Investor Relations Meeting

Presentation material

The San-in Godo Bank, Ltd.

June 2011

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1-1. Impact of the Earthquake on the Local Economy

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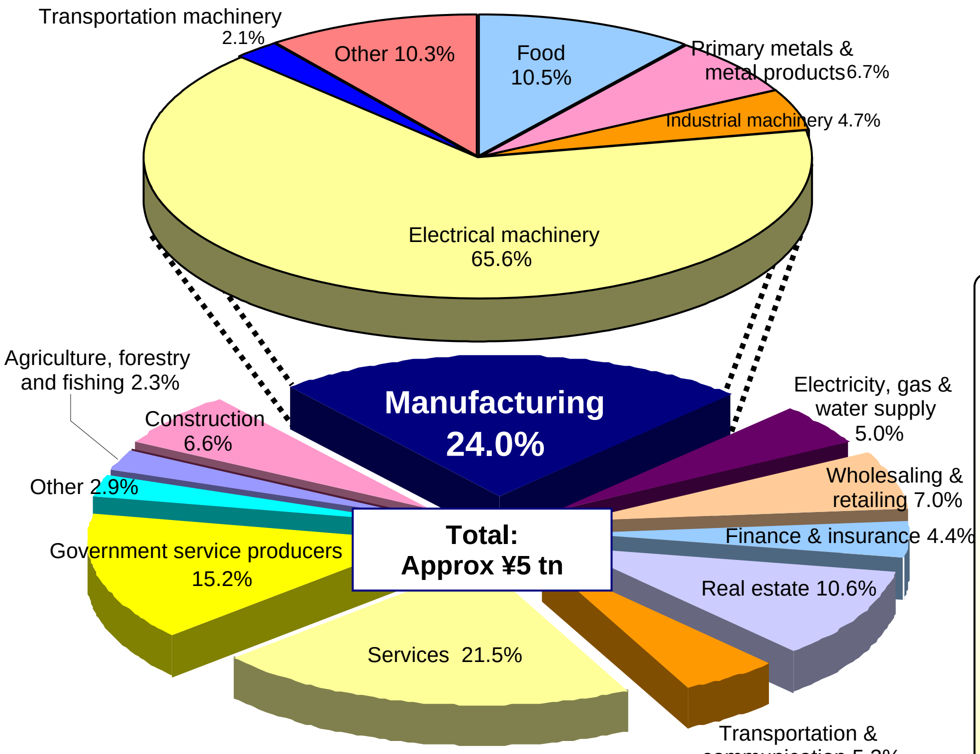
Gross production in Shimane and Tottori Prefectures by industry



Source: Cabinet Office FY2007 Report on Prefectural Accounts

Outlook for gross production in Shimane and Tottori Prefectures (real, YoY)

* San-in Economics & Management Institute forecasts

			Forecast			
FY	2007	2008	2009	2010	2011	2012
Pre-earthquake	0.0	(4.7)	(2.1)	1.3	0.8	1.8
Post-earthquake	**0.0**	**(4.7)**	**(2.1)**	**1.2**	**(0.1)**	**2.7**
Difference				(0.1)	(1.0)	0.9

(Units: %, ppt)

Recovery forecast for 2012

The Bank's response to customers

Most industries in Shimane and Tottori Prefectures affected

- Difficulties in procuring materials and parts resulted in many delays in production and completion times
- Continuing heavy winter snowfalls resulted in many cancellations in the lodging and restaurant industries
- It became impossible to export food because of rumors and speculation arising from the nuclear disaster — and many other events

Provides proactive, positive support for customers as a leading bank in Shimane and Tottori Prefectures

Financial support resulting from the earthquake (actual results, all branches, as of April 2011)

No. of applications	New transactions		Changed conditions	
103	38 cases	Approx. 1.1 billion yen	14 cases	Approx. 0.8 billion yen

Looking ahead, new transactions worth around 1.5 billion yen with 42 customers and transactions involving condition changes worth 0.8 billion yen with 13 customers are expected. (Includes some duplication of customers)

Concern that this will increase with time

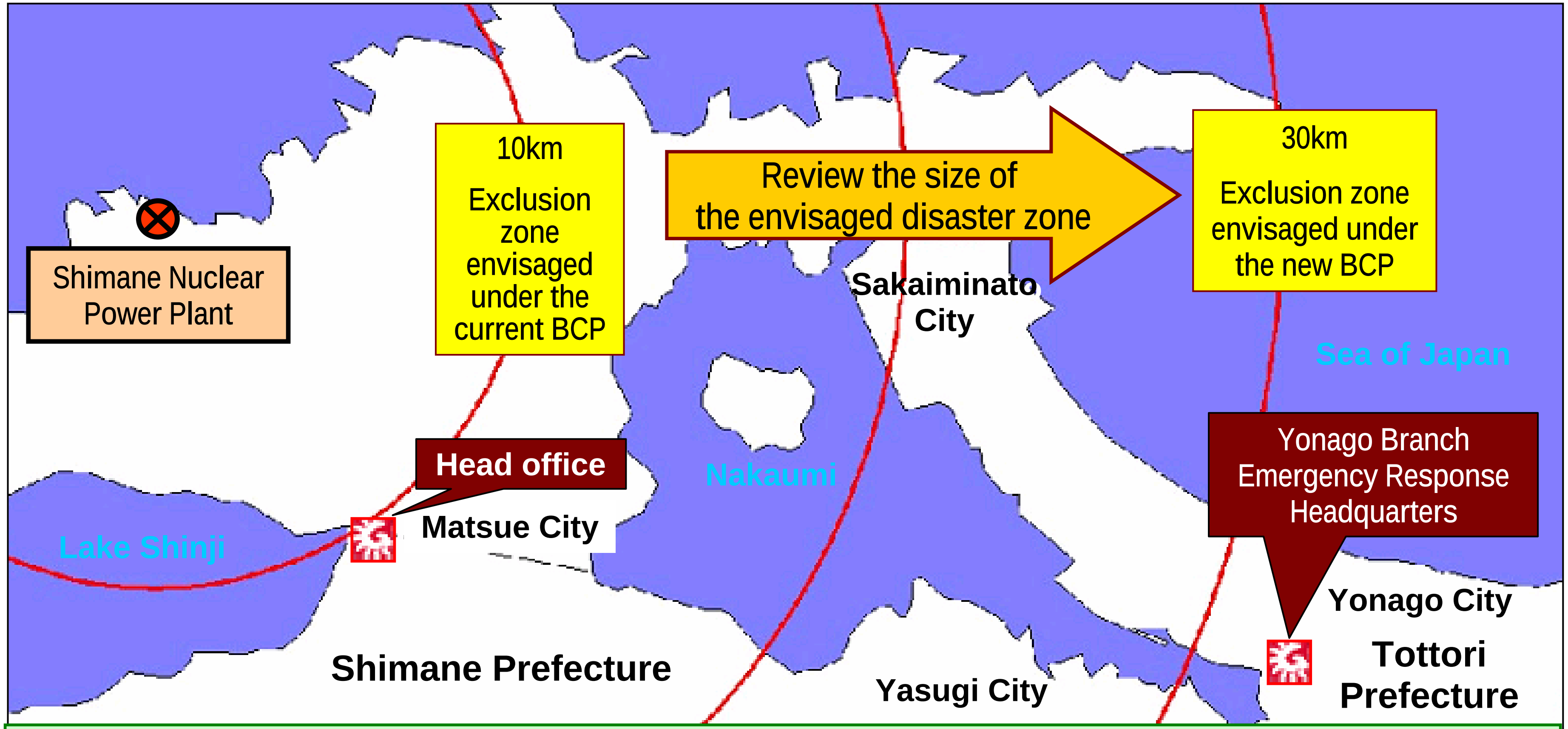
The bank will exert all its strength to provide full-scale support

- **Proactive efforts to identify customers' issues, and provide appropriate support**
- **Ensure smooth supply of funds based on positive attitude towards risk-taking, and facilitate cash flow by responding flexibly to changes in conditions**
- **Use the bank's networks to introduce suppliers and sales routes**
- **Stimulate consumption demand through card strategies**

. . .

1-2. Review Bank's Business Continuity Plan

Review business continuity plan (BCP)



<Expand the envisaged disaster zone from 10km to 30km>

⇒ The envisaged disaster zone expands to encompass a maximum of 46 branches, including the head office and operations center (originally 12)

⇒ An Emergency Response Headquarters will be set up at the Yonago Branch (outside the 30km zone)

*** Backbone systems shared between two banks in Okayama, and a backup system has been established in Yokohama**

*** Plans for commuting systems and resource transportation systems at the backup centers are to be streamlined going forward.**

2-1. Changes in Figures (1)

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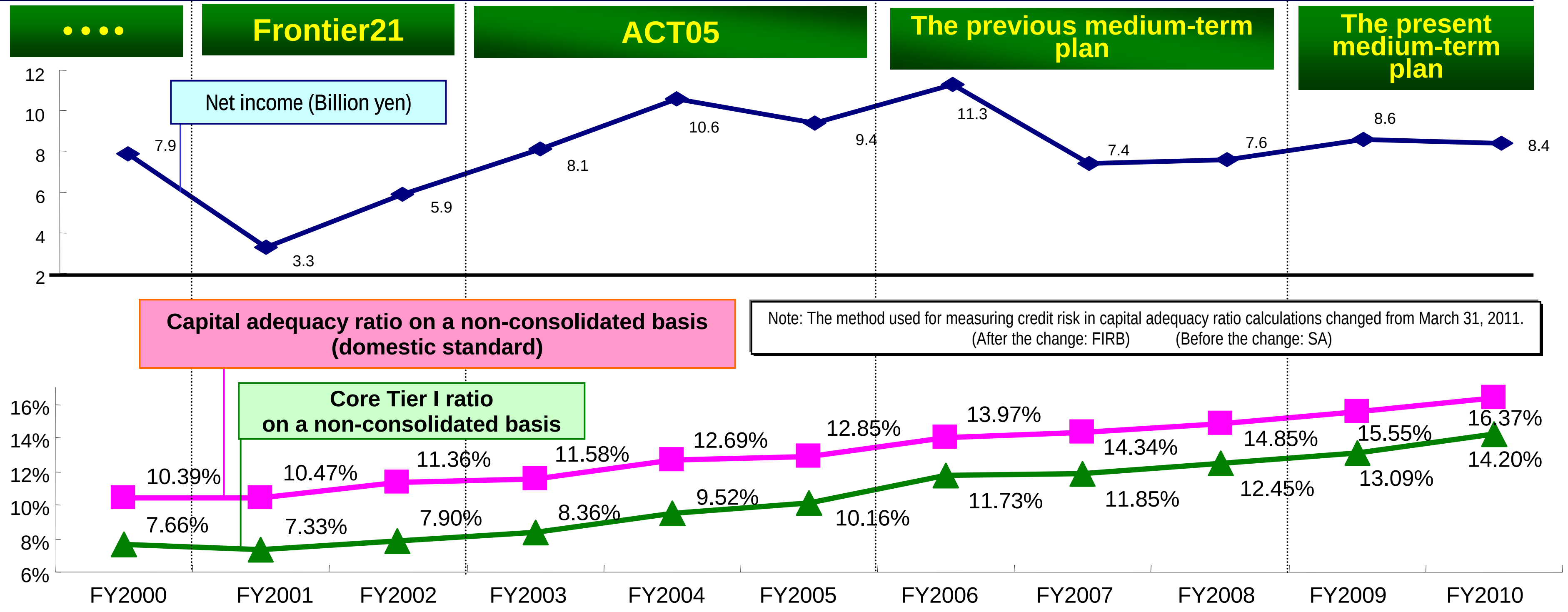
1. Changes in figures in the past 11 years



2. Changes in net income (average of every 10 years)

Net income (average of every 10 years)	(Billion yen)
FY1981 ～ FY1990	4.3
FY1991 ～ FY2000	5.1
FY2001 ～ FY2010	8.0

2-2. Changes in Figures (2)

