

[First half of the year ending  
March 2015 (FY3/15 1H)]

# 24th Results Briefing The Juroku Bank, Ltd.

# All For Your Smile

Providing Wholehearted Services



十六銀行

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◆ Earnings forecasts and other forward-looking statements in this document are based on management's assumptions and beliefs in light of information available at the time of publication. Actual results may differ materially from forward-looking statements due to a wide range of factors.



## **Part 1: Overview of results for FY3/15 1H**

# Overview of results for FY3/15 1H

## ▼ Non-consolidated

(Billion yen)

	FY3/14 1H	FY3/15 1H	Change	FY3/15 1H
Gross banking profit	35.0	38.0	3.0	41.2
(Gross core banking profit)	(35.0)	(35.3)	(0.3)	(38.5)
Net interest income (*1)	31.2	31.5	0.3	31.5
Fees and commissions	3.3	3.5	0.2	5.4
Other banking profit	0.5	2.9	2.4	4.2
Gains/losses on JGBs and other securities	0.0	2.7	2.7	2.7
Expenses	26.4	26.5	0.1	28.2
Personnel expenses	14.6	14.5	-0.1	
Non-personnel expenses	10.5	10.5	0.0	
Taxes	1.3	1.4	0.1	
Provision for general loan-loss reserves (1)	-0.5	-	0.5	-
Net banking profit	9.2	11.5	2.3	13.0
(Net core banking profit)	(8.5)	(8.7)	(0.2)	(10.3)
Extraordinary gains/losses	0.8	3.0	2.2	3.1
Write-downs of nonperforming loans (2)	1.7	0.4	-1.3	0.4
Gain on reversal of loan loss reserves (3)	-	0.6	0.6	0.8
Gain on collection of written-off loans (4)	0.0	0.0	0.0	0.0
Gains/losses on equities	1.4	1.1	-0.3	1.1
Other extraordinary gains/losses	1.0	1.6	0.6	1.6
Ordinary income	10.0	14.4	4.4	16.2
Extraordinary gains/losses	-0.0	-0.0	0.0	0.2
Total income taxes	2.1	4.4	2.3	5.0
Interim net income (*2)	7.8	9.9	2.1	10.9
<Credit-related costs (1+2-3-4)>	1.1	-0.2	-1.3	-0.4

## ▼ Consolidated

- **Gross banking profit** rose ¥3.0 billion YoY due to increases in net interest income and fee and commission income and an increase in gains on JGBs and other securities
- **Net banking profit** increased ¥2.3 billion YoY on the back of growth in gross banking profit
- **Ordinary income** rose ¥4.4 billion YoY, mainly reflecting an increase in net banking profit and a decline in write-downs of non-performing loans

(\*1)

<Breakdown of net interest income (non-consolidated)>

(Billion yen)

	FY9/13	FY9/14	Change
Net interest income	31.2	31.5	0.3
Domestic operations	30.1	29.7	-0.4
Net interest income on yen deposits and loans	23.7	22.5	-1.2
(Interest income on yen loans)	(26.0)	(24.6)	(-1.4)
(Interest payments on yen deposits)	(2.3)	(2.1)	(-0.2)
Dividend income from yen-denominated marketable securities	6.5	7.3	0.8
International operations	1.0	1.8	0.8

(\*2)

<Factors causing difference in net income (¥1.0bn) between non-consolidated and consolidated results>

- Impact of profits at consolidated subsidiaries +¥0.6bn
- Negative goodwill related to purchase of additional shares in subsidiaries, etc. +¥0.3bn

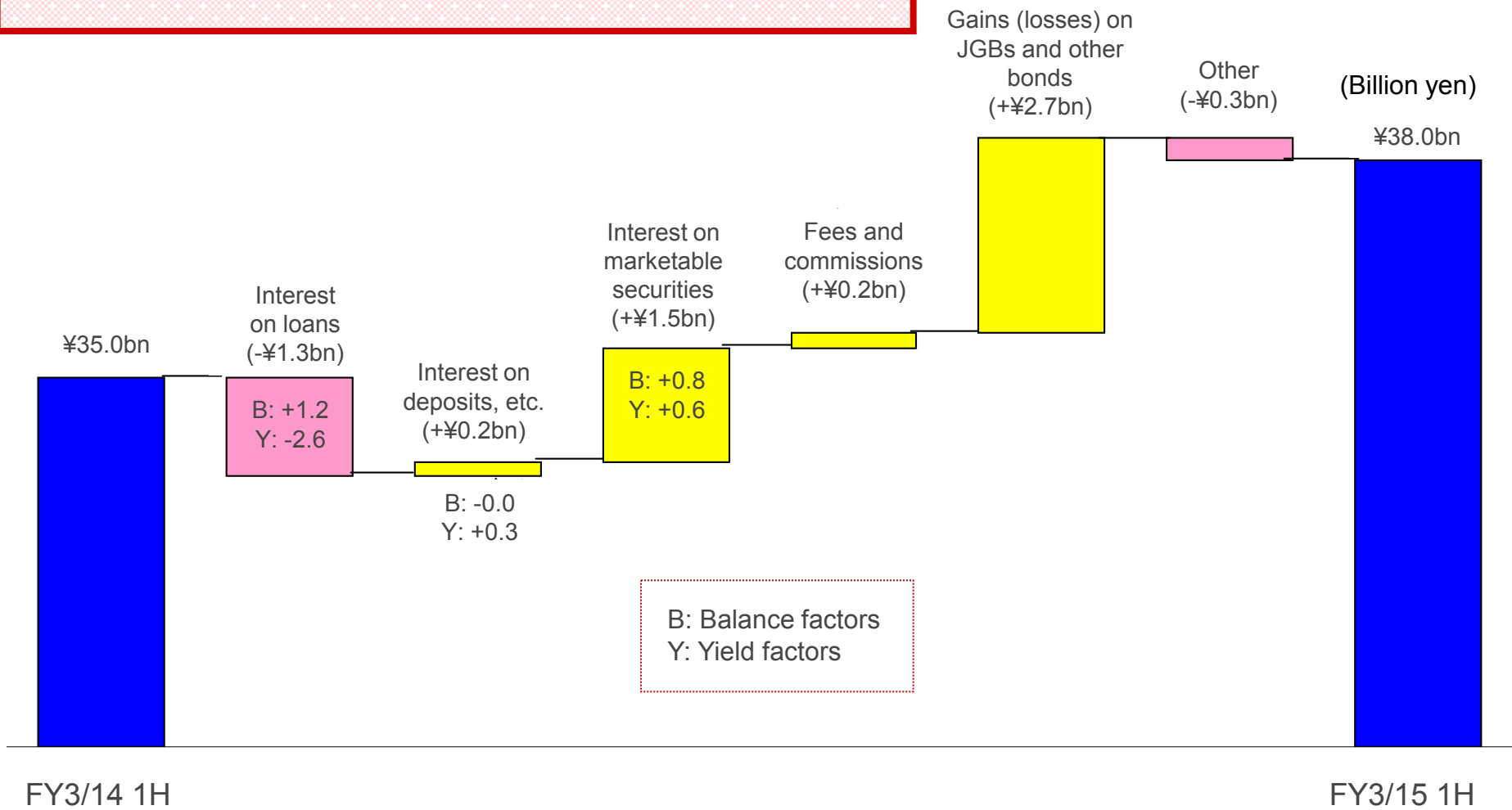
\* Gross core banking profit= Gross banking profit – gains/losses on JGBs and other securities (balances of five accounts)

\* Net core banking profit= Net banking profit + provision for general loan-loss reserves – gains/losses on JGBs and other securities (balances of five accounts)



# Main factors behind change in gross banking profit (non-consolidated)

**Gross banking profit increased ¥3.0bn to ¥38.0bn**



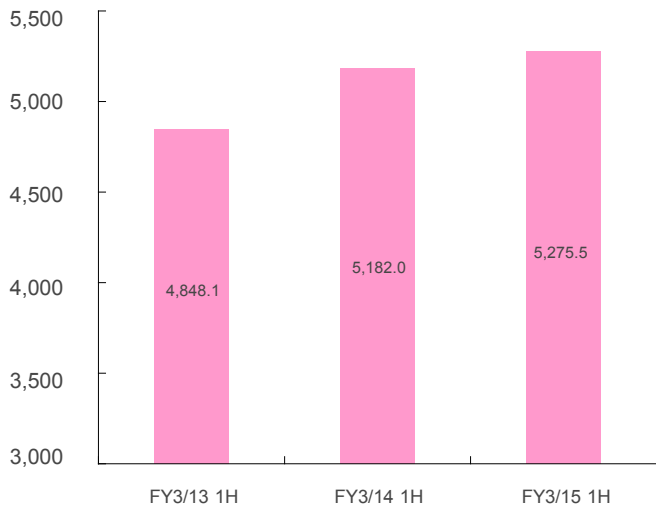
FY3/14 1H

FY3/15 1H

# Outstanding balances for key items (deposits, loans)

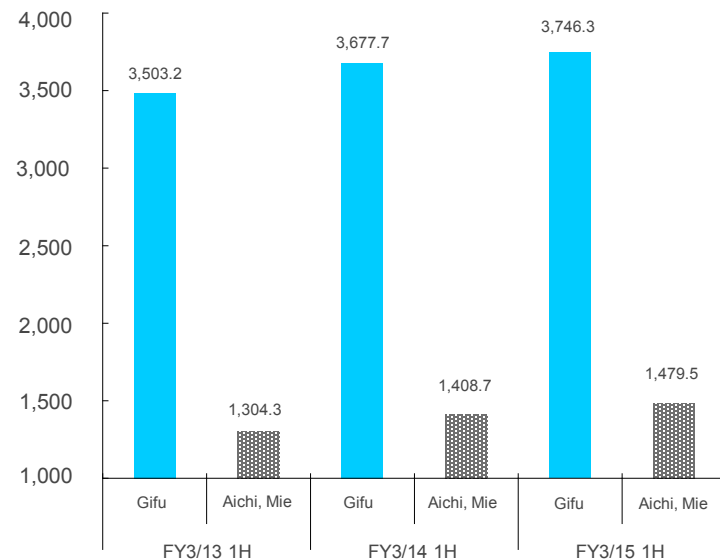
## ▼ Deposits (non-consolidated)

(Billion yen)



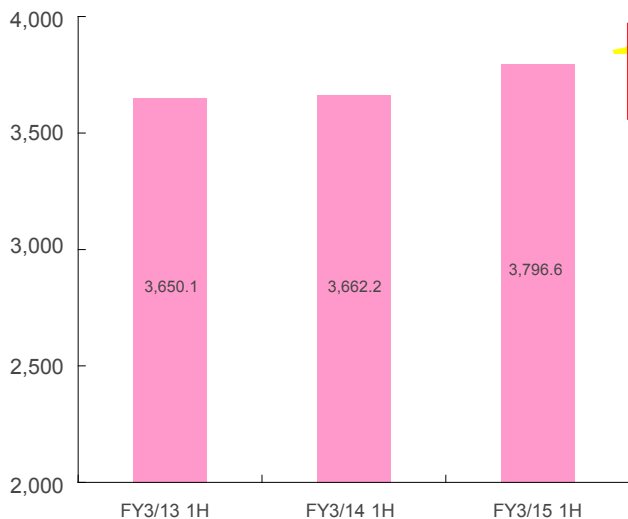
## ▼ Deposits by region (non-consolidated)

