

Investor Relations Meeting

Information Pack

The San-in Godo Bank, Ltd.

June 2010

Part I

Summary of Financial Report for FY2009

Summary of Business Results for FY2009

Core banking profit declined on lower net interest income and net fees & commissions income, but net income increased because of an improvement in stock-related gains

[Non-consolidated basis] (Billion yen, %)	FY2006	FY2007	FY2008	FY2009	Change over FY2008	
					Changes	% change
Gross banking profit	61.6	53.1	68.7	59.7	(9.0)	(13.1)
Interest income	58.2	57.0	56.0	54.4	(1.5)	(2.8)
Fees and commissions	5.9	4.9	5.2	4.5	(0.7)	(13.2)
Other banking profit	(2.5)	(8.9)	7.4	0.7	(6.7)	(90.6)
(Gains [losses] on bonds)	(2.7)	(9.4)	7.1	0.3	(6.7)	(94.8)
Gross core banking profit	64.3	62.5	61.6	59.3	(2.3)	(3.7)
Expenses	40.2	39.0	37.6	37.6	0.0	0.0
Transfer to the general loan loss reserve	(0.0)	4.4	(1.4)	1.3	2.7	193.5
Net banking profit	21.4	9.5	32.5	20.7	(11.7)	(36.2)
Net core banking profit	24.0	23.4	24.0	21.6	(2.3)	(9.6)
Nonrecurring gains (losses)	(15.0)	4.2	(19.6)	(5.9)	13.7	69.8
Bad debt disposals	17.8	9.7	6.9	4.1	(2.8)	(40.4)
Gains (losses) on stocks	2.6	14.0	(12.5)	(0.6)	11.9	95.1
Ordinary profit	6.1	13.5	12.7	14.7	2.0	16.0
Income before income taxes	19.4	12.4	12.5	13.7	1.1	9.3
Income taxes	8.1	5.0	4.9	5.1	0.1	3.1
Net income	11.3	7.4	7.6	8.6	1.0	13.4

■ Gross banking profit over FY2008:

(9.0) billion yen
(Main changes)

- Interest income: (1.5) billion yen
 - Interest on loans and bills discounted: (3.7) billion yen
 - Interest and dividends on securities: (1.6) billion yen
- Fees and commissions: (0.7) billion yen
- Gains (losses) on bonds: (6.7) billion yen
 - Gains on sales of government bonds: (12.8) billion yen
 - Losses on sales of government bonds: (4.9) billion yen
 - Losses on devaluation of government bonds: (1.1) billion yen

■ Net core banking profit over FY2008:

(2.3) billion yen
(Main changes)

- Interest income: (1.5) billion yen
- Fees and commissions: (0.7) billion yen
- Expenses: 0.0 billion yen

■ Ordinary profit over FY2008:

2.0 billion yen
(Main changes)

- Transfer to general loan loss reserve: 2.7 billion yen
- Bad debt disposals: (2.8) billion yen
- Gains (losses) on stocks: 11.9 billion yen
 - Gains on sales of stocks and other securities: (1.2) billion yen
 - Losses on sales of stocks and other securities: (4.1) billion yen
 - Loss on devaluation of stocks and other securities: (9.0) billion yen

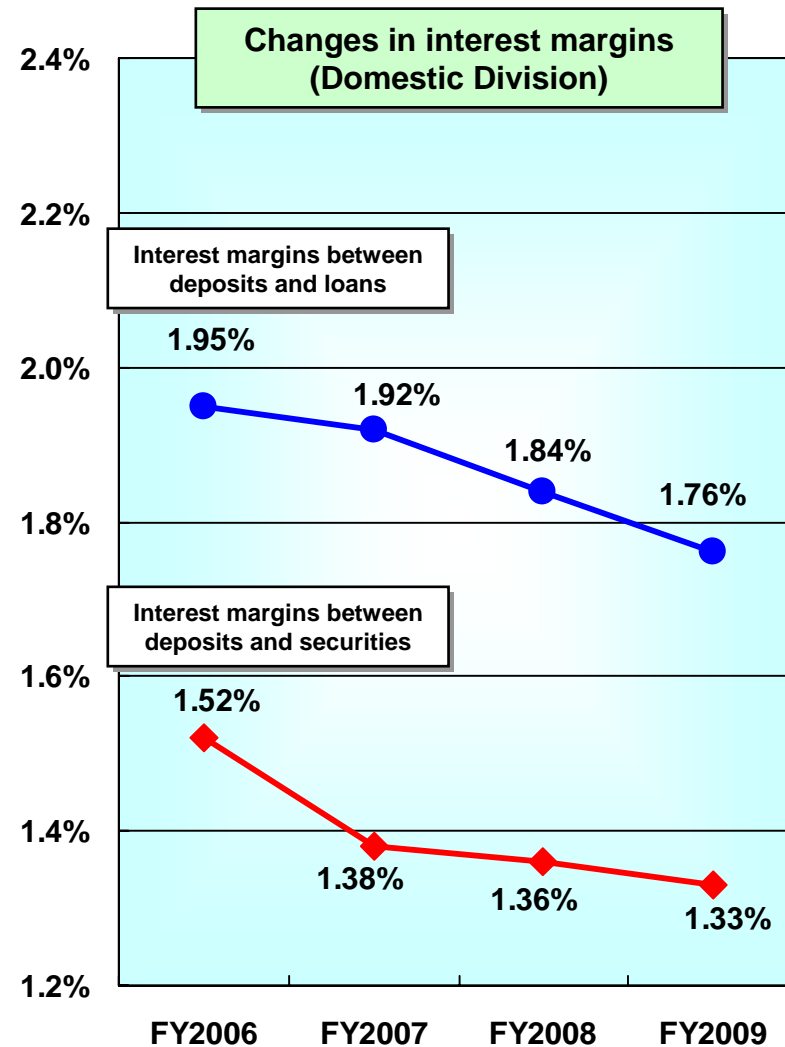
Despite lower interest expenses, net interest income declined because of falls in interest on loans & discounts, and interest & dividends on securities

Changes in breakdown of interest income

(Billion yen)	FY2006	FY2007	FY2008	FY2009	Change over a year earlier
Interest income (i)	75.1	79.9	72.6	64.5	(8.1)
(Foreign currency denominations)	13.1	13.5	6.5	3.4	(3.0)
Interest on loans and bills discounted	43.3	45.2	45.1	41.3	(3.7)
(Foreign currency denominations)	0.1	0.0	0.0	0.0	0.0
Interest and dividends on securities	24.8	26.4	22.2	20.6	(1.6)
(Foreign currency denominations)	6.1	5.5	1.3	0.8	(0.4)
Others	7.0	8.2	5.3	2.6	(2.7)
(Foreign currency denominations)	6.9	7.9	5.1	2.5	(2.6)
Interest expenses (ii)	17.2	23.1	16.8	10.1	(6.6)
(Foreign currency denominations)	12.8	13.9	7.0	2.9	(4.1)
Interest on deposits	11.4	18.1	14.9	9.1	(5.7)
(Foreign currency denominations)	7.6	9.6	6.0	2.6	(3.3)
Others	5.8	5.0	1.8	0.9	(0.9)
(Foreign currency denominations)	5.2	4.2	1.0	0.2	(0.7)
Fund trust management expenses (iii)	0.2	0.2	0.1	0.0	(0.1)
(Foreign currency denominations)	0.2	0.2	0.1	0.0	(0.1)
Interest income = (i) - (ii) + (iii)	58.2	57.0	56.0	54.4	(1.5)
(Foreign currency denominations)	0.5	(0.1)	(0.4)	0.4	0.9

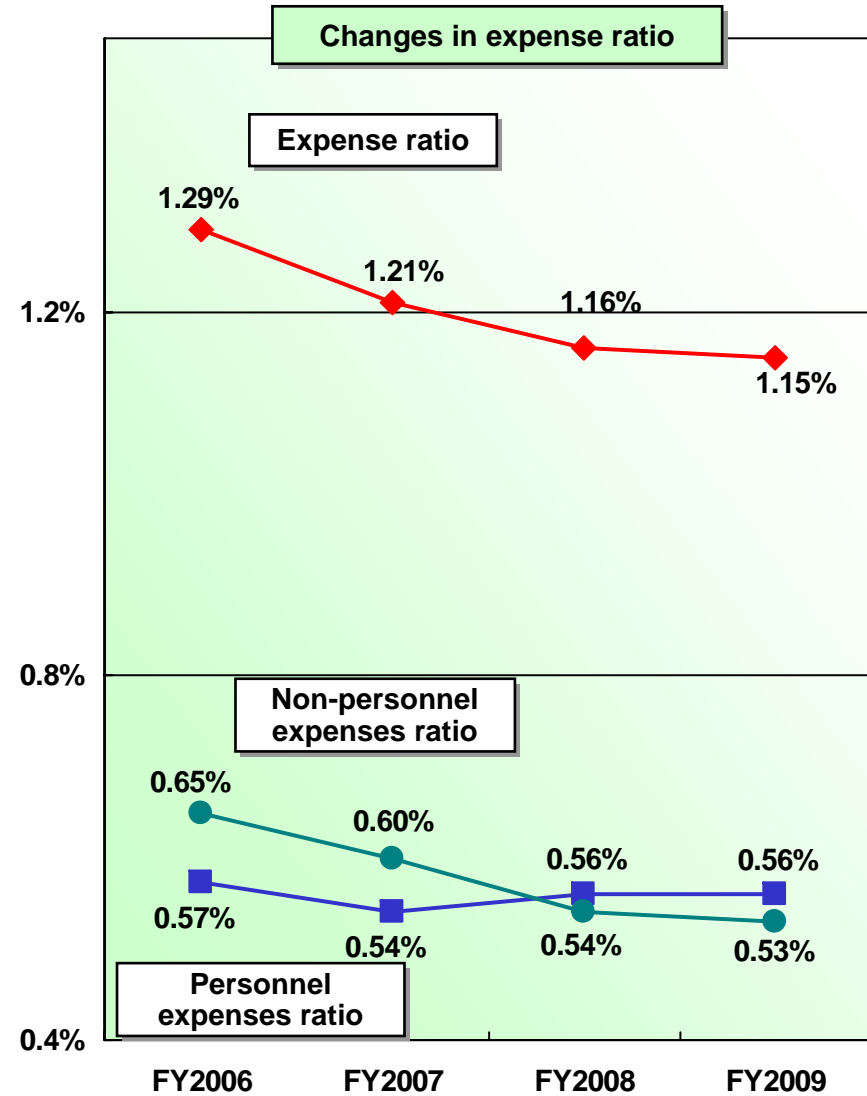
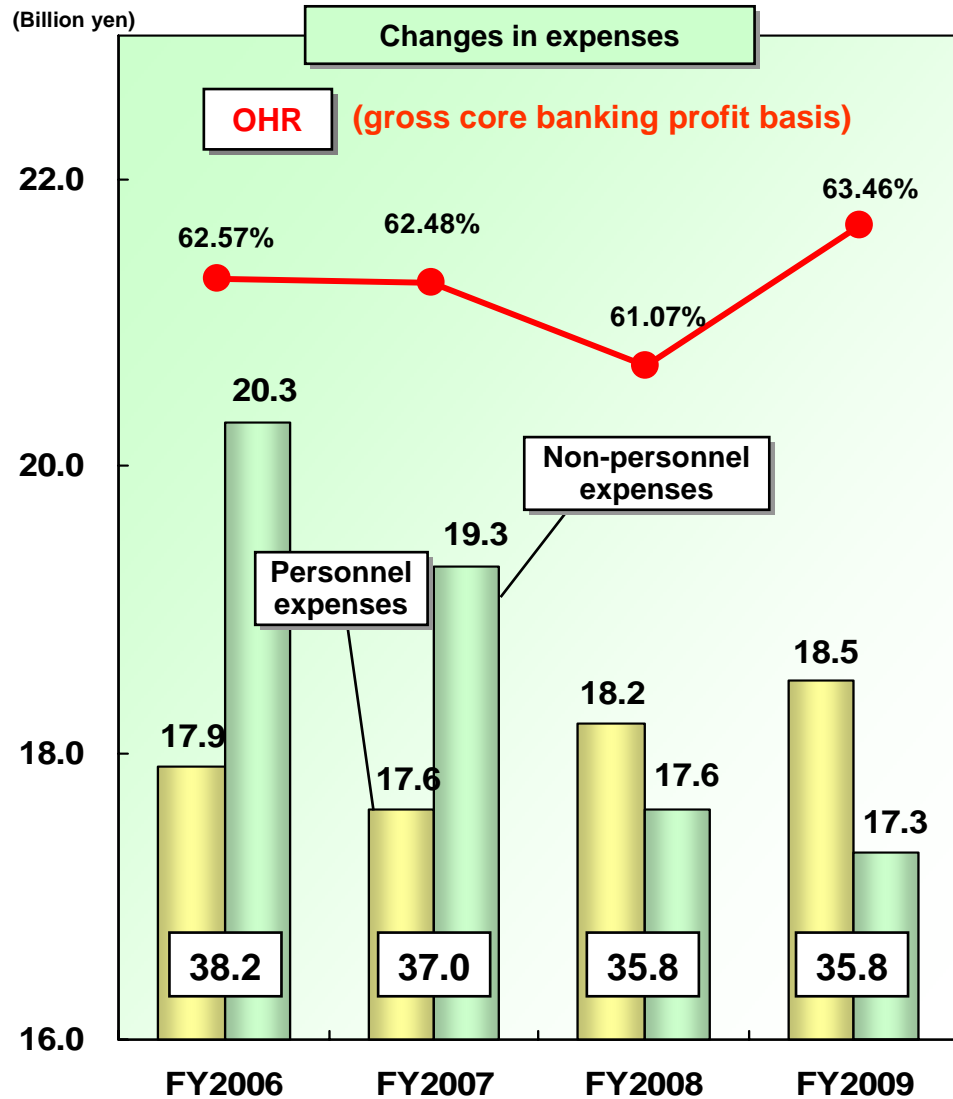
Factors for changes in interest income (Balance/Yield)

(Billion yen)	Over the previous year changes in gains (losses)	Balance factor		Yield factor	
		Difference in average balance	Interest	Difference in yield	Interest
Interest income	(8.1)	23.9	0.4	(0.246)%	(8.6)
Interest on loans and bills discounted	(3.7)	(20.3)	(0.4)	(0.159)%	(3.3)
Interest and dividends on securities	(1.6)	4.0	0.0	(0.128)%	(1.6)
Interest expenses	(6.6)	13.1	0.0	(0.202)%	(6.7)
Interest on deposits	(5.7)	55.9	0.2	(0.184)%	(6.0)
Changes in interest income	(1.5)		0.3		(1.9)



Changes in Expenses

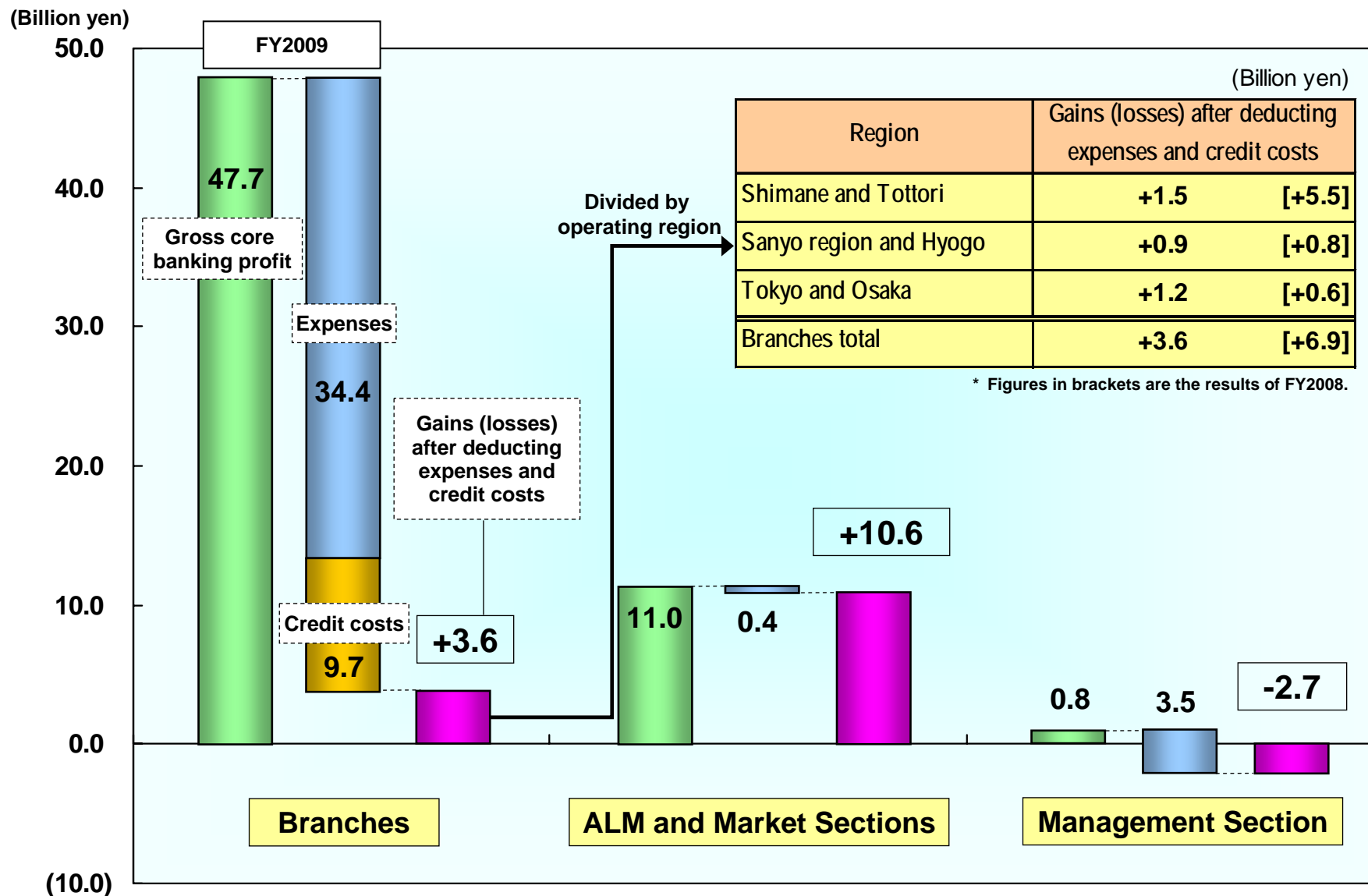
Ongoing efforts to cut non-personnel expenses kept expenses at the previous year's level, even though retirement benefits increased