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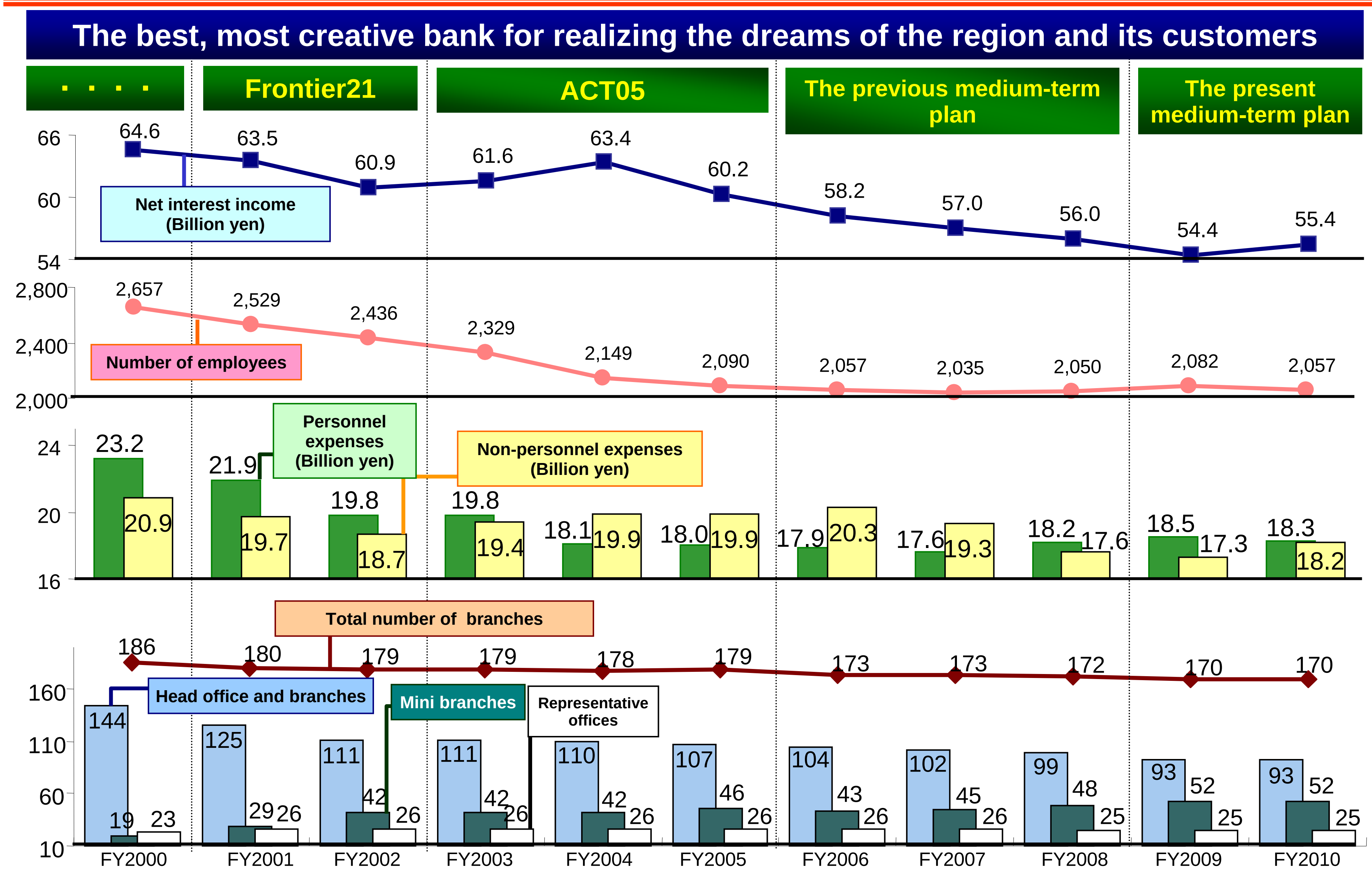

3-1. Summary of Earnings for FY2010

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(Billion yen)	FY2008	FY2009	FY2010	Change over FY2009 results
Gross core banking profit	61.6	59.3	60.0	0.7
Interest income	56.0	54.4	55.4	1.0
Fees and commissions	5.2	4.5	4.8	0.2
Expenses	37.6	37.6	38.4	0.7
Net core banking profit	24.0	21.6	21.6	(0.0)
Gains (losses) on securities	(5.3)	(0.2)	2.2	2.4
Gains (losses) on bonds	7.1	0.3	3.8	3.4
Gains (losses) on stocks	(12.5)	(0.6)	(1.6)	(0.9)
Credit costs	5.5	5.4	8.6	3.2
Net income	7.6	8.6	8.4	(0.1)

Net interest income and net fee and commissions income increased.
Improved net gains related to bonds absorbed increase in credit costs.
Net income almost flat compared with the previous year.

Credit card interest income: 0.5 billion yen
Interest and dividends on securities: 0.3 billion yen

Commissions from sales of annuity insurance: 0.1 billion yen
Issuance of credit cards: 0.5 billion yen
Operation of ATMs at convenience stores: (0.4) billion yen

Personnel expenses: (0.1) billion yen
Non-personnel expenses: 0.8 billion yen

Option gains/losses related to buy/write operations (0.6) billion yen

Transferred 5.0 billion yen to the specific reserve for possible loan losses following the collapse of the Hayashibara Group

4-1. Prospects for FY2011 Earnings

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(Billion yen)	FY2010 (Results)	FY2011 (Estimates)	Change over FY2010 results
Gross core banking profit	60.0	62.1	2.0
Interest income	55.4	56.2	0.7
Fees and commissions	4.8	5.4	0.6
Expenses	38.4	38.6	0.2
Net core banking profit	21.6	23.4	1.8
Gains (losses) on securities	2.2	0.0	(2.2)
Credit costs	8.6	7.0	(1.6)
Net income	8.4	9.1	0.6

Comparison with medium-term management plan

	Estimates (FY2011)	Medium-term target (FY2011)
Balance of deposits	¥3,355.2 billion	¥3,340.0 billion
Average balance of individual deposits	¥2,161.6 billion	¥2,200.0 billion
Average balance of loans	¥2,185.0 billion	¥2,170.0 billion
Net core banking profit	¥23.4 billion	¥26.5 billion
Net income	¥9.1 billion	¥9.0 billion
OHR	62.26%	Less than 60%
Ratio of fee income (Coupon swap included)	15.36%	More than 19%
Ratio of NPL	2.99%	Less than 3.0%
Capital adequacy ratio	16.49%	More than 15%
Number of employees at year-end	2,022	Approx. 1,950

5-1. Changes in Credit Costs and Coverage Ratios

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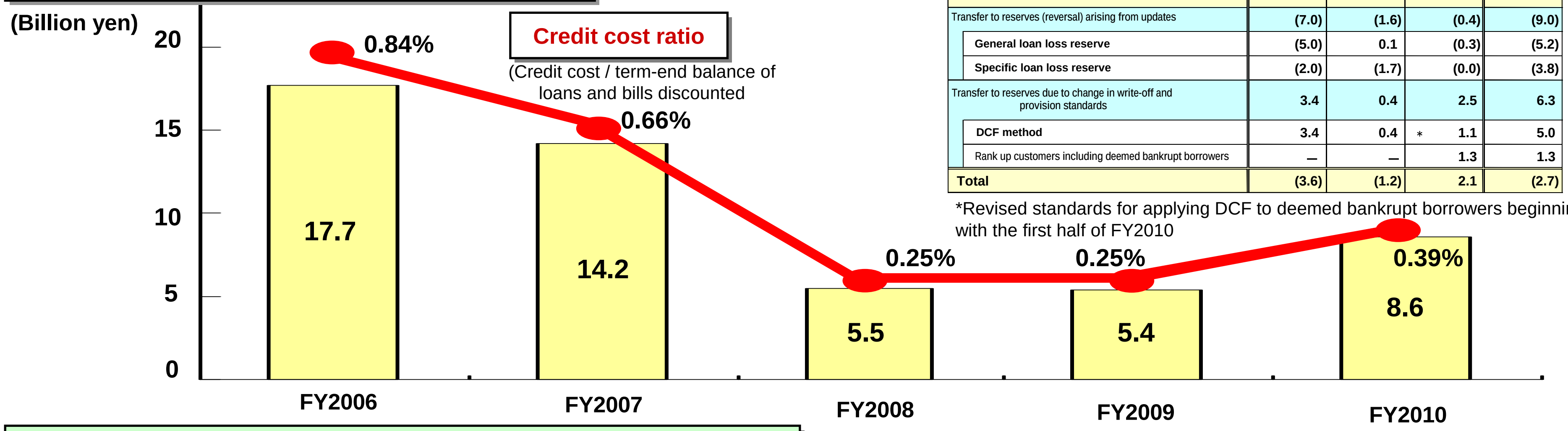
Changes in credit costs and credit cost ratio



■ Impact of highly feasible drastic restructuring plan and revision of write-off and provision standards on credit costs

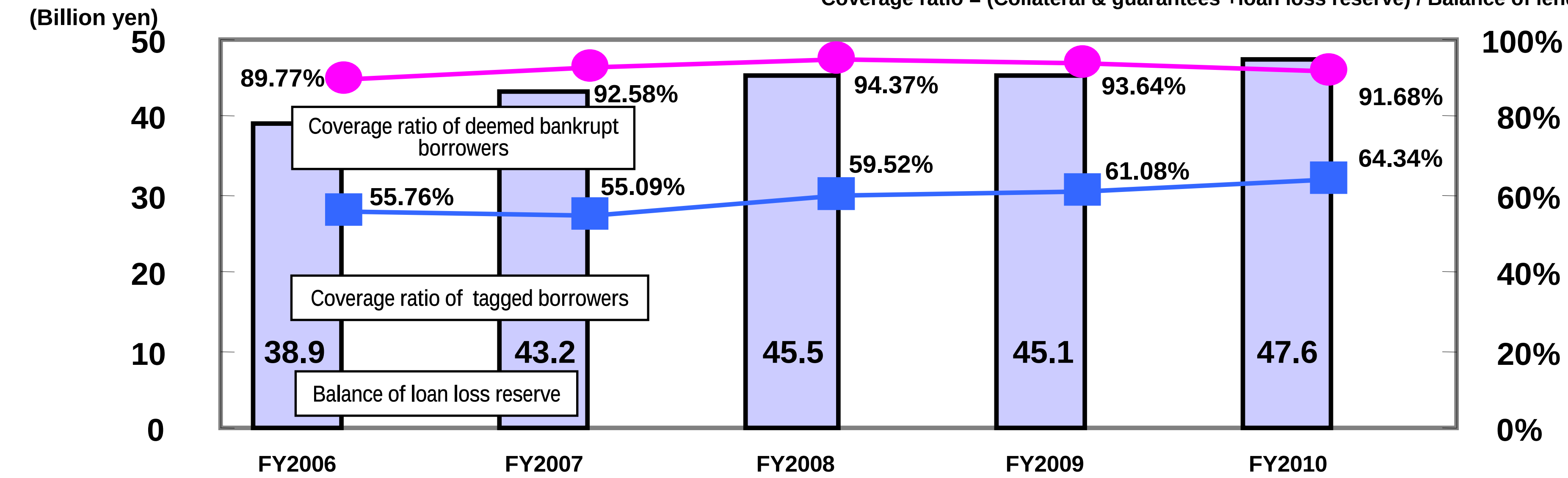
(Billion yen)

	FY2008	FY2009	FY2010	Total
Transfer to reserves (reversal) arising from updates	(7.0)	(1.6)	(0.4)	(9.0)
General loan loss reserve	(5.0)	0.1	(0.3)	(5.2)
Specific loan loss reserve	(2.0)	(1.7)	(0.0)	(3.8)
Transfer to reserves due to change in write-off and provision standards	3.4	0.4	2.5	6.3
DCF method	3.4	0.4	* 1.1	5.0
Rank up customers including deemed bankrupt borrowers	–	–	1.3	1.3
Total	(3.6)	(1.2)	2.1	(2.7)

*Revised standards for applying DCF to deemed bankrupt borrowers beginning with the first half of FY2010

Changes in balance of loan loss reserve and coverage ratio

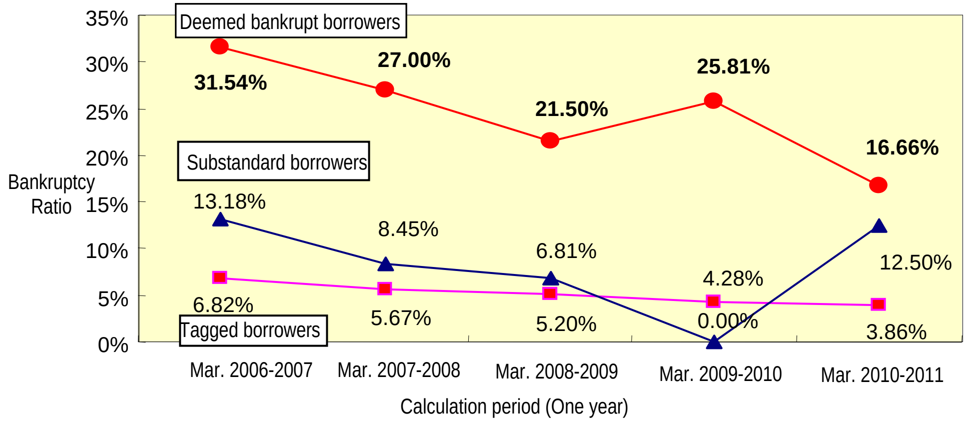
*Coverage ratio = (Collateral & guarantees +loan loss reserve) / Balance of lending



5-2. Changes in the Reserve Ratio for Deemed Bankrupt Borrowers

Bankruptcy probability by borrower category

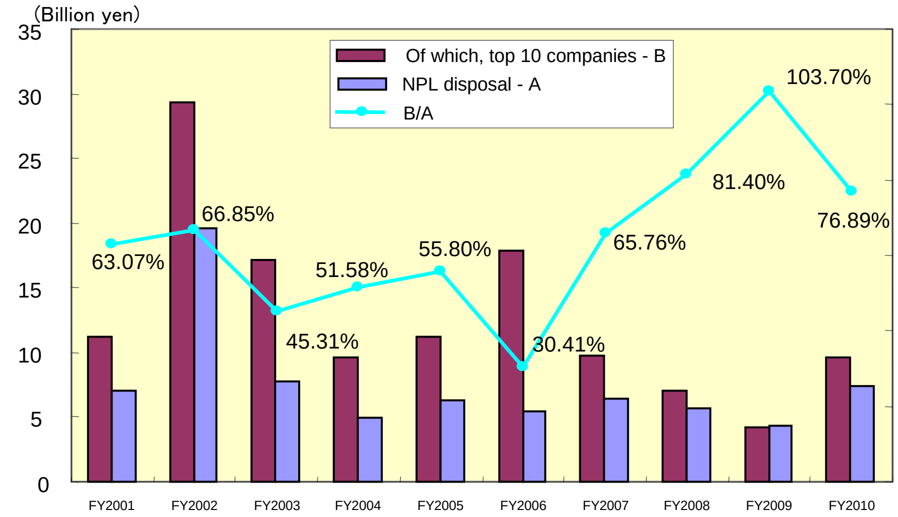
--Deemed bankrupt borrowers more likely to go bankrupt than tagged and substandard borrowers.



