



Business Strategies

Business Performance Forecasts

(¥ billion)

(Non-consolidated)	FY11	FY12	YoY Change
Gross business profit	28.5	29.8	1.2
Interest income	25.6	27.5	1.8
Fees and commissions	2.0	2.0	0.0
Fees and commissions (excluding trust fees)	1.5	1.6	0.1
Trust fee	0.4	0.3	(0.0)
Other business profit	0.8	0.1	(0.6)
Gains and losses on bond trading	0.6	0.0	(0.6)
Expenses (excluding non-recurrent items)	18.8	19.8	1.0
Business profit on core banking operations	9.1	10.0	0.9
Provision to general reserve for possible loan losses	(1.5)	(0.0)	1.5
Net business profit	11.2	10.0	(1.2)
Non-recurrent items	(2.9)	(1.2)	1.6
Gains and losses on equity securities	(0.6)	0.0	0.6
Bad debt disposal (non-recurrent items)	2.5	1.4	(1.1)
Ordinary profit	8.3	8.7	0.3
Extraordinary gains	(0.0)	(0.0)	(0.0)
Net income	5.1	5.2	0.0
Credit cost	1.0	1.4	0.4
Non-performing loan ratio	1.63%	1.00 – 1.99%	—

● Year-on-year changes forecast (¥ billion, %)

	Average balance	Yield	Interest
Loans and bills discounted	+10.7 [+9.8]	(0.00) [(0.00)]	1 [1]
Securities	+49.0	(0.05)	(0)
Deposits	+22.5 [+29.9]	(0.11) [(0.10)]	(17) [(17)]
Others	—	—	(0) [(0)]
Total	—	—	18 [18]

Note) Figures in square brackets include trust accounts.

Net gains on securities are posted as zero because market forecasts are uncertain

● YoY comparison of business profit on core banking operation

	Decrease	Increase
Interest on loans and bills discounted		1
Interest on securities	0	
Interest paid on deposits		17
Others	0	
Commissions		1
expenses	10	
Trust account services	0	
Total	11	20

FY2011-2012 Medium-Term Business Plan

SPEED&PROGRESS

Making Bank of Okinawa No. 1, with self-confidence, pride and service

Improve the speed of management decision-making and evolve into a next-generation bank

Basic policy Reinforcing our foundations as the top bank in Okinawa
Strong Relations (SR) activities, business education and training

Business strategy Achieve sustainability and evolve into a next-generation bank

Marketing strategy

New model
“Developing a new model that improves marketing capabilities and raises earning power”

Human resources strategy

Personnel training
“Training diverse personnel for the new age based on the concept of a small but highly talented workforce”

Organizational strategy

Culture development
“Developing a bank culture based on the ideas of continuation, permeation and evolution”

2011~2012 SPEED&PROGRESS

Model development, personnel training, and culture development projects

OCEAN:	SR activities, consulting services and IT support for operations
Call center:	centralize investment trust monitoring at the head office
New branches:	cooperation between branches across business formats
Specialist training and development:	Assignment of financial planners to all branches and SME business consultants to the head office
Business education and training reform:	reinforcement of OTJ training and ethical education
Centralize customer seal registration at head office:	stop storing seal documents at branches
Next-generation computer system introduction:	drastic streamlining of administrative operations

