	0.52	35	(5.6)	0.01	(27)
Payables under securities lending transactions	16.9	0.30	51	8.1	0.15	38
Bills sold	-	-	-	-	-	-
Borrowed money	80.2	0.49	400	19.4	(0.46)	(181)
Foreign exchange	0.1	-	0	0.0	-	-
Corporate bonds	6.6	2.28	152	0.2	(0.27)	(10)
Others	1.5	-	1,191	0.0	-	140
Interest rate swaps	-	-	941	-	-	39
Interest-bearing liabilities	7,202.8	0.08	6,146	336.0	(0.03)	(1725)
Other expenses	-	-	-	-	-	-
Interest-bearing liabilities	7,202.8	0.08	6,146	336.0	(0.03)	(1725)

Interest Yields and Spreads



Total account

(%)

	FY2007	FY2008	FY2009	FY2010	FY2011	YoY change
Average yield on interest-earning assets (A)	2.05	1.83	1.61	1.51	1.37	(0.14)
Average yield on loans and bills discounted (B)	2.09	2.02	1.85	1.70	1.57	(0.13)
Average yield on securities	1.99	1.44	1.10	1.09	1.05	(0.04)
Average yield on interest-bearing liabilities	0.55	0.36	0.17	0.11	0.08	(0.03)
Average yield on deposits and NCDs (C)	0.27	0.25	0.14	0.08	0.06	(0.02)
Expense ratio	1.12	1.10	1.04	1.02	0.97	(0.05)
Deposit and securities cost (D)	1.39	1.35	1.18	1.11	1.03	(0.08)
Funding cost (E)	1.59	1.39	1.18	1.12	1.04	(0.08)
(B)-(C)	1.82	1.77	1.71	1.62	1.51	(0.11)
Difference between average yield on loans and deposits (B)-(D)	0.70	0.67	0.67	0.59	0.54	(0.05)
(A)-(E)	0.46	0.44	0.43	0.39	0.33	(0.06)

Domestic account

(%)

	FY2007	FY2008	FY2009	FY2010	FY2011	YoY change
Average yield on interest-earning assets (A)	1.76	1.71	1.57	1.48	1.34	(0.14)
Average yield on loans and bills discounted (B)	2.09	2.02	1.85	1.70	1.57	(0.13)
Average yield on securities	1.30	1.12	1.00	1.01	0.98	(0.03)
Average yield on interest-bearing liabilities	0.27	0.27	0.16	0.10	0.07	(0.03)
Average yield on deposits and NCDs (C)	0.23	0.24	0.14	0.08	0.05	(0.03)
Expense ratio	1.11	1.09	1.03	1.01	0.96	(0.05)
Deposit and securities cost (D)	1.34	1.33	1.17	1.10	1.02	(0.08)
Funding cost (E)	1.33	1.30	1.16	1.11	1.03	(0.08)
(B)-(C)	1.86	1.78	1.71	1.62	1.52	(0.10)
Difference between average yield on loans and deposits (B)-(D)	0.75	0.69	0.68	0.60	0.55	(0.05)
(A)-(E)	0.43	0.41	0.41	0.37	0.31	(0.06)

Yen-Denominated Loans (1)



Breakdown by self-assessment classification of borrowers

(billions of yen)

	09/3		09/9		10/3		10/9		11/3		11/9		12/3		Change from 11/9		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	%	Term-end balance	change ratio	Term-end balance	change ratio
Yen-denominated loans (Total)	4,945.1	100.0%	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%	4,969.2	100.0%	166.7	3.5%	173.9	3.6%
Normal (including borrowers without a credit score)	4,288.3	86.7%	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%	4,287.9	86.3%	182.7	4.4%	235.8	5.8%
Ibaraki and its adjoining areas	3,164.6	64.0%	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%	3,172.7	63.8%	145.9	4.7%	134.0	4.4%
Ibaraki	2,654.0	53.7%	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%	2,671.4	53.8%	124.3	4.8%	103.6	4.0%
Miyagi, Fukushima, Tochigi	391.4	7.9%	367.2	7.6%	358.6	7.4%	354.8	7.4%	348.6	7.3%	351.8	7.3%	364.4	7.3%	12.6	3.6%	15.8	4.5%
Chiba, Saitama	119.1	2.4%	117.8	2.4%	117.6	2.4%	119.6	2.5%	122.3	2.6%	127.8	2.7%	136.9	2.8%	9.1	7.6%	14.6	11.9%
Tokyo, Osaka	1,123.7	22.7%	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%	1,115.1	22.4%	36.8	3.6%	101.8	10.0%
Other borrowers requiring caution	526.4	10.6%	524.1	10.9%	597.9	12.4%	562.4	11.7%	579.4	12.1%	527.5	11.0%	502.9	10.1%	-24.6	-4.4%	-76.5	△13.2%
Substandard borrowers	27.7	0.6%	29.1	0.6%	29.6	0.6%	25.5	0.5%	45.4	0.9%	55.5	1.2%	65.8	1.3%	10.3	40.4%	20.4	44.9%
Potentially bankrupt or worse	102.6	2.1%	98.9	2.1%	98.0	2.0%	100.4	2.1%	118.3	2.5%	114.2	2.4%	112.6	2.3%	-1.6	-1.6%	-5.7	△4.8%

