

Information Meeting The Year Ended March 2010

June 11, 2010



THE NANTO BANK, LTD

Table of Contents

I. Financial Results for FY2009

Financial Results for FY2009	1
1. Summary of Profit and Loss	2
2. Summary of Core Net Business Profit	3
3. Deposits	4
4. Loans	5
5. Securities	6
6. Disposal of Non-Performing Loans	8
7. Capital Adequacy Ratio	9
Business Forecast for FY2010	10

II. Management Strategy

Outline of Business Area	12
Corporate Banking Policies	
1. Focus on Osaka Business Area	13
2. Business Development Structure	14
Retail Banking Policies	
1. Business Development Structure	15
2. Target on Middle and Affluent Clients	16
3. Promoting Retail Transactions as a Main Bank	17
4. Reinforcing Personal Loans	18
5. Channel Strategy	19

<Appendix> Appendix1-13

I. Financial Results for FY2009

II. Management Strategy

Financial Results for FY2009 – 1. Summary of Profit and Loss

		(¥ billion)	FY2008	FY2009	Y/Y change
1	Core gross business profit		66.3	65.6	-0.7
2	Interest income		63.0	59.3	-3.6
3	Fees and commissions		6.3	6.0	-0.3
4	Other operating income (*1)		(3.0)	0.2	+3.2
5	Cost of derivative financial products		3.3	-	-3.3
6	Expenses		50.2	49.2	-0.9
7	Personnel expenses		26.2	26.2	-0.0
8	Non-personnel expenses		21.5	21.0	-0.4
9	Taxes		2.4	1.9	-0.4
10	Core net business profit		16.1	16.4	+0.2
11	Gains/Losses on bonds (JGBs, etc.)		(13.0)	2.7	+15.8
12	Net transfer to general provision for possible loan losses		-	1.7	+1.7
13	Net business profit		3.0	17.4	+14.3
14	Non-recurrent gains/losses		(30.6)	(7.0)	+23.5
15	Gains/Losses on stocks		(17.3)	(0.2)	+17.1
16	Disposal of non-performing loans		11.4	5.2	-6.2
17	Retirement benefit costs		1.9	2.6	+0.6
18	Ordinary income		(27.5)	10.4	+37.9
19	Extraordinary gains/losses		2.7	1.5	-1.1
20	Bad debt recovered		1.0	1.7	+0.6
21	Reversal of provision for possible loan loss		1.8	-	-1.8
22	Income before taxes		(24.8)	11.9	+36.7
23	Net income		(22.3)	7.3	+29.6
24	Credit cost (*2)		8.4	5.2	-3.2

*1 Except bonds (ex. Government Bonds) gains/losses

*2 (Net transfer to general provision for possible loan losses + Disposal of non-performing loans) – (Bad debt recovered)

<No.10 Core net business profit>

Core net business profit rose ¥200 million year on year to ¥16.4 billion because even though real net interest income, which deducts cost of derivative financial products, and fees and commissions declined, expenses also declined ¥0.9 billion.

<Breakdown of real net interest income>

	(¥ billion)	FY2008	FY2009	Y/Y Change
Net interest income		63.0	59.3	-3.6
[Real net interest income]		[59.6]	[59.3]	[-0.3]
Interest on loans and deposits		42.7	42.6	-0.1
Interest on loans		53.9	50.9	-2.9
Interest on deposits		11.1	8.3	-2.8
Interest on market sector		20.1	16.6	-3.5
[Real interest on market sector]		[16.8]	[16.6]	[-0.1]
Interest on securities		21.9	17.9	-4.0
Interest on fund management		1.1	0.3	-0.8
Interest on fund procurement		2.9	1.5	-1.4
[Cost of derivative financial products]		[3.3]	[-]	[-3.3]

<No.23 Net income>

Net income increased ¥29.6 billion year on year to ¥7.3 billion because of an increase in core net business profit, a ¥32.9 billion improvement in gains/losses on securities, a ¥3.2 billion decline in credit costs, and other reasons.

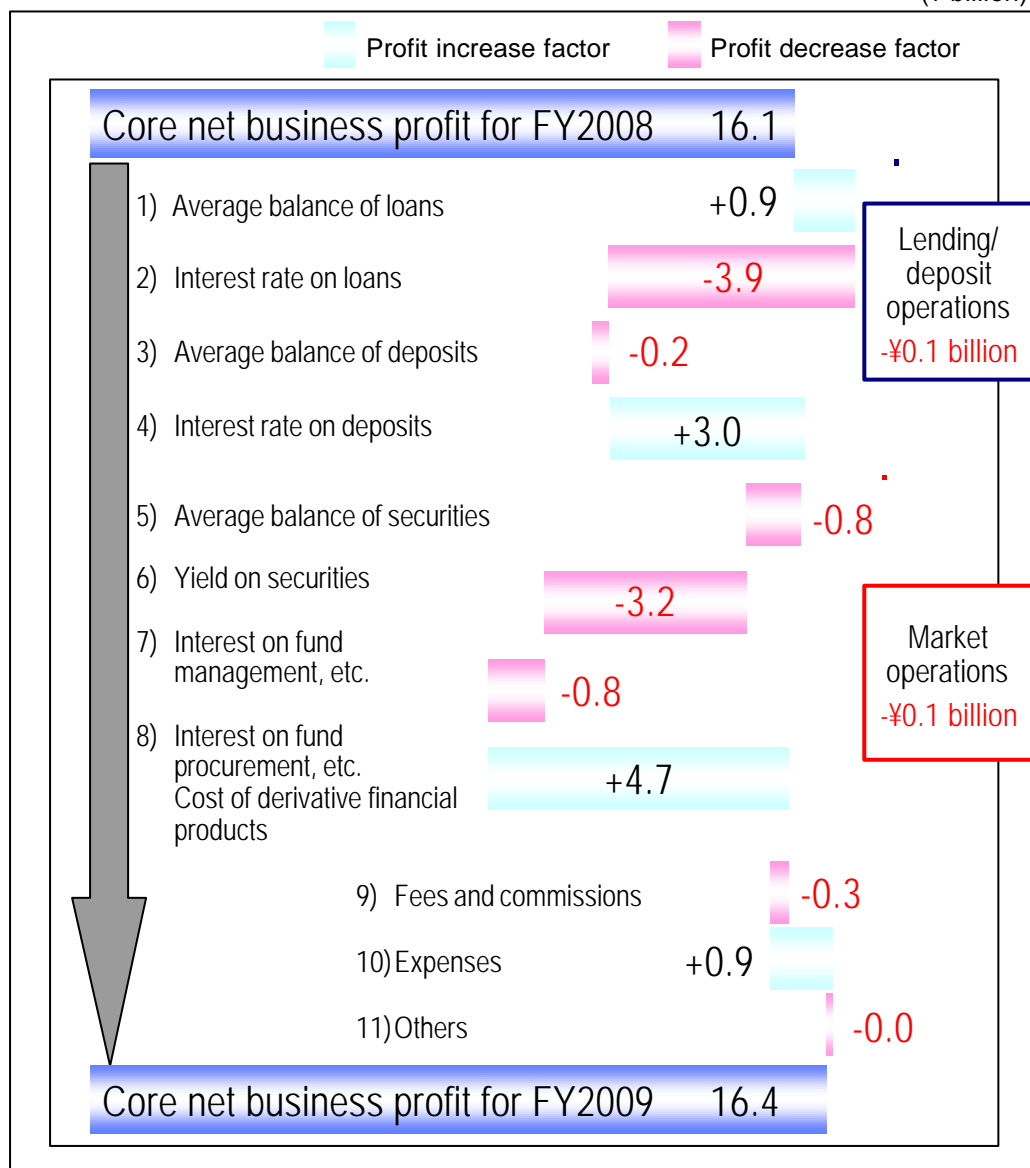
<Breakdown of gains/losses on securities and credit cost>

	(¥ billion)	FY2008	FY2009	Y/Y Change
Gains/losses on securities		(30.4)	2.5	+32.9
Gains/Losses on bonds (JGBs, etc.)		(13.0)	2.7	+15.8
Gains/Losses on stocks		(17.3)	(0.2)	+17.1
Credit cost		8.4	5.2	-3.2
Net transfer to general provision for possible loan losses		(2.2)	1.7	+3.9
Disposal of non-performing loans		11.7	5.2	-6.5
Bad debt recovered		1.0	1.7	+0.6

Financial Results for FY2009 – 2. Summary of Core Net Business Profit

Factor Analysis of Changes in Core Net Business Profit

(¥ billion)



1) Average balance of loans ¥2,751.0 billion
(Y/Y change +¥48.1 billion)

2) Interest rate on loans 1.85% (Y/Y change -0.14%)

3) Average balance of deposits ¥4,126.9 billion
(Y/Y change +¥94.0 billion)

4) Interest rate on deposits 0.20% (Y/Y change -0.07%)

5) Average balance of securities ¥1,481.2 billion
(Y/Y change -¥59.1 billion)

6) Yield on securities 1.21% (Y/Y change -0.21%)

7) Interest on fund management, etc.
Y/Y change -¥0.8 billion

8) Interest on fund procurement, etc.
Y/Y change -¥1.4 billion
Cost of derivative financial products
Y/Y change -¥3.3 billion

9) Fees from exchange transactions and
debit transfer, etc. Y/Y change -¥0.47 billion
Commissions from investment trust and insurance
Y/Y change +¥0.18 billion

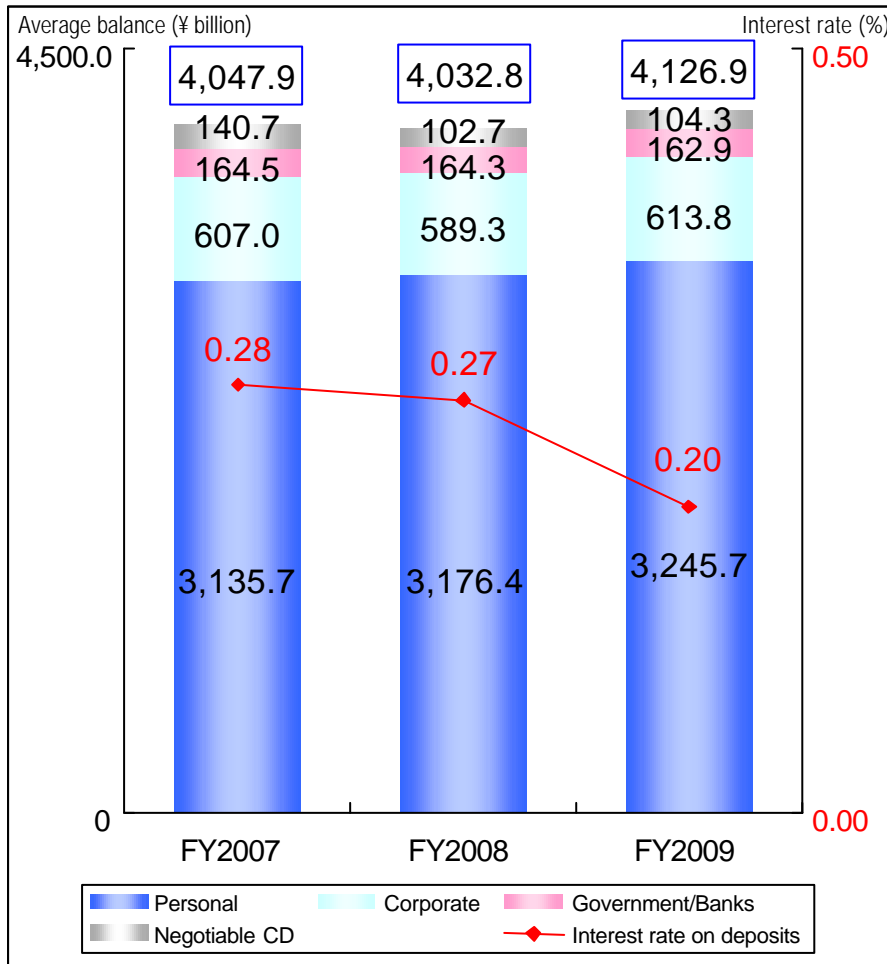
10) Personnel expenses Y/Y change -¥0.0 billion
Non-personnel expenses Y/Y change -¥0.4 billion
Taxes Y/Y change -¥0.4 billion

? Factors behind the increases included
depreciation of software for the regional bank
partnership

Financial Results for FY2009 – 3. Deposits

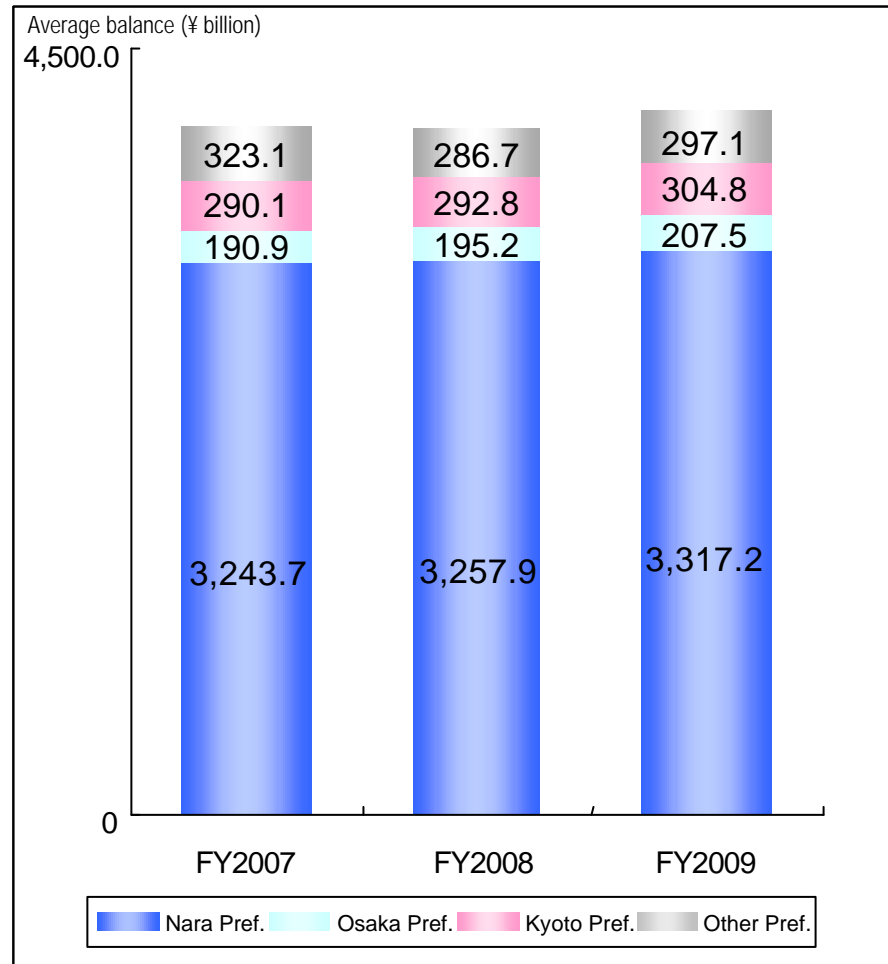
Average Balance of Deposits by Sector

☞ The average balance of deposits during FY2009 rose ¥94.0 billion year on year to ¥4,126.9 billion since mainly personal deposits steadily increased.



Average Balance of Deposits by Prefecture

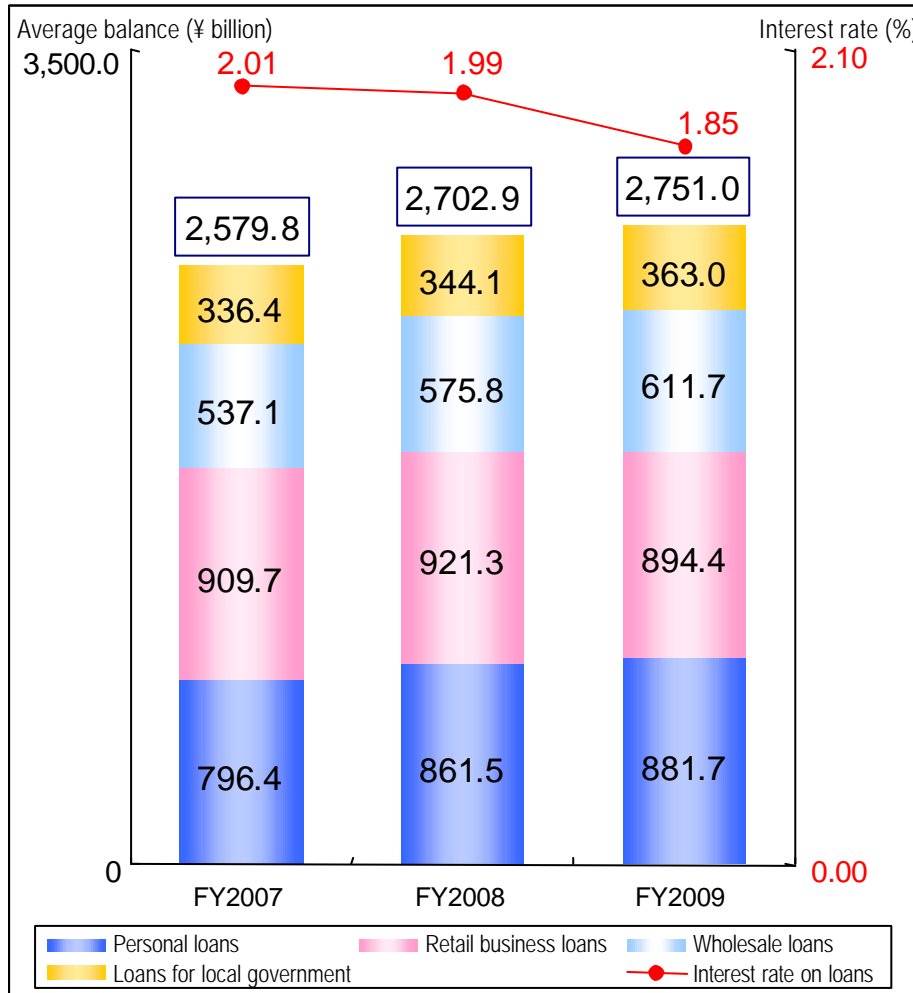
☞ Deposits for all prefectures rose year on year. During FY2009, the average balance of deposits for Nara Prefecture was ¥3,317.2 billion, which accounted for 80.4% of Nanto Bank's total deposits.



