

Financial Results for FY2014 and Projections for FY2015

Best Partner Bank for the Collaborative Creation of the Region's Future

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Financial Highlights for the FY2014 (1)

- ◆ Core net business profit rose for the first time in seven fiscal years due to net interest income and fees and commissions increasing and cost reduction. Non-consolidated net income after tax increased to ¥ 23.9 billion (**four consecutive years of increase**)
- ◆ Consolidated net income after tax increased to ¥ 28.6 billion due to strengthened Group coordination and gain on bargain purchase. (**four consecutive years of increase to a record high, 5.1% consolidated ROE**)

Financial highlights for the FY2014

	FY2012	FY2013 ①	FY2014 ②	Change ②-①	YoY Change	FY2014 Projection*1		FY2014 Projection*2	(Billions of yen)		
						③	Change ②-③				
Gross business profit	111.4	105.7	109.0	3.3	3.1%	108.5	0.5				
Net interest income	93.0	90.6	91.0	0.4	0.4%	90.0	1.0	} Refer to breakdown of Top-line on P3			
Fees and commissions	13.1	13.1	14.4	1.3	9.9%	14.0	0.4				
Net other operating profit	5.2	1.9	3.5	1.5	78.6%	4.5	(0.9)				
Gains/losses on bonds	3.9	0.4	2.6	2.2	505.7%	3.0	(0.3)	} Refer to breakdown of Expenses on P4			
Expenses	68.7	70.6	69.8	(0.7)	(1.0%)	70.0	(0.1)				
Net transfer to general reserve for possible loan losses (A)	(2.6)	(2.1)	(1.0)	1.0	(48.8%)	(2.0)	0.9				
Business profit	45.4	37.2	40.2	3.0	8.1%	40.5	(0.2)	0.2			
Core net business profit	38.8	34.6	36.5	1.8	5.3%	35.5	1.0				
Real business profit	38.8	35.1	39.2	4.0	11.6%	38.5	0.7				
Net non-recurring gains(losses)	(13.7)	(1.4)	0.1	1.5	(107.4%)	(2.0)	2.1				
Disposal of non-performing loans (B)	12.0	8.4	2.9	(5.5)	(65.7%)	4.0	(1.0)				
Gains/losses on stocks	(1.4)	7.4	2.8	(4.6)	(62.4%)	2.1	0.7				
Ordinary profit	31.7	35.8	40.4	4.5	12.7%	38.5	1.9	6.4			
Net special gains (losses)	(0.8)	(0.6)	(1.4)	(0.7)	112.9%	(1.0)	(0.4)				
Net income before income taxes and others	30.8	35.1	38.9	3.7	10.7%	37.5	1.4				
Net income after tax	20.3	22.0	23.9	1.8	8.3%	23.0	0.9	1.9			
Net credit costs (A)+(B)	9.3	6.3	1.8	(4.5)	(71.3%)	2.0	(0.1)	(3.1)			
Ordinary profit (Consolidated)	35.9	41.3	45.7	4.4	10.6%	43.0	2.7	7.2	} Refer to breakdown of Consolidated profit on P5		
Net income after tax (Consolidated)	22.7	25.0	28.6	3.6	14.5%	27.5	1.1	4.1			

*1 As of 2 Feb. 2015

*2 As of 12 May 2014

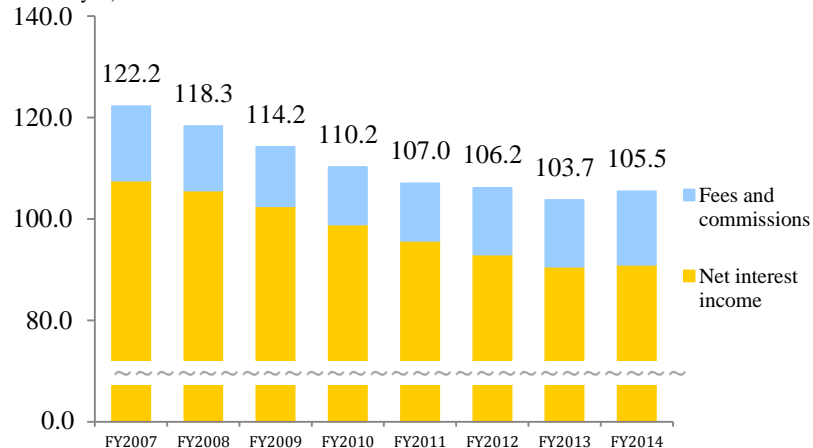
- ◆ Top-line rose for the first time in 7 years with both net interest income and fees and commissions increasing.
- Net interest income increased by ¥0.4 billion YoY with a rise in interest income on securities.
- A substantial increase in fees and commissions on mainly investment trust and insurance assets under management contributed to the increase in fees and commissions

Breakdown of Top-line

		FY2012	FY2013	FY2014	YoY change	Change ratio	FY2014 Projection*	Versus Projection
			①	②	②-①		③	②-③
Net interest income	①	93.0	90.6	91.0	0.4	0.4%	90.0	1.0
Interest income on loans		72.7	69.7	67.9	(1.7)	(2.5%)	-	-
Interest income on securities		24.3	24.8	27.4	2.6	10.4%	-	-
Interest expenses on deposits		3.3	2.5	2.3	(0.1)	(7.3%)	-	-
Fees and commissions	②	13.1	13.1	14.4	1.3	9.9%	14.0	0.4
Investment trusts, annuities and whole-life insurance		5.2	5.6	6.9	1.3	24.4%	-	-
(Investment trusts)		2.8	3.6	4.7	1.0	28.9%	-	-
(annuities and whole-life insurance)		2.3	1.9	2.2	0.3	16.0%	-	-
TOTAL (①+②)		106.2	103.7	105.5	1.7	1.6%	104.0	1.5

※As of 2 Feb. 2015

(Billions of yen)



Breakdown of Net interest income

	FY2014		Domestic		Foreign	
	Results	change from FY2013	Results	Change from FY2013	Results	Change from FY2013
Net interest income	65.5	(1.6)	65.2	(1.8)	0.2	0.2
Interest income on loans	67.9	(1.7)	67.4	(1.9)	0.4	0.1
【Breakdown by factors】	Average balance	- 3.6	- 3.5	+¥274.5 billion	- 0.2	+¥28.0 billion
	Yield	- (5.4)	- (5.4)	(10bp)	- (0.0)	(1bp)
Interest expenses on deposits	2.3	(0.1)	2.2	(0.1)	0.1	(0.0)

Breakdown of interest income on securities

	FY2014		Domestic		Foreign	
	Results	change from FY2013	Results	Change from FY2013	Results	Change from FY2013
Interest income on securities	27.4	2.6	21.0	1.3	6.4	1.2
【Breakdown by factors】	Average balance	- 1.2	- (0.3)	(¥41.2 billion)	- 1.6	+¥85.4 billion
	Yield	- 1.3	- 1.7	+7bp	- (0.3)	(10bp)

Interest income on securities: Reasons for changes (YoY)

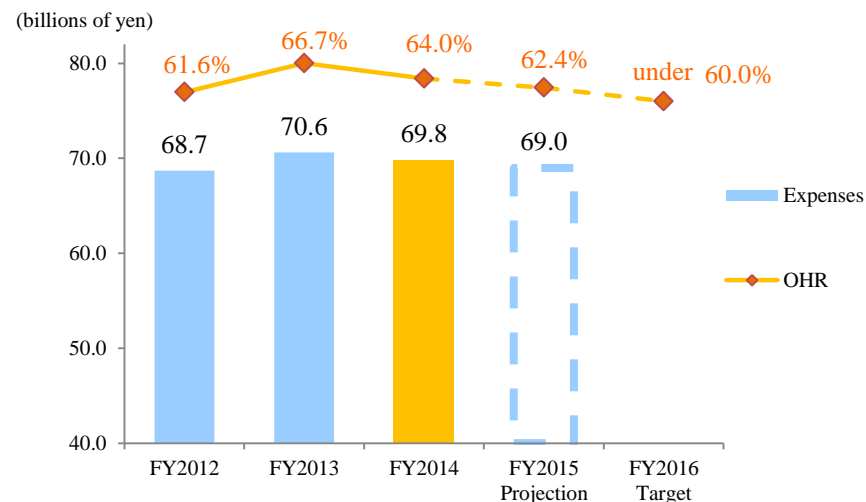
- Gain on cancellation of privately placed investment trust +¥0.3billion
- Increase in dividend from investment partnership +¥0.4 billion
- Increases in dividends from Stocks ,ETF and REIT, etc. +¥1.9 billion
- Increases in dividends from foreign bonds, etc. +¥1.6 billion
- Decrease in interest income from yen-denominated bonds (¥1.1 billion)

- ◆ Expenses fell ¥0.7 billion YoY mainly due to progress in a cost reduction project and a change in the depreciation method, despite higher expenses primarily due to an increase in the consumption tax and the launch of various systems.
- ◆ Expenses will be cut further by making full progress with the cost reduction project.

Expenses

					(Billions of yen)	
	FY2012	FY2013 ①	FY2014 ②	YoY change ②-①	FY2014 Projection* ③	YoY change ②-③
Personnel expenses	35.1	35.1	34.5	(0.6)	35.2	(0.6)
Non-Personnel expenses	30.6	32.3	31.8	(0.5)	33.3	(1.4)
Depreciation	5.1	5.8	5.8	0.0	-	-
Deposit insurance cost	4.8	4.9	5.1	0.1	-	-
Others	20.5	21.5	20.8	(0.7)	-	-
Tax	2.9	3.0	3.4	0.3	3.5	(0.0)
Total	68.7	70.6	69.8	(0.7)	72.0	(2.1)
OHR	61.6%	66.7%	64.0%	(2.7p)	65.1%	(1.1p)

* As of 12 May 2014



Cost Reduction Project

- Aim to reduce operating cost by ¥1.0 billion a year during the period covered by the medium-term business plan
 - Reexamine the use of courier and other services
 - Reexamine ownership and management methods and other aspects of various movable assets and real estate
 - Reexamine systems costs
 - Reexamine the method for printing and mailing pamphlets and other printed materials
 - Realize an improved work-life balance by means that include shorter total working hours

Innovation in Business and Administrative Processes

- Re-engineer the operating and clerical process
 - <Current BPR initiatives>
 - Reexamine the clerical work of loan officers by computerizing and speeding up the clerical process
 - Reexamine the clerical work on deposits and housing loans to speed up the clerical process
 - Reexamine the back office work of branches to reduce the number of clerical procedures
- Re-engineer the operating model of branches
 - Establish an operating model involving fewer employees for small branches

◆ Ordinary **revenue** of affiliated companies increased 10% YoY (by ¥2,075 million) as a result of strengthened Group coordination. The difference in consolidated and non-consolidated net income after tax widened to ¥4.7 billion due also to a gain on bargain purchase*.

*Gain on bargain purchase (¥1.3 billion consolidated extraordinary income)

Purchased shares of minority shareholders to improve capital efficiency of the Joyo Group

• The Joyo Computer Service Co., Ltd.(91.6% → 100%) • The Joyo Lease Co., Ltd. (80% → 90%)

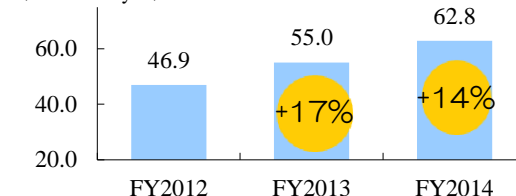
Consolidated profit

	FY2014 Consolidated ①	FY2014 Non-consolidated ②	①-② (③)	YoY Change	(Billions of yen)	
					FY2014 Projection※ ④	Change ③-④
Ordinary profit	45.7	40.4	5.3	(0.1)	4.5	0.8
Net income after tax	28.6	23.9	4.7	1.7	2.5	2.2

※ As of 12 May 2014

◆ The Joyo Lease Co., Ltd.

Lease Installments Receivable
(billions of yen)

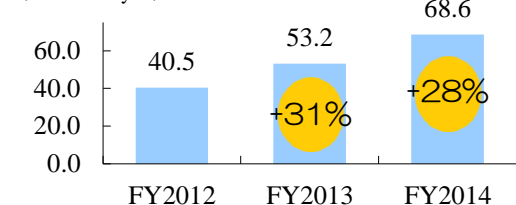


Financial results of affiliated companies

	Business Description	Ordinary revenue		Ordinary profit		Net income after tax		
		YoY change	YoY change	YoY change	YoY change			
Profitable	The Joyo Lease Co., Ltd.	Leasing of machinery and equipment, and claim acquisition	18,779	1,608	956	(334)	580	(212)
	The Joyo Securities Co., Ltd.	Trading of securities and mediation, commission and proxy trading of securities	1,908	311	697	152	602	87
	The Joyo Computer Service Co., Ltd.	Development and sales of software and other products, and contract data processing	1,377	(91)	(16)	(54)	(14)	(36)
	The Joyo Industrial Reseach Institute, Ltd.	Consulting services and contract investigation and research services	476	40	25	18	16	11
Outsourcing	The Joyo Credit Guarantee Co., Ltd.	Credit guarantee of housing loans from Joyo Bank	3,568	147	2,505	(55)	1,513	13
	The Joyo Credit Co., Ltd.	Credit card services	1,188	47	192	(16)	121	16
	The Joyo Business Service Co., Ltd.	Agent in charge of administrative work for Joyo Bank	854	(98)	4	(0)	0	0
	The Joyo Cash Service Co., Ltd.	Maintenance and management of Joyo Bank ATMs	1,128	(5)	7	3	0	0
	The Joyo Equipment Management Co., Ltd.	Maintenance and management of business property and equipment of the Joyo Bank	1,085	(111)	221	(104)	526	692
	[consolidation journal entry]		(7,664)	226	729	233	1,417	1,221
Total			22,703	2,075	5,324	(157)	4,764	1,793

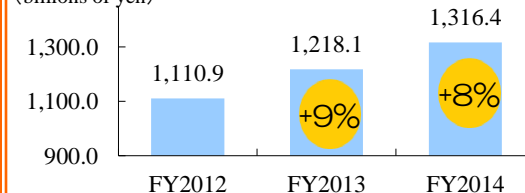
◆ The Joyo Securities Co., Ltd.

Financial Instruments Sales
(billions of yen)



◆ The Joyo Credit Guarantee Co., Ltd.

Total Guarantees Outstanding
(billions of yen)



Average Balance of Loans and Deposits

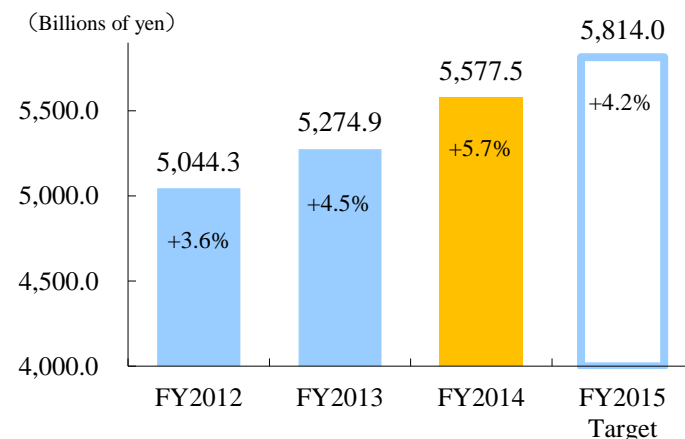
- ◆ The balance of loans and bills discounted increased 5.7% YoY as result of focusing proactively on growth sectors, housing-related loans, and foreign currency loans.
- ◆ Deposits continued on an upward trend, the balance increased 2.1%. Public sector deposits decreased in line with progress made in recovering from disasters.

Average balance of loans and bills discounted

(Billions of yen)

	FY2012	FY2013 ①	FY2014 ②	YoY change ②-①	Change ratio ②-①/①	FY2015 Target ③	YoY change ③-②	Change ratio ③-②/②
Corporate	2,602.0	2,669.7	2,743.1	73.4	2.7%	2,790.0	46.9	1.7%
Ibaraki and its adjoining areas	1,368.5	1,400.5	1,458.1	57.6	4.1%	1,495.0	36.9	2.5%
Tokyo and Osaka	1,233.5	1,269.2	1,285.0	15.8	1.2%	1,295.0	10.0	0.7%
Individual	1,628.6	1,777.8	1,961.1	183.3	10.3%	2,135.0	173.9	8.8%
Public sector	797.4	793.4	813.8	20.4	2.5%	800.0	(13.8)	(1.6%)
Foreign Currency	16.3	33.9	59.4	25.5	75.2%	89.0	29.6	49.8%
Total	5,044.3	5,274.9	5,577.5	302.6	5.7%	5,814.0	236.5	4.2%

*Refer to end-balance on appendix, P29-P30

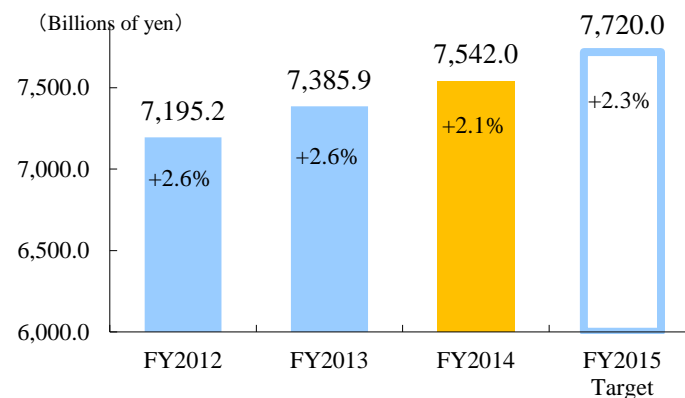


Average balance of yen-denominated deposits

(Billions of yen)

	FY2012	FY2013 ①	FY2014 ②	YoY change ②-①	Change ratio ②-①/①	FY2015 Target ③	YoY change ③-②	Change ratio ③-②/②
Corporate	1,378.8	1,432.0	1,484.3	52.3	3.6%	1,540.0	55.7	3.7%
Individual	5,434.5	5,554.2	5,687.5	133.3	2.3%	5,810.0	122.5	2.1%
Public sector	381.9	399.7	370.2	(29.5)	(7.3%)	370.0	(0.2)	(0.0%)
Total	7,195.2	7,385.9	7,542.0	156.1	2.1%	7,720.0	178.0	2.3%
Ratio of								
current deposits	60.1%	61.4%	62.7%	1.3p	-	60.0%	(2.7p)	-
time deposits	39.9%	38.6%	37.3%	(1.3p)	-	40.0%	2.7p	-