* Excluding taxes

Profits and Losses by Section

Efficiently managing funds raised through core savings deposit in San-in region (Shimane and Tottori Prefectures) at ALM and Market Section



Balances of Main Accounts

Year-end balance of deposits and loans and bills discounted increased. Efforts to ensure the safety and efficiency of investments also resulted in higher securities balance

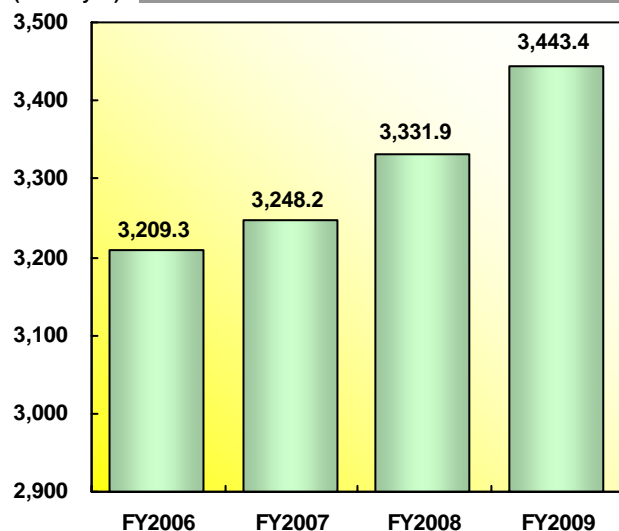
Balance of deposits, loans and bills discounted, and securities

(Billion yen)

		FY2006	FY2007	FY2008	FY2009	Change over FY2008	%change
Deposits	Term-end balance	3,209.3	3,248.2	3,331.9	3,443.4	111.4	3.3%
	Average balance	3,095.1	3,186.6	3,210.8	3,266.8	55.9	1.7%
Loans and bills discounted	Term-end balance	2,102.2	2,142.2	2,150.3	2,153.6	3.3	0.1%
	Average balance	2,083.5	2,055.6	2,112.0	2,091.7	(20.3)	(0.9)%
Securities	Term-end balance	1,308.1	1,338.3	1,239.4	1,338.3	98.9	7.9%
	Average balance	1,250.3	1,363.7	1,307.3	1,311.3	4.0	0.3%

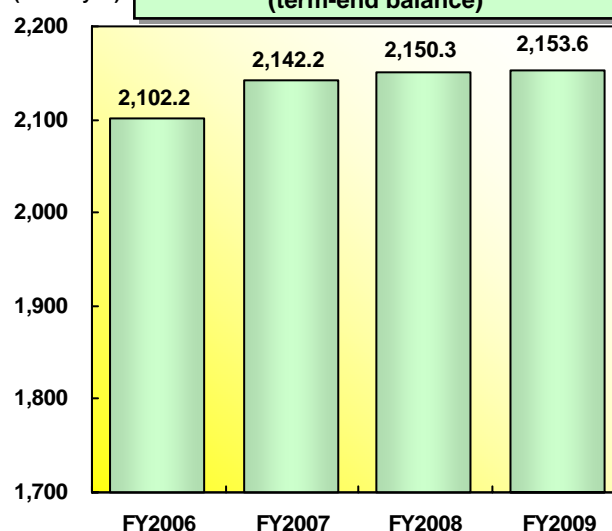
Balance of deposits (term-end balance)

(Billion yen)



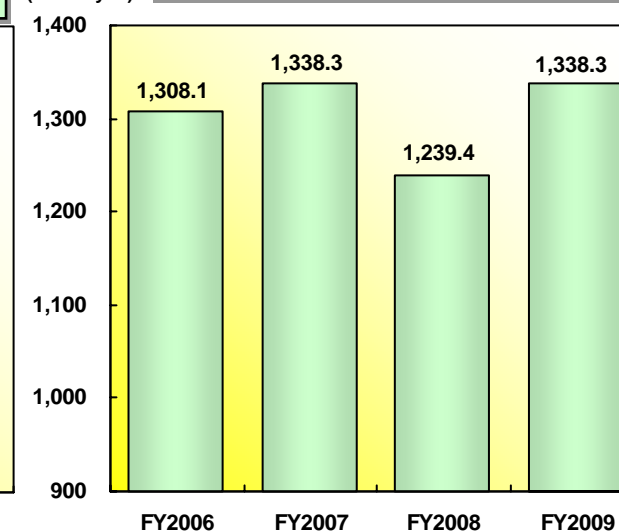
Balance of loans and bills discounted (term-end balance)

(Billion yen)



Balance of securities (term-end balance)

(Billion yen)

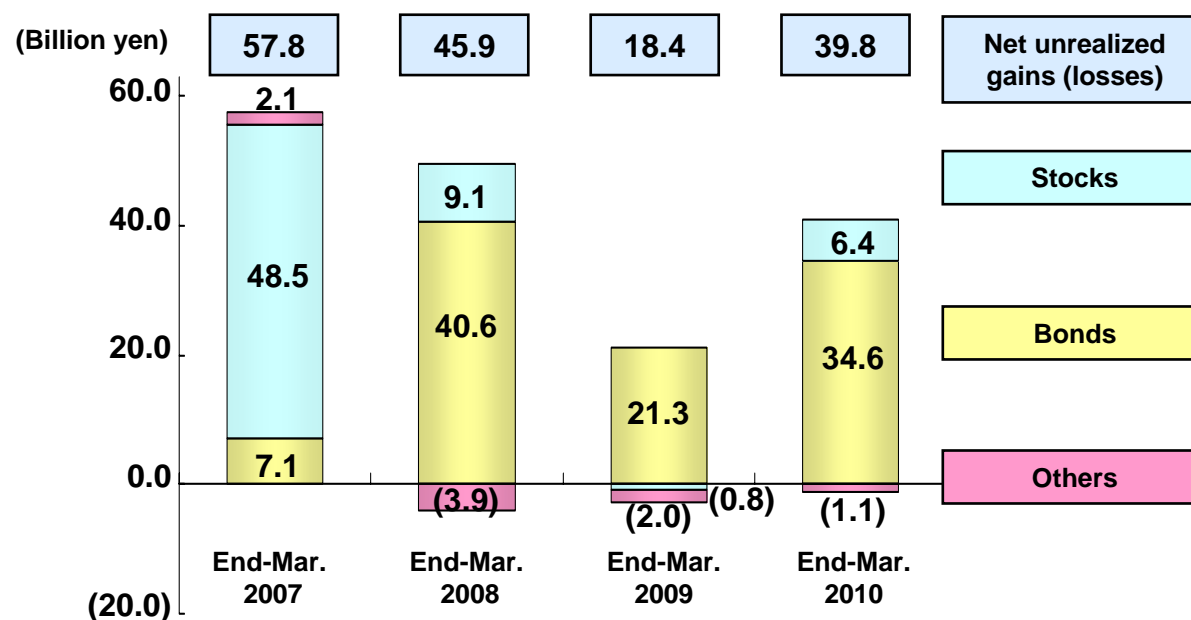


Unrealized Gains (Losses) on Securities

Unrealized gains on securities increased as the market recovered

Unrealized gains (losses) on securities

(Billion yen)	End-Mar. 2007	End-Mar. 2008	End-Mar. 2009	End-Mar. 2010	Change over End-Mar. 2009	Unrealized gains	Unrealized losses
Total	57.8	45.9	18.4	39.8	21.4	44.9	5.0
Bonds	7.1	40.6	21.3	34.6	13.2	35.4	0.7
Stocks	48.5	9.1	(0.8)	6.4	7.3	9.4	2.9
Others	2.1	(3.9)	(2.0)	(1.1)	0.8	0.1	1.3
Yields on 10-year government bonds	1.650%	1.275%	1.340%	1.395%	0.055%		
Nikkei Stock Average	17,287	12,525	8,109	11,089	2,980		
TOPIX	1,713	1,212	773	978	205		



High capital adequacy gives the bank a higher risk tolerance

Relation between San-in Godo's capital adequacy ratio and interest rates and stock prices (End-Mar. 2010)

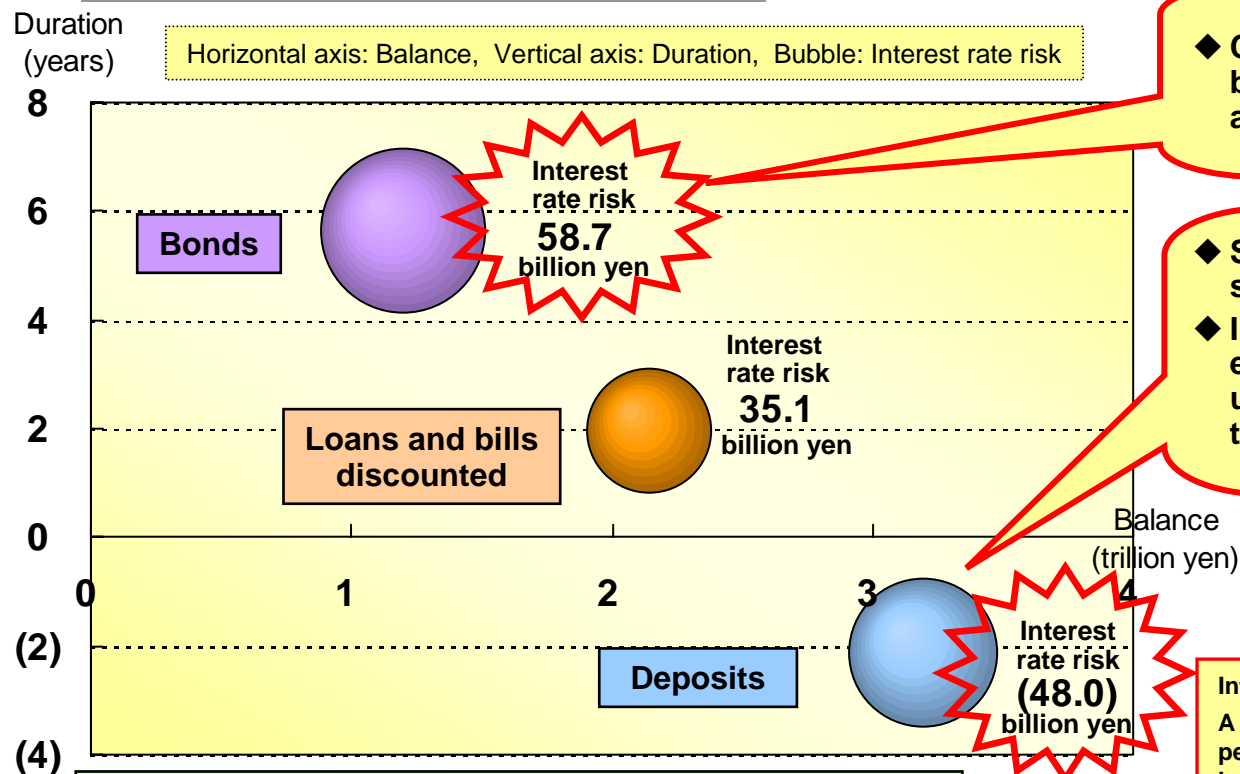
Able to maintain high capital adequacy even when interest rates rise and stock prices fall.

Stock price index Interest rates		TOPIX (pt)							(%)
		500	700	900	1,100	1,300	1,500	1,700	
10-year government bonds (%)	1.00	15.55	15.55	15.55	15.55	15.55	15.55	15.55	
	1.25	15.55	15.55	15.55	15.55	15.55	15.55	15.55	
	1.50	15.55	15.55	15.55	15.55	15.55	15.55	15.55	
	1.75	15.1	15.55	15.55	15.55	15.55	15.55	15.55	
	2.00	14.0	14.6	15.2	15.55	15.55	15.55	15.55	
	2.25	12.9	13.5	14.1	14.7	15.3	15.55	15.55	
	2.50	11.8	12.4	13.0	13.6	14.2	14.8	15.4	
	2.75	10.7	11.3	11.9	12.5	13.1	13.7	14.3	
	3.00	9.6	10.2	10.8	11.4	12.0	12.6	13.2	

* Before the consideration of a partial relaxation of capital adequacy requirements (tax effects are not considered)

Implementation of a business model utilizing a stable source of funding

Duration of assets and liabilities
(yen denominated, as of End-Mar. 2010)



◆ Conduct ALM risk control for banking accounts to seek higher and more stable gains

◆ Specialize in investment utilizing stable funding sources
◆ Introduce an internal model to estimate core deposits, and undertake investment considering the effective maturity of liabilities.

Interest rate risk:
A decline in economic value due to the 99th percentile interest rate shock under one-year holding period and observation over five-year period

Interest rate risk for the San-in Godo's own account
(as of End-Mar. 2010)

	Internal model	Standardized approach
Interest rate risk	46.9 billion yen	65.3 billion yen
Outlier ratio	19.1%	26.6%

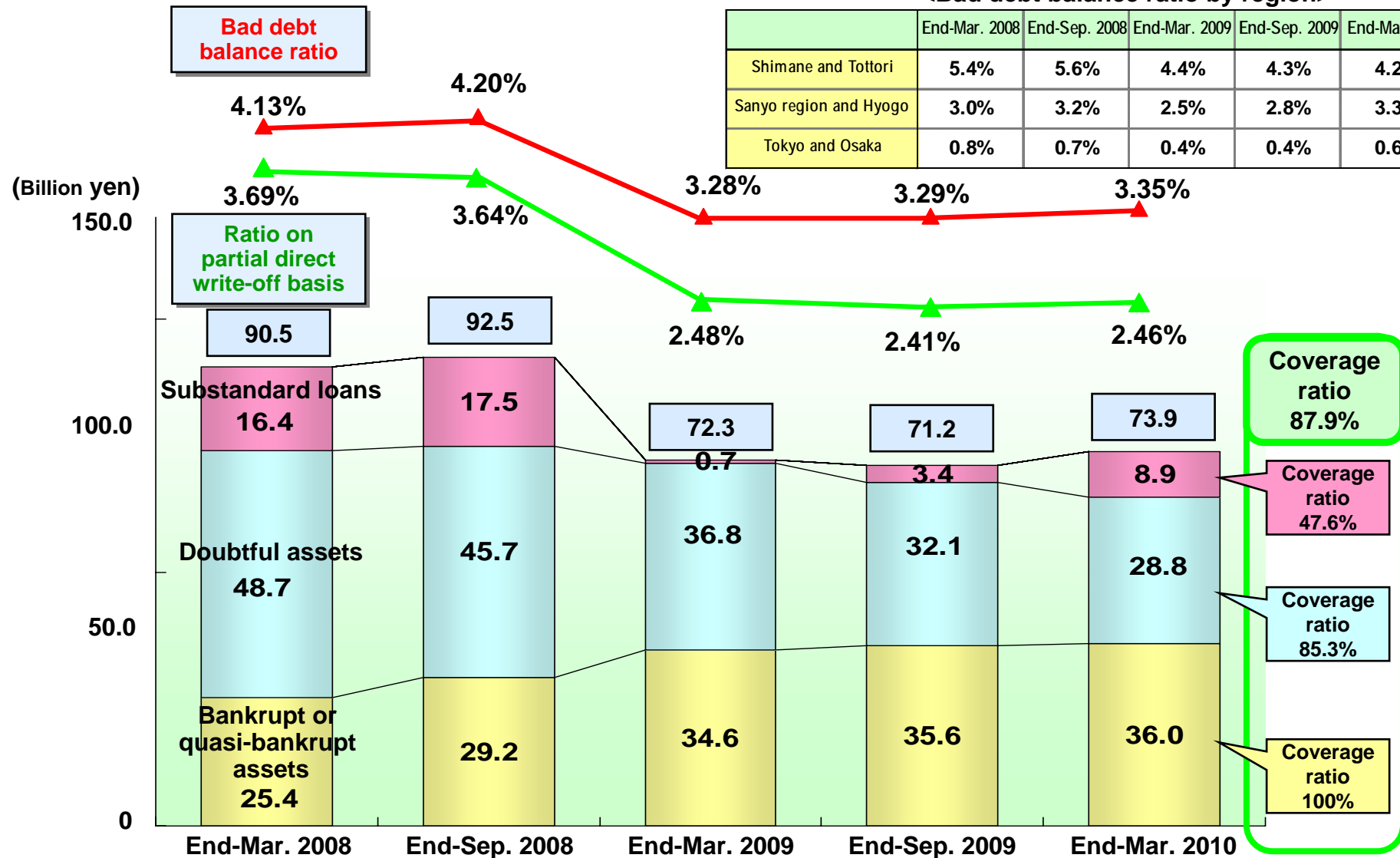
* Rate shock figures are percentile values.
The standardized approach is calculated with an average duration of 2.5 years for 50% of liquid deposits.