Financial Results for FY2009 – 4. Loans

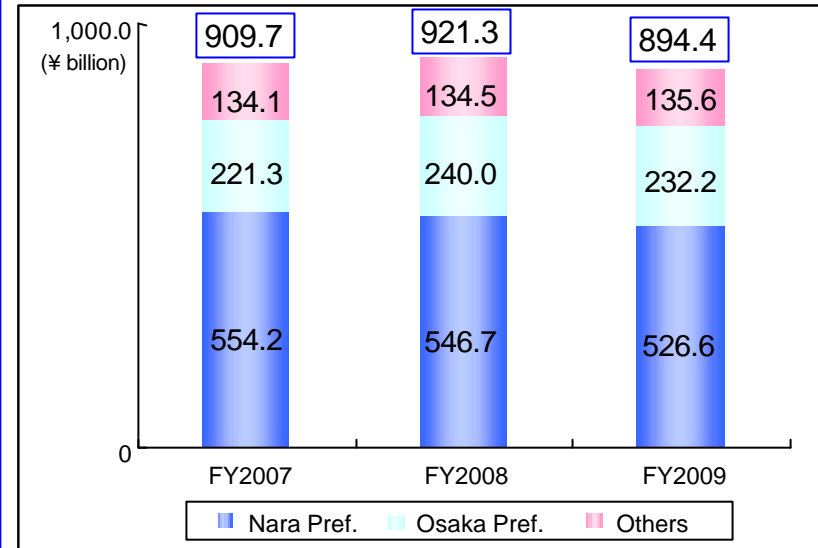
Average Balance of Loans by Sector

Loans outstanding for FY2009 amounted to ¥2,751.0 billion, a year-on-year increase of ¥48.1 billion due to increases in both wholesale loans and personal loans.

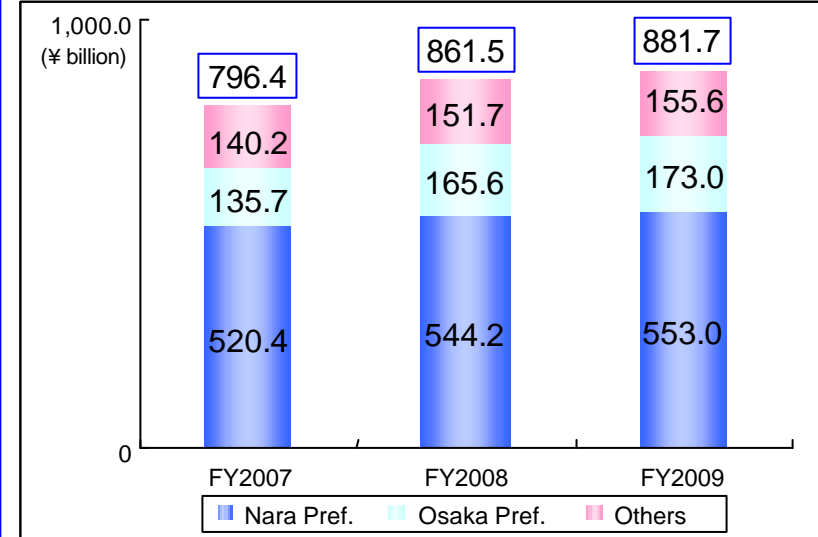


Average Balance of Loans by Prefecture

<Retail business loans>



<Personal loans>



Financial Results for FY2009 – 5. Securities-1

Gains/Losses on Securities

(¥ billion)

		FY2008	FY2009	Y/Y Change
1	Gains/losses on securities	(30.4)	2.5	+32.9
2	Gains/losses on bonds (Japanese government bonds, etc.)	(13.0)	2.7	+15.8
3	Gain on disposal of bonds	4.4	3.7	-0.7
4	Gain on redemption of bonds	0.1	-	-0.1
5	Loss on disposal of bonds	2.2	0.6	-1.5
6	Loss on redemption of bonds	11.5	0.1	-11.3
7	Write-offs	3.8	0.0	-0.0
8	Gains/losses on stocks	(17.3)	(0.2)	+17.1
9	Gain on disposal of stocks	5.1	0.6	-4.4
10	Loss on disposal of stocks	1.2	0.1	-1.1
11	Write-offs	21.3	0.7	-20.5

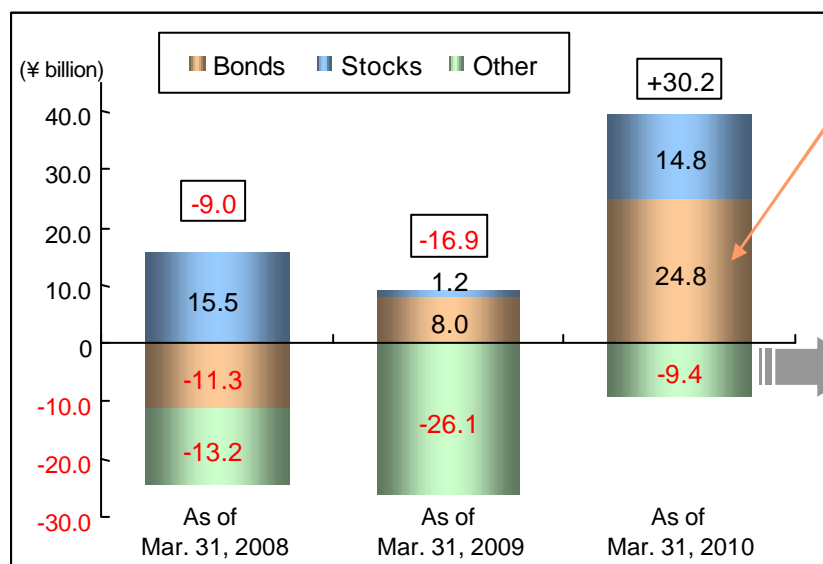
No.2 Gains/losses on bonds	¥2.7 bn
No.3 Gain on disposal of bonds	¥3.7 bn
(Securitized products ¥2.5 bn, Japanese government bonds ¥1.0 bn, Foreign bonds ¥0.1 bn, etc.)	
No.5 Loss on disposal of bonds	¥0.6 bn (Japanese government bonds ¥0.5 bn, etc.)
No.8 Gains/losses on stocks	-¥0.2 bn
No.11 Write-offs	¥0.7 bn
(Impairment loss due to 30% or more decline in value ¥0.7 bn)	

< Securitized products for losses on bonds >

(¥ billion)

	As of Mar. 31, 2008		As of Mar. 31, 2009		As of Mar. 31, 2010	
	Number of stocks traded	Book value	Number of stocks traded	Book value	Number of stocks traded	Book value
Synthetic CDO	10	14.33	8	3.98	1	0.11
CDO	2	0.57	0	0.0	0	0.0
Capital note	9	1.48	9	0.08	0	0.0
Total	21	16.39	17	4.06	1	0.11

Unrealized Gains/Losses of Securities



* From the end of Sep. 2008, fair value of floating rate bonds is reasonably calculated based on "Practical Solution on Measurement of Fair Value Financial Assets" (ASBJ PITF No.25).

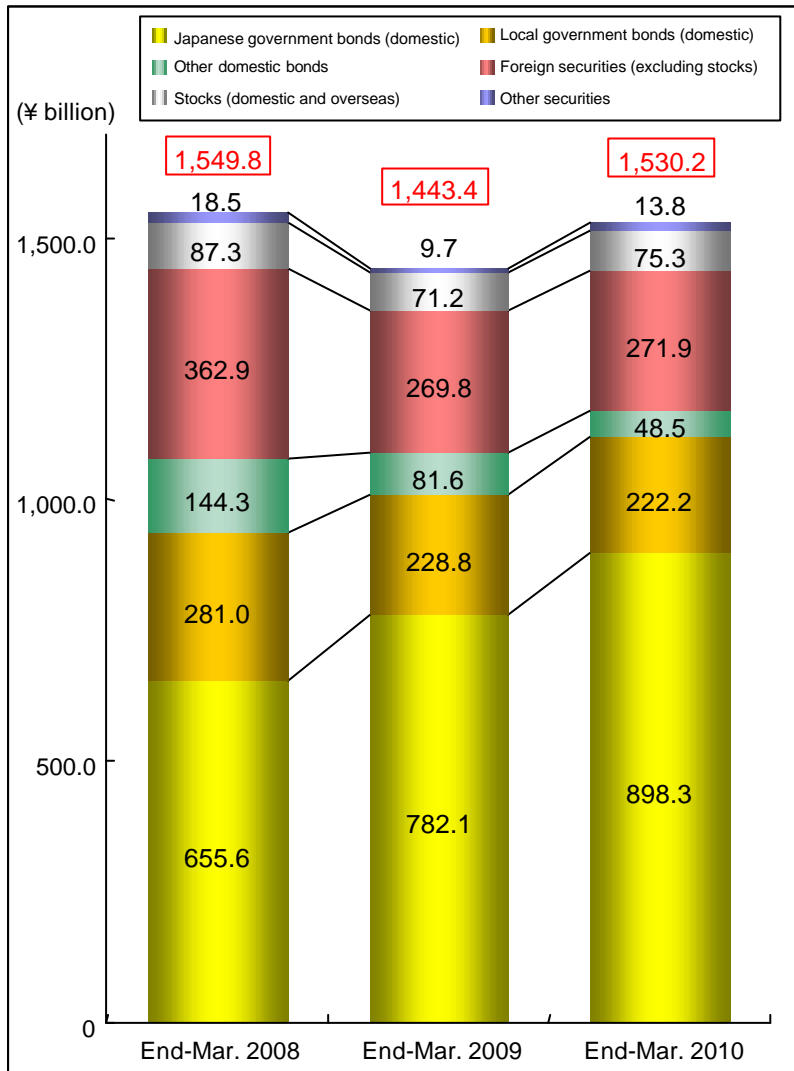
< Breakdown of other securities >

(¥ billion)

	As of Mar. 31, 2008		As of Mar. 31, 2009		As of Mar. 31, 2010			
	Book value	Unrealized Gain/loss	Book value	Unrealized Gain/loss	Book value	Change from Mar. 2009	Unrealized Gain/loss	Change from Mar. 2009
1 Other	384.6	-13.2	282.5	-26.1	288.0	5.5	-9.4	16.7
2 Overseas securities	362.9	-11.7	269.8	-25.1	271.9	2.1	-9.2	15.9
3 Government bonds	55.6	-1.6	28.0	0.4	82.9	54.9	1.1	0.7
4 Government guaranteed bonds, etc.	0.0	0.0	11.9	0.1	9.9	-2.0	0.2	0.1
5 Corporate bonds	141.3	-2.9	132.1	-7.7	88.9	-43.2	2.4	10.1
6 Other foreign securities	165.9	-7.1	97.7	-17.9	90.0	-7.7	-13.0	4.9
7 Other securities (investment trust, J-REIT, investment partnership), etc.	21.6	-1.4	12.6	-0.9	16.1	3.5	-0.2	0.7

Financial Results for FY2009 – 5. Securities-2

Balance of Outstanding Securities



* Book value basis
(after deduction of appraisal profit and loss of securities)

Asset Management Plan for FY2010

Building of a sound portfolio which leads to stable return with control of risk

Yen-Denominated Bonds
Increase, based on the expectation for prolonged low-interest policy

- Continue to build a ladder portfolio centered around Japanese government bonds
- Increase investment returns through active trading, options usage, etc.

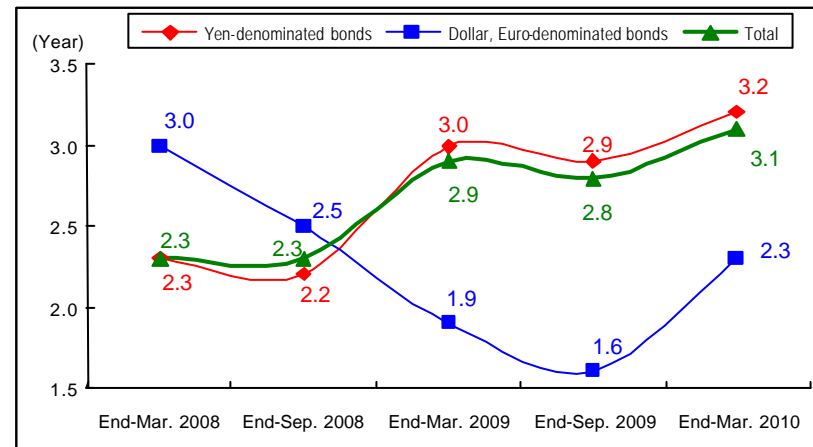
Japanese and U.S. Stocks
Increase slightly, based on the outlook for a mild recovery

- Build a high quality equity portfolio for net investment purpose through adjusting the portfolio mix
- Build earnings through active trading of stock funds

Foreign Bonds
Increase slightly, based on the large spread between acquisition cost and investment returns for dollar-denominated bonds
Shift from euro-denominated bonds to yen-denominated bonds

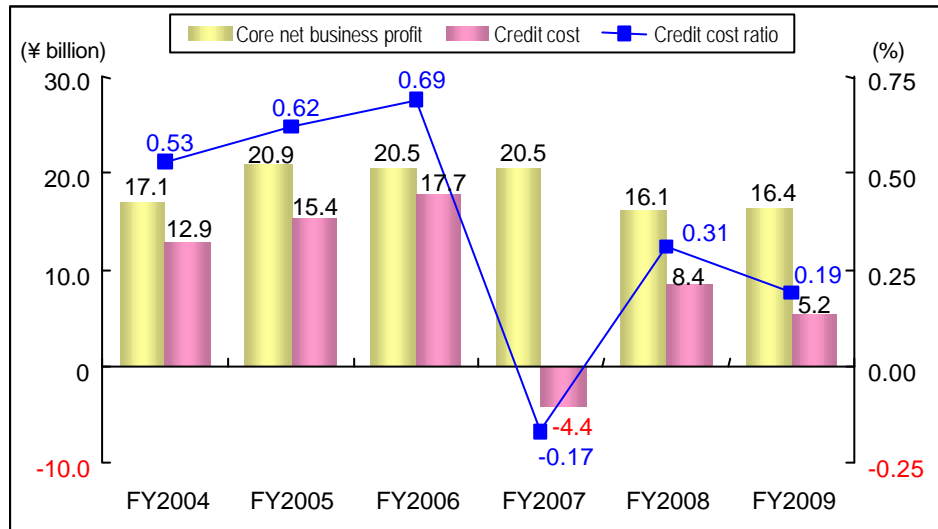
- Continue investment focused on safe, liquid U.S. government bonds