(Billion yen)



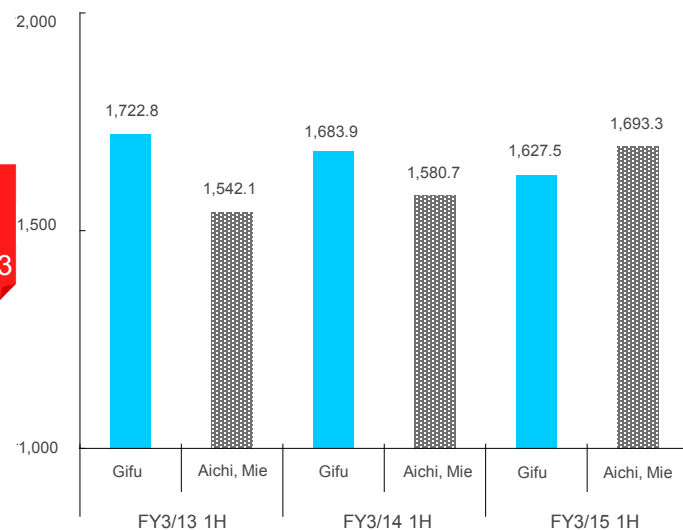
## ▼ Loans (non-consolidated)

(Billion yen)



## ▼ Loans by region (non-consolidated)

(Billion yen)



<Gifu>  
 No. of branches: 101  
 No. of loan service centers: 6

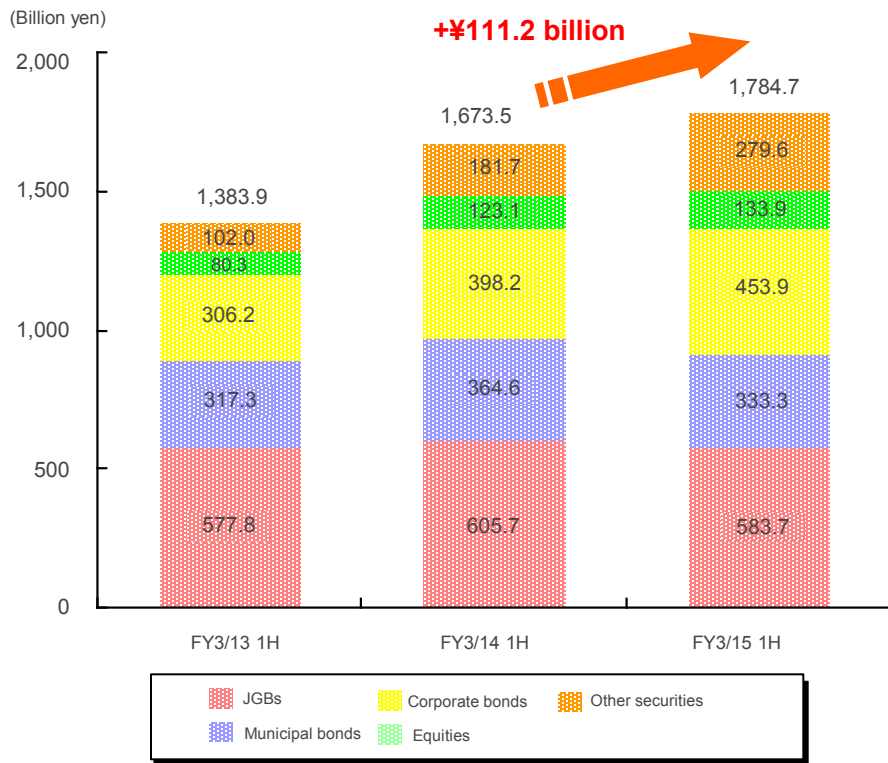
<Mie>  
 No. of branches: 1

<Aichi>  
 No. of branches: 50  
 No. of loan service centers: 13

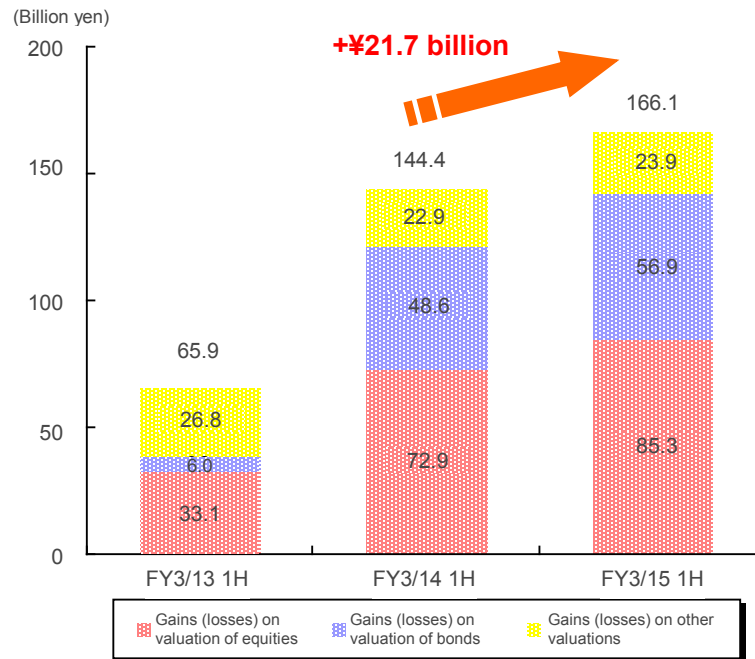
\* No. of branches does not include three virtual branches

# Outstanding balances for key items (marketable securities)

## ▼ Marketable securities (non-consolidated)



## ▼ Gains (losses) on valuation of securities (non-consolidated)



## ▼ Gains (losses) on sales of securities and impairment losses of securities (non-consolidated)

(Million yen)

	FY3/13 1H	FY3/14 1H	FY3/15 1H
Gains (losses) on equities	-252	1,477	1,124
Gains (losses) on JGB and other bonds	-570	65	2,745
<b>Total</b>	<b>-822</b>	<b>1,543</b>	<b>3,869</b>

## ▼ Modified duration (non-consolidated)

	FY3/13 1H	FY3/14 1H	FY3/15 1H
Yen-denominated securities	4.26	3.88	3.64
Foreign currency-denominated securities	2.72	3.73	5.30

- Marketable securities increased ¥111.2 billion due to efforts to diversify the investment portfolio and an increase in valuation gains amid buoyant market conditions
- The duration for foreign currency-denominated securities increased, as buying was focused on long-term Eurobonds

# Credit-related costs and nonperforming loans

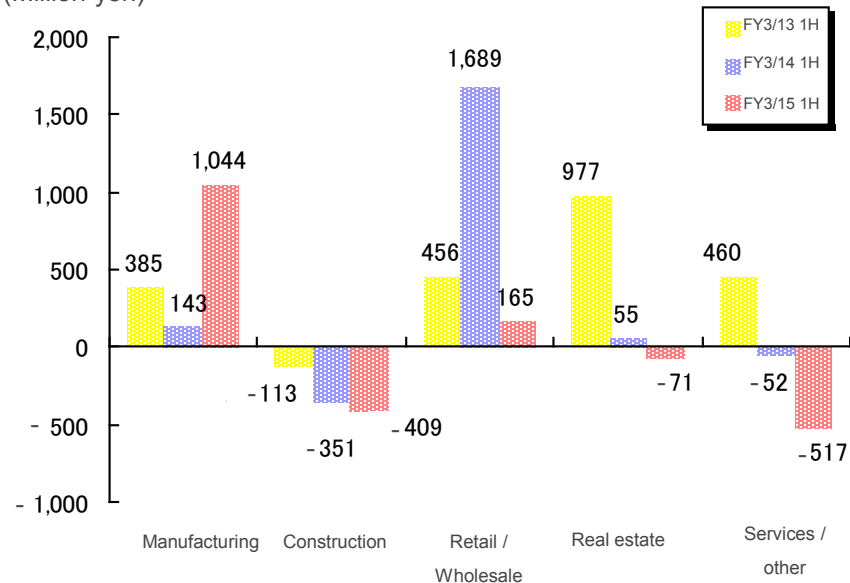
## ▼ Credit-related costs (non-consolidated)

(Billion yen)

	FY3/13 1H	FY3/14 1H	FY3/15 1H
Credit-related costs (1+2-3-4)	0.1	1.1	-0.2
(1) Provision for general loan-loss reserves (gain on reversal)	-	-0.5	-
(2) Write-downs of nonperforming loans	0.4	1.7	0.4
Loans written off	0.0	-	-
Provisions for specific loan-loss reserves	-	1.4	-
Losses on bulk sales	0.2	0.0	0.1
Other	0.2	0.2	0.2
(3) Gain on reversal of loan loss reserves	0.2	-	0.6
(4) Gain on collection of written-off loans	0.0	0.0	0.0

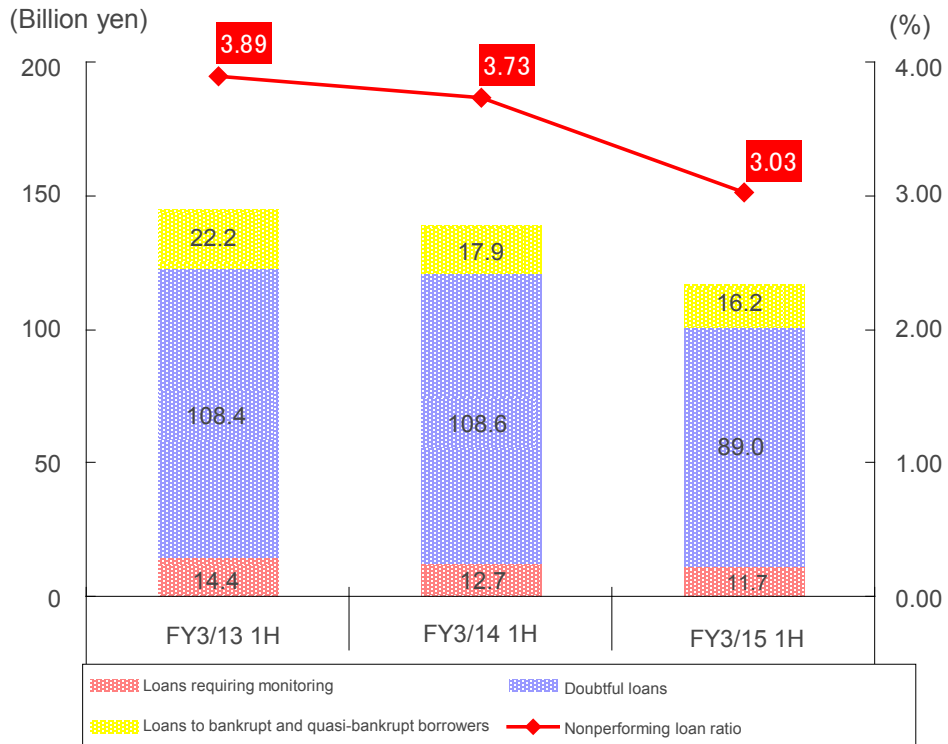
## ▼ Write-downs of nonperforming loans by sector (non-consolidated)