Breakdown by geographic area

(billions of yen)

	09/3		09/9		10/3		10/9		11/3		11/9		12/3		Change from 11/9		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	%	Term-end balance	change ratio	Term-end balance	change ratio
Yen-denominated loans (Total)	4,945.1	100.0%	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%	4,969.2	100.0%	166.7	3.5%	173.9	3.6%
Ibaraki and its adjoining areas	3,779.3	76.4%	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%	3,785.2	76.2%	126.9	3.5%	88.7	2.4%
Ibaraki	3,152.5	63.7%	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%	3,155.3	63.5%	110.3	3.6%	67.7	2.2%
Miyagi, Fukushima, Tochigi	482.0	9.7%	468.8	9.7%	465.9	9.6%	460.7	9.6%	460.0	9.6%	460.9	9.6%	467.5	9.4%	6.6	1.4%	7.5	1.6%
Chiba, Saitama	144.7	2.9%	144.0	3.0%	144.1	3.0%	145.3	3.0%	148.8	3.1%	152.4	3.2%	162.4	3.3%	10.0	6.6%	13.6	9.1%
Tokyo, Osaka	1,165.7	23.6%	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%	1,184.1	23.8%	39.9	3.5%	85.4	7.8%

Number of medium sized companies and SMEs

(Number)

	09/3		09/9		10/3		10/9		11/3		11/9		12/3		Change from 11/9	Change from 11/3
	Number	Change from last term-end	Number	Change from last term-end	Number	Change from last term-end	Number	Change from last term-end	Number	Change from last term-end	Number	Change from last term-end	Number	Change from last term-end	Number	Number
Number of medium sized companies and SMEs	33,601	309	33,340	△ 261	33,576	236	33,643	67	33,568	△ 75	33,063	△ 505	32,296	△ 767	△ 767	△ 1,272

Yen-Denominated Loans (2)



Breakdown by borrower type

(billions of yen)

	09/3		09/9		10/3		10/9		11/3		11/9		12/3		Change from 11/9		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	%	Term-end balance	change ratio	Term-end balance	change ratio
Yen denominated loans (Total)	4,945.1	100.0%	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%	4,969.2	100.0%	166.7	3.5%	173.9	3.6%
Individual loans	1,468.7	29.7%	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%	1,583.9	31.9%	42.8	2.8%	50.4	3.3%
Corporate loans	2,667.3	53.9%	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%	2,569.8	51.7%	55.9	2.2%	94.4	3.8%
Major companies	1,103.5	22.3%	1,069.2	22.2%	1,087.7	22.5%	1,063.7	22.2%	1,057.5	22.1%	1,087.6	22.6%	1,124.3	22.6%	36.7	3.5%	66.8	6.3%
Medium sized companies	154.4	3.1%	149.5	3.1%	128.1	2.6%	126.2	2.6%	124.1	2.6%	122.2	2.5%	123.4	2.5%	1.2	1.0%	△ 0.7	△0.6%
Small and medium sized companies	1,409.4	28.5%	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%	1,322.1	26.6%	18.0	1.4%	28.4	2.2%
Public sector	808.9	16.4%	775.7	16.1%	781.1	16.1%	773.1	16.1%	786.3	16.4%	747.5	15.6%	815.6	16.4%	68.1	8.8%	29.3	3.7%

Individual loans

(billions of yen)

	09/3		09/9		10/3		10/9		11/3		11/9		12/3		Change from 11/9		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	%	Term-end balance	change ratio	Term-end balance	change ratio
Individual loans (Total)	1,468.7	100.0%	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%	1,583.9	100.0%	42.8	2.8%	50.4	3.3%
Housing-related loans	1,255.9	85.5%	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%	1,405.6	88.7%	49.1	3.6%	61.1	4.5%
Consumer loans	78.3	5.3%	77.6	5.2%	77.4	5.1%	77.6	5.1%	76.1	5.0%	74.3	4.8%	72.9	4.6%	△ 1.4	△1.9%	△ 3.2	△4.2%
Loans to small businesses	134.5	9.2%	128.4	8.6%	123.8	8.2%	119.0	7.8%	112.9	7.4%	110.3	7.2%	105.4	6.7%	△ 4.9	△4.4%	△ 7.5	△6.6%

Corporate loans

(billions of yen)