Bond Duration

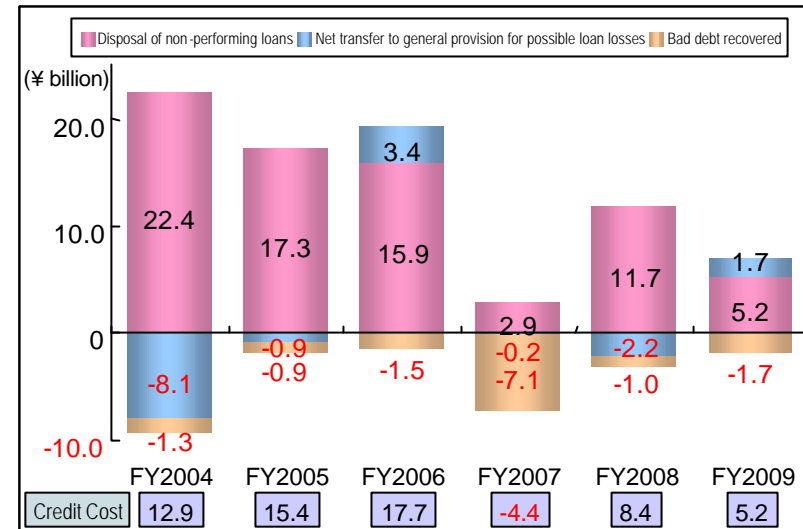


Financial Results for FY2009 – 6. Disposal of Non-Performing Loans

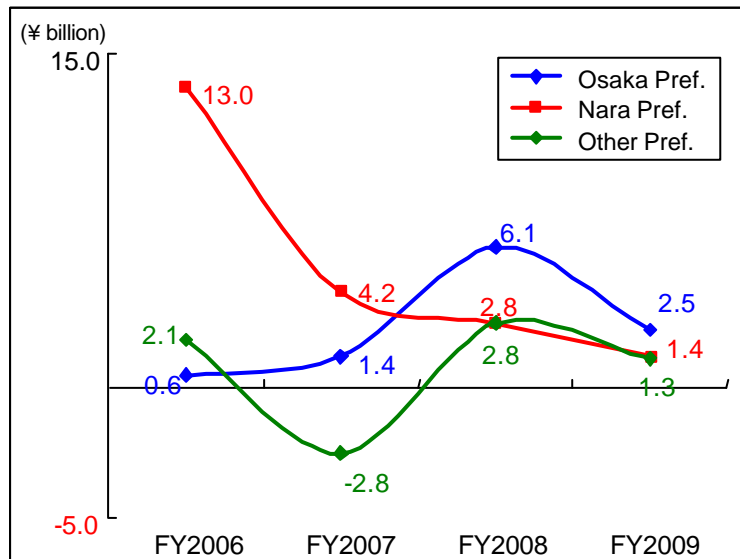
Credit Cost



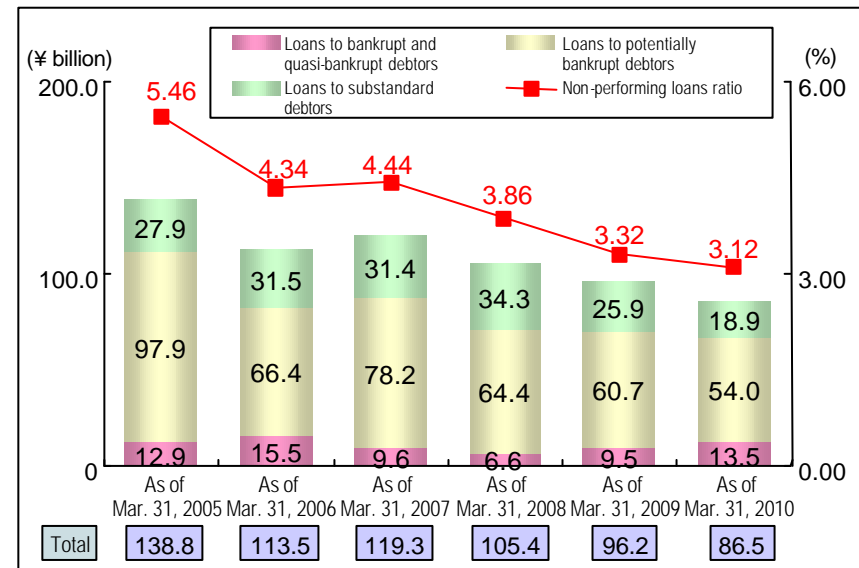
Breakdown of Credit Cost



Disposal of Non-Performing Loans by Region

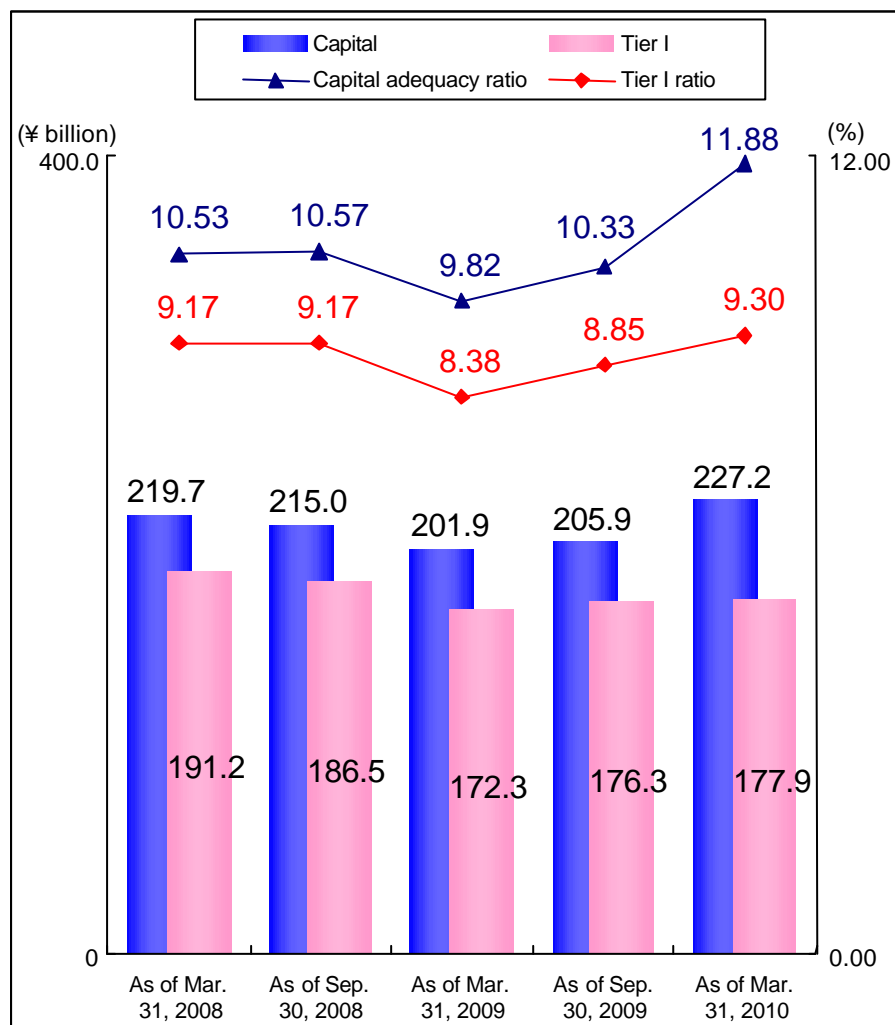


Credits Disclosed under the Financial Reconstruction Law / Non-performing Loans Ratio



Financial Results for FY2009 – 7. Capital Adequacy Ratio

Capital Adequacy Ratio



* Calculated by standard method of Basle II from March 2007
 As for risk-weighted assets, calculated by "credit risk = standard method",
 "Operational risk = basic method"
 Unrealized gains/losses on floating rate bonds are calculated based on theoretical price from September 2008.

		(¥ billion, %)	As of Mar. 31, 2008	As of Sep. 30, 2008	As of Mar. 31, 2009	As of Sep. 30, 2009	As of Mar. 31, 2010	Change from Mar. 2009
1	Tier I		191.2	186.5	172.3	176.3	177.9	+5.6
2	Of which, preferred securities		20.0	20.0	20.0	20.0	20.0	-
3	Tier II		33.0	32.7	32.8	32.4	51.9	+19.1
4	General provision for possible loan losses		13.0	12.7	12.8	12.4	11.9	-0.9
5	Hybrid debt capital instruments		20.0	20.0	20.0	20.0	40.0	+20.0
6	Deductions		4.5	4.2	3.2	2.8	2.6	-0.6
7	Capital		219.7	215.0	201.9	205.9	227.2	+25.3
8	Risk weighted assets		2,084.8	2,032.4	2,055.6	1,992.6	1,912.2	-143.4
9	Credit-risk assets		1,960.4	1,906.1	1,931.0	1,868.3	1,788.3	-142.7
10	Amount equivalent to operational risk		124.4	126.3	124.5	124.2	123.9	-0.6
11	Capital adequacy ratio (No.7 / No.8 ? 100)		10.53	10.57	9.82	10.33	11.88	+2.06
12	Tier I ratio (No.1 / No.8 ? 100)		9.17	9.17	8.38	8.85	9.30	+0.92
13	Core Tier I ratio*		6.18	5.98	5.39	6.14	6.75	+1.36
14	Deferred tax assets		45.0	47.7	43.8	36.1	30.9	-12.9
15	Deferred tax assets ratio (No.14 / No.1 ? 100)		23.5	25.5	25.4	20.4	17.3	-8.1

* Core Tier I ratio = (Tier I – Preferred securities – Deferred tax assets) / (Risk weighted assets – Deferred tax assets)

<Interest-rate risk for bank account> (As of March 31, 2010)
 99 percentile method
 • Amount of interest-rate risk ¥25.9 billion
 • Outlier ratio 11.2%

* Core deposit model was introduced in demand deposit from the end of September 2009.

Business Forecast for FY2010

		(¥ billion)	FY2009	FY2010 Forecast	Y/Y change
1	Core gross business profit		65.6	68.0	+2.3
2	Interest income		59.3	61.0	+1.6
3	Fees and commissions		6.0	6.7	+0.7
4	Other operating income (*1)		0.2	0.2	-0.0
5	Cost of derivative financial products		-	0.0	+0.0
6	Expenses		49.2	51.3	+2.1
7	Personnel expenses		26.2	26.3	+0.1
8	Non-personnel expenses		21.0	22.7	+1.7
9	Taxes		1.9	2.1	+0.2
10	Core net business profit		16.4	16.7	+0.2
11	Gains/Losses on bonds (JGBs, etc.)		2.7	0.6	-2.1
12	Net transfer to general provision for possible loan losses		1.7	(0.3)	-2.0
13	Net business profit		17.4	17.6	+0.1
14	Non-recurrent gains/losses		(7.0)	(7.6)	-0.5
15	Gains/Losses on stocks		(0.2)	-	+0.2
16	Disposal of non-performing loans		5.2	6.5	+1.2
17	Ordinary income		10.4	10.0	-0.4
18	Extraordinary gains/losses		1.5	0.8	-0.7
19	Bad debt recovered		1.7	1.0	-0.7
20	Income before taxes		11.9	10.8	-1.1
21	Net income		7.3	6.0	-1.2
22	Credit cost (*2)		5.2	5.2	-0.0

*1 Except bonds (ex. Government Bonds) gains/losses

*2 (Net transfer to general provision for possible loan losses + Disposal of non-performing loans) – (Bad debt recovered)

<No10 Core net business profit>

Real net interest income is expected to increase by ¥1.6 billion year on year due to an increase in interest on market sector income, including interest on loans and deposits, and deducting the cost of derivative financial products.

Fees and commissions are also expected to increase, by ¥700 million, but an anticipated ¥2.1 billion increase in expenses is forecast to hold core net business profit to ¥16.7 billion, an increase of ¥200 million year on year.

<Breakdown of real net interest income>

	(¥ billion)	FY2009	FY2010 Forecast	Y/Y Change
Net interest income [Real net interest income]		59.3 [59.3]	61.0 [60.9]	+1.6 [+1.6]
Interest on loans and deposits		42.6	42.9	+0.2
Interest on loans		50.9	49.3	-1.6
Interest on deposits		8.3	6.4	-1.8
Interest on market sector [Real interest on market sector]		16.6 [16.6]	18.0 [18.0]	+1.4 [+1.3]
Interest on securities		17.9	19.9	+2.0
Interest on fund management		0.3	0.2	-0.0
Interest on fund procurement		1.5	2.1	+0.5
[Cost of derivative financial products]		[-]	[0.0]	[+0.0]

<No21 Net income>

Though credit costs should remain basically unchanged, net income is forecast to decline ¥1.2 billion, to ¥6.0 billion, due to a decline in gains on securities.

<Breakdown of gains/losses on securities and credit cost>

	(¥ billion)	FY2009	FY2010 Forecast	Y/Y Change
Gains/Losses on securities		2.5	0.6	-1.9
Gains/Losses on bonds (JGBs, etc.)		2.7	0.6	-2.1
Gains/Losses on stocks		(0.2)	-	+0.2
Credit cost		5.2	5.2	-0.0
Net transfer to general provision for possible loan losses		1.7	(0.3)	-2.0
Disposal of non-performing loans		5.2	6.5	+1.2
Recoveries of write-offs		1.7	1.0	-0.7

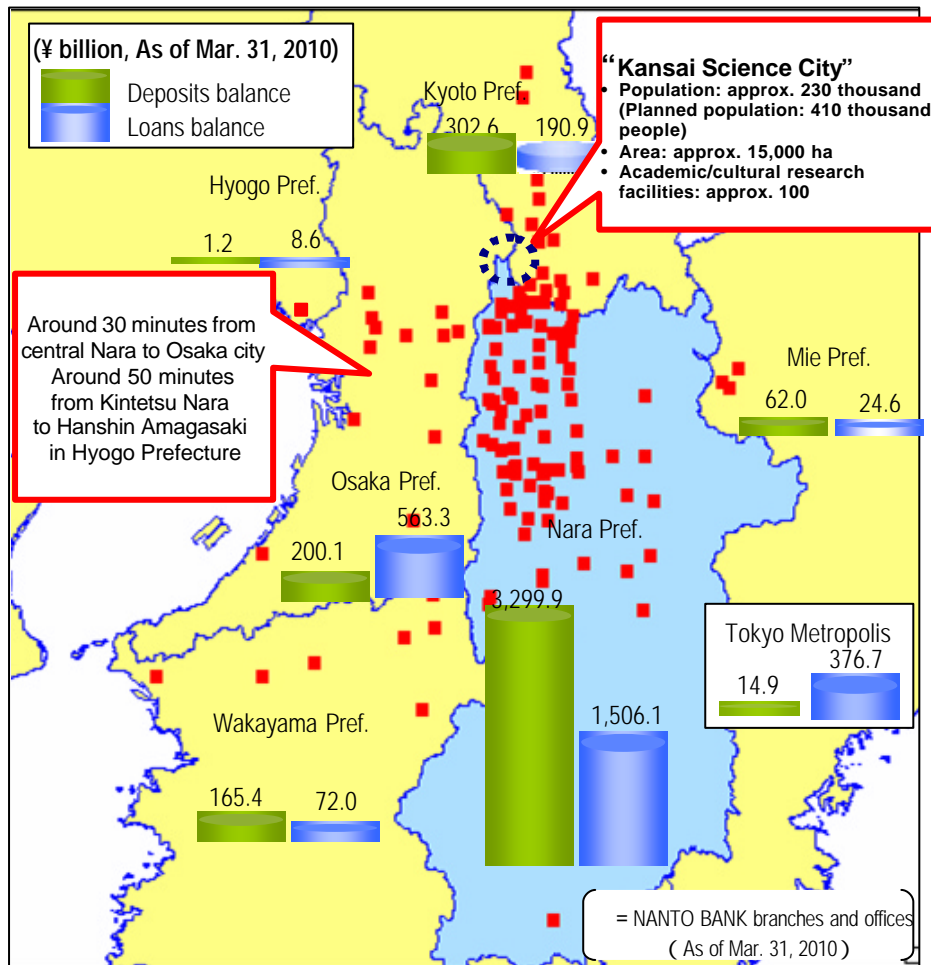
I. Financial Results for FY2009

II. Management Strategy

Outline of Business Area

<Office Channels>

[Branches] Nara Pref. 92, Osaka Pref. 13, Kyoto Pref. 15, Wakayama Pref. 7, Mie Pref. 3, Hyogo Pref. 1, Tokyo 1
 [Housing loan centers] 8 locations; Nara, Heijo, Gakuenmae, Ikoma, Mamigaoka, Kashihara, Oji, Osaka
 [Everyday-life Consultation Office] 6 locations
 Saidaiji, Heijo, Gakuen-mae, Mamigaoka, Rinkan-eki-mae, Gardenmall Kizugawa



No	Indicator	Nara Prefecture	National ranking	Osaka Prefecture	National ranking	Source
1	Population	1,404 thousand	29	8,806 thousand	3	2008 Population Census
2	Number of private enterprises (offices)	48 thousand	40	421 thousand	2	2006 Establishment and Enterprise Census
3	Housing starts	8 thousand	30	76 thousand	4	2008 Ministry of Land, Infrastructure, Transportation and Tourism
4	Deposits balance	¥10.3 trillion	22	¥9.4 trillion	2	Kinyu Journal "Regional Financial Map 2010"
5	Loans balance	¥3.1 trillion	30	¥5.0 trillion	2	Kinyu Journal "Regional Financial Map 2010"
6	Personal savings (per capita)	¥3,366 thousand	4	¥891 thousand	2	2008 Bank of Japan
7	Newspapers subscriptions (per household)	1.35	1	1.06	17	2008 Japan Newspaper Association
8	Number of residents traveling abroad (per 1,000 people)	159.37	5	151.69	7	2007 Annual Report of Statistics on Legal Migrants
9	Number of households with piano (per 1,000 households)	353	2	256	33	2004 National Survey of Family Income and Expenditure
10	Employment rate outside the Prefecture	29.32%	1	5.11%	15	2005 Population Census

<Saving balance by prefectural capital>
 (Per household (with more than 2 people) basis
 Source: Ministry of Internal Affairs and Communications)
 ≡ Nara city
 CY2008: ¥23.89 million (Nation's top rank)

<Our strength>
 ≡ Well-developed office network
 ≡ Maintained approx. 50% of deposit and loan market share in Nara Pref.
 ≡ Osaka Pref. which adjoins Nara Pref. has the second largest economy in Japan.