Bank of Okinawa's goal is to be the People's Bank

PEOPLE'S BANK

A bank loved by people in Okinawa Prefecture

2015~2016

Reform period

2013~2014

Offensive period

2009~2010
SPEED&STEADY

2007~2008
SPEED&STRONG

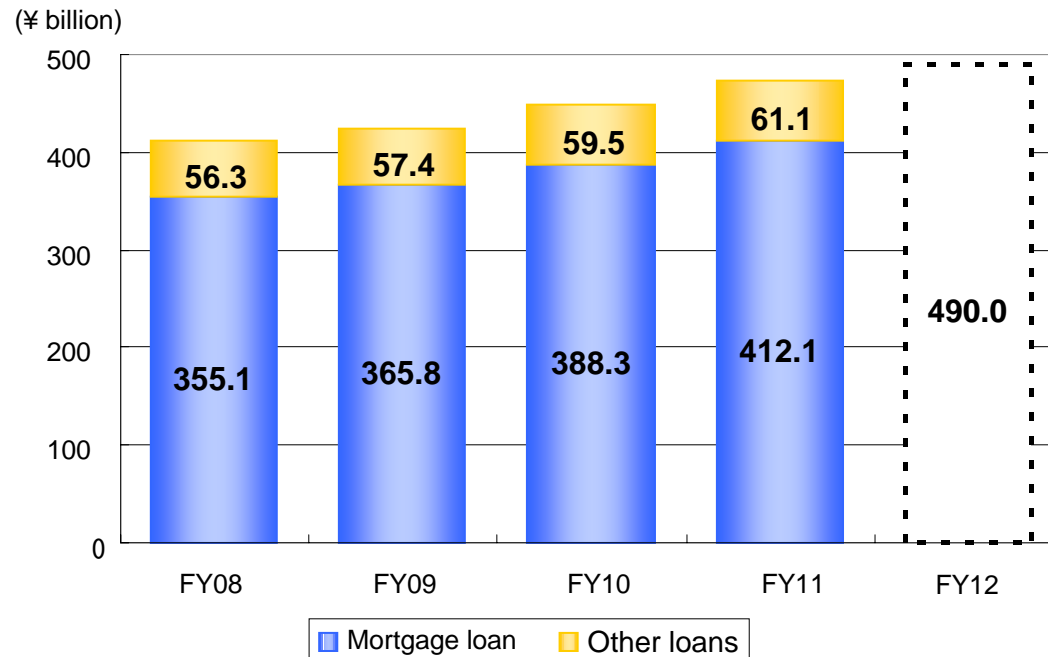
Medium- to long-term vision for 10 years (2007 - 2016)

Retail Banking Strategy

Business remains steady thanks to most extensive branch network in Okinawa Prefecture

Services offered by Loan FP (Financial Planner) Stations enhanced

411.4 423.3 447.8 473.2 490.0 Total



* Including trust accounts

Strategy for Assets in Custody

Established a specialist department during the fiscal year 2012;
boost sales mainly of pension insurance