Changes in Balance of Disclosed Bad Debts (Disclosed Assets Based on the Financial Reconstruction Act)

Substandard loans increased as a result of responses to changing conditions arising from the Moratorium Act and deteriorating corporate performance

<Bad debt balance ratio by region>

	End-Mar. 2008	End-Sep. 2008	End-Mar. 2009	End-Sep. 2009	End-Mar. 2010
Shimane and Tottori	5.4%	5.6%	4.4%	4.3%	4.2%
Sanyo region and Hyogo	3.0%	3.2%	2.5%	2.8%	3.3%
Tokyo and Osaka	0.8%	0.7%	0.4%	0.4%	0.6%



Part II

Prospects for Business Results in FY2010

Prospects for Interest Income

Net interest income forecast to increase, primarily because of a decline in funding costs

Interest income plan in FY2010 (Average balance and yields)

(Billion yen)

	FY2009 (Results)			FY2010 (Plan)			Change over FY2009		
	Average balance	Yields	Interest	Average balance	Yields	Interest	Average balance	Yields	Interest
Loans and bills discounted	2,091.7	1.97%	41.3	2,137.3	1.92%	41.0	45.6	(0.05)%	(0.3)
Japanese yen	2,090.3	1.97%	41.3	2,128.0	1.92%	40.9	37.7	(0.05)%	(0.4)
Foreign currency denominations	1.3	1.16%	0.0	9.3	0.77%	0.0	8.0	(0.39)%	0.0
Securities	1,311.3	1.57%	20.6	1,333.9	1.57%	20.9	22.6	0.00%	0.3
Japanese yen	1,277.8	1.54%	19.7	1,293.5	1.52%	19.6	15.7	(0.02)%	(0.1)
Foreign currency denominations	33.5	2.66%	0.8	40.3	3.12%	1.2	6.8	0.46%	0.4
Deposits	3,266.8	0.28%	9.1	3,287.0	0.24%	8.0	20.2	(0.04)%	(1.1)
Japanese yen	3,082.3	0.20%	6.4	3,139.2	0.16%	5.2	56.9	(0.04)%	(1.2)
Foreign currency denominations	184.5	1.45%	2.6	147.8	1.87%	2.7	(36.7)	0.42%	0.1
Other investments - Fundraising			1.6			1.8			0.2
Interest income			54.4			55.8			1.4

Measures to Boost Fees and Commissions Business

Commissions forecast to increase as a result of stronger investment banking operations and the start of issuance of credit cards

<Breakdown of income from fees and commissions business and change in income>

(Billion yen)

	FY2007	FY2008	FY2009	FY2010	
				Plan	Component ratio
Income from fees and commissions (i)	8.8	8.8	8.0	9.6	99.6%
Commission income from foreign exchange transactions	3.2	3.0	2.9	2.8	29.6%
Other commission income	5.5	5.7	5.0	6.7	69.9%
ATM related commission	0.9	0.8	0.8	0.8	8.8%
Assets in custody (Investment trusts)	1.2	0.7	0.5	0.8	8.5%
Assets in custody (Individual annuity insurance)	0.2	1.0	0.7	0.9	9.2%
Commission from investment banking business	0.1	0.2	0.2	0.7	7.7%
Credit card business related commission	-	-	-	0.8	9.1%
Other	2.9	2.8	2.7	2.5	26.4%
Income from coupon swaps (ii)	0.2	0.1	0.0	0.03	0.3%
Total of income from fees and commissions business [(i) + (ii)]	9.0	9.0	8.0	9.6	100.0%

Part III

Full-Fledged Developing Business Matching Transactions

Development of Potential Business using San-in Godo's Advantage "Business Matching Service"

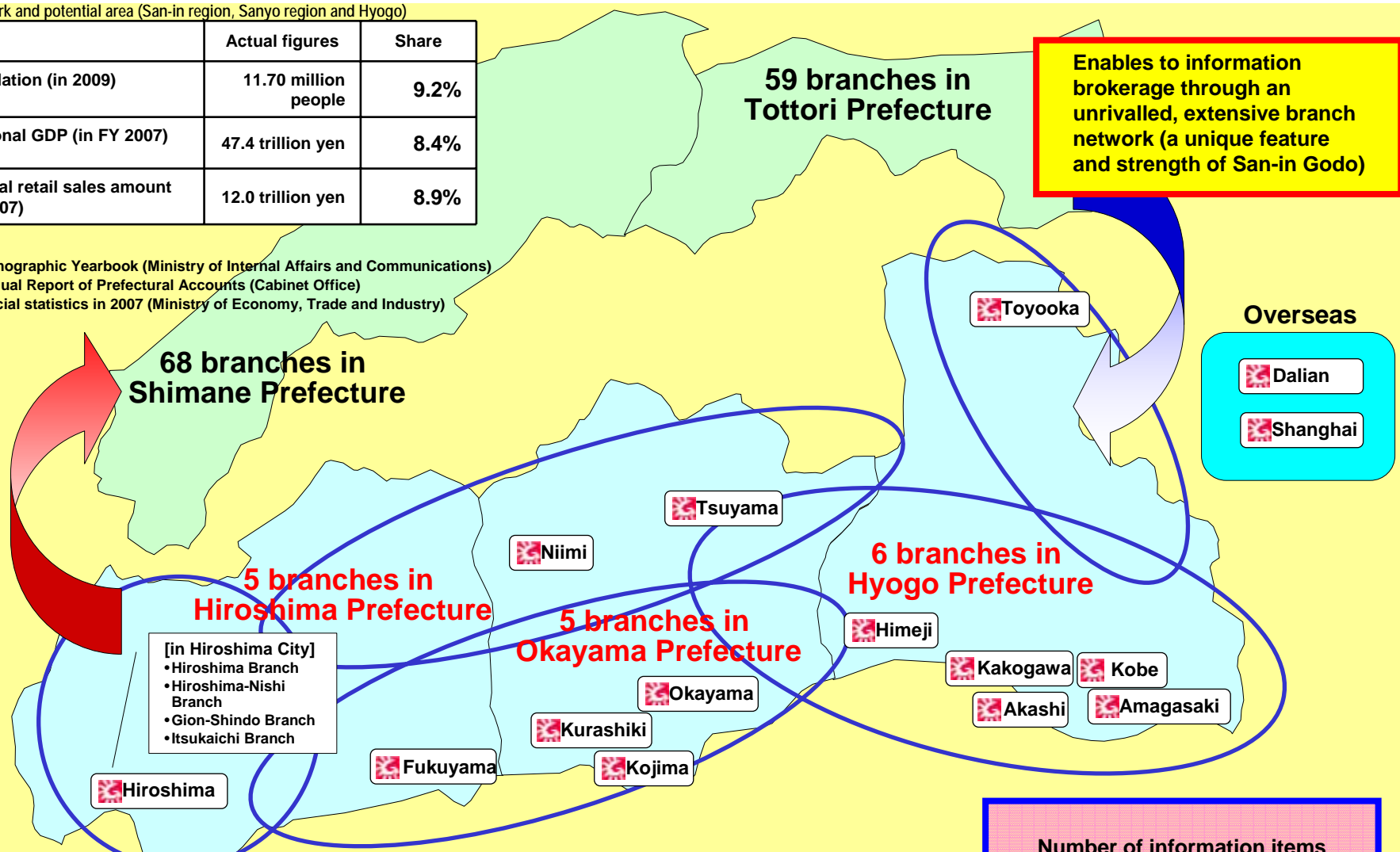
Obtaining information through the extensive branch network and activating it using experienced human resources

■Our network and potential area (San-in region, Sanyo region and Hyogo)

	Actual figures	Share
(i) Population (in 2009)	11.70 million people	9.2%
(ii) Regional GDP (in FY 2007)	47.4 trillion yen	8.4%
(iii) Annual retail sales amount (in 2007)	12.0 trillion yen	8.9%

Sources:

- 2009 Demographic Yearbook (Ministry of Internal Affairs and Communications)
- 2007 Annual Report of Prefectural Accounts (Cabinet Office)
- Commercial statistics in 2007 (Ministry of Economy, Trade and Industry)



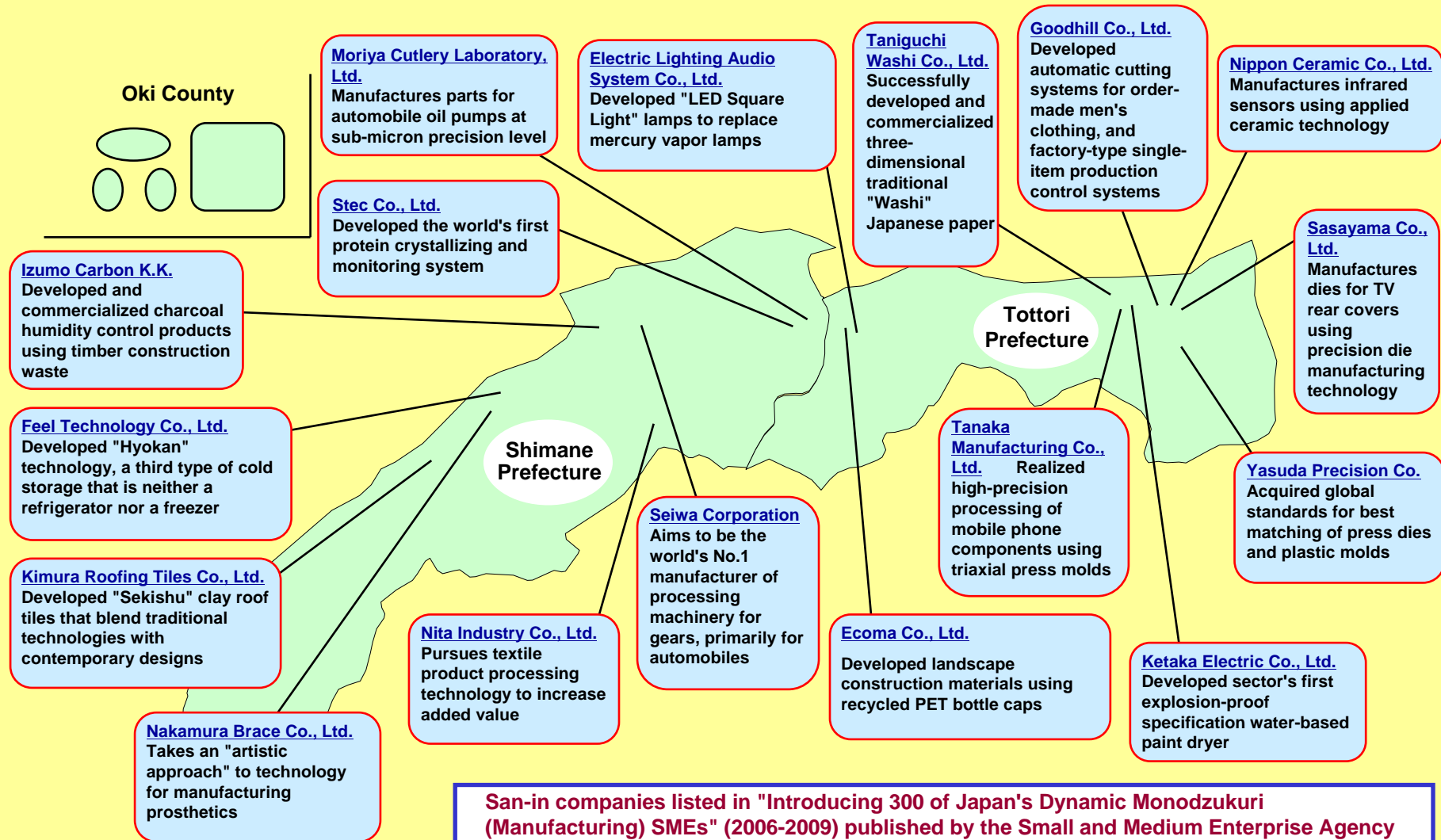
Enables to information brokerage through an unrivalled, extensive branch network (a unique feature and strength of San-in Godo)

Collection, management and sharing of information using San-in Godo's self-developed business matching system

Number of information items gathered in 2009 : 13,854

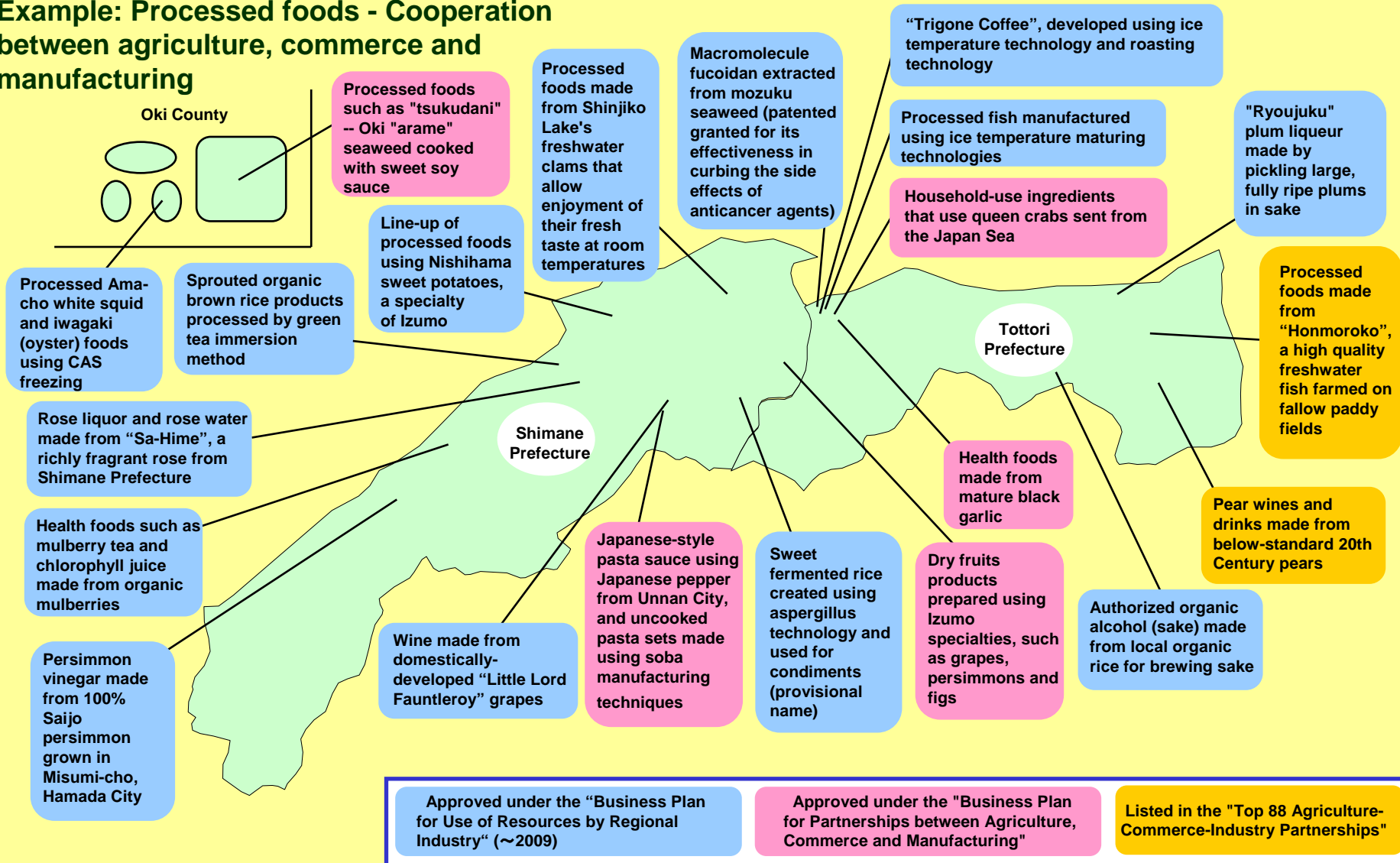
Variety of business resources connecting large consumer markets with San-in region

Example: Manufacturers with distinctive technologies



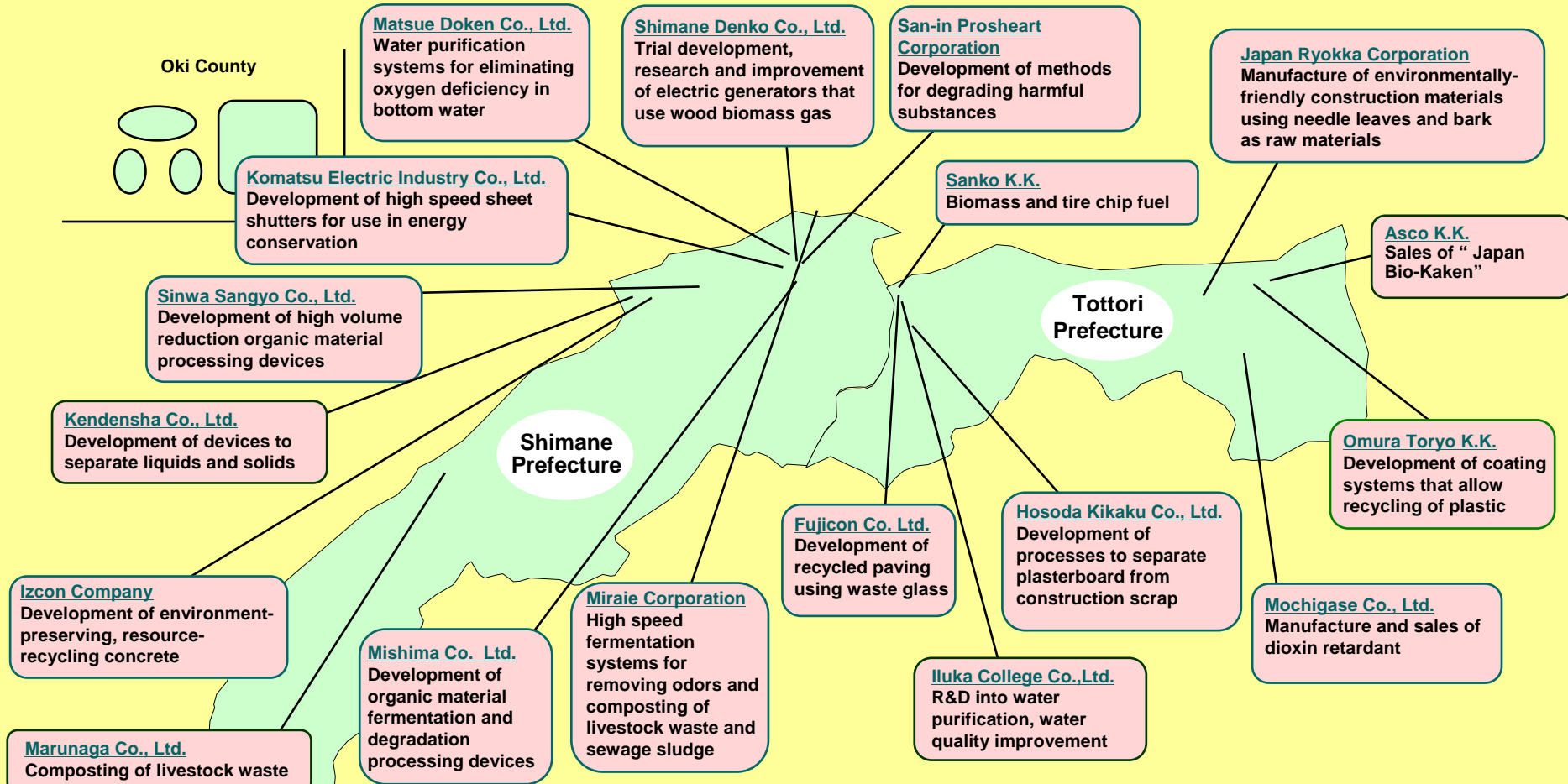
Variety of business resources connecting large consumer markets with San-in region