*Refer to end-balance on appendix, P31

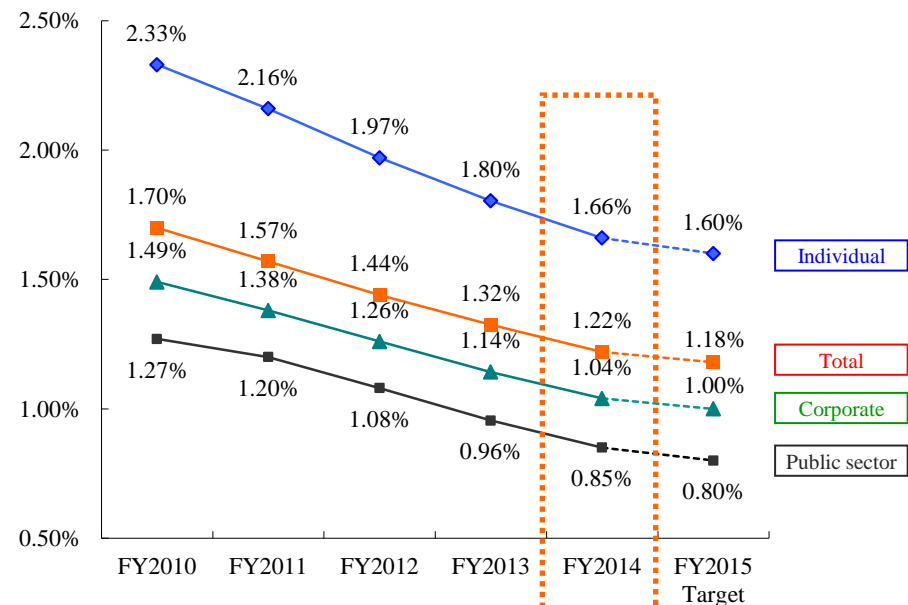


- ◆ Average yield on loans and bills discounted:
Result in FY2014: 1.21% (down 11bp YoY), Target for FY2015: 1.18% (down 3bp YoY)
- ◆ Loan-deposit interest margins:
Result in FY2014: 1.18% (down 11bp YoY), Target for FY2015: 1.16% (down 2bp YoY)

Average yield on loans and bills discounted

		FY2012	FY2013	FY2014	YoY change	FY2015 Target	YoY change
			①	②	②-①	③	③-②
Average yield on interest-earning assets	(A)	1.27%	1.18%	1.14%	(4bp)	-	-
Average yield on loans and bills discounted	(B)	1.44%	1.32%	1.21%	(11bp)	1.18%	(3bp)
Average yield on securities		1.00%	0.96%	1.05%	9bp	1.00%	(5bp)
Funding cost	(C)	0.98%	0.96%	0.91%	(5bp)	-	-
Average yield on deposits	(D)	0.04%	0.03%	0.03%	0bp	0.02%	(1bp)
Average yield on external liabilities		0.94%	0.94%	0.91%	(3bp)	-	-
Loan-deposit interest margins	(B-D)	1.40%	1.29%	1.18%	(11bp)	1.16%	(2bp)
Toatal interest margin	(A-C)	0.29%	0.22%	0.23%	1bp	-	-

Loan-deposit interest margins (yen)



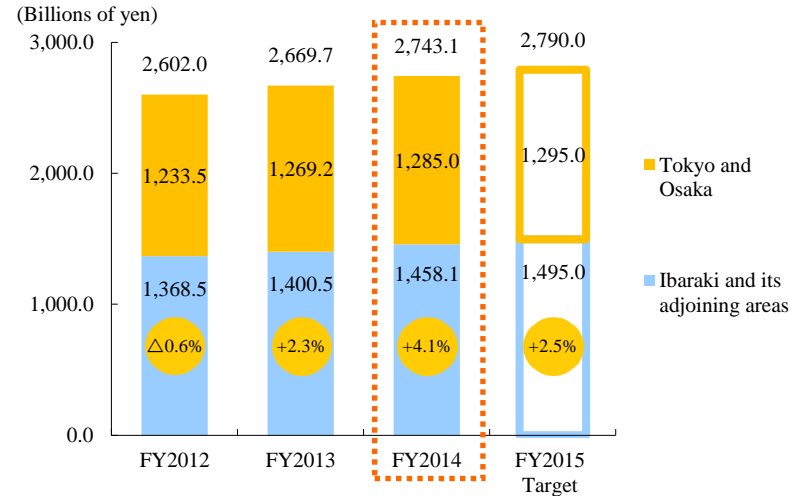
[Ratio of Corporate(Ibaraki and its adjoining areas)+Individual]

FY2010	FY2011	FY2012	FY2013	FY2014	FY2015 Target
60.3%	60.1%	59.6%	60.6%	62.0%	63.4%
-	→	→	→	→	→

- ◆ The balance of corporate loans increased ¥73.4 billion (by 2.7%) as the Bank responded proactively to new funding needs mainly among local borrowers in medical and healthcare, and other growth sectors.
- ◆ In FY2015, the balance of Ibaraki and its adjoining areas will be still on upward trend. (FY2015 Target balance : +2.5% YoY)

Balance of loans (yen/ average balance)

	FY2012	FY2013 ①	FY2014 ②	YoY change ②-①	Change ratio	(Billions of yen)		
						FY2015 Target ③	YoY change ③-②	Change ratio
Corporate loans	2,602.0	2,669.7	2,743.1	73.4	2.7%	2,790.0	46.9	1.7%
Ibaraki and its adjoining areas	1,368.5	1,400.5	1,458.1	57.5	4.1%	1,495.0	37.0	2.5%
Ibaraki	988.6	1,007.4	1,040.9	33.4	3.3%	-	-	-
Miyagi and Fukushima	205.7	207.9	216.7	8.7	4.2%	-	-	-
Tochigi	86.1	89.2	93.7	4.4	4.9%	-	-	-
Chiba and Saitama	88.1	95.8	106.8	10.9	11.4%	-	-	-
Tokyo and Osaka	1,233.5	1,269.2	1,285.0	15.8	1.2%	1,295.0	9.9	0.7%
Major companies	1,137.5	1,151.9	1,164.6	14.4	1.2%	-	-	-
Medium sized companies	120.4	118.5	120.2	(1.9)	(1.6%)	-	-	-
Small companies	1,344.1	1,399.3	1,458.3	55.2	3.9%	-	-	-

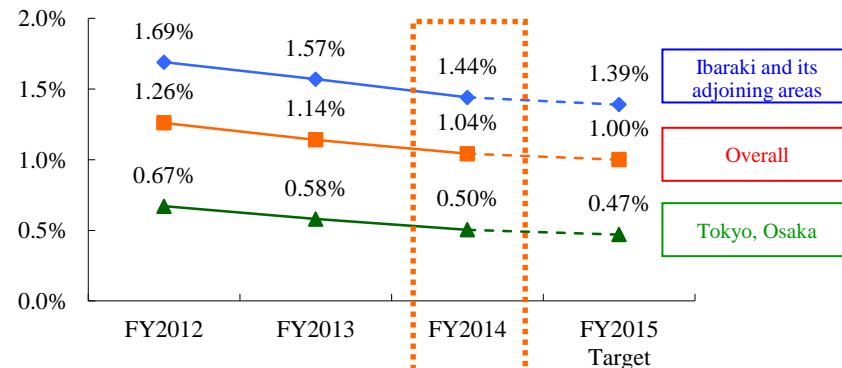


*Refer to end-balance on appendix, P29-P30

Initiatives for growth sectors / Loans for equipment funds

	FY2012	FY2013 ①	FY2014 ②	YoY change ②-①	Change ratio	(Billions of yen)	
						FY2015 Target ③	YoY change ③-②
Total of growth sector	-	73.8	121.0	47.2	63.9%	70.0	(51.0)
Medical/Health care	28.8	35.5	40.8	5.3	14.9%	40.0	(0.8)
New energy	6.3	21.4	34.5	13.1	61.2%	10.0	(24.5)
Manufactures (include subsidy)	-	13.8	31.4	17.6	127.5%	5.0	(26.4)
Agri-business	-	3.0	12.1	9.1	303.3%	10.0	(2.1)
Supports for overseas expansion	-	-	2.2	2.2	-	5.0	2.8
Total of equipment funds	96.2	120.4	125.6	5.2	4.3%	-	-
Ibaraki and its adjoining area	78.3	97.8	109.4	11.6	11.8%	-	-
Tokyo & Osaka	17.9	22.6	16.2	(6.4)	(28.3%)	-	-

Yield on loans



- ◆ Housing loans executed remained at the same level as the previous year for the most part. Loan executed within Ibaraki Prefecture decreased due to a fall in housing starts. This was offset mainly by measures to restructuring branches outside the prefecture and the opening of loan plazas.
- ◆ Apartment loan applications increased steadily and executions reached a record ¥114.1 billion.

Housing-related loans executed

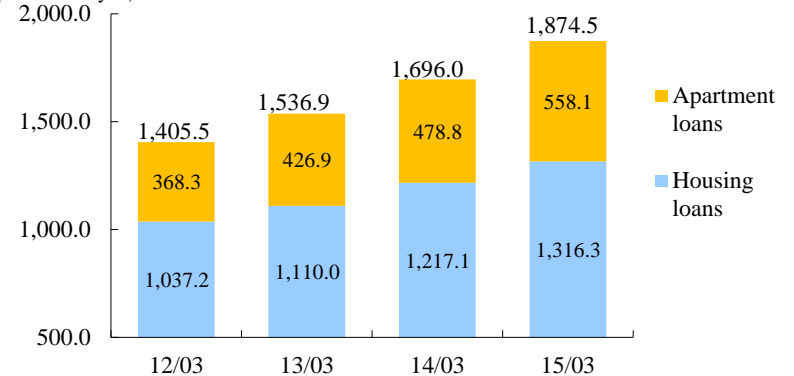
(Billions of yen)

	FY2012	FY2013 ①	FY2014 ②	YoY change ②-①	Change ratio	FY2015 Target ③	YoY change
Housing loans	165.1	204.9	200.9	(3.9)	(1.9%)	230.0	29.0
Ibaraki	128.3	154.3	134.8	(19.4)	(12.6%)	-	-
Miyagi and Fukushima	6.9	8.8	9.7	0.9	10.9%	-	-
Tochigi	10.3	10.1	12.0	1.9	19.0%	-	-
Chiba and Saitama	19.4	31.5	44.2	12.6	40.2%	-	-
Apartment loans	84.7	97.6	114.1	16.4	16.8%	100.0	(14.1)
Ibaraki	56.9	55.6	61.7	6.0	10.9%	-	-
Miyagi and Fukushima	7.7	17.0	22.0	4.9	29.1%	-	-
Tochigi	11.6	8.4	9.0	0.5	7.0%	-	-
Chiba and Saitama	8.2	16.4	21.3	4.8	29.5%	-	-
Total	249.8	302.6	315.1	12.5	4.1%	330.0	14.8

※Reference Housing starts in Ibaraki Pref. Own house & Apartment : down by 11.2%, Rent house : down by 6.5%

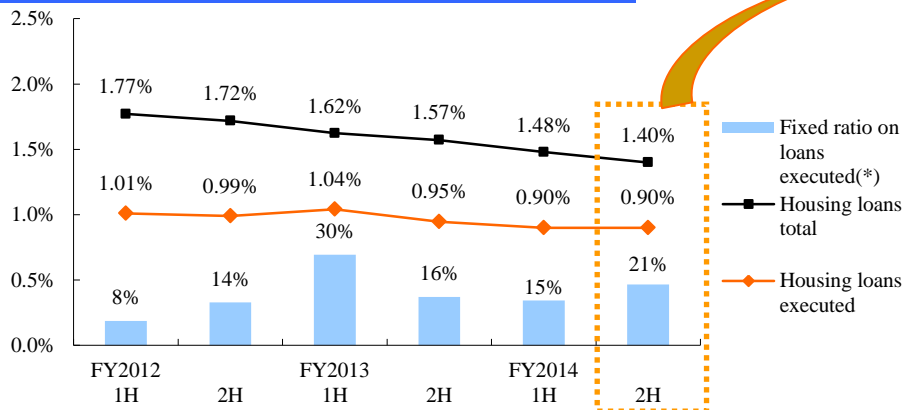
Housing-related loans (term-end balance)

(Billions of yen)

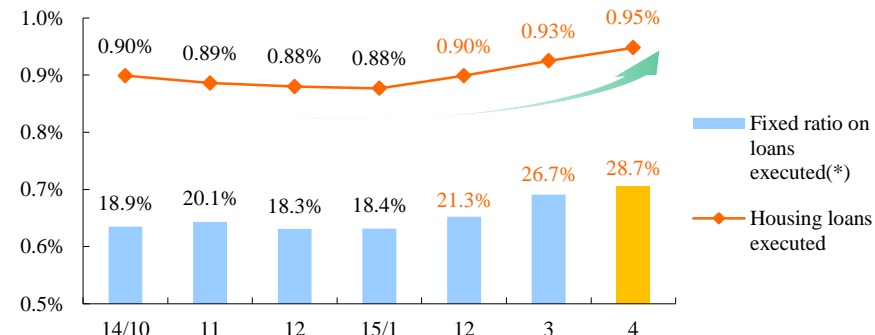


*Refer to apartment loan portfolio on appendix, P37

Yield of housing loans



【Housing loans executed yield】



The execution rate has been increasing to date

- ◆ The average balance of unsecured loans continued to increase as a result of enhancing the non-OTC transaction service function and cross selling.
- ◆ The non-OTC service function (on the web, with direct mail and telemarketing) was enhanced at the Direct Banking Center in August 2014. The center accepts such requests as those for opening an ordinary savings account and change of address, in addition to taking and approving applications for unsecured loans.

Average balance of unsecured loans

	(Billions of yen)						
	FY2012	FY2013 ①	FY2014 ②	YoY change (②-①)	Change ratio	FY2014 executed amount	FY2015 Target
Auto loans	12.6	14.6	18.0	3.4	23.3%	8.6	12.0
Educational loans	18.8	20.3	22.7	2.4	11.8%	8.1	10.0
Card loans	21.6	22.1	23.2	1.1	5.0%	-	-
Total	53.0	57.0	63.9	6.9	12.1%	16.7	22.0
【Reference】 Average yeild	-	5.6%	5.3%	(0.3p)	-		

Cross-selling

	(Number)			
	13/03	14/03 ①	15/03 ②	YoY change (②-①)
Borrowers of housing loans	76,787	80,905	84,492	+3,587
Auto loans	3.7%	4.3%	4.8%	+0.5%
Educational loans	4.3%	4.3%	4.4%	+0.1%
Card loans	21.8%	29.1%	35.9%	+6.8%

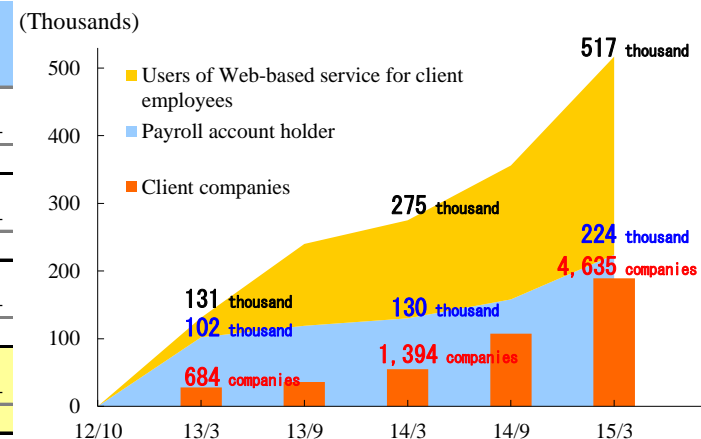
Online loan applications

	(Number/Billions of yen)									
	FY2012	FY2013 ①	FY2014 ②	YoY change (②-①)	Change ratio	Users of Web-based service for client employees *2 FY2013	FY2014	YoY change	Change ratio	
Auto loans	Number	459.5	743.6	728.7	(14.9)	(2.0%)	96.0	137.6	41.6	43.3%
	WEB application ratio	55.4%	66.3%	66.8%	0.5p	-	-	-	-	-
	Amount	3.6	5.9	5.7	(0.2)	(3.8%)	1.5	2.2	0.6	41.2%
Educational loans	Number	115.3	168.9	187.8	18.9	11.1%	59.4	72.8	13.4	22.5%
	WEB application ratio	33.7%	38.9%	44.1%	5.2p	-	-	-	-	-
	Amount	2.1	3.2	3.4	0.2	8.7%	1.9	2.3	0.3	19.7%
Card loans*1	Number	446.9	453.7	693.3	239.6	52.8%	134.6	284.3	149.7	111.2%
	WEB application ratio	61.2%	65.5%	72.6%	7.0p	-	-	-	-	-
	Amount	0.8	1.2	2.2	1.0	83.3%	0.6	1.5	0.9	150.0%
Total	Number	1,021.7	1,366.2	1,609.8	243.6	17.8%	290.0	494.7	204.7	70.5%
	WEB application ratio	53.7%	60.8%	65.1%	4.3p	-	-	-	-	-
	Amount	6.6	10.3	11.4	1.0	10.1%	4.0	6.0	1.9	47.1%

*1 Only CASHFIT

*2 Applications from employees who belongs to clients that use Web-based service

Web-based service for client employees



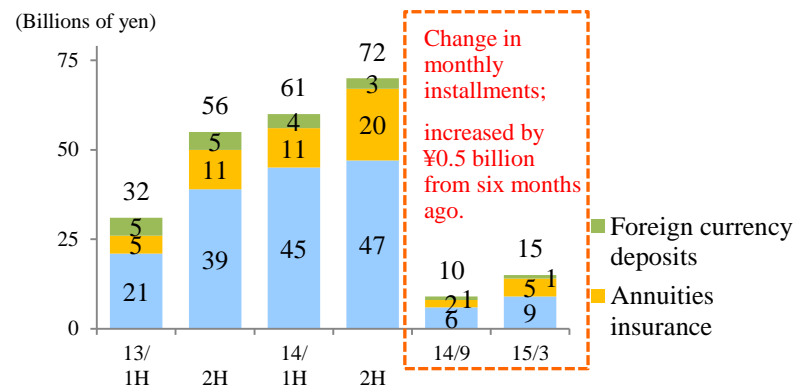
- ◆ Fees and commissions from assets management increased 24% YoY, on mainly investment trusts increasing. This was primarily the result of progress with a framework engaging all employees in marketing and introduction of the exclusive products.
- ◆ The NISA usage ratio rose further as a result of campaigns promoting installment investment accounts (whereby monthly installments surpassed ¥1.5 billion).