* For calculating bankruptcy ratios of tagged borrowers and substandard borrowers, "bankruptcy ratio of deemed bankrupt borrowers" at the end of fiscal year is used. Therefore, bankruptcy ratio of prior years are recalculated every fiscal year.

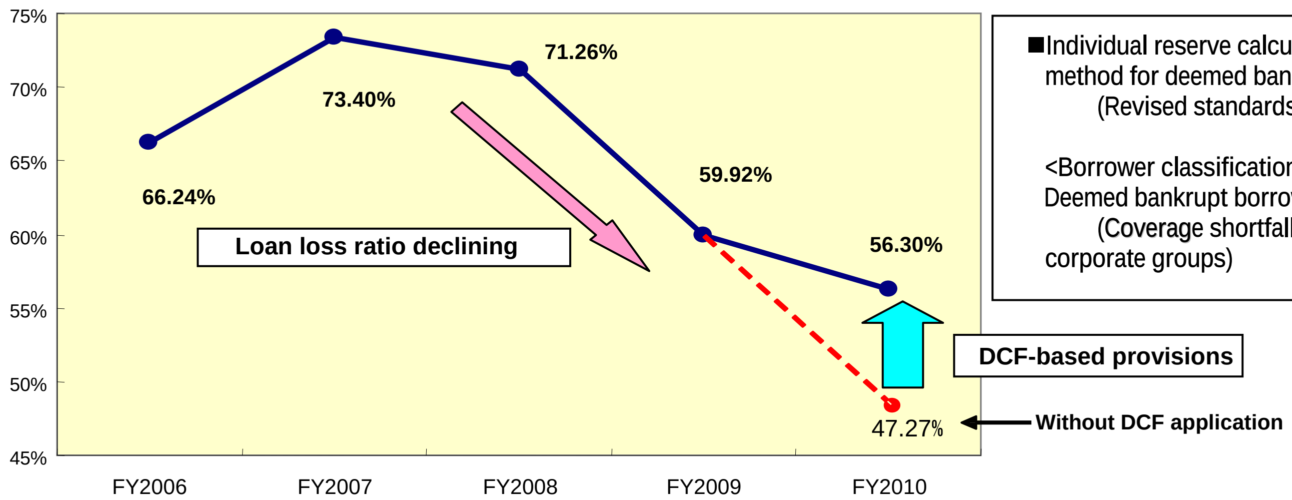
Resolution of large loans (NPL disposals: top 10 companies)

--NPL disposal amount determined by large loan disposals



Reserve Ratio for deemed bankrupt borrowers

--Expansion of DCF application scope keeping reserve ratio up



■Individual reserve calculation standards using the discounted cash flow method for deemed bankrupt borrowers
(Revised standards for loan write-offs and provisions, September 30, 2010)

<Borrower classifications, standards for credit amounts, etc.>
Deemed bankrupt borrowers with coverage shortfalls of ¥300 million and over
(Coverage shortfall after aggregation of individual borrowers or corporate groups)

5-3. Control of Large Borrowers (elimination of credit concentration)

Control through Executive Committee, etc.

•Ratings-based credit ceiling (As of March 2011)

	Listed companies, major enterprises	Other
Higher-rated normal borrowers	¥7 - 15 billion	¥4 billion
Lower-rated normal borrowers	¥3 - 6 billion	¥ 3 billion
Tagged borrowers	¥1.5 - 3 billion	¥1.5 - 3 billion

•Policies for transactions with insolvent borrowers

As a general rule, reduce credit to borrowers who exceed the ratings-based credit ceiling.

Treat individual cases that are recognized as excessive more rigorously.

•Loan reviews (monitoring)

Increase frequency of monitoring by the Executive Committee from twice to four times a year.

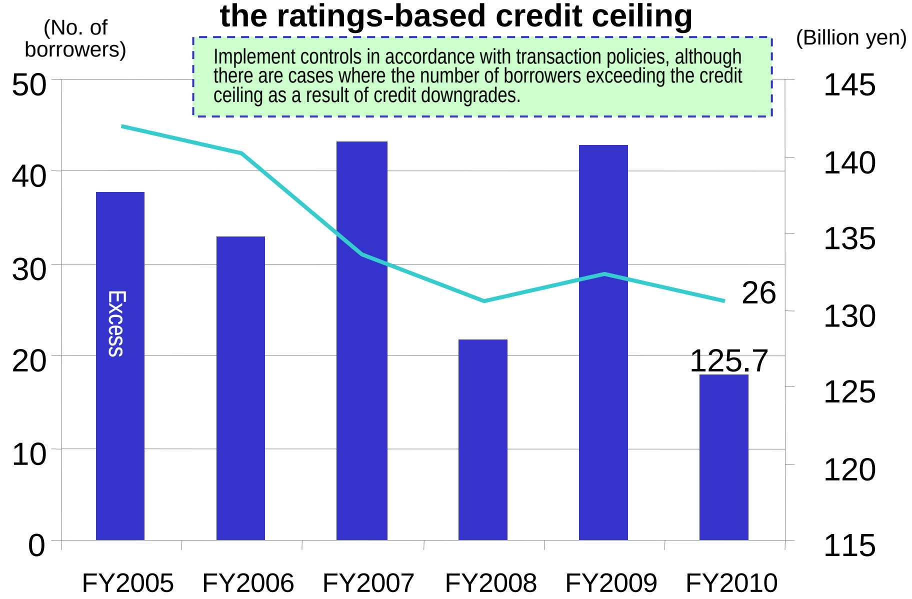
Strengthen mid-term monitoring check system for cash flow, etc.

Distribution of customers (groups) by non-covered amount ranking and rating

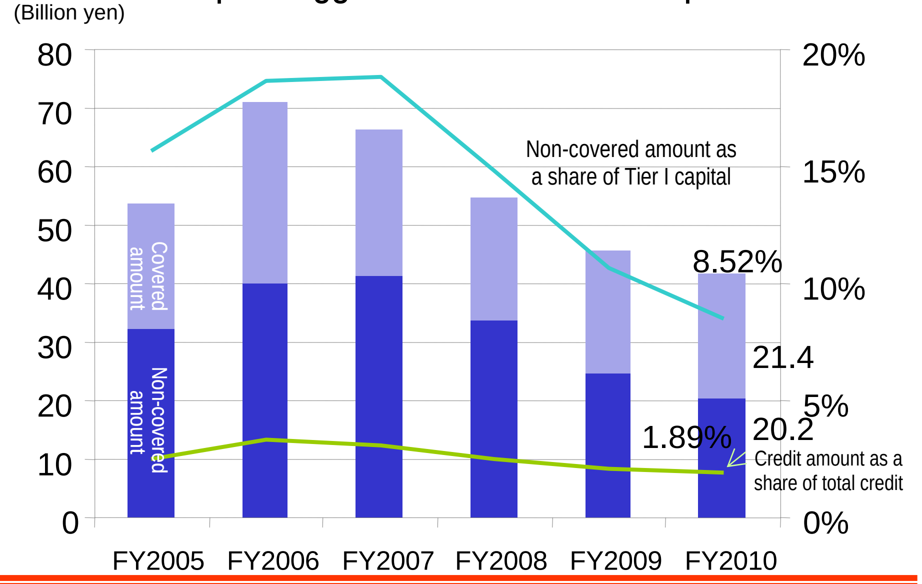
(No. of borrowers as of March 2011)

	Higher-rated normal borrowers	Lower-rated normal borrowers	Tagged borrowers	Substandard borrowers	Deemed bankrupt borrowers
¥10.0 billion or more	10	2	1	-	-
¥5.0 billion or more	22	4	-	-	-
¥3.0 billion or more	20	10	-	-	-
¥1.0 billion or more	69	44	10	-	-
¥0.5 billion or more	58	64	26	-	1
¥0.1 billion or more	224	281	144	14	12

Trends in credit to borrowers who exceed the ratings-based credit ceiling



Trends in top 10 tagged and deemed bankrupt borrowers



* In this section, the non-covered amount refers to the amount not covered by collateral, guarantees or reserves.

5-4. Status of Customers Covered by the Moratorium Act

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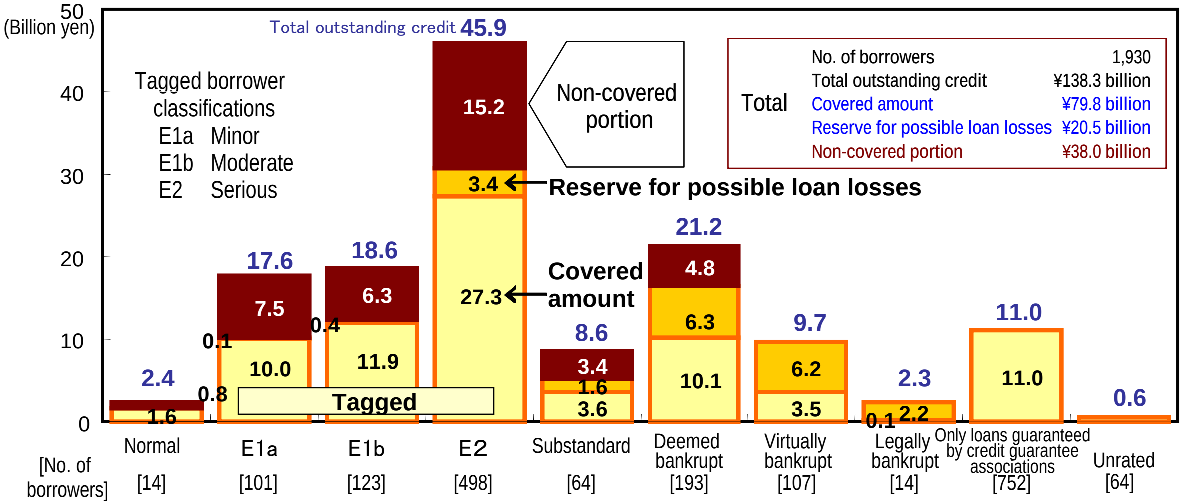
Actual results as of March 31, 2011 for customers covered by the Moratorium Act (Act on Provisional Measures for the Facilitation of Financing to Small and Medium Sized Businesses) and reasons for changes in reserves for possible loan losses



(Billion yen)

Term ended March 2010: Reserve for possible loan losses	17.7
Bankruptcy, composition	0.6
Downgrade on deteriorating performance	1.9
Reasons for downgrade	2.5
Individual calculations	1.7
Other	0.2
Increase factors total	4.5
Recognized under Highly Feasible Drastic Restructuring Plan	(0.5)
Changes in reserve ratio for deemed bankrupt borrowers	(0.8)
Eliminate delinquency	(0.1)
Other	(0.1)
Decrease factors total	(1.6)
Change in balance	2.8
Term ended March 2011: Reserve for possible loan losses	20.5

Priority special attention borrowers (tagged borrowers E2, substandard borrowers) covered the Moratorium Act: Estimated impact on credit costs over the next three years

Classifications and no. of borrowers		Types of borrowers covered by scenarios		Scenarios		No. of borrowers	Total outstanding credit	Actual amount of reserve for possible loan losses (a)	Estimated credit cost (b)	(b)-(a)
Tagged borrowers E2	498	One of the following applies ･Borrower recognized under Highly Feasible Drastic Restructuring Plan ･No change in loan balance over one year ･Have reapplied for change in conditions, etc. (Total 205 borrowers)	Total outstanding credit of ¥100m or more	Individual verification of rating trends over the next three years	Hold	47	15.3	1.7	1.7	-
					Downgrade to substandard	13	5.8	0.5	0.8	0.2
					Downgrade to deemed bankrupt	10	3.3	0.2	0.8	0.5
					Total	70	24.5	2.6	3.4	0.8
			Total outstanding credit of less than ¥100m	Other than the following	Hold	73	2.1	0.0	0.0	-
				Recently de facto insolvent and in deficit	Downgrade to deemed bankrupt	62	2.5	0.0	0.3	0.2
					Total	135	4.7	0.1	0.4	0.2
		Other (Total 293 borrowers)	Not covered by scenarios							
					Total	205	29.3	2.7	3.8	1.1
Substandard borrowers	64	Borrowers expected to draw up Highly Feasible Drastic Restructuring Plan with the involvement of Small and Medium-size Enterprise Revitalization Support Councils		Hold		7	2.6	0.5	0.5	-
		Other borrowers		Downgrade to deemed bankrupt		57	6.0	1.1	1.8	0.7
					Total	64	8.6	1.6	2.3	0.7
					Grand total	269	37.9	4.4	6.2	1.8

(Billion yen)

