

Financial Results for the Third Quarter of FY2015 and Projections for FY2015

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

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Financial Highlights for the 3Q FY2015

- ◆ Non consolidated net income increased by ¥1.7 billion YoY to ¥22.3 billion with a decrease in expenses from lower deposit insurance premium and gains on stocks.
- ◆ Progress ratio to FY2015 : 81% for Non consolidated net income, 79% for Consolidated net income.

Financial Highlights for the 3Q FY2015

(Billions of yen)

	FY2014		FY2015		YoY		※1 FY2015	
	Apr.-Dec.	Oct.-Dec.	Apr.-Dec.	Oct.-Dec.	Apr.-Dec.	Oct.-Dec.	Projection	Progress Ratio
Gross business profit	84.0	28.6	84.2	28.6	0.2	(0.0)	110.0	76%
Net interest income	69.5	23.2	68.5	22.9	(0.9)	(0.3)	89.0	77%
Fees and commissions	10.7	3.8	12.1	4.7	※2 1.3	0.8	16.0	75%
Net other operating profit	3.7	1.5	3.5	0.9	(0.1)	(0.5)	5.0	70%
Gains/losses on bonds	2.7	1.1	1.5	0.1	(1.1)	(0.9)	3.0	51%
Expenses	53.3	17.2	51.2	16.1	(2.0)	(1.1)	69.0	74%
Real business profit	30.6	11.4	32.9	12.5	2.3	1.0	41.0	80%
Net transfer to general reserve for possible loan losses (A)	(1.2)	0.1	0.3	0.3	1.6	0.1	0.5	63%
Business profit	31.9	11.2	32.6	12.2	0.6	0.9	40.5	80%
Core net business profit	27.9	10.3	31.4	12.3	3.4	2.0	38.0	82%
Net non-recurring gains(losses)	(0.7)	(0.9)	0.0	(1.1)	0.8	(0.1)	0.5	12%
Disposal of non-performing loans (B)	3.7	1.3	3.5	0.9	(0.1)	(0.4)	3.5	101%
Gains/losses on stocks	2.8	0.7	4.5	1.5	1.6	0.8	3.5	129%
Ordinary profit	31.2	10.2	32.7	11.0	1.5	0.8	41.0	79%
Net special gains (losses)	(0.6)	(0.1)	(0.3)	(0.1)	0.2	0.0	(1.0)	39%
Net income before income taxes and others	30.5	10.1	32.3	10.9	1.7	0.7	40.0	80%
Net income after tax	20.6	6.9	22.3	7.4	1.7	0.5	27.5	81%
Net credit costs (A)+(B)	2.4	1.5	3.8	1.2	1.4	(0.3)	4.0	97%
Ordinary profit (Consolidated)	34.9	11.5	36.0	11.9	1.0	0.3	46.5	77%
Net income after tax (Consolidated)	24.2	9.0	24.5	7.9	0.2	※3 (1.0)	31.0	79%

※1 Revised up the projection of FY2015 as of 26 Oct.2015

※2 Changed the accounting processing method of group credit life insurance dividend
Ordinary profit (FY2014) → Fees and commissions (FY2015)

※3 In the 3Q FY2014, negative goodwill from the purchase of some affiliated companies' minority interest increased consolidated net income by ¥ 1.3bn.

◆ Net interest income decreased by ¥0.9 billion YoY.

Breakdown: Interest income on loans (1.2)bn, Interest income on securities +1.4bn, Funding cost (1.0)bn.

◆ Fees and Commissions increased by ¥1.3 billion YoY mainly owing to changing the accounting processing method of group credit life insurance dividend (※) .

※ used to be accounted for ordinary profit

Breakdown of Top Line

(Billions of yen)

	FY2014		FY2015		YoY		FY2015	
	Apr.-Dec.	Oct.-Dec.	Apr.-Dec.	Oct.-Dec.	Apr.-Dec.	Oct.-Dec.	Projection	Progress Ratio
Net interest income ①	69.5	23.2	68.5	22.9	(0.9)	(0.3)	89.0	77.0%
Interest income on loans	51.1	17.1	49.8	16.7	(1.2)	(0.3)	-	-
Interest income on securities	21.6	7.2	23.0	7.7	1.4	0.5	-	-
Interest expenses on deposits	1.8	0.5	2.0	0.6	0.1	0.0	-	-
Other funding cost	1.9	0.7	2.8	1.0	0.9	0.3	-	-
Fees and Commissions ②	10.7	3.8	12.1	4.7	1.3	0.8	16.0	75.0%
Investment trusts annuities and whole-life insurance	5.0	1.9	4.8	1.5	(0.2)	(0.3)	-	-
(Investment trusts)	3.4	1.1	2.8	0.8	(0.5)	(0.3)	-	-
(annuities and whole-life insurance)	1.6	0.7	1.9	0.6	0.3	(0.0)	-	-
TOTAL (①+②)	80.3	27.1	80.7	27.6	0.3	0.4	105.0	76.0%

Breakdown of Loan-Deposit Interest Margins

(Billions of yen)

	Apr.-Dec. FY2015								
	Total		Domestic		Foreign				
	Results	YoY Change	Results	YoY Change	Results	YoY Change			
Loan-Deposit Interest Margins	47.8	(1.4)	47.5	(1.5)	0.2	0.1			
Interest income on loans	49.8	(1.2)	49.2	(1.5)	0.6	0.3			
【Breakdown by factors】	Average balance	-	2.0	-	1.8	+¥205.0 billion	-	0.2	+¥40.3 billion
	Yield	-	(3.3)	-	(3.4)	(8bp)	-	0.1	+20bp
Interest expenses on deposits	2.0	0.1	1.6	(0.0)	0.3	0.2			

Breakdown of Interest Income on Securities

(Billions of yen)

	Apr.-Dec. FY2015								
	Total		Domestic		Foreign				
	Results	YoY Change	Results	YoY Change	Results	YoY Change			
Interest income on securities	23.0	1.4	17.2	0.2	5.7	1.1			
【Breakdown by factors】	Average balance	-	0.1	-	(1.4)	(¥186.3 billion)	-	1.5	+¥123.0 billion
	Yield	-	1.2	-	1.7	+10bp	-	(0.4)	(14bp)

Interest income on securities: Reasons for changes (YoY)

- Increases in interest income from foreign bonds +¥1.1 bn.
- Increases in dividends from Equity funds, ETFs, REITs +¥0.6 bn.
- Increases in dividends from Strategic Shareholdings +¥0.4 bn.
- Decrease in interest income from domestic bonds △¥1.0 bn.

- ◆ Net income of affiliated companies decreased by ¥ 1.4billion YoY to ¥2.2billion mainly owing to the reaction of negative goodwill accounted in 3Q FY2014 (※) .

※ Negative goodwill from the purchase of some affiliated companies' minority interest increased consolidated net income (¥ 1.3bn.).

The purchase was carried out for the improvement of capital efficiency.