(Million yen)



## ▼ Nonperforming loans (Financial Revitalization Law basis; non-consolidated)

(Billion yen)

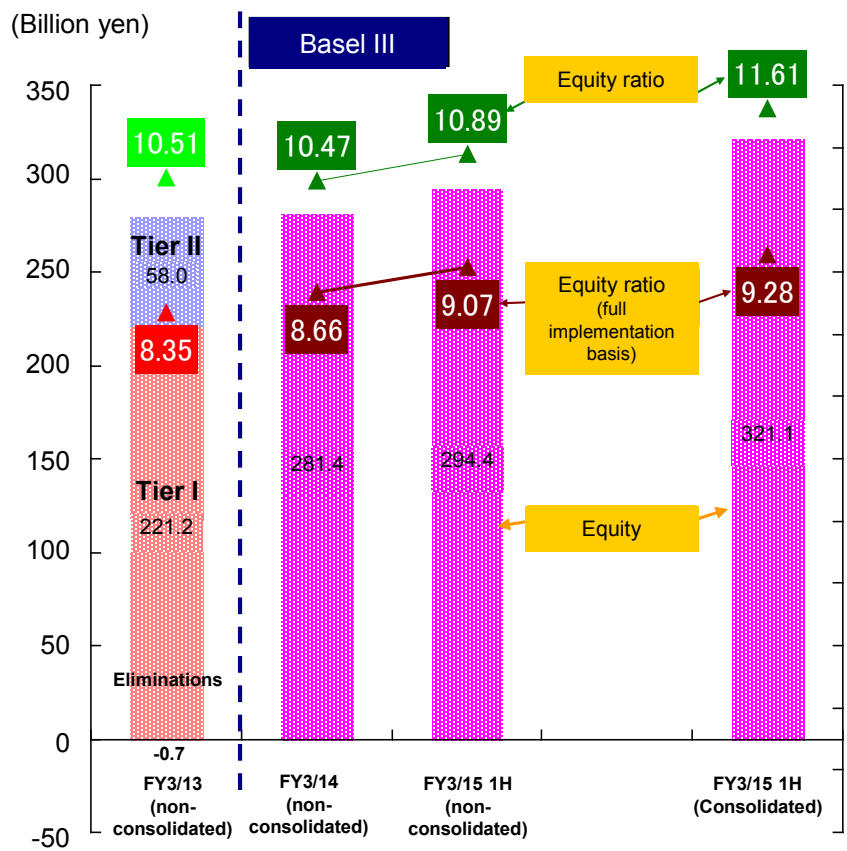


- Nonperforming loan ratio was **3.03%** as of end-FY3/15 1H
- Nonperforming loan ratio was **2.81%** after partial direct write-offs

# Equity / subordinated financing / dividends

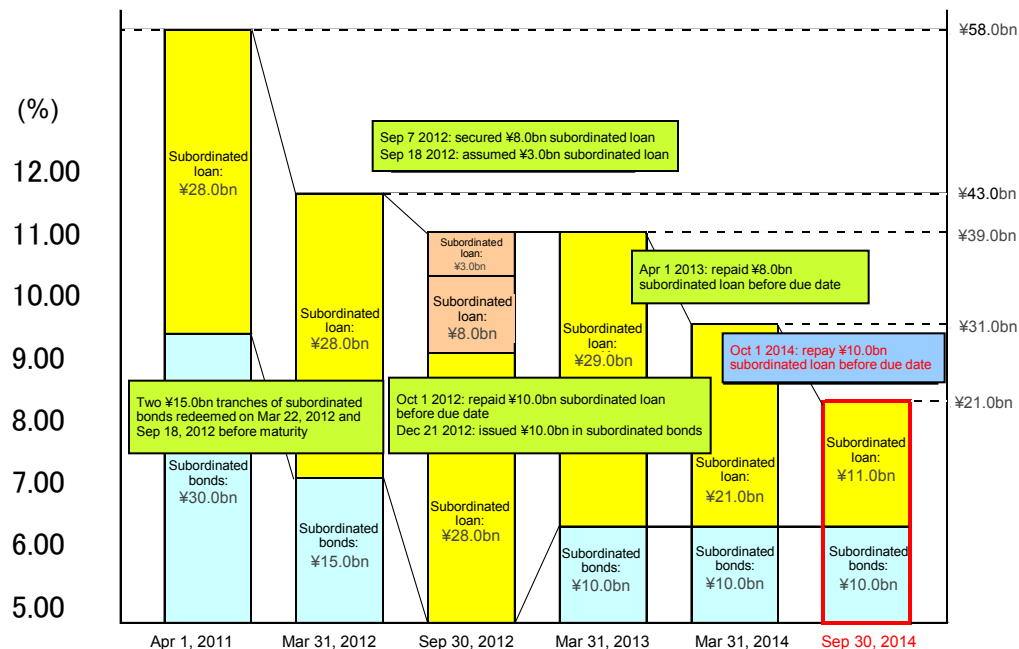
## ▼ Equity (domestic GAAP)

● Equity ratio (non-consolidated) was 10.89% as of end-FY3/15 1H, or 9.07% on a full implementation basis



## ▼ Subordinated financing

● Over three and a half years Juroku Bank has repaid ¥17 billion in subordinated loans and ¥20 billion in subordinated bonds



## ▼ Dividends

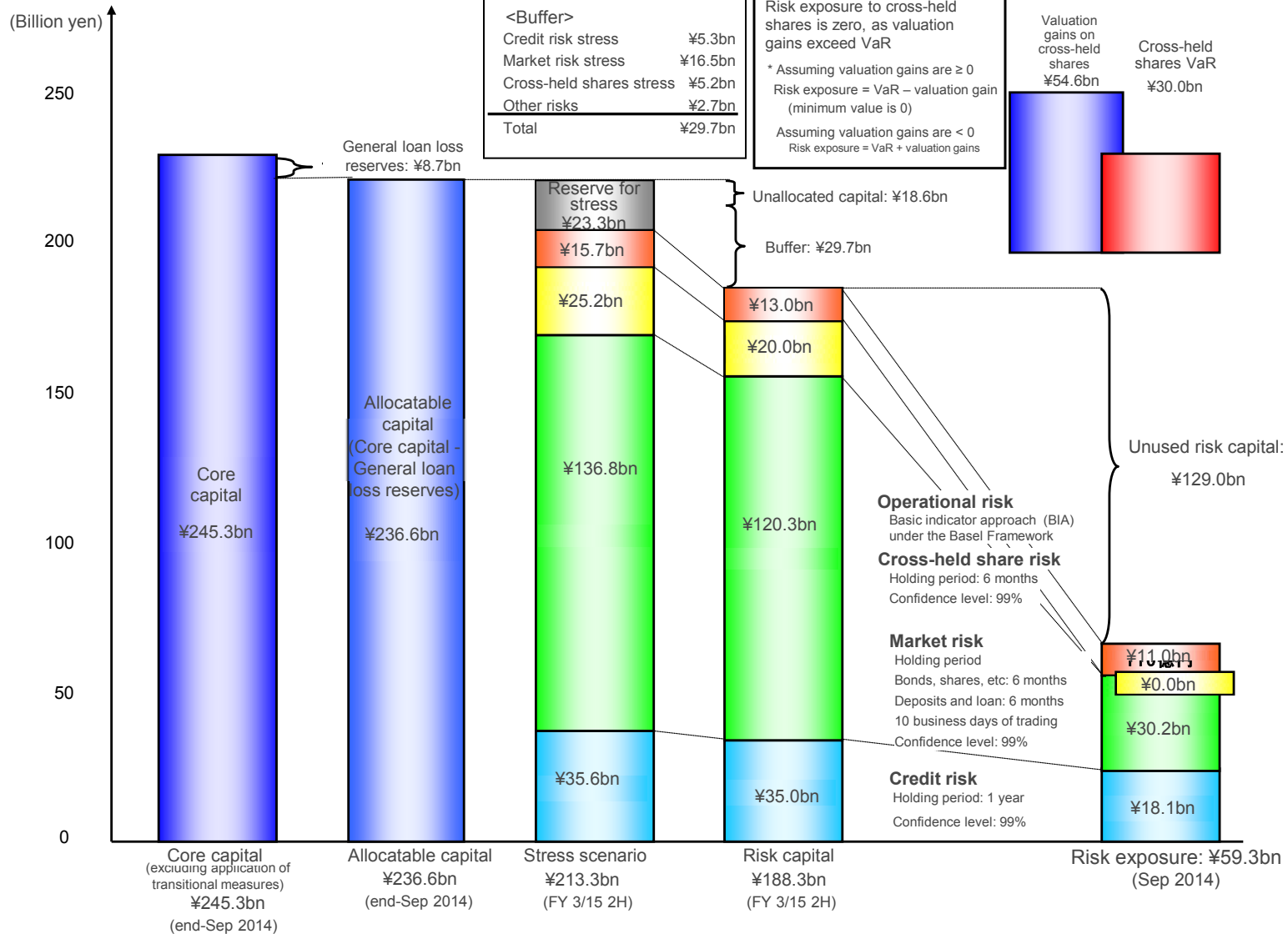
● Sustained and stable dividends

	Annual dividend per share (¥)	Net income (Million yen)
FY3/14	7.00	12,353

# Total value at risk

● Total value at risk exposure is currently within the parameters of Juroku Bank's management capacity (allocatable capital)

## Integrated risk management



# FY3/15 earnings forecasts (1)

▼ Non-consolidated		(Billion yen)			▼ Consolidated
	FY3/14 (results)	FY3/15 (forecast)	Change	FY3/15 (forecast)	
Gross banking profit	69.5	71.4	1.9		
(Gross core banking profit)	(69.5)	(69.5)	0.0		
Net interest income (*1)	61.8	61.6	-0.2		
Fees and commissions	6.9	7.2	0.3		
Other banking profit	0.8	2.6	1.8		
Gains/losses on JGBs and other securities	-0.0	1.9	1.9		
Expenses	51.5	52.1	0.6		
Personnel expenses	29.0	28.9	-0.1		
Non-personnel expenses	20.3	20.7	0.4		
Taxes	2.1	2.5	0.4		
Provision for general loan-loss reserves (1)	0.4	-1.3	-1.7		
Net banking profit	17.4	20.6	3.2	23.6	
Net core banking profit	(18.0)	(17.4)	-0.6		
Extraordinary gains/losses	0.9	-0.6	-1.5		
Write-downs of nonperforming loans (2)	3.0	3.7	0.7		
Gain on reversal of loan loss reserves (3)	-	-	-		
Gain on collection of written-off loans (4)	0.0	0.0	0.0		
Gains/losses on equities	2.7	0.9	-1.8		
Other extraordinary gains/losses	1.2	2.2	1.0		
Ordinary income	18.4	20.0	1.6	23.0	
Extraordinary gains/losses	0.2	-0.1	-0.3		
Total income taxes	6.3	6.4	0.1		
Net income	12.3	13.5	1.2	14.5	
<Credit-related costs (1+2-3-4)>	3.5	2.4	-1.1	2.7	