Sales of assets management

(Billions of yen)

	Sales amount					Term-end balance				
	FY2012	FY2013	FY2014	YoY change	Change ratio	FY2015 Target	YoY change	14/3	15/3	YoY change
		①	②	②-①		③	③-②	④	⑤	⑤-④
Investment trusts	139.1	187.4	244.9	57.5	30.6%	-	-	298.8	372.7	73.8
Equity investment trusts	68.6	103.4	152.8	49.3	47.6%	180.0	27.1	-	-	-
MRF	70.5	83.9	92.1	8.1	9.7%	-	-	-	-	-
Annuities insurance	93.4	83.1	82.5	(0.5)	(0.6%)	102.0	19.4	388.7	423.3	34.5
Others	178.1	253.1	208.8	(44.3)	(17.5%)	245.0	36.1	-	-	-
Public bond sales through OTC	56.0	70.2	40.7	(29.4)	(41.9%)	-	-	298.1	239.2	(58.9)
Foreign currency deposits	72.3	124.4	95.0	(29.4)	(23.6%)	135.0	39.9	58.3	53.7	(4.5)
Financial instruments intermediary services	49.7	58.4	73.0	14.5	24.8%	110.0	36.9	-	-	-
Total	410.8	523.7	536.3	12.5	2.4%	-	-	1,044.0	1,089.0	44.9
Number of sales staff		1,527	1,573	45.5	3.0%					

Installments

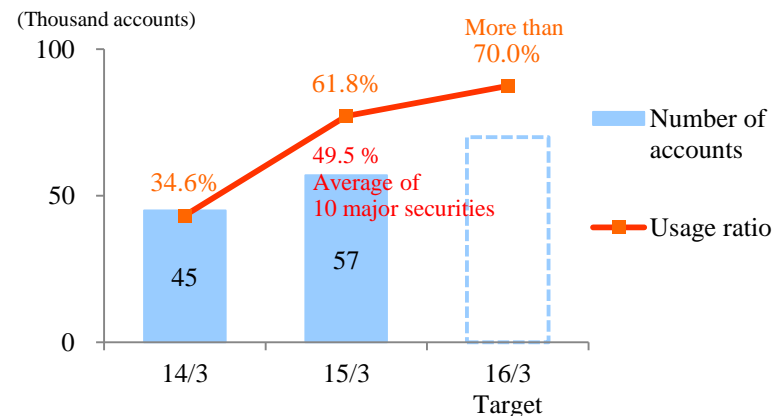


Fees from assets management

(Billions of yen)

	FY2012	FY2013	FY2014		YoY change		Change ratio	FY2015 Target	YoY change
		①	②	1H	2H	②-①			③-②
Investment trusts	2.8	3.6	4.7	2.2	2.4	1.0	28.9%	5.2	0.4
Annuities insurance	2.3	1.9	2.2	0.9	1.3	0.3	16.0%	2.8	0.5
Others	0.7	0.8	1.0	0.4	0.5	0.1	20.9%	1.5	0.5
Public bond sales through OTC	0.1	0.1	0.1	0.1	0.0	(0.0)	(7.5%)	0.1	0.0
Foreign currency deposits	0.3	0.4	0.5	0.1	0.3	0.1	24.7%	0.9	0.4
Financial instruments intermediary services	0.1	0.2	0.3	0.1	0.2	0.0	36.7%	0.4	0.1
Total	5.8	6.4	8.0	3.6	4.3	1.5	24.0%	9.5	1.5

NISA (Japanese ISA)



- ◆ The balance of investment in foreign bonds and investment trusts was increased in view mainly of yen-denominated interest rate risks and balancing the currency portfolio.
- ◆ The target in the medium-term plan (ending March 31, 2017) is to reduce the level of stocks to less than 30% of common equity Tier I capital.

Securities (balance/ unrealized gains and losses)

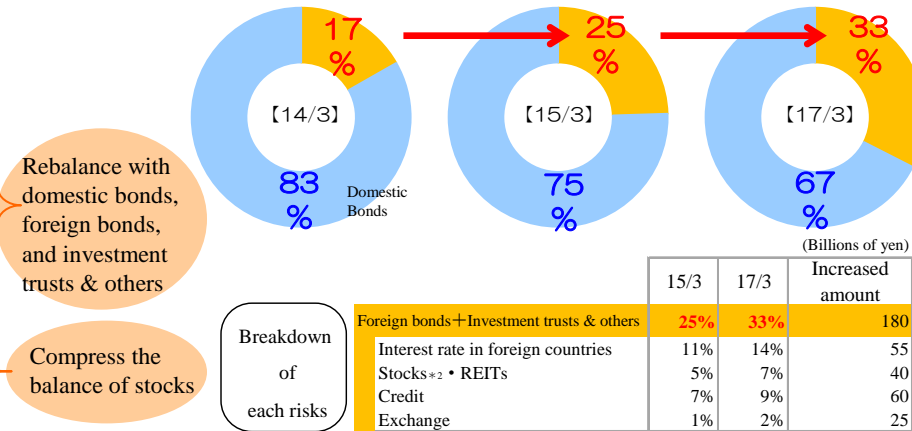
	Term-end balance					Unrealized gains(losses)			
	14/3	14/9	15/3	YoY change		14/3	14/9	15/3	YoY change
	①		②	②-①	Change ratio	③	④	④-③	
Domestic bonds	2,064.9	1,962.2	1,784.6	(280.3)	(13.5%)	35.5	37.3	36.6	1.0
JGB	1,344.7	1,282.7	1,156.3	(188.3)	(14.0%)	23.2	24.0	24.1	0.8
Foreign bonds	297.5	346.7	375.6	78.1	26.2%	1.4	3.1	7.0	5.5
Government bonds	117.0	149.1	158.6	41.6	35.5%	Δ0.2	0.5	3.6	3.8
Ginnie Mae(Pass through)	66.6	68.9	70.8	4.2	6.3%	Δ0.0	0.4	0.9	0.9
Corporate bonds	47.2	54.4	62.8	15.6	33.1%	0.5	0.5	0.8	0.2
Investment trusts & others	128.6	160.6	212.7	84.0	65.3%	12.8	20.3	44.2	31.3
ETF	65.4	76.8	113.8	48.3	73.9%	5.2	10.2	26.8	21.6
JPY denominated funds which invest in foreign assets	9.0	25.5	27.5	18.5	205.5%	Δ0.0	1.3	4.4	4.5
Stocks	138.1	138.6	135.9	(2.2)	(1.6%)	82.2	104.5	144.7	62.5
Total	2,629.3	2,608.3	2,508.9	(120.3)	(4.5%)	132.1	165.3	232.6	100.5

*Refer to end-balance of securities on appendix, P32

*Refer to foreign securities portfolio on appendix, P33

Diversification of investments

- Increase the portfolio composition of “foreign bonds + investment trust & others” to over 30% (20% initially planned) by the time the medium-term plan ends in March 2017.



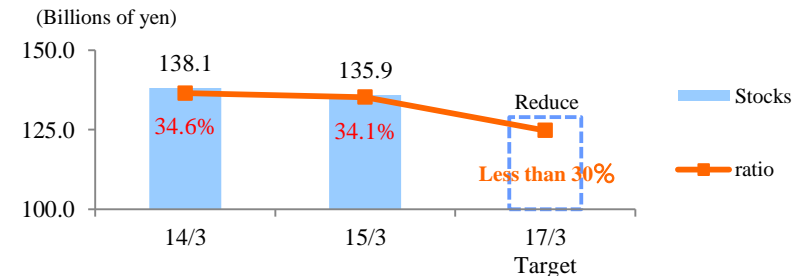
Yields

- Compensate for the low yield on domestic bonds by raising the portfolio composition of foreign bonds + investment trusts & other

	FY2013	FY2014	YoY change	FY2015 Target
	①	②	②-①	
Total	0.96	1.05	0.09	1.00
Domestic bonds	0.66	0.64	(0.02)	
Foreign bonds	1.92	1.82	(0.10)	
Investment trusts & others	1.92	2.14	0.22	
Stocks	2.97	3.65	0.68	

Stocks

- The target is to reduce the level of stocks to less than 30% of common equity Tier I capital (by March 31, 2017).



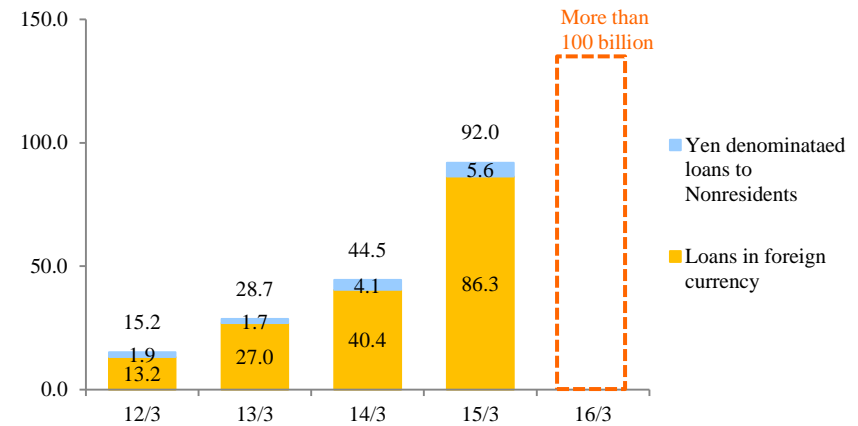
- ◆ Expand the regional scope of investment and loans in conjunction with bolstering foreign bond investments and foreign currency loans.
- ◆ Pay consideration also to the foreign currency funding structure and maturity as foreign currency assets increase.

Expansion of the investments and loans region

(Countries / Billions of yen)

	13/9 ①	Expand investments and loans region 14/3	Expand investments and loans amount 14/6	15/3 ②	Change ②-①
The number of country which have a line of credit	11	23	23	25	14
The number of country which we have exposures of	9	9	13	18	9
Amount of loans and investments	214.5	245.5	263.5	324.3	109.8
Countries in Europe	8	8	10	10	2
Amount of loans and investments	211.1	241.0	256.4	303.2	92.1
Countries in Asia	1	1	3	8	7
Amount of loans and investments	3.4	4.5	7.1	21.2	17.8

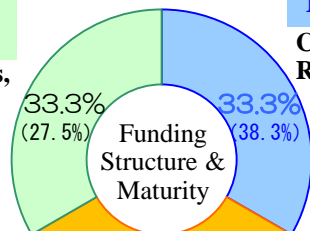
Strengthening of foreign currency procurement capacity



Foreign currency funding structure and maturity

- Aim to balance funding between (1) the money market, (2) short-, medium- and long-term maturities, and (3) from customers and the capital markets (percentages in parentheses are compositions as of March 31, 2015)

From customers and the capital markets
Foreign currency deposits, CB

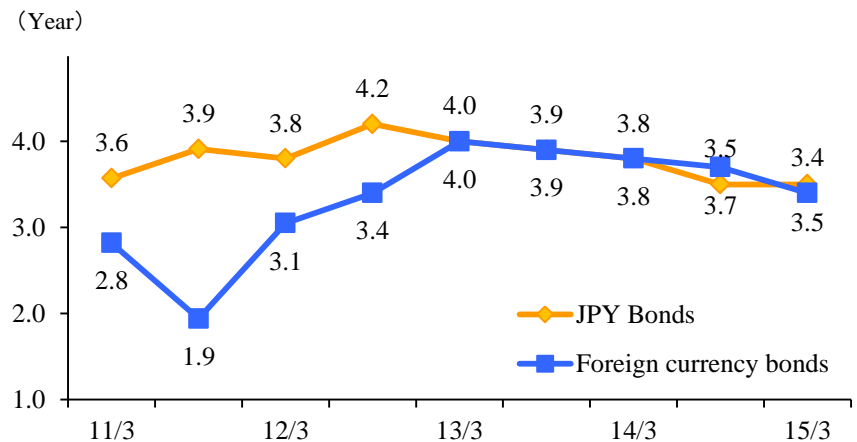


- Composition of funding over a year + foreign currency deposits :38.9%

Money market
Call loans, Repurchase transaction

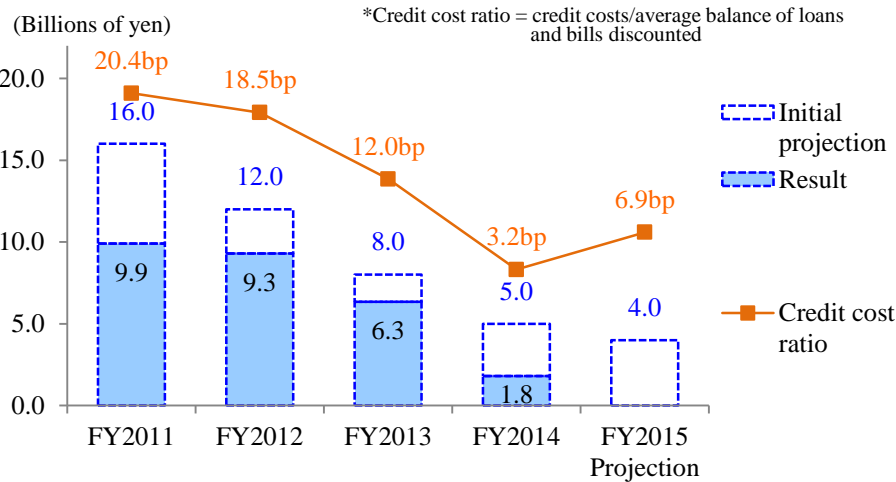
Short-, medium- and long-term maturities
Swap transaction

Duration



- ◆ Credit costs decreased to ¥1.8 billion in FY2014. This was due to a decrease in New Downgrades as a result of economic recovery, as well as the support the Bank provided borrowers for business improvements.
- ◆ The Bank made steady progress providing borrowers with support for business improvement, including with indicators such as the ratio of support completions rising

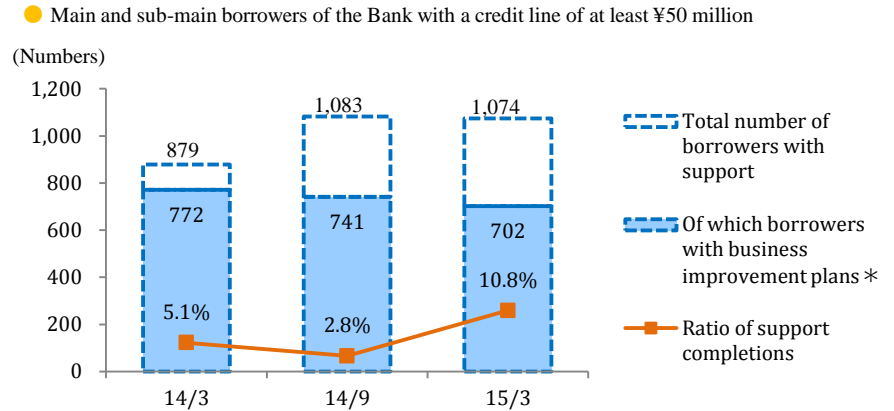
Net credit costs and credit cost ratio *



	FY2012	FY2013 ①	FY2014 ②	YoY change ②-①	FY2015 Projection ③	YoY change ②-③
New downgrades	16.5	14.0	9.2	(4.7)	6.7	(2.5)
Decrease incollateral value	1.3	0.7	0.5	(0.2)		
Losses on bulk sale of loans etc.	0.1	0.1	0.0	0.0	1.4	0.1
Others	0.7	0.6	0.6	0.0		
Reversal of provision for specific reserves (○)	4.5	4.8	5.1	0.2	5.3	(2.2)
Recoveries of written-off claims (○)	2.1	2.2	2.4	0.1		
Net transfer to general reserve for possible loan losses	(2.6)	(2.1)	(1.0)	1.0	1.2	2.2
Net credit costs	9.3	6.3	1.8	(4.5)	4.0	2.1

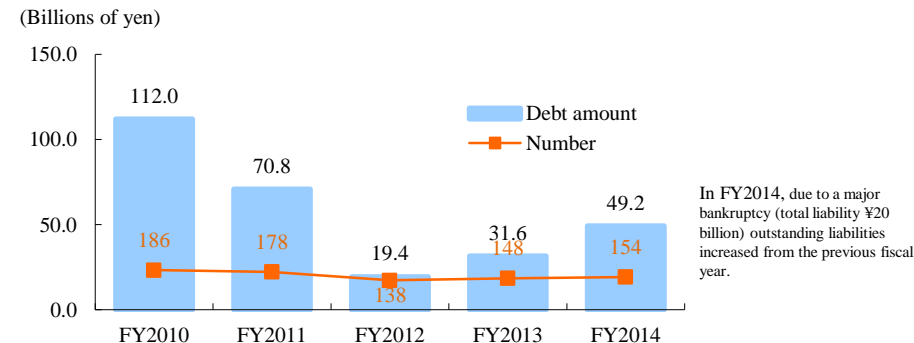
Actions for supports of business improvement

【Borrowers receiving support for business improvement and plans for business improvement】



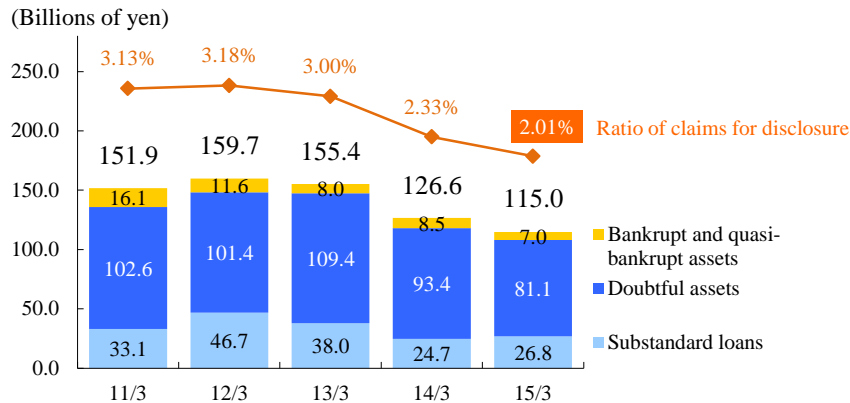
*Borrowers for which the Bank has formulated debt settlement and other business improvement plans

Bankruptcies in Ibaraki



- ◆ Claims for disclosure decreased by ¥11.5 billion YoY, owing to our efforts to continuous support of business improvement.
- ◆ The ratio of claims for disclosure was down to 2.01%

Claims for disclosure (based on disclosure under the Act on Emergency Measures for the Revitalization of the Financial Functions)



Classification of borrowers		Problem, non-problem assets	14/03 ①	14/09 ②	15/03 ③	Change ③-②	YoY change ③-①
Legally bankrupt		Problem assets	1.6	1.4	1.2	(0.1)	(0.4)
Substantially bankrupt			6.7	6.1	5.7	(0.3)	(0.9)
Potentially bankrupt			93.4	88.5	81.1	(7.3)	(12.2)
Borrowers requiring caution ①	Substandard loans	Non-problem assets	24.7	25.2	26.8	1.5	2.1
	Borrowers requiring monitoring excluding borrowers requiring caution		9.9	10.6	12.2	2.3	1.6
Normal assets ②			383.1	339.3	336.1	(47.0)	(3.2)
Total ③			4,898.0	5,074.2	5,212.1	314.1	137.9
Nomal asset ratio ②/③			7.7%	6.8%	6.6%	(0.2p)	(1.1p)
Borrowers requiring caution ratio ①/③			90.4%	91.5%	91.8%	0.3p	1.4p

Actions for exit strategy

● Actions of Solution support team

- <Establishment goal> Provide optimal and appropriate solutions to debtors and others involved who have agreed to a settlement of debts and other proceedings
- <Establishment date> Established within the Headquarters credit examination section in March 2012
- <Business activities> (1) Examine and execute countermeasures (including debt settlement)
(2) Provide support coordinated with outside specialists, support councils and so forth
- <Business results> Parties receiving support: 231 (as of March 2015)
Of which support completion: 155 parties (67.1% completion rate)

[Status as of March 2015]

Actions of Solution support team	Total	(Numbers)		
		Completed	In-progress of reconstruction	Set policy
Self-recovery and continued support	19	15	2	2
Support from public institution and reconstruction funds*	29	19	8	2
DES • DDS	20	9	4	7
Debt recovery while providing support	40	18	12	10
Business closure (debt settlement)	123	94	8	21
Total	231	155	34	42

[Historical record]

	(Numbers)			Change ③-②	YoY change ③-①
	14/3 ①	14/9 ②	15/3 ③		
Total(a)	234	229	231	+2	Δ3
Completed(b)	109	130	155	+25	+46
ratio(b)/(a)	46.6%	56.8%	67.1%	+10.3p	+20.5p
In-progress & set policy	125	99	76	Δ23	Δ49

* Assistance from Ibaraki Prefectural Industrial Revitalization Corporation, Great Eastern Japan Earthquake Business Restoration Assistance Organization, Ibaraki Iki-iki No. 3 Fund, Risa Partners Inc., etc.