Financial Results of Affiliated Companies

		Ordinary revenue		Ordinary profit		Net income after tax		
Business Description			YoY change		YoY change		YoY change	
Profitable	The Joyo Lease Co., Ltd.	Leasing of machinery and equipment, and claim acquisition	14,853	1,109	532	(124)	390	21
	The Joyo Securities Co., Ltd.	Trading of securities and mediation, commission and proxy trading of securities	1,706	442	670	253	478	89
	The Joyo Computer Service Co., Ltd.	Development and sales of software and other products, and contract data processing	938	(22)	(23)	53	(16)	33
	The Joyo Industrial Research Institute, Ltd.	Consulting services and contract investigation and research services	469	132	46	41	32	28
	The Joyo Credit Guarantee Co., Ltd.	Credit guarantee of housing loans from Joyo Bank	888	(8)	164	3	111	2
	The Joyo Credit Co., Ltd.	Credit card services	2,583	(107)	1,335	(592)	869	(350)
Outsourcing	The Joyo Business Service Co., Ltd.	Agent in charge of administrative work for Joyo Bank	587	(76)	0	0	1	0
	The Joyo Cash Service Co., Ltd.	Maintenance and management of Joyo Bank ATMs	822	(26)	0	(1)	0	(0)
	The Joyo Equipment Management Co., Ltd.	Maintenance and management of business property and equipment of the Joyo Bank	733	(84)	154	0	42	(69)
Consolidation closing accounts			(5,391)	247	441	(75)	311	(1,172)
Total			18,192	1,604	3,322	(440)	2,220	(1,416)

(Millions of yen)

- The Joyo Computer Service Co., Ltd

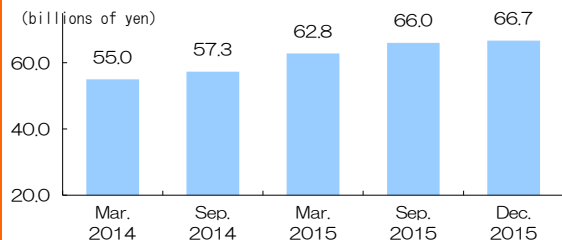
Net income in FY2015 will be in surplus owing to the income for receipt service of local tax and public funds in the forth quarter.

- The Joyo Credit Guarantee Co., Ltd

Net income decreased by ¥ 0.3bn. owing to the reaction of lower credit costs in FY2014 than usual.

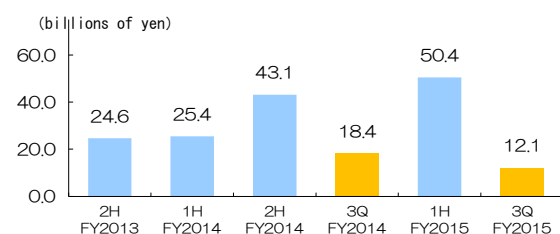
◆ The Joyo Lease Co., Ltd.

【Lease Installments Receivable】



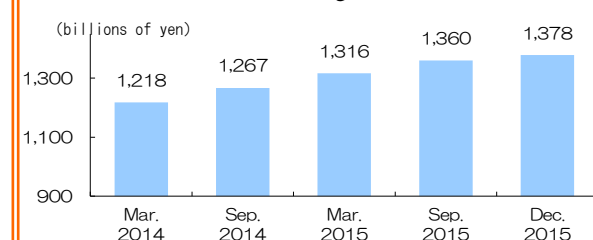
◆ The Joyo Securities Co., Ltd.

【Financial Product Sales】



◆ The Joyo Credit Guarantee Co., Ltd.

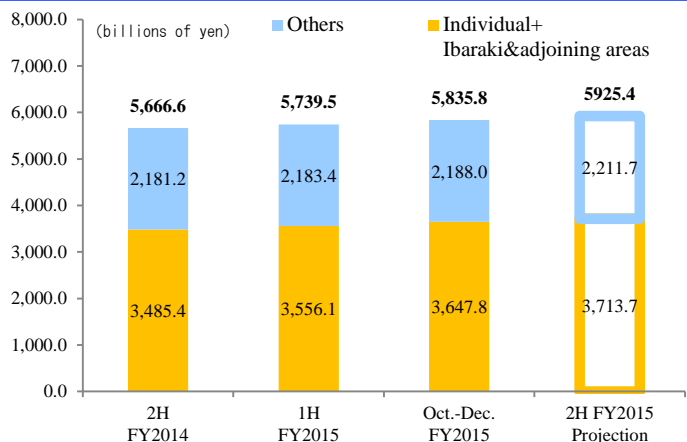
【Total Guarantees Outstanding】



Average Balance of Loans and Deposits

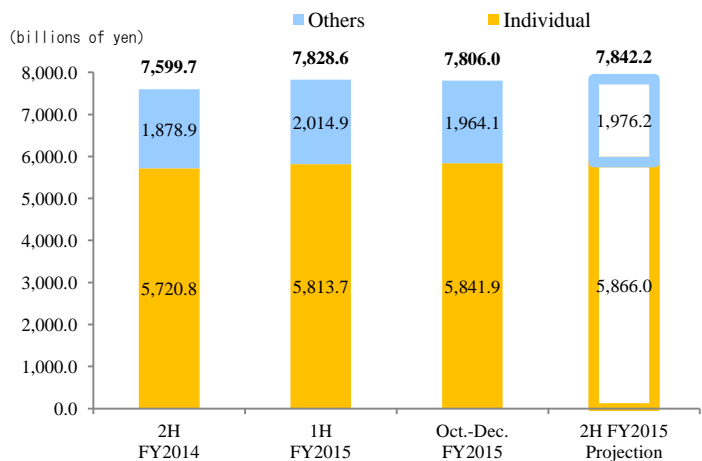
- ◆ The average balance of loans and bills discounted increased ¥ 235.4 billion YoY (+4.2% annually).
- ◆ The average balance of deposits increased ¥ 227.6 billion YoY (+3.0% annually).

Average Balance of Loans and Bills Discounted



	2H FY2014		1H FY2015	FY2015	YoY change		Change	2H FY2015 Projection
	Oct.-Dec. ①		②	Oct.-Dec. ③	③-①	Change ratio	③-②	
Corporate	2,742.9	2,766.5	2,732.5	2,762.4	19.5	0.7%	29.9	2,800.9
Ibaraki and its adjoining areas	1,469.3	1,477.5	1,455.4	1,479.0	9.7	0.7%	23.6	1,510.7
Tokyo and Osaka	1,273.6	1,289.0	1,277.1	1,283.4	9.8	0.8%	6.3	1,290.2
Individual	1,990.0	2,007.9	2,100.7	2,168.8	178.8	9.0%	68.1	2,203.0
Public sector	804.8	821.0	817.1	808.0	3.2	0.4%	(9.1)	827.5
Foreign Currency	62.7	71.2	89.2	96.4	33.7	53.7%	7.2	94.0
Total	5,600.4	5,666.6	5,739.5	5,835.8	235.4	4.2%	96.3	5,925.4