138.6

144.2

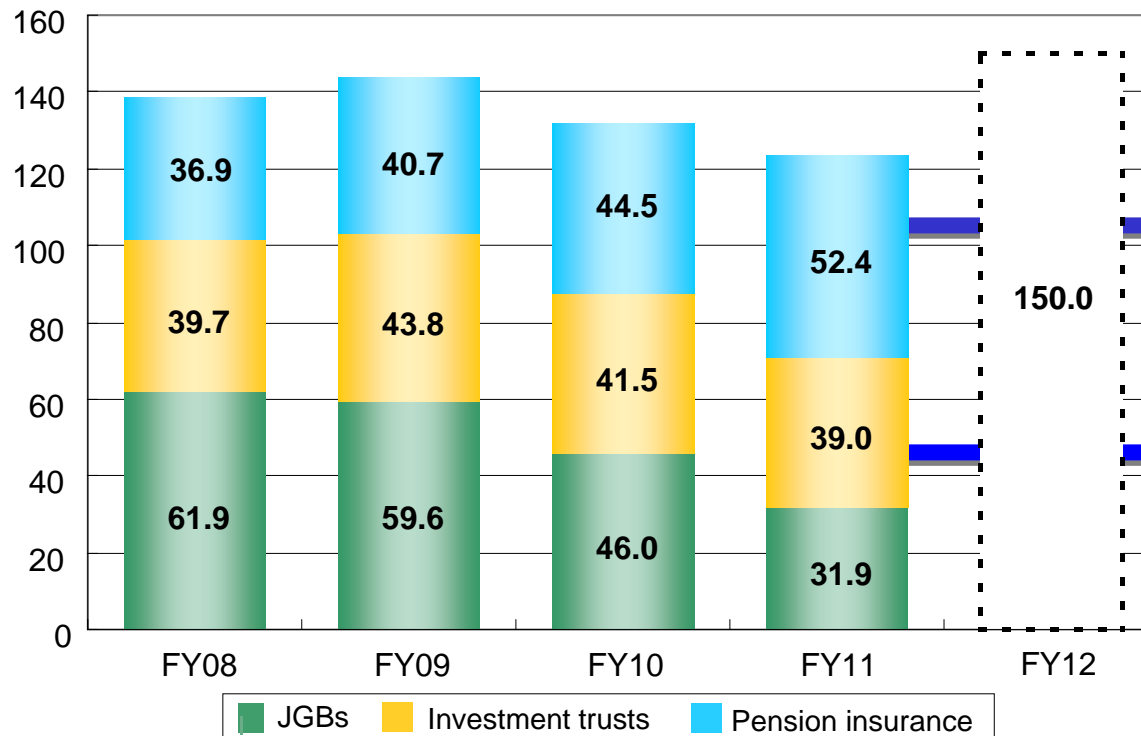
132.1

123.3

150.0

Total

(¥ billion)



Pension insurance
¥52.4 billion
YoY increase of
¥7.8 billion

Investment trusts
¥39.0 billion
YoY decrease of
¥2.5 billion

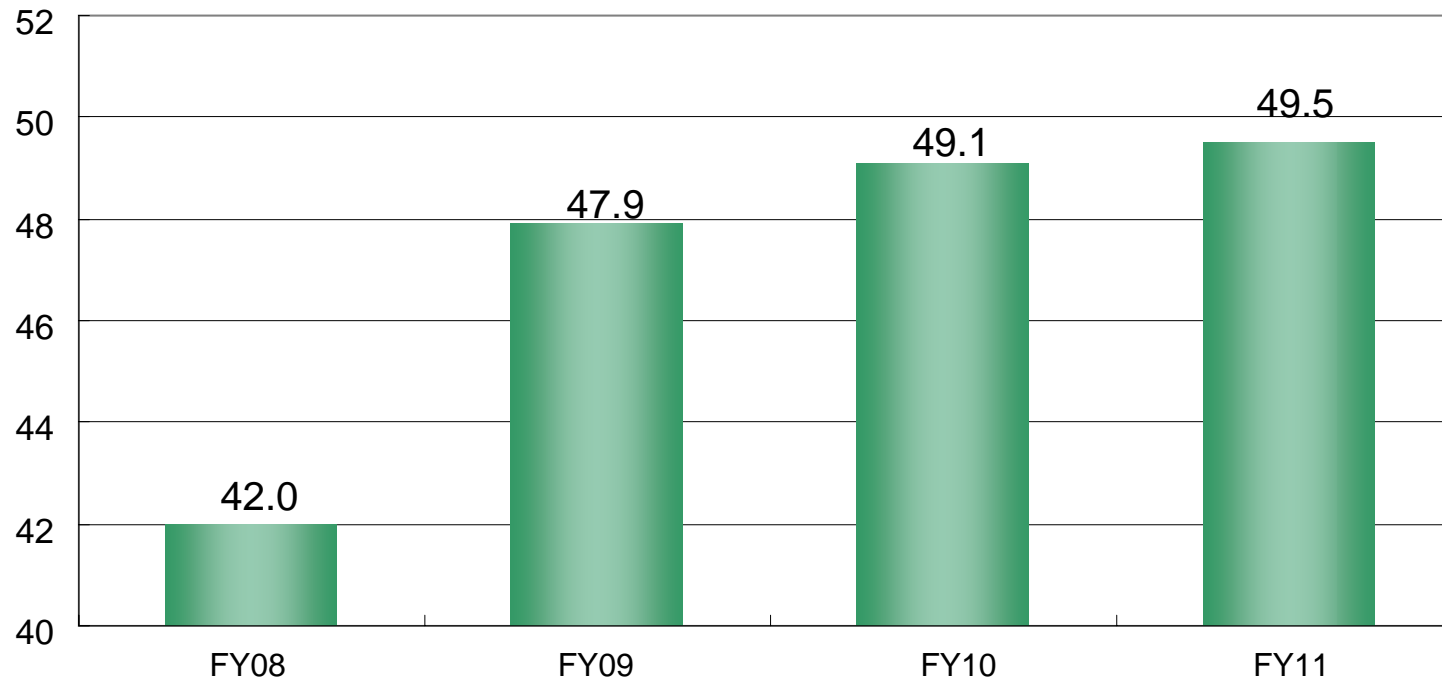
* Pension insurance totals are cumulative sums sold.