<Market Characteristics>
 ≡ Nara prefecture => Retail market
 ≡ Osaka prefecture => Business market

< Nanto Bank's Growth Scenario >

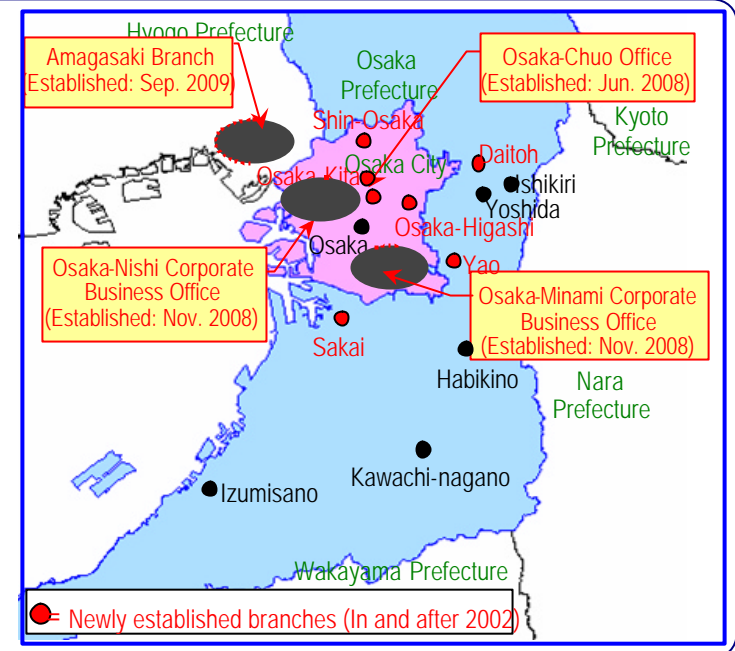
- ≡ **Priority strategic areas**
 - Nanto Bank will increase business loans and personal loans and strive to expand and strengthen sales offices in areas such as Osaka, which are the bank's important strategic areas.
- ≡ **Existing area centered on Nara prefecture**
 - Nanto Bank will make a detailed breakdown of customer segments, develop more strategic business activities, and promote asset management products and personal loans.

Corporate Banking Policies -1 (Osaka Strategy)

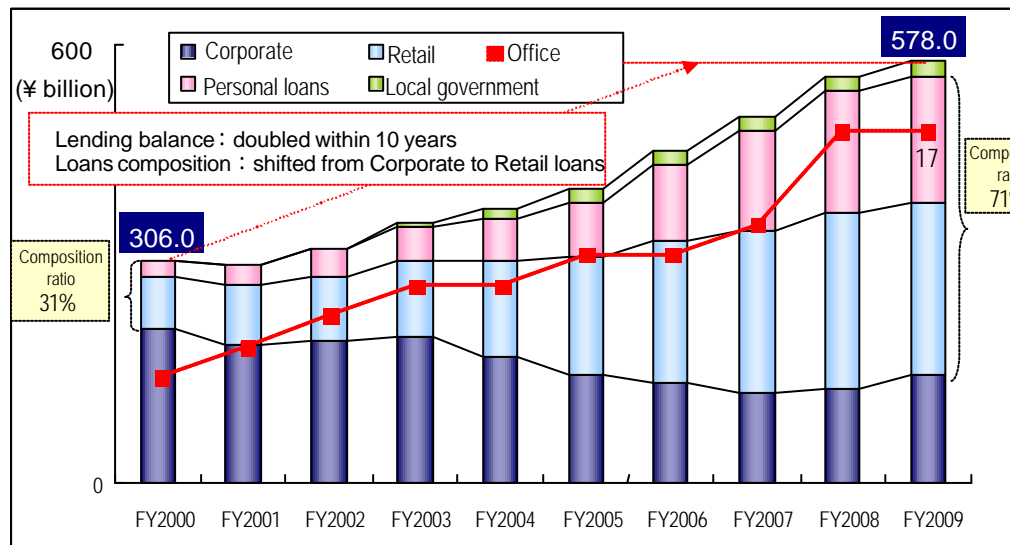
New Strategic Forces in Osaka

<New Offices>

- 1) Oct.2000, established Higashi-Osaka Corporate Business Office -> Oct.2002 Osaka-Higashi Branch
- 2) Oct.2000, established Yao Corporate Business Office -> Apr.2004 Yao Branch
(Transfer of the Yao-Minami Office)
- 3) Oct.2001, established Daitoh Corporate Business Office -> Dec.2003 Daitoh Branch
- 4) Jan.2003, established Osaka Corporate Business Office -> Jun.2008 incorporated into Osaka-Chuo Office
- 5) Jun.2003, established Osaka-Kita Corporate Office -> Jan.2004 Osaka-Kita Branch
- 6) Jun.2004, established Sakai Corporate Business Office -> Nov.2005 Sakai Branch
- 7) Aug.2005, established Shin-Osaka Corporate Business Office -> Aug.2006 Shin-Osaka Branch
- 8) Oct.2007, established Amagasaki Corporate Business Office -> Sep. 2009 Amagasaki Branch
- 9) Jun.2008, established Osaka-Chuo Office
- 10) Nov.2008, established Osaka-Minami Corporate Business Office
- 11) " established Osaka-Nishi Corporate Business Office



Change in Outstanding Loans in Osaka Pref.



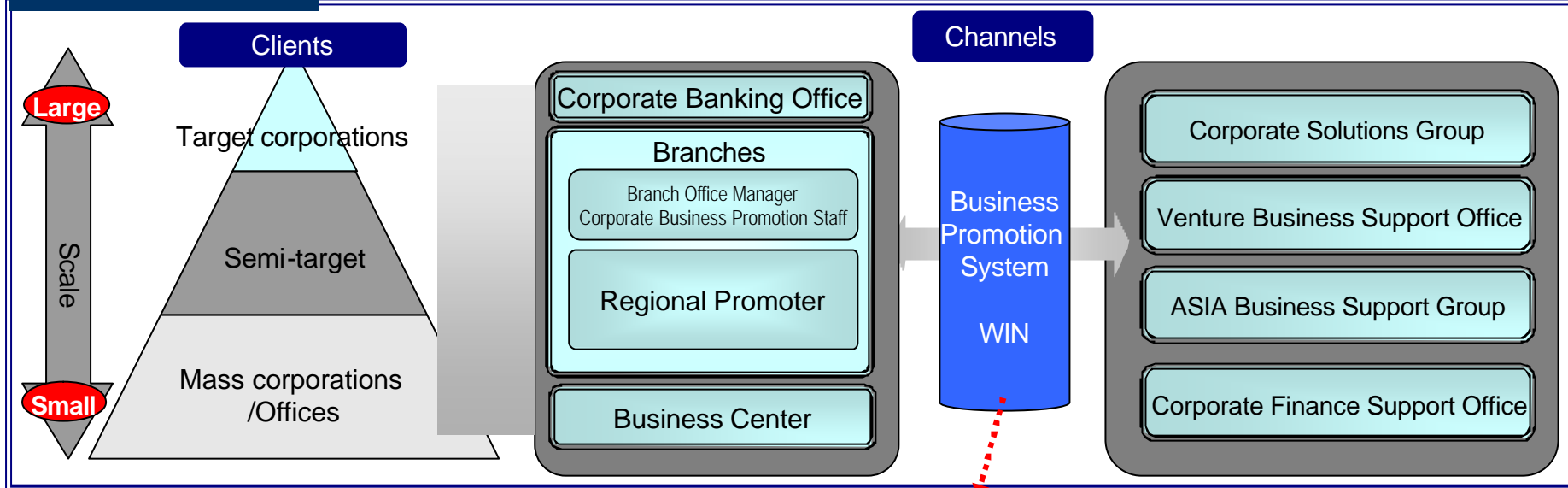
Strengthen Relationships with Client Companies

Strengthen tie-ups and relationships with client companies, established "Nanto Clubs" in branches located in Osaka Prefecture.



Corporate Banking Policies -2 (Business Promotion System)

Business Structure



Solution Business Development

Develop business to solve customer problems through a cooperation between branches and headquarters

Business Matching

Business Succession/M&A

Business Creation Support

Overseas Expansion Support

<Nou-Shou-Kou (agriculture, commerce and industry) Business Fair 2009>

- Held: December 2009
- Participating companies: 222
- Visitors: around 2,700
- Business negotiations: around 6,700



<Monozukuri (Manufacturing) Business Fair @ Shanghai 2009 WINTER>

- (co-hosted by 8 local banks and 2 local governments)
- Held: December 2009
- Participating companies: 139 (including our 14 clients)
- Visitors: around 2,400
- Business negotiations: around 3,500



Business Promotion Using WIN

Bulletin Board

Sales Proposal [Real Estate](#) [Others](#)

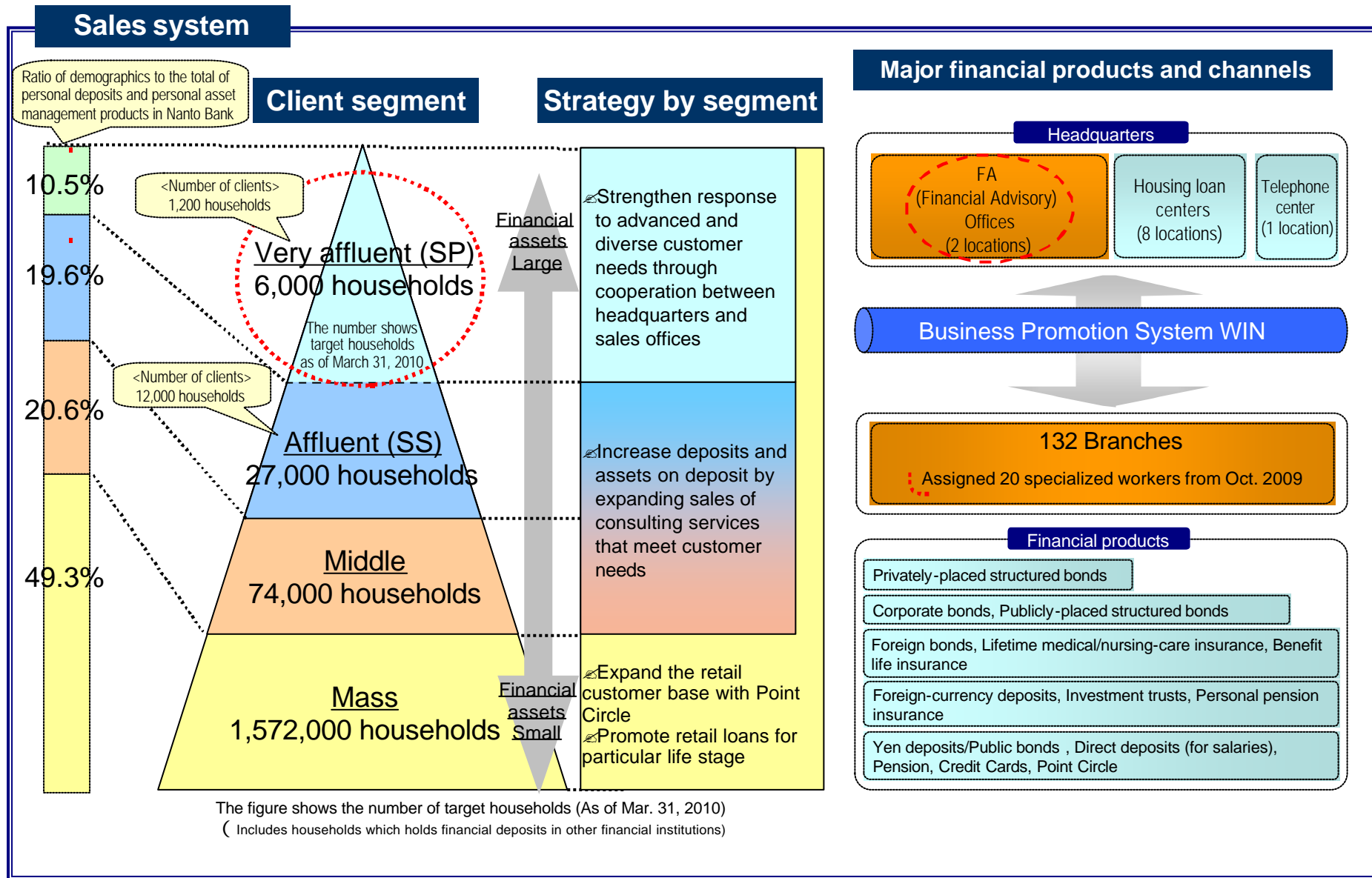
Status All Pending In action COMPL Updated 2009 Y 05 M 01 D ~ 2010 Y 05 M 01 D

Section Area Annual Business

Proposal Category

Updated	Current Status	Branch Code Customer	Section	Preferred Proposal Category Title	Area	Annual Business
2010/08/12	In action	770	Extension of market	Electric Machinery Proposal of energy management under the Act on the Rational Use of Energy	Nara and others	From ¥0.3 bn to ¥0.5 bn
2010/08/11	In action		Extension of market	Other Wholesale Request for sale destination of bonded wood	Nara and others	¥0.5 bn and up
2010/08/10	In action	770		Request for sale destination of uniforms and work clothes		
2010/08/09	In action	790	Extension of market	Food Products Requiring extension of market	Nara and others	Up to ¥0.5 bn
2010/08/26	In action	770	Extension of market	Food Request for a collaborating western confectionery manufacturer	Nara and others	From ¥0.1 bn to ¥0.3 bn
2010/08/24	In action	770	Expansion of supplier	Other Wholesale (Food) Request for a supplier of ingredients for confectioneries	Nara and others	¥0.5 bn and up
2010/01/27	In action	788	Extension of market	Restaurants Request for as sale destination (restaurants) for Japanese liquor	Nara and others	Up to ¥0.5 bn

Retail Banking Policies -1 (Business Promotion System)

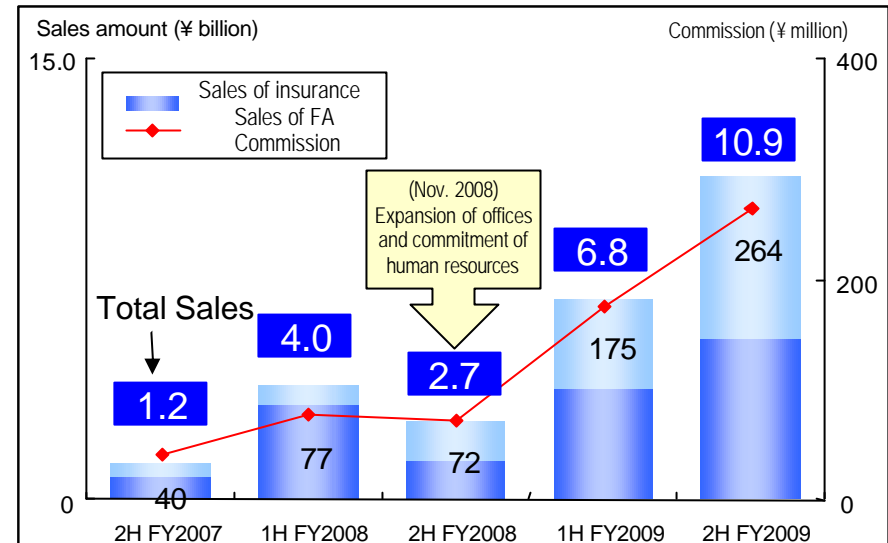


Retail Banking Policies -2 (Target on Middle and Affluent Clients)

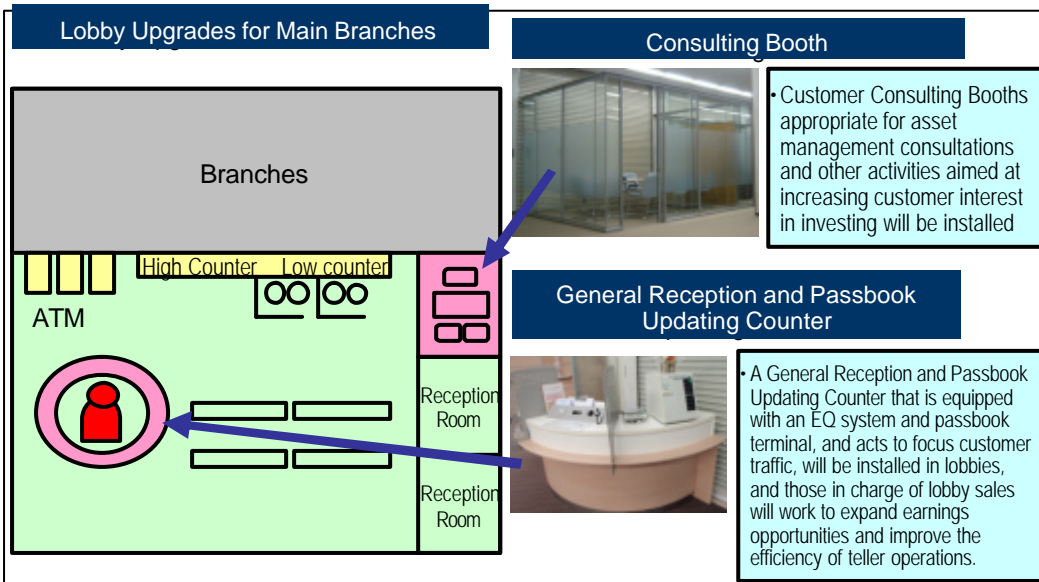
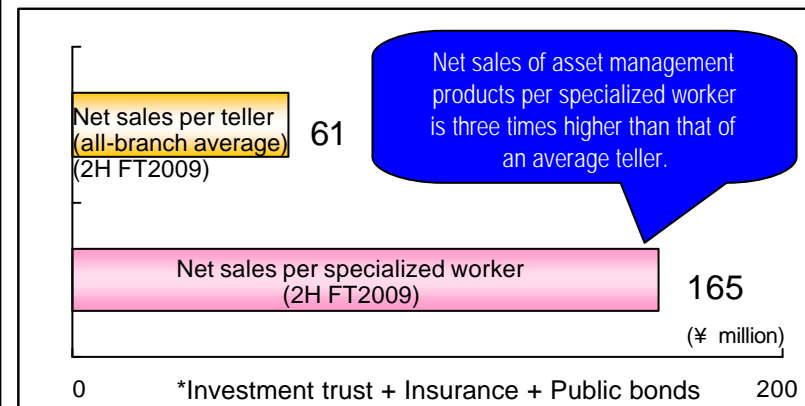
Promotion Measures

- ✎ Introduction of new products of investment trusts and life insurance
- ✎ Target on affluent clients in cooperation with more FA specialists
 - ✎ Nov. 2009: Expanded to 2 FA offices and increased by 4 to 10 members
 - ✎ Apr. 2010: Increased by 2 to 12 staff members
- ✎ Increase of specialized workers
 - ✎ Oct. 2009 : Allocated 10 specialized workers at sales offices
 - ✎ Apr. 2010 : Increased 10 more specialized workers
- ✎ Improve sales skills through seminars and training courses
- ✎ Strengthen over-the-counter sales system of main branches and offices, etc.