(\*1)

## <Breakdown of net interest income (non-consolidated)>

(Billion yen)			
	FY3/14 (results)	FY3/15 (forecast)	Change
Net interest income	61.8	61.6	-0.2
Domestic operations	59.5	57.9	-1.6
Net interest income on yen deposits and loans	47.1	44.9	-2.2
(Interest income on yen loans)	(51.4)	(48.9)	(-2.5)
(Interest payments on yen deposits)	(4.2)	(4.0)	(-0.2)
Dividend income from yen-denominated marketable securities	12.6	13.1	0.5
International operations	2.2	3.6	1.4

- We forecast **net banking profit** will rise ¥3.2 billion YoY due to an increase in fees and commissions, a decline in provisions for general loan-loss reserves and an increase in gains on JGBs and other securities
- Despite a projected increase in write-downs of non-performing loans, we forecast **ordinary income** will grow ¥1.6 billion YoY due to growth in net banking profit
- We forecast **net income** will increase ¥1.2 billion on growth in ordinary income

**The Bank has revised its earnings forecasts for FY3/15. Details are on the following page.**

\* Gross core banking profit= Gross banking profit – gains/losses on JGBs and other securities (balances of five accounts)

\* Net core banking profit= Net banking profit + provision for general loan-loss reserves – gains/losses on JGBs and other securities (balances of five accounts)

## FY3/15 earnings forecasts (2)

### ▼Earnings forecast revisions (announced February 26, 2015)

○Revisions to **consolidated** full-year FY3/15 forecasts

(Million yen)

	Ordinary revenue	Ordinary income	Net income
Previous forecasts (A)	111,500	23,000	14,500
<b>New forecasts (B)</b>	<b>126,000</b>	<b>36,500</b>	<b>21,500</b>
Change (B – A)	14,500	13,500	7,000
Change (%)	13.0	58.7	48.3

○Revisions to **non-consolidated** full-year FY3/15 forecasts

(Million yen)

	Ordinary revenue	Ordinary income	Net income
Previous forecasts (A)	87,700	20,000	13,500
<b>New forecasts (B)</b>	<b>102,200</b>	<b>33,500</b>	<b>20,500</b>
Change (B – A)	14,500	13,500	7,000
Change (%)	16.5	67.5	51.9

**(Reasons)** The upward revisions to our earnings forecasts mainly reflect stronger-than-expected income from marketable securities due to the trading of marketable securities in response to market conditions.

### ▼Purchase and retirement of Class 1 preferred shares (announced February 26 and March 10, 2015)

- Type of shares purchased and retired: 20,000,000 Class 1 preferred shares
- Total cost of purchase: ¥20,090,000,000
- Purchase and retirement date: March 10, 2015

**(Reasons)** The Class 1 preferred shares were issued to the Bank of Tokyo-Mitsubishi UFJ as part of the merger with Gifu Bank in September 2012. Given the risk of dilution related to these dilutive shares, the Bank had considered redeeming all the preferred shares. However, due to prospects for a significant increase in retained earnings from profits booked in the fiscal year, the decision was taken to purchase and retire the shares.





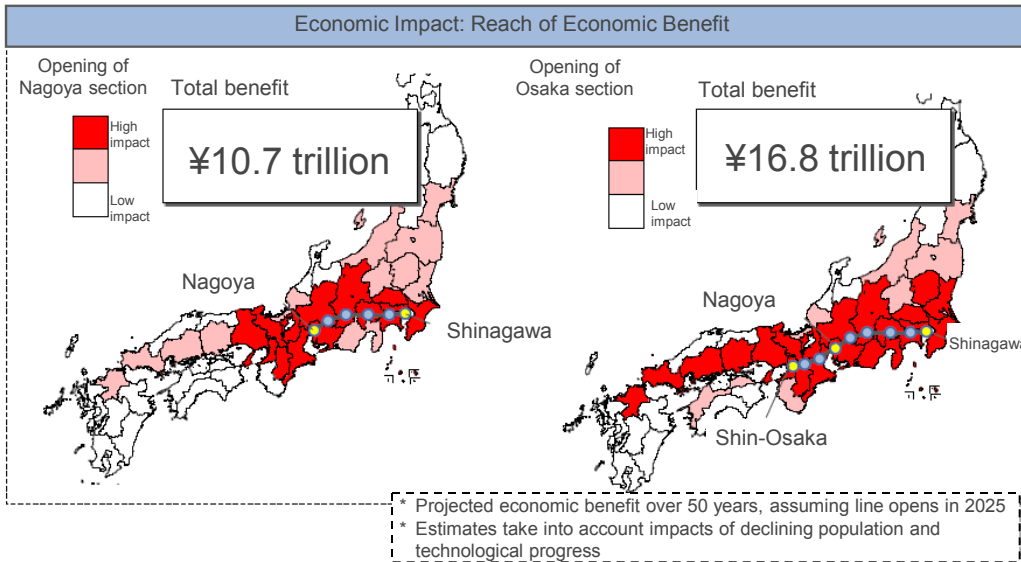
## **Part 2: The 13th Medium-term Management Plan**

# Conditions in the Chubu region (1)

## ▼ Maglev Project

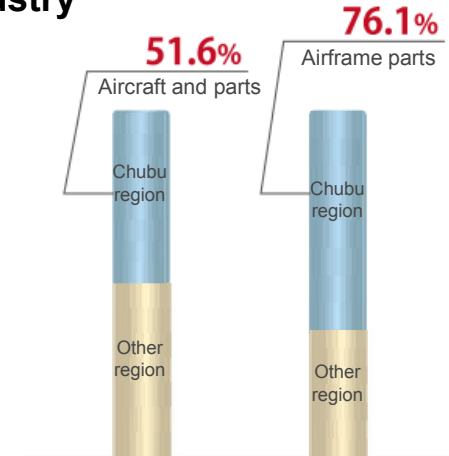


Source: Gifu Shimbun



Source: "Policy Research: Expectations for the Coming Maglev Era," Mitsubishi UFJ Research & Consulting

## ▼ Regional concentration of aerospace industry



Regional concentration of Japan's aerospace industry (2013)

Aircraft and parts: aircraft, airframe parts, auxiliary equipment, generators, other  
 Airframe parts: airframe parts only

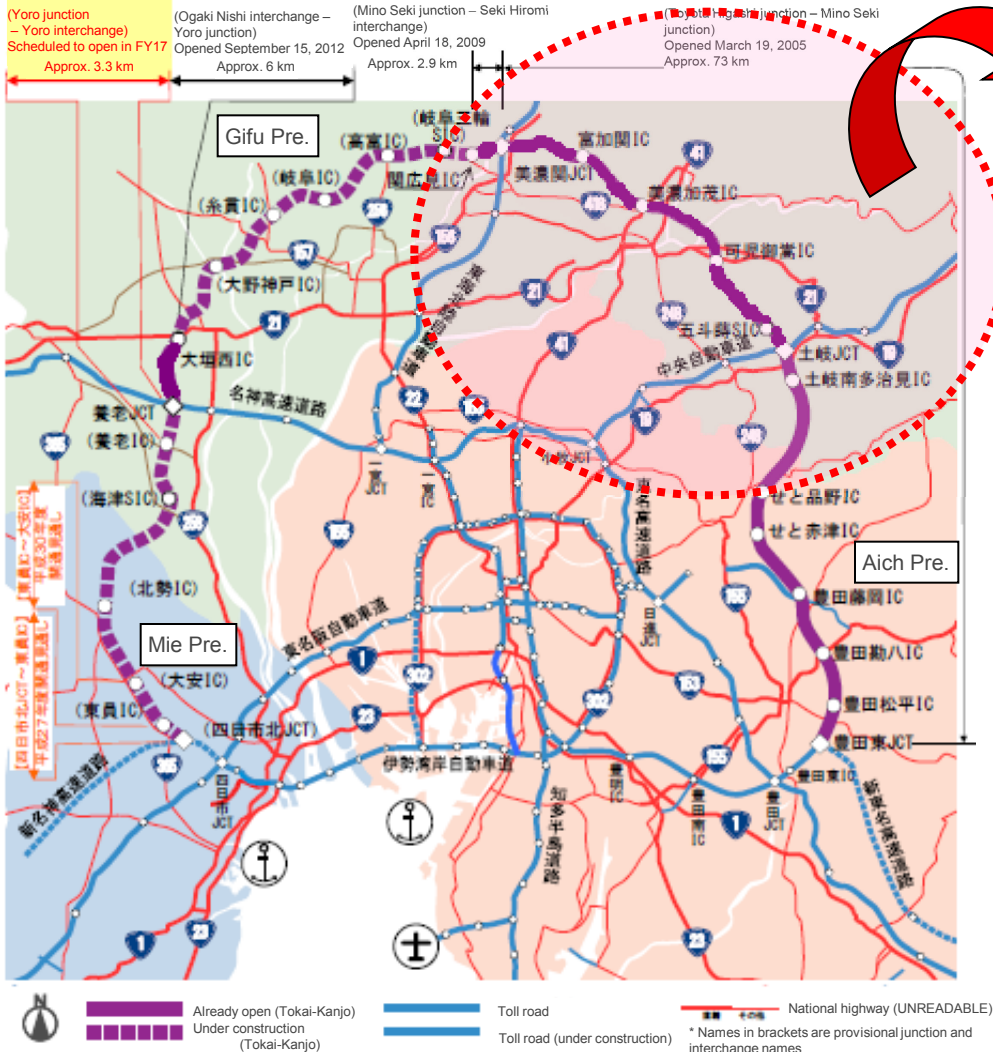
Source: "Current Survey of Production Statistics for the Chubu Region," Chubu Bureau of Economy, Trade and Industry  
 "Current Survey of Production" (February 2014), Ministry of Economy, Trade and Industry

Source: Special Zone to Create Asia No.1 Aerospace Industrial Cluster website

- Construction plans for the Chuo Shinkansen maglev line targeting a completion date of 2027 have been approved by the government
- ⇒ Significant economic benefits projected for Aichi and Gifu prefectures
- Official roll out ceremony held for Mitsubishi Regional Jet (MRJ)
- ⇒ Japanese aerospace industry to concentrate more activity in Chubu region amid rising demand for regional jets

# Conditions in the Chubu region (2)

## ▼Progress with Tokai-Kanjo Expressway project



### <How the expressway project is attracting business>

March 2012: Amazon Japan  
 One of Japan's largest logistics centers sited in Tajimi

April 2012: Toyota Boshoku  
 Work started on a new vehicle test course in Tajimi

July 2013: Toyota Motor  
 Official opening ceremony for mechanic training facility and vehicle test course in Tajimi

July 2014: Mizkan Group  
 New plant completed in Minokamo

January 2015 (planned): Senshukai  
 Land acquired in Minokamo for the construction of a logistics center