- ◆ Continue expanding top-line business profit by bolstering income from fees and commissions and turning loan-deposit spreads around. In addition, improve earnings for the 5th consecutive year by ramping up cost reduction initiatives.
- ◆ Aim for consolidated ROE in the 5% range by further accumulating top-line business profit.

	(Billions of yen)					
	FY2014	FY2015	YoY	1H	1H	YoY
	(a)	Projection	change	FY2014	FY2015	change
		(b)	(b)-(a)	(c)	Projection(d)	(d)-(c)
Gross business profit	109.0	110.5	1.4	55.3	55.5	0.1
Net interest income	91.0	89.0	(2.0)	46.2	45.0	(1.2)
Net interest on loans and deposits	65.5	66.0	0.4	32.7	33.0	0.2
Interest and dividends on securities	25.5	23.0	(2.5)	13.5	12.0	(1.5)
Fees and commissions	14.4	17.0	2.5	6.8	8.5	1.6
Net other operating profit	3.5	4.5	0.9	2.2	2.0	(0.2)
Gains(losses) on bonds	2.6	3.0	0.3	1.6	1.5	(0.1)
Expenses	69.8	69.0	(0.8)	36.0	35.0	(1.0)
Real business profit	39.2	41.5	2.2	19.2	20.5	1.2
Net transfer to general reserve for possible loan losses (A)	(1.0)	1.0	2.0	(1.4)	0.5	1.9
Business profit	40.2	40.5	0.2	20.7	20.0	(0.7)
Core net business profit	36.5	38.5	1.9	17.6	19.0	1.3
Net non-recurring gains(losses)	0.1	(2.5)	(2.6)	0.2	(0.5)	(0.7)
Disposal of non-performing loans (B)	2.9	3.0	0.0	2.3	1.0	(1.3)
Net gains/losses on equity securities	2.8	0.0	(2.8)	2.1	0.0	(2.1)
Ordinary profit	40.4	38.0	(2.4)	20.9	19.5	(1.4)
Net special gains(losses)	(1.4)	(1.0)	0.4	(0.5)	(0.5)	0.0
Net income before income taxes and others	38.9	37.0	(1.9)	20.4	19.0	(1.4)
Net income after tax	23.9	25.0	1.0	13.6	12.5	(1.1)
Net credit costs (A) + (B)	1.8	4.0	2.1	0.9	1.5	0.5
Net income after tax (Consolidated)	28.6	28.5	(0.1)	15.1	14.0	(1.1)

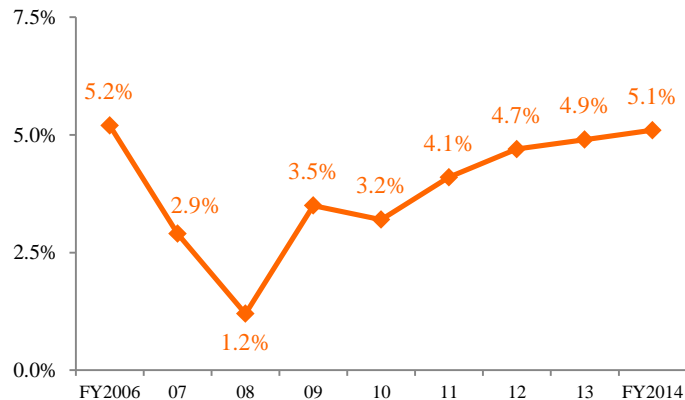
1 Net interest income +¥0.4 billion

- Increase in average loan balance +¥2.4 billion
- Lower yields on loans (¥2.1 billion)
- Increase expenses on deposits (¥0.2 billion)
- Decrease interest on securities (¥2.5 billion)
- Interest income from yen-denominated bonds (¥1.4 billion)

2 Fees and commissions +¥2.5 billion

- Fees assets management +¥1.5 billion
- Corporate fees and commissions +¥1.0 billion

● ROE (Consolidated)



- ◆ Continue to take business risks proactively while maintaining a consolidated capital adequacy ratio of around 12% as targeted in the medium-term plan
- ◆ Reduce the number of outstanding shares by around 20% from the peak level by continuing to acquire and retire treasury stock

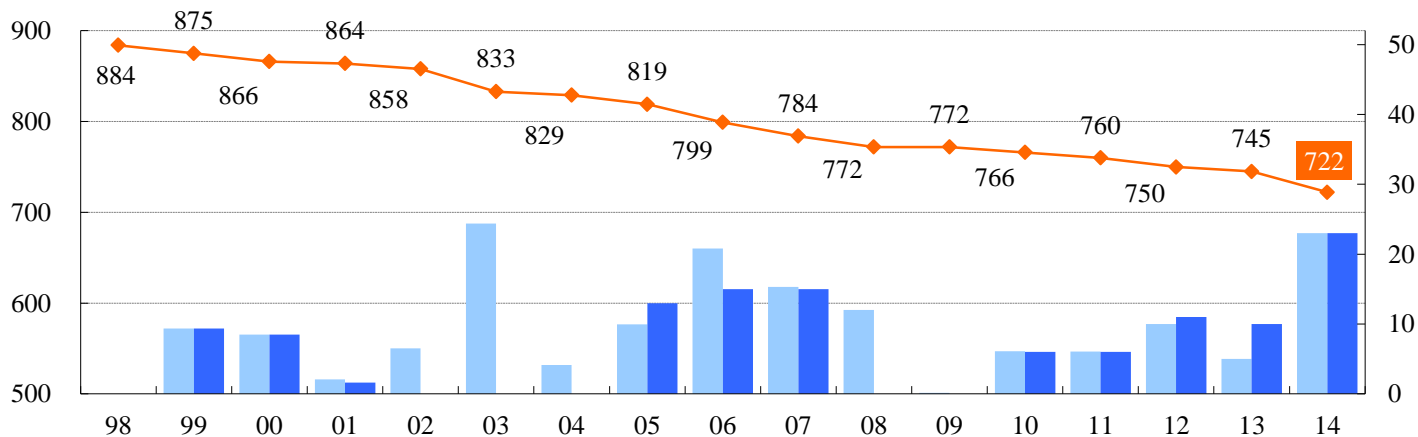
Capital Adequacy Ratio

	13/3	14/3	15/3	The 12th mid-term business plan's goal ('17/3)	【Reference】 Common Equity Tier I ratio
Consolidated Capital Adequacy Ratio	12.81%	12.60%	12.40%	approx. 12%	14/3 12.16%
Total Capital (Billions of yen)	417.2	440.0	435.8	—	15/3 12.95%
Risk Weighted Assets	3,256.9	3,491.1	3,512.8	—	

Basel II as reference ← → Basel III

Outstanding shares and treasury stock acquisition and retirement

(Millions of stocks)



(Millions of stocks)

- Total amount of stock repurchased (right)
 - Total amount of stock cancelled (right)
 - ◆ Total amount of stock issued (left)*
- *Excluding treasury stock

◆ In FY2015, proactively provide return to shareholders based on the Shareholder Return Policy.

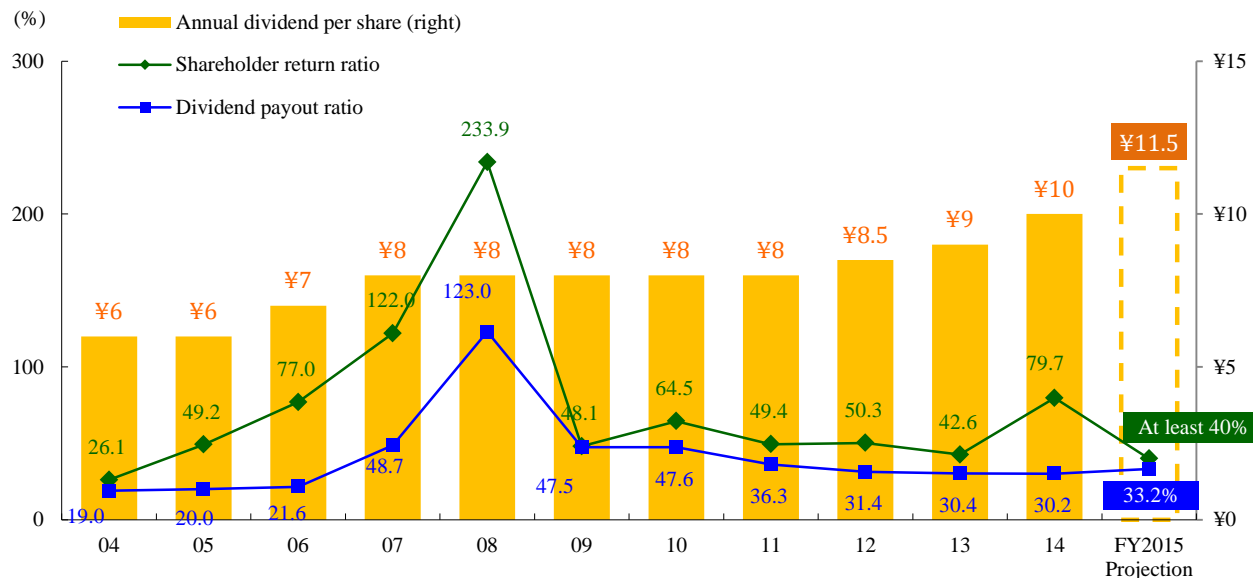
Annual dividend per share ¥11.5 (including a ¥1 commemorative dividend) / Increase by ¥1.5 YoY.

Share buyback Aim for a shareholder return ratio of at least 40% after paying consideration to earnings.

Shareholder Return Policy

◆ Combine share buybacks and dividends for non-consolidated net income of at least 40%,
aim to return at least 30% in dividends

Total Returns, Payout Ratio and Annual Dividend per share



Annual dividend per share 4 consecutive years of increase
Increase by ¥1.5 YoY

Shareholder return ratio
Average of past 5 FY 57.3%
Average of past 10 FY 81.7%

Dividend payout ratio
Average of past 5 FY 35.2%
Average of past 10 FY 43.7%

◆ For FY2014, 6 KPIs attained out of 7.

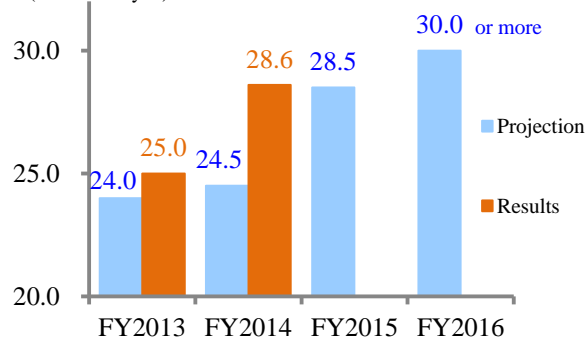
➡ Set financial targets for the FY2015 plan at levels ensuring attainment of targets set in the medium-term plan ending FY2016

Progress in numerical goals

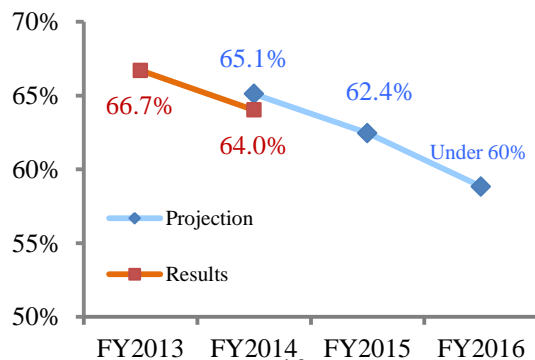
Numerical Goals		The 11th mid-term business plan FY2013	The 12th mid-term business plan				(Billions of yen)
			FY2014		FY2015	FY2016	
			Projection* ①	Results ②	Achievement ②/①	Projection	Goals
Income goals	Consolidated net income after tax	25.0	24.5	28.6	Achieve	28.5	30.0 or more
	Non-consolidated net income after tax	22.0	22.0	23.9	Achieve	25.0	27.0 or more
	Non-consolidated ordinary profit	35.8	34.0	40.4	Achieve	38.0	40.0 or more
	Non-consolidated gross business profit	105.7	110.5	109.0	98.6%	110.5	1,200.0 or more
Efficiency indicators	Non-consolidated OHR	66.7%	65.1%	64.0%	Achieve	62.4%	under 60%
	Non-consolidated ROE	4.4%	mid 4% range	4.4%	Mostly achieve	Aim at ROE5% (Consolidated)	approx. 5%
Soundness indicators	Consolidated capital adequacy ratio	12.6%	mid 12% range	12.40%	Mostly achieve	In the lower 12% range	approx. 12%

* As of May 2014

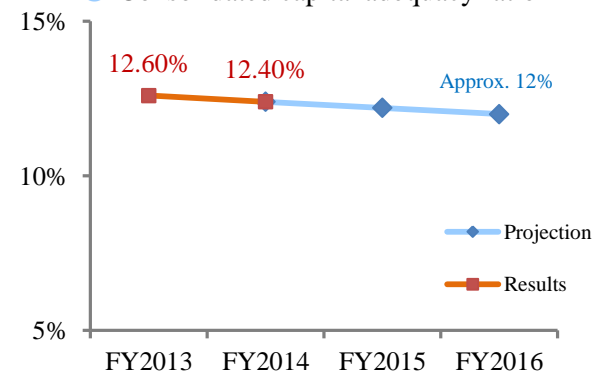
● Consolidated net income after tax
(Billions of yen)



● OHR



● Consolidated capital adequacy ratio



◆ For FY2014, 11 KPIs attained out of 14.

➔ For FY2015 Projection, 3 KPIs set in the medium-term plan ending FY2016 are projected to be attained one year ahead of schedule in the FY2015 plan. Levels for the 11 other KPIs were set to ensure attainment of the medium-term plan ending FY2016.

Progress in numerical goals

Numerical Goals		The 11th mid-term business plan FY2013	The 12th mid-term business plan				
			FY2014			FY2015	FY2016
			Projection* ①	Results ②	Achievement ②/①	Projection	Goals
Collaborative Creation	Fees from asset management	6.4	7.8	8.0	Achieve	9.5	10.7
	Individual loans	1,777.8	1,955.0	1,961.1	Achieve	2,135.0	2,323.0
	Individual deposits	5,554.2	5,677.0	5,687.5	Achieve	5,810.0	5,930.0
Expansion of Customer Base	Housing loans executed	302.6	330.0	315.1	95.5%	330.0	Cumulative over 3 years 1,000.0
	Corporate fees and commissions	7.5	7.5	7.3	97.4%	7.8	8.2
	Corporate loans in Ibaraki and its adjoining area	1,400.5	1,448.0	1,458.1	Achieve	1510.0	1,523.0
Strengthening Investment Return	Loan executed for growth sectors	-	100.0	121.0	Achieve	70.0	Cumulative over 3 years 300.0
	Average balance of foreign bonds +Investment trusts, others	353.7	480.0	499.5	Achieve	⊙ 637.0	570.0
	The percentage of investment in foreign bonds+funds, etc.	13.8%	18.1%	2.0%	Achieve	⊙ 26.4%	20.0%
Renewal of Operation	Profit or loss related to bonds, shares, etc.	-	4.0	5.5	Achieve	3.0+α	Cumulative over 3 years 10.0
	Average balance of foreign currency-denominated loans	33.9	55.0	59.4	Achieve	90.0	100.0
	Individual internet banking contracts	165,000 contracts	243,000 contracts	263,847 contracts	Achieve	323,000 contracts	400,000 contracts
Remaking Human Resources Portfolio	Reduce over-the-counter and back office entries*1	-	(20.0%)	(19.0%)	95.0%	Cumulative over 2 years (30%)	(50.0%)
	Reduce time spent on client and lending administration*2	-	(50.0%)	(49.1%)	Achieve	⊙ Cumulative over 2 years (50%)	(50.0%)
	Increase the number of female managers	-	-	14.7%	Progress well	⊙ Cumulative over 2 years 20%	20.0%

*1 FY2013=100

*2 FY2011 (initial year of JAST planning) =100

⊙ Aiming to achieve 1 year ahead of schedule

Appendix

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Collaborative creation ~ Examples of Measures for Supporting Local Manufacturing Companies ~

1 Business collaborative creation project “Action JAT”*1

*1 JAT: A joint project by partners Joyo Bank, the National Institute of Advanced Industrial Science and Technology (AIST) and Toho Bank

- Helped match the technical needs of the Fukushima Renewable Energy Institute, AIST (FREAI) with the technologies and other resources of local companies.

➡ The 3 work together to select **collaborative creation companies** for working with the AIST

2 7th Joyo Forum for Manufacturing Companies (held December 2014)

- Using “**technology proposal forms**” for strengthening the competitiveness of local manufacturing companies and generating new corporate value, the Bank hosted a forum involving technology sales meetings with major companies (44 participating) as well as product and panel exhibits.

➡ 750 local companies and 1,600 individuals participated in the forum with 335 sales meetings taking place (**record attendance**)

3 Support for the creation of new businesses utilizing Furusato (Hometown) Investment*2

*2 Furusato Investment: A framework for supporting business operators that are working to revitalize the region using local resources by soliciting small investments from individuals via the Internet and other means.

- Supported new fund procurement needs by forming a business alliance with Music Securities, Inc. and referring customers seeking to utilize the Furusato Investment program to the company.