Average Balance of Deposits



	2H FY2014		1H FY2015	FY2015	YoY change		Change	2H FY2015 Projection
	Oct.-Dec. ①		②	Oct.-Dec. ③	③-①	Change ratio	③-②	
Corporate	1,486.8	1,490.7	1,537.6	1,522.6	35.8	2.4%	(15.0)	1,550.0
Individual	5,687.6	5,720.8	5,813.7	5,841.9	154.3	2.7%	28.2	5,866.0
Public sector	350.5	334.0	404.2	356.0	5.5	1.6%	(48.2)	330.0
Foreign Currency	53.5	54.2	73.1	85.5	32.0	59.8%	12.4	96.2
Total	7,578.4	7,599.7	7,828.6	7,806.0	227.6	3.0%	(22.6)	7,842.2
Ratio of								
current deposits	62.7%	62.9%	63.6%	63.8%	1.1%	-	0.2%	62.9%
time deposits	37.3%	37.1%	36.4%	36.2%	(1.1%)	-	(0.2%)	37.1%

◆ Average yield on loans and bills discounted:

Result in 3rd Quarter of FY2015 : 1.14% (down 8bp YoY)

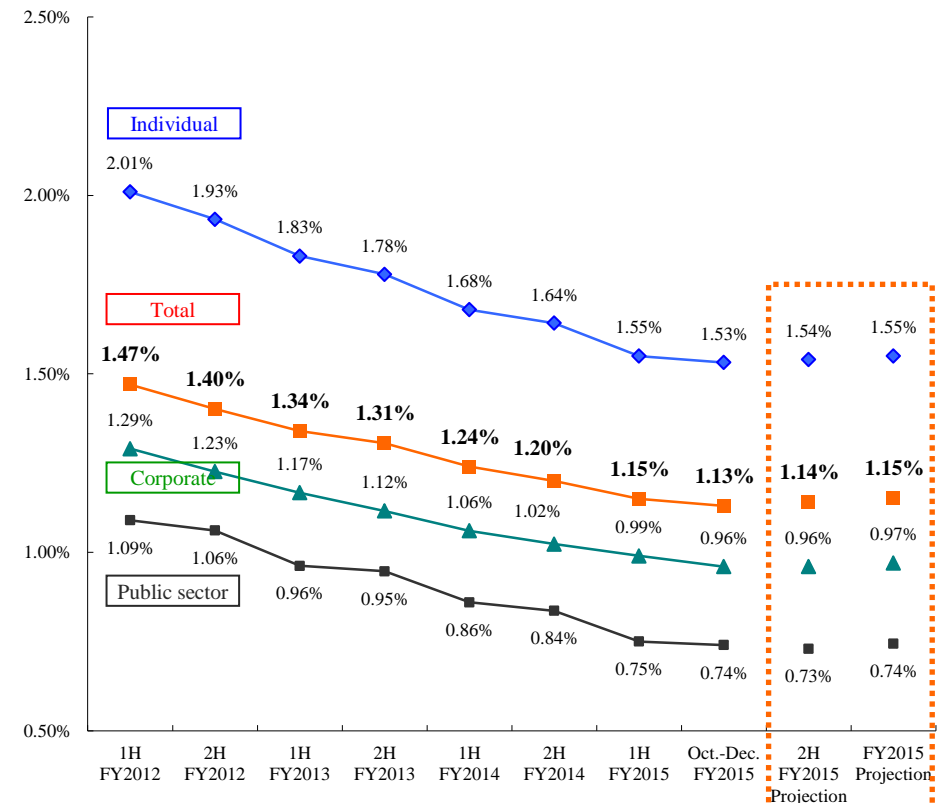
Target in FY2015 : 1.13% (down 7bp YoY)

◆ Total interest margin increased from 0.24% to 0.25% mainly owing to increase in securities' yield and decrease in expense ratio.

Loan-Deposit Interest Margins

		FY2013 ①	FY2014 ②	YoY change ②-①	Apr.-Dec. FY2014 ③	Apr.-Dec. FY2015 ④	YoY change ④-③	2H FY2015 Projection
Average yield on interest-earning assets	(A)	1.18%	1.14%	(4bp)	1.16%	1.13%	(3bp)	-
Average yield on loans and bills discounted	(B)	1.32%	1.21%	(11bp)	1.22%	1.14%	(8bp)	1.13%
Average yield on securities		0.96%	1.05%	9bp	1.08%	1.19%	11bp	1.00%
Funding costs	(C)	0.96%	0.91%	(5bp)	0.92%	0.89%	(3bp)	-
Average yield on deposits	(D)	0.03%	0.03%	0bp	0.03%	0.03%	+0bp	0.02%
Expense ratio		0.94%	0.91%	(3bp)	0.92%	0.86%	(6bp)	-
Loan-deposit interest margins	(B-D)	1.29%	1.18%	(11bp)	1.19%	1.11%	(8bp)	1.11%
Toatal interest margin	(A-C)	0.22%	0.23%	1bp	0.24%	0.25%	1bp	-

Average Yield on Loans and Bills Discounted (yen)



- ◆ The average balance of corporate loans increased by ¥19.5 billion YoY led by increase of loans in adjoining areas (Chiba and Saitama, Tochigi Prefecture).
- ◆ Continue to respond proactively to new funding needs mainly among local borrowers such as medical healthcare, agriculture and new energy industries.

Average Balance of Loans (yen)

(Billions of yen)

	2H FY2014		1H FY2015	FY2015 Oct.-Dec. ③	YoY change		Change ③-②	2H FY2015 Projection	
	Oct.-Dec. ①	②	③-①		Change ratio	④		Change ③-④	
				③-②			④		③-④
Corporate loans	2,742.9	2,766.5	2,732.5	2,762.4	19.5	0.7%	29.9	2,800.9	(38.5)
Ibaraki and its adjoining areas	1,469.3	1,477.5	1,455.4	1,479.0	9.7	0.7%	23.6	1,510.7	(31.7)
Ibaraki	1,050.5	1,054.2	1,025.0	1,039.9	(10.6)	(1.0%)	14.9	-	-
Miyagi and Fukushima	216.9	218.4	216.4	217.9	1.0	0.5%	1.5	-	-
Tochigi	94.1	94.8	97.1	99.8	5.7	6.1%	2.7	-	-
Chiba and Saitama	107.8	110.0	116.9	121.4	13.6	12.6%	4.5	-	-
Tokyo and Osaka	1,273.6	1,289.0	1,277.1	1,283.4	9.8	0.8%	6.3	1,290.2	(6.8)

Initiatives for Growth Sectors

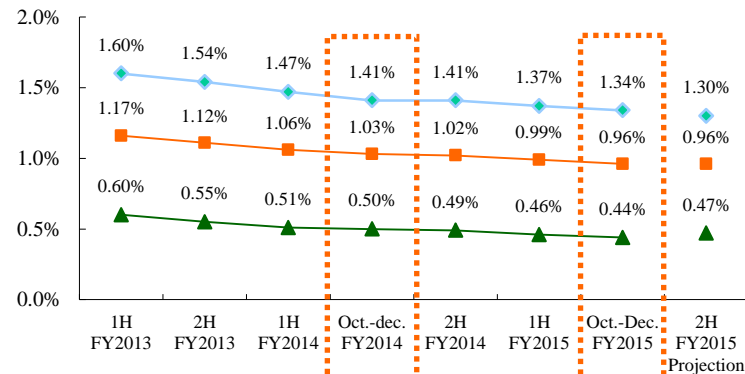
(Billions of yen)

	2H FY2014		1H FY2015	FY2015 Oct.-Dec. ③	YoY change		FY2015	
	Oct.-Dec. ①	②	③-①		Change ratio	④	Progress ratio (②+③)/④	
				④				(②+③)/④
Total of growth sector	-	-	58.9	28.9	-	-	65.0	135%
Medical/Health care	11.4	23.6	26.2	11.3	(0.1)	(0.9%)	40.0	94%
New energy	6.3	17.8	13.5	7.5	1.2	19.0%	10.0	210%
Agri-business	-	-	17.8	9.6	-	-	10.0	274%
Manufactures	-	-	1.4	0.5	-	-	5.0	38%

*1. A scope of 400 borrowers until FY2014. The scope was narrowed to 330 borrowers in 2H FY2015 to prioritize support.