	09/3		09/9		10/3		10/9		11/3		11/9		12/3		Change from 11/9		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	%	Term-end balance	change ratio	Term-end balance	change ratio
Corporate loans (Total)	2,667.3	100.0%	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%	2,569.7	100.0%	55.8	2.2%	94.3	3.8%
Ibaraki and its adjoining areas	1,504.7	56.4%	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%	1,387.8	54.0%	16.1	1.2%	8.8	0.6%
Ibaraki	1,074.0	40.3%	1,040.3	40.7%	1,026.4	40.4%	994.7	39.9%	985.7	39.8%	976.3	38.8%	988.2	38.5%	11.9	1.2%	2.5	0.3%
Miyagi, Fukushima, Tochigi	335.0	12.6%	319.3	12.5%	312.2	12.3%	303.9	12.2%	300.9	12.2%	301.0	12.0%	300.3	11.7%	△ 0.7	△0.2%	△ 0.6	△0.2%
Chiba, Saitama	95.7	3.6%	93.4	3.7%	91.0	3.6%	90.0	3.6%	92.4	3.7%	94.4	3.8%	99.3	3.9%	4.9	5.2%	6.9	7.5%
Tokyo, Osaka	1,162.6	43.6%	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%	1,181.9	46.0%	39.7	3.5%	85.5	7.8%

Deposits and Client Assets in Custody



Deposits

(Billions of yen)

	09/3		09/9		10/3		10/9		11/3		11/9		12/3		Change from 11/9		Change from 12/3	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	Change ratio	Term-end balance	Change ratio
Deposits (Total)	6,562.7	100.0%	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%	7,266.6	100.0%	196.6	2.8%	449.1	6.6%
Yen deposits	6,494.4	99.0%	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%	7,201.3	99.1%	196.9	3.0%	449.3	6.7%
Foreign deposits	68.2	1.0%	66.2	1.0%	66.2	1.0%	63.9	1.0%	65.4	1.0%	65.5	0.9%	65.2	0.9%	△ 0.3	△ 0.5%	△ 0.2	△ 0.3%
JOM deposits	0.0	0.0%	36.6	0.6%	0.0	0.0%	9.0	0.1%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Others	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
NCDs		104.0		58.8		24.5		34.7		12.9		3.3		20.9	17.6	533.3%	8.0	62.0%

Yen deposits by customer type

(Billions of yen)

	09/3		09/9		10/3		10/9		11/3		11/9		12/3		Change from 11/9		Change from 12/3	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	Change ratio	Term-end balance	Change ratio
Yen deposits (Total)	6,494.4	100.0%	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%	7,201.3	100.0%	196.9	2.8%	449.3	6.7%
Individual	4,984.9	76.8%	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%	5,386.3	74.8%	80.6	1.5%	223.3	4.3%
Corporate	1,179.6	18.2%	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%	1,333.2	18.5%	8.1	0.6%	62.9	5.0%
Public sector	329.8	5.1%	266.6	4.1%	330.0	5.0%	317.7	4.8%	318.6	4.7%	373.4	5.3%	430.5	6.0%	57.1	15.3%	111.9	35.1%

Client assets in custody

(Number)

	09/3		09/9		10/3		10/9		11/3		11/9		12/3		Change from 11/9		Change from 12/3	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	Change ratio	Term-end balance	Change ratio
Individual (Total)	5,984.7	100.0%	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%	6,418.9	100.0%	103.1	1.6%	222.6	3.6%
Current	2,627.2	43.9%	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%	3,006.3	46.8%	92.0	3.2%	212.1	7.6%
Time deposits	2,357.7	39.4%	2,384.9	39.2%	2,378.0	38.8%	2,398.1	38.9%	2,368.8	38.2%	2,391.6	37.9%	2,380.0	37.1%	△ 11.6	△ 0.5%	11.2	0.5%
(Sub total)	4,984.9	83.3%	5,028.1	82.7%	5,078.9	82.8%	5,126.5	83.2%	5,163.0	83.3%	5,305.7	84.0%	5,386.3	83.9%	80.6	1.5%	223.3	4.3%
Investment	999.8	16.7%	1,054.2	17.3%	1,060.5	17.2%	1,037.9	16.8%	1,033.3	16.7%	1,010.1	16.0%	1,032.6	16.1%	22.5	2.2%	△ 0.7	△ 0.1%