➡ Support for the creation of new business in the area

4 FACTORYNETWORK BUSINESS CONFERENCE (FBC) Guangdong 2014

(China-Japan manufacturers’ sales meetings, held November 2014)

- Sales meetings were held to help local companies expand their sales channels in the Chinese market. To date the Bank has cosponsored FBCs 9 times in Shanghai and 3 times in South China

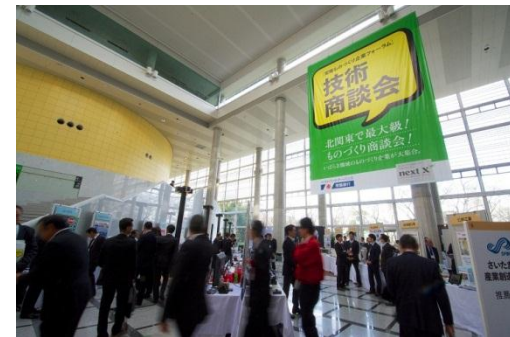
➡ 10 companies out of 192 companies exhibiting at the conference were Joyo Bank customers

5 Third Joyo Business Awards

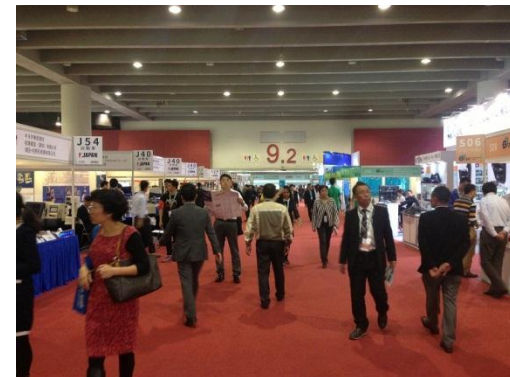
➡ Refer to page 25 for details



(At the Action JAT orientation on November 5, 2014)



(At the 7th Annual Joyo Forum for Manufacturing Companies on December 10, 2014)



(At the FBC Guangdong on November 20, 2014)

Collaborative creation ~ Examples of Measures for Supporting Local Food Businesses ~

6 Small discussion meetings in the National Food Research Institute (NFRI) of the National Agriculture and Food Research Organization (NARO) /Agricultural exchange seminar

- Hosted small discussion meetings with outside lecturers in support of new product development, problem solving, bolstering management capability and so forth.

➡ 56 companies participated (28 in the small discussion meetings, 28 in the agricultural exchange seminar)



(At the agricultural exchange seminar)

7 Joyo Food Business Sales Meetings with Lawson

- Arranged individual sales meetings between major convenience store chain Lawson and local food processing businesses (22 companies) with the aim of supporting the expansion of sales channels for local food processing businesses.

➡ To date **three companies** have begun selling their products in Lawson stores



(At the Food Business Sales Meetings with Lawson)

8 Regional Bank Food Selection 2014 (held in November 2014)

- A conference jointly sponsored by 38 regional banks to help expand sales channels for local food processing businesses.
- Arranged sales meetings between food businesses in need of expanding sales channels nationwide and wholesalers looking for uniquely local food products.

➡ 26 Joyo Bank business customers participated, of which 19 concluded sales agreements

9 14th Joyo Food Business Sales Meetings 2015 in Tsukuba (held in February 2015)

- Conference of meetings sponsored by Joyo Bank on an ongoing basis to help food businesses either expand sales channels or procure food products, and foster mutual exchange between sellers and buyers (250 companies exhibited and 500 sales meetings held).

➡ 1,400 companies and 2,900 individuals participated (**record attendance**).
There were 29 sales meetings with 4 new buyers invited from abroad



(At the 14th Joyo Food Business Sales Meetings on February 24, 2015)

Collaborative creation ~ Examples of Measures for Supporting Local Economic Revitalization and Problem Solving ~

10 Management of public infrastructure assets

- The Bank conducts seminars and helps formulate white papers on the management of public infrastructure assets to solve three problems (maintenance, service provision, and fiscal management) in connection with public facilities and infrastructure built long ago during the era of high economic growth in Japan.

➡ Held seminars and made proposals at **40 municipalities**

11 Conclusion of a partnership agreement with Tsuchiura City (in September 2014)

- The Bank concluded a partnership agreement with Tsuchiura City to promote the effective use and residential settlement of vacant buildings to economically revitalize the city’s urban center. The Bank leveraged its knowhow to establish “Loans Promoting Residential Settlement of Downtown Tsuchiura” to provide loans at preferential rates for the effective use and residential settlement of vacant buildings.

➡ To date the Bank has begun providing partnership loans for promoting residential settlement to **15 other municipalities.**

12 Partnership agreement for revitalizing local shopping districts (concluded in March 2015)

- The agreement combines the Bank’s local network and the expertise of the Regional Economy Vitalization Corporation of Japan (REVIC) to support activities led by local residents to restore activity and revitalize local shopping districts in Ibaraki Prefecture

➡ Began reviewing measures for making effective use of vacant stores and other buildings in shopping districts near the east exit to Katsuta Station

13 Support in connection with the Communities, Sages and Jobs Rebirth Act

- The Bank developed support operations including research councils, seminars, and surveys to provide the information and knowhow that municipalities need in formulating and promoting comprehensive strategies in response to Japan’s Communities, Sages and Jobs Rebirth Act.*3

*3 Communities, Sages and Jobs Rebirth Act: A law that was instituted with the aim of keeping Japanese society vigorous going forward. The law promotes appropriate responses to the rapid aging and falling birth rate of Japanese society to improve rural living environments and put a stop to the population declining in rural areas and concentrating excessively in the Tokyo area.

➡ **26 municipalities** participated in the 1st research council meeting held on March 27, 2015.



(At the PPP/ PFI Research Council meeting on August 22, 2014)



(Partnership agreement concluded with Tsuchiura City)



(At the 1st research council meeting on March 27, 2015)

Joyo Business Awards (Collaborative creation)

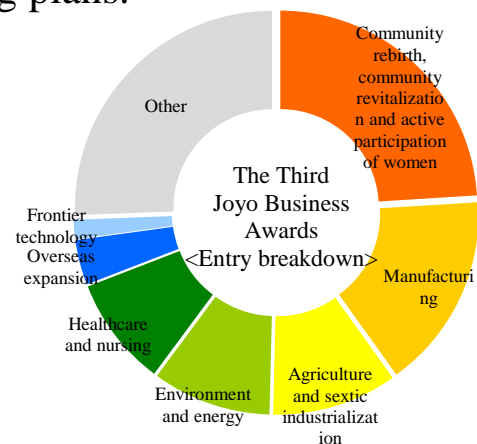


- A business plan contest aimed at creating new industries and businesses together with members of local communities, and thereby revitalizing local economies.
- “Community rebirth, community revitalization, and active participation of women” was a new award category added to the Third Jojo Business Awards. The Bank provides support in commercializing the award-winning plans.

(Contest application period: December 2014 to February 2015)

◇ A record 379 business plans were submitted

- <Entry breakdown>
- | | |
|---|--|
| ① Manufacturing (61 plans), | ② Agriculture and sextic industrialization (39 plans), |
| ③ Environment and energy (37 plans), | ④ Healthcare and nursing (34 plans), |
| ⑤ Frontier technology (6 plans), | ⑥ Overseas expansion (14 plans), |
| ⑦ Community rebirth, community revitalization and active participation of women (91 plans), | |
| ⑧ Other (97 plans) | |



<Award Winning Companies>

Grand Prize Kaneko Housou Co., Ltd.

“Development of Fireproof Cardboard and Products (Furniture, Partitions, Panels, etc.) for Use in Disaster Stricken Areas and Public areas”

Womenomics Award Education Design Lab Co., Ltd.

Enabling Women to Work Flexibly, the Way They Like from Their Homes

Tsukuba Special Award TONO Fine Plating Company, Limited

Technological Innovation in the Surface Treatment of Precision Patterning

Collaborative Creation Award Ibaraki NPO Center Commons

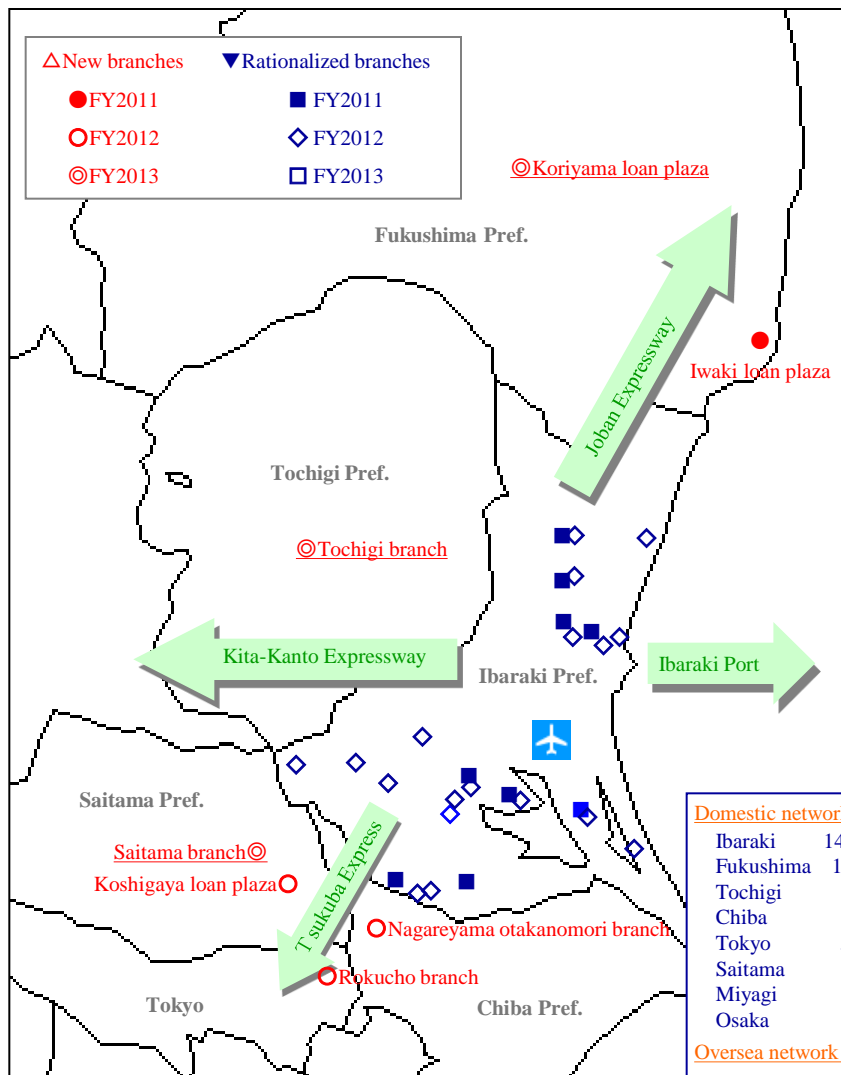
Establishment of a Good Job Center for Providing Local Work to Young People with Difficulty Finding Jobs

A total of 16 plans were selected for the Award for Excellence, Incentive Award, and other commendations

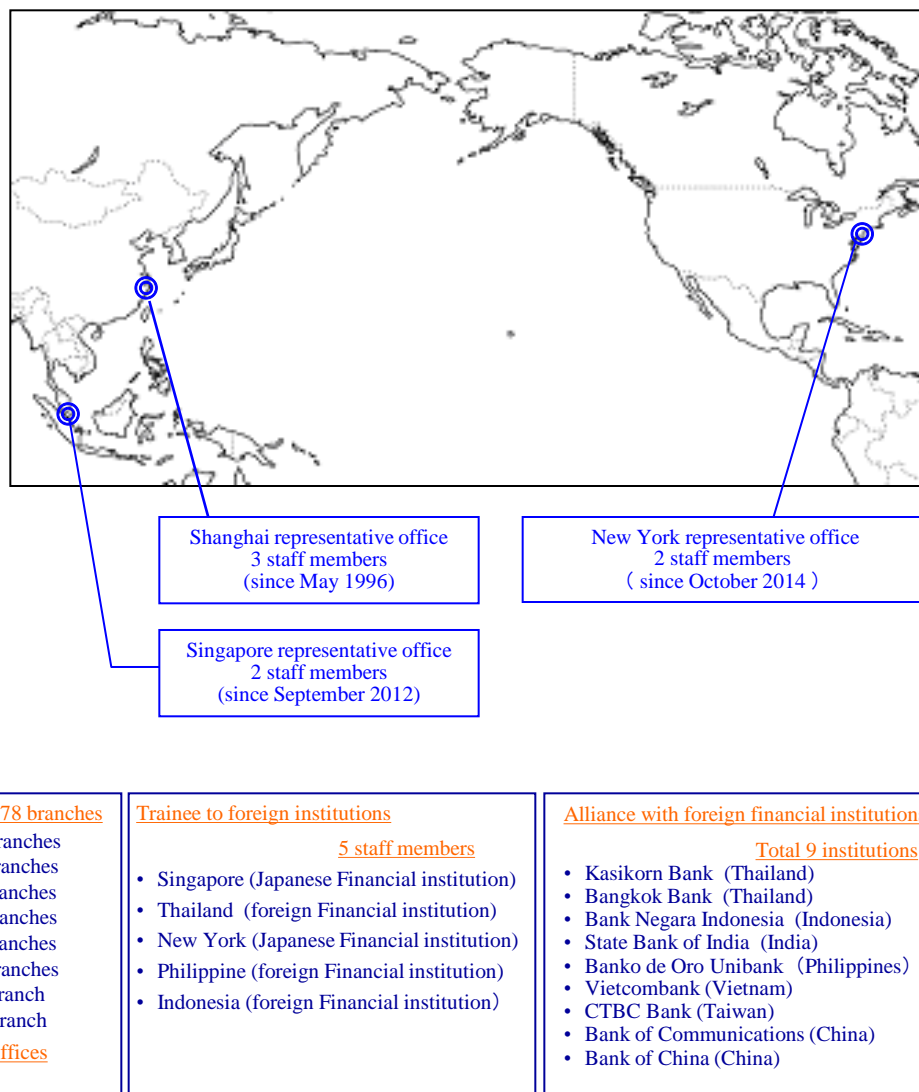


(At the awards presentation of May 8, 2015)

Domestic networks (Ibaraki and its adjoining area)



Overseas networks



Assets

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

	FY2014			YoY change		
	Average balance	Yield	Interest income	Average balance	Yield	Interest income
Loans and bills discounted	5577.5	1.21	6792.2	302.6	(0.11)	(179.6)
JPY	5513.1	1.22	6749.0	274.5	(0.10)	(197.7)
Foreign currency	64.4	0.66	43.1	28.0	(0.02)	18.1
Securities	2611.9	1.05	2742.8	44.2	0.09	260.1
Bonds	1973.8	0.64	1279.4	(106.7)	1.08	(116.4)
Stocks	138.6	3.65	506.0	(0.1)	0.68	93.3
Foreign securities	352.2	1.82	641.4	85.4	(0.09)	126.9
Others	147.2	2.14	315.8	65.7	0.19	156.3
Call loans	10.7	0.23	2.5	(5.2)	(0.02)	(1.5)
JPY	8.6	0.13	1.1	(3.9)	0.02	(0.3)
Foreign currency	2.1	0.64	1.3	(1.2)	(0.11)	(1.2)
Bills purchased	-	-	-	-	-	-
Commercial paper and other debt purchased	14.5	0.40	5.8	(6.7)	0.00	(3.0)
Due from banks	158.8	0.18	28.7	5.9	(0.04)	(5.9)
NCDs	-	-	-	-	-	-
Foreign exchange	3.2	0.47	1.5	0.8	(0.04)	0.2
Others	4.0	-	37.3	1.8	-	9.1
Interest rate swaps	-	-	-	-	-	-
Interest-earning assets	8381.0	1.14	9611.1	343.4	(0.0)	79.4

Liabilities

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

	FY2014			YoY change		
	Average balance	Yield	Interest expense	Average balance	Yield	Interest expense
Deposits	7599.3	0.03	239.2	149.2	0.00	(18.9)
JPY	7542.0	0.02	221.5	156.1	(0.01)	(15.2)
Foreign currency	57.3	0.30	17.7	(6.8)	(0.03)	(3.6)
NCDs	17.0	0.03	0.6	6.5	(0.01)	0.1
Call money	56.8	0.37	21.4	3.6	0.10	6.6
JPY	0.7	0.08	0.0	(3.4)	0.01	(0.2)
Foreign currency	56.1	0.38	21.3	7.0	0.09	6.9
Payables under securities lending	126.1	0.21	27.1	19.2	(0.05)	(0.7)
Bills sold	-	-	-	-	-	-
Borrowed money	318.9	0.13	41.7	152.6	(0.02)	15.1
Foreign exchange	0.2	0.00	0.0	0.0	(0.04)	0.0
Corporate bonds	46.2	0.54	25.4	31.2	(1.15)	0.0
Others	1.5	97.29	150.5	0.0	22.78	32.3
Interest rate swaps	-	-	114.5	-	-	14.7
Interest-bearing liabilities	8166.4	0.06	506.2	362.6	0.00	34.6
Other expenses	-	-	-	-	-	-
Interest-bearing liabilities	8166.4	0.06	506.2	362.6	0.00	34.6

【Appendix】 Interest Yields and Spreads

Total account

	FY2010	FY2011	FY2012	FY2013	FY2014	YoY change
						(%)
Average yield on interest-earning assets (A)	1.51	1.37	1.27	1.18	1.14	(0.04)
Average yield on loans and bills discounted (B)	1.70	1.57	1.44	1.32	1.21	(0.11)
Average yield on securities	1.09	1.05	1.00	0.96	1.05	0.09
Average yield on interest-bearing liabilities	0.11	0.08	0.06	0.06	0.06	0.00
Average yield on deposits and NCDs (C)	0.08	0.06	0.04	0.03	0.03	0.00
Expense ratio	1.02	0.97	0.94	0.94	0.91	(0.03)
Deposit and securities cost (D)	1.11	1.03	0.98	0.97	0.94	(0.03)
Funding cost (E)	1.12	1.04	0.98	0.96	0.91	(0.05)
Loan-deposit interest margins (B)-(C)	1.62	1.51	1.40	1.29	1.18	(0.11)
Difference between average yield on loans and deposits (B)-(D)	0.59	0.54	0.46	0.35	0.27	(0.08)
Total interest margins (A)-(E)	0.39	0.33	0.29	0.22	0.23	0.01