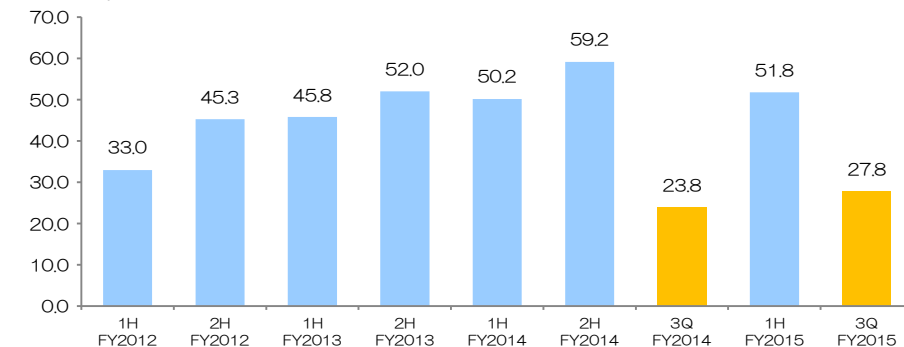
*2. Limited to the funding of capital investments by priority businesses receiving assistance applying for subsidies and other support.

Yield on Corporate Loans



Loans for Equipment Funds (in Ibaraki and adjoining areas)

(billions of yen)



- ◆ While housing starts in Ibaraki Prefecture continue to decrease slightly, housing related loan executions were about the same level as the previous fiscal year. Apartment loans decreased by ¥2.8billion YoY due to temporary factor.
- ◆ Yields on executed housing related loans continue an upward trend due to an increase of fixed interest rate ratio.

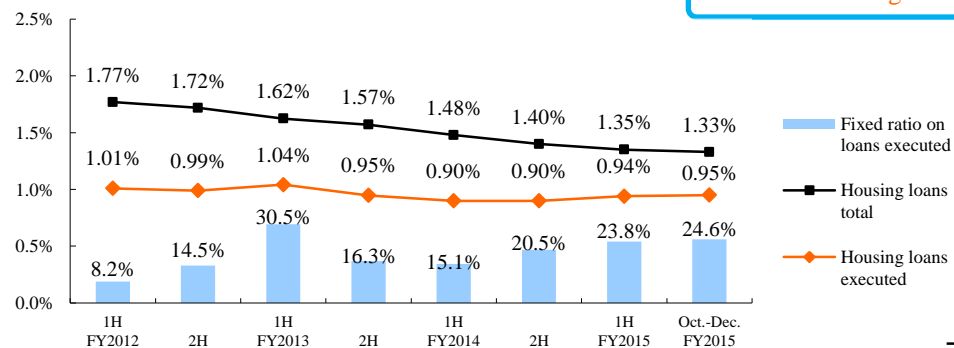
Housing Related Loans Executed

	2H FY2014		1H FY2015	FY2015 Oct.-Dec. ②	YoY change		2H FY2015 Projection	
	Oct.-Dec. ①				②-①	Change ratio	Projection ③	Progress ratio ②/③
			(Billions of yen)					
Housing loans	45.1	101.8	99.0	44.0	(1.1)	(2.5%)	120.0	36.7%
Ibaraki	29.1	66.6	62.1	28.0	(1.1)	(3.9%)	-	-
Miyagi and Fukushima	2.2	4.9	5.4	1.6	(0.5)	(24.9%)	-	-
Tochigi	2.9	6.3	5.8	2.8	(0.0)	(1.1%)	-	-
Chiba and Saitama	10.8	23.8	25.4	11.2	0.4	3.8%	-	-
Apartment loans	22.0	60.9	50.8	19.2	(2.8)	(12.8%)	50.0	38.4%
Ibaraki	11.6	32.3	28.7	9.8	(1.7)	(15.0%)	-	-
Miyagi and Fukushima	4.2	11.7	9.4	3.9	(0.2)	(6.4%)	-	-
Tochigi	1.9	4.7	3.9	1.8	(0.0)	(1.8%)	-	-
Chiba and Saitama	4.2	12.0	8.6	3.4	(0.7)	(18.0%)	-	-
Total	67.2	162.8	149.9	63.2	(3.9)	(5.9%)	170.0	37.2%

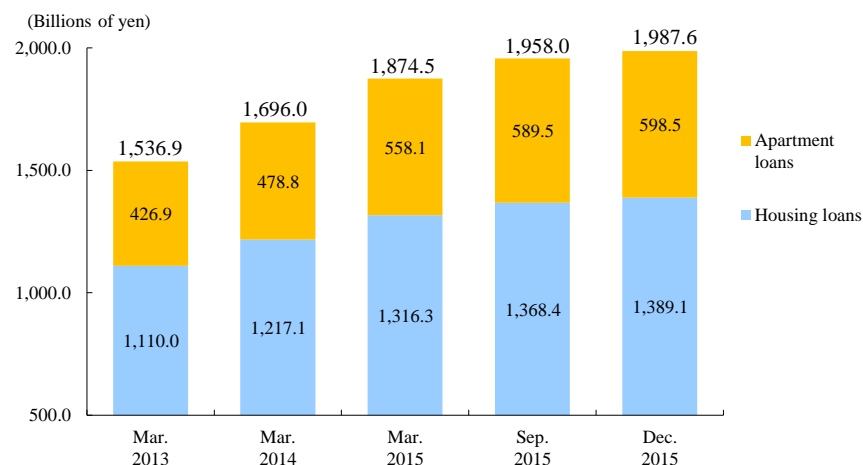
※Reference Housing starts in Ibaraki Pref. (Apr.to Dec. 2015 YoY)
Privately-owned house : △ 2.6% , Rent house : +16.6%

Yield of Housing Loans

The execution rate has been increasing to date



Housing Related Loans Balance (term-end)



Cross-selling

【 Ratio of unsecured consumer loan borrowers who have housing related loan 】

	Mar.2014	Sep.2014	Mar.2015	Sep.2015	Dec.2015
Borrowers of housing loans	80,905	82,727	84,483	86,197	86,903
Auto loans	4.3%	4.5%	4.8%	4.9%	5.0%
Educational loans	4.3%	4.1%	4.4%	4.2%	4.3%
Card loans	29.1%	32.2%	35.9%	38.8%	40.6%

Unsecured Consumer Loans

- ◆ The average balance of unsecured consumer loans increased by ¥5.6 billion YoY (+8.6% annually).
- ◆ In addition to the non-OTC transaction service function (on the web) for mass marketing, strengthened the relationship with employees of corporations that are using the dedicated web site service.