Sales by FA (Financial Advisory) Office



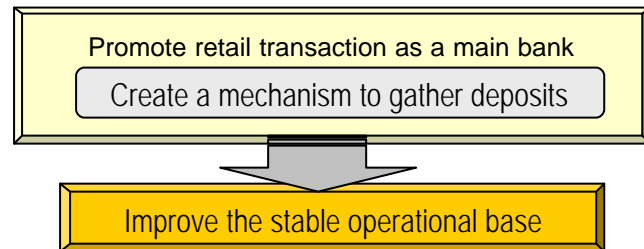
Achievements by Specialized Worker (Asset management products, etc. *)



Retail Banking Policies -3 (Promoting Retail Transaction as a Main Bank)

Efforts to Expand Retail Transaction Base

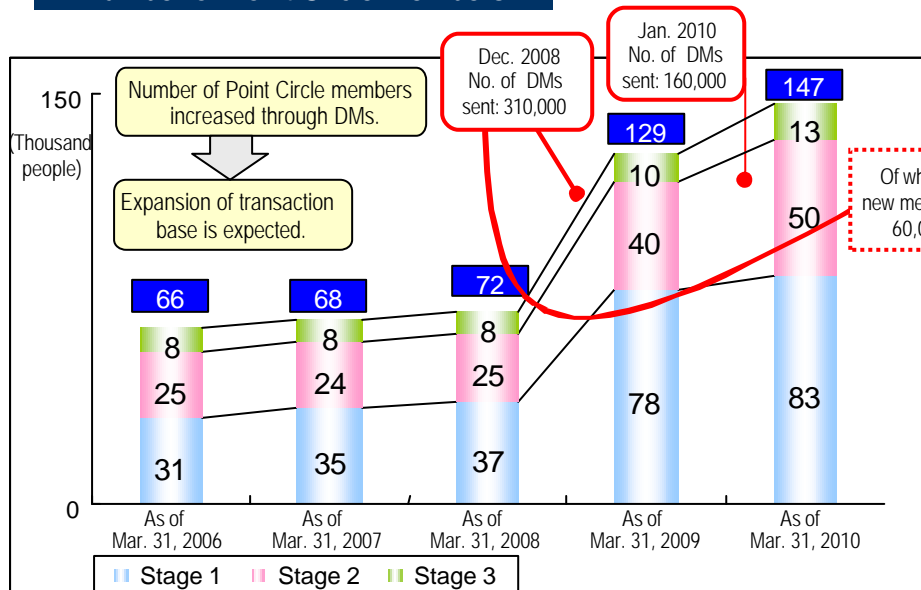
- Promote retail transaction as a main bank through Point Circle (point system) as a non human sales tool
- By sending direct mails (DMs) to non-members, promote the membership program
- Implement cross-selling to encourage Point Circle members to make their Nanto account their main account for salary deposits, credit card payments, etc.



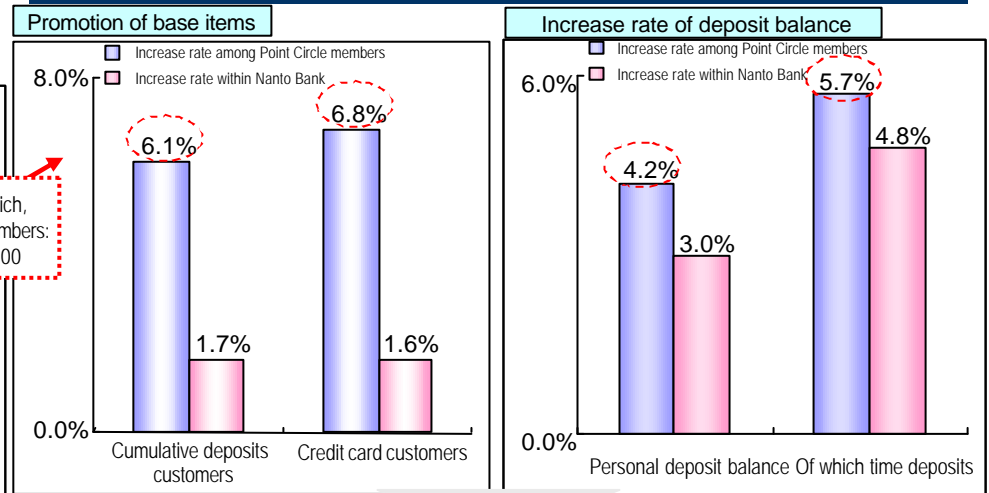
Point Circle Overview

Transaction Types		Point	Privileges		
Direct deposits (for salaries)	40	Stage 1 50 or more points	<ul style="list-style-type: none"> No usage fee for convenience store ATMs 0.5% per annum interest benefit on auto loans, etc. 		
Automatic bill payment (5)	25		Stage 2 100 or more points	<ul style="list-style-type: none"> No usage or after-hours fees for convenience store ATMs No after-hours fee for Nanto ATMs Free transfers between Nanto head office and branch accounts 50% off fee for early home loan repayment 1.0% per annum interest benefit on auto loans, etc. 	
Total points	65			Stage 3 150 or more points	<ul style="list-style-type: none"> *Plus No usage fee for early home loan repayment 2.0% per annum interest benefit on card loans, etc. 50% off fee for safe deposit box, etc.
*Plus		* For customers of Stage 2 (100 or more points) or higher with time deposit or assets on deposit of ¥10 million or more (As of January 31 of each year)			
Cumulative deposit automatic transfer	5				
Housing loan	30				
Credit card (Nanto DC, Nanto VISA, or Nanto JCB)	20	Coupon for a stay at a renowned hotel (April 2010 or later)			
Total points	120				
*Plus					
Deposit/loan balance of ¥5 million	30				
Nanto Bank's shareholder (1,000 shares and over)	10				
Total points	165				

Number of Point Circle Members



Change in Transactions among New 60,000 Point Circle Members (From Sep. 2008 to Mar. 2010)



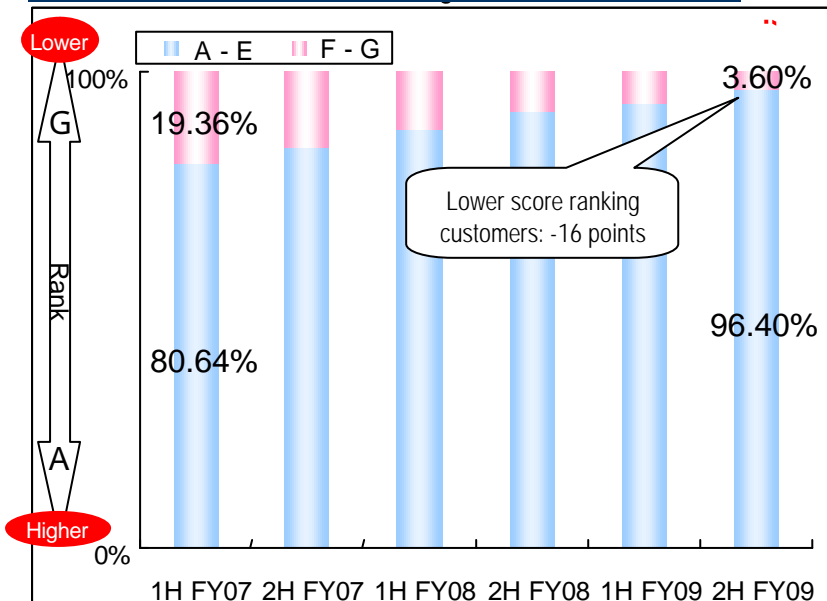
Improve the operational base through the active Point Circle transactions by customers.

Retail Banking Policies -4 (Reinforcing Personal Loans)

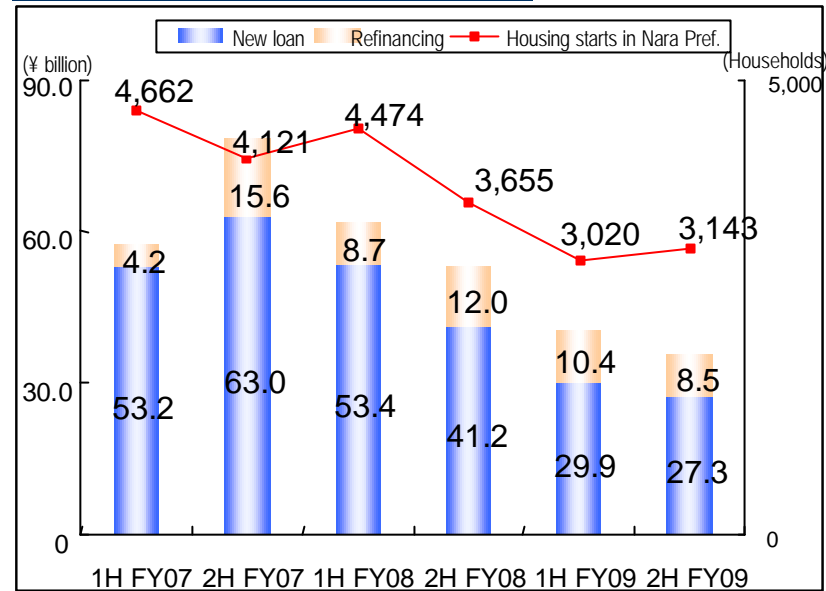
Measures for Reinforcing Personal Loans

- Promote personal loans that balance volume and quality
- Strengthen business with high-quality tie-up partners
- Strengthen tie-ups between 8 housing loan centers and sales offices
- Strengthen efforts to promote refinancing
- Strategically allocate staff specializing in housing loan
- Hold holiday counseling services by housing loan centers
- Strengthen delinquency management by Housing Loan Administration Team
- Strengthen management of lower score ranking clients

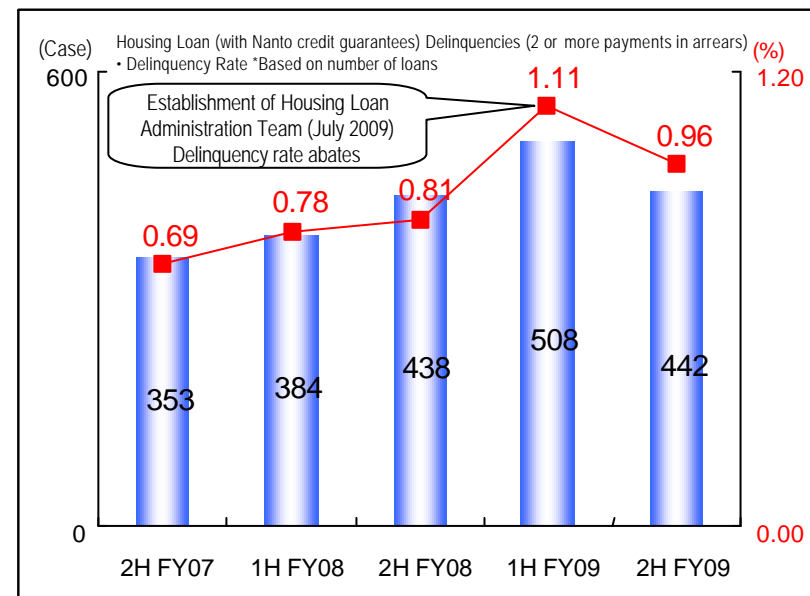
Composition of New Personal Loans Actually Made by Borrower Categories



New Housing Loans Actually Made



Housing Loan Delinquency Rate



Retail Banking Policies -5 (Channel Strategy)

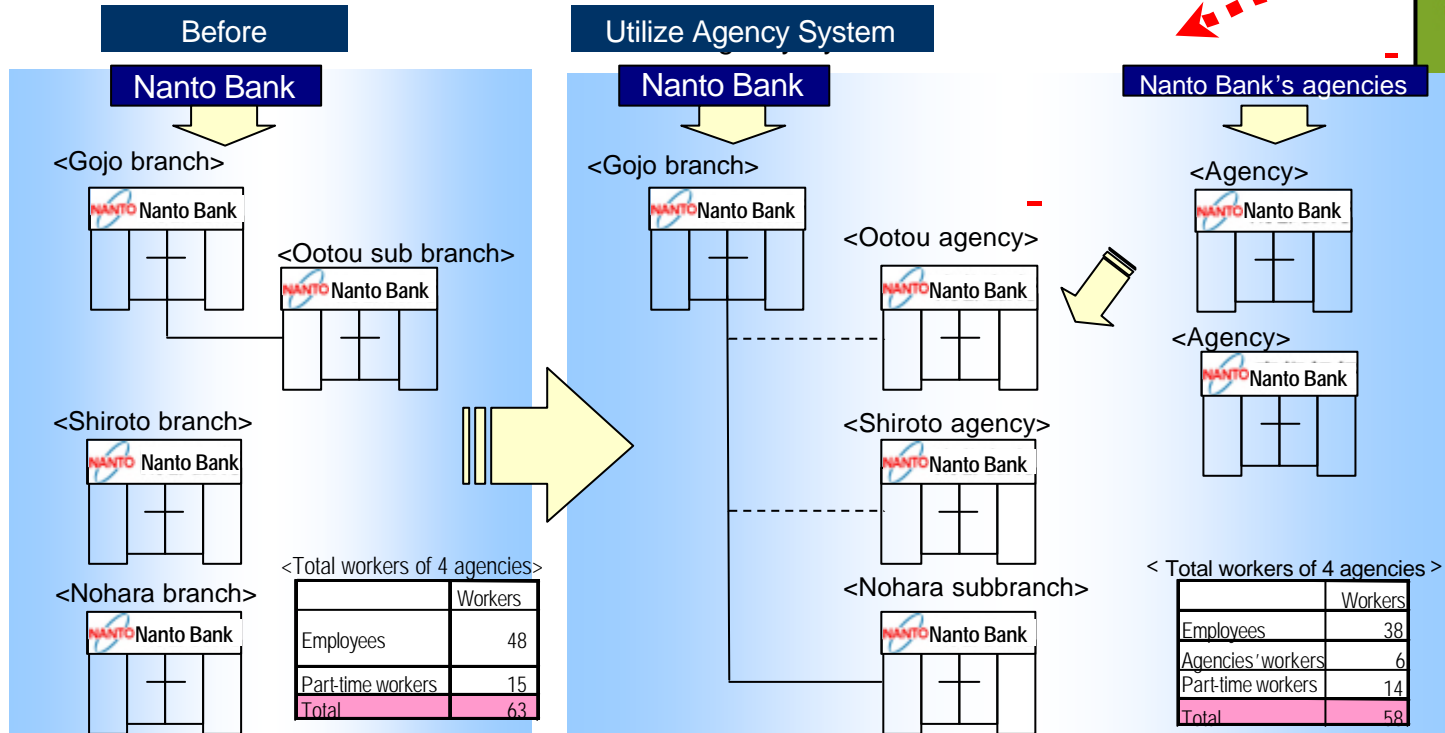
Office Reorganization of Gojo region

<Purpose of Satellite Bank Operations>

- 1) To fulfill the duties and responsibilities as a regional financial institution and deliver a certain level of financial services even to areas where no increase in population for households can be expected.
- 2) To secure business shares and maintain stable procurement in the region by continuing to keep staffed locations.
- 3) To lower costs and improve profitability of service outlets even in limited markets.



Two villages merged into Gojo city in Sept. 25, 2005



• Looking ahead, the use of satellite operations will be considered regarding sales offices in areas where no increase in population for households can be expected.