Example: Processed foods - Cooperation between agriculture, commerce and manufacturing



Variety of business resources connecting large consumer markets with San-in region

Example: Environment-related manufacturers with high profile



San-in companies listed in Chugoku Bureau of Economy, Trade and Industry "Chugoku Region Environment-related Map 2009"

Collection, management and sharing of information using San-in Godo's self-developed business matching system

TOP

ビジネスマッチング

検索

キーワード

サザエ 百貨店 **米** スーパー 土産 梨 鮮魚
 トマト 食材 工作機械 高級 おから お茶 ホテル
 運送 旅館 **システム** 仁多米 **農産物** コスト削減
 ホームセンター 魚 抗菌 福利厚生 **省エネ** ソフトウェア
 携帯電話 水 **健康** 健康食品 産業廃棄物 広告 警備 産廃
 新規事業 二十世紀梨 テナント ペットボトル 介護 外注 **環境** 製造業 **物流** 病院 低

★BM-最新登録 ⓘ 営業斡旋-最新登録 🔍 参照回数 🗨️ コメント数 🕒 もうすぐ期限切れ 🏠 自店発信分

案件	カテゴリ	分類	名前	登録日	参照回数	コメント数
234	売	BM	顧客管理システム「R...	2008/10/08	168	4
235	売	BM	物流システム(アパレ...	2008/10/02	174	5
208	売	BM	地域情報サイト「まい...	2008/09/26	265	16
204	売	BM	大山町産「大山ブラン...	2008/09/25	669	63
219	売	BM	鮮魚・塩干物・水産加...	2008/09/24	315	21
230	売	BM	システムインテグレ...	2008/09/18	186	1
217	売	BM	ビル管理(清掃・警備...	2008/09/11	167	2
223	売	BM	省エネ・ローコスト建...	2008/09/09	236	13
188	売	BM	果実栽培保護袋BIK...	2008/09/09	152	12
179	買	BM	廃食油の回収業務	2008/09/08	245	22

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- 68 電子マネー式ギフトカ... 2008/12/02 14:01:47
 様
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 BMですので、正常先へのご紹介よろしくお願ひします。
- 310 海藻肥料 2008/12/02 13:40:09
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Efforts to change the industrial structures, such as in the food business

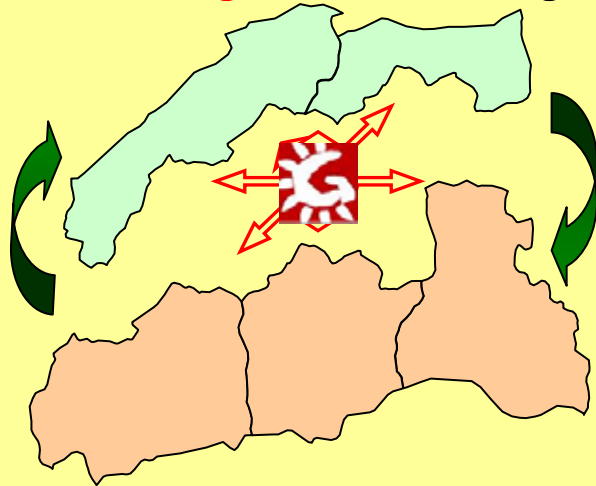
Needs, Wants, Niches in the Sanyo region ... and Hyogo Prefecture

Accurate information on what customers want, how much customers need, and how much customers pay

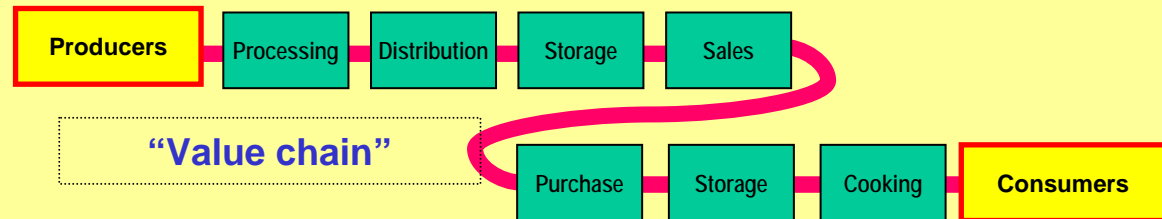
Activation of **information** (Use of human resources)

Active makeover and **change** in the San-in region

Producing, processing and marketing of strong-selling products



- Providing assurance and safety as **value**
- Turning agri-business into high value added business
- Enclosing the **“value chain”** from production to consumption
- * Producers take initiatives in the business by producing high value added products.
- Industrialization of agriculture, shift to agriculture from other businesses, and employment promotion



Business matching service

- Information provision
- Technical support (production and processing)
- Sales support
- Establishment of business, etc.
- * It differs from a mere product introduction service.

San-in Godo started the service as one of its fees and commission businesses (from FY2007). (San-in Godo receives contingent fees and commissions when the business matching agreement is successfully signed.)

Customers, Customers, San-in Godo = Triple-Win Relationship

Strengthening partnerships among industry, government, academia and financial institutions to help establish businesses, support new business operations and help change the industrial structure

[Strengthening partnerships with universities] ··· Information concerning research and development of agricultural technology and industrial technology

- November 2004: Signed “Agreement on coordination and cooperation” with **Tottori University**
- March 2008: Signed “Agreement on comprehensive cooperation” with **Shimane University**
- May 2008: Signed “Agreement on **business partnership and cooperation**” with Innovation Promoting Firm for **Kobe University, LLC**

[Strengthening partnerships with government] ··· Information concerning industrial experiment stations, agricultural experiment stations and industrial promotion foundations

- December 2007: Signed “**Comprehensive business cooperation agreement**” concerning business location, development of distribution channels and business matching with **Shimane and Tottori Prefectures**

[Strengthening international partnerships] ··· Overseas information

- April 2008: Signed “**Business cooperation agreement**” with External economic committee in **Songjiang District, Shanghai, People’s Republic of China**
- April 2009: Signed “**Business cooperation agreement**” with **Dalian City, People’s Republic of China**

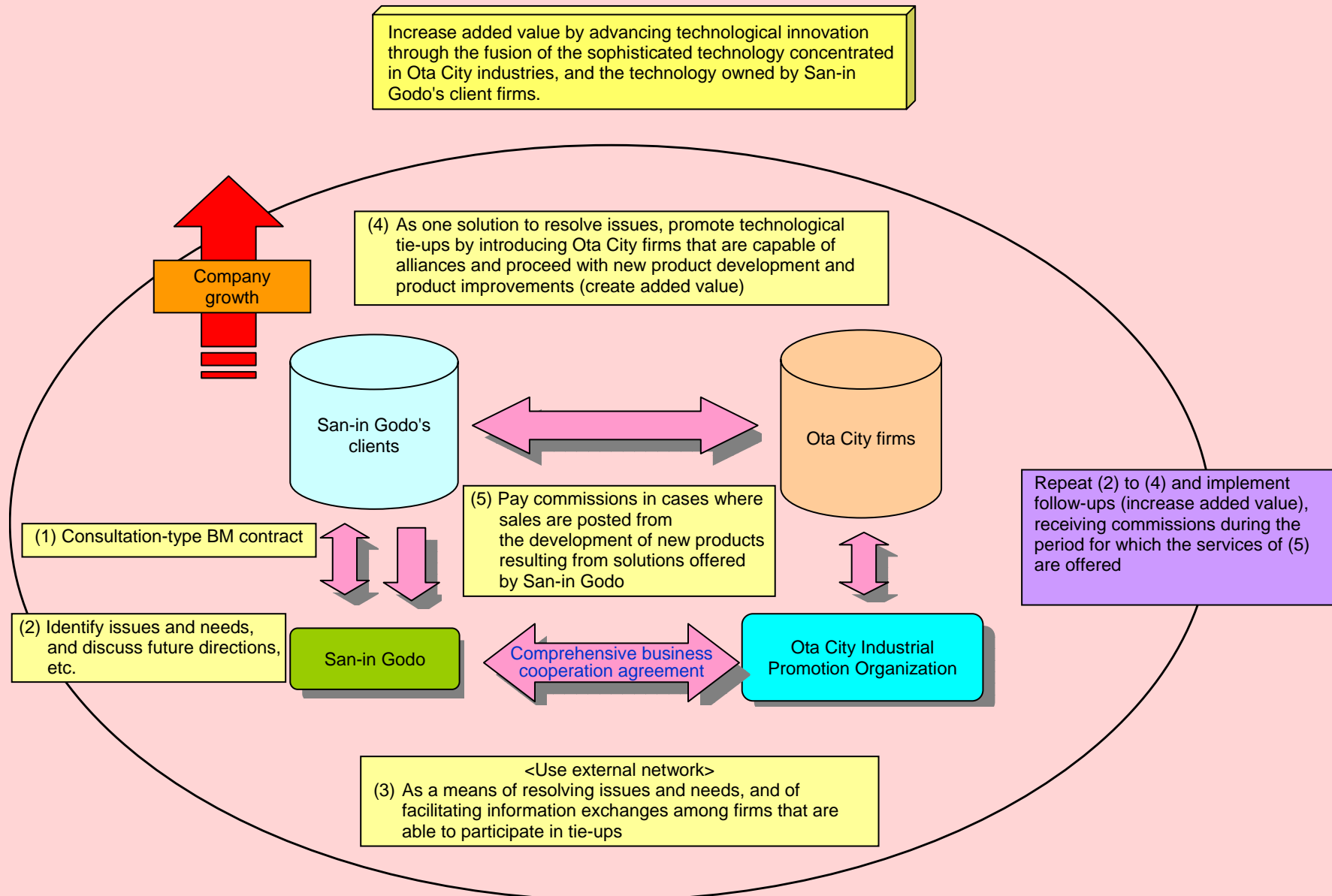
[Strengthening partnerships across industries and sectors] ··· Representative of a trade (trading company), prominent information on agriculture (Japan Agricultural Cooperatives)

- May 2008: Signed “**Comprehensive business cooperation agreement**” with **Mitsui & Co., LTD. China branch**
- December 2008: Signed “**Business cooperation agreement**” with **JA Tottori Inaba and JA Izumo**
- December 2008: Signed “**Business cooperation agreement**” with **Hamada City and JA Iwami Chuo**
- December 2008: Signed “**Business cooperation agreement concerning regional industrial development and business promotion**” with **Utsunomiya City and JA Utsunomiya**
- January 2009: Signed “**Business cooperation agreement**” with **LLC Nouentai**
- April 2009: Signed “**Business cooperation agreement**” with **Masuda City and JA Nishi Iwami**
- June 2009: Signed “**Comprehensive business cooperation agreement concerning industrial development and trade expansion**” with **Sakai Minato City**
- August 2009: Signed “**Comprehensive business cooperation agreement**” with **Yoshika-cho and JA Nishi Iwami**
- August 2009: Signed “**Comprehensive business cooperation agreement**” with **Tsuwano-cho and JA Nishi Iwami**
- April 2010: Signed “**Comprehensive business cooperation agreement**” with **Ota City Industrial Promotion Organization Foundation**

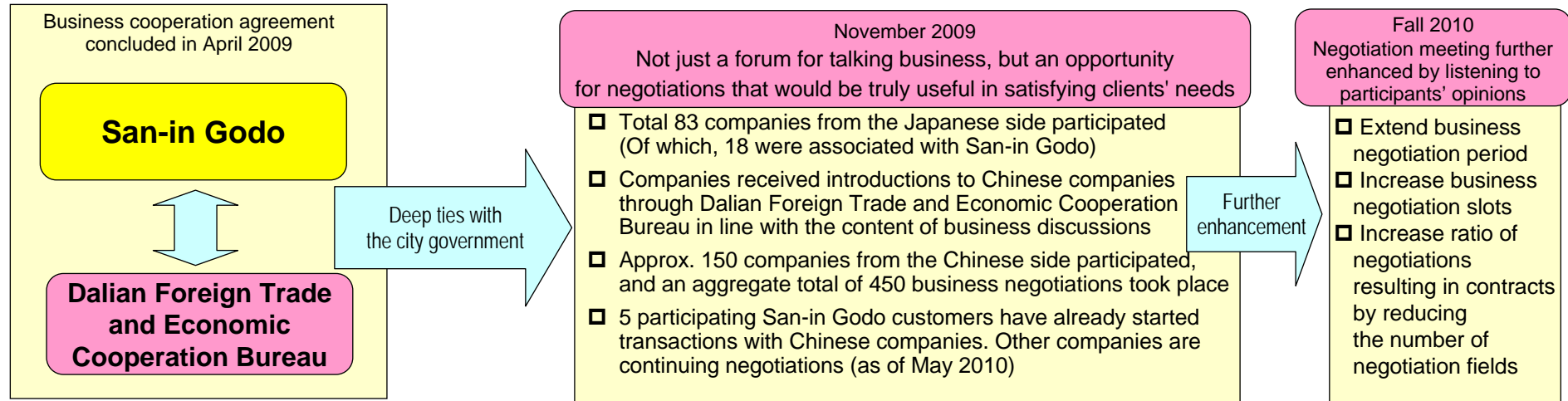
This was the first business cooperation agreement between Ota City Industrial Promotion Organization and a private financial institution. The alliance between the two extends the network over a wide area and promotes active exchanges between companies in each region. The organic ties help to build a win-win relationship and promotes industrial and regional revitalization.

Partnership with external networks expands the possibilities of **business matching**.

Comprehensive Cooperation Agreement with Ota City Industrial Promotion Organization (April 2010)



"Dalian - Joint Business Negotiation Meeting with Regional Banks" held on November 23, 2009



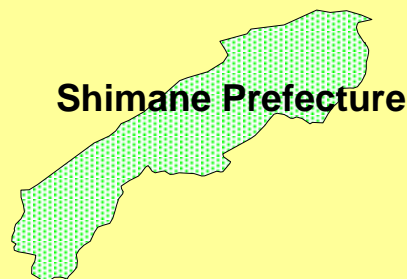
President Makoto Furuse led a party of 11 regional banks



Enthusiastic, concrete business negotiations took place during the event

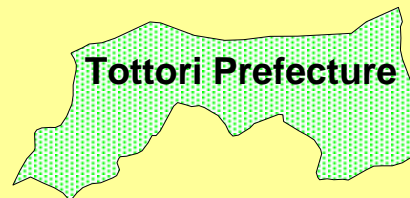
Reference Material

Ref. 1 Major Statistics for Shimane and Tottori Prefectures



Shimane Prefecture

- ◇ Total population: **718,000**
(46th in Japan)
- ◇ Percentage of elderly population: **29.0%**
(1st in Japan)
- ◇ Number of business establishments: **39,192**
(46th in Japan)
- ◇ Gross Prefectural Product: **2,788.1 billion yen**
(45th in Japan)
- ◇ Shipment value of manufactured goods: **1,077.1 billion yen**
(44th in Japan)
- ◇ Ratio of public works expenditure to gross prefectural expenditure: **9.8%**
(1st in Japan)



Tottori Prefecture

- ◇ Total population: **591,000**
(47th in Japan)
- ◇ Percentage of elderly population: **25.9%**
(15th in Japan)
- ◇ Number of business establishments: **27,556**
(47th in Japan)
- ◇ Gross Prefectural Product: **2,307.5 billion yen**
(47th in Japan)
- ◇ Shipment value of manufactured goods: **1,074.5 billion yen**
(45th in Japan)
- ◇ Ratio of public works expenditure to gross prefectural expenditure: **6.7%**
(7th in Japan)



Japan

- ◇ Total population: **127,510,000**
- ◇ Percentage of elderly population: **22.7%**
- ◇ Number of business establishments: **5,723,000**
- ◇ Gross domestic product: **541,500 billion yen**
- ◇ Shipment value of manufactured goods: **335,600 billion yen**
- ◇ Ratio of public works expenditure to gross national expenditure: **3.4%**

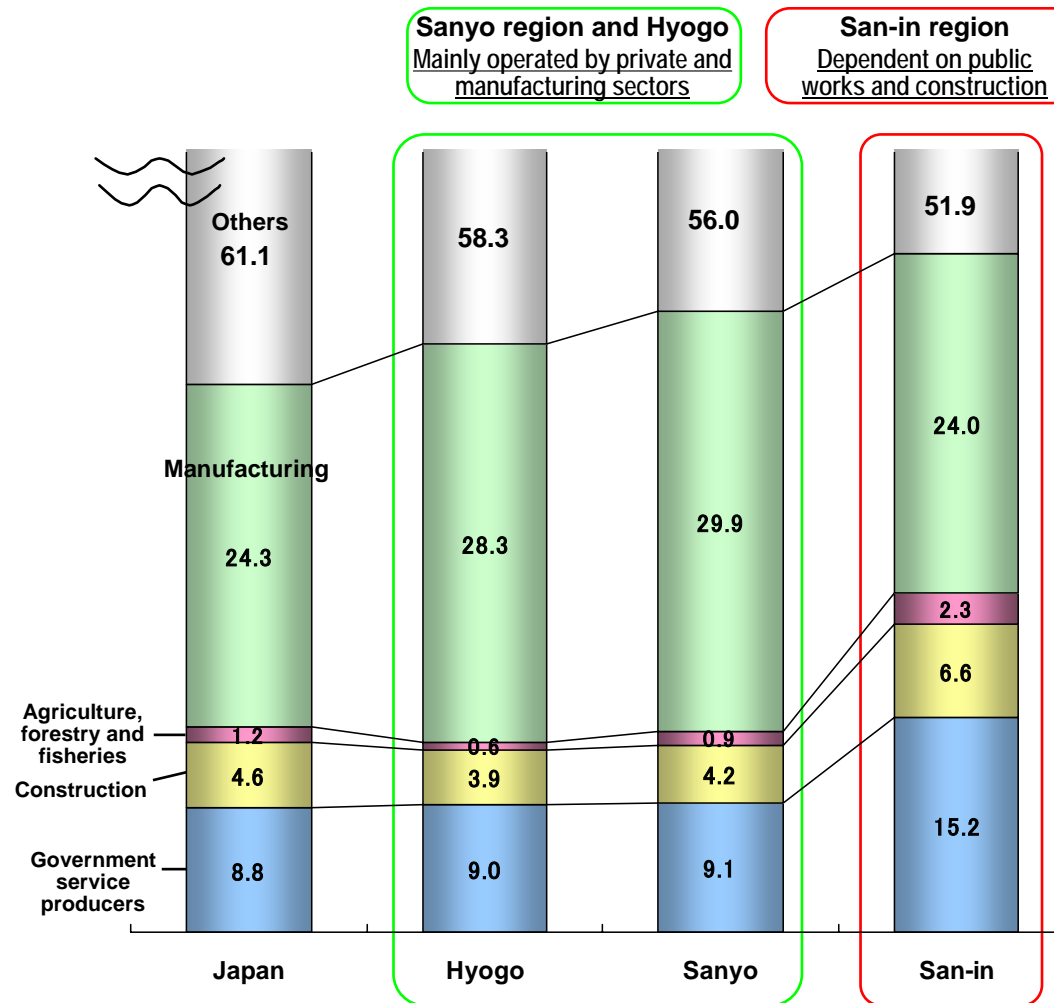
* Source: 2009 Demographic Yearbook, 2006 Business Outlook Survey, FY2007 Annual Report on Prefectural Accounts, FY2008 Annual Reports on National Accounts, and 2008 Industrial and Commercial Statistics