Investment Portfolio



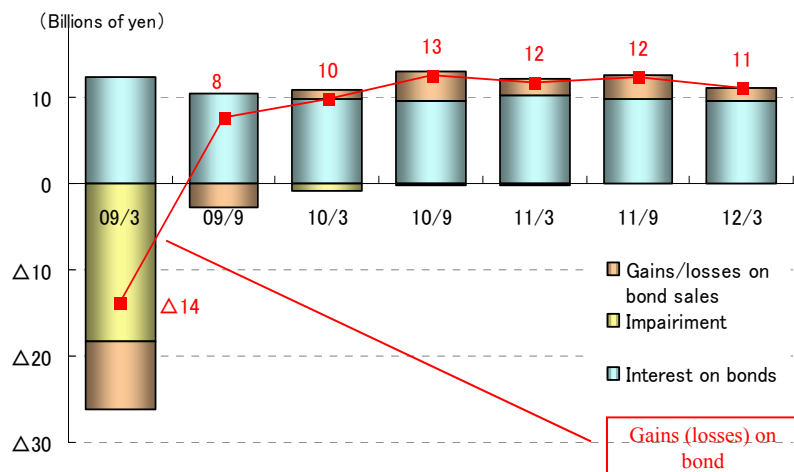
(Billions of yen)

	09/3		09/9		10/3		10/9		11/3		11/9		12/3		Change from 11/9		Change from 11/3	
	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%	Balance	Change ratio	Balance	Change ratio
Yen-denominated bonds	1,672.9	83.9%	1,818.9	86.4%	1,821.8	87.0%	1,859.2	87.0%	1,852.8	86.7%	2,038.5	88.4%	2,084.8	87.2%	46.3	2.3%	232.0	11.1%
Duration [years]	3.1	—	3.1	—	3.2	—	3.5	—	3.6	—	3.9	—	3.8	—	△ 0.1	—	0.2	—
Fixed rate notes	1,414.1	71.0%	1,574.2	74.8%	1,590.0	75.9%	1,611.6	75.5%	1,625.3	76.0%	1,813.0	78.6%	1,863.3	77.9%	50.3	2.8%	238.0	12.8%
[Average yield : %]	(1.05%)	—	(1.00%)	—	(0.99%)	—	(1.00%)	—	(1.00%)	—	(0.95%)	—	(0.87%)	—	(△ 0.08%)	—	(△ 0.13%)	—
Floating rate notes	258.8	13.0%	244.7	11.6%	231.7	11.1%	247.6	11.6%	227.5	10.6%	225.4	9.8%	221.5	9.3%	△ 3.9	△ 1.7%	△ 6.0	△ 2.7%
[Average yield : %]	(0.60%)	—	(0.53%)	—	(0.46%)	—	(0.39%)	—	(0.39%)	—	(0.39%)	—	(0.28%)	—	(△ 0.11%)	—	(△ 0.11%)	—
Foreign-denominated bonds	1,237.0	6.2%	922.0	4.4%	837.0	4.0%	879.0	4.1%	997.0	4.7%	808.0	3.5%	1,158.0	4.8%	350.0	43.3%	161.0	13.9%
Duration [years]	1.5	—	1.5	—	2.5	—	2.8	—	2.8	—	1.9	—	3.1	—	1.2	—	0.3	—
[Average yield : %]	(2.14%)	—	(2.18%)	—	(2.51%)	—	(2.45%)	—	(2.45%)	—	(2.28%)	—	(2.05%)	—	(△ 0.23%)	—	(△ 0.40%)	—
Fixed rate notes	61.0	3.1%	54.8	2.6%	49.5	2.4%	66.9	3.1%	81.4	3.8%	68.1	3.0%	104.5	4.4%	36.4	53.5%	23.1	22.1%
[Average yield : %]	(4.41%)	—	(4.28%)	—	(3.76%)	—	(3.61%)	—	(3.51%)	—	(3.35%)	—	(2.75%)	—	(△ 0.60%)	—	(△ 0.77%)	—
[Average yield spread : %]	(0.94%)	—	(3.28%)	—	(3.54%)	—	(3.20%)	—	(2.97%)	—	(2.69%)	—	(2.23%)	—	(△ 0.46%)	—	(△ 0.74%)	—
Floating rate notes	62.7	3.1%	37.4	1.8%	34.2	1.6%	20.9	1.0%	18.2	0.9%	12.7	0.6%	11.3	0.5%	△ 1.4	△ 11.0%	△ 6.9	△ 61.1%
[Average yield : %]	(1.66%)	—	(0.69%)	—	(0.74%)	—	(0.72%)	—	(0.70%)	—	(0.66%)	—	(0.83%)	—	(0.17%)	—	(0.13%)	—
[Average yield spread : %]	(0.92%)	—	(0.72%)	—	(0.15%)	—	(0.34%)	—	(0.32%)	—	(0.31%)	—	(0.43%)	—	(0.12%)	—	(0.11%)	—
Stock	155.1	7.8%	153.4	7.3%	148.7	7.1%	149.6	7.0%	145.2	6.8%	144.4	6.3%	143.3	6.0%	△ 1.1	△ 0.8%	△ 1.9	△ 1.3%
Tier I ratio	—	43.0%	—	42.0%	—	40.4%	—	40.6%	—	39.2%	—	39.0%	—	38.7%	—	△ 0.0p	—	△ 0.0p
Investment trusts and others	41.1	2.1%	39.5	1.9%	39.9	1.9%	39.0	1.8%	39.6	1.9%	41.7	1.8%	47.4	2.0%	5.7	13.7%	7.8	16.5%
Total	1,992.9	100.0%	2,104.2	100.0%	2,094.2	100.0%	2,135.8	100.0%	2,137.5	100.0%	2,305.5	100.0%	2,391.4	100.0%	85.9	3.7%	253.9	10.6%
[Average yield : %]	(1.15%)	—	(1.10%)	—	(1.10%)	—	(1.09%)	—	(1.09%)	—	(1.12%)	—	(1.05%)	—	(△ 0.07%)	△ 6.2%	(△ 0.04%)	△ 3.8%
Unrealized gains/(losses)	△ 12.7	—	52.5	—	61.5	—	53.9	—	47.3	—	38.0	—	60.1	—	22.1	—	12.8	—