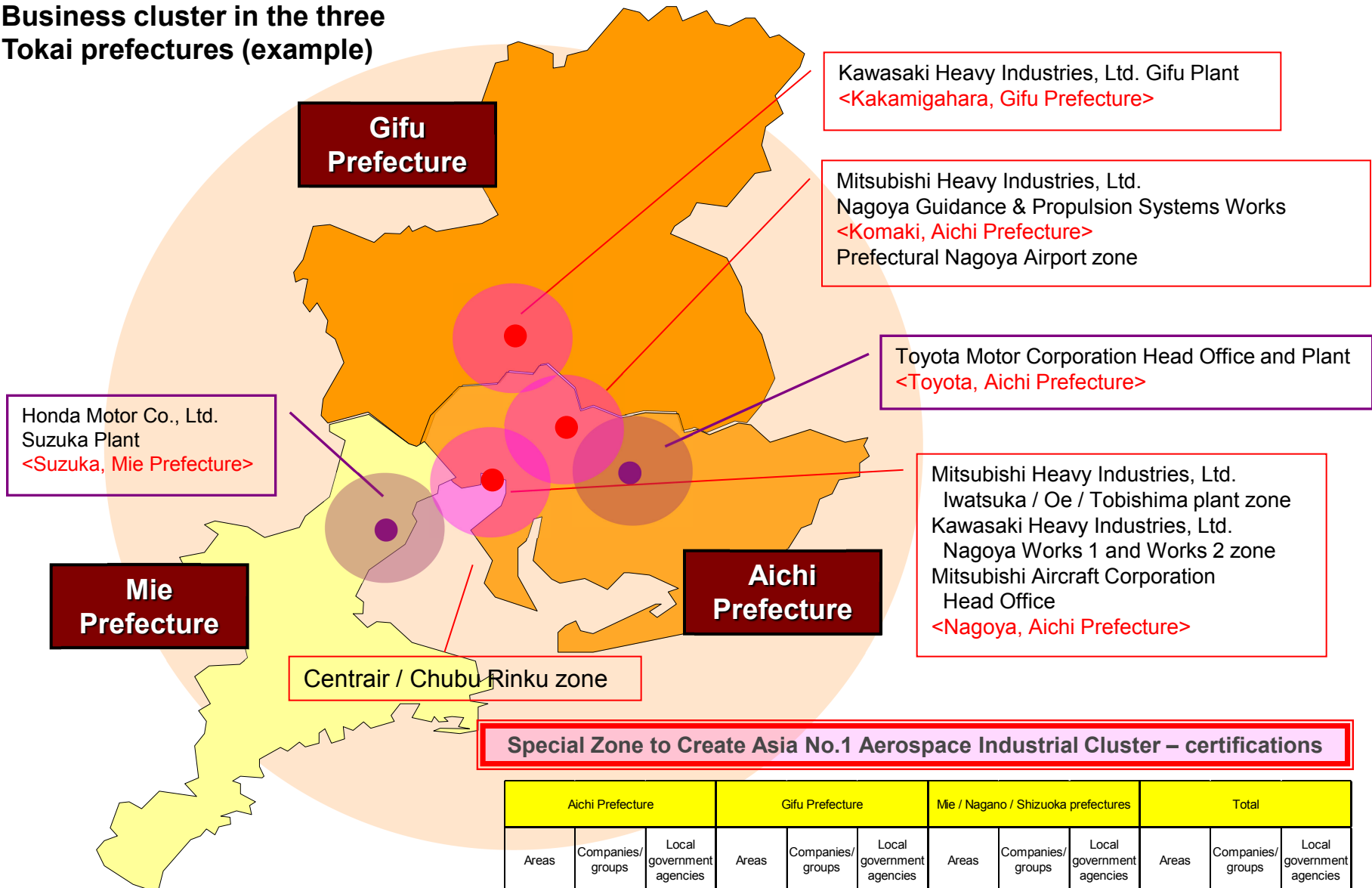
⇒ **Significant potential to energize existing companies in the area and attract new companies and tourists to the region**

⇒ **Projected ¥480 billion boost to industrial output in Gifu Prefecture**

Source: Based on Chubu Regional Development Bureau website

# Conditions in the Chubu region (3)

## ▼ Business cluster in the three Tokai prefectures (example)



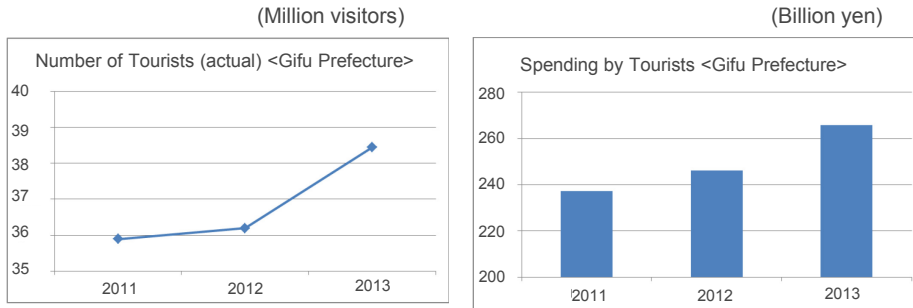
### Special Zone to Create Asia No.1 Aerospace Industrial Cluster – certifications

Aichi Prefecture			Gifu Prefecture			Mie / Nagano / Shizuoka prefectures			Total		
Areas	Companies/groups	Local government agencies	Areas	Companies/groups	Local government agencies	Areas	Companies/groups	Local government agencies	Areas	Companies/groups	Local government agencies
35	71	30	19	52	19	13	55	16	67	178	65



# Conditions in the Chubu region (4)

## ▼Tourism



<Seven Bank ATM installed in Takayama Ekimae branch>

- Improves convenience for overseas visitors
- ⇒Energize local economy
- Accepts **ten types** of overseas bank cards, including VISA and Union Pay
- Services available in English / Chinese / Korean / Portuguese

⇒ Number of visitors and spending by visitors on the rise in Gifu Prefecture, partly due to the success of the Shoryudo Project\*



\*A project launched by the Chubu District Transport Bureau, Hokuriku-Shinetsu District Transport Bureau and the Central Japan Tourism Promotion Association to raise the visibility of the Chubu region

Received a prize in the 6th Japan Tourism Agency Commissioner's Awards



(ATM corner Juroku Bank Takayama Ekimae branch)



⇒More details on next slide

# Conditions in the Chubu region (4) (Additional information)

## ▼Initiatives at the Takayama Ekimae Branch

<Outside view of Juroku Bank Takayama Ekimae Branch>



(Information pamphlet)



(Enlarged view)



<ATM corner>

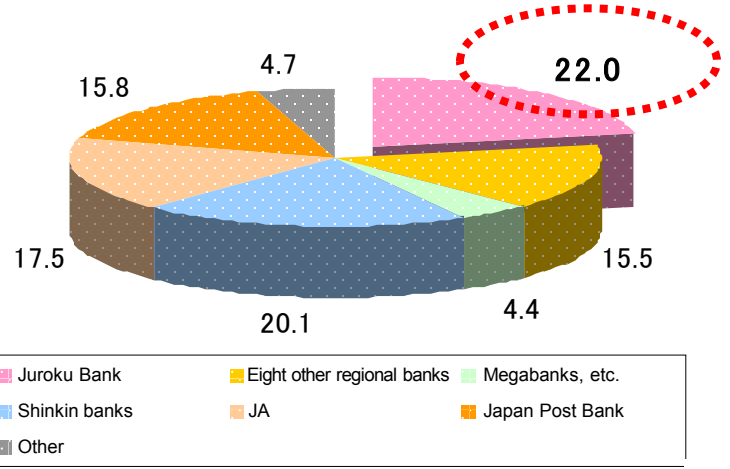




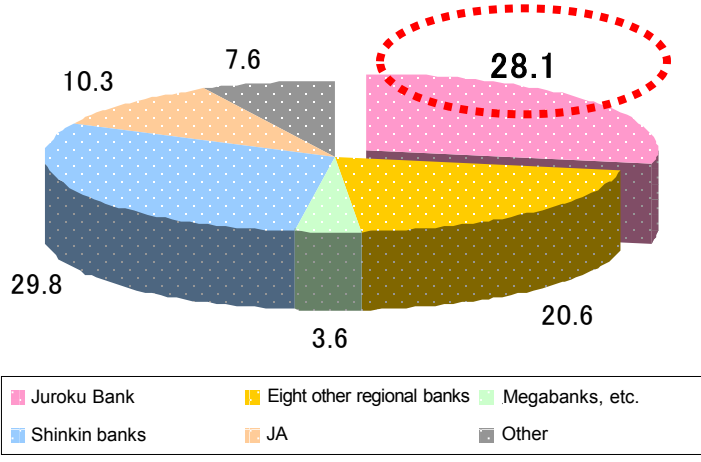
# Share of deposits and loans

## ▼ Gifu Prefecture (FY3/14)

Share of deposits (%)

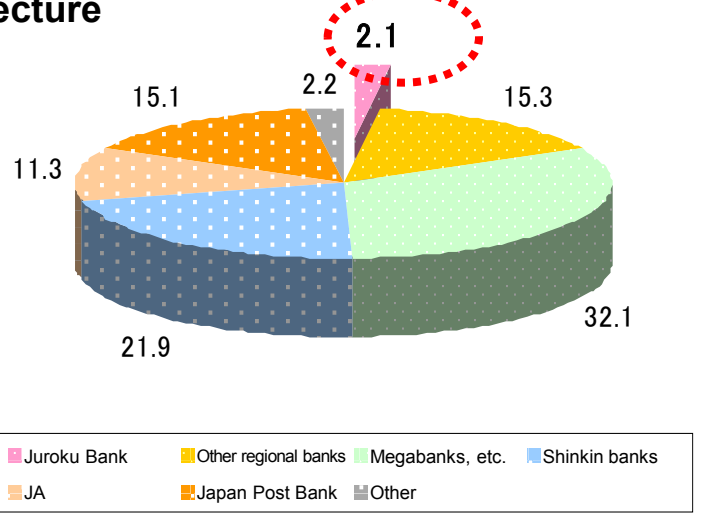


Share of loans (%)

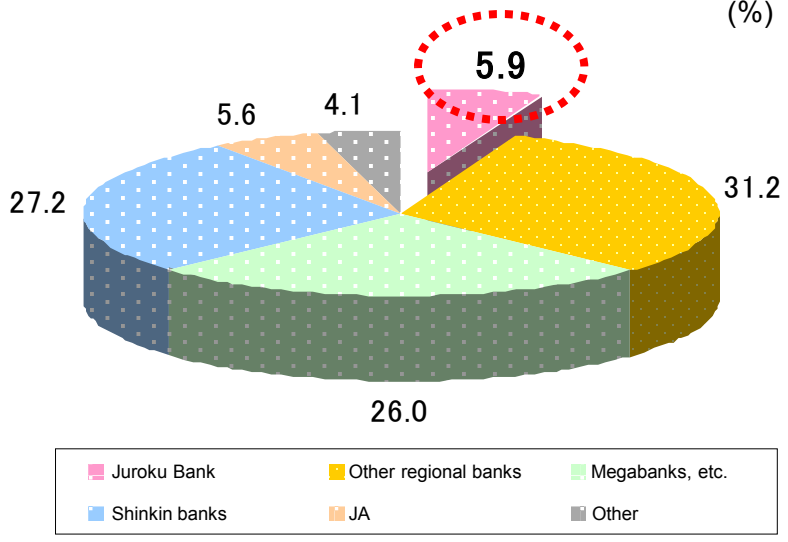


## ▼ Aichi Prefecture (FY3/14)

Share of deposits (%)