Mitigate impact on performance

Level that can be absorbed by current profit and loss

6-1. Securities Holdings

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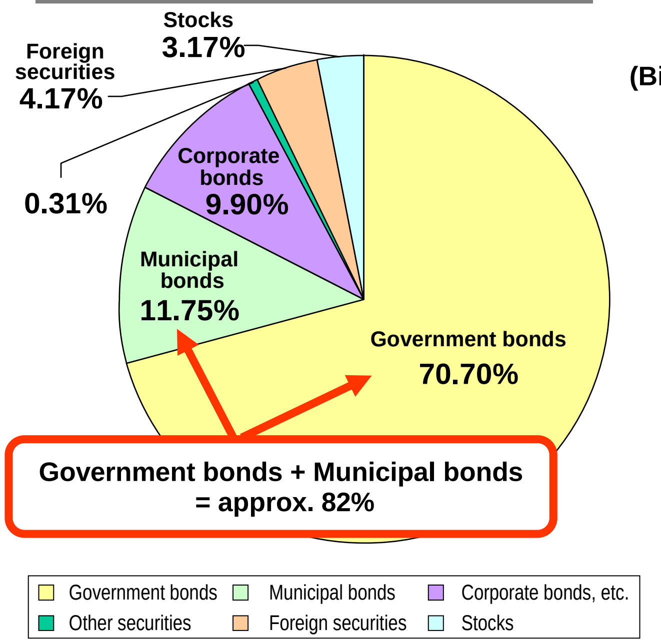
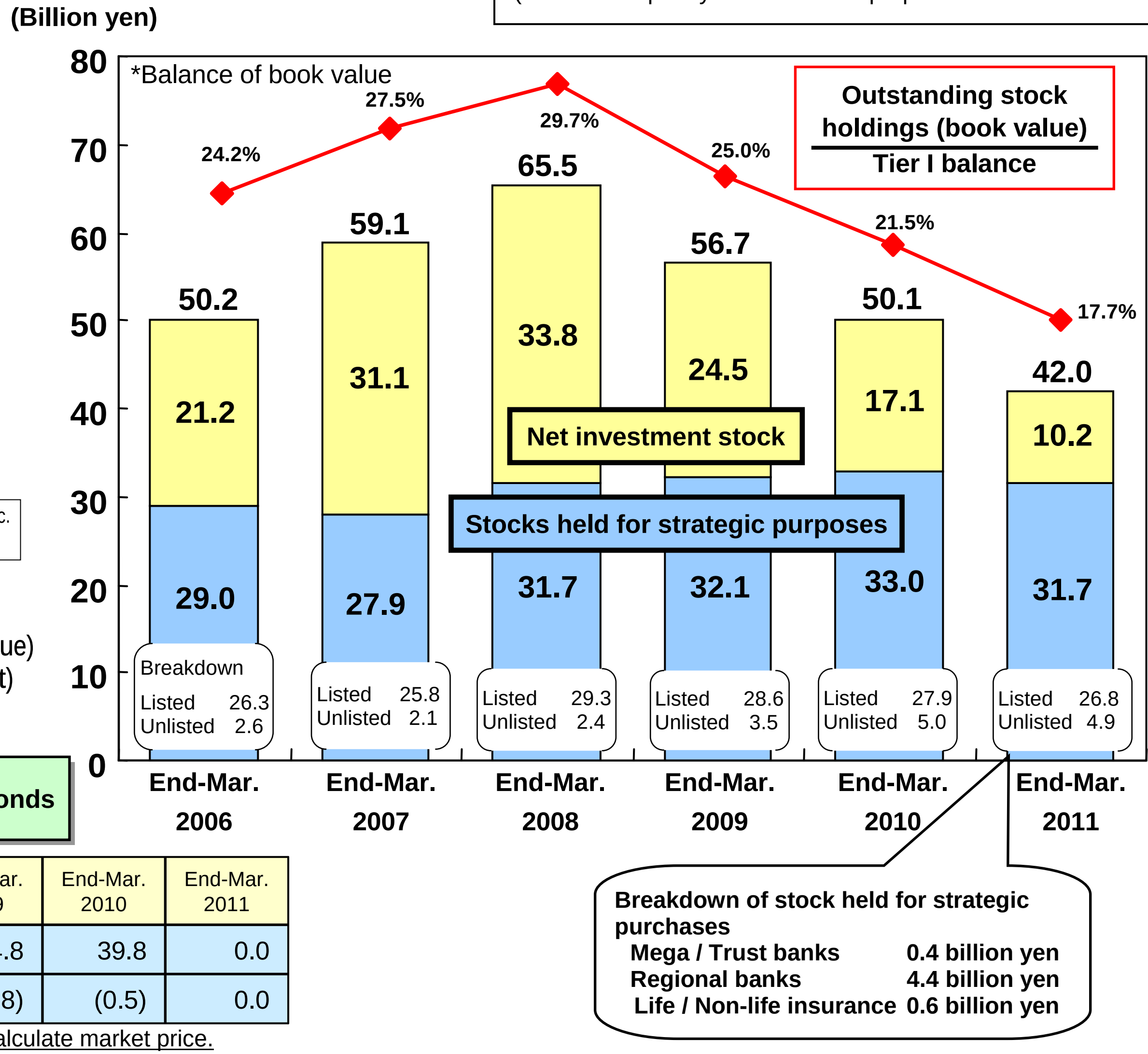
Composition ratio (As of End-Mar. 2011)



*Balance of book value of securities
1,365.2 billion yen (Based on fair market value)
1,325.1 billion yen (Based on amortized cost)

Stock holdings

Will continue policy of curbing net investment equities
(Stocks held purely for investment purposes are all listed shares.)



Holdings of 15-year floating-rate government bonds

(Billion yen)	End-Mar. 2007	End-Mar. 2008	End-Mar. 2009	End-Mar. 2010	End-Mar. 2011
Balance of book value	54.8	54.8	54.8	39.8	0.0
Valuation gain/loss	(1.1)	(1.9)	(1.8)	(0.5)	0.0

Note: San-in Godo does not apply theoretical price to calculate market price.

6-2. Interest Rate Risk Taking

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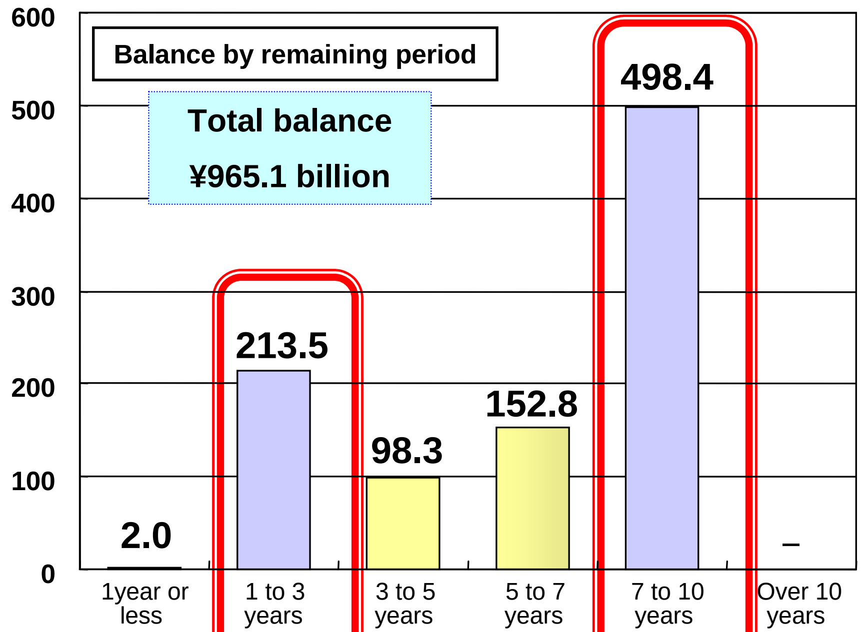
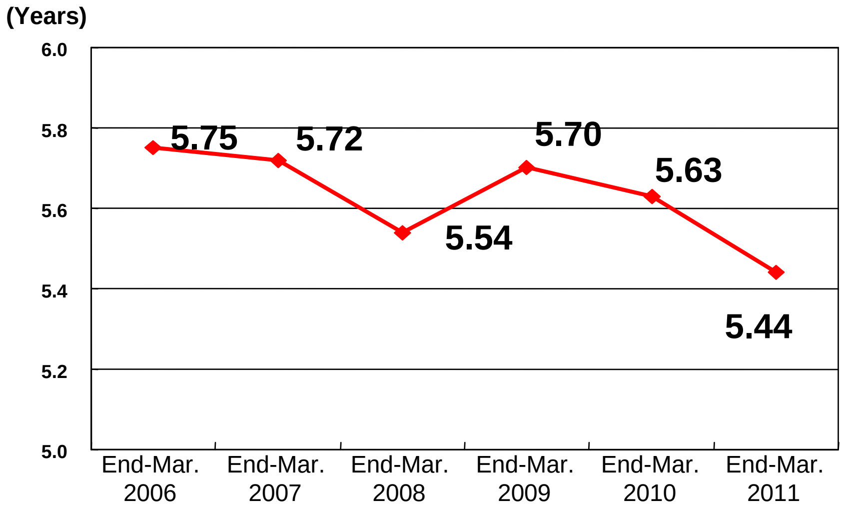
Government bond portfolio (End-Mar. 2011)



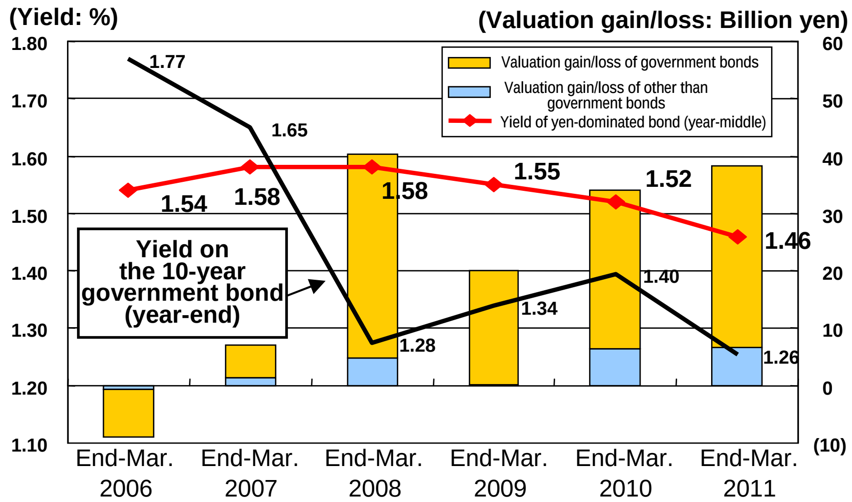
(Billion yen)	1 year or less	1 to 3 years	3 to 5 years	5 to 7 years	7 to 10 years	Over 10 years
Valuation gain/loss	0.0	5.4	4.3	9.2	12.5	–
Yield	0.990%	1.377%	1.647%	1.742%	1.390%	–
10BPV ↑	(0.0)	(0.5)	(0.4)	(0.9)	(4.0)	–
Yield spread	+84bp	+114bp	+122bp	+102bp	+31bp	–

(Note 1) Yield is amortized book value
(Note 2) Yield spread is the number of basis points above face rate.

Duration in yen-denominated bonds



Yield of yen-dominated bonds and changes of valuation gain/loss



6-3. Securities Investment Using Robust Funding Base

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Introduce core deposit internal model

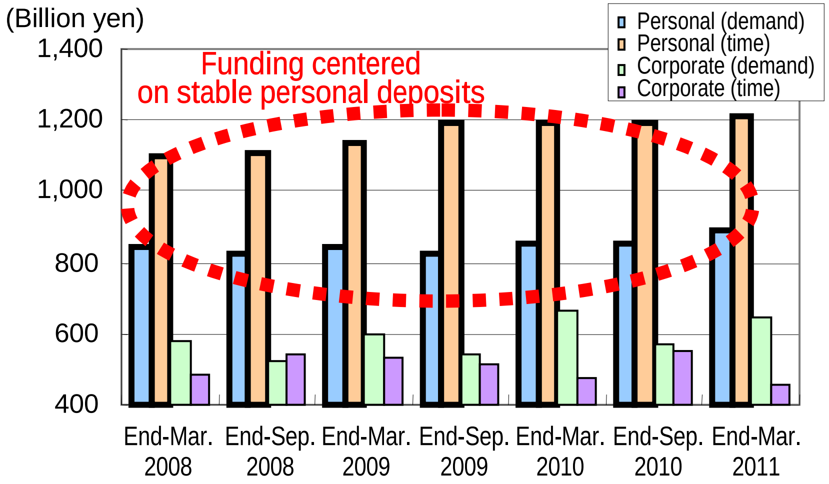
Robust funding base one of the bank's strengths
⇒Introduced core deposit internal model ahead of other banks (From end-March 2007)

<Overview of model>

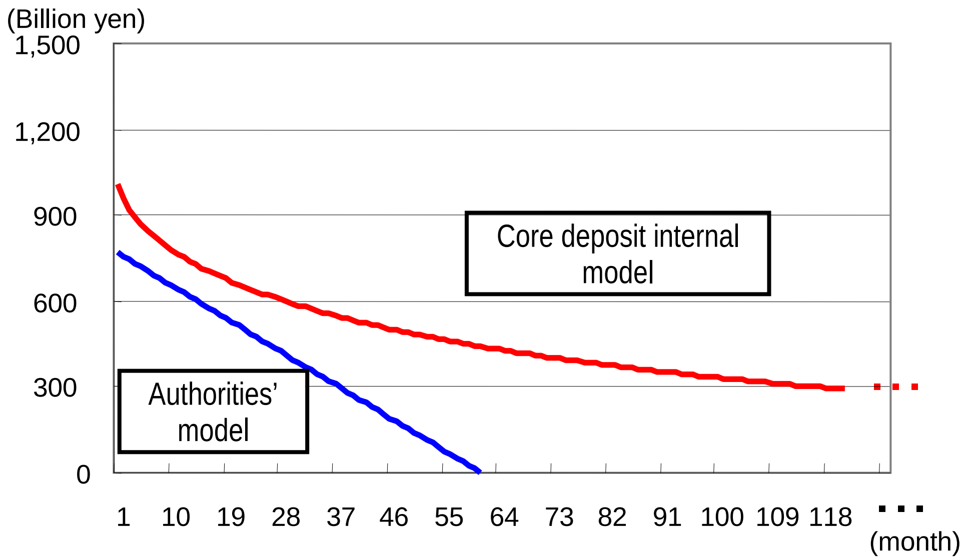
Calculates cash flow (post-interim) conservatively from past deposit increase ratios or ratios that track market rates