San-in region's share of GDP

Standing	Prefecture	Actual Amount (billion yen)	Share
1st	Tokyo	98,892.2	17.41%
2nd	Osaka	41,464.8	7.30%
3rd	Aichi	40,951.5	7.21%
7th	Hyogo	21,138.5	3.72%
11th	Hiroshima	12,982.0	2.29%
21st	Okayama	8,180.3	1.44%
45th	Shimane	2,788.1	0.49%
47th	Tottori	2,307.5	0.41%
(31st)	San-in (Shimane and Tottori)	5,095.6	0.90%
(2nd)	Total of San-in, Sanyo & Hyogo	47,396.4	8.35%
—	Total of all prefectures	567,874.6	100.00%

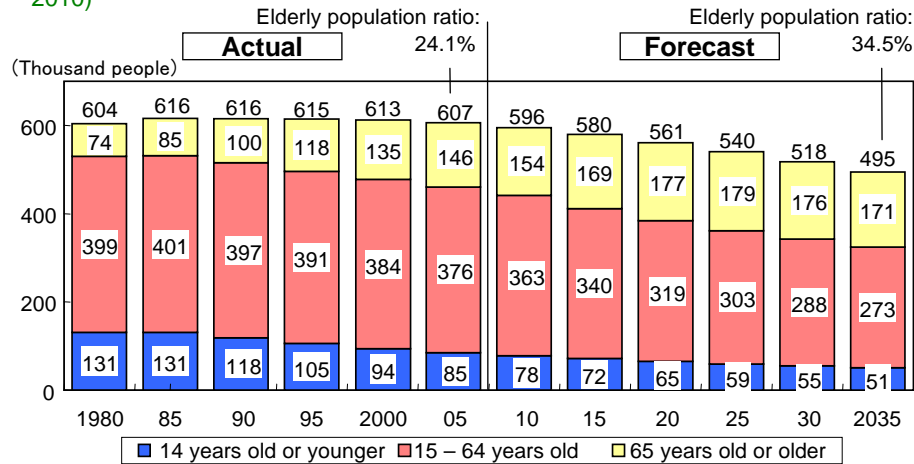
* Source: FY2007 Annual Report on Prefectural Accounts
 The standings in brackets indicate rankings when the prefectures are added together

Shares of industrial sectors in gross prefectural product

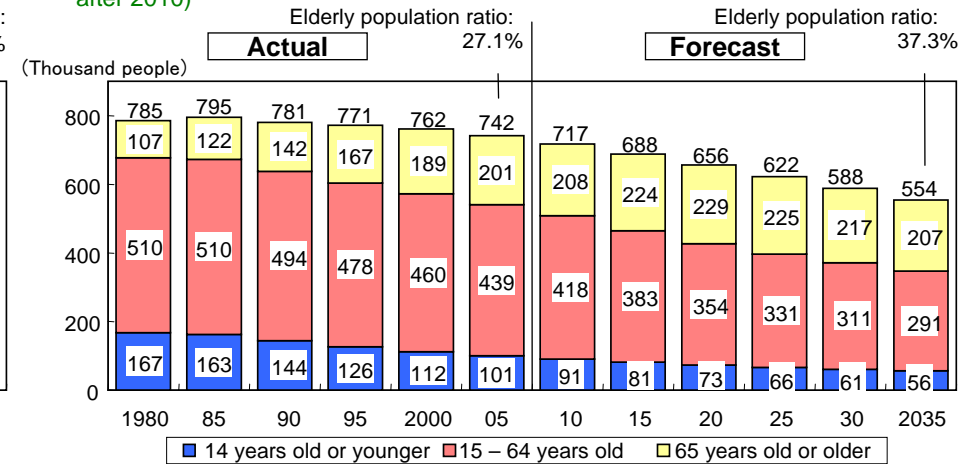


Ref. 3 Changes in Population and Household Income

Population changes and outlook for Tottori Prefecture (forecast values in and after 2010)

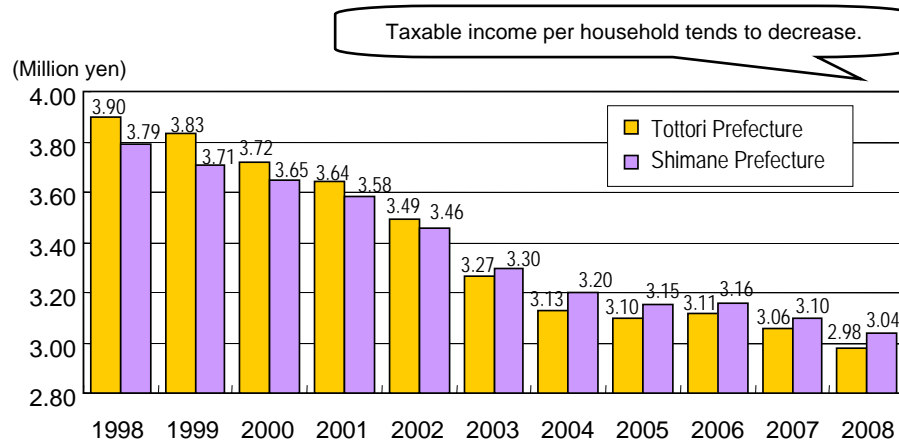


Population changes and outlook for Shimane Prefecture (forecast values in and after 2010)



Source: "National Census" by Ministry of Internal Affairs and Communications and "Future Population Shift by Prefecture" by National Institute of Population and Social Security Research (Estimate as of May 2007)

Changes in household taxable income in San-in Prefectures



Source: "Personal Income Indices" by JPS Co., Ltd. and "National Census" by Ministry of Internal Affairs and Communications

Taxable income per household by prefecture (in 2008)

		(million yen)			
		Highest prefectures		10 lowest prefectures	
1st	Tokyo	4.59	38th	Akita	2.75
2nd	Aichi	4.54	39th	Oita	2.72
3rd	Kanagawa	4.41	39th	Ehime	2.67
4th	Shizuoka	4.20	41th	Nagasaki	2.57
5th	Fukui	4.16	41th	Hokkaido	2.53
6th	Shiga	4.14	43rd	Aomori	2.50
7th	Saitama	4.12	44th	Kochi	2.38
			44th	Miyazaki	2.37
31st	Shimane	3.04	46th	Okinawa	2.26
			47th	Kagoshima	2.26
33rd	Tottori	2.98	National average		3.66

Comparison between the amount of pension vested and income by prefecture (FY2007)

* "Pension" refers to national and employees' pensions (%)

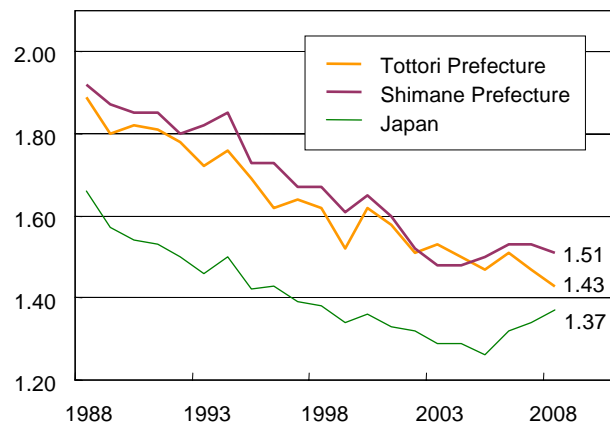
		(%)				
		10 highest prefectures		10 lowest prefectures		
1st	Shimane	15.7	38th	Chiba	10.4	
1st	Kochi	15.7	39th	Osaka	10.3	
3rd	Nagasaki	14.9	39th	Ibaraki	10.1	
4th	Yamaguchi	14.5	41th	Kanagawa	10.0	
5th	Tottori	14.3	41th	Saitama	10.0	
6th	Akita	14.2	43rd	Shiga	9.6	
7th	Miyazaki	14.1	44th	Tochigi	9.4	
7th	Ehime	14.1	45th	Aichi	9.0	
9th	Kagawa	13.7	46th	Okinawa	8.9	
10th	Kagoshima	13.5	47th	Tokyo	6.1	
		National average				10.9

In step with the aging of population, pension becomes the base of stable income.

Source: Social Insurance Agency

Ref. 4 Employment Conditions among Women and the Elderly

Changes in total fertility rate



Source: "Vital Statistics" by Ministry of Health, Labor and Welfare

Total fertility rate by prefecture (in 2008)

Highest prefectures			10 Lowest prefectures		
1st	Okinawa	1.78	38th	Tokushima	1.30
2nd	Miyazaki	1.60	39th	Miyagi	1.29
3rd	Kagoshima	1.59	40th	Chiba	1.29
4th	Kumamoto	1.58	41th	Saitama	1.28
5th	Saga	1.55	41th	Osaka	1.28
6th	Fukui	1.54	43rd	Kanagawa	1.27
7th	Oita	1.53	44th	Kyoto	1.22
8th	Fukushima	1.52	44th	Nara	1.22
9th	Shimane	1.51	46th	Hokkaido	1.20
10th	Tottori	1.43	47th	Tokyo	1.09
			National average: 1.37		

High fertility rates: Shimane in 9th place, Tottori in 18th place.

Percentage of full-time employees among female workers aged 25 to 44 (in 2007)

Highest prefectures		10 lowest prefectures	
1st	Toyama: 60.2	38th	Hokkaido: 46.4
2nd	Tokushima: 58.4	38th	Shizuoka: 46.4
3rd	Fukui: 58.1	40th	Osaka: 46.3
4th	Kochi: 57.5	40th	Saitama: 46.3
5th	Tokyo: 57.0	42th	Mie: 46.0
6th	Yamagata: 56.7	43rd	Aichi: 45.9
7th	Tottori: 55.7	44th	Chiba: 45.3
8th	Kumamoto: 55.2	45th	Nara: 45.1
9th	Shimane: 54.5	46th	Okinawa: 44.8
10th	Gifu: 44.8	46th	Gifu: 44.8
		National average: 49.8	

High percentage of full-time female employees with small children

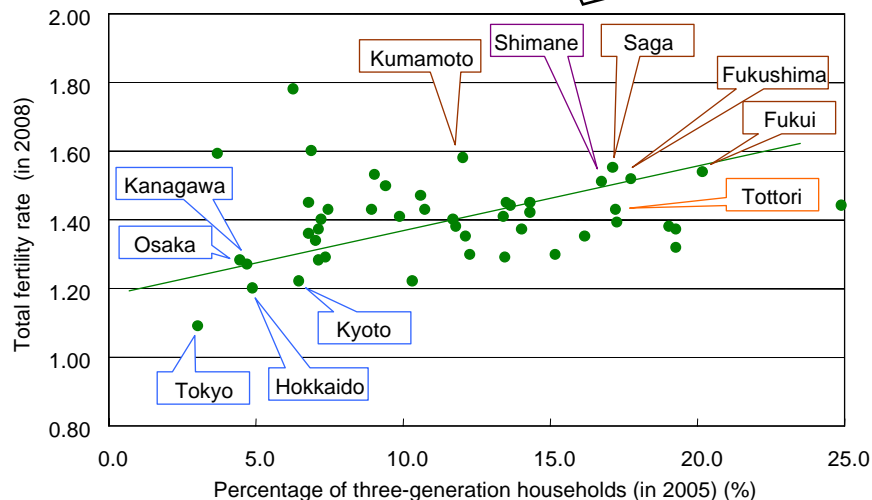
Percentage of female workers who worked 60 hours or more per week (those who worked 200 days or more in a year) (in 2007)

10 highest prefectures		10 lowest prefectures	
1st	Shimane: 3.6	38th	Ehime: 5.4
2nd	Yamaguchi: 3.9	39th	Tokushima: 5.5
3rd	Hiroshima: 3.9	39th	Yamagata: 5.5
4th	Saitama: 4.0	39th	Saga: 5.5
5th	Shizuoka: 4.1	42th	Osaka: 5.7
6th	Shiga: 4.1	42th	Oita: 5.7
7th	Tottori: 4.1	44th	Kumamoto: 6.0
8th	Okinawa: 4.2	45th	Kochi: 6.1
9th	Kyoto: 4.3	46th	Tokyo: 6.5
10th	Kagoshima: 4.5	46th	Aomori: 6.5
		National average: 5.0	

Good working environment for women

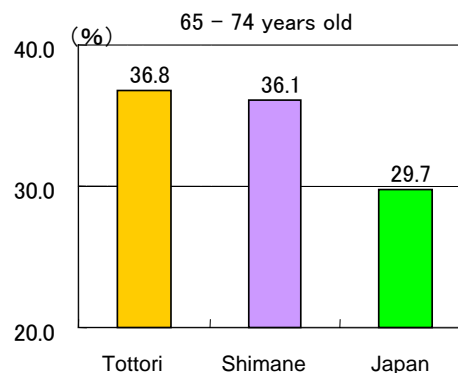
Source: "Employment Status Survey" by Ministry of Internal Affairs and Communications

Percentage of three-generation households and total fertility rate (in 2008)

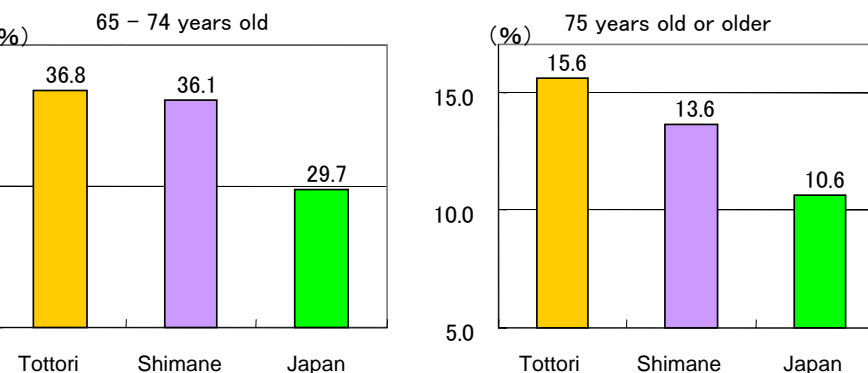


Source: "National Census" by Bureau of Statistics, Ministry of Internal Affairs and Communications, and "Vital Statistics" by Statistics and Information Department, Secretariat of the Minister of Health, Labour and Welfare

Employment rate for the elderly (in 2005)



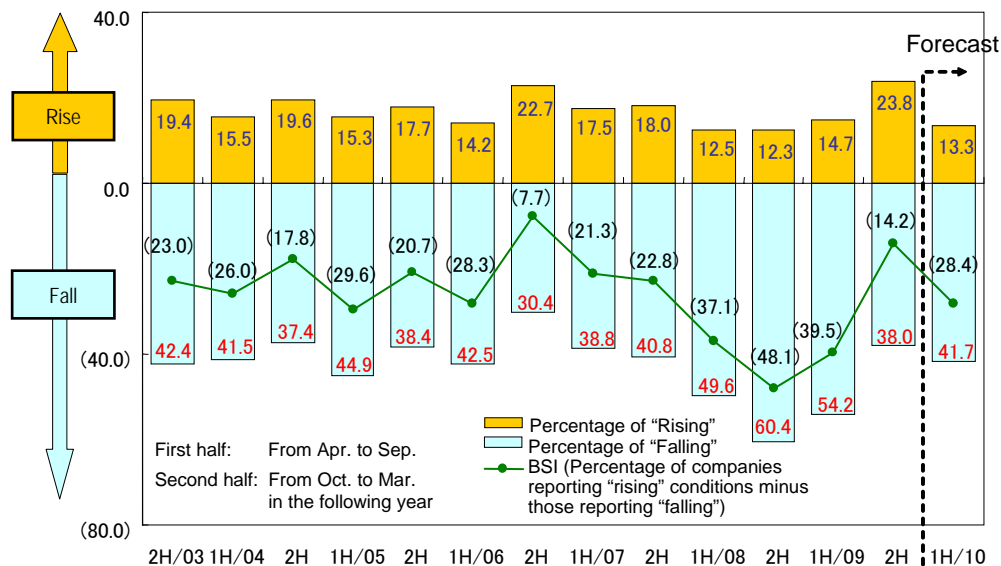
High employment rates for the elderly



Source: "National Census" by Bureau of Statistics, Ministry of Internal Affairs and Communications

Ref. 5 Direction of Economy (1)

Business Sentiment Index (BSI) (Change over the previous period in all industries) (Percentage of companies reporting "rising" conditions minus those reporting "falling".)