Unsecured Consumer Loans Executed

(Billions of yen)

	2H FY2014		1H FY2015	FY2015 Oct.-Dec. ②	YoY change ②-①	2H FY2015	
	Oct.-Dec. ①	FY2014				Projection	Progress ratio
Auto loans	2.1	4.5	4.2	2.5	0.4	6.0	41.7%
Educational loans	2.0	5.8	2.4	2.1	0.1	6.0	35.0%
Card loans	3.0	6.4	7.2	3.5	0.5	6.5	53.8%
Total	7.1	16.7	13.8	8.1	1.0	18.5	43.8%

Average Balance of Unsecured Consumer Loans

(Billions of yen)

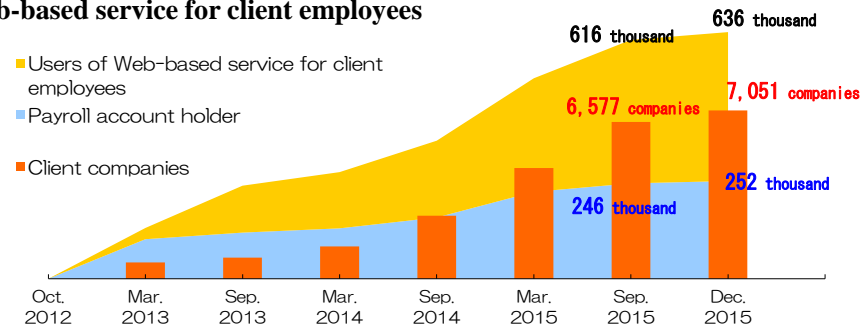
	2H FY2014		1H FY2015	FY2015 Oct.-Dec. ②	YoY change ②-①	Change ratio
	Oct.-Dec. ①	FY2014				
Auto loans	18.3	18.5	19.5	20.4	2.1	11.5%
Educational loans	23.0	23.1	24.7	25.4	2.4	10.4%
Card loans	23.6	23.5	23.9	24.7	1.1	4.7%
Total	64.9	65.1	68.2	70.5	5.6	8.6%
[Reference] Average yeild	-	5.2%	5.0%	-	-	-

Online Loan Applications

(Number/Billions of yen)

		2H FY2014		1H FY2015	FY2015 Oct.-Dec. ②	YoY change		Users of Web-based service for client employees			
		Oct.-Dec. ①	FY2014			②-①	Change ratio	Oct.-Dec. FY2014 ③	Oct.-Dec. FY2015 ④	YoY change ④-③	Change ratio
Auto loans	Number	1,571	3,866	3,804	1,890	319	20.3%	345	521	176	51.0%
	WEB application ratio	65.8%	67.4%	66.1%	64.2%	(1.6%)	-	-	-	-	-
	Amount	1.3	3.0	2.7	1.5	0.2	16.2%	0.5	0.8	0.3	60.2%
Educational loans	Number	497	1,358	687	595	98	19.7%	193	248	55	28.4%
	WEB application ratio	41.7%	44.4%	49.3%	45.0%	3.2%	-	-	-	-	-
	Amount	0.8	2.5	1.1	0.9	0.0	10.8%	0.6	0.7	0.0	16.0%
Card loans*1	Number	1,542	3,390	3,404	2,095	553	35.8%	792	1,091	299	37.7%
	WEB application ratio	69.5%	71.3%	76.4%	80.6%	11.0%	-	-	-	-	-
	Amount	0.5	1.2	1.4	0.7	0.1	32.9%	0.3	0.5	0.1	45.6%
Total	Number	3,610	8,614	7,895	4,580	970	26.8%	1,330	1,860	530	39.8%
	WEB application ratio	62.3%	63.6%	68.1%	66.7%	4.4%	-	-	-	-	-
	Amount	2.7	6.7	5.3	3.2	0.5	18.0%	1.5	2.1	0.5	39.0%

Web-based service for client employees



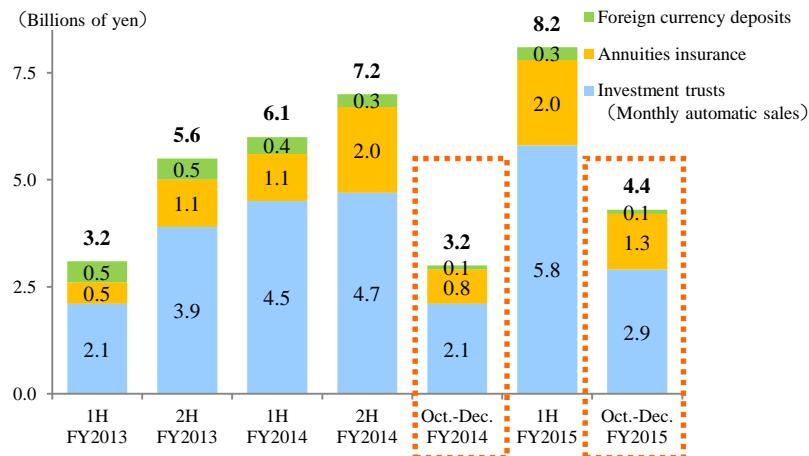
Sales of Financial Products

- ◆ Fees from financial products sales decreased by ¥0.9 billion YoY (Apr.-Dec.).
 - ◆ Fees in investment trusts decreased in the circumstances of volatile stock market since last summer.
- On the other hand, fees in annuities insurance and foreign currency deposits increased.

Sales of Financial Products

	2H FY2014		1H FY2015	FY2015 Oct.-Dec. ②	YoY change		2H FY2015 Projection	
	Oct.-Dec. ①				②-①	Change ratio	Projection ③	Progress ratio ②/③
			(Billions of yen)					
Investment trusts	65.1	132.8	131.1	45.3	(19.8)	(30.4%)	-	-
Equity investment trusts	38.9	79.3	67.6	18.8	(20.1)	(51.6%)	90.0	20.9%
Annuities insurance	22.3	38.0	30.6	15.8	(6.5)	(29.2%)	36.0	43.9%
Foreign currency deposits	18.8	57.3	90.7	28.9	10.1	53.7%	75.0	38.6%
Public bond sales through OTC	7.2	11.8	14.5	5.2	(2.0)	(28.0%)	20.0	26.2%
Financial instruments intermediary services	19.6	44.9	52.0	13.7	(5.9)	(30.1%)	60.0	22.8%
Total	133.2	285.1	319.1	109.0	(24.2)	(18.1%)	-	-