Share of loans (%)



Source: Juroku Bank, based on "Financial Map," Japan Financial News

# Progress with 13th Medium-term Management Plan (1)

Name:

13th Medium-term Management Plan

**All For Your Smile** – Providing Wholehearted Services

Period:

April 2014 – March 2017 (three years)

Vision:

Aim to become a truly dependable regional financial institution with the ability to grow continually

Key themes:

Reform our awareness and actions to ensure **an uncompromising focus on the customer**

**Return to our roots** as a regional financial institution

Implement a growth strategy focused on **our Aichi Prefecture Strategy**





# Progress with 13th Medium-term Management Plan (2)

## ▼ Numerical targets

Targets		Start of plan (end-FY3/14)	Results (end-FY3/15 1H)	Final fiscal year
Growth potential (customer base)	Deposit balance	¥5,155.4bn	¥5,275.5bn	¥5,600.0bn
	Number of retail borrowers	97,780	99,293	100,000 or more
Earnings capability	Net income	¥12.3bn	¥9.9bn	¥10.0bn
Financial soundness	Core capital ratio (full implementation basis)	8.66%	9.07%	8.8% or more
	Ratio of credit cost to total loans	0.09%	- 0.01%	Less than 0.2%

■ Number of retail borrowers = SME borrowers (including proprietors) + Number of housing loans and apartment loans (based on the Bank's standards)

■ Core capital ratio (full implementation basis) =  $\frac{\text{Core capital (before transitional arrangement)}}{\text{Risk assets (before transitional arrangement)}}$

■ Ratio of credit cost to total loans =  $\frac{\text{Credit cost}}{\text{Average loan balance}}$

**Solid start toward 13th Medium-term Management Plan targets**

# Progress with 13th Medium-term Management Plan (3)

## ▼ Performance vs. targets

KPI number	KPI	Unit	Recent performance			FY3/15 1H			FY3/17 2H
			FY3/14 1H	FY3/14 2H		Plan	Actual	Achievement	Plan
1	Average loan balance	¥bn	3,565.5	3,637.2 (full year) 3,601.3	Actual	3,681.0	3,740.0	○	3,939.8 (full year) 3,924.9
2	Gross loan-deposit spread	%	1.364	1.316 (full year) 1.340	Actual	1.266	1.235	△	1.148 (full year) 1.158
3	Home and apartment loans	No.	71,081	72,469	Actual	72,900	73,972	○	77,840
4	Internet banking contracts (individuals)	No.	64,248	68,701	Actual	74,000	72,454	△	140,000
5	Loans to SMEs (including private concerns)	No.	25,507	25,311	Actual	25,250	25,321	○	25,500
6	Overseas financing service deals	No.	7	34	Actual	40	47	○	70
7	Gains / losses on marketable securities	¥bn	1.5	1.2 (full year) 2.7	Actual	1.7	3.8	○	0.7 (full year) 1.8
8	Number of cases of positive customer support	No.	12	8	Actual	12	12	○	15
9	Non-personnel expenses	¥bn	10.5	9.8 (full year) 20.4	Actual	10.6	10.5	○	10.2 (full year) 21.0
10	Rate of reduction in management division staffing levels	%		145	No. of staff	Rate of reduction 1.3% (143)	144	△	Rate of reduction 5.5% (137)

**Clear KPI targets set for each division to ensure steady implementation of Medium-term Management Plan**

**⇒ Targets set every six months and progress versus targets to be reviewed on a regular basis**



## **Part 3: Basic Strategies**

# Seven basic strategies

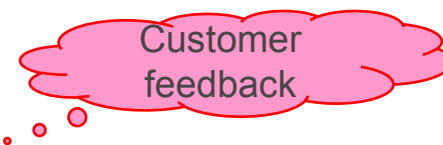
-  **I** Improve the quality of services by focusing on the customer **PICK UP** ⇒ P. 25-
-  **II** Implement our region-specific strategies **PICK UP** ⇒ P. 28-
-  **III** Further promote community-based financial services **PICK UP** ⇒ P. 31-
-  **IV** Reinforce investment capabilities **PICK UP** ⇒ P. 33-
-  **V** Optimize the allocation of business resources
-  **VI** Utilize and develop human resources
-  **VII** Reinforce the bank's financial position and adopt a more advanced business stance



## ▼ Business reforms with a focus on the customer: Utilizing customer complaints and feedback

- Led by the Customer Service Division, we will actively utilize customer feedback received by branches to improve our services

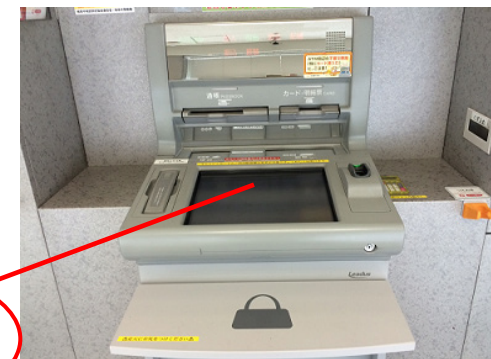
Meeting to share opinions about service improvements



“Please extend ATM operating hours”  
“I would like to view my J-Point Style point balance on ATMs”

- Steps taken to extend ATM hours  
⇒ Now available until 11 p.m.

- More information available via ATM interface (planned)



**J-Point Style**  
Users can check point balance



**No. of requests for improvements: 118**

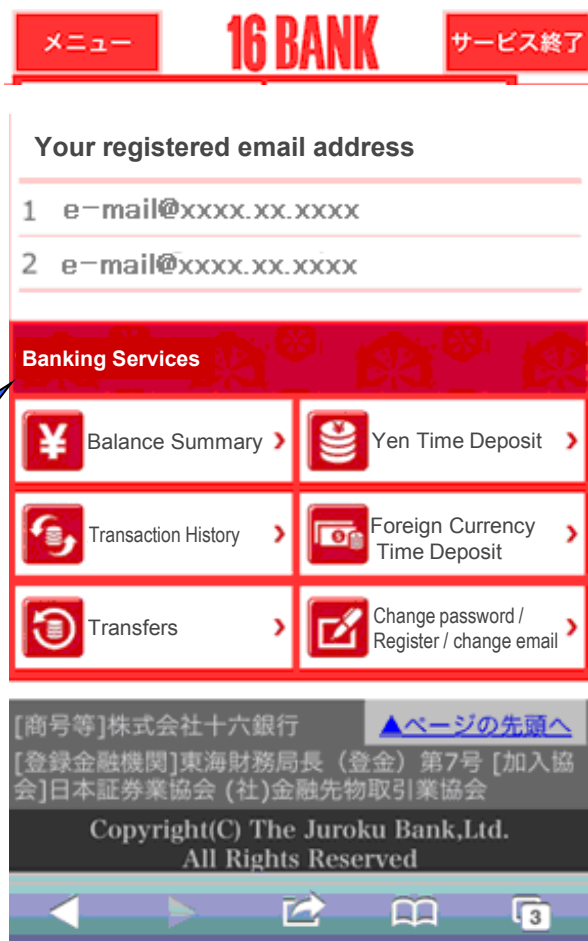
**Resolved: 46**  
(As of end-September 2014)



## ▼ Expanding services in virtual channels

- Improvements to internet banking (upgrading services, etc.)

Screenshot of smartphone banking app (example)



Services upgraded in November 2014

## ▼ Reinforcing the Retail Division

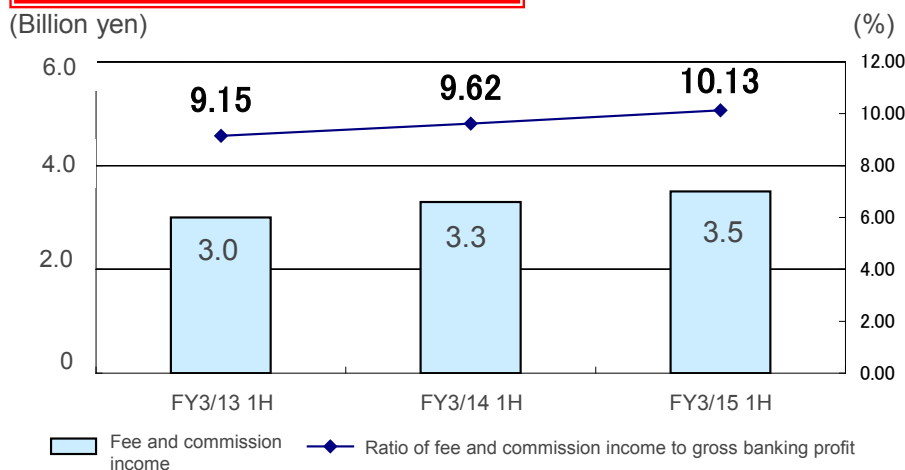
- Actively using NISA and other schemes
- Enhancing consulting services for asset inheritance
- Promoting comprehensive financial relationships with asset builders

### Using LPCs

32,000 NISA accounts opened with Juroku Bank – highest number in the Tokai region

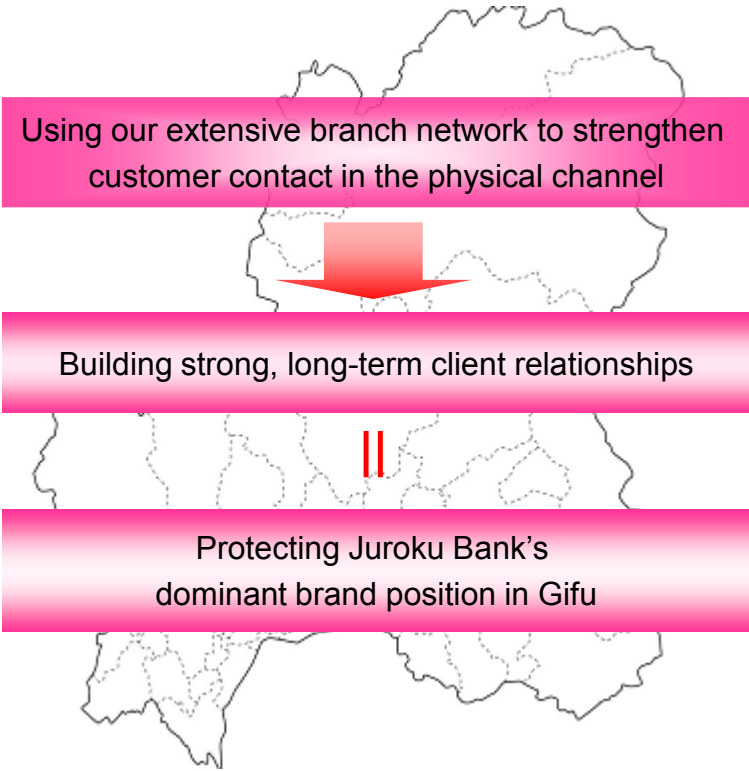
- Life plan consultants (LPCs) offer **comprehensive financial services** to customers who sign home loan contracts, aiming **to boost profits from life-long customer relationships.**

### Fee and commission income



## ▼Gifu Prefecture strategy: strengthening customer relations

Using our extensive branch network in Gifu Prefecture, we will step up contact with customers and steadily build up our existing customer base to ensure Juroku Bank **remains the dominant brand** in the region. We also aim to enhance **our presence as a main bank for clients** by building stronger relationships with SMEs and other clients through the provision of business support and development services and support for the local economy.