* Note: Sales target added to the balance as of the end of previous fiscal year for the fiscal year ending March 31, 2013 excluding contract and other cancellations

SR Activities I - (1): Focus on Medical and Welfare Sectors

Bolstering activities by the Business Strategy Support Office,
Medical and Welfare Business Support Group

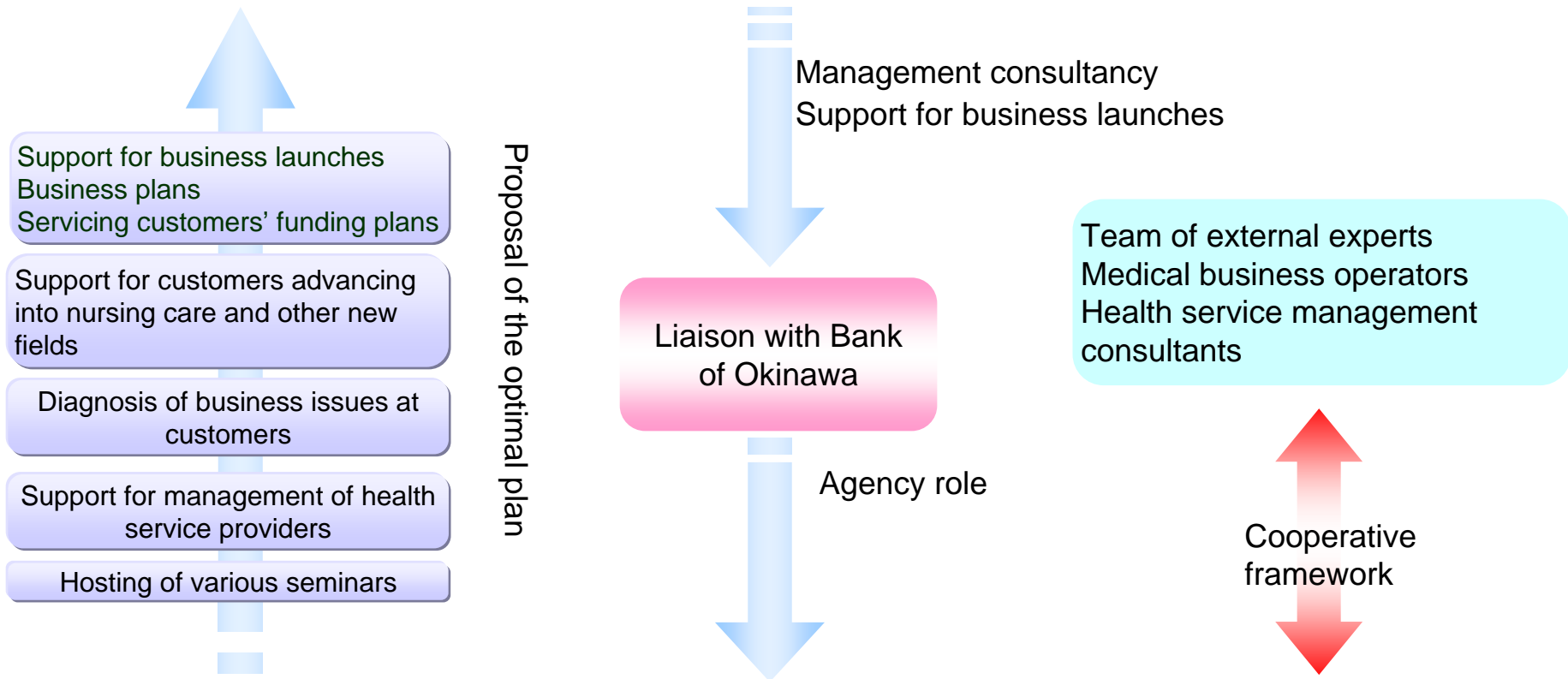
Balance of loans outstanding to the medical and welfare fields
(¥ billion)