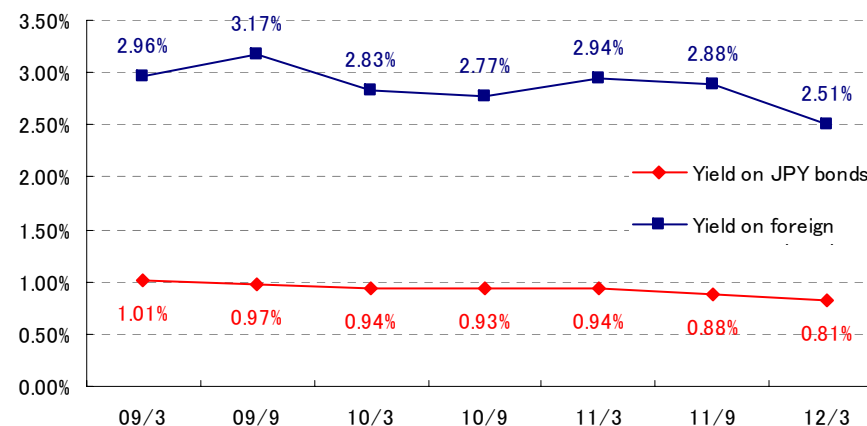
Gains (losses) on Bonds, Foreign Securities Portfolio



Gains (losses) on bonds



Yields on bonds (JPY bonds, Foreign bonds)



Securities portfolio

	11/3		11/9		12/3		Change from 11/9		Change from 11/10	
	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)
Domestic bonds	1,801.5	21.5	1,995.0	26.6	2,047.6	27.0	52.6	0.4	246.1	5.5
Foreign bonds	151.0	Δ1.2	124.3	1.3	152.9	2.0	28.5	0.7	1.9	3.2
Stocks	145.2	30.1	144.4	12.5	143.3	28.8	Δ1.0	16.2	Δ1.8	Δ1.2
Investment trusts & Others	39.6	Δ2.8	41.7	Δ2.3	47.4	2.2	5.7	4.5	7.8	5.0
Trust beneficiary rights	22.6	Δ0.2	19.0	Δ0.1	16.1	0.0	Δ2.8	0.0	Δ6.4	0.1
Total	2,160.1	47.3	2,324.5	38.0	2,407.5	60.1	82.9	22.0	247.4	12.8

Foreign bonds

(Billions of yen)

	11/3		11/9		12/3		Change from 11/9		Change from 11/10	
	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)
Sovereign	27.1	0.0	26.3	0.9	57.1	1.0	30.8	0.1	30.0	1.1
Corporate	76.1	0.3	59.6	0.1	49.9	0.5	Δ9.6	0.4	Δ26.2	0.2
CMO (including Ginne Mae)	20.8	Δ0.5	18.3	0.5	28.6	0.5	10.3	0.0	7.8	1.0
Securitization	26.9	Δ0.9	20.0	Δ0.3	17.2	Δ0.1	Δ2.7	0.1	Δ9.7	0.8
合計	151.0	Δ1.2	124.3	1.3	152.9	2.0	28.6	0.7	1.8	3.3

Comparison between Self-Assessment, Disclosure of Problem Assets and Write-offs/Reserves