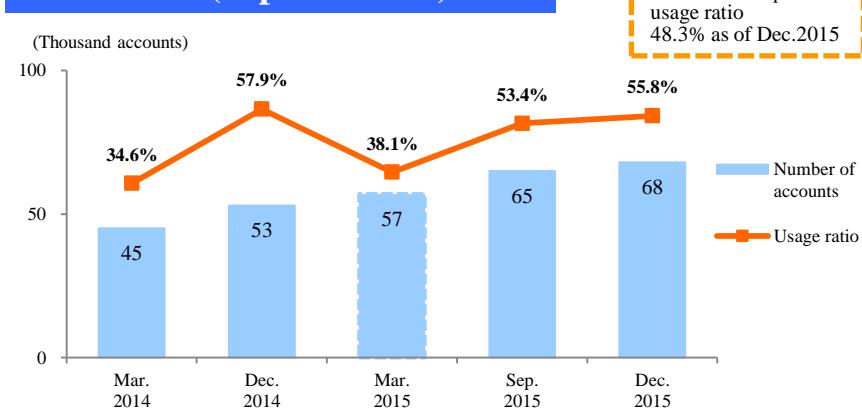
Monthly automatic sales of Financial Products



Fees from Financial Products Sales

	2H FY2014		1H FY2015	FY2015 Oct.-Dec. ②	YoY change		FY2014 FY2015		
	Oct.-Dec. ①				②-①	Change ratio	Apr.-Dec.	Apr.-Dec.	Change ratio
			(Billions of yen)						
Investment trusts	1.19	2.45	2.05	0.83	(0.36)	(30.4%)	3.48	2.88	(17.0%)
Annuities insurance	0.70	1.33	1.30	0.68	(0.02)	(3.4%)	1.61	1.98	23.2%
Foreign currency deposits	0.17	0.32	0.38	0.12	(0.04)	(27.2%)	0.37	0.51	37.6%
Public bond sales through OTC	0.03	0.05	0.05	0.02	(0.00)	(30.0%)	0.14	0.07	(48.6%)
Financial instruments intermediary services	0.08	0.20	0.22	0.05	(0.03)	(37.3%)	0.20	0.27	34.6%
Total	2.19	4.37	4.02	1.71	(0.47)	(21.7%)	5.82	5.73	(1.4%)

NISA (Japanese ISA)



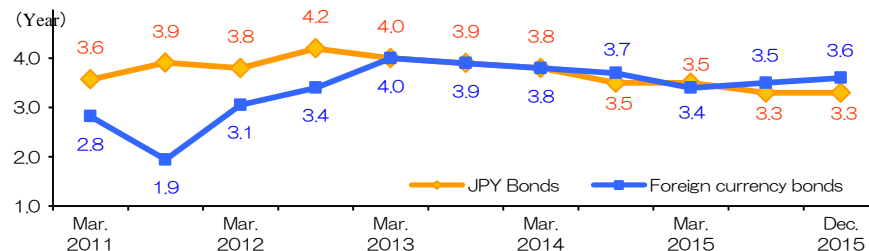
- ◆ Increased domestic bonds (RMBS), treasury notes, sovereign bonds of France.
- ◆ Gains on stocks ¥4.5 billion beyond the FY2015 projection owing to selling of strategic shareholdings and ETFs.

Securities (balance/ unrealized gains and losses)

(Billions of yen)

	Term-end balance					Unrealized gains(losses)				
	Mar. 2015	Sep. 2015	Dec. 2015	YoY change		Mar. 2015	Sep. 2015	Dec. 2015	YoY change	
		①	②	②-①	Change ratio		③	④	④-③	④-③
Domestic bonds	1,784.6	1,735.7	1,763.1	27.4	1.5%	36.6	36.7	37.2		0.5
JGB	1,156.3	1,112.0	1,110.9	(1.1)	(0.1%)	24.1	24.0	24.1		0.1
Foreign bonds	375.6	438.6	460.3	21.7	4.9%	7.0	5.6	1.8		(3.7)
Investment trusts & others	212.7	239.9	238.7	(1.2)	(0.5%)	44.2	25.7	36.0		10.2
ETF	113.8	128.5	126.5	(1.9)	(1.5%)	26.8	16.1	24.2		8.0
Stocks	135.9	134.2	133.6	(0.6)	(0.4%)	144.7	127.4	143.4		16.0
Total	2,508.9	2,548.5	2,595.9	47.3	1.8%	232.6	195.5	218.5		23.0

Duration

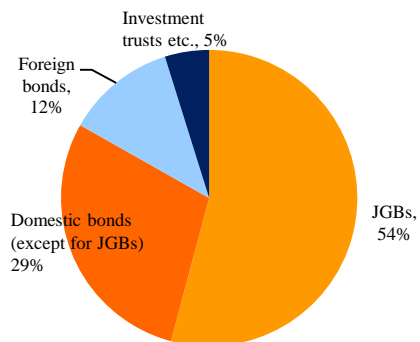


Yields

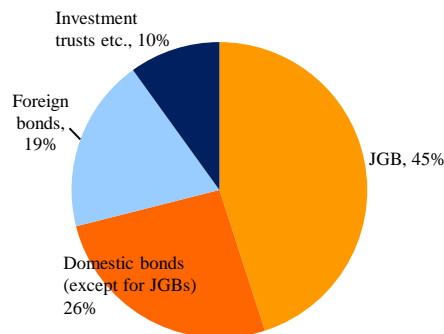
	FY2014	1H FY2015	Oct.-Dec. FY2015	Change	FY2015 Projection
	①		②	②-①	
Total	1.05	1.19	1.19	0.14	
Domestic bonds	0.64	0.65	0.65	0.01	
Foreign bonds	1.82	1.63	1.63	(0.18)	1.00
Investment trusts & others	2.14	2.01	1.81	(0.33)	
Stocks	3.65	5.31	5.51	1.86	

Diversification of Investments

● End of May 2014
(medium-term business plan started)



● End of Dec. 2015



Gains/Losses on Bonds & Stocks (realized)

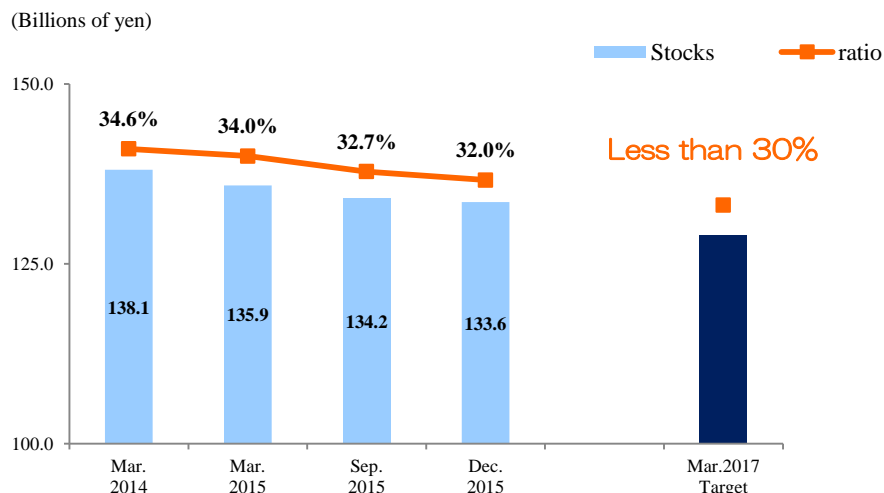
	Apr.-Dec. FY2015	FY2015 Projection	Progress Rate
Gains on bonds	1.5	3.0	51%
Gains on stocks	4.5	3.5	129%
Total	6.0	6.5	93%

● Gains on bonds ¥1.5 bn.
• J-REITs ¥0.9 bn.
Domestic bonds ¥0.7 bn. etc.