Domestic account

	FY2010	FY2011	FY2012	FY2013	FY2014	YoY change
						(%)
Average yield on interest-earning assets (A)	1.48	1.34	1.24	1.14	1.10	(0.04)
Average yield on loans and bills discounted (B)	1.70	1.57	1.44	1.32	1.22	(0.10)
Average yield on securities	1.01	0.98	0.93	0.85	0.92	0.07
Average yield on interest-bearing liabilities	0.10	0.07	0.06	0.05	0.05	0.00
Average yield on deposits and NCDs (C)	0.08	0.05	0.04	0.03	0.02	(0.01)
Expense ratio	1.01	0.96	0.93	0.93	0.90	(0.03)
Deposit and securities cost (D)	1.10	1.02	0.97	0.96	0.93	(0.03)
Funding cost (E)	1.11	1.03	0.98	0.96	0.91	(0.05)
Loan-deposit interest margins (B)-(C)	1.62	1.52	1.40	1.29	1.20	(0.09)
Difference between average yield on loans and deposits (B)-(D)	0.60	0.55	0.47	0.36	0.29	(0.07)
Total interest margins (A)-(E)	0.37	0.31	0.26	0.18	0.19	0.01

【Appendix】Yen-Denominated Loans (1)

Breakdown by self-assessment classification of borrowers

(Billions of yen)

	12/3		12/9		13/3		13/9		14/3		14/9		15/3		Change from 14/9		Change from 14/3	
	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)	4,969.2	100.0%	5,006.0	100.0%	5,112.9	100.0%	5,206.6	100.0%	5,358.8	100.0%	5,469.1	100.0%	5,570.0	100.0%	100.9	1.8%	211.2	3.9%
Normal (including borrowers without a credit score)	4,287.9	86.3%	4,372.2	87.3%	4,520.3	88.4%	4,666.0	89.6%	4,840.8	90.3%	4,999.5	91.4%	5,108.7	91.7%	109.2	2.2%	267.9	5.5%
Ibaraki and its adjoining areas	3,172.7	63.8%	3,215.4	64.2%	3,365.7	65.8%	3,479.6	66.8%	3,633.0	67.8%	3,783.5	69.2%	3,859.0	69.3%	75.5	2.0%	226.0	6.2%
Ibaraki	2,671.4	53.8%	2,693.3	53.8%	2,810.6	55.0%	2,879.9	55.3%	2,962.9	55.3%	3,083.4	56.4%	3,061.4	55.0%	(22.0)	-0.7%	98.5	3.3%
Miyagi, Fukushima and Tochigi	364.4	7.3%	376.7	7.5%	388.9	7.6%	414.3	8.0%	451.0	8.4%	469.0	8.6%	518.8	9.3%	49.8	10.6%	67.8	15.0%
Chiba and Saitama	136.9	2.8%	145.3	2.9%	166.2	3.3%	185.3	3.6%	219.0	4.1%	231.0	4.2%	278.8	5.0%	47.8	20.7%	59.8	27.3%
Tokyo and Osaka	1,115.1	22.4%	1,156.8	23.1%	1,154.5	22.6%	1,186.4	22.8%	1,207.7	22.5%	1,215.9	22.2%	1,249.6	22.4%	33.7	2.8%	41.9	3.5%
Other borrowers requiring caution	502.9	10.1%	452.4	9.0%	419.3	8.2%	390.9	7.5%	381.7	7.1%	337.9	6.2%	334.8	6.0%	(3.1)	(0.92%)	(46.9)	(12.29%)
Substandard borrowers	65.8	1.3%	66.6	1.3%	56.1	1.1%	39.5	0.8%	34.5	0.6%	35.6	0.7%	38.5	0.7%	2.9	8.15%	4.0	11.59%
Potentially bankrupt or worse	112.6	2.3%	114.7	2.3%	117.1	2.3%	110.0	2.1%	101.7	1.9%	95.9	1.8%	88.0	1.6%	(7.9)	(8.24%)	(13.7)	(13.47%)

Breakdown by geographic area

(Billions of yen)

	12/3		12/9		13/3		13/9		14/3		14/9		15/3		Change from 14/9		Change from 14/3	
	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)	4,969.2	100.0%	5,006.0	100.0%	5,112.9	100.0%	5,206.6	100.0%	5,358.8	100.0%	5,469.1	100.0%	5,570.0	100.0%	100.9	1.8%	211.2	3.9%
Ibaraki and its adjoining areas	3,785.2	76.2%	3,782.1	75.6%	3,879.3	75.9%	3,943.6	75.7%	4,073.5	76.0%	4,186.8	76.6%	4,272.3	76.7%	85.5	2.0%	198.8	4.9%
Ibaraki	3,155.3	63.5%	3,140.4	62.7%	3,202.7	62.6%	3,249.6	62.4%	3,312.6	61.8%	3,380.0	61.8%	3,390.7	60.9%	10.7	0.3%	78.1	2.4%
Miyagi, Fukushima and Tochigi	467.5	9.4%	470.6	9.4%	486.3	9.5%	501.1	9.6%	530.4	9.9%	551.3	10.1%	579.8	10.4%	28.5	5.2%	49.4	9.3%
Chiba and Saitama	162.4	3.3%	171.0	3.4%	190.2	3.7%	192.9	3.7%	230.5	4.3%	255.5	4.7%	301.8	5.4%	46.3	18.1%	71.3	30.9%
Tokyo and Osaka	1,184.1	23.8%	1,223.8	24.4%	1,233.6	24.1%	1,263.0	24.3%	1,285.2	24.0%	1,282.2	23.4%	1,297.8	23.3%	15.6	1.2%	12.6	1.0%

Number of SMEs

(Number)

Number of SMEs	12/3		12/9		13/3		13/9		14/3		14/9		15/3		Change from 14/3
	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	Number	
	33,235	(7)	33,000	(235)	33,143	143	32,992	(151)	33,250	258	33,143	(107)	33,318	175	68

Breakdown by borrower type

(Billions of yen)

	12/3		12/9		13/3		13/9		14/3		14/9		15/3		Change from 14/9		Change from 14/3	
	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)	4,969.2	100.0%	5,006.0	100.0%	5,112.9	100.0%	5,206.6	100.0%	5,358.8	100.0%	5,469.1	100.0%	5,570.0	100.0%	100.9	1.8%	211.2	3.9%
Individual loans	1,583.9	31.9%	1,632.6	32.6%	1,705.9	33.4%	1,785.2	34.3%	1,886.1	35.2%	1,975.9	36.1%	2,072.3	37.2%	96.4	4.9%	186.2	9.9%
Corporate loans	2,569.8	51.7%	2,588.3	51.7%	2,609.9	51.0%	2,643.7	50.8%	2,680.2	50.0%	2,690.8	49.2%	2,690.3	48.3%	(0.5)	(0.0%)	10.1	0.4%
Major companies	1,124.3	22.6%	1,143.8	22.8%	1,180.6	23.1%	1,149.1	22.1%	1,150.0	21.5%	1,160.7	21.2%	1,129.4	20.3%	(31.3)	(2.7%)	(20.6)	(1.8%)
Medium sized companies	123.4	2.5%	125.5	2.5%	121.1	2.4%	120.2	2.3%	121.7	2.3%	120.3	2.2%	114.2	2.1%	(6.1)	(5.1%)	(7.5)	(6.2%)
Small and medium sized companies	1,322.1	26.6%	1,318.9	26.3%	1,308.1	25.6%	1,374.3	26.4%	1,408.5	26.3%	1,409.7	25.8%	1,446.6	26.0%	36.9	2.6%	38.1	2.7%
Public sector	815.6	16.4%	7,850.0	15.7%	7,970.0	15.6%	7,776	14.9%	7,923	14.8%	8,023	14.7%	8,073	14.5%	50.0	0.6%	150.0	1.9%

Individual loans

(Billions of yen)

	12/3		12/9		13/3		13/9		14/3		14/9		15/3		Change from 14/9		Change from 14/3	
	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)	1,583.9	100.0%	1,632.6	100.0%	1,705.9	100.0%	1,785.2	100.0%	1,886.1	100.0%	1,975.9	100.0%	2,072.3	100.0%	96.4	4.9%	186.2	9.9%
Housing-related loans	1,405.6	88.7%	1,459.7	89.4%	1,537.0	90.1%	1,616.7	90.6%	1,715.8	91.0%	1,804.6	91.3%	1,897.0	91.5%	92.4	5.1%	181.2	10.6%
Consumer loans	72.9	4.6%	73.0	4.5%	73.2	4.3%	74.9	4.2%	78.0	4.1%	79.8	4.0%	81.1	3.9%	1.3	1.6%	3.1	4.0%
Loans to small businesses	105.4	6.7%	100.0	6.1%	95.7	5.6%	93.6	5.2%	92.3	4.9%	91.5	4.6%	94.2	4.5%	2.7	3.0%	1.9	2.1%

Corporate loans

(Billions of yen)

	12/3		12/9		13/3		13/9		14/3		14/9		15/3		Change from 14/9		Change from 14/3	
	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)	2,569.7	100.0%	2,588.3	100.0%	2,609.9	100.0%	2,643.7	100.0%	2,680.2	100.0%	2,690.8	100.0%	2,690.3	100.0%	(0.5)	(0.0%)	10.1	0.4%
Ibaraki and its adjoining areas	1,387.8	54.0%	1,366.1	52.8%	1,378.1	52.8%	1,387.5	52.5%	1,411.3	52.7%	1,433.4	53.3%	1,443.1	53.6%	9.7	0.7%	31.8	2.3%
Ibaraki	988.2	38.5%	971.3	37.5%	976.6	37.4%	994.3	37.6%	1,002.5	37.4%	1,020.2	37.9%	1,018.8	37.9%	(1.4)	(0.1%)	16.3	1.6%
Miyagi, Fukushima and Tochigi	300.3	11.7%	293.7	11.3%	297.7	11.4%	297.3	11.2%	305.7	11.4%	308.6	11.5%	309.1	11.5%	0.5	0.2%	3.4	1.1%
Chiba and Saitama	99.3	3.9%	101.0	3.9%	103.8	4.0%	95.8	3.6%	103.1	3.8%	104.5	3.9%	115.1	4.3%	10.6	10.1%	12.0	11.6%
Tokyo and Osaka	1,181.9	46.0%	1,222.1	47.2%	1,231.7	47.2%	1,256.2	47.5%	1,268.9	47.3%	1,257.3	46.7%	1,247.1	46.4%	(10.2)	(0.8%)	(21.8)	(1.7%)

Deposits

(Billions of yen)

	12/3		12/9		13/3		13/9		14/3		14/9		15/3		Change from 14/9		Change from 14/3	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%
Deposits (Total)	7,266.6	100.0%	7,243.7	100.0%	7,355.3	100.0%	7,463.3	100.0%	7,490.9	100.0%	7,567.5	100.0%	7,728.7	100.0%	161.2	2.13%	237.8	3.2%
Yen deposits	7,201.3	99.4%	7,181.6	99.1%	7,294.8	99.2%	7,407.9	98.9%	7,432.6	99.2%	7,509.5	97.2%	7,673.1	99.3%	163.6	2.18%	240.5	3.2%
Foreign deposits	65.2	0.9%	62.1	0.9%	60.5	0.8%	55.3	0.7%	58.3	0.8%	55.8	0.7%	54.6	0.7%	(1.2)	(2.15%)	(3.7)	(6.3%)
JOM deposits	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	2.1	0.0%	0.9	0.0%	(1.2)	(57.14%)	0.9	-
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	0.00%	-	-
NCDs		20.9		9.4		16.5		5.9		16.5		13.4		15.9	2.5	18.66%	(0.6)	(3.6%)

Yen deposits by customer type

(Billions of yen)

	12/3		12/9		13/3		13/9		14/3		14/9		15/3		Change from 14/9		Change from 14/3	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%
Yen deposits (Total)	7,201.3	100.3%	7,181.6	100.0%	7,294.8	100.0%	7,407.9	100.0%	7,432.6	100.0%	7,509.5	100.0%	7,673.1	100.0%	163.6	2.18%	240.5	3.2%
Individual	5,386.3	75.0%	5,410.0	75.3%	5,466.7	74.9%	5,525.0	74.6%	5,598.7	75.3%	5,650.5	75.2%	5,757.2	75.0%	106.7	1.89%	158.5	2.8%
Corporate	1,384.4	19.3%	1,395.8	19.4%	1,404.4	19.3%	1,476.9	19.9%	1,461.8	19.7%	1,476.9	19.7%	1,525.0	19.9%	48.1	3.26%	63.2	4.3%
Public sector	430.5	6.0%	375.6	5.2%	423.7	5.8%	405.8	5.5%	372.0	5.0%	382.0	5.1%	390.8	5.1%	8.8	2.30%	18.8	5.1%

Client assets

(Billions of yen)

	12/3		12/9		13/3		13/9		14/3		14/9		15/3		Change from 14/9		Change from 14/3	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%
Individual (Total)	6,418.9	100.0%	6,466.4	100.0%	6,502.5	100.0%	6,561.3	100.0%	6,642.7	100.0%	6,727.3	100.0%	6,846.2	100.0%	118.9	1.77%	203.5	3.1%
Current	3,006.3	46.8%	3,034.6	46.9%	3,125.7	47.3%	3,186.7	48.6%	3,288.6	48.4%	3,340.7	49.7%	3,468.9	50.7%	128.2	3.84%	180.3	5.5%
Time deposits	2,380.0	37.1%	2,375.4	36.7%	2,341.0	35.4%	2,338.3	35.6%	2,310.1	34.0%	2,309.8	34.3%	2,288.3	33.4%	(21.5)	(0.93%)	(21.8)	(0.9%)
Sub total	5,386.3	83.9%	5,410.0	83.7%	5,466.7	82.8%	5,525.0	84.2%	5,598.7	82.5%	5,650.5	84.0%	5,757.2	84.1%	106.7	1.89%	158.5	2.8%
Investment	1,032.6	16.1%	1,056.4	16.3%	1,035.8	17.2%	1,036.3	15.8%	1,044.0	17.5%	1,076.8	16.0%	1,089.0	15.9%	12.2	1.13%	45.0	4.3%

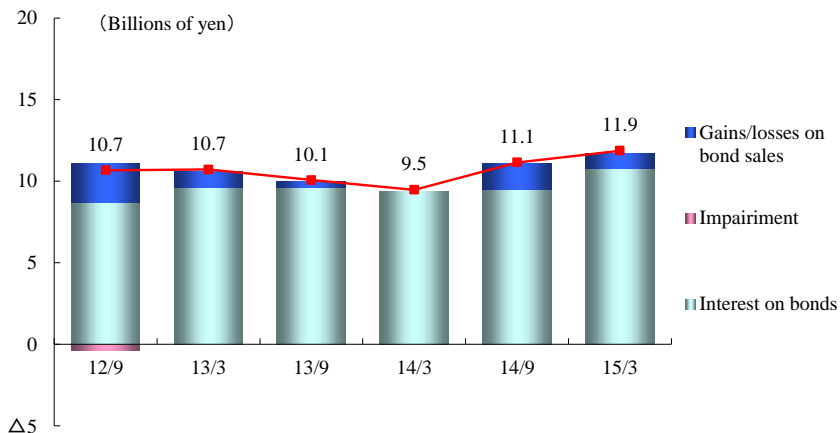
【Appendix】 Investment Portfolio

Balance of securities (booking price)

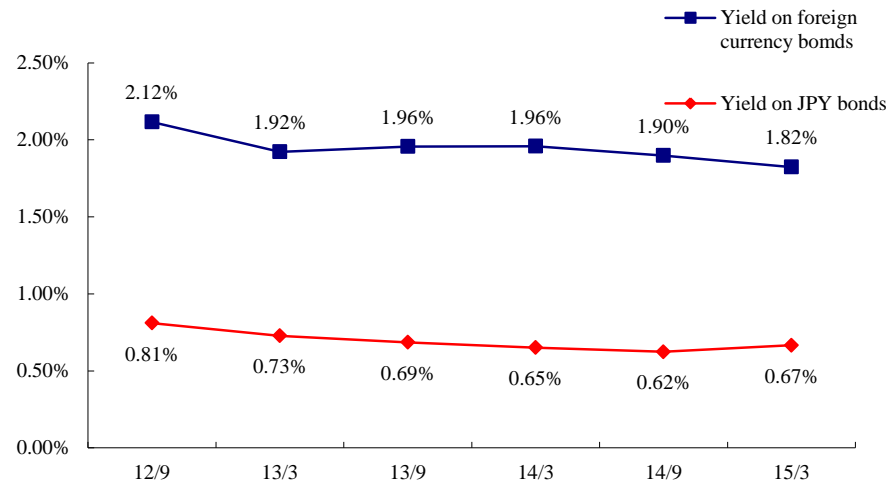
(Billions of yen)

	12/3		12/9		13/3		13/9		14/3		14/9		15/3		Change from 14/9		Change from 14/3	
	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%
Yen-denominated bonds	2,084.8	87.2%	2,154.8	86.1%	2,089.3	83.2%	2,013.6	81.4%	2,077.7	79.0%	1,974.5	75.7%	1,784.6	71.1%	(189.9)	(9.62%)	(293.1)	(14.11%)
Duration [years]	3.8	—	4.2	—	4.0	—	3.9	—	3.8	—	3.5	—	3.5	—	(0.0)	—	(0.3)	—
Fixed rate notes	1,863.3	77.9%	1,942.2	77.6%	1,883.1	75.0%	1,816.6	73.5%	1,883.1	71.6%	1,781.1	68.3%	1,646.8	65.6%	(134.3)	(7.54%)	(236.3)	(12.55%)
[Average yield : %]	0.87%	—	0.79%	—	0.79%	—	0.75%	—	0.71%	—	0.68%	—	0.72%	—	0.04%	—	0.01%	—
Floating rate notes	221.5	9.3%	212.6	8.5%	206.1	8.2%	197.0	8.0%	194.5	7.4%	193.4	7.4%	137.8	5.5%	(55.6)	(28.75%)	(56.7)	(29.15%)
[Average yield : %]	0.28%	—	0.16%	—	0.10%	—	0.07%	—	0.05%	—	0.06%	—	0.09%	—	0.03%	—	0.03%	—
Foreign-denominated bonds	115.8	4.8%	149.3	6.0%	204.1	8.1%	241.7	9.8%	284.8	10.8%	334.6	12.8%	365.0	14.5%	30.4	9.09%	80.2	28.16%
Duration [years]	3.1	—	3.4	—	4.0	—	4.0	—	3.8	—	3.7	—	3.5	—	(0.3)	—	(0.4)	—
[Average yield spread : %]	2.05%	—	1.75%	—	1.29%	—	1.69%	—	1.69%	—	1.66%	—	1.50%	—	(0.15%)	—	(0.19%)	—
Fixed rate notes	104.5	4.4%	138.6	5.5%	196.6	7.8%	233.9	9.5%	274.3	10.4%	318.7	12.2%	346.1	13.8%	27.4	8.60%	71.8	26.18%
[Average yield : %]	2.75%	—	2.24%	—	2.00%	—	1.98%	—	2.01%	—	1.95%	—	1.87%	—	(0.08%)	—	(0.14%)	—
[Average yield spread : %]	2.23%	—	1.85%	—	1.67%	—	1.71%	—	1.73%	—	1.70%	—	1.57%	—	(0.13%)	—	(0.17%)	—
Floating rate notes	11.3	0.5%	10.6	0.4%	7.4	0.3%	7.8	0.3%	10.5	0.4%	15.9	0.6%	18.9	0.8%	3.0	18.87%	8.4	80.00%
[Average yield : %]	0.83%	—	0.86%	—	0.73%	—	0.71%	—	0.72%	—	0.75%	—	0.97%	—	0.21%	—	0.25%	—
[Average yield spread : %]	0.43%	—	0.48%	—	0.35%	—	0.37%	—	0.47%	—	0.53%	—	0.67%	—	0.14%	—	0.20%	—
Stock	143.3	6.0%	137.1	5.5%	137.7	5.5%	138.4	5.6%	138.1	5.3%	138.6	5.3%	135.9	5.4%	(2.7)	(1.95%)	(2.2)	(1.59%)
CET 1 ratio	-	38.2%	-	36.1%	-	35.8%	-	34.9%	-	34.6%	-	34.6%	-	34.1%	-	(0.49%)	-	(0.51%)
Investment trusts and others	47.4	2.0%	59.9	2.4%	80.3	3.2%	78.3	3.2%	128.5	4.9%	160.6	6.2%	212.6	8.5%	52.0	32.38%	84.1	65.45%
Total	2,391.4	100.0%	2,501.3	100.0%	2,511.5	100.0%	2,472.3	100.0%	2,629.3	100.0%	2,608.3	100.0%	2,508.9	100.0%	(99.4)	(3.81%)	(120.4)	(4.58%)
[Average yield : %]	1.05%	—	1.06%	—	0.94%	—	0.99%	—	0.93%	—	1.07%	—	1.02%	—	(0.05%)	—	0.09%	9.7%
Unrealized gains/(losses)	60.1	—	53.9	—	131.8	—	135.1	—	131.3	—	165.3	—	232.6	—	67.3	—	101.3	—