<Cost Benefits>
Savings of approx. annual ¥50 million per location

Appendix

Profile of the Nanto Bank	Appendix-1
Progress in Implementing the Medium-Term Management Plan	Appendix-2
Industrial Production Index / Business Projection for Local Companies	Appendix-3
Business Bankruptcy and Employment Conditions	Appendix-4
Number of Population, Households, and Housing Starts in Nara Prefecture	Appendix-5
Sales of Investment Trusts and Life Insurance	Appendix-6
Various Interest Rates	Appendix-7
Smooth Financing for SMEs	Appendix-8
Ratio of Loans by Industry	Appendix-9
Shift in Classification of Debtors	Appendix-10
Promoting CSR	Appendix-11
PR for the 1300th Anniversary of Nara Heijo-kyo Capital	Appendix-12
Efforts to Improve CS	Appendix-13

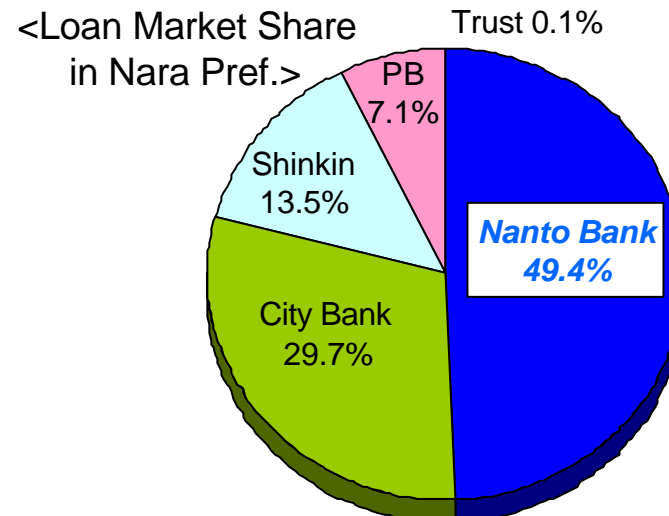
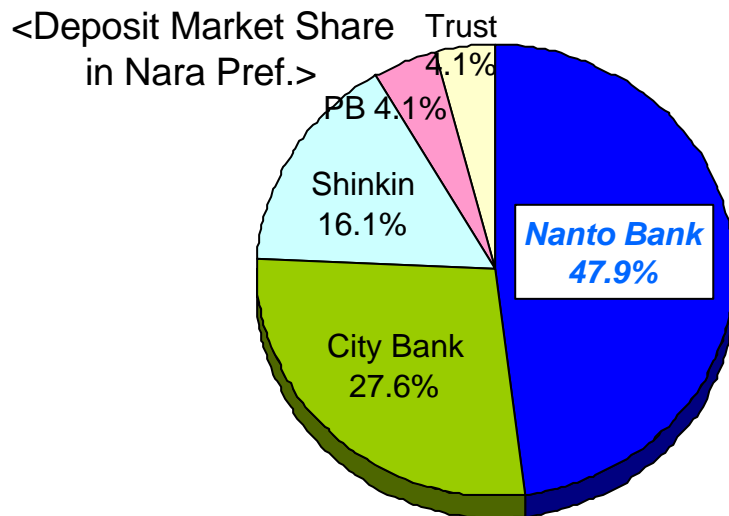
Profile of the Nanto Bank

- | | |
|--|---|
| 1. Founded | June 1, 1934 |
| 2. Location of head office | 16, Hashimoto-cho, Nara City |
| 3. Capital | ¥29,249 million |
| 4. Number of employees | 2,722 |
| 5. Number of offices | 132 (Japan),
2 (representative offices in
Hong Kong and Shanghai) |
| 6. Total assets | ¥4,557.9 billion |
| 7. Deposits outstanding | ¥4,046.4 billion |
| 8. Outstanding loans | ¥2,742.5 billion |
| 9. Capital ratio | Non-consolidated: 11.88%
Consolidated: 12.12% |
| 10. Deposit and loan market share in Nara Prefecture | |

(As of the end of March 2010)



(Head Office)



Progress in Implementing the Medium-Term Management Plan

Medium-Term Management Plan

More Value ? "Nanto"

- Strive to expand the business foundation and improve risk management with the goal of further increasing corporate value

April 2008 ? March 2011

Basic Policies (summary)

1. Strengthen profitability and improve risk management
2. Invigorate employees and the organization
3. Invigorate local economies
4. Promote CSR

Numerical Targets

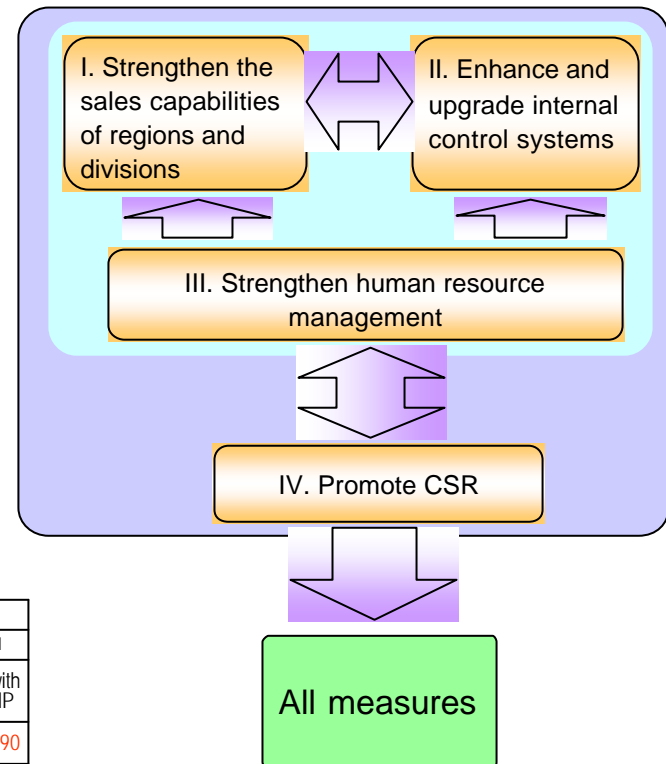
Item	FY2007 (Results)
1. Core net business profit	¥19.3 bn
2. Net income	¥5.0 bn
3. Outstanding loans	¥2.69 tn
Management indicators	
Profitability	1. ROE 2.70%
Efficiency	2. OHR 70.83%
Soundness	3. Capital ratio 10.53%
	4. Bad debt ratio 3.86%

More Value – "NANTO"					
FY 2008		FY 2009		FY 2010	
(Results)	Compared with mid-term MP	(Results)	Compared with mid-term MP	(Projection)	Compared with mid-term MP
¥16.1 bn	-¥1.3 bn	¥16.4 bn	-¥5.2 bn	¥16.7 bn	-¥9.3 bn
-¥22.3 bn	-¥29.5 bn	¥7.3 bn	-¥2.1 bn	¥6.0 bn	-¥5.9 bn
¥2.86 tn	¥0.07 tn	¥2.74 tn	-¥0.15 tn	¥2.80 tn	-¥0.19 tn
Management indicators					
Profitability	1. ROE	2.70%			
	2. OHR	70.83%	4.62%	+0.001%	3.31%
Efficiency	3. Capital ratio	10.53%	75.67%	5.03%	75.45%
	4. Bad debt ratio	3.86%	9.82%	1.18%	11.21%
			3.32%	-0.32%	3.12%
			3.12%	0.07%	3.01%
					0.29%

Interest rate scenario

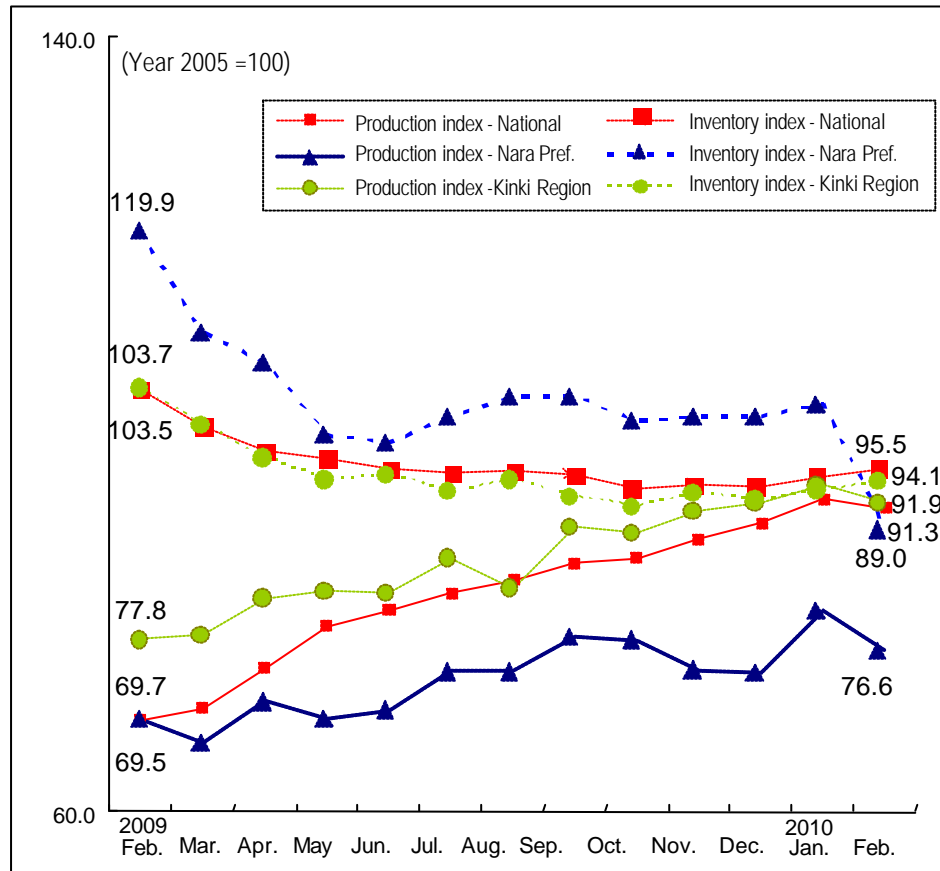
		FY2009				FY2010			
		As of Sep. 2009		As of Mar. 31, 2010		As of Sep. 30, 2010		As of Mar. 31, 2011	
		(Results)	Compared with Mid-term MP	(Results)	Compared with Mid-term MP	(Estimate)	Compared with Mid-term MP	(Estimate)	Compared with Mid-term MP
Japan	Overnight unsecured call rate	0.10	-0.65	0.10	-0.65	0.10	-0.90	0.10	-0.90
	Short-term prime	2.175	-0.200	2.175	-0.450	2.175	-0.450	2.175	-0.700
	3-month TIBOR	0.54	-0.46	0.50	-0.60	0.50	-0.80	0.50	-0.90
	5-year JGB	0.59	-0.81	0.60	-0.90	0.60	-1.10	0.70	-1.10
U.S.	3-month LIBOR	0.29	-2.91	0.30	-3.20	0.70	-3.00	1.20	-2.80
	US 5-year bond	2.31	-1.09	2.50	-1.20	2.70	-1.30	3.10	-1.10
EU	3-month LIBOR	0.71	-3.59	0.70	-3.60	1.00	-3.30	1.30	-3.00
	German 5-year bond	2.40	-2.00	2.30	-2.10	2.50	-2.00	2.70	-1.80

Priority Strategies



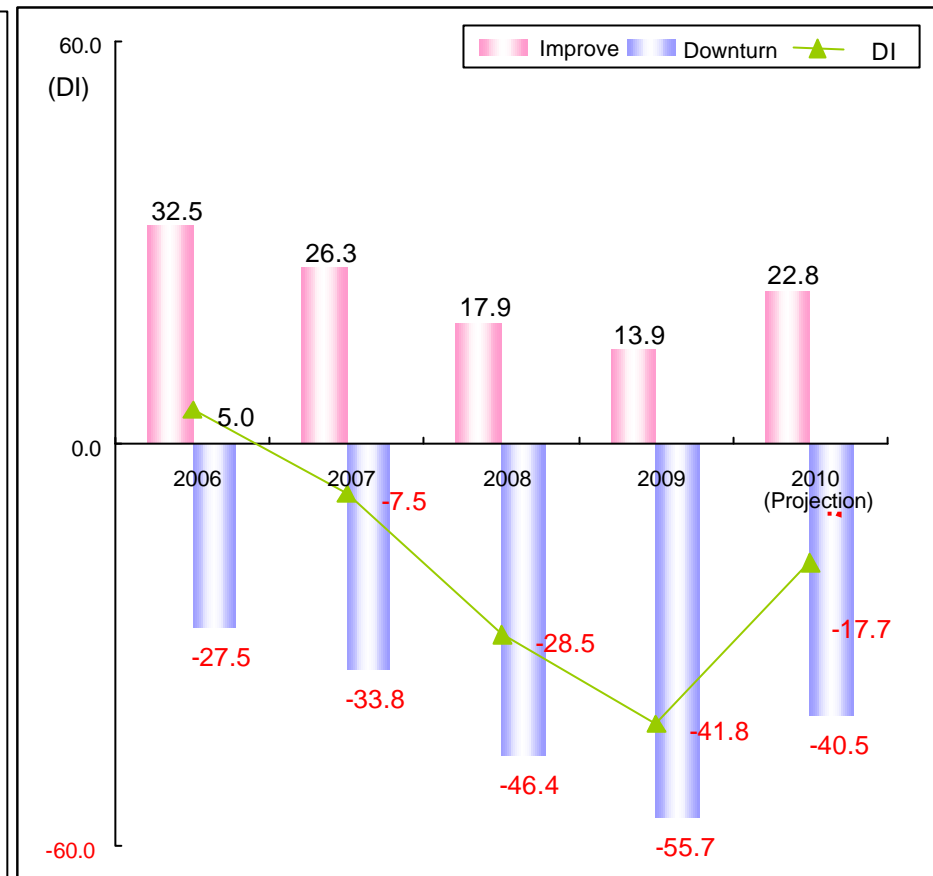
Industrial Production Index / Business Projection for Local Companies

Industrial Production Index



[Source: Ministry of Economy, Trade and Industry, Kansai Bureau of Economy, Trade and Industry]

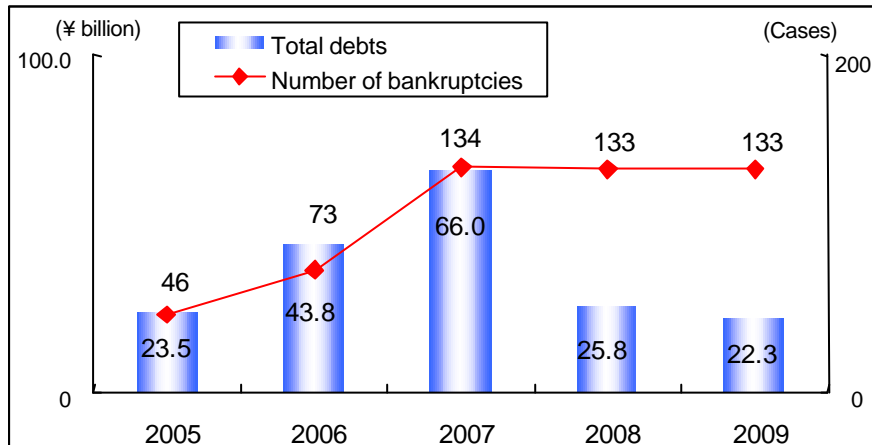
Business projection for local companies



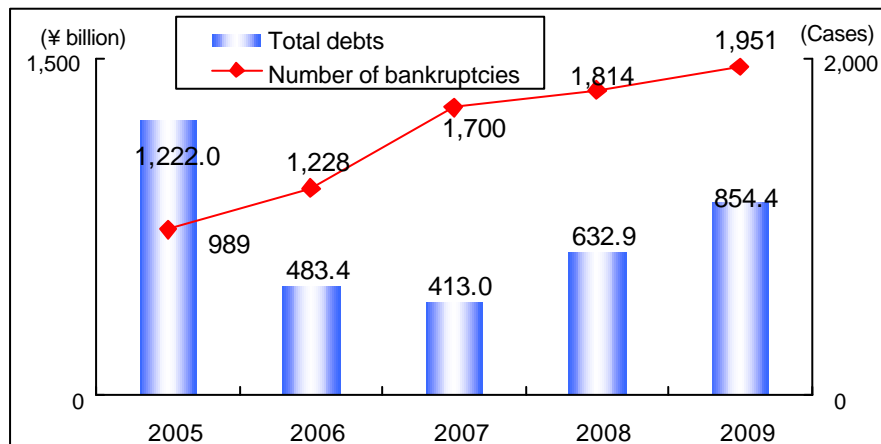
[Source: Nanto Economic Research Institute]

Business Bankruptcy and Employment Conditions

Number of Bankruptcies in Nara Pref.

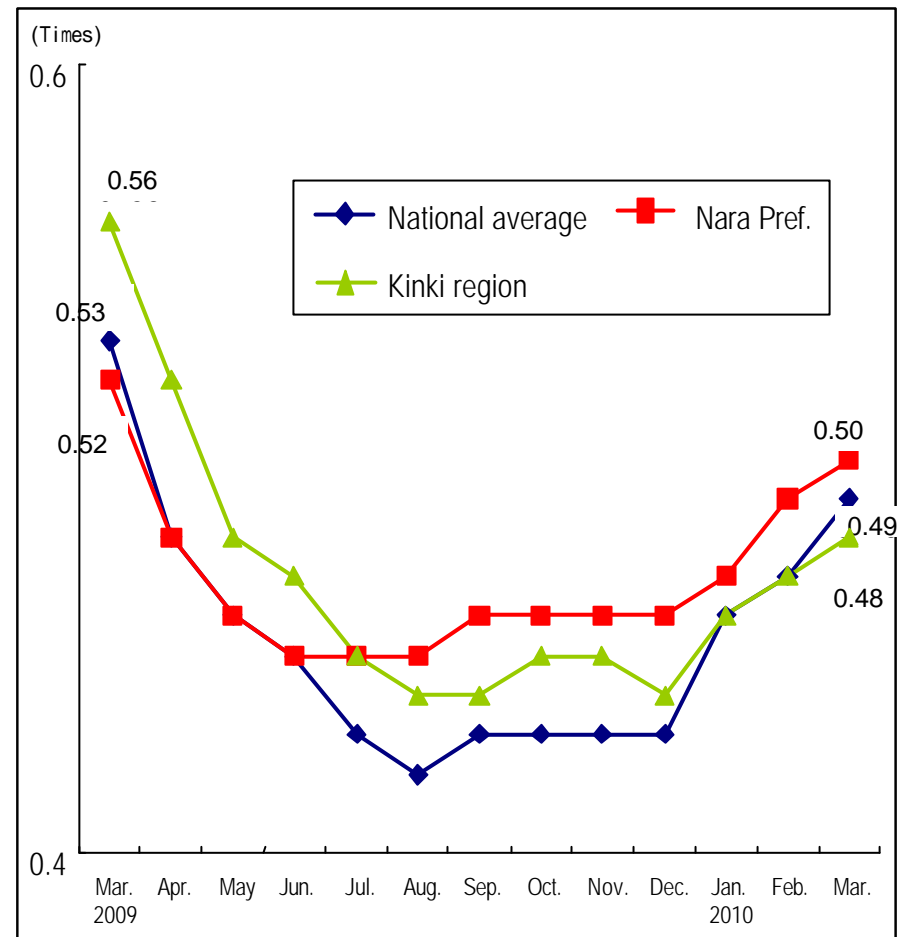


Number of Bankruptcies in Osaka Pref.