⇒ De facto maturities of demand deposits: Approx 4-5 years

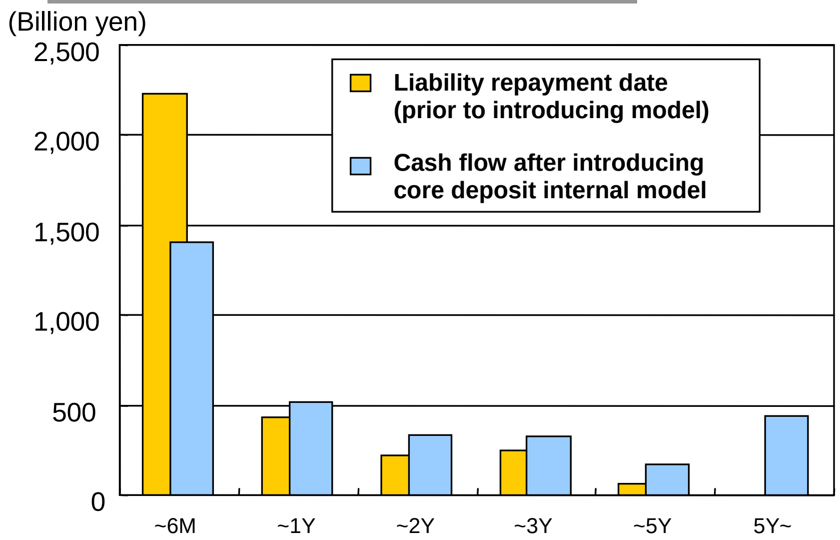
Trends in outstanding yen deposits (term-end)



Estimated future demand deposit balances using the core deposit internal model



Liabilities* maturity ladder



* Demand deposits + time deposits

6-4. Bond Portfolio Simulation

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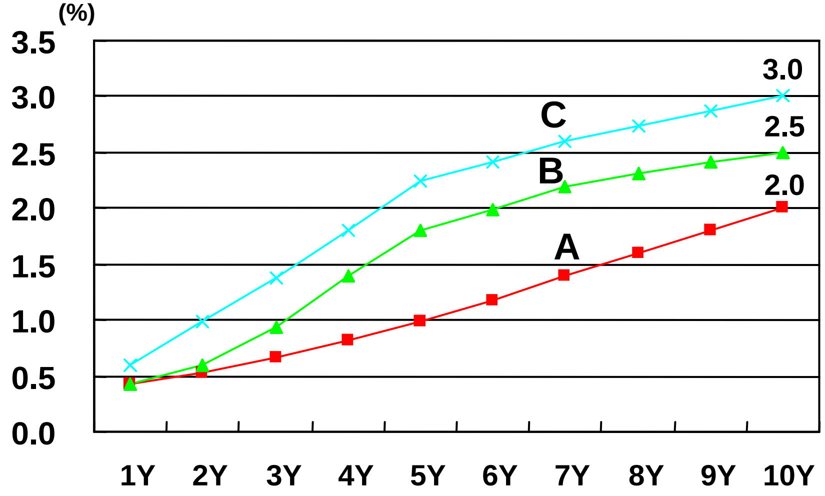
Trading assumptions

- □Conducted simulations for "reinvestment of repayments" and "reinvestment of repayments + replacement trades (taking increase in deposits into consideration)" and compared the results.
- □Interest rate scenarios: Over two years through March 2013, 10-yr rates increase (steepen) from A: 2.0% to B: 2.5% then C: 3.0%.
- □Sources of funds for purchases (target: 10-yr JGBs)
  - "Reinvestment of repayments:" ¥120.0 billion (two years of repayments)
  - "Reinvestment of repayments + replacement trades, etc.": ¥120.0 billion (two years of repayments), ¥200.0 billion (replacement trades), ¥80.0 billion (purchase increase in deposits)
- □Adjust portfolio gradually to keep gains/losses on sale at nearly zero.

Yield curve scenario



Simulation results
(reinvestment of repayments)

Interest rate scenario	A	B	C
Book yield (%)	1.45	1.47	1.50
Annual int. rev. (bn yen)(*1)	18.4	18.6	19.0
Duration (year)	4.5	4.4	4.4
Valuation gain /loss (bn yen)	8.9	(23.9)	(44.4)
Capital adequacy ratio (%)(*2)	16.3	15.4	14.5
Outlier ratio (%)	16.5		

(*1) Calculated by applying the book yield to the year-end book value
(*2) After-tax capital adequacy ratio

Simulation results
(reinvestment of repayments+ replacement trades, etc.)

Interest rate scenario	A	B	C
Book yield (%)	1.52	1.60	1.67
Annual int. rev. (bn yen)	20.5	21.5	22.5
Duration (year)	5.1	5.1	5.0
Valuation gain /loss (bn yen)	3.2	(25.7)	(46.7)
Capital adequacy ratio (%)	16.3	15.3	14.4
Outlier ratio (%)	18.9		

* Rising interest rates provide an opportunity to restructure the portfolio while making replacement trades

7-1. Deposits in San-in Region

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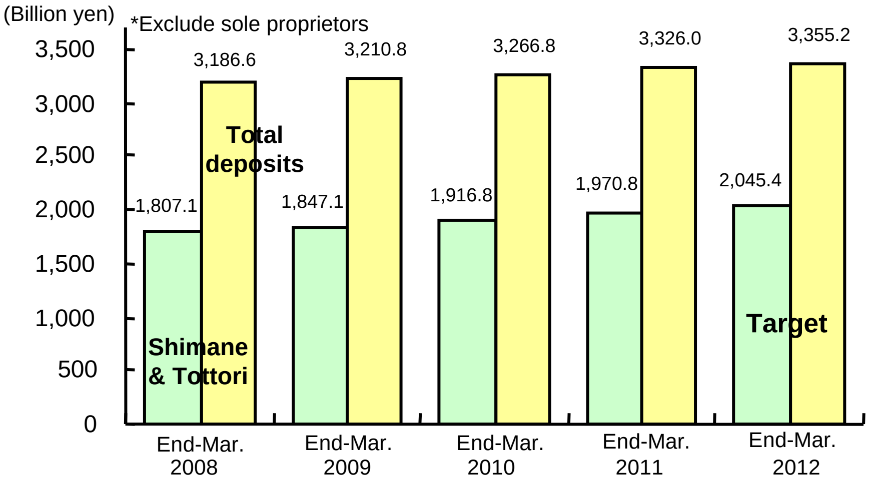
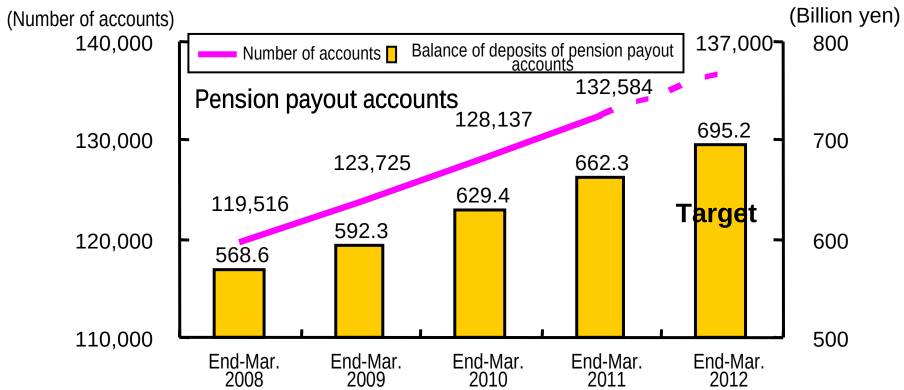
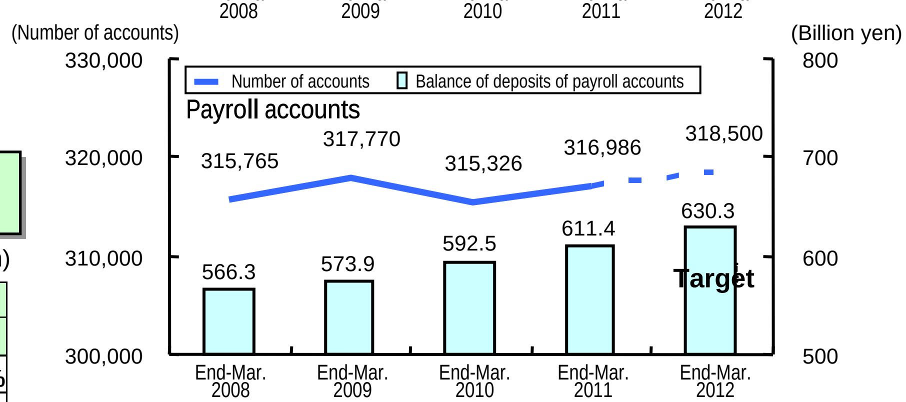
Build a stable and strong base for attracting deposits by offering high-quality services and increasing convenience.

Changes in the total deposits and individual deposits in Shimane and Tottori (Average balance during the period)



Changes in the number of payroll accounts and pension payout accounts in Shimane and Tottori





Changes in the balance of deposits and savings in Shimane and Tottori and the share by financial institution

(Billion yen)

[Shimane and Tottori]	End-Mar. 2008		End-Mar. 2009		End-Mar. 2010		End-Sep. 2010	
	Balance	Share	Balance	Share	Balance	Share	Balance	Share
City banks and trust banks	97.9	1.5%	95.2	1.5%	94.9	1.5%	95.5	1.5%
Regional banks	3,395.6	53.3%	3,438.5	54.2%	3,622.4	55.8%	3,634.2	55.9%
San-in Godo Bank	2,702.3	42.4%	2,726.9	43.0%	2,882.0	44.4%	2,899.7	44.6%
Secondary regional banks	309.7	4.9%	294.4	4.6%	307.7	4.7%	303.7	4.7%
Credit associations	762.6	12.0%	756.6	11.9%	750.4	11.6%	764.9	11.8%
Credit cooperatives	23.8	0.4%	22.7	0.4%	21.2	0.3%	24.4	0.4%
Postal savings	1,776.8	27.9%	1,736.2	27.4%	1,700.1	26.2%	1,680.9	25.8%
Total	6,366.6	-	6,343.9	-	6,496.8	-	6,503.8	-

Source: The Japan Financial News, Japan Post Bank Co., Ltd. Website

[No. of non-face-to-face channels in two San-in Prefectures] (as of March 2011)

Number of ATMs and CDs installed: 538 units
Number of ATMs installed in convenience stores: 276 units
* Number of ATMs installed in convenience stores in Japan: 19,647 units
Number of internet banking contracts: 70,467
Number of mobile banking contracts: 68,738

7-2. Individual Deposits Secured

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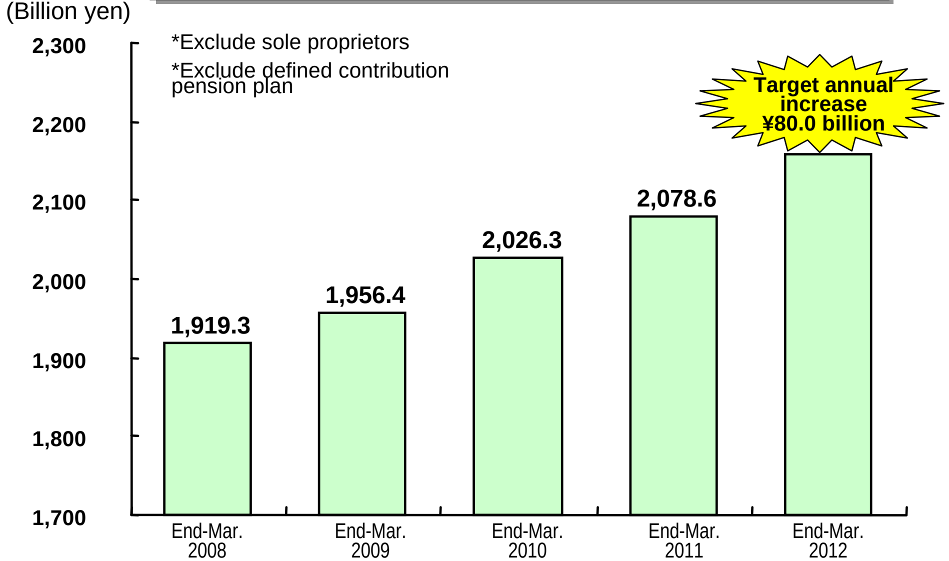
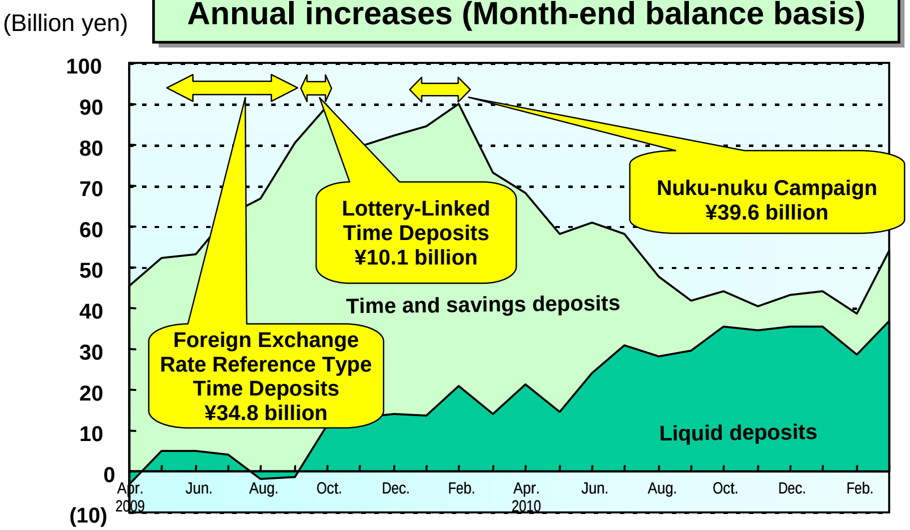
Individual deposits (Average balance during the period)



Annual increases (Month-end balance basis)



Targets and promotion measures

- Emphasizing deposits, which are the proof of customer trust, build a stable and strong base for attracting deposits by offering high-quality services and increasing convenience.