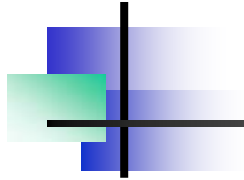
* Including trust accounts

SR Activities I - (2): Focus on Medical and Welfare Sectors

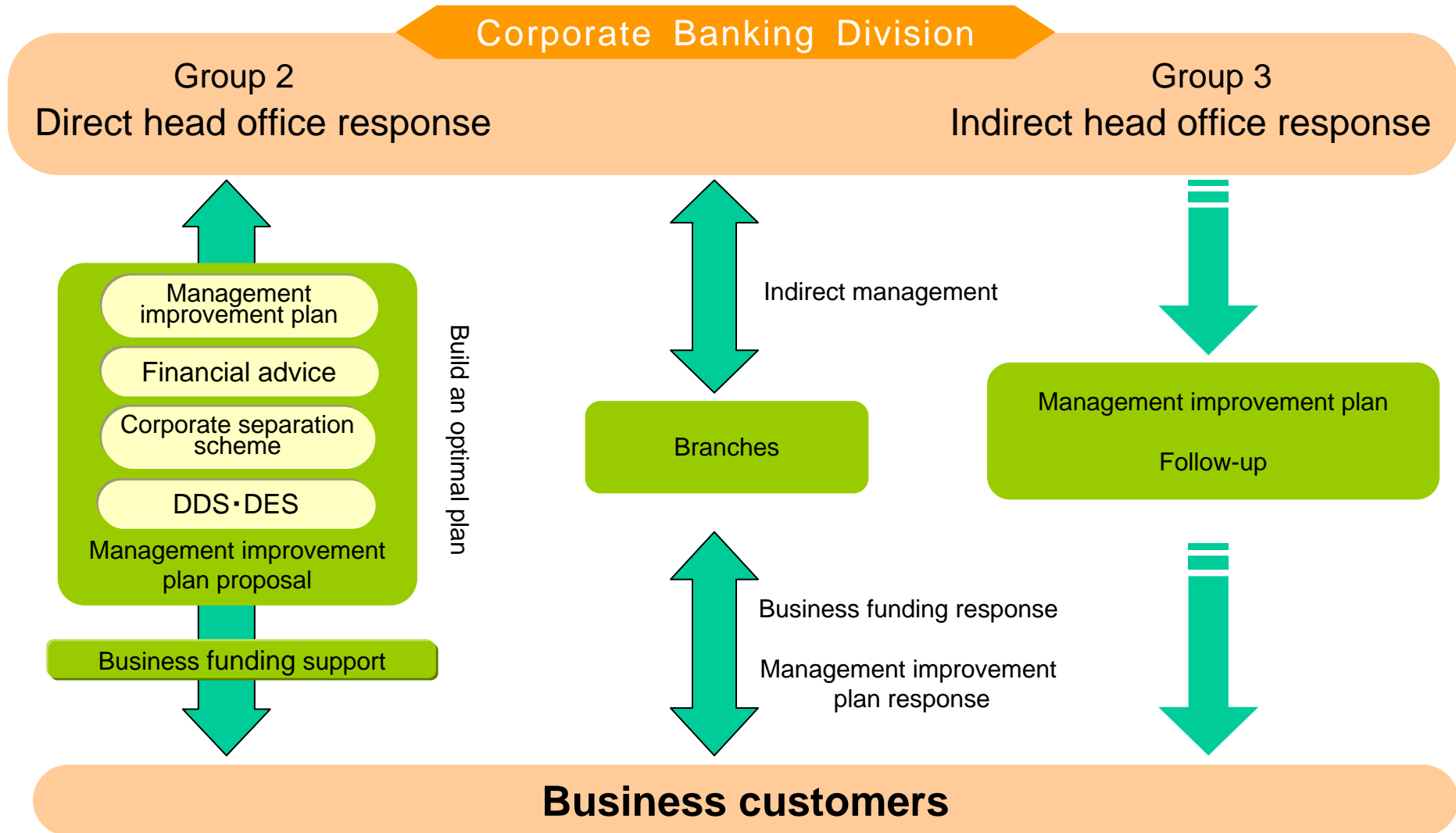
Customer businesses in medical and welfare fields