● Gains on stocks ¥4.5 bn.
• Strategic shareholdings ¥2.2 bn.
ETFs ¥2.3 bn. etc.

- ◆ Aim to reduce the amount of stocks to less than 30% of common equity Tier I capital within the period of current medium-term business plan (by March 31, 2017).
- ◆ Reduced the balance ¥2.3 billion, and to ¥133.6 billion during the period of Apr.-Dec 2015.

Balance of Strategic Shareholdings



※ratio = balance of strategic shareholdings / common equity Tier I capital

Corporate Governance Guideline

- Strategic shareholding policy
 - Joyo Bank may hold stocks for other than pure investment purposes, if they are deemed as contributing to the Bank's medium- to long-term financial gain and development, primarily by increasing the stock value of its corporate clients and the dividends it receives from them. However, Joyo Bank shall strive to manage such shareholdings appropriately under a sound risk & return management framework to prevent unwarranted conflicts of interest with its shareholders.
- Use of voting rights
 - Joyo Bank shall also strive to maintain a certain arms-length relationship with the companies it invests in for the aforementioned strategic purposes. As such, the Bank shall oppose resolutions the companies submit to the general meeting of shareholders if they hinder sustainable growth and appreciation of corporate value of the companies over the medium to long term, or pose unwarranted conflicts of interests with Joyo Bank's strategic shareholding policy.
 - In principle, Joyo Bank shall follow appropriate decision-making procedures based on its rules of jurisdiction in exercising the Bank's voting rights on all resolutions put forward by the companies. In so doing, Joyo Bank shall confirm that each resolution put forward by each individual company poses no conceivable conflict of interest with maintaining and improving shareholder value, or the Bank's strategic shareholding policy.

Risk & Return of Strategic Shareholdings

	RORA		Dividend Yield	
	FY2013	FY2014	FY2013	Fy2014
Strategic shareholdings	2.2%	2.4%	2.9%	3.3%
Strategic shareholdings which balance are more than 1% of common stock	2.4%	2.6%	3.0%	3.4%

※RORA = Return divided by Risk asset of Loans and stocks etc.
Return = Loan-Deposit Interest Margins + Fees and Commissions + Dividends

Following the guideline

<Reexamining strategic shareholdings policy>

- Decide our policy based on quantitative(profitability, dividends) and qualitative(relationship, alliances).
- RORA is important in quantitative view.

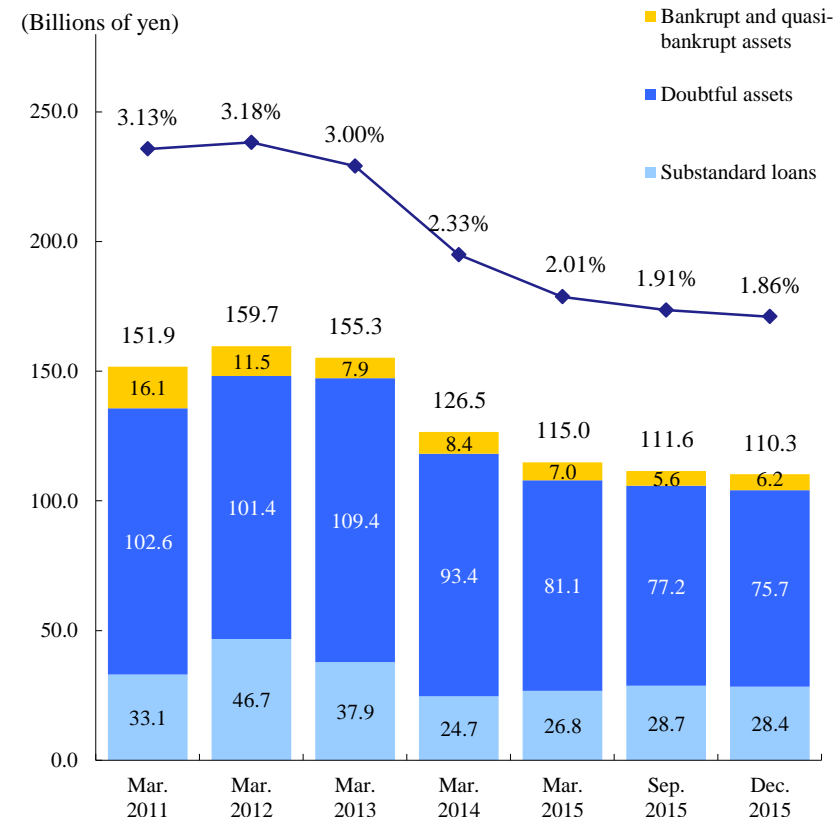
- ◆ Credit costs (Apr-Dec. 2015) increased by ¥1.4 billion YoY on account of downgrades of specific companies in relatively large scale in 1H FY2015. Annual credit cost expected to be ¥ 4.0 billion as forecasted.
- ◆ The ratio of claims for disclosure was down to 1.86%(down 0.14% compared to the end of FY2014).

Net Credit Costs and Credit Cost Ratio *

(Billions of yen)

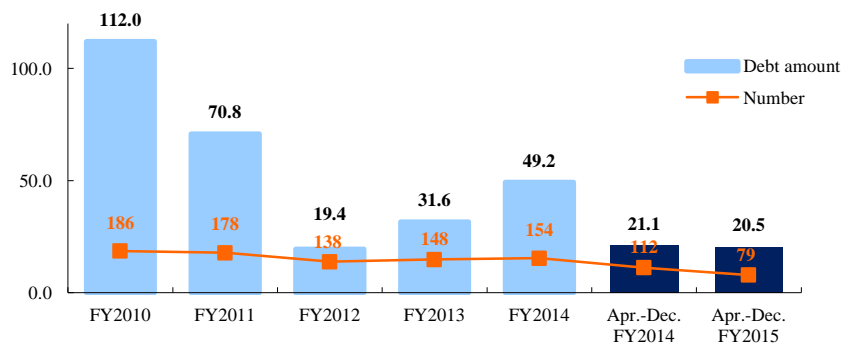
	2H FY2014		1H FY2015	FY2015	FY2014	FY2015		FY2015
	Oct.-Dec.					Oct.-Dec.	Apr.-Dec.	
Disposal of non-performing loans	1.3	0.5	2.6	0.9	3.7	3.5	(0.1)	2.8
Losses on loan write-offs	0.7	1.2	2.1	0.3	2.0	2.4	0.3	-
Reserve for specific allowance of possible loan	0.6	0.1	1.0	0.8	2.6	1.8	(0.7)	-
Losses on bulk sales	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	-
Others	0.2	0.3	0.2	0.3	0.5	0.5	0.0	-
Gains on loans written-off	0.3	1.1	0.7	0.6	1.6	1.3	(0.2)	-
Net transfer to general reserve for possible loan losses	0.1	0.3	0.0	0.3	(1.2)	0.3	1.6	1.2
Net credit costs	1.5	0.9	2.6	1.2	2.4	3.8	1.4	4.0