1. Average balance target for FY2011
   Target annual increase in average balance of ¥80.0 billion

2. Concrete measures to increase balance
   Continue building an approach for attracting individual (consumer) deposits, which make up 62% of Gogin’s total deposits.

(1) Strengthen inflow base by securing pension accounts
Promote annual inflow
FY2010: 135,899 ⇒ FY2011 (target): 140,300
Promote annual inflow
FY2010: ¥196.6 billion ⇒ FY2011 (target): ¥197.5 billion

(2) Increase the number of salary direct-deposit accounts, which are a general starting point for business
FY2010: 327,066 ⇒ FY2011: 328,300

(3) Secure customers with retirement allowances and pension assets
A. Take in more retirement allowances
Allowance paid in FY2010 approx. ¥15.0 billion

B. Utilize “Gold Time Deposit” and other preferential products for pensioner customer
Amount secured in FY2010 ¥35.5 billion

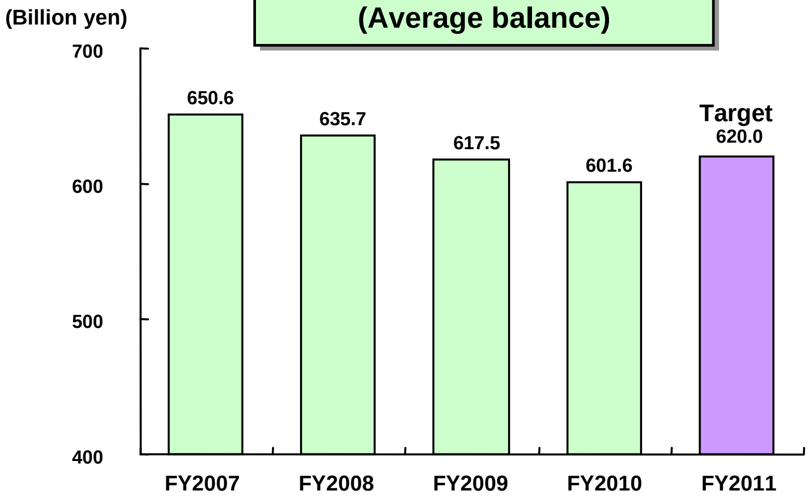
(4) Secure new money from mass customer segments
Aim to secure inflow by offering attractive products

8-1. Measures to Boost Corporate Loans in Shimane and Tottori Prefectures

SAN-IN GODO BANK

Amid falling business lending, focus on individual-company strategy

Changes in corporate loans (Average balance)



Changes in the balance of deposits and savings in Shimane and Tottori and the share by financial institution

(Billion yen)

[Shimane and Tottori]	FY2007		FY2008		FY2009		FY2010	
	Balance	Share	Balance	Share	Balance	Share	Balance	Share
City banks and trust banks	31.6	1.2%	29.8	1.2%	33.2	1.3%	36.6	1.5%
Regional banks	1,820.1	71.8%	1,796.3	71.8%	1,802.0	72.0%	1,791.5	72.3%
San-in Godo Bank	1,314.1	51.8%	1,301.5	52.0%	1,298.6	51.9%	1,287.3	51.9%
Secondary regional banks	207.3	8.2%	206.9	8.3%	200.8	8.0%	198.9	8.0%
Credit associations	460.0	18.1%	452.9	18.1%	449.8	18.0%	435.8	17.6%
Credit cooperatives	17.0	0.7%	16.6	0.7%	16.0	0.6%	16.3	0.7%
Total	2,536.1	-	2,502.8	-	2,502.0	-	2,479.2	-

Source: The Japan Financial News

Current situation and countermeasures

1. Recognition of current situation

(1) Promote loans guaranteed by credit guarantee associations under the national Emergency Guarantee Scheme, and strengthen initiatives in growth areas while reflecting their regional characteristics

A. Use lending guaranteed by credit guarantee associations

Actual results for the second half of 2010: Average balance during the period ¥171.5 billion (annual increase 0.7%)

B. Use the "Gogin Growth Strategy Fund"

FY2010 results: 82 deals amounting to ¥7.2 billion (of which: medical nursing care sector ¥3.1 billion)

(2) No. of corporate borrowers in the San-in area fell because of fewer public works projects and the stagnant economy

2. Strategy for boosting lending

Specialize in growth areas and promote individual company strategies

(1) Lending strategy specializes in enhancing medical care, and in the medical nursing care sector, which is expected to grow as Japan's society ages

<Status of initiatives in the medical nursing care sector>
[Balance]

End-Mar. 2010	End-Mar. 2011	YoY increase
¥60.4 bn	¥63.8 bn	¥3.4 bn

<Measures>
Head office, which is equipped with support tools and know-how for cooperation with specialist consultants, works together with sales offices to provide total support for the needs and problem-solving requirements of entities involved in the medical nursing care sector

(2) Expanding market share through individual company strategies

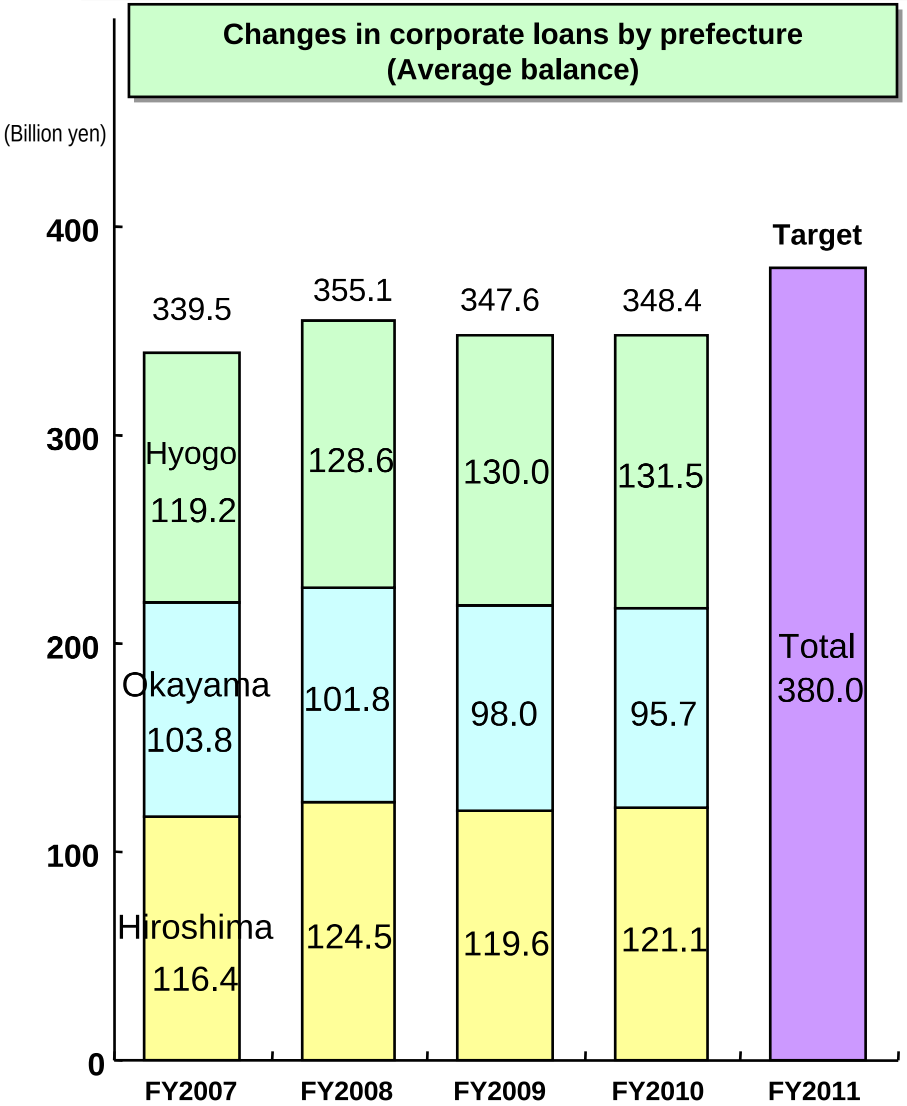
(3) Create new demand and new customers through business support using the bank's network

8-2. Measures to Boost Corporate Loans in the Sanyo Region and Hyogo Prefecture

SAN-IN GODO BANK

Build business lending through proactive consulting-style sales

Changes in corporate loans by prefecture (Average balance)



Current situation and countermeasures

1. Recognition of current situation

(1) Strongly promotes market share expansion by rigorously implementing individual company strategies and providing business and financial support

<Underwriting privately placed bonds>
FY2009: 33 deals, ¥3.6 billion
FY2010: 34 deals, ¥3.4 billion
Balance: ¥12.0 billion (as of 2H 2010)

<No. of business matching agreements concluded> FY2009: 171
(All branch basis) FY2010: 233

(2) Strengthen development of new borrowers
FY2009: 216 deals, ¥18.5 billion
FY2010: 229 deals, ¥18.7 billion

(3) Use the "Gogin Growth Strategy Fund"
FY2010: 190 deals, ¥43.5 billion
The bank's share of lending by financial institutions in the Sanyo and Hyogo regions is around 1-3%, so there is ample room to expand its corporate loan base further and expand its share

2. Growth Strategy

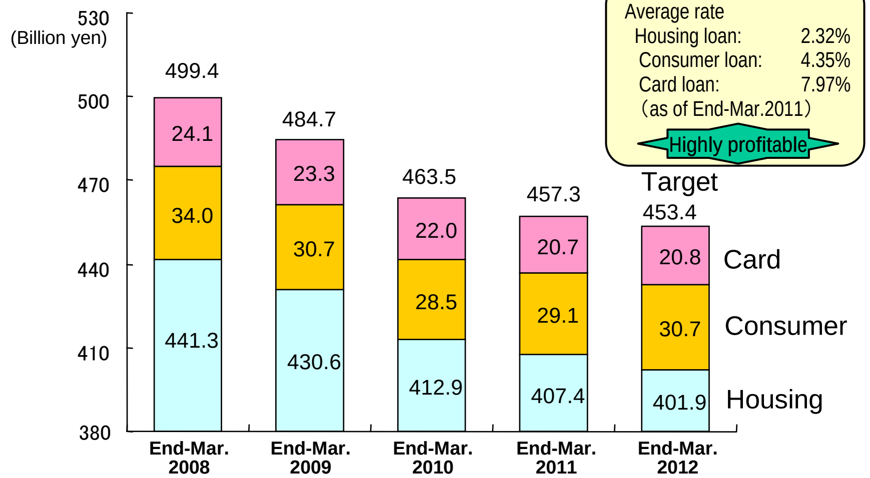
(1) Apply Targeted New Lending List
Implement enhanced activities for businesses on the Targeted New Lending List in accordance with market characteristics and industrial structures in areas served by Sanyo and Hyogo branches.

(2) Actively promote use of the Gogin Growth Strategy Fund
Assemble a system for actively supporting growth area businesses with Consulting-Style and Problem-Solving sales approaches.