Business Strategy Support Office, Medical and Welfare Business Support Group



SR Activities II: Business Restructuring Initiatives Undertaken by Specialist Head Office Departments



SR Activities III - (1): Initiatives for Business Succession

Customers who require business succession support

Aware that business succession is an issue for management: 28% (approx. 30%)

Bank survey in fiscal 2010

Support for business succession
Business succession plans
Servicing customers' funding plans

Trainings for successors

Corporate restructuring

M&A and capital policies

Hosting of various seminars

Proposal of the optimal plan

Business succession consultation
Management consultancy

Liaison with Bank of Okinawa

Team of external experts
Lawyers, certified tax accountants, etc.

Agency role

Cooperative framework

Business Strategy Support Office, Business Succession Support Group

SR Activities III - (2): Initiatives for Business Succession

「Okinawa Bank Cattleya Successor Seminar」
Providing business succession planning support to small- and medium-sized companies within the prefecture



Held between October and November 2011
 (a total of six times)

- * Support structure deeply rooted in the region comprising tax accounting specialists and lawyers of considerable standing within the prefecture and the Bank of Okinawa
- * TKC Okinawa branch tax accounting specialists serving as chief lecturers and providing pertinent advice regarding successor development



Date held	Curriculum
First Seminar (October 4 (Tuesday))	Part 1: Attitudes of successors Part 2: The duties of president Special lecture: Roundtable discussions among young business operators
Second Seminar (October 11 (Tuesday))	Part 3: Strengthening a company through accounting Special lecture: Corporate management from a financial institution perspective
Third Seminar (October 18 (Tuesday))	Part 4: Required knowledge of corporate and taxation law Special lecture: Legal procedures regarding business succession
Fourth Seminar (October 25 (Tuesday))	Part 5: Clearly defining a company's vision
Fifth Seminar (November 1 (Tuesday))	Part 5: Clearly defining a company's vision
Sixth Seminar (November 8 (Tuesday))	Part 5: Clearly defining a company's vision

Branch Network Strategy and Shareholder Returns

Branch network strategy

One new branch (Nakagusuku Branch) opened in FY2011

	FY08	FY09	FY10	FY11	FY12 (forecast)
Branch	64	64	64	65	65
Loan FP Station	7	8	8	8	8
Loan Desk	8	8	4	4	4



Nakagusuku Branch opened for business on October 3, 2011.



Shareholder returns

	FY08	FY09	FY10	FY11	FY12(forecast)
Dividend (yen)	60	65	65	65	65
Payout ratio (%)	44.3	15.9	26.8	26.2	25.5
Own share purchases (million yen)	522	1,000	478	498	—
Shareholder return ratio (%)	62.2	27.5	36.1	35.8	—