[Source: TEIKOKU DATABANK]

Effective Ratio of Job Offers to Applicants

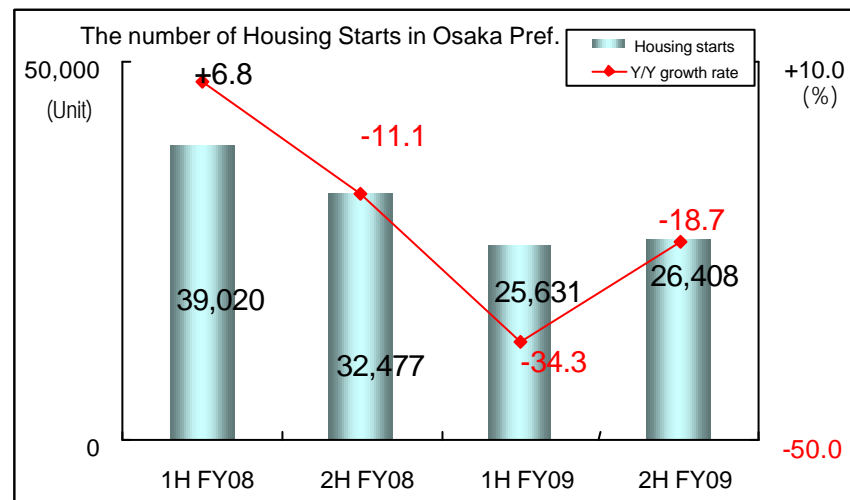
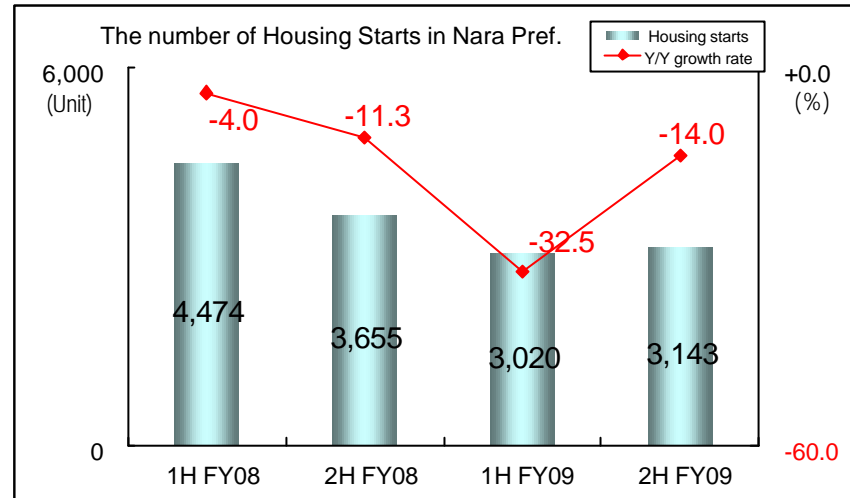
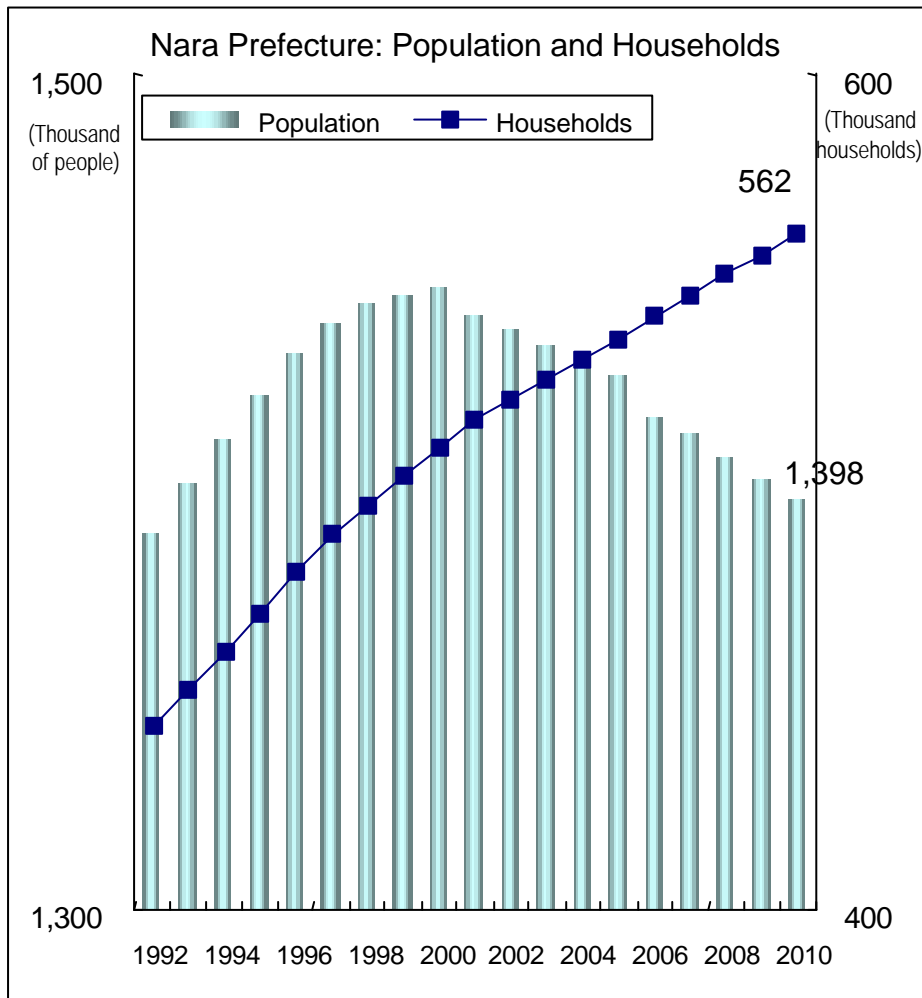


[Source: Health, Labor and Welfare Ministry]

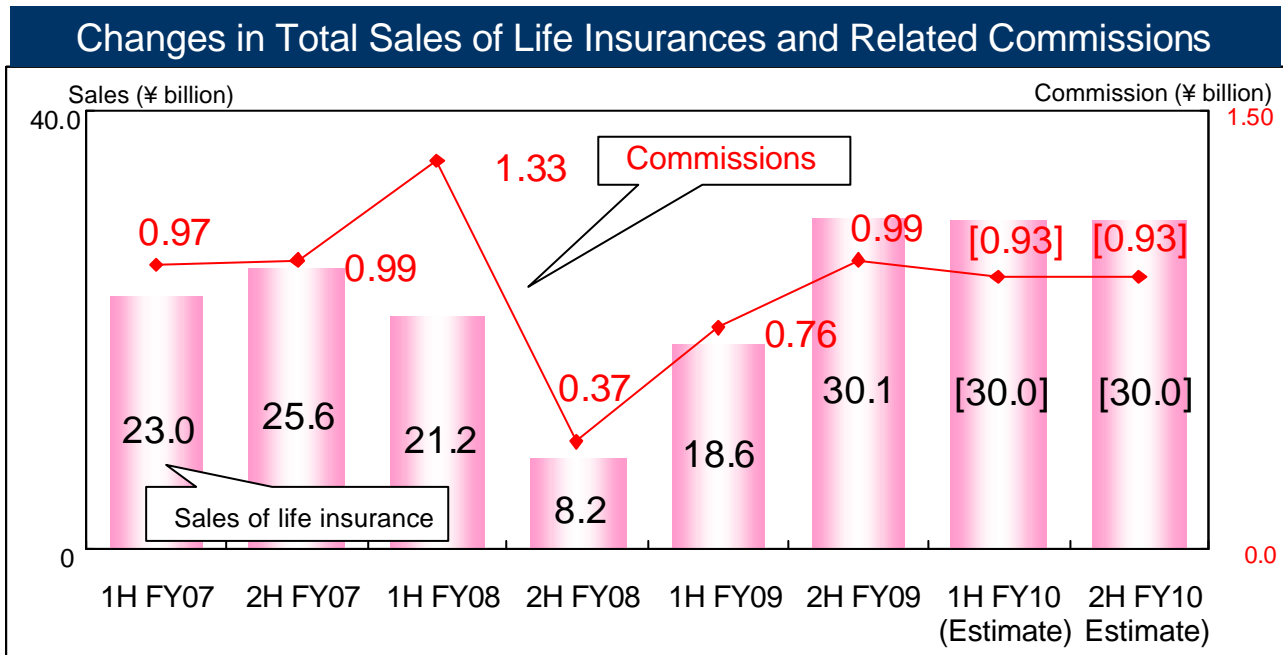
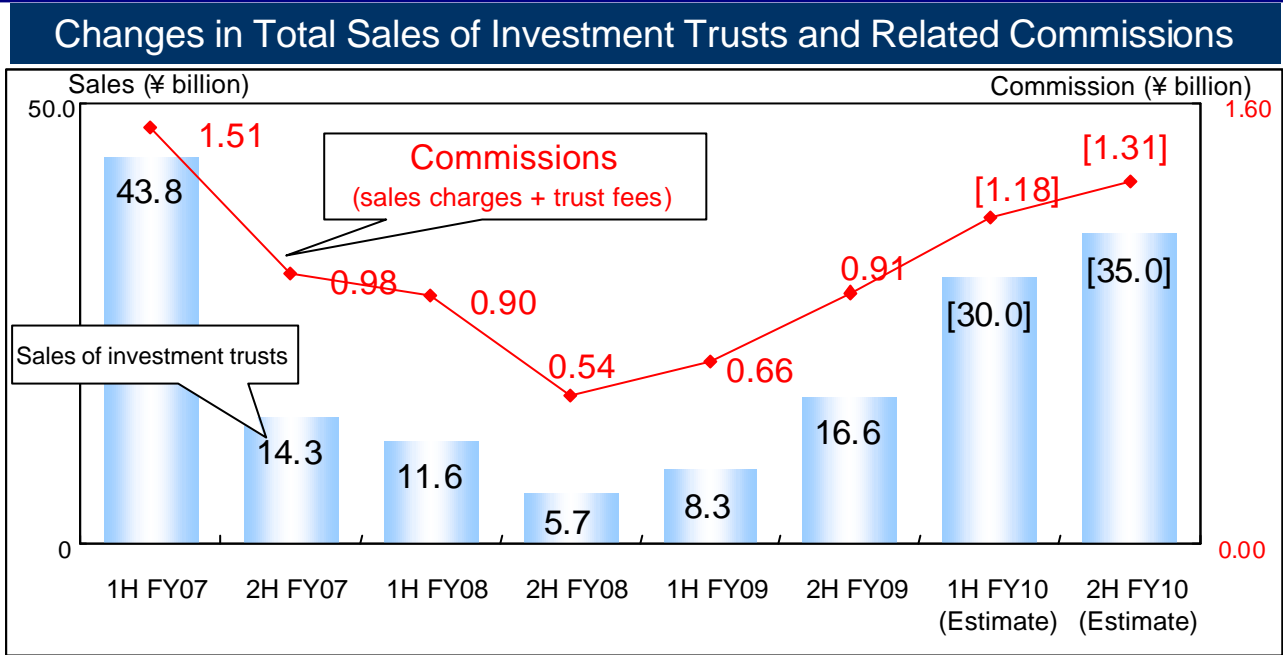
Number of Population, Households, and Housing Starts in Nara Prefecture

As of Mar. 2010, population and the number of households in Nara prefecture was 1.39 million and 560,000 households, respectively. Due to the trend toward nuclear families, the number of households has been on an increasing trend.

The number of housing starts for Nara Prefecture during FY2009 was 6,163, declined from FY2008.

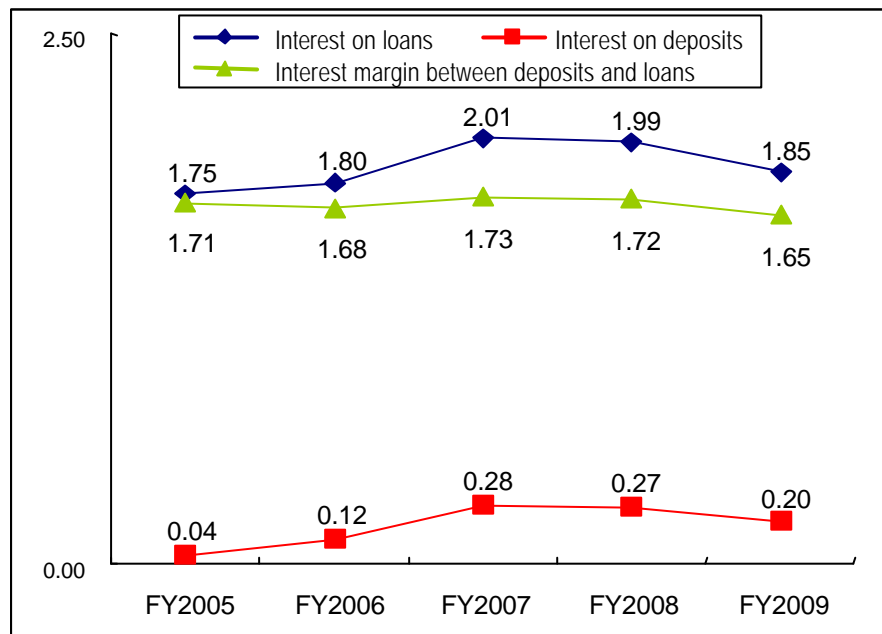


Sales of Investment Trusts and Life Insurance

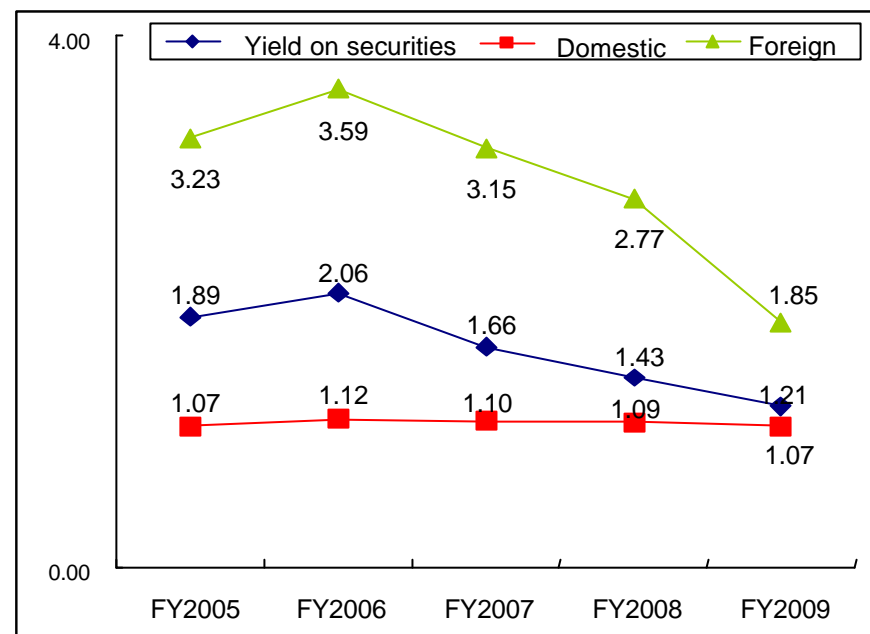


Various Interest Rates

Interest on Deposit and Loan



Yield on Securities



<Interest on Deposit and Loan>

(%: half-year basis)

	1H FY05	2H FY05	1H FY06	2H FY06	1H FY07	2H FY07	1H FY08	2H FY08	1H FY09	2H FY09
Interest on loans	1.76	1.73	1.75	1.86	1.98	2.03	2.01	1.97	1.87	1.82
Interest on deposits	0.04	0.04	0.07	0.18	0.27	0.28	0.30	0.24	0.21	0.18
Interest margin between deposits and loans	1.72	1.69	1.68	1.68	1.71	1.75	1.71	1.73	1.66	1.64