Gains (losses) on bonds



Yields on bonds (JPY bonds, Foreign bonds)



Securities portfolio

(Billions of yen)

	14/3		14/9		15/3		Change from 14/9		Change from 14/3	
	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)
Domestic bonds	2064.9	35.2	1962.2	37.3	1784.6	36.6	(177.6)	(0.7)	(280.2)	1.4
Foreign bonds	297.5	1.4	346.7	3.1	375.6	7.0	28.9	3.9	78.1	5.6
Stocks	138.1	82.2	138.6	104.5	135.9	144.7	(2.7)	40.2	(2.1)	62.5
Investment trusts & Others	119.9	12.3	152.9	20.3	205.9	44.2	52.9	23.9	86.0	31.9
Trust beneficiary rights	8.6	0.0	7.6	0.0	6.7	0.0	(0.8)	0.0	(1.8)	0.0
Total	2629.0	131.3	2608.3	165.3	2508.9	232.6	(99.3)	67.2	(120.0)	101.3

Foreign bonds

(Billions of yen)

	14/3		14/9		15/3		Change from 14/9		Change from 14/3	
	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)
Sovereign	170.8	0.6	207.8	1.4	225.9	4.9	18.1	3.5	55.0	4.3
Corporate	55.2	0.6	54.4	0.5	70.3	0.9	15.8	0.3	15.1	0.2
Pass through (Ginze Mae)	66.6	0.0	68.9	0.4	70.8	0.9	1.8	0.4	4.2	0.9
Securitization	4.8	0.1	3.8	0.2	8.5	0.1	4.6	0.0	3.7	0.0
Total	297.5	1.4	347.0	2.8	375.6	7.0	28.6	4.2	78.1	5.5

Breakdown by self-assessment classification of borrowers

Classification of borrowers (Self-Assessment)					Reserve	Reserve ratio	(Billions of yen)	
Classification of borrowers	claim classification						Problem asset	Coverage ratio
	No-classificatio	II	III	IV				
Legally Bankrupt 1.2 (0.1)	2.3	4.6	—	—	0.0 (0)	100% 《100%》	Bankrupt and quasi-bankrupt assets 7.0 (-0.5)	100.00% 《100.00%》
Substantially Bankrupt 5.7 (-0.3)	Protected by reserve, corateral-guarantee		Booking reserve on no-classification	Write-off	Specific reserve			
Potentially Bankrupt 81.1 (-7.3)	54.4	17.8	8.8	—			22.0 (-3.7)	71.31% 《71.86%》
Borrowers Requiring Caution 39 (3.2)	Protected by reserve, corateral-guarantee		Booking reserve on no-classification	—	General loan loss reserve			
	Borrowers Requiring Caution 39 (3.2)	4.5	34.4	—			6.9 (0.1)	18.68% 《19.81%》
Borrowers Requiring Monitoring 336.1 (-3.2)	114.4	221.6	—	—	6.4 (1.0)	1.90% 《1.84%》	Normal assets 5,582.8 (134.1)	
Normal Borrowers 5,212.1 (137.8)	5,212.1	—	—	—	1.3 (0)	0.03% 《0.03%》		
Total	No-classificatio	II	III	IV	Total reserve		Total	
5675.4	5,387.9	278.6	8.8	0	36.6	(-3.4)	5697.8	

【Appendix】 Changes in Borrower Classification

Based on number of borrowers

		14/3						(Number)
		Normal borrowers	Borrowers requiring caution	Borrowers requiring monitoring	Potentially bankrupt	Substantially bankrupt	Legally bankrupt	Total
1 5 / 3	Normal borrowers	11,763	747	22	0	0	0	12,532
	Borrowers requiring caution	536	4,714	103	100	0	0	5,453
	Borrower requiring monitoring	19	77	202	9	0	0	307
	Potentially bankrupt	22	184	57	1,533	1	0	1,797
	Substantially bankrupt	8	52	14	178	198	0	450
	Legally bankrupt	0	16	4	18	9	31	78
	Others	338	186	11	47	0	0	582
	Total	12,686	5,976	413	1,885	208	31	21,199

		(Number)
Upgraded		982
Unchanged		18,441
Downgraded		1,194
Others		582
Total		21,199

Based on borrowed amount

		14/3						(Millions of yen)
		Normal borrowers	Borrowers requiring caution	Borrowers requiring monitoring	Potentially bankrupt	Substantially bankrupt	Legally bankrupt	Total
1 5 / 3	Normal borrowers	2,616,869	64,379	1,532	0	0	0	2,682,779
	Borrowers requiring caution	41,767	259,898	5,569	12,318	0	0	319,552
	Borrower requiring monitoring	5,394	12,378	20,934	1,485	0	0	40,190
	Potentially bankrupt	2,396	9,815	4,504	63,499	31	0	80,245
	Substantially bankrupt	336	2,313	155	6,747	3,976	0	13,526
	Legally bankrupt	0	844	186	1,426	752	1,169	4,377
	Others	10,800	1,688	224	232	0	0	12,944
	Total	2,677,561	351,315	33,103	85,706	4,760	1,169	3,153,614

		(Millions of yen)
Upgraded		85,313
Unchanged		2,966,346
Downgraded		89,011
Others		12,944
Total		3,153,614

【Appendix】 Balance of Loans by Industry/Risk-Monitored Loans

Balance of loans by industry

(Millions of yen)

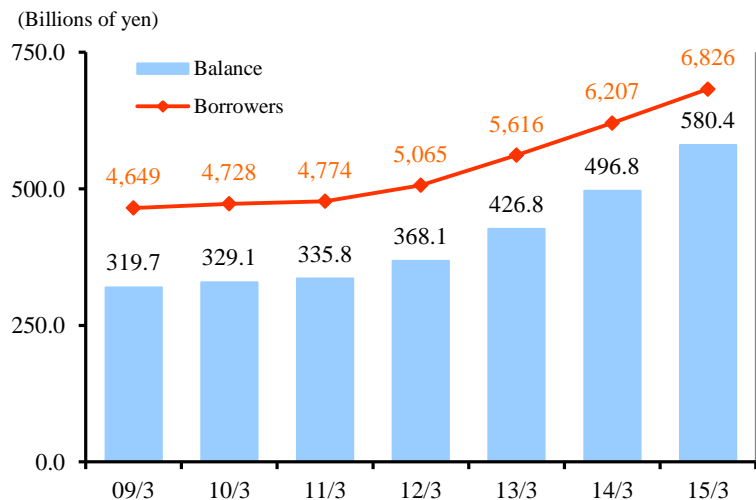
	14/9		15/3		Change from 14/9	
	Balance	(%)	Balance	(%)	Balance	(%)
Corporate loans	334,419.5	60.5%	340,637.1	60.2%	6217.6	(0.3%)
Manufacturing	75,903.6	13.7%	73,303.5	13.0%	(2600.0)	(0.8%)
Farming & Forestry	1,527.2	0.3%	1,584.9	0.3%	57.7	0.0%
Fishery	344.9	0.1%	365.8	0.1%	20.9	0.0%
Mining & quarrying of stone and gravel	1,767.3	0.3%	1,782.9	0.3%	15.6	(0.0%)
Construction	15,332.4	2.8%	16,638.5	2.9%	1306.1	0.2%
Electric & gas utilities, water service	5,067.7	0.9%	5,352.5	0.9%	284.8	0.0%
Information communication	3,496.1	0.6%	3,685.9	0.7%	189.8	0.0%
Transport & postal activities	15,591.9	2.8%	14,675.8	2.6%	(916.0)	(0.2%)
Wholesaling & retailing	60,330.4	10.9%	60,722.1	10.7%	391.7	(0.2%)
Financial & insurance	23,093.8	4.2%	24,131.4	4.3%	1037.6	0.1%
Real estate, goods rental & leasing	93,491.3	16.9%	99,383.9	17.6%	5892.6	0.7%
Miscellaneous services	38,472.9	7.0%	39,009.9	6.9%	537.0	(0.1%)
Public sector	79,487.5	14.4%	79,872.8	14.1%	385.3	(0.3%)
Others (including individual loans)	138,715.3	25.1%	145,130.2	25.7%	6414.9	0.6%
Total	552,622.9	100.0%	565,640.7	100.0%	13017.8	-

Risk-monitored loans

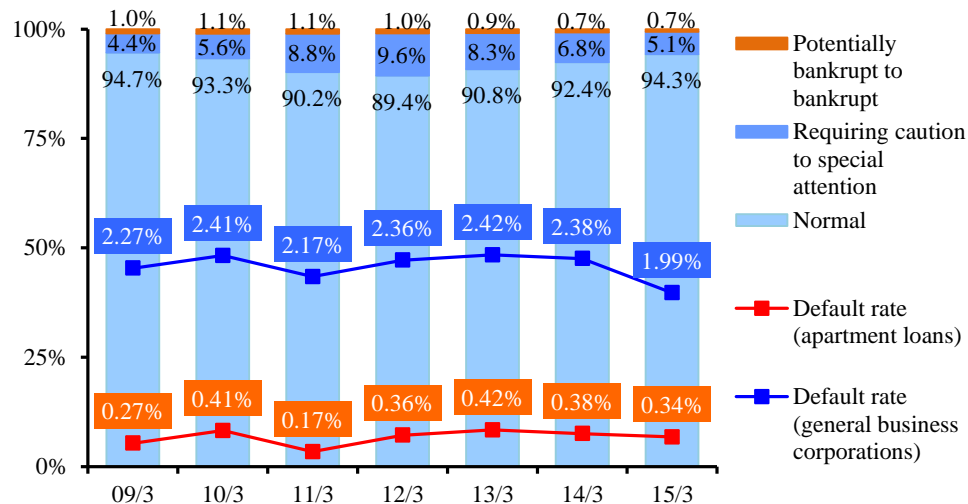
(Millions of yen)

	14/9		15/3		Change from 14/9	
	Balance	(%)	Balance	(%)	Balance	(%)
Corporate loans	11,288.6	93.1%	10,696.2	93.1%	(592.4)	0.0%
Manufacturing	2,483.7	20.5%	2,472.4	21.5%	(11.2)	1.0%
Farming & Forestry	112.7	0.9%	96.2	0.8%	(16.4)	(0.1%)
Fishery	5.7	0.0%	5.6	0.0%	(0.1)	0.0%
Mining & quarrying of stone and gravel	0.0	0.0%	0.0	0.0%	0.0	0.0%
Construction	1,493.3	12.3%	1,013.9	8.8%	(479.3)	(3.5%)
Electric & gas utilities, water service	0.7	0.0%	0.5	0.0%	(0.2)	(0.0%)
Information communication	94.1	0.8%	108.2	0.9%	14.0	0.2%
Transport & postal activities	321.6	2.7%	332.2	2.9%	10.6	0.2%
Wholesaling & retailing	2,930.6	24.2%	2,931.9	25.5%	1.3	1.4%
Financial & insurance	43.3	0.4%	42.8	0.4%	(0.4)	0.0%
Real estate, goods rental & leasing	1,837.4	15.2%	1,682.9	14.7%	(154.4)	(0.5%)
Miscellaneous services	1,965.5	16.2%	2,009.6	17.5%	44.1	1.3%
Public sector	-	-	-	-	-	-
Others (including individual loans)	835.4	6.9%	789.8	6.9%	(45.6)	(0.0%)
Total	12,124.7	100.0%	11,486.6	100.0%	-	-

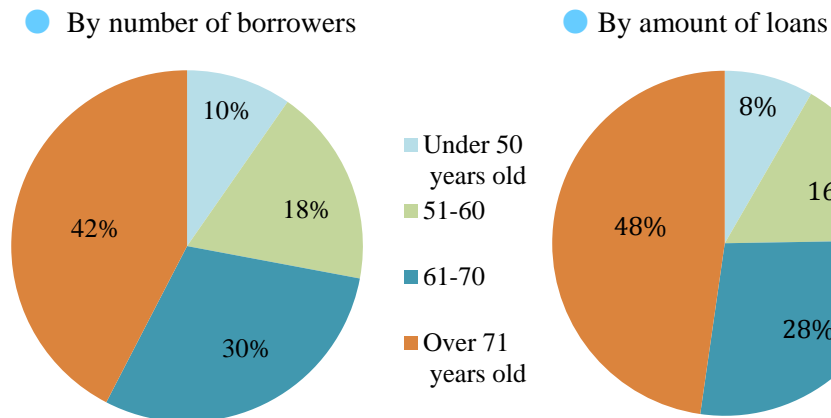
Number of borrowers and balance of loans



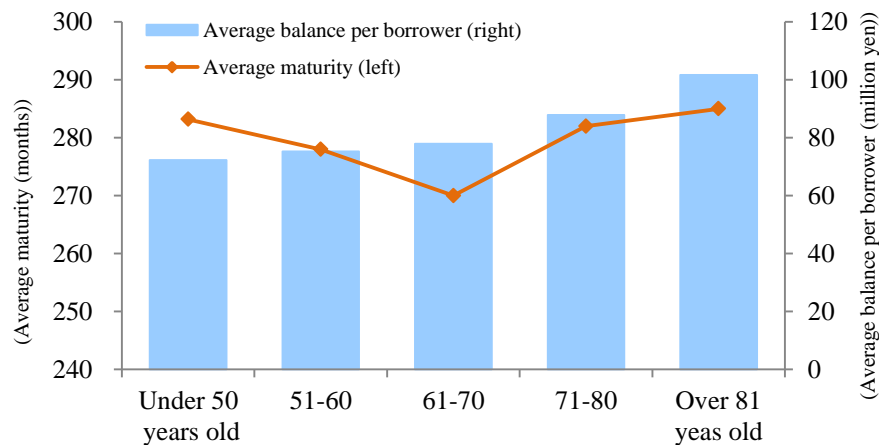
Borrower rating and default ratio



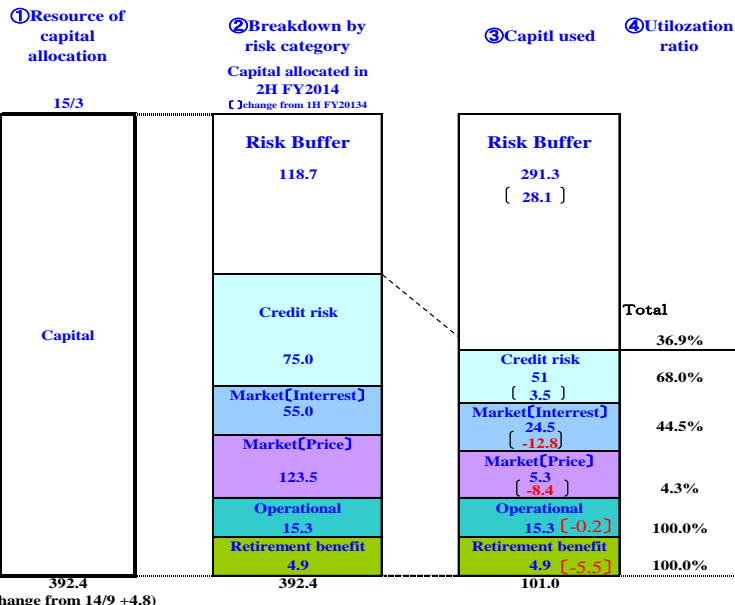
Composition by age group



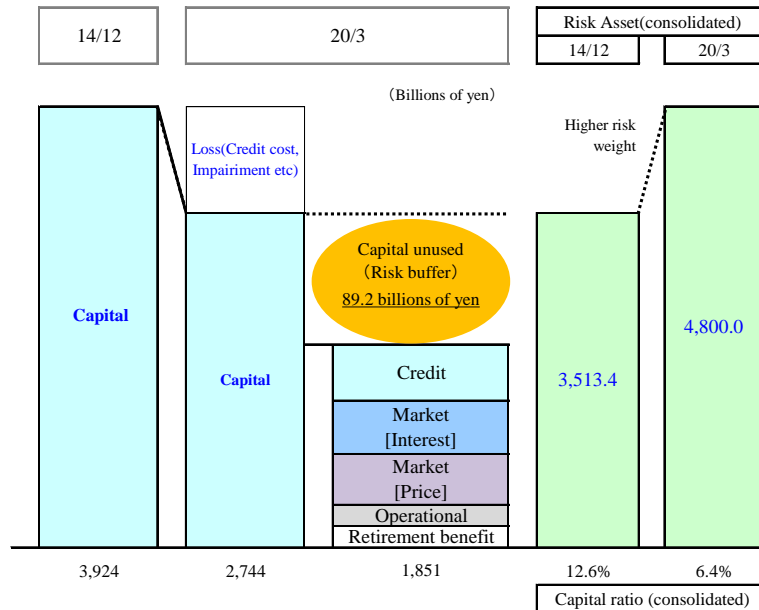
Average balance and average maturity by age group