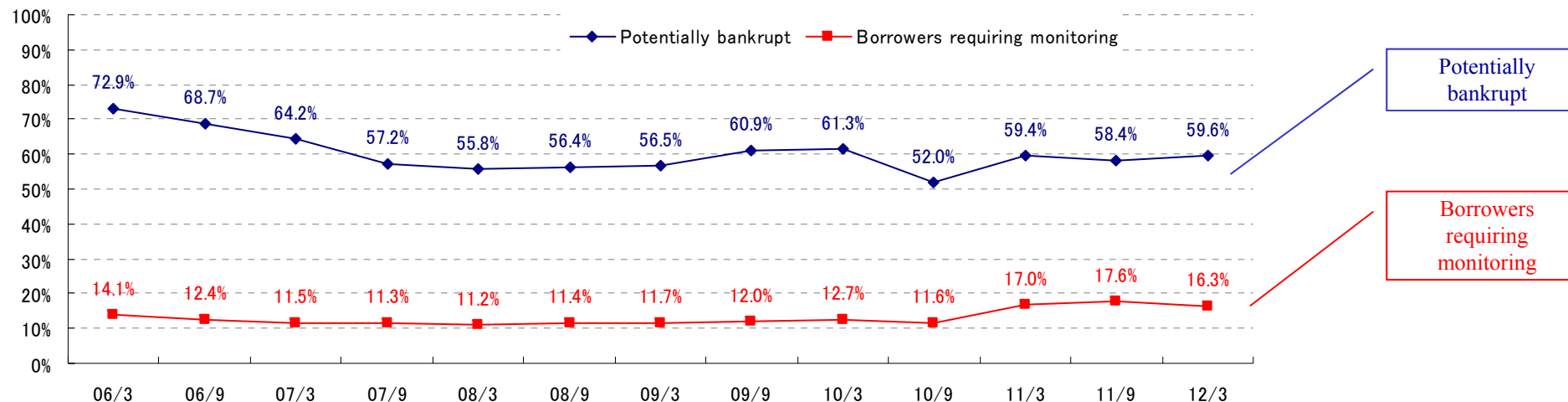


Breakdown by self-assessment classification of borrowers

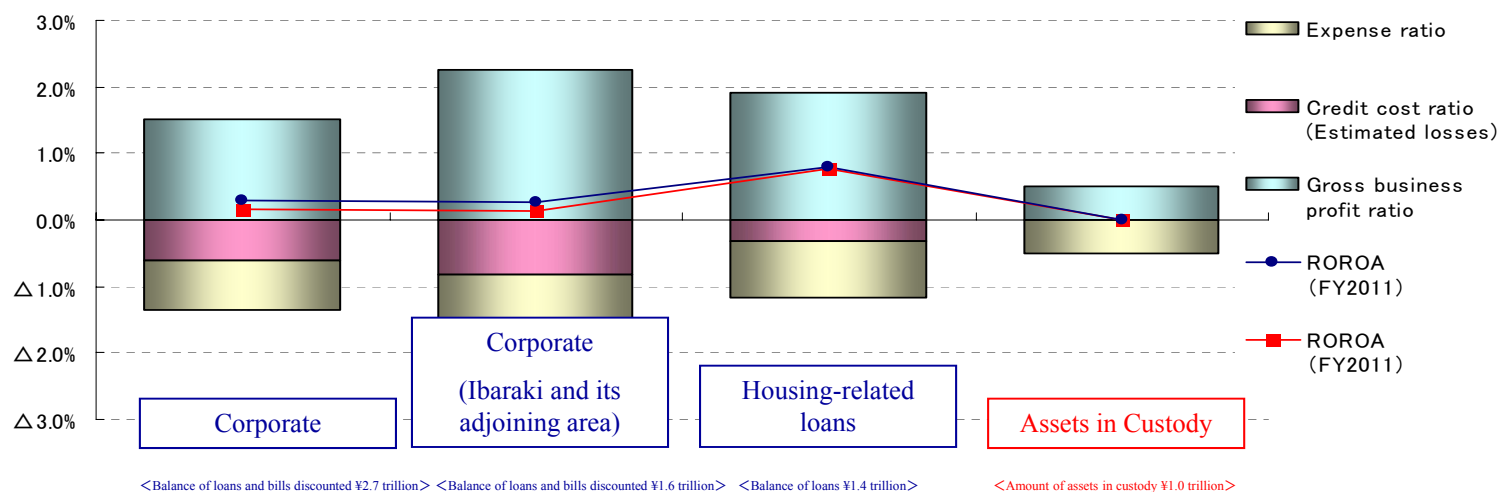
Classification of borrowers (Self-Assessment)							(Billions of yen)	
Classification of borrowers	claim classification				Reserve	Reserve ratio	Financial Revitalization Law	
	No-classification	II	III	IV			Problem asset	Coverage ratio
Legally Bankrupt 2.0 (1.4)	4.6	6.9	—	—	0.0 (0)	100% 《100%》	Bankrupt and quasi-bankrupt assets	
Substantially Bankrupt 9.5 (0.5)	Protected by reserve, collateral-guarantee		Booking reserve under No-classification	Write-off	Specific reserve	59.60% 《58.40%》	11.6 (2.0)	100.00% 《100.00%》
Potentially Bankrupt 101.4 (0.3)	63.8	21.7	15.8	Booking reserve under No-classification			Doubtful assets	
Borrowers Requiring Caution	Borrowers Requiring Caution 66.1 (10.2)	9.9	56.1		General loan loss reserve	1.35% 《1.17%》	Substandard loans	
	Borrowers Requiring Monitoring 504.4 (24.7)	233.0	271.3	Balance × Reserve ratio			46.7 (7.3)	41.93% 《43.83%》
Normal Borrowers 4,322.1 (184.4)	4,322.1			Balance × Reserve ratio	6.8 (0.2)	0.10% 《0.13%》	Normal assets 4,860.5 (158)	
								Coverage ratio(Total)
Total	No-classification	II	III	IV	Total reserve		Total	73.09% 《74.72%》
5,005.7	4,633.6	356.2	15.8	0	43.9 (0.4)		5020	