Using our extensive branch network to strengthen customer contact in the physical channel

Building strong, long-term client relationships

Protecting Juroku Bank's dominant brand position in Gifu

### Main bank strategy for individuals

- Expand business relationships with asset builders (targeting specific occupations)
- Deepen business relationships with high-net worth individuals (HNWI) and sub-HNWIs
- Step up consulting services for business inheritance deals
- Reinforce low-cost deposit services (attract automatic salary transfer, pension and household main bank business)
- Secure new home loans and maintain balance of personal loans

### Main bank strategy for corporates

- Use senior sales staff with their wealth of experience and strong contacts to build personal relationships with business clients
- Aim to become the first-call bank for business clients (i.e., the first bank that clients turn to)
- Switch to a value-added sales approach based on cooperation between branch managers and head office
- Build stronger links with local government agencies



# <Basic Strategy II> Region-specific strategies (2)-1

## ▼Aichi Prefecture strategy: promoting greater localization

Led by the Aichi Marketing Strategy Division, which is under the direct control of managing directors in Nagoya, we will work to expand earnings in Nagoya and in the Mikawa / Chita area and focus on driving growth in business lending, personal loans and assets in custody(including deposits) in Aichi Prefecture.

### Role of the Aichi Marketing Strategy Division

#### Operational strategy group

- Plan and formulate initiatives based on economic conditions and data in Aichi Prefecture

#### Retail marketing group

- Identify demand for new loans by approaching more clients
- Provide investment ideas to HNWI's
- Train personnel for asset management operations

#### Corporate marketing group

- Generate profits from the provision of business solutions
- Develop business with leading companies outside Juroku Bank's traditional areas
- Train new staff during the business acquisition process

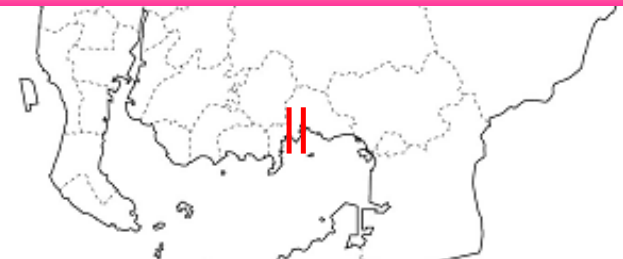
<Juroku Bank  
Nagoya Building>



Growth strategy targeting the large Aichi market



Increase deposits, loan balance and  
client base in Aichi

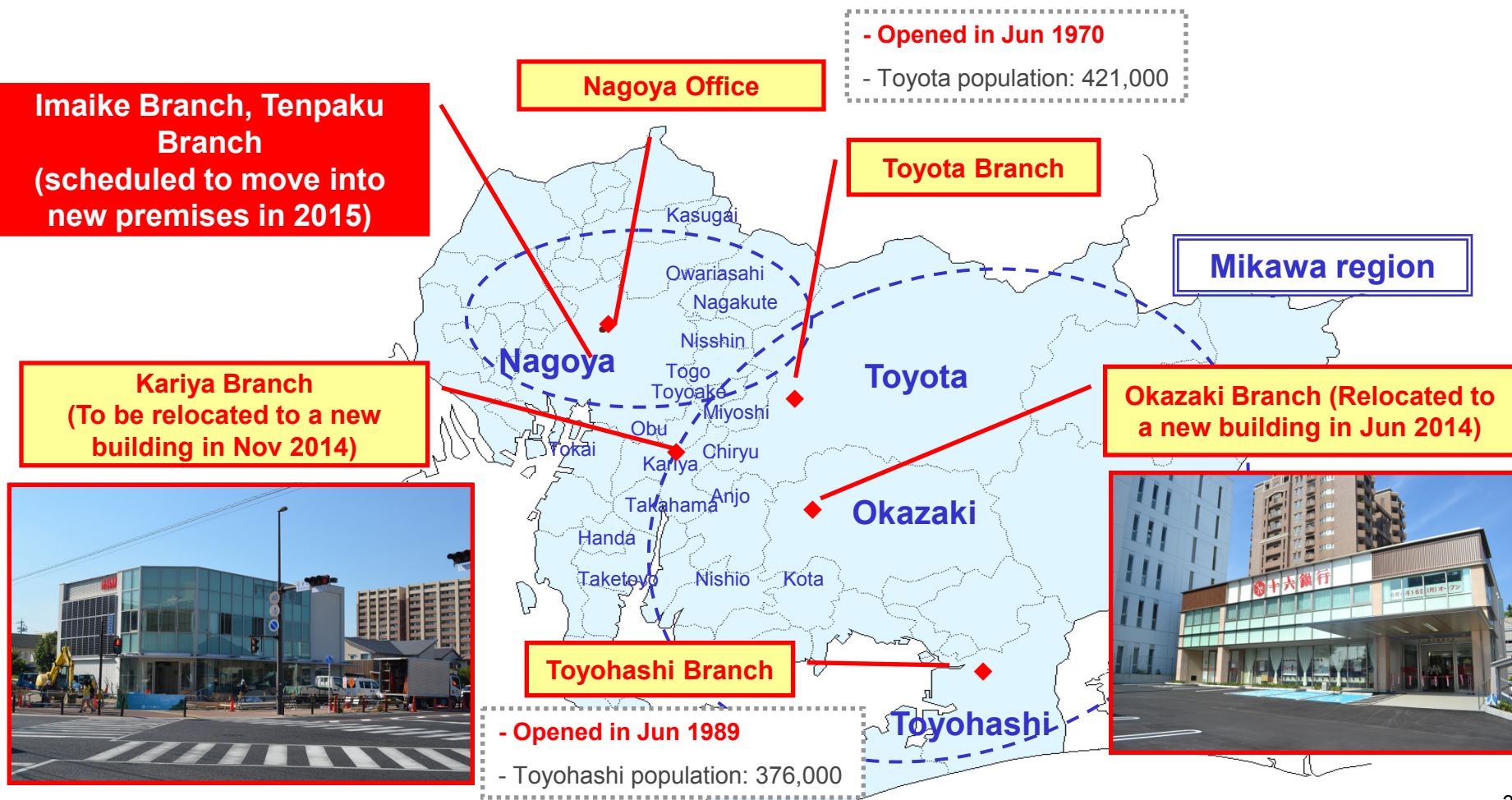


Important barometer of customer support in Aichi

# <Basic Strategy II> Region-specific strategies (2)-2

## ▼ Branch strategy: branch network to enhance convenience for customers

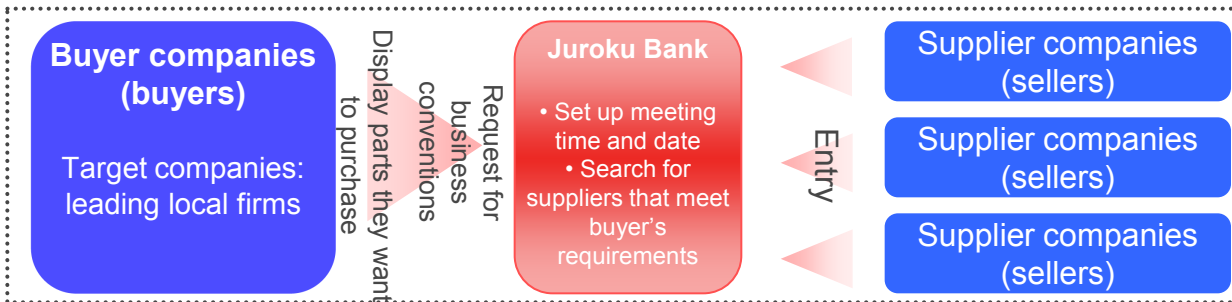
- Opening new branches at a pace of 1–2 each year, mainly in **Nagoya and the Mikawa region** aim is to create a branch network on par with our network in Gifu Prefecture
- Strengthening our network by **focusing on the installation of stand-alone ATMs in priority areas**



## ▼Provision of solutions to business clients

### (1) Reverse Trade Fair Meetings

⇒ A unique Juroku Bank scheme based on order needs



Regular meetings held around twice each month

<Results in FY3/15 1H>  
**No. of business conventions: 16**  
**Total meetings to date: 848**

### (2) Market strategy team

Specialist personnel are assigned to the five main industries in the Tokai region – (1) **medical (healthcare / welfare)**, (2) **manufacturing (cars / aircraft)**, (3) **agriculture, food and retailing**, (4) **private education**, and (5) **renewable energy** – to provide comprehensive support

The medical sector team was established 17 years ago and now provides advice for roughly 200 projects each year, mainly related to the opening of new medical clinics

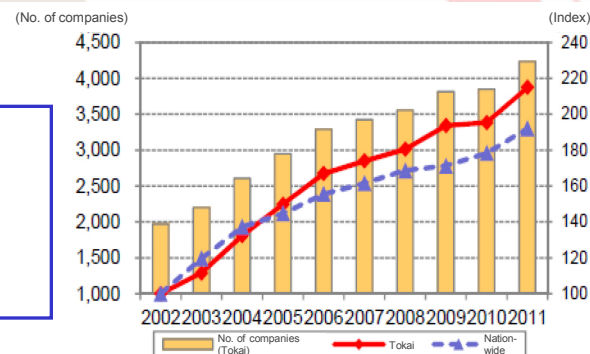
### (3) M&A

Many companies face business succession issues; by capturing the potential needs of these companies, we aim to ensure local companies remain viable and help protect jobs, while also actively pursuing profit opportunities.