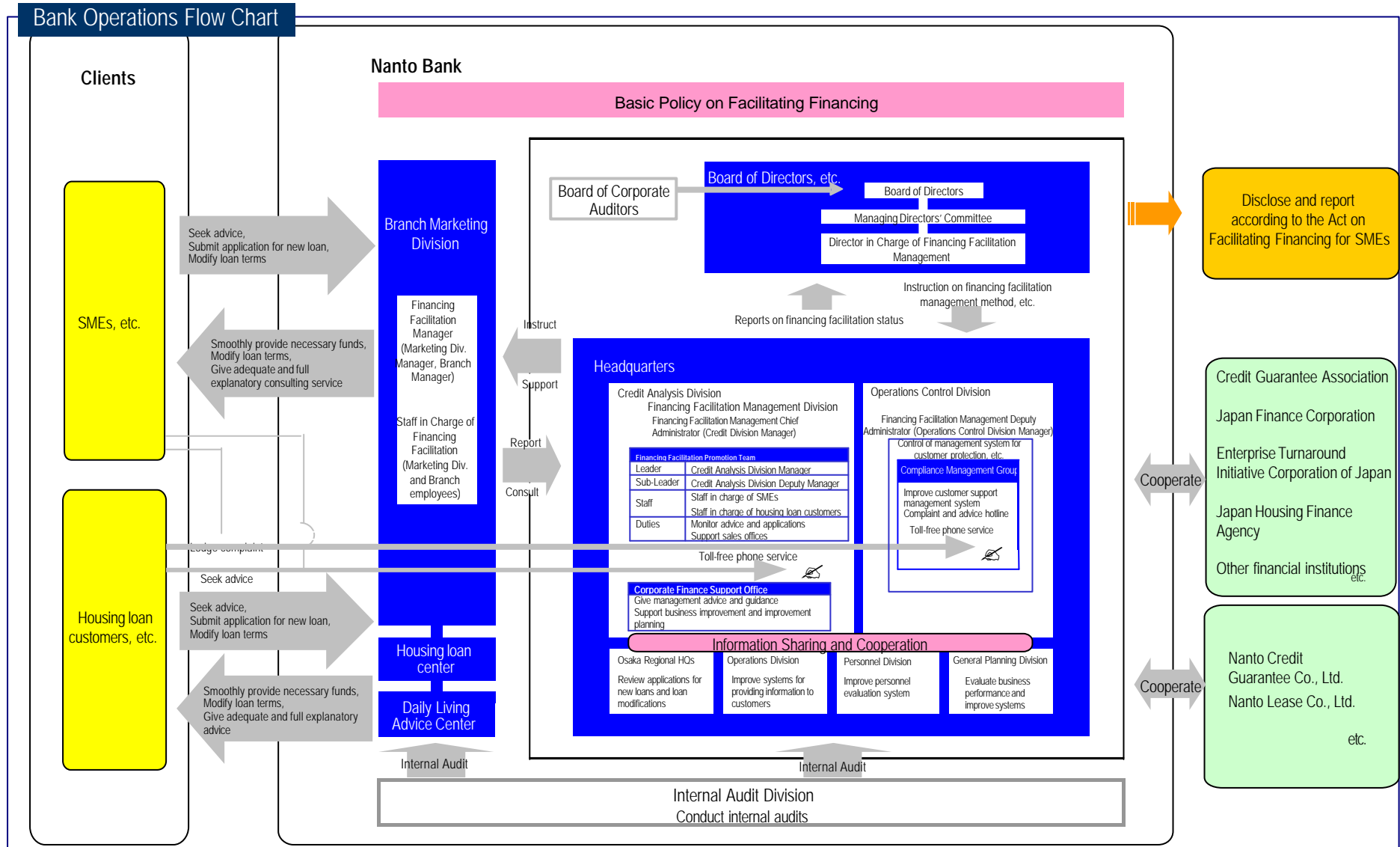
<Yield on Securities>

(%: half-year basis)

	1H FY05	2H FY05	1H FY06	2H FY06	1H FY07	2H FY07	1H FY08	2H FY08	1H FY09	2H FY09
Yield on securities	1.62	2.13	2.08	2.05	1.76	1.56	1.49	1.35	1.24	1.18
Domestic	0.94	1.19	1.09	1.15	1.11	1.09	1.09	1.10	1.09	1.05
Foreign	2.88	3.48	3.55	3.64	3.34	2.92	2.95	2.55	1.93	1.76

Smooth Financing for Small and Medium Enterprises (SMEs)

- Based on the idea that our mission is to smoothly respond to local financing needs and fully live up to the role of a financial intermediary, it has long been our practice to flexibly respond to payment extension and other requests based on the circumstances of individual clients.
- With the implementation of the Act on Facilitating Financing for SMEs, we will take steps to make it easier for clients to seek financing advice.



Ratio of Loans by Industry

Loans Outstanding by Industry

(¥ billion)	End of Sep. 2009	End of Mar. 2010	Change from end of Sep. 2009
Total lending volume	2,778.3	2,742.5	-35.7
Manufacturing	492.6	477.7	-14.9
Agriculture and forestry	5.2	4.9	-0.3
Fishery	3.0	2.8	-0.1
Mining, stone and gravel quarrying	6.4	6.3	-0.0
Construction	114.6	108.4	-6.1
Electric, gas, heat supply and water utility	9.7	9.8	0.0
Information communication	19.4	15.3	-4.0
Transportation and postal service	78.9	81.8	2.9
Wholesaling and retailing	294.0	281.7	-12.2
Finance and insurance	132.9	118.3	-14.6
Real estate and leasing	313.7	299.4	-14.3
Services	159.2	158.8	-0.4
Local public entity	327.8	363.4	35.6
Others	820.1	813.2	-6.9

Ratio of Loans by Industry

(%)	End of Sep. 2009	End of Mar. 2010	Change from end of Sep. 2009
Total lending volume	100.00	100.00	
Manufacturing	17.73	17.42	-0.31
Agriculture and forestry	0.19	0.18	-0.01
Fishery	0.11	0.10	-0.01
Mining, stone and gravel quarrying	0.23	0.23	-0.00
Construction	4.13	3.96	-0.17
Electric, gas, heat supply and water utility	0.35	0.36	0.01
Information communication	0.70	0.56	-0.14
Transportation and postal service	2.84	2.98	0.14
Wholesaling and retailing	10.58	10.27	-0.31
Finance and insurance	4.79	4.31	-0.47
Real estate and leasing	11.29	10.92	-0.37
Services	5.73	5.79	0.06
Local public entity	11.80	13.25	1.45
Others	29.52	29.65	0.13

Shift in Classification of Debtors

<End of March 2010>

- ✂ Total credit (loans): ¥2,768.8 billion (decrease of ¥129.8 billion from Mar. 2009)
- ✂ Loans to normal debtors: ¥2,462.1 billion (decrease of ¥146.9 billion from Mar. 2009)
- ✂ Loans to debtors requiring caution and Substandard debtors: ¥239.1 billion (increase of ¥19.8 billion from Mar. 2009)
- ✂ Loans to potentially bankrupt debtors and lower: ¥67.6 billion (decrease of ¥2.7 billion from Mar. 2009)

(¥billion)

	(Subject: Credit related claimable assets such as loans)	Balance (As of March 31, 2009) a	As of March 31, 2010					For collection or write-offs g
			Normal assets b	Assets requiring caution c	Substandard assets d	Potentially bankrupt assets e	Bankrupt and effectively bankrupt assets F	
1	Normal debtors	2,609.0	2,349.9	64.2	7.0	7.3	2.8	177.5
2	Debtors requiring caution	183.2	14.0	131.3	1.7	9.6	0.7	25.6
3	Substandard debtors	36.0	0.4	10.5	16.3	3.8	1.0	3.8
4	Potentially bankrupt debtors	60.7	0.0	6.5	0.8	32.6	6.2	14.3
5	Bankrupt and effectively bankrupt debtors	9.5	0.0	0.1	0.0	0.6	2.5	6.2
6	New debtors	0.0	97.5	0.2	0.0	0.0	0.0	0.0
7	Total	2,898.6	2,462.1	213.2	25.9	54.0	13.5	227.7

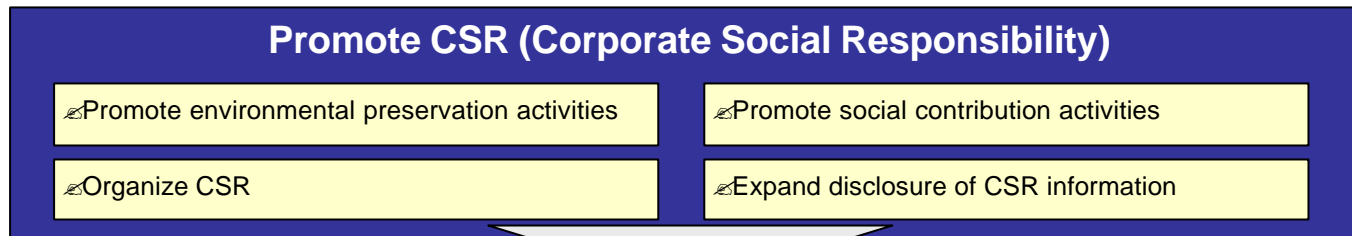
Loans to normal debtors:
Decrease of ¥146.9 billion
from March 2009.

Loans to debtors requiring caution
and Substandard debtors
Increase of ¥19.8 billion
from March 2009

Loans to potentially bankrupt
debtors or below
Decrease of ¥2.7 billion
from March 2009


Loans to potentially bankrupt
debtors or below
For collection or write-offs
¥20.5 billion

Promoting CSR




Environmental Preservation Activities

- Conduct a “Cool Biz (casual day)” campaign at all offices
- Digitalize internal documents
- Grow trees and cut grass in Asuka-village
- Support the “Yoshino Heart Project” incl. PR campaign at convenience stores in Tokyo metropolitan area for the 1300th Anniversary of Nara Heijo-kyo Capital, and making use of products made from waste Yoshino Japanese cedar and cypress lumber
- Establish a recycling center to recycle waste paper




Sento-kun ad chopsticks




Social Contribution Activities

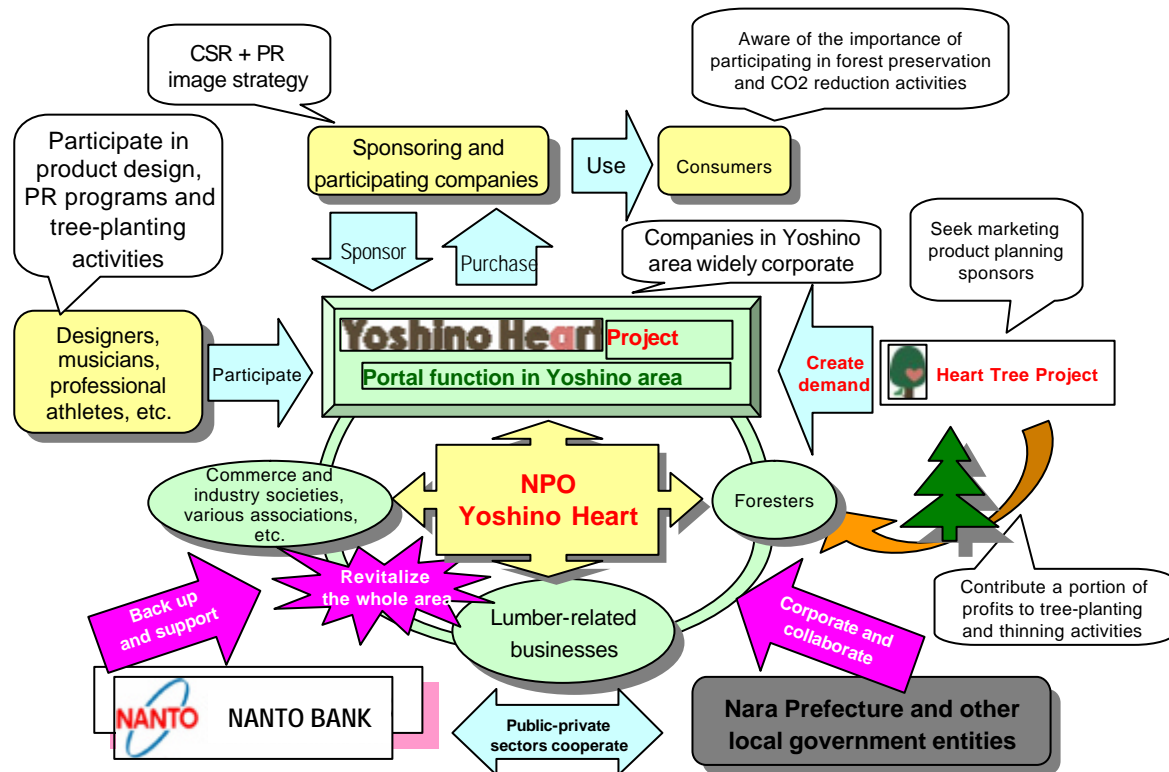
- Actively support the 1300th Anniversary of the Nara Heijo-kyo Capital (from Jan. 2010)
- Dispatch Nanto Bank retirees to work for the special public showing of Nara Yamatoji treasures and the Hibutsu (Hidden Buddha)
- Work with the Yoshino Cherry Tree Preservation Group
- Spread monetary economy education in local communities



Monetary economy class at local elementary school



Overview of Yoshino Heart Project



PR for the 1300th Anniversary of Nara Heijo-kyo Capital

Period:	January 1, 2010 to December 31, 2010 (Heijo Palace Site: April 24 to November 7)	
Locations:	Heijo Palace Site and other locations in Nara Prefecture and the other Kansai area	
Projects:	1) Heijo Palace Site projects 2) Projects within Nara Prefecture 3) Related wide-area projects 4) Lead-up projects	
Project Scale	Expected attendance:	Total: Approx. 12 to 13 million Heijo Palace Site: Approx. 2.5 million
	Total budget:	Approx. ¥10.0 billion

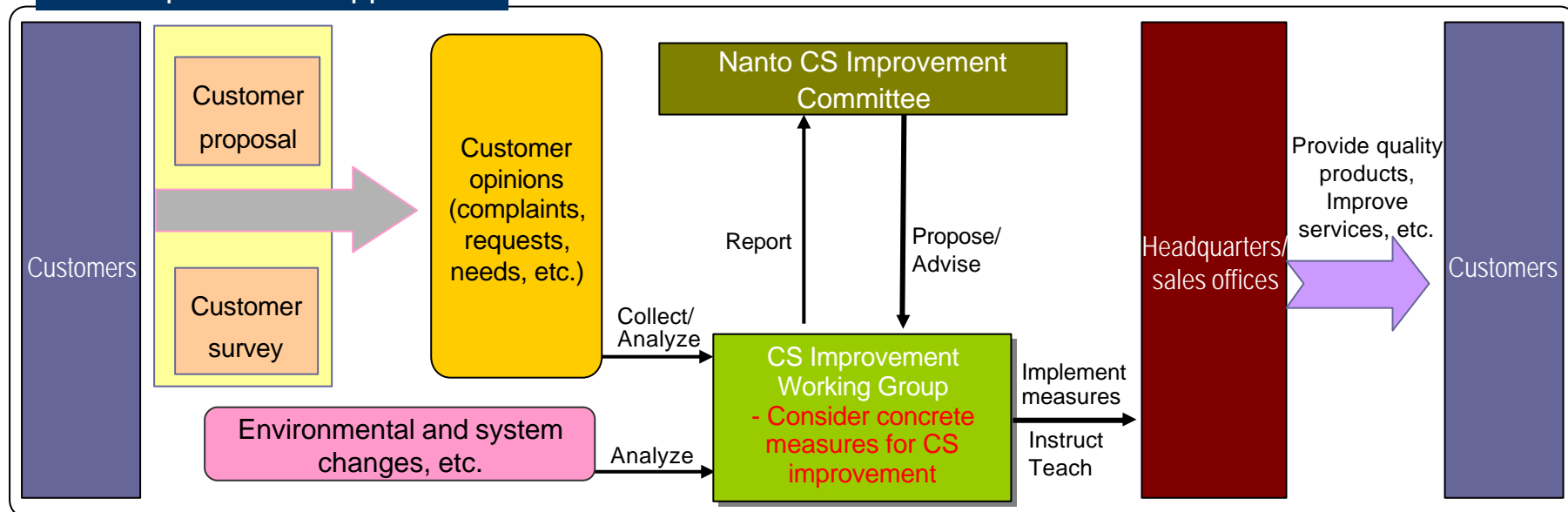
Nanto Bank TV CMs



Efforts to Improve CS

Return to the origin of the service industry, strengthen efforts to improve customer satisfaction, and implement measures to improve CS, centered on the CS Improvement Committee and the CS Improvement Working Group

CS Improvement Approach



CS Declaration

- We will greet customers with a smile and strive to provide customers with thoughtful service.
- We will endeavor to provide better products and services that satisfy customers.
- We will work to provide accurate and quick responses and easy-to-understand, precise explanations.

All-office Smile Campaign

- With the CS Declaration, an “All-office Smile Campaign” is held in which employees working at counters and visiting customers provide service with a smile, the foundation of the service industry. (from October 1 through December 30, 2009)

CS Training

- Based on items such as requests from customers, staff receive thorough training to deepen their understanding of the significance and importance of CS and about what their role should be in improving CS.

In this material, we refer to the future performance of the bank.
However, these descriptions do not guarantee the performance mentioned in the material and include risks and uncertainties.
Please be aware that the future performance mentioned in this material may change from the targets as a result of, for example, changes in the operating environment.

[Inquiries:]

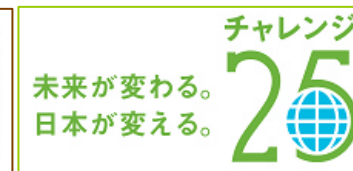
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As one of Nanto Bank's environmental efforts, we support "Yoshino Heart Project" and "Kizukai Activities."