Reserve Ratio, Profit Performance Analysis

Reserve ratio (potentially bankrupt, borrowers requiring monitoring)



Status of earnings by principal operation (full FY2011)



Note 1: Gross business profit ratio: The amount after deducting amounts equivalent to procurement costs (market rates of interest) and deposit insurance premiums from gross business profit

Note 2: Credit cost ratio: Estimated losses (calculated using the internal bank rating transition obtained from the estimated default rate) divided by the average balance of loans and bills discounted

Note 3: Housing loan default rate: Calculated as deemed in default following subrogation by the guarantor company and arrears of three or more

Note 4: Assets in custody: The total of investment trusts, foreign currency deposits, public bonds and insurance

Cost Efficiency



Breakdown of expenses

(Billions of yen)

	FY2008	1H FY2009	FY2009	1H FY2010	FY2010	1H FY2011	FY2011	YoY change
Total expenses	72.3	35.7	69.9	35.4	69.6	35.3	69.1	△ 0.5
Personnel expenses	35.3	17.7	35.5	17.5	35.1	17.6	35.0	△ 0.1
Non-Personnel expenses	33.5	15.9	31.6	15.5	31.4	15.6	31.3	△ 0.1
Depreciation ①	4.8	2.6	5.3	2.7	5.8	3.0	5.9	0.1
Deposit insurance cost ②	5.1	2.6	5.2	2.7	5.4	2.7	5.5	0.1
Others (Excluding ① & ②)	23.5	10.6	21.0	10.1	20.1	9.7	19.8	△ 0.3
Tax	3.4	2.0	2.8	2.1	3.0	2.1	2.8	△ 0.2
OHR (Core net business income basis)	60.2%	60.7%	63.1%	63.1%	62.5%	64.6%	63.7%	1.2%

Number of employees / branches

(Billions of yen)

	09/3	09/9	10/3	10/9	11/3	11/9	12/3	YoY change
Number of employees	3,368	3,529	3,442	3,443	3,360	3,457	3,358	△2
Network	400	405	397	397	400	402	403	3
Domestic	174	173	173	174	176	176	176	0
Overseas	1	1	1	1	1	1	1	0
ATM spot	225	231	223	222	223	225	226	3
ATM	24,167	24,952	25,718	26,591	27,307	28,143	29,104	1,797
Own	875	880	871	875	888	891	876	△12
E-net (alliance)	9,489	9,884	10,256	10,761	11,056	11,247	11,596	540
Seven bank (alliance)	13,803	14,188	14,591	14,955	15,363	16,005	16,632	1,269

Management Indices (Non-consolidated)



Management Indices (Non-consolidated)

	FY2008	1H FY2009	FY2009	1H FY2009	FY2010	1H FY2011	FY2011	YoY change
EPS (Yen)*1	6.46	9.25	16.81	13.77	16.74	11.32	21.91	5.17
ROE (Net income basis: %)*2	503.30	536.20	546.20	548.70	544.70	544.12	575.02	30.32
ROE (Net income basis: %)*3	1.26%	3.63%	3.27%	5.01%	3.07%	4.14%	3.92%	0.85
BPS (Yen)	1.32%	3.78%	3.46%	5.53%	3.38%	4.46%	4.34%	0.96
OHR (Core business profit basis: %)	60.20%	60.70%	60.60%	63.10%	62.50%	64.60%	63.70%	1.2
ROA (Core business profit basis: %)	0.06%	0.62%	0.61%	0.56%	0.57%	0.50%	0.51%	(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: $\text{net income} \div (\text{balance of net assets at end of previous fiscal year}$

$+ \text{balance of net assets at end of period}) \div 2$

*3 ROE figures are on bottom: $\text{net income} \div \text{average balance of net assets (excluding unrealized gains (losses) on available-for-sale securities)}$