The latest business sentiment improved in the second half of FY2009, while outlook goes down in the first half of FY2010.

Business Sentiment Index by sector

	2nd half FY2009	1st half FY2010 (Forecast)	Change
Manufacturers	9.8	(11.4)	(21.2)
Textiles	(83.3)	(50.0)	33.3
Food	(15.2)	(2.2)	13.0
Lumber and wood products	(12.5)	(18.8)	(6.3)
Machinery, etc.	3.5	(10.7)	(14.2)
Other manufacturers	9.6	(4.8)	(14.4)
Steel and metal	23.9	(9.6)	(33.5)
Pulp and paper	42.8	0.0	(42.8)
Electric machinery	48.5	(6.2)	(54.7)
Ceramics and cement	11.8	(43.7)	(55.5)
Transportation machinery	50.0	10.0	(60.0)

Worsened business outlook in most sectors

	2nd half FY2009	1st half FY2010 (Forecast)	Change
Non manufacturers	(16.9)	(30.4)	(13.5)
Construction materials wholesalers	(43.5)	(17.4)	26.1
Restaurants and hotels	(56.2)	(31.2)	25.0
Oil/fuel retailers	(55.6)	(33.3)	22.3
Food wholesalers	(61.9)	(42.9)	19.0
Transportation	(53.4)	(40.0)	13.4
Department stores and supermarkets	(46.6)	(33.3)	13.3
Information communication	12.5	0.0	(12.5)
Other retailers	(12.0)	(28.0)	(16.0)
Other wholesalers	14.3	(14.3)	(28.6)
Other services	1.6	(27.0)	(28.6)
Construction	(16.1)	(50.9)	(34.8)
Automobile retailers	33.3	(6.7)	(40.0)

Source: "Business Trend Survey" by San-in Economics & Management Institute (Conducted in March 2010, respondent: 554 companies)

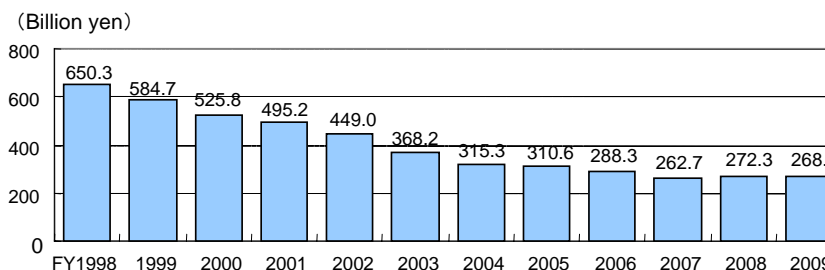
Year-on-year changes in capital expenditure (in San-in prefectures)

	FY2007	FY2008	FY2009	FY2010 (Plan)
All industries	23.8	(7.0)	(38.3)	(9.7)
Small and medium-sized companies	30.0	9.6	(27.8)	(31.1)
Manufacturers	17.4	(5.6)	(4.02)	(18.9)
Small and medium-sized companies	42.2	39.6	(20.0)	(43.9)
Non manufacturers	38.0	(9.9)	(34.3)	8.2
Small and medium-sized companies	16.9	(19.1)	(43.7)	5.8

Amid the worldwide slowdown in demand, capital expenditure is carefully considered.

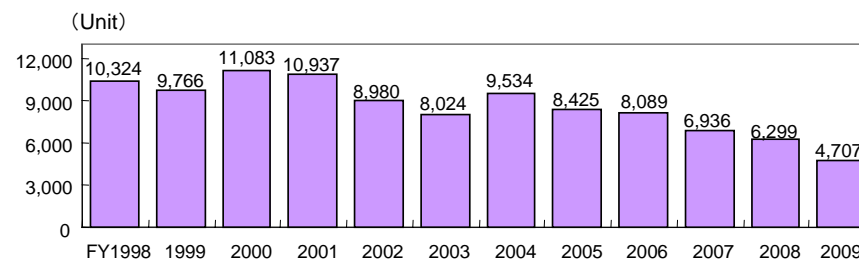
Source: "Business Trend Survey" by San-in Economics & Management Institute (Conducted in March 2010)

Value of public works contracts (in San-in prefectures, coverage ratio: 70%)



Source: West Japan Construction Surety Co., Ltd.

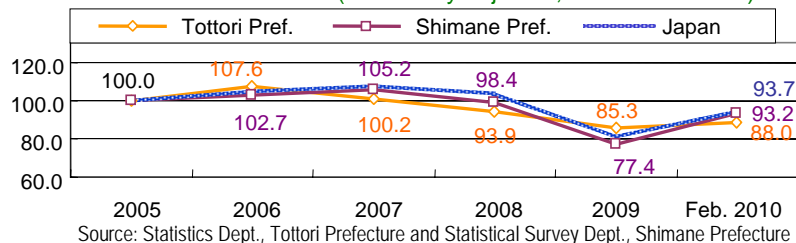
Housing starts (in San-in prefectures)



Source: Ministry of Land, Infrastructure, Transport and Tourism

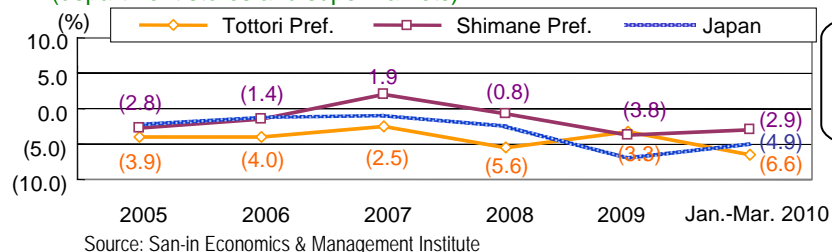
Ref. 6 Direction of Economy (2)

Industrial Production Index (seasonally adjusted, Year 2005 = 100)



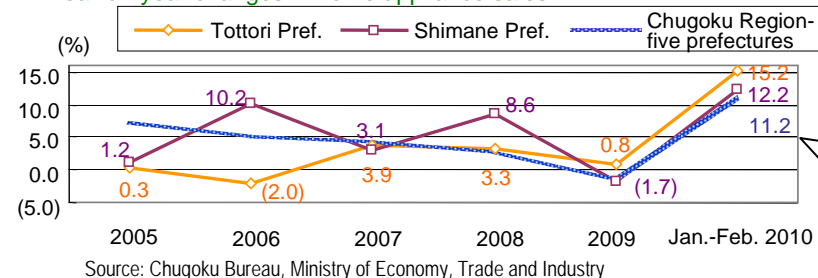
A recovery is underway, although there are variations from one sector to another

Year-on-year changes in sales of large retail stores (department stores and supermarkets)



Land prices have not stopped falling in the major commercial areas.

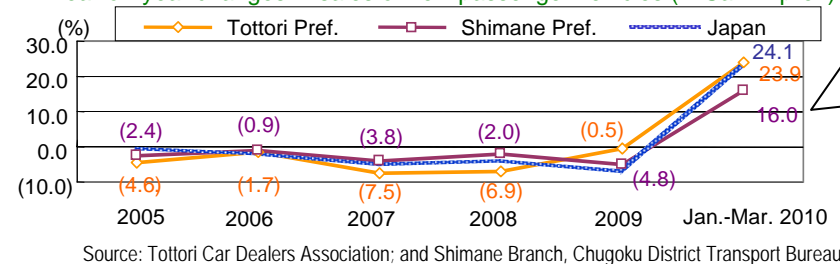
Year-on-year changes in home appliance sales



Working environment is severe in both prefectures.

YoY increase as a result of policy impacts.

Year-on-year changes in sales of new passenger vehicles (in San-in pref.)



YoY increase as a result of policy impacts.

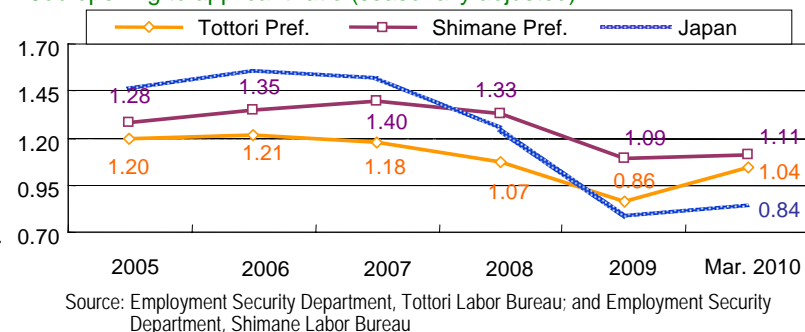
Land prices of major commercial area (as of Jan. 1 each year)

(Upper: Assessment price: Thousand yen / m², Lower: YoY%)

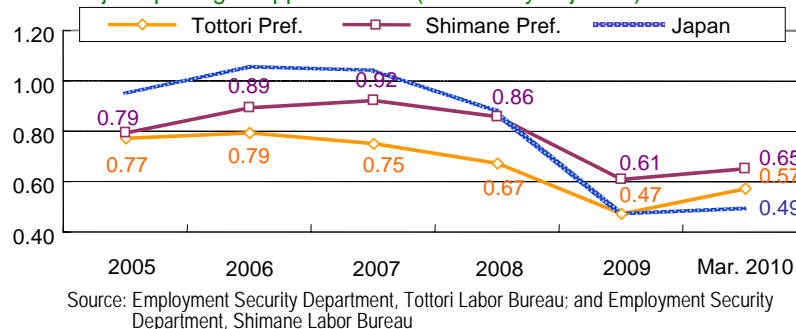
	2005	2006	2007	2008	2009
Wakasa Kaido St.	270	240	215	200	185
Sakae-machi, Tottori city, Tottori	(15.6)	(11.1)	(10.4)	(7.0)	(7.5)
Yonago-Hirose-Line Prefectural road	200	180	170	160	145
Meiji-cho, Yonago city, Tottori	(16.7)	(10.0)	(5.6)	(5.9)	(9.4)
Eki-dori	285	245	230	220	210
Asahi-machi, Matsue city, Shimane	(18.6)	(14.0)	(6.1)	(4.3)	(4.5)

Source: Hiroshima Regional Taxation Bureau

Job opening to applicant ratio (seasonally adjusted)

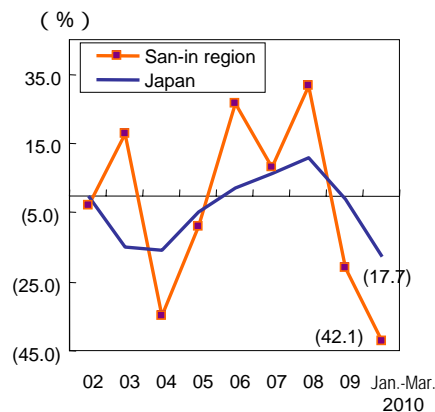


Active job opening to applicant ratio (seasonally adjusted)



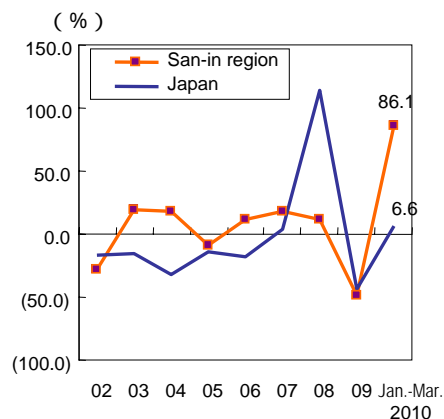
Ref. 7 Direction of Economy (3)

Number of bankruptcies (year-on-year)

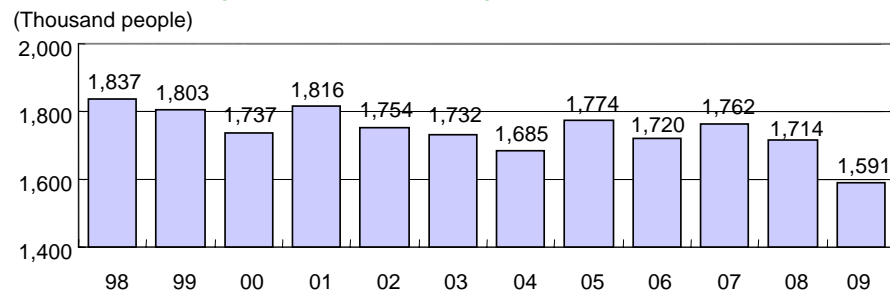


Source: TOKYO SHOKO RESEARCH, LTD.

Total liabilities of bankrupt companies (year-on-year)



Number of hotel guests at major hot spring spas (in San-in prefectures)



Note: Added "Hawai and Togo hot springs" to survey in 2005

Source: Survey by San-in Economics & Management Institute
(Total of guests at major hot spring spas in Misasa, Kaike, Hawai-Togo, Matsue Shinjiko and Tamatsukuri)

Number of bankruptcies by industry

	Actual number (cases)			YoY change (%)			Composition ratio (%)		
	2008	2009	Jan.-Mar. 2010	2008	2009	Jan.-Mar. 2010	2008	2009	Jan.-Mar. 2010
Agriculture, forestry, fishery, quarrying of stone and gravel	1	3	0	(85.7)	200.0	-	0.6	2.3	0.0
Construction	73	48	5	35.2	(34.2)	(58.3)	45.1	37.5	22.7
Manufacturing	21	22	5	10.5	4.8	(37.5)	13.0	17.2	22.7
Wholesale	22	13	1	57.1	(40.9)	(75.0)	13.6	10.2	4.5
Retail	18	23	5	80.0	27.8	(44.4)	11.1	18.0	22.7
Finance & insurance	0	0	0	-	-	-	0.0	0.0	0.0
Real estate	3	1	1	(25.0)	(66.7)	0.0	1.9	0.8	4.5
Transportation	1	6	0	(85.7)	500.0	-	0.6	4.7	0.0
Telecommunication	0	0	1	-	-	-	0.0	0.0	4.5
Services, etc.	23	12	4	228.6	(47.8)	100.0	14.2	9.4	18.2
Total	162	128	22	31.7	(21.0)	(42.1)	100.0	100.0	100.0

Source: TOKYO SHOKO RESEARCH, LTD.

Bankruptcies of construction, manufacturing and retailers are prominent.

Number of tourists

Tottori Prefecture (2008) (Thousand people, %) Shimane Prefecture (2008) (Thousand people, %)

Tourist sites and facilities	Actual no. of visitors	Change over 2007	Tourist sites and facilities	Actual no. of visitors	Change over 2007
Tottori sand dunes / Inaba Hot Spring Village area	2,591	21.1	Izumo Taisha Shrine	2,501	9.7
Sakai Port area	1,806	8.7	Shimane Winery	1,068	(0.3)
Tottori Nashinohana Hot Spring Village area	1,352	(11.3)	Iwami Ginzan Silver Mine	813	13.9
Yonago /Kaike Hot Spring area	1,217	(7.0)	Taikodani Inari Shrine	670	(16.8)
Mt. Daisen area	1,136	0.3	AQUAS	578	14.7
Higashi Hoki area	613	(9.3)	Adachi Museum of Art	507	8.7
Yazu	185	(11.9)	Karakoro Workshop	406	11.4
Uradome Coast area / Iwai Hot Spring area	157	(33.8)	Matsue Castle Horikawa Cruise	349	3.9
Okuhino area	140	(14.6)	Grandtoit	299	(9.2)

Note: Different aggregation methods are used by Shimane and Tottori Prefectures.

Source: Tourism Department, Culture & Tourism Bureau, Tottori Prefecture and Tourism Promotion Department, Shimane Prefecture

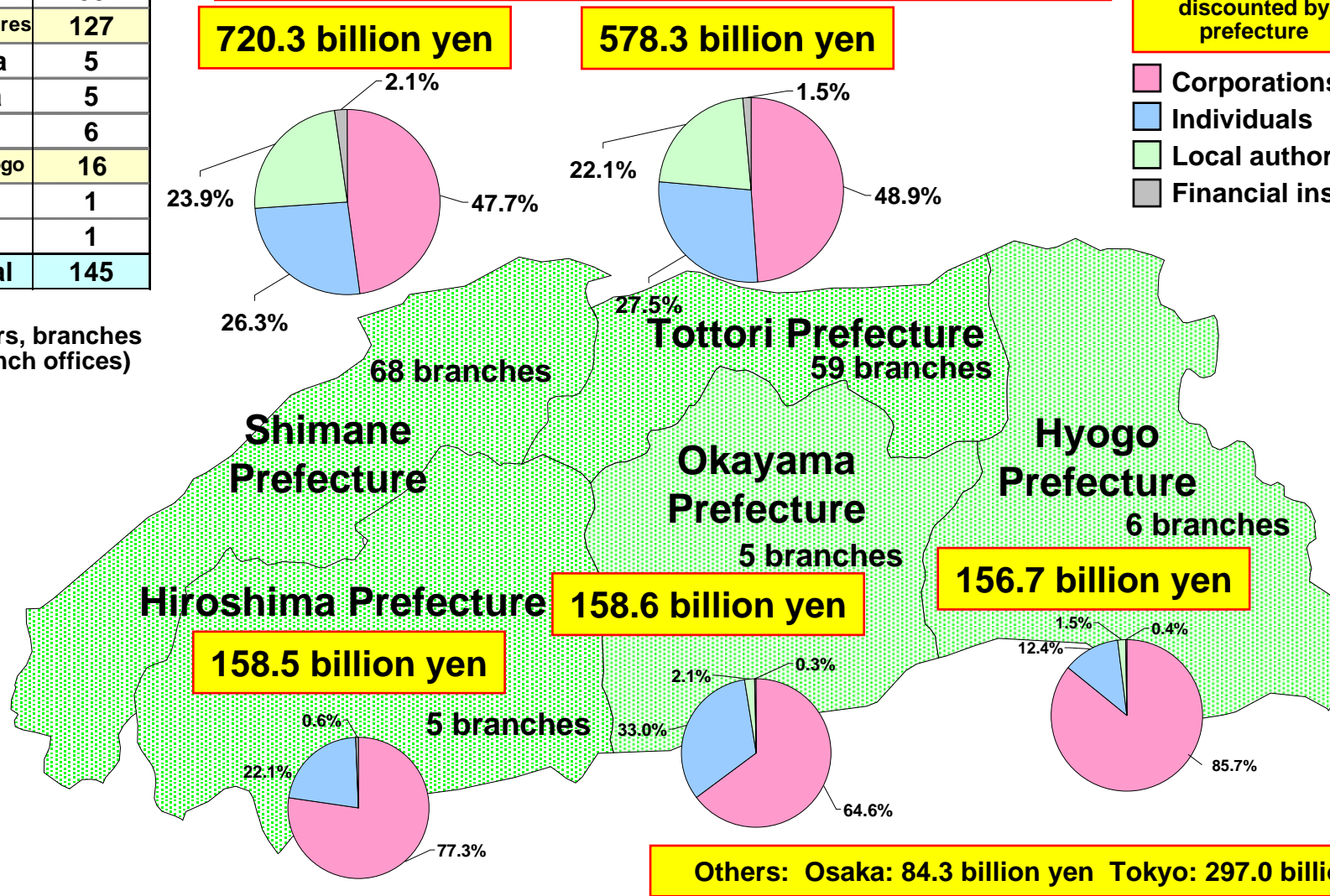
As of Mar. 31, 2010	No. of branches
Shimane	68
Tottori	59
San-in Prefectures	127
Hiroshima	5
Okayama	5
Hyogo	6
Sanyo and Hyogo	16
Osaka	1
Tokyo	1
Grand total	145