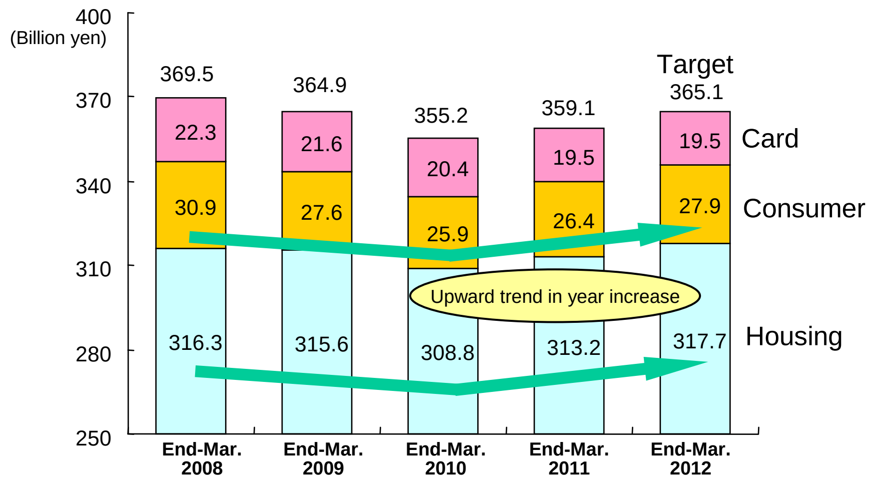
9-1. Measures to Boost Loans to Individual Clients

Build individual (consumer) loans as the next most important earnings base after corporate loans in Shimane and Tottori prefectures

Individual loans of all branches (Term-end balance)



Shimane and Tottori Prefectures (Term-end balance of individual loan)



Current situation and countermeasures

1. Current situation

(1) Housing loan

- Take in new building plans by strengthening ties with homebuilders
- Strengthen consulting-style sales activities

(2) Consumer loan

- Campaign for auto loans, education loans, etc.
- Promote aggressively
- Expand non-face-to-face channels

As of End-Mar. 2010
Market share in Shimane and Tottori prefectures

Housing loan 25.7%
Consumer loan 15.4%
(Source: San-in Economics & Management institute)

2. Market

(1) There is more than ample room for San-in Godo Bank to expand Individual loans share in Shimane and Tottori prefectures

(2) Strengthen customer acquisition through amended Money Lending Business Act

3. Reinforcement strategy

Continue to promote individual borrowings, which are highly profitable, in Sanin as the primary market

(1) Strengthen promotion: Strategic promotion for mass customer segment

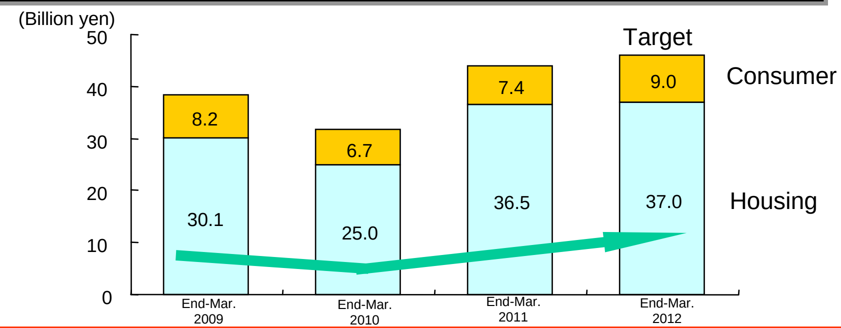
(2) Expand channels for taking in new loan business: Extension of telephone center service hours on Sundays and national holidays for application of unsecured loans.

(3) Products strategy: Offering secondary screening by credit loan company in order to increase the approval rate of unsecured loans

Development of new products including revisions of merchantability

(Solar power generation system installation loan: Offering started Dec. 24, 2010)

Shimane and Tottori Prefectures Individual loan (Amount basis)

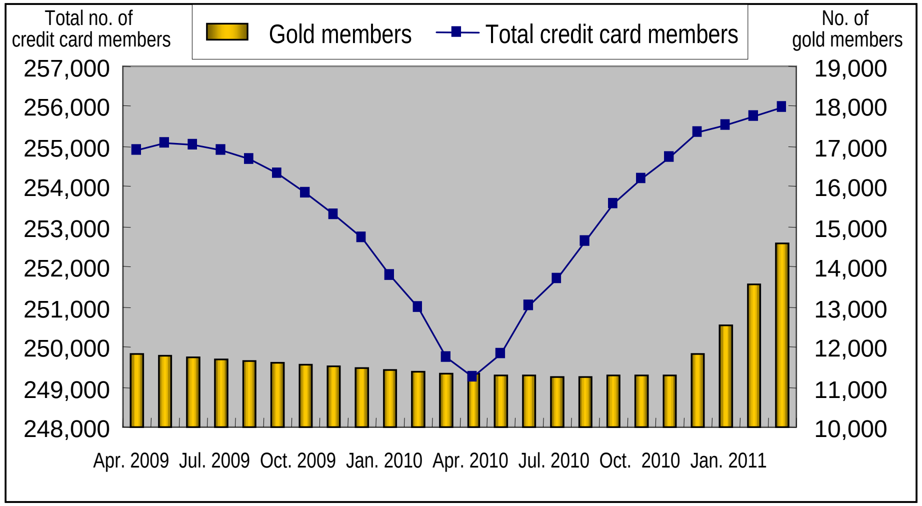


10-1. Credit Card Earnings

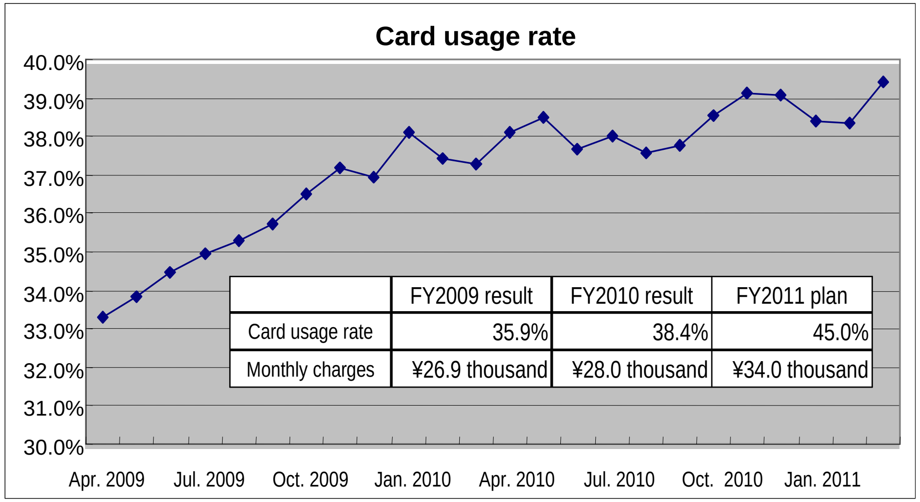
SAN-IN GODO BANK

Turning out as planned due to implementation of main card strategy

1. No. of credit card members

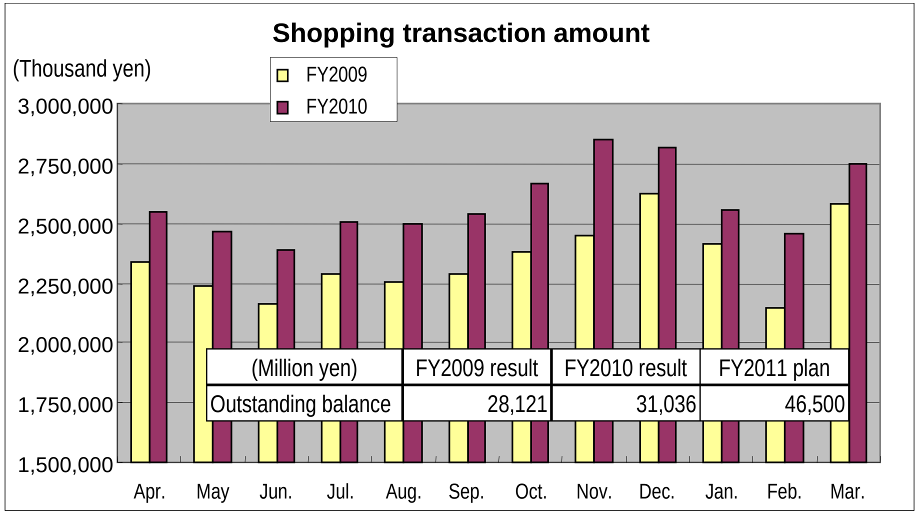


2. Card usage rate



	FY2009 result	FY2010 result	FY2011 plan
Card usage rate	35.9%	38.4%	45.0%
Monthly charges	¥26.9 thousand	¥28.0 thousand	¥34.0 thousand

3. Outstanding balance



(Million yen)	FY2009 result	FY2010 result	FY2011 plan
Outstanding balance	28,121	31,036	46,500

4. Actual and planned earnings of credit card business

(Million yen)

		FY2009 result	FY2010 result	FY2011 plan
		Gogin Credit	San-in Godo Bank	San-in Godo Bank
Income		1,411	1,381	1,900
Shopping commission	Fees and commissions	457	489	750
Membership fee revenues	Fees and commissions	286	313	420
Interest on cashing loans	Interest	668	579	730
Expenses		771	670	900
Premium, etc.	Fees and commissions	325	245	300
Operations consignment expenses	Interest	446	425	600
Card revenue		640	711	1,000
Other expenses (*1)	Interest	541	429	600
Gains (losses) on business		99	282	400

*1 Main items of Other expenses are marketing materials cost , postal cost and etc.

10-2. Duo Card's Regional Card Strategies

SAN-IN GODO BANK

Implementing event campaigns that focus on the volume zones

Potential credit settlement market in Shimane and Tottori Prefectures

Total personal consumption expenditure in Shimane and Tottori Prefectures: ¥2.3 trillion

*Expense items that can be settled by credit	Amount (Billion yen)
Total	823.0
Food	228.8
Eating out	39.9
Electricity	38.7
Communications charges	57.1
Furniture & household utensils	38.2
Clothing & footwear	46.1
Medical expenses & health foods	47.4
Transportation expenses	9.4
Gasoline, vehicle inspection charges	110.4
Culture, recreation & leisure	113.0
Miscellaneous	94.0

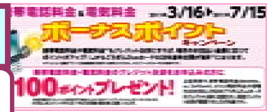
Source: San-in Economics & Management Institute surveys

Supermarket & Duo Card present campaign
- Develop credit settlements in a market where cash settlements are the mainstream-

Carry out a campaign the covers the entire San-in region in cooperation with nine locally capitalized supermarkets (99 stores)

Mobile phone and electricity bill bonus point campaign
- Promote transition from account transfers to credit card settlements -

Carry out a campaign to give a present of 100 points to everyone who newly registers to pay mobile phone or electricity bills by credit card

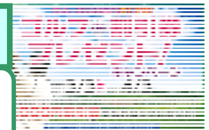


Gogin Duo Card discount campaign at gas stations
- Expand share of existing credit settlement market -

Tie up with locally capitalized gas stations to launch a service so that customers who settle their bills with Duo Cards can enjoy discount prices on a regular basis.

Golf de Discount Coupon present campaign
- Expand share of existing credit settlement market -

Carry out a campaign in cooperation with local golf courses to present customers who use a Duo Card to pay their bills during the campaign period with discount tickets for their next visit.



Tamatsukuri Spa "Bihada/Himekami no Yu (Hot spring for goddesses with beautiful skin" campaign - Win customers from among female cardholders -

Promote local use of inns in Tamatsukuri Spa through a campaign centered on one-day trips to the spa in cooperation with local hot spring operators.

Events focused on skin care and lessons in applying make-up
- Win customers among female cardholders aged 40 & over -

Arrange for make-up artists to provide lessons in applying make-up and for on-site sales of cosmetics for female card members aged 40 & over.

*Potential credit settlement market in Shimane and Tottori Prefectures
According to the FY2009 National Survey of Family Income and Expenditure and the FY2005 Population Census, there is ample potential for growth in the credit settlement market based on the age of the head of the household and the consumption item.
The credit settlement market in the San-in region is forecast to be worth ¥0.8trn, out of the region's annual consumer spending of ¥2.3trn.

Approach to the "Duo Purica" prepaid card

The bank is tackling the prepaid card business for people who are not accustomed to using credit cards, such as older people and people in the younger age groups. With the "Duo Purica," the aim is to encourage the spread in the region of server-controlled-type electronic money to provide adequate protection for users using the existing credit card infrastructure and controlling the real funds (prefunded value) corresponding to the e-cash issued. Preparations are underway to launch the service during the second half of FY2011.

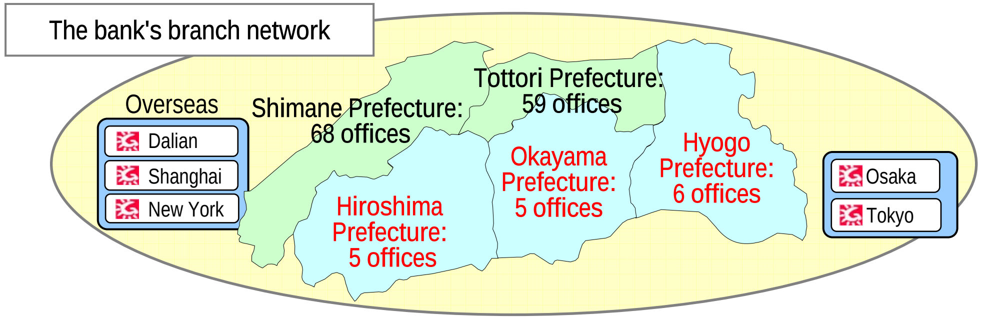
11-1. Summary of Business Matching Service

SAN-IN GODO BANK

Business matching base employing the Bank's broad regional foundations and networks

□Initiatives to strengthen the base

1. Build information database
2. Train human resources and deploy staff strategically
3. Sanyo, Hyogo branch network and customer base
4. Tie-ups with external networks
5. Build head office promotion system



Generate new value by gathering, processing and joining up information → **Enhance corporate value-added** → **Revitalize the region**

□Intra-regional network

A network to enhance the value-added of local companies by identifying the management resources within the region and tying together the information

[Cooperation with local governments]
(2 prefectures, 5 cities and 3 towns)

Tottori and Shimane Prefectures
Hamada, Unnan, Masuda, Sakai-Minato and Tottori cities
Yoshika, Tsuwano and Hikawa towns

[Cooperation with Japan Agricultural Cooperatives (JA)] (5 JAs)

JA Tottori Inaba, JA Izumo, JA Iwami Chuo, JA Unnan, JA Nishi-Iwami

Commission income

(Million yen)

	FY2009 Result	FY2010 Result	FY2011 Plan
Business matching commission	21	26	100

□Networks outside the region and overseas

Networks to enhance the value-added of local companies by expanding sales routes outside the region and incorporating sophisticated technologies

[Cooperation with the universities]

Tottori University, Shimane University
Innovation Promoting Firm for Kobe University, LLC

[Cooperation with networks outside Tottori and Shimane]

MITSUI & CO. Chugoku office
Ota City Industrial Promotion Organization, Japan Space Forum,
SME Support, JAPAN, Chugoku branch

[Cooperation with overseas network]

Songjiang District Foreign Economic Committee, Shanghai (China)
Dalian City (China)
Dalian Bank (Dalian City, China)
Industrial and Commercial Bank of China Limited (China)

11-2. Case Study 1:
Alliance with Ota City Industrial Promotion Organization

SAN-IN GODO BANK

1. ***Drawing on the strengths of its network, the bank is supporting the creation of new value-added by powerful local firms***
2. ***Using its networks, the bank supports the efforts of companies that have no external sales routes to open up new markets and expand into overseas markets***

Local firm: Feel Technology Co., Ltd.
Manufacture and sales of "Hyokanko*," a new cool storage technology
* Applying a voltage to the unit creates a supercooled environment which is suitable for preserving food for long periods and/or allowing it to mature

Feel Technology Co., Ltd.