Reference Indices

	09/3	09/9	10/3	10/9	11/3	11/9	YoY change
Loans and bills discounted	42.66%	43.12%	43.24%	43.13%	43.25%	44.12%	0.86
Deposits	42.23%	42.68%	42.75%	42.23%	42.71%	43.56%	0.85

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

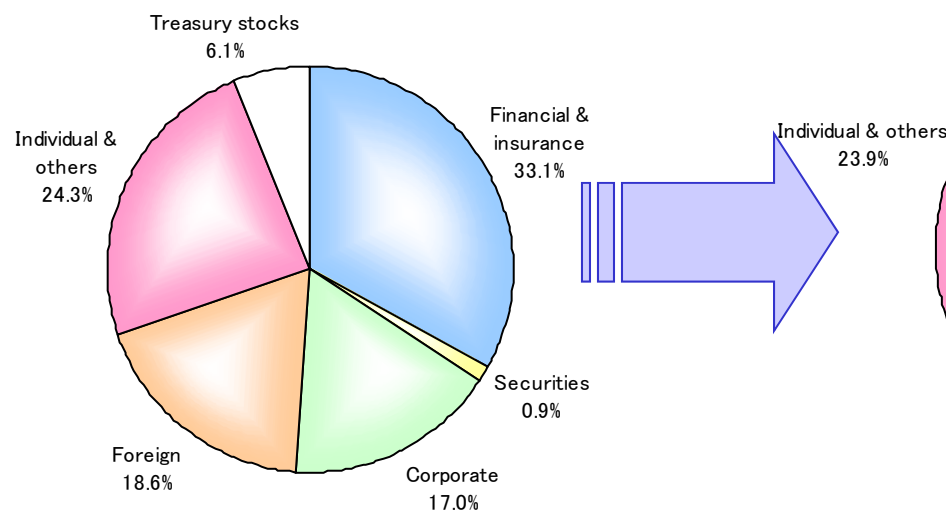
Shareholder Composition



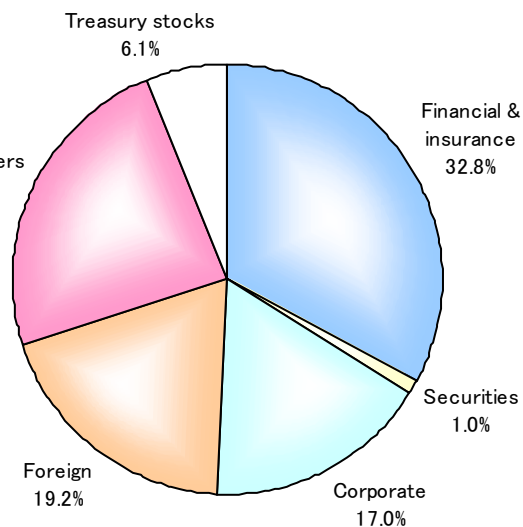
Shareholder composition

	09/9			10/3			11/3			11/9			12/3			YoY Change		
	Stockholders	Stock (Thousands)	%	Stockholders	Stock (Thousands)	%	Stockholders	Stock (Thousands)	%	Stockholders	Stock (Thousands)	%	Stockholders	Stock (Thousands)	%	Stockholders	Stock (Thousands)	%
Public sector	4	297	0.0%	3	297	0.0%	3	297	0.0%	3	297	0.0%	3	297	0.0%	0	0	0.0p
Financial & insurance	78	293,490	35.7%	77	292,891	35.6%	70	270,162	33.1%	64	267,760	32.8%	65	265,761	32.8%	△5	△4,401	△0.3p
Securities	44	4,935	0.6%	50	7,168	0.9%	46	7,737	0.9%	40	5,810	0.7%	38	7,944	1.0%	△8	207	0.0p
Corporate	993	140,466	17.1%	996	140,828	17.1%	1,044	138,425	17.0%	1,030	139,121	17.0%	1,001	137,701	17.0%	△43	△724	0.0p
Foreign	288	139,879	17.0%	306	137,273	16.7%	316	151,982	18.6%	294	157,031	19.2%	289	155,269	19.2%	△27	3,287	0.5p
Individual & others	29,050	193,907	23.6%	28,878	194,403	23.6%	29,674	198,209	24.3%	29,245	196,880	24.1%	28,339	193,886	23.9%	△1,335	△4,323	△0.4p
Treasury stocks	1	49,254	6.0%	1	49,367	6.0%	1	49,416	6.1%	1	49,329	6.0%	1	49,370	6.1%	0	△46	0.0p
Total	30,458	822,231	100.0%	30,311	822,231	100.0%	31,154	816,231	100.0%	30,677	816,231	100.0%	29,736	810,231	100.0%	△1,418	△6,000	0.0p

March, 2011



March, 2012



(thousand)

Increase

Foreign +3,287
Securities +207

Decrease

Financial & insurance (4,401)
Individual (4,323)
Corporate (724)

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