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



Bankruptcies in Ibaraki

(Billions of yen)

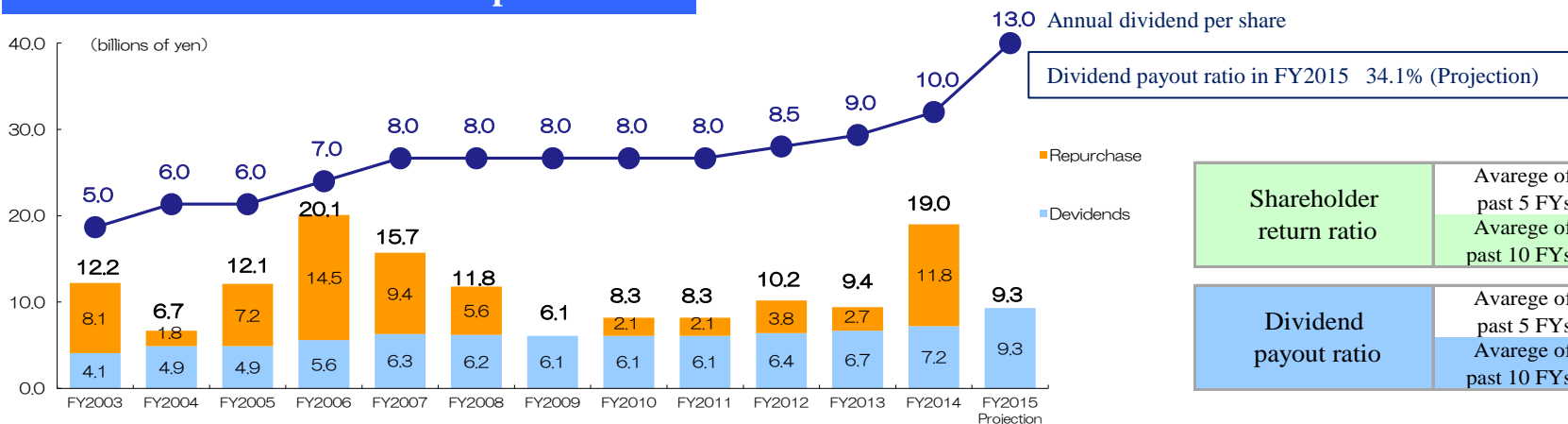


- ◆ Consolidated capital adequacy ratio rose 0.31% from the end of Mar.2015 to 12.71%.
- ◆ Annual dividend of ¥13.0 per share
+ ¥3.0 per share from FY2014 (Ordinary dividend + ¥2.0, Commemorative dividend + ¥1.0)

Capital Adequacy Ratio

	Mar.2014	Mar.2015	Sep.2015	Dec.2015	The 12th mid-term business plan's goal ('17/03)	【Reference】 Interim Measure Disapply	【Reference】 Common Equity Tier I ratio
Consolidated Capital Adequacy Ratio	12.60%	12.40%	12.69%	12.71%	approx. 12%	Mar.2015	Mar.2015
Total Capital (Billions of yen)	440.0	435.8	450.0	457.9	—	11.51%	12.95%
Risk Weighted Assets	3,491.1	3,512.7	3,544.2	3,601.4		11.85%	13.22%

Historical Dividends and Repurchase



Shareholder return ratio	Average of past 5 FYs	57.3%
	Average of past 10 FYs	81.7%
Dividend payout ratio	Average of past 5 FYs	35.2%
	Average of past 10 FYs	43.7%

Projections for FY2015

◆ The progress ratio of unconsolidated net income is 81%.

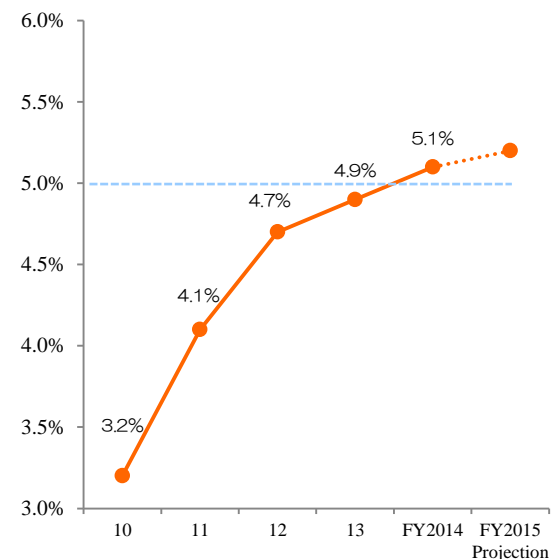
◆ Forecast to attain the following key numbers in FY2015.

Non consolidated net income ¥27.5 billion, Consolidated net income ¥31.0 billion,
Consolidated ROE 5.0% .

	FY2015 Initial Projection ①	FY2015 Revised ※ Projection ②	Change ②-①	YoY Change	Apr.-Dec. FY2014 ③	Progress ratio ③/②
(Billions of yen)						
Gross business profit	110.5	110.0	(0.5)	0.9	84.2	76.5%
Net interest income	89.0	89.0	0.0	(2.0)	68.5	77.0%
Net interest on loans and deposits	66.0	64.0	(2.0)	(1.5)	47.8	74.7%
Interest and dividends on securities	23.0	25.0	2.0	(0.5)	20.7	82.8%
Fees and Commissions	17.0	16.0	(1.0)	1.5	12.1	75.9%
Net other operating profit	4.5	5.0	0.5	1.4	3.5	70.8%
Gains(losses) on bonds	3.0	3.0	0.0	0.3	1.5	51.7%
Expenses	69.0	69.0	0.0	(0.8)	51.2	74.2%
Real business profit	41.5	41.0	(0.5)	1.7	32.9	80.4%
Net transfer to general reserve for possible loan losses (A)	1.0	0.5	(0.5)	1.5	0.3	63.4%
Business profit	40.5	40.5	0.0	0.1	32.6	80.6%
Core net business profit	38.5	38.0	(0.5)	1.4	31.4	82.7%
Net non-recurring gains(losses)	(2.5)	0.5	3.0	0.3	0.0	12.2%
Disposal of non-performing loans (B)	3.0	3.5	0.5	0.5	3.5	101.8%
Net gains/losses on equity securities	0.0	3.5	3.5	0.6	4.5	129.4%
Ordinary profit	38.0	41.0	3.0	0.5	32.7	79.8%
Net special gains(losses)	(1.0)	(1.0)	0.0	0.4	(0.3)	39.3%
Net income before income taxes and others	37.0	40.0	3.0	1.0	32.3	80.8%
Net income after tax	25.0	27.5	2.5	3.5	22.3	81.1%
Net credit costs (A) + (B)	4.0	4.0	0.0	2.1	3.8	97.0%
Ordinary profit (Consolidated)	43.5	46.5	3.0	0.7	36.0	77.5%
Net income after tax (Consolidated)	28.5	31.0	2.5	2.3	24.5	79.1%

※Revised up the projection of FY2015 as of 26 Oct.2015

● ROE (Consolidated)





【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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