<Total no. of projects since 2002>  
**Advisory contracts: 73**  
**Final contracts: 35**  
**(no. of conditional contracts: 25)**

## Stepping up support for Japanese companies moving overseas to tap growth in Asia

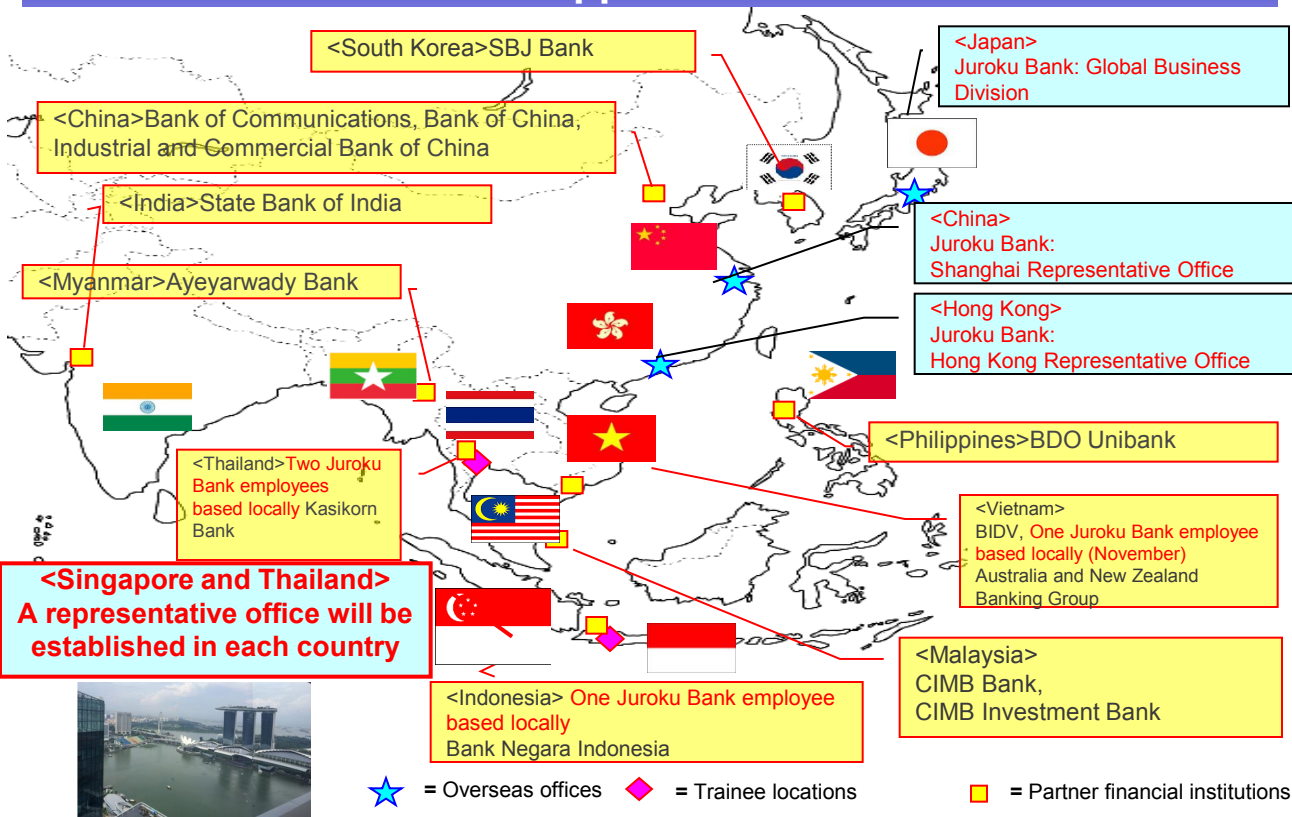
- The number of Tokai-based companies moving overseas is rising – mainly in the auto sector – and the pace of growth exceeds the national rate
- Juroku Bank generates growth by setting up business sites and dispatching personnel to the growth markets of Asia



Source: Tokai Local Finance Bureau

\*Growth in no. of companies (Tokai and nationwide) indexed to 2002 (=100)

## Juroku overseas support network and services



## No. of overseas business projects

Country	Total	Country	Total
China	515	Vietnam	62
Hong Kong	68	Singapore	25
South Korea	25	Malaysia	34
India	17	Philippines	38
Thailand	209	Myanmar	8
Indonesia	81	<b>Total</b>	<b>1,082</b>

(As of end-Sep. 2014)



ASEAN Regional Conference

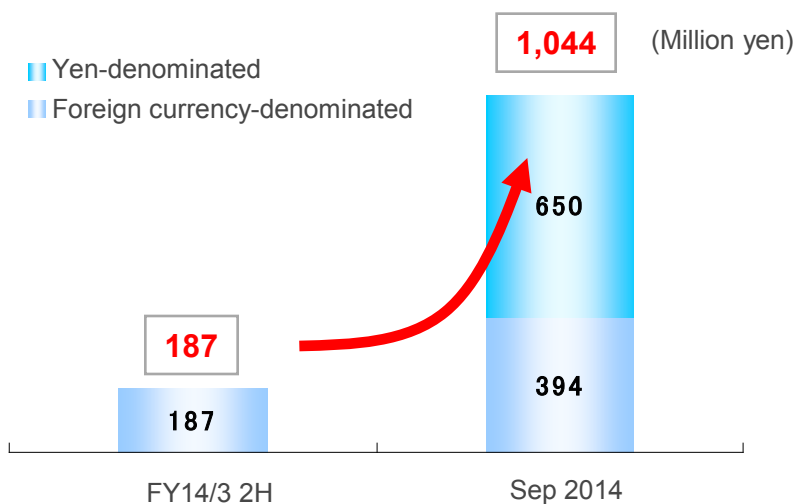


# <Basic Strategy IV> Reinforce investment capabilities

## ▼ Actively target new earnings opportunities

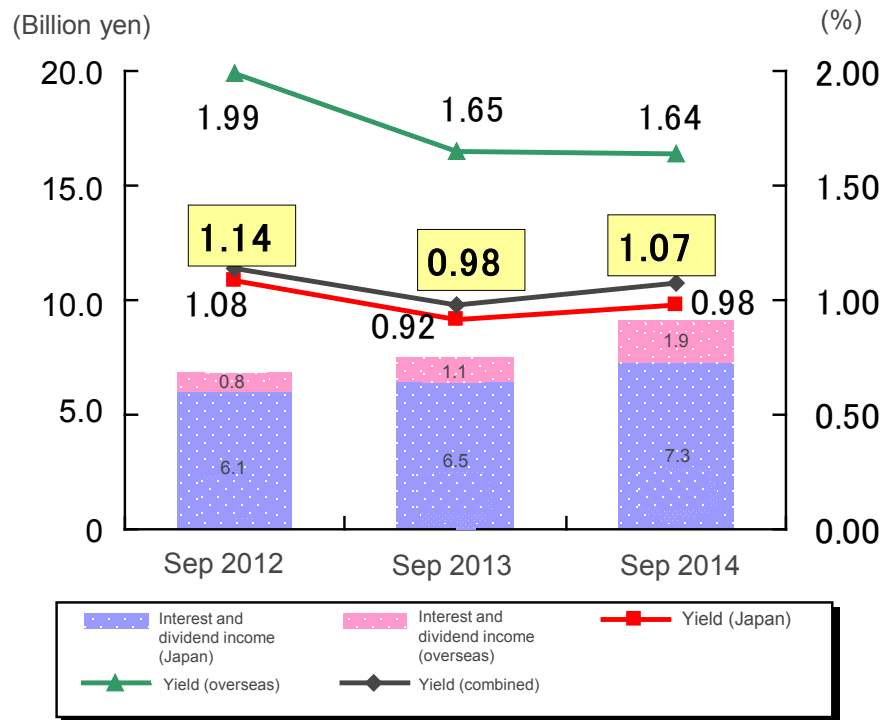
⇒ Expand earnings by offering products such as cross-border loans and by diversifying investments in marketable securities

### Value of cross-border loans issued



- Cross-border loans for clients in Singapore (May 2014)
- Cross-border loans for non-Japanese, non-resident clients (Jun 2014)
- Cross-border loans for clients in Hong Kong / China (under development)

### Yields on investments in marketable securities

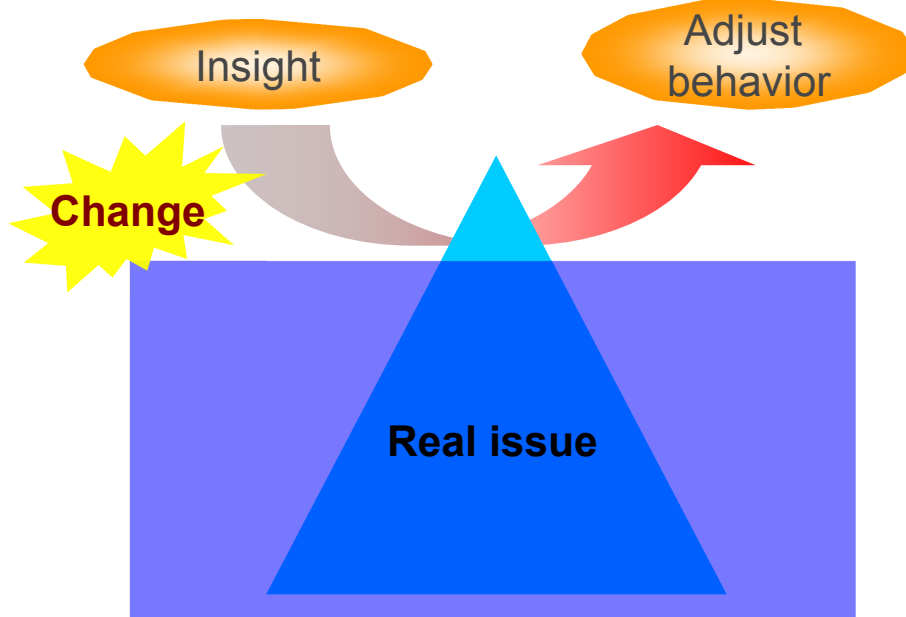


■ The combined yield on marketable securities has risen to 1.07% due to moves to diversify investment, backed up by appropriate risk management

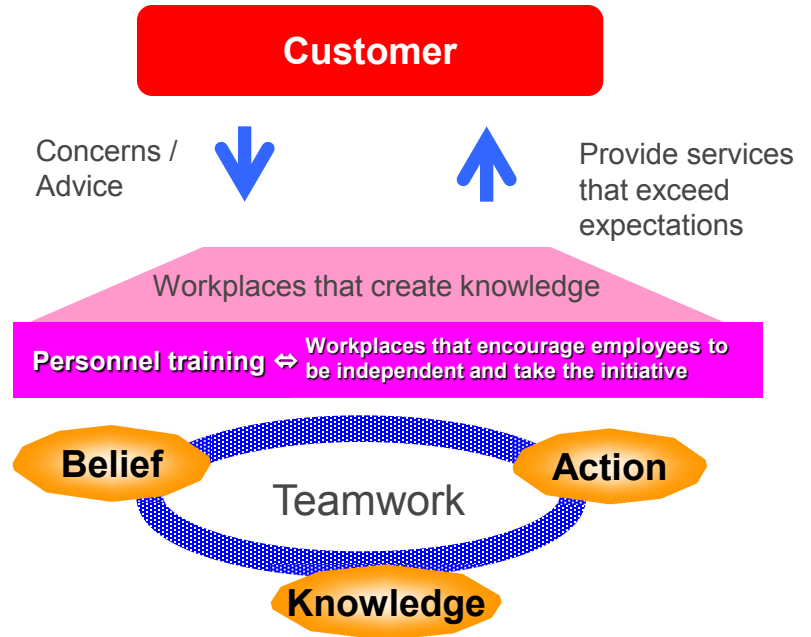
# Conclusion

## ▼ Working to put even greater emphasis on the customer

Address small issues when they emerge



## Improve customer satisfaction



## Improve employee satisfaction

## ▼ Summary

- Amid signs that Japan's financial sector is poised to enter a phase of restructuring, we will pursue even higher levels of customer satisfaction by returning to our roots as a bank while retaining the valuable know-how gleaned from our successful merger with Gifu Bank
- We will build a solid customer base for the future by reinforcing trust with our customers in Gifu Prefecture and by tailoring our business to local needs in Aichi Prefecture

I would like to thank you all for your attention

All For Your  
Smile

Providing Wholehearted Services