Support enhancement of product functions

Support expansion of sales routes and overseas operations

San-in Godo's Network

Ota City Industrial Promotion Organization	• Prolong period for which the freshness of fruit, etc., can be preserved Introduce manufacturers of ethylene gas controllers from Ota City • Antimicrobial, antibacterial unit interior Introduce manufacturers of original LED lighting with antimicrobial functions from Ota City
Major logistics company	Logistics revolution Enable efficient distribution using sophisticated freshness preservation functions ⇒ Reduce logistics companies' distribution costs
Major trading company	Global expansion Sell into China and other growth markets via trading companies with extensive overseas networks
University industrial technology center	•Substantiate ice temperature technology from an academic perspective •Joint experiments
Bank customer: JA	•Introduce bank customers among agricultural production corporations, restaurants, etc. •Introduce JA (signatory to business cooperation agreement)

11-3. Case Study 2: Alliance with Japan Space Forum

SAN-IN GODO BANK

Mechanism to make the most of ties with an aerospace industry network that integrates state-of-the-art technologies

Concluded an Agreement Concerning Cooperation with Japan Space Forum in July 2010

In order to enhance the technologies used by local manufacturers and nurture local industry, it is essential to establish a network with administrative agencies and universities under Go-gin's leadership

- **Go-gin serves as producer, establishes Aerospace Technology Research Symposium**

  In cooperation with Japan Space Forum and JAXA (Japan Aerospace Exploration Agency), the bank has established a network with local administrations (Shimane and Tottori Prefectures) and universities

  (1) Joint research on aerospace technology

  (2) Transfer of aerospace technology to the private sector

Example of initiatives with Tottori Prefecture

Aerospace Technology Research Symposium

"Monozukuri" companies from Tottori Prefecture (around 20 companies)

Support

Support

Tottori Prefecture
Organization for Tottori Industrial Promotion
Tottori Institute of Industrial Technology
Tottori University, Tottori University of Environmental Studies
Yonago National College of Technology
Chambers of Commerce, Central Federation of Societies of Commerce and Industry

San-in Godo Bank

Prefecture:	Nucleus of local administration
Organization for Tottori Industrial Promotion:	Business plans, securing budgets
Tottori Institute of Industrial Technology, universities:	Strong on information on technological levels of companies in the prefecture, and seeds

Cooperation

JAXA

Agreements

Japan Space Forum

* Entities involved in the Shimane Prefecture Research Symposium
•Shimane Prefecture
•Shimane Institute for Industrial Technology
•Shimane Industrial Promotion Foundation

12-1. Initiatives to Improve Operational Efficiency

Realize low-cost management by improving and rationalizing operational efficiency
⇒ From "rebuilding operational processes" to "rebuilding the organization"

FY2009	FY2010	FY2011	FY2012	・・・・

Enhanced sharing of systems

Project to build systems base
- Improve IT systems base (raise K-Pro level)
- Expand IT systems functions (account management, multichannel hookups, etc.)
- Promote use of open sources (make systems lighter)

Project for sharing sub-systems
- Convert to common sub-systems, including information systems (6-year plan)
  ⇒ Promote systems sharing among three banks, including responses to new systems and obsolescence

Intend to set up a joint center in the future

Project to standardize and innovate operations
- Realize branch BPR
  ⇒ Shorten operational flows and make them more direct; increase centralization
- Reform using IT
  ⇒ Introduce new sales office systems
- Standardize operations

Make lending operations more efficient
- Use IT to reduce clerical workloads
- Centralize simple operations
- Shorten deal screening times

Raise productivity of lending operations

Build customer center
- Consolidate dispersed call divisions
- Concentrate incoming calls to sales offices

Improve quality of customer responses

★ Promote continuous improvement of operational efficiency (PDCA)

Maximize cost reduction impact

Target reduction:
¥6.0 billion
FY2010 – FY2017

Build new sales office system

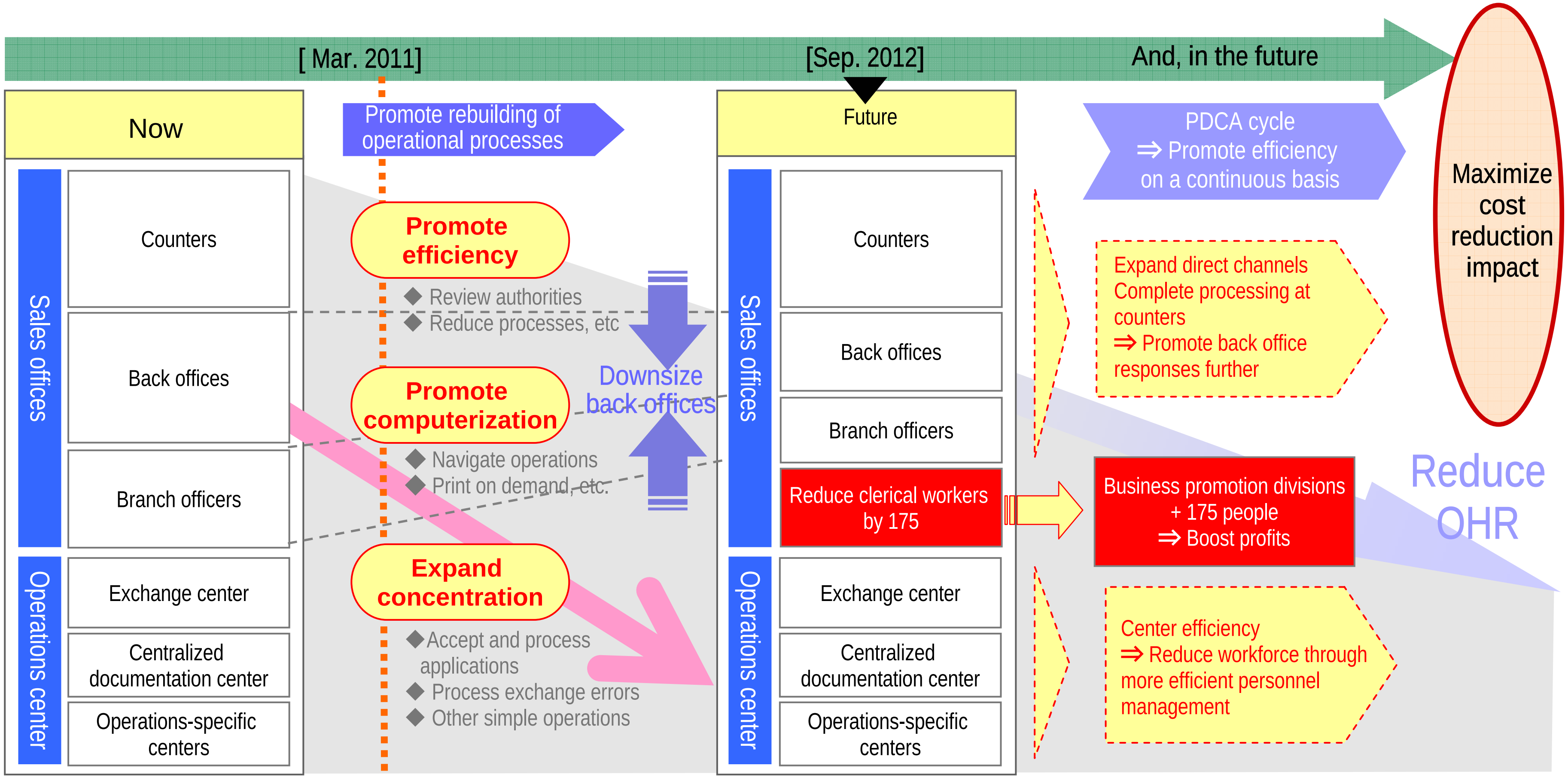
Reduce no. of clerical workers by 175
FY2010 - September FY2011

12-2. Build New Sales Office System

SAN-IN GODO BANK

Reduce number of clerical workers by rebuilding operational processes ⇒ Redeploy them to business promotion divisions (Realize better back office responses at sales offices, and optimize overall operations at sales offices and operations centers)

■Promote greater efficiency, computerization and centralization focused on deposit and lending operations.
⇒ Enhance productivity by cutting operational costs (reinforce marketing strengths)



13-1. Measures to Return Profits to Stockholders

SAN-IN GODO BANK

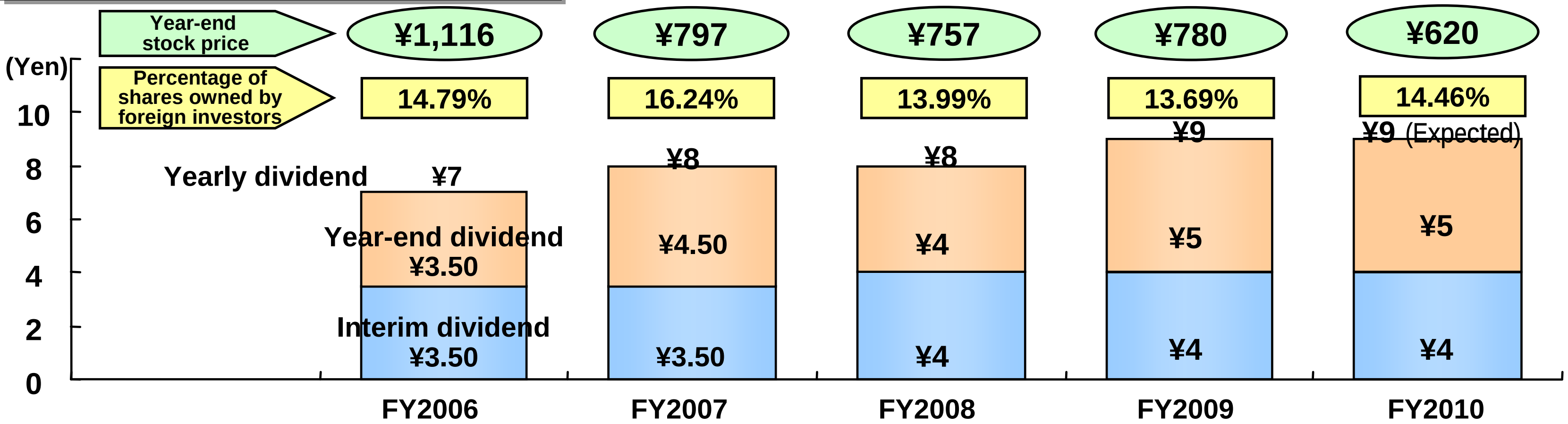
Dividend policy

- ◆Introduced performance-linked dividend scheme from FY2008
- ◆Stable annual dividend of 8.00 yen per stock
- ◆When net income exceeds 8 billion yen, the bank pays a performance-linked dividend

<Dividend payment>

Net income (non-consolidated)	Dividend per share
More than 10 billion yen	¥11
9 billion - 10 billion yen	¥10
8 billion - 9 billion yen	¥9
Less than 8 billion yen	¥8

Stock price and dividend



	FY2006	FY2007	FY2008	FY2009	FY2010
Net income per share	¥65.34	¥43.45	¥44.64	¥50.71	¥50.50
Dividend per share	¥7	¥8	¥8	¥9	¥9
Payout ratio	10.6%	18.3%	17.9%	17.6%	17.7%
Total dividend paid	¥1,206 million	¥1,366 million	¥1,365 million	¥1,528 million	¥1,499 million
Treasury shares: Amount	¥2,845 million	¥163 million	—	¥1,003 million	¥2,199 million (*1)
Treasury shares: No. of shares at beginning of year	255 thousand	423 thousand	748 thousand	927 thousand	773 thousand
Treasury shares: + No. of shares purchased	2,524 thousand	179 thousand	—	1,423 thousand	3,247 thousand (*1)
Treasury shares: + No. of shares retired	(2,524) thousand	—	—	(1,602) thousand	(2,000) thousand
Treasury shares: + Purchase of odd-lots shares, etc.	167 thousand	146 thousand	180 thousand	25 thousand	(17) thousand
Treasury shares: No. of shares at end of year	423 thousand	748 thousand	927 thousand	773 thousand	2,003 thousand
Profit return ratio (*2)	35.7%	20.5%	17.9%	29.2%	43.7%

(*1) Results reflect purchase of treasury shares from shareholders opposed to subsidiary reorganization measures

(*2) For calculation of profit return ratio, purchase of odd-lots shares, etc. is not considered.

SAN-IN GODO BANK

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