(Headquarters, branches and sub-branch offices)

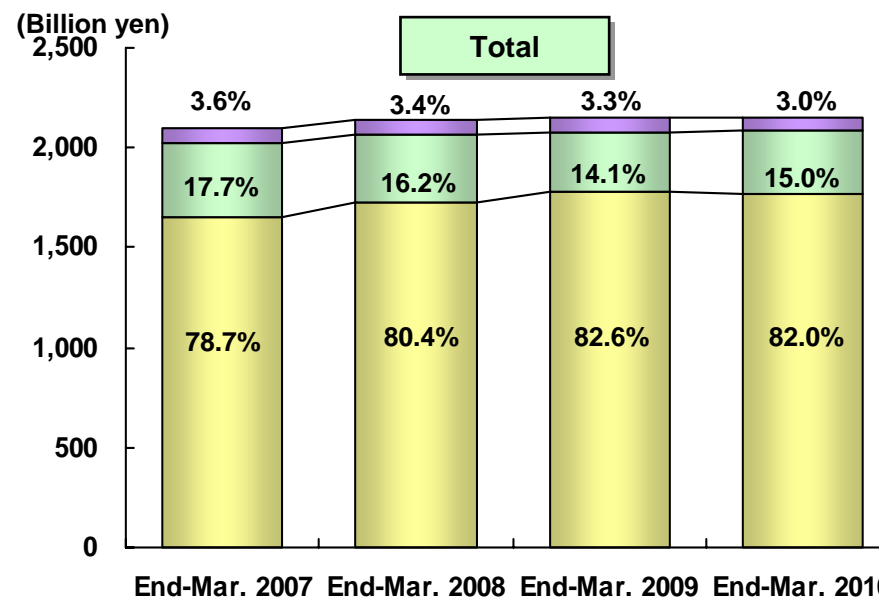
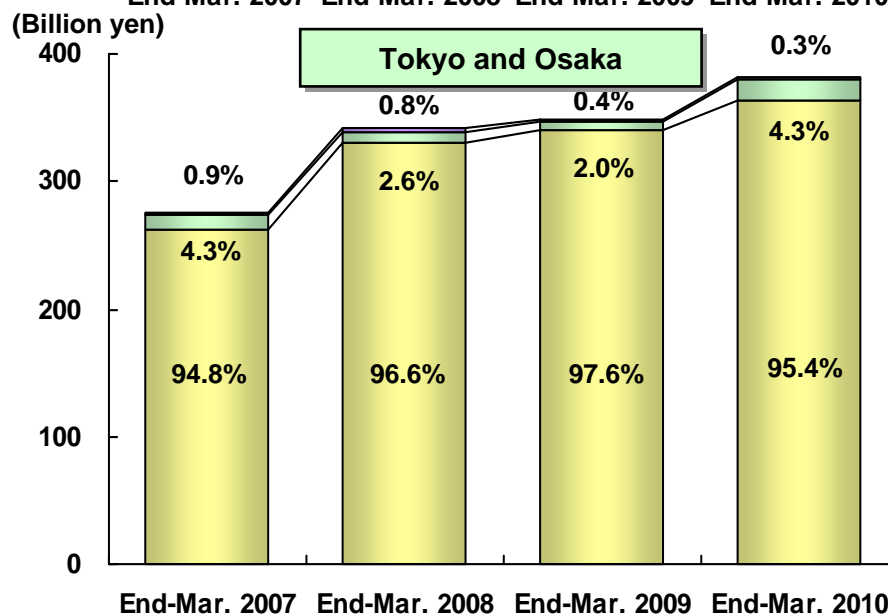
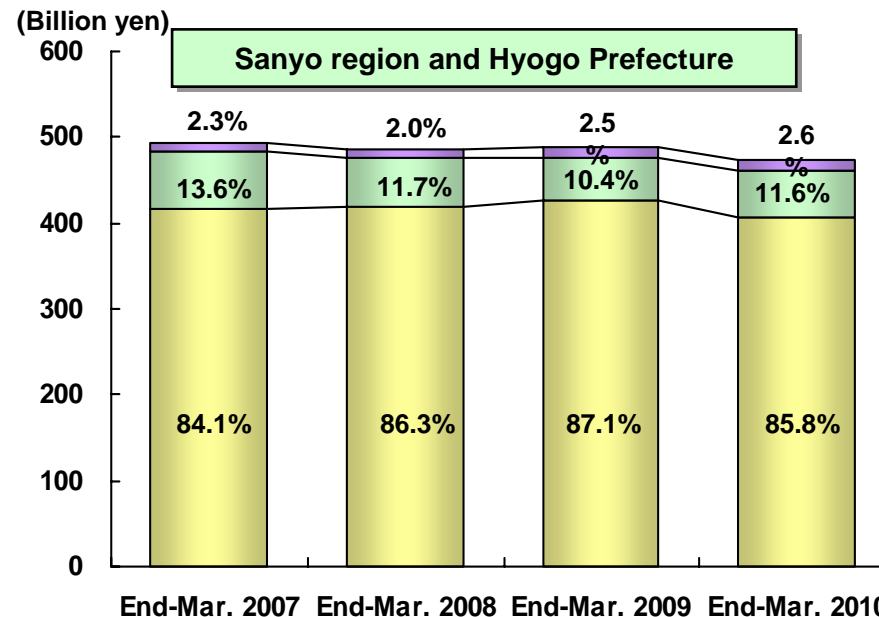
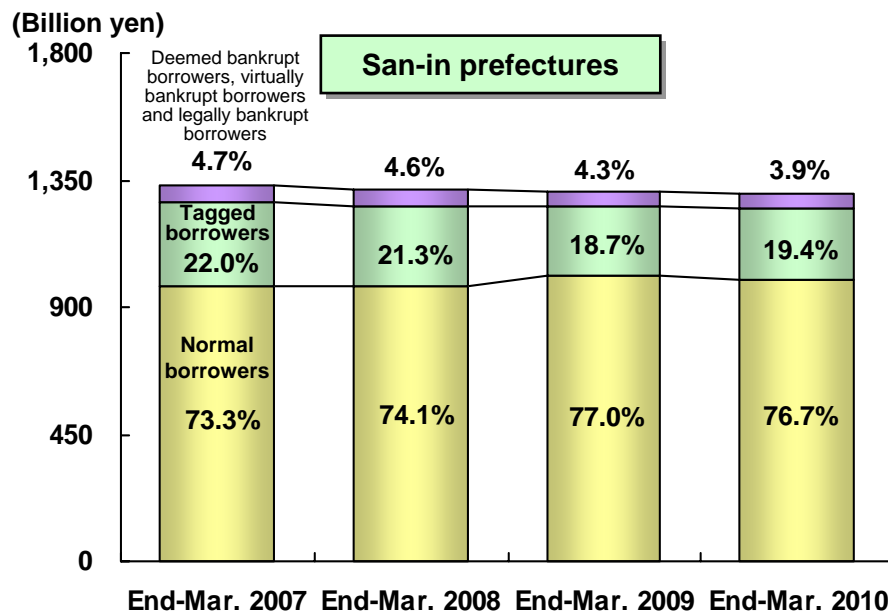
Balance of loans and bills discounted as of end of March 2010: 2,153.7 billion yen

Balance of loans and bills discounted by prefecture

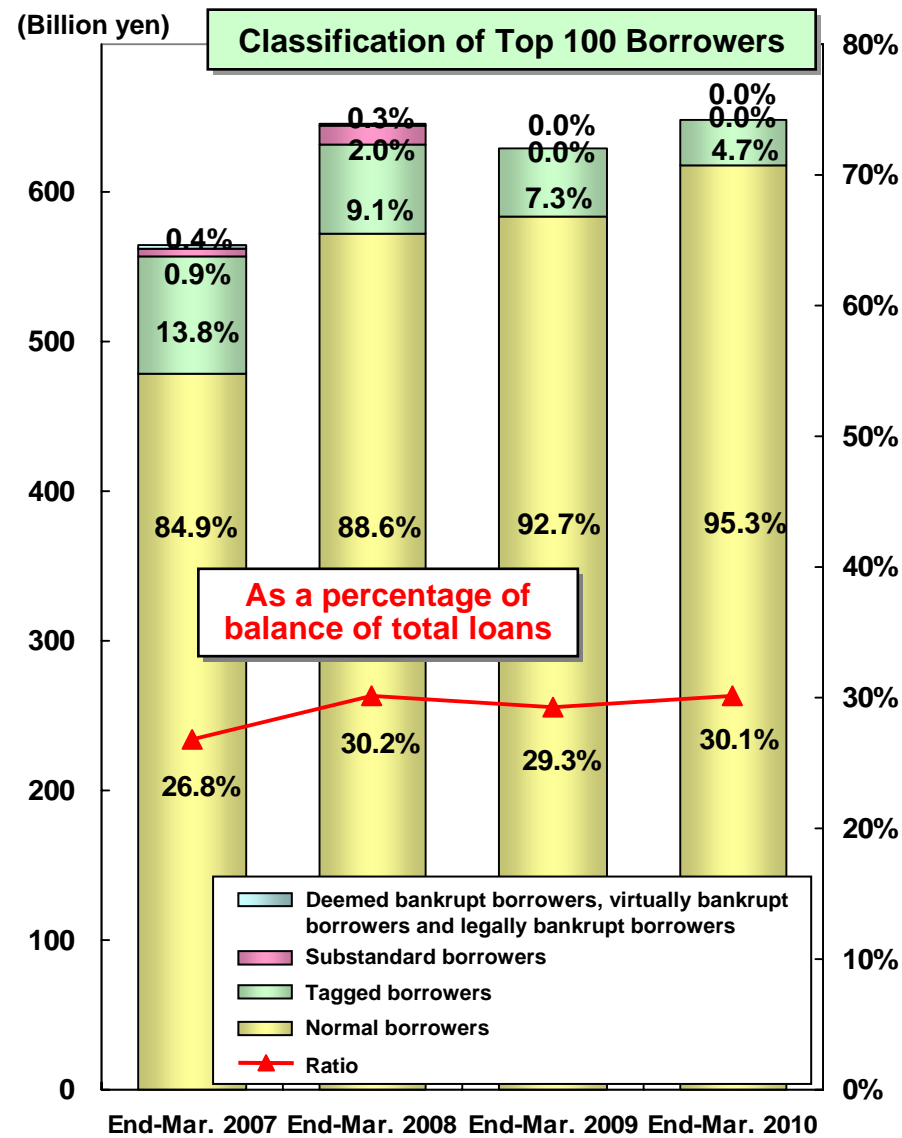
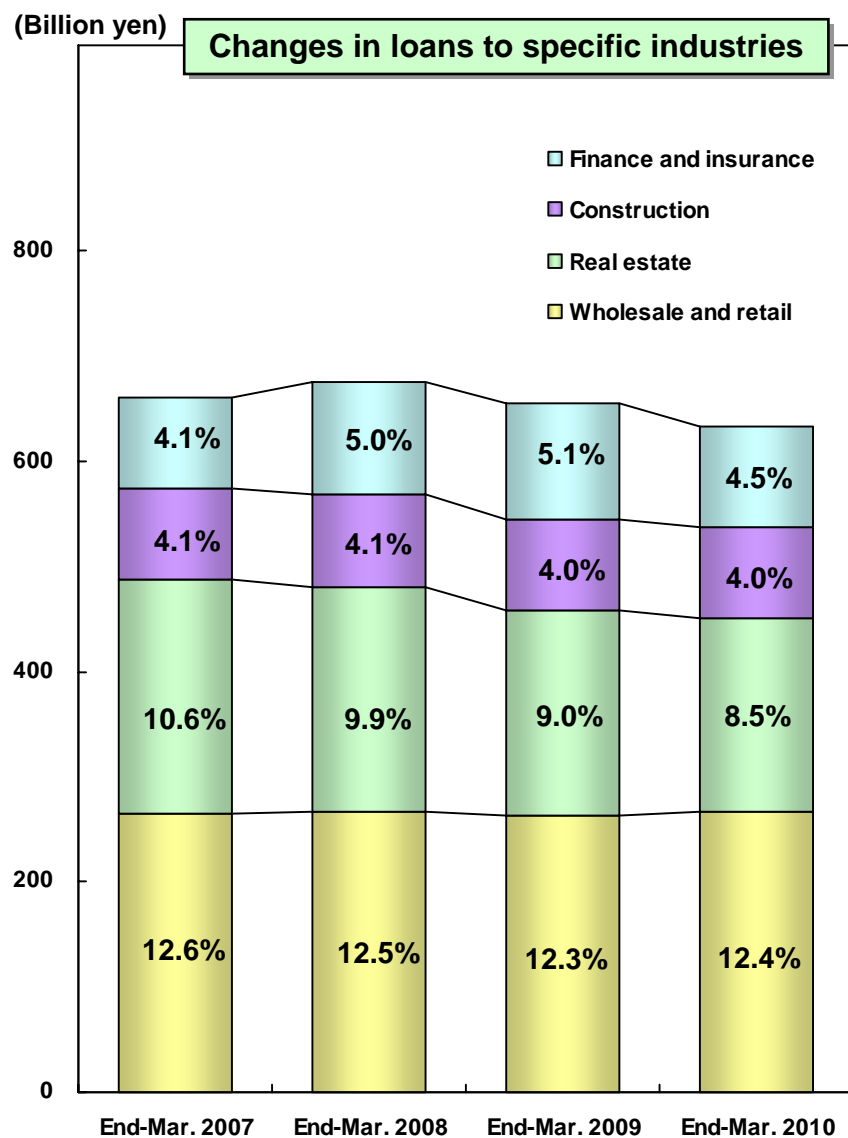
- Corporations
- Individuals
- Local authorities
- Financial institutions



Ref. 9 Status of Loan Portfolio by Borrower Category (by Region)



Ref. 10 Concentration of Loans in Specific Industries



* As a percentage of balance of total loans

Ref. 11 Bad Debt Disposals by Region and Industry

Bad Debt Disposals by Region

(Billion yen)

Region	FY2005	FY2006	FY2007	FY2008	FY2009
San-in prefectures	9.4	13.5	7.0	2.8	2.2
Sanyo region and Hyogo prefecture	1.6	3.8	2.5	4.6	1.7
Tokyo and Osaka	0.1	0.3	0.1	(0.6)	0.0
Bad debt disposals - Total	11.2	17.8	9.6	6.8	3.9