Risk capital allocation as of March 31, 2015

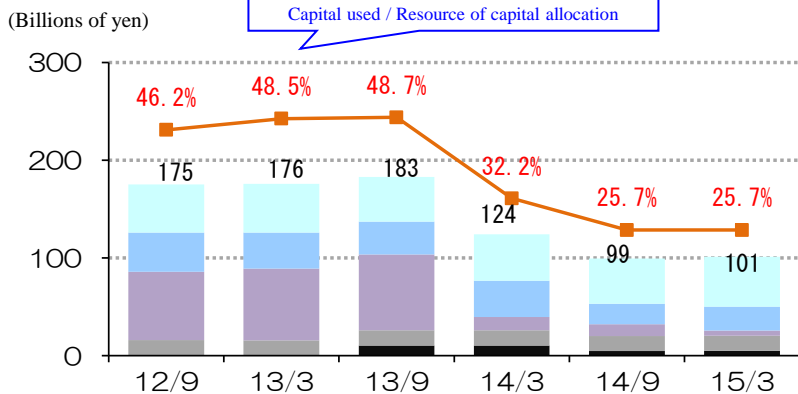


Stress test

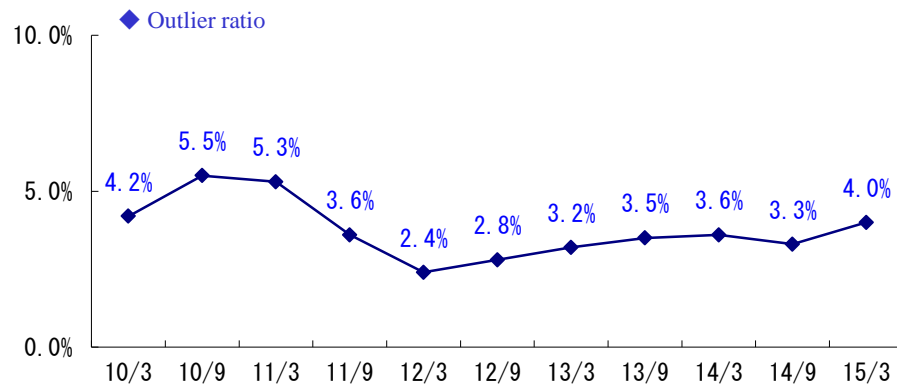


- [Assumptions]
- Reference date: December, 2014
 - Risk scenario:
 - JGB 10y yields: Up to 5.60% caused by economic recession, deflation and downgrade of JGB.
 - GDP: Down to (5.5%) YOY
 - NKY: Down to ¥6,200
- [conclusions]
- [consolidated]
- Capital ratio: c.6%

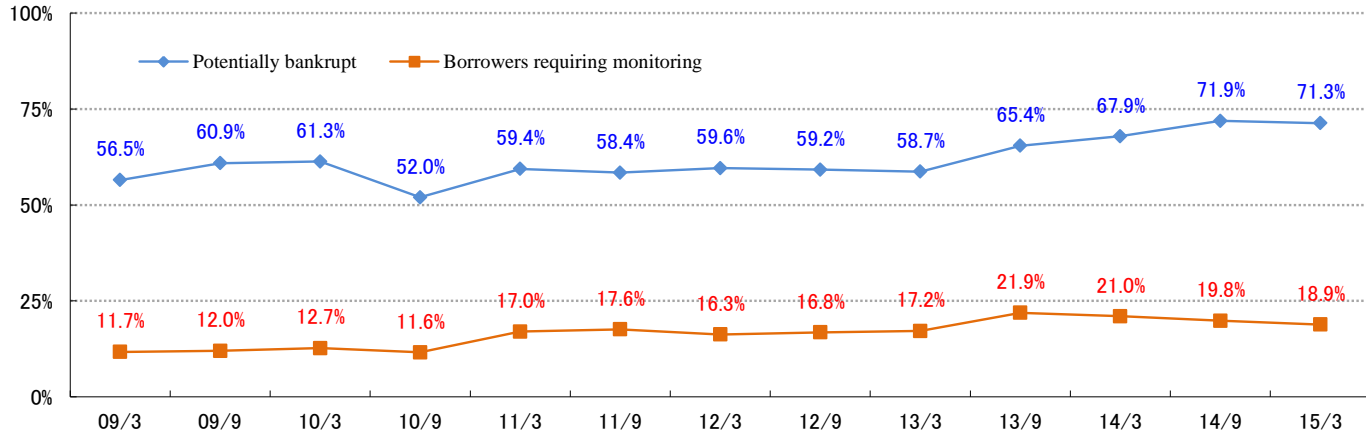
Capital used



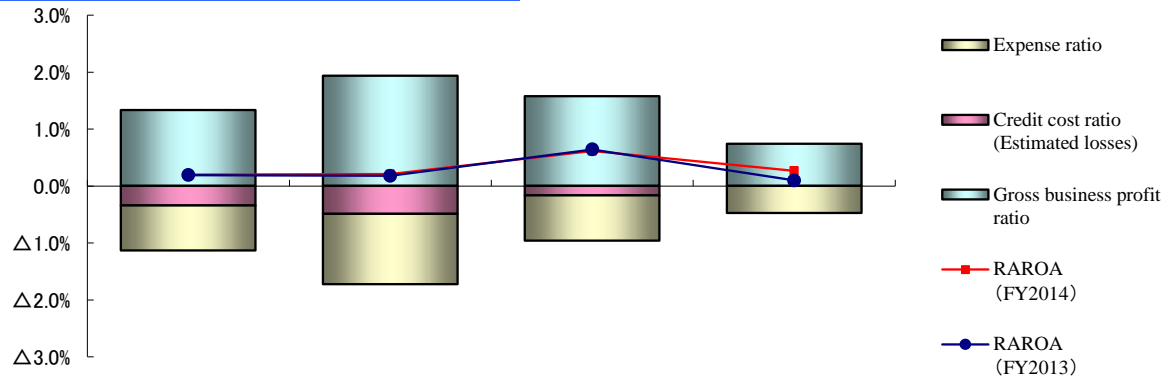
Market risk (interest)



Reserve ratio (potentially bankrupt, borrowers requiring monitoring)



Status of earnings by principal operation (FY2014)



	Corporate	Corporate (Ibaraki and its adjoining area)	Housing-related loans	Client assets
RAROA (FY2014)	0.2%	0.2%	0.6%	0.3%
RAROA (FY2013)	0.2%	0.2%	0.6%	0.1%
Balance (trillion)	2.8	1.6	1.8	1.1

Breakdown of expenses

	FY2011	1H FY2012	FY2012	1H FY2013	FY2013	1H FY2014	FY2014	YoY change
Total expenses	69.1	35.2	68.7	36.1	70.6	36.0	69.8	(0.7)
Personnel expenses	35.0	17.7	35.1	17.6	35.1	17.2	34.5	(0.6)
Non-Personnel expenses	31.3	15.4	30.6	16.4	32.3	16.4	31.8	(0.5)
Depreciation ①	5.9	2.4	5.1	2.7	5.8	2.8	5.8	0.0
Deposit insurance cost ②	5.5	2.9	4.8	3.0	4.9	3.0	5.1	0.1
Others (Excluding ① & ②)	19.8	10.0	20.5	10.6	21.5	9.5	20.8	(0.7)
Tax	2.8	2.0	2.9	2.1	3.0	2.4	3.4	0.3
OHR (Core net business income basis)	63.7%	64.8%	63.9%	67.8%	67.1%	67.1%	65.6%	-1.5%

Number of employees/branches

	12/3	12/9	13/3	13/9	14/3	14/9	15/3	YoY change
Number of employees	3,358	3,417	3,332	3,398	3,291	3,365	3,282	(9)
Network	403	409	410	413	415	417	418	3
Domestic	176	177	177	178	179	178	178	(1)
Overseas	1	2	2	2	2	2	3	1
ATM spot	226	230	231	233	234	237	237	3
ATM	29,104	30,277	31,713	32,872	33,397	34,305	35,137	1,740
Own	876	878	878	880	883	878	877	(6)
E-net (alliance)	11,596	12,069	12,714	13,148	13,000	13,118	13,204	204
Seven bank (alliance)	16,632	17,330	18,123	18,844	19,514	20,309	21,056	1,542

Management Indices (Non-consolidated)

	FY2011	1H FY2012	FY2012	1H FY2013	FY2013	1H FY2014	FY2014	YoY change
EPS (Yen) *1	21.91	14.54	26.95	16.69	29.55	18.77	32.92	3.37
BPS (Yen)	575.02	580.91	659.16	675.79	680.52	729.54	812.06	131.54
ROE (Net income basis: %) *2	3.92%	5.03%	4.37%	4.98%	4.40%	5.26%	4.37%	(0.03%)
ROE (consolidated)	4.1%	–	4.7%	–	4.9%	–	5.1%	0.2%
OHR (Core business profit basis)	63.7%	64.8%	63.9%	67.8%	67.1%	67.1%	65.6%	(1.50%)
ROA (Core business profit basis)	0.51%	0.48%	0.49%	0.41%	0.41%	0.40%	0.42%	0.01%

*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

Reference indices

	12/3	12/9	13/3	13/9	14/3	14/9	YoY change
Loans and bills discounted	44.17%	44.12%	44.48%	44.91%	45.39%	45.84%	0.93%
Deposits	43.32%	42.82%	43.05%	43.01%	42.98%	42.97%	(0.08%)

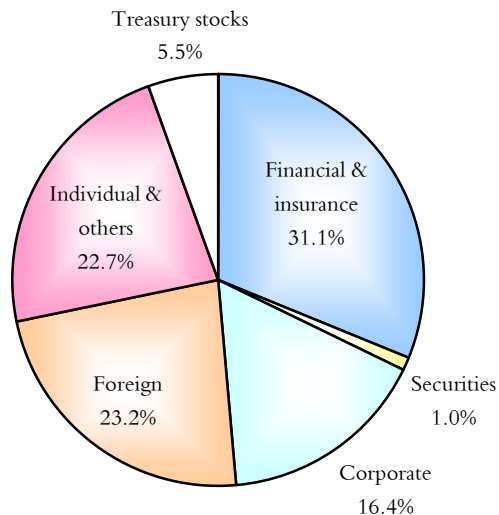
*Share of deposits and loans in Ibaraki Prefecture, final figures for September 30, 2013

【Appendix】 Shareholder Composition

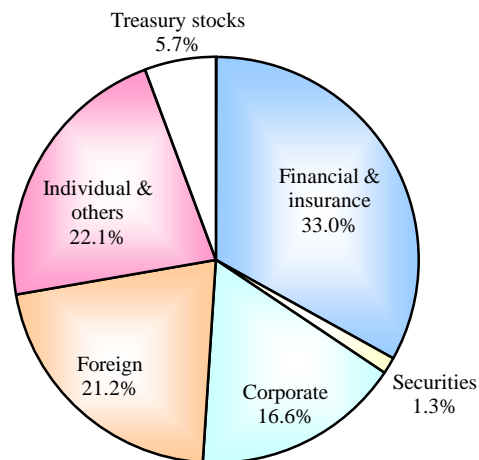
Shareholder composition

	13/3			13/9			14/3			14/9			15/3			change from 14/3		
	Stockholders	Stock (Thousands)	%	Stockholders	Stock (Thousands)	%	Stockholders	Stock (Thousands)	%	Stockholders	Stock (Thousands)	%	Stockholders	Stock (Thousands)	%	Stockholders	Stock (Thousands)	%
Public sector	3	297	0.0%	3	297	0.0%	3	297	0.0%	2	297	0.0%	3	297	0.0%	0	0	0.0%
Financial & insurance	55	251,390	31.5%	56	247,142	32.3%	59	245,734	31.1%	55	238,923	31.1%	58	253,033	33.0%	(1)	7,299	1.9%
Securities	37	8,853	1.1%	40	7,790	1.0%	34	8,056	1.0%	33	9,161	1.2%	35	10,166	1.3%	1	2,110	0.3%
Corporate	959	132,793	16.6%	944	129,662	16.9%	937	129,489	16.4%	918	128,469	16.7%	901	127,522	16.6%	(36)	(1,967)	0.2%
Foreign	308	171,226	21.4%	312	178,847	23.3%	342	182,746	23.2%	357	173,522	22.6%	385	162,690	21.2%	43	(20,056)	(2.0%)
Individual & others	27,468	186,214	23.3%	26,670	182,155	23.8%	26,856	179,468	22.7%	25,913	175,417	22.8%	25,413	169,048	22.1%	(1,443)	(10,420)	(0.6%)
Treasury stocks	1	48,455	6.1%	1	43,335	5.7%	1	43,438	5.5%	0	43,439	5.6%	1	43,473	5.7%	0	35	0.2%
Total	28,831	799,231	100.0%	28,026	789,231	103.0%	28,232	789,231	100.0%	27,280	769,231	100.0%	26,796	766,231	100.0%	(1,436)	(23,000)	0.0%

As of March 31, 2014



As of March 31, 2015



(Thousands)

Increase

Financial & insurance	+7,299
Securities	+2,110

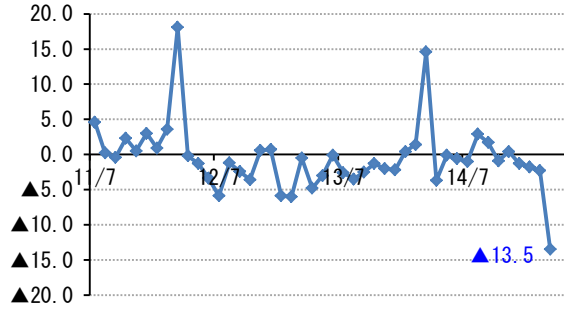
Decrease

Foreign	(20,056)
Individual	(10,420)
Corporate	(1,967)

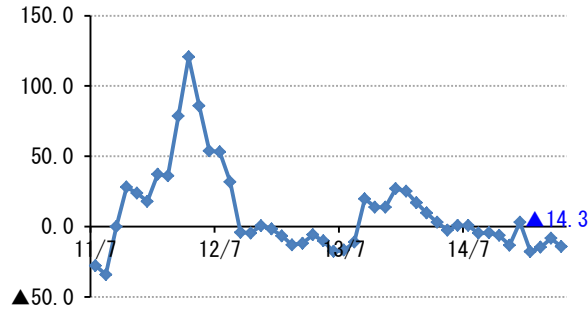
*23,000 thousands of stock cancelled in FY2014.

【Appendix】 Economic Indicators for Ibaraki Prefecture

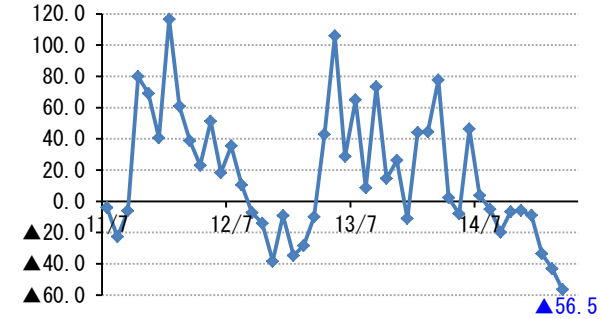
Large-scale retail store sales (YoY)



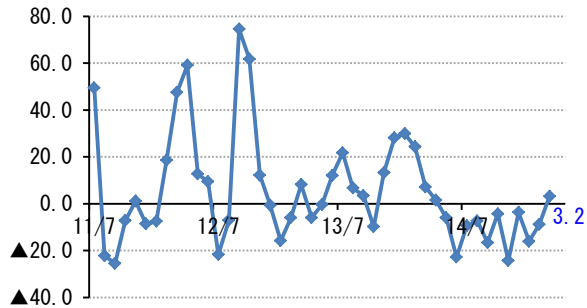
Total number of registered new automobiles (YoY)



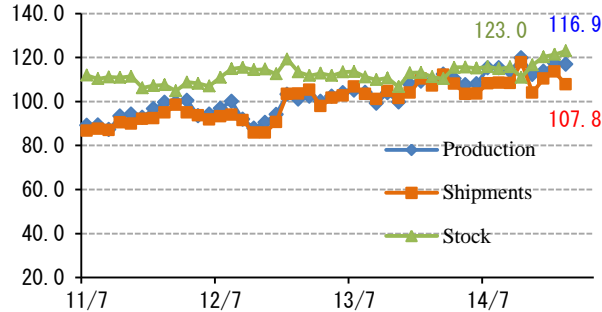
Value of public construction starts by order (YoY)



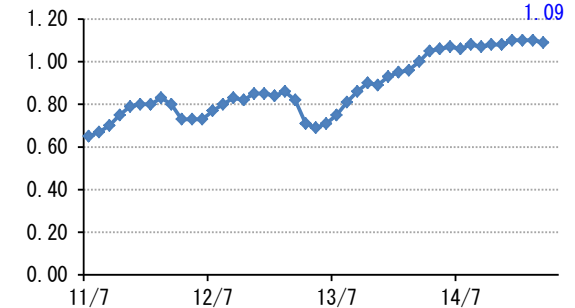
New housing starts (YoY)



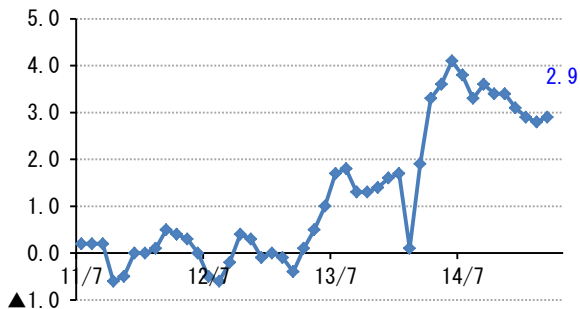
Industrial production (2010=100)



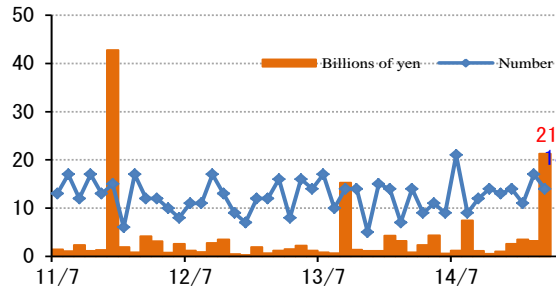
Ratio of job offers to job seekers



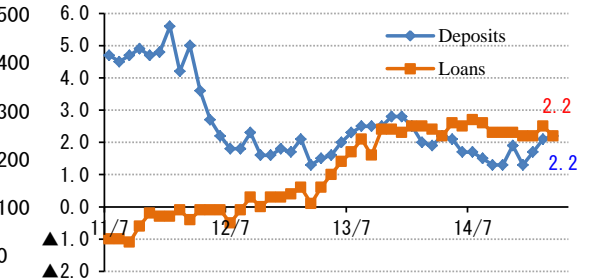
Consumer prices (YoY)



Business bankruptcies (number and value)



Deposits, loans and bills discounted (YoY)





【About the logo】

- Orange rectangles show “customers”, ”local communities”, ”Joyo bank”, the red rectangle shows “additional value”
- Spread made by four rectangles shows “+” shape , and brings up the image that four rectangles make new value like a wind mill

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