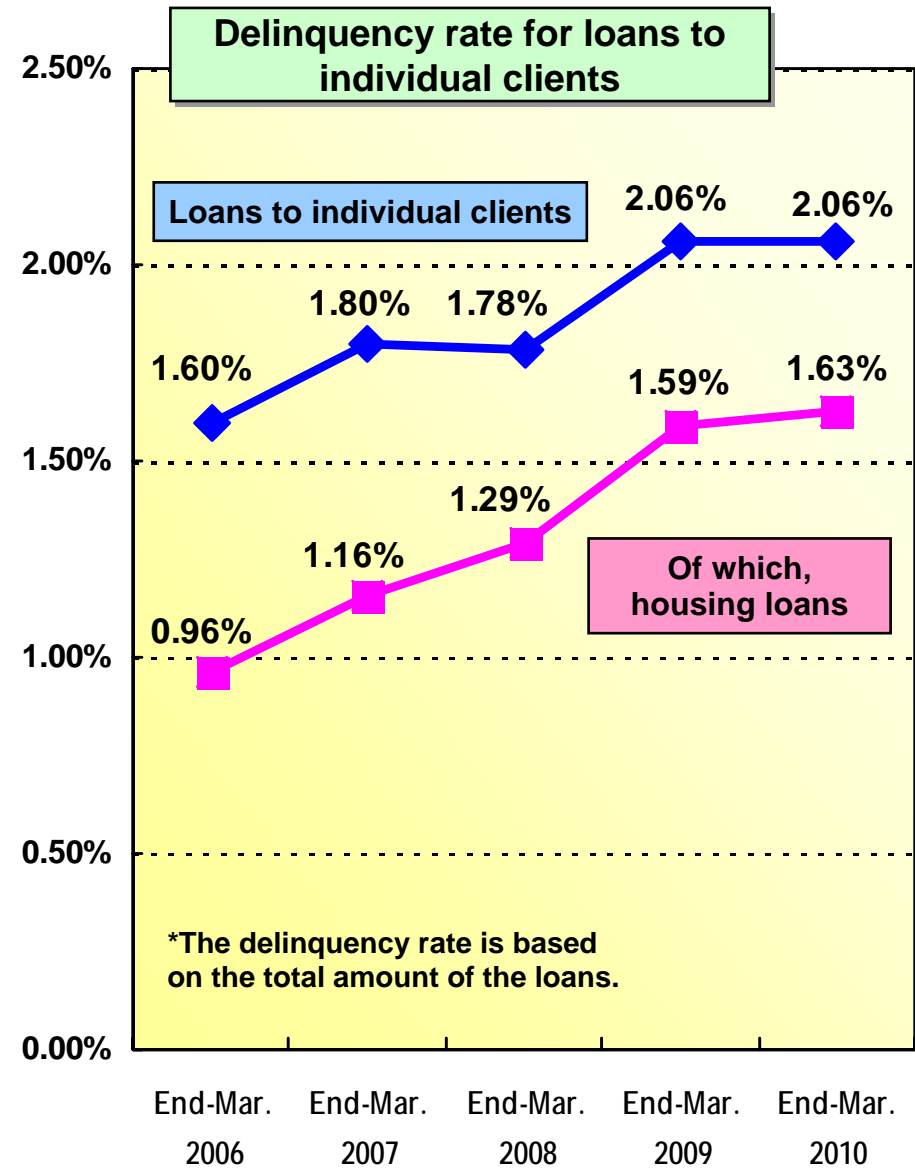
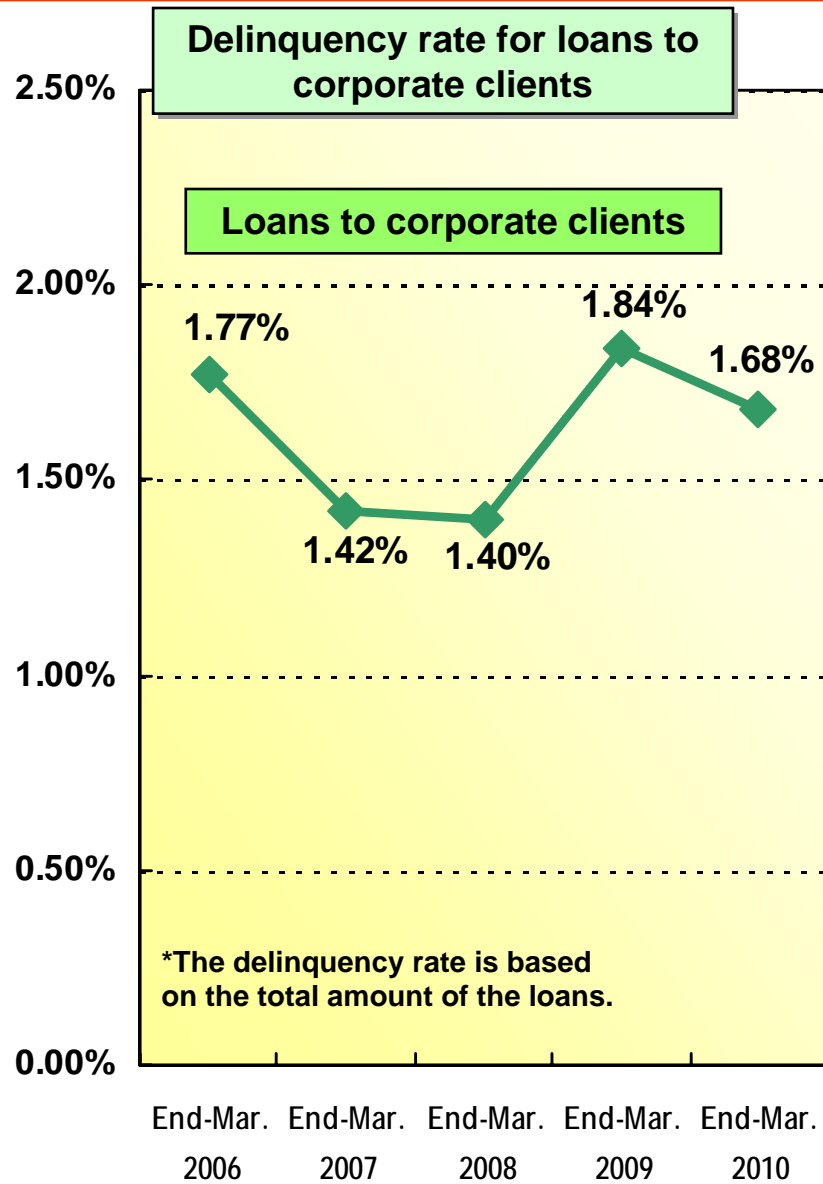
Bad Debt Disposals by Industry

(Billion yen)

Industry	FY2005	FY2006	FY2007	FY2008	FY2009
Manufacturing	0.8	1.9	4.0	0.9	1.2
Fishery	2.1	0.0	0.0	0.5	0.2
Construction	1.4	1.0	1.7	1.7	0.1
Wholesale, Retail	0.2	5.5	1.7	0.7	(0.5)
Finance, Insurance	0.4	0.2	(0.0)	0.3	1.3
Real estate, Rental	1.7	1.4	0.4	1.4	0.1
Services	4.1	6.8	1.2	0.1	0.7
Others	0.3	0.6	0.5	0.9	0.5
Bad debt disposals - Total	11.2	17.8	9.6	6.8	3.9

*Disposals related to the Joint Responsibility System are excluded from the above tables.

Ref. 12 Changes in Delinquency Rate for Loans



Changes in yields on loans and bills discounted by region and market

(%)

	San-in prefectures				Sanyo region and Hyogo				Tokyo and Osaka				Market average			
	FY2006	FY2007	FY2008	FY2009	FY2006	FY2007	FY2008	FY2009	FY2006	FY2007	FY2008	FY2009	FY2006	FY2007	FY2008	FY2009
Corporations	2.32	2.52	2.46	2.24	1.88	2.02	1.90	1.66	1.06	1.31	1.23	1.06	2.04	2.21	2.09	1.86
Individuals	2.87	2.94	2.96	2.87	2.37	2.34	2.39	2.50	3.41	3.60	3.62	3.52	2.74	2.78	2.82	2.78
Local authorities	1.46	1.49	1.53	1.53	1.14	1.38	1.57	1.56	-	-	-	-	1.46	1.49	1.53	1.53
Finance and insurance	1.78	2.03	2.07	1.90	1.44	1.64	1.45	0.94	0.76	1.10	1.16	1.08	0.96	1.25	1.32	1.21
Regional average	2.31	2.44	2.40	2.25	1.99	2.10	2.02	1.85	0.93	1.22	1.21	1.08	2.07	2.20	2.12	1.97

* Aggregated interest received in the period / Aggregated balance

Ref. 14 Changes in Borrower Category

(Billion yen)

(Total credit basis)		FY2009							
		Normal borrowers	Tagged borrowers	Substandard borrowers	Deemed bankrupt borrowers	Virtually bankrupt borrowers	Legally bankrupt borrowers	Bulk/Direct write-off	Collection
First Half of FY2009	Normal borrowers 1,778.2	1,720.9	36.1	0.8	0.7	0.5	0.4	-	18.5
	Tagged borrowers 304.2	9.1	277.1	9.5	4.1	1.8	0.0	0.0	2.3
	Substandard borrowers 4.5	-	2.5	1.9	0.0	-	-	-	-
	Deemed bankrupt borrowers 33.3	0.1	2.4	-	25.7	4.2	0.3	-	0.3
	Virtually bankrupt borrowers 21.1	0.0	0.1	0.0	0.1	17.4	2.0	0.3	0.7
	Legally bankrupt borrowers 14.5	-	-	-	-	-	12.3	1.8	0.2
	Total 2,156.0	1,730.2	318.4	12.4	30.7	24.1	15.3	2.2	22.3

Ref. 15 Securities Portfolio

Balance of securities by remaining period (End-Mar. 2010)

(Million yen)	1 year or less	1 to 3 years	3 to 5 years	5 to 7 years	7 to 10 years	Over 10 years	Period not defined	Total
Government bonds	10,123	57,797	263,127	79,131	514,313	32,433	-	956,926
Municipal bonds	20,883	35,558	39,612	23,945	53,233	-	-	173,232
Corporate bonds	3,976	11,552	9,919	7,259	35,135	22,413	-	90,257
Stocks	-	-	-	-	-	-	56,630	56,630
Other securities	77	4,896	1,105	3,740	34,790	10,612	6,088	61,312
Total	35,061	109,804	313,764	114,077	637,473	65,459	62,718	1,338,359

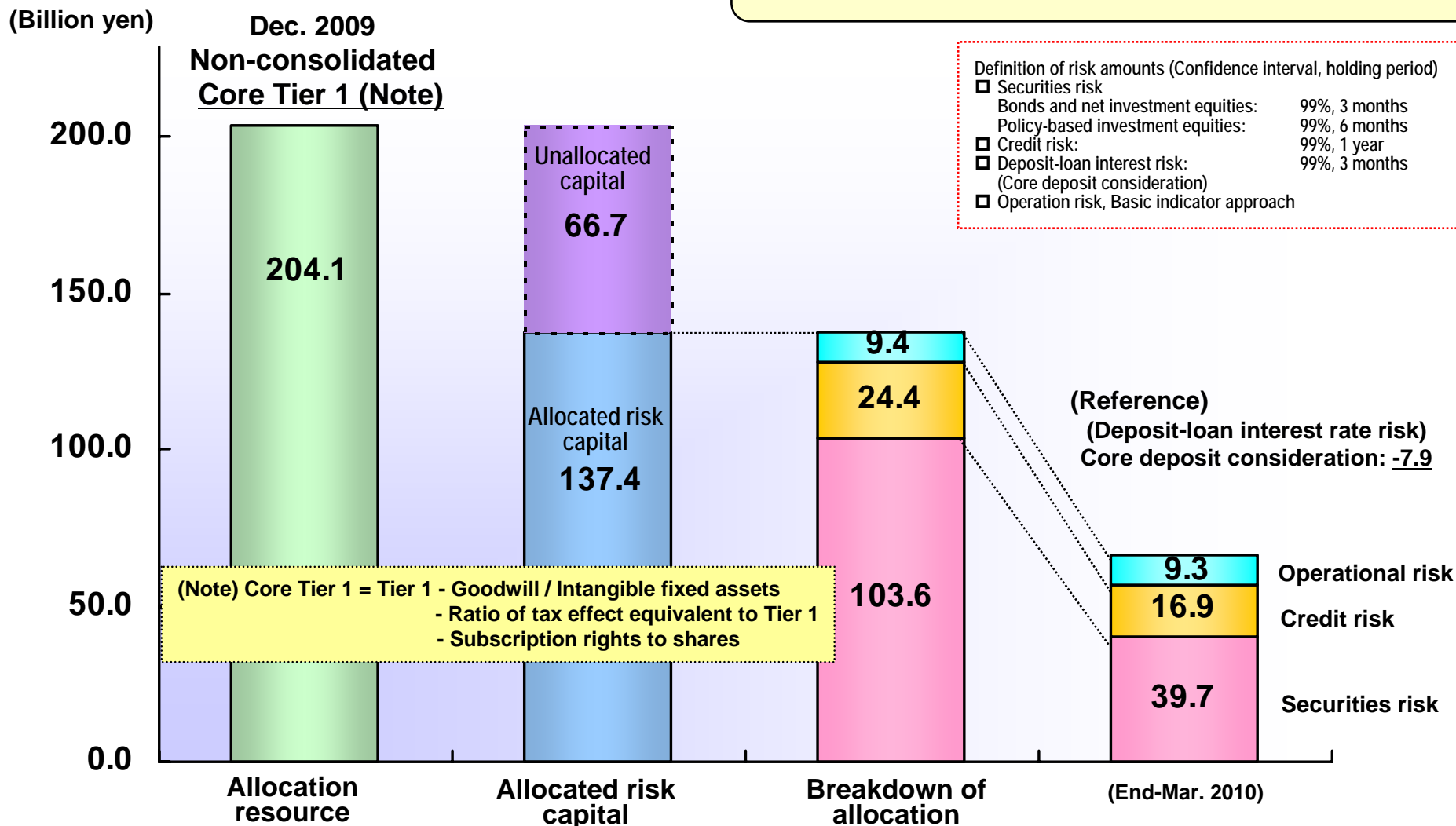
Changes in Performance

	FY2005	FY2006	FY2007	FY2008	FY2009
Yields on securities	1.89%	1.98%	1.93%	1.69%	1.57%
Investment deposit ratio (Average balance basis)	37.88%	40.06%	42.28%	40.48%	40.11%
Duration of yen-denominated bonds	5.75 years	5.72 years	5.54 years	5.70 years	5.63 years
Gains (losses) on securities*	25.3 billion yen	24.6 billion yen	31.0 billion yen	16.8 billion yen	20.3 billion yen

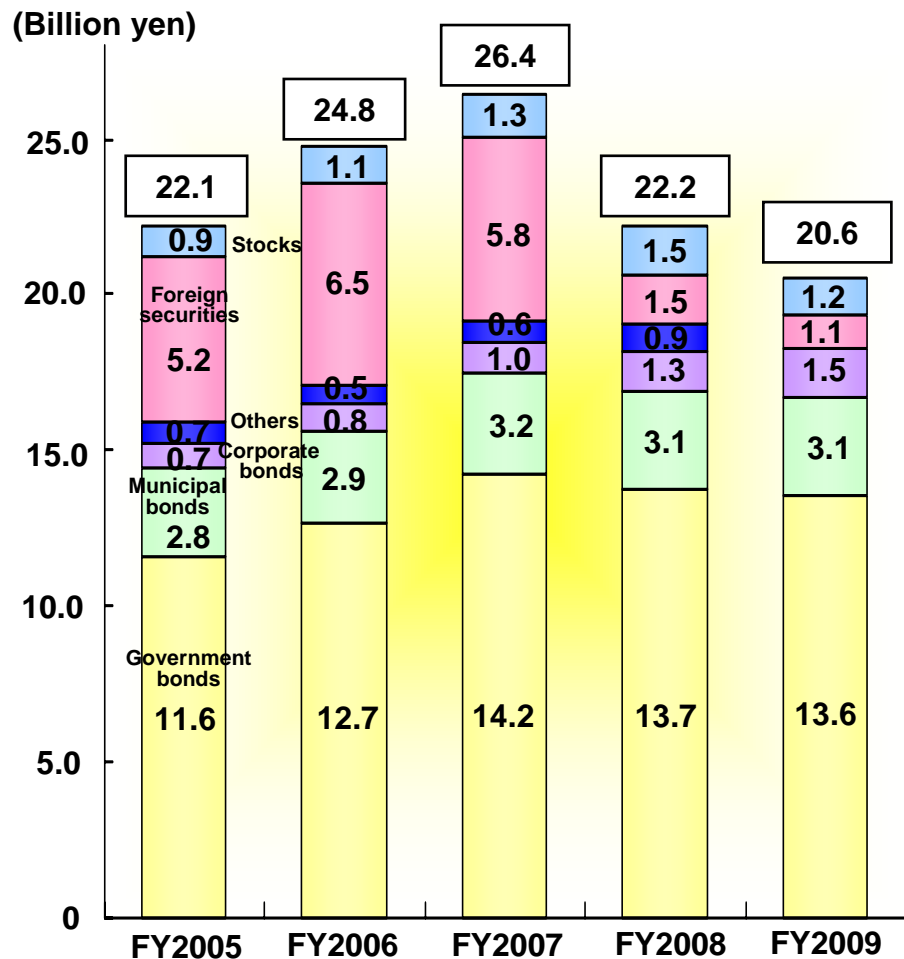
* Including interest and dividends on securities

Capital allocation for the first half of FY2010

- ◆ More conservative approach to allocated resources in anticipation of Basel III
- ◆ Making strategic use of capital while maintaining sound financial base



Breakdown of interest and dividends on securities

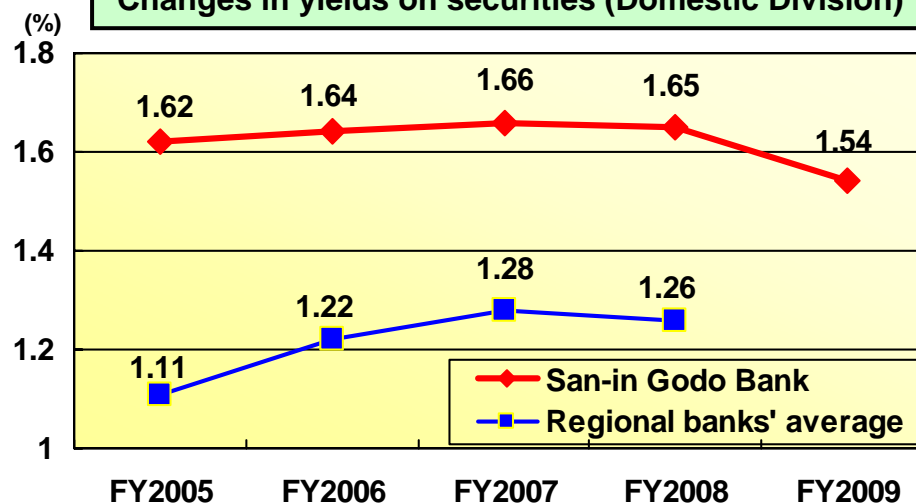


*Excludes interest on trading securities.

Changes in yields on securities

	FY2005	FY2006	FY2007	FY2008	FY2009
Government bonds	1.51%	1.55%	1.55%	1.51%	1.46%
Municipal bonds	1.78%	1.73%	1.73%	1.70%	1.69%
Corporate bonds	1.38%	1.62%	1.66%	1.70%	1.72%
Stocks	2.08%	2.22%	2.38%	2.26%	2.21%
Foreign securities	4.10%	4.71%	4.65%	2.65%	2.33%
Other securities	5.25%	3.35%	4.56%	7.43%	0.15%
Total	1.89%	1.98%	1.93%	1.69%	1.57%

Changes in yields on securities (Domestic Division)



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Part II Prospects for Business Results in FY2010

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21. Business Matching in Food Business
22. Partnerships with External Network
23. Comprehensive Cooperation Agreement with Ota City Industrial Promotion Organization (April 2010)
24. Dalian -Joint Business Negotiation Meeting with Regional Banks

Reference Material

26. Ref. 1 Major Statistics for Shimane and Tottori Prefectures
 27. Ref. 2 Economic Environment in Shimane and Tottori Prefectures
 28. Ref. 3 Changes in Population and Household Income
 29. Ref. 4 Employment Conditions among Women and the Elderly
 30. Ref. 5 Direction of Economy (1)
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 33. Ref. 8 Branch Network and Summary of Loan Portfolio by Prefecture
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