

January 31, 2008

To Whom It May Concern:

Company Name: The Bank of Yokohama Ltd.

Representative: President Tadashi Ogawa

(Code No. 8332: Listed on the 1st Section of the Tokyo Stock Exchange)

Re: Commencement of Negotiation with Tokai Tokyo Securities
On Joint Establishment of Securities Subsidiary

The Bank of Yokohama Ltd. (President: Tadashi Ogawa; hereinafter “the Bank”) is pleased to announce that the Bank today has reached a basic agreement with Tokai Tokyo Securities Co., Ltd. (President: Tateaki Ishida; hereinafter “TTS”) to negotiate on joint establishment of a securities subsidiary.

1. Purpose and background of establishment

The Bank has been expanding the range of non-deposit products and strengthening the consulting sales activities, in order to respond to ever diversifying needs of customers along with the current flow of “from saving to investing”.

Meanwhile, TTS has been aiming to establish a structure that is as competitive as that of major securities firms by further bolstering business in Chubu and Kanto regions, where it has solid customer bases.

Consequently, in order for the two companies to promote each one of these strategies, the two have agreed to negotiate on jointly establishing a securities subsidiary (hereinafter “the Subsidiary”), fusing the strengths of each company, within Kanagawa Prefecture where the two companies can reciprocally supplement.

The Subsidiary aims to become a top rank securities subsidiary among those that regional banks have stakes in, and to gain a significant presence within the region, by utilizing the rich customer bases of the Bank and its dense branch network in Kanagawa Prefecture and Southwestern Tokyo, one of the most prominent markets in Japan, and by introducing cutting-edge skills and know-how of TTS that has been fostered as an independent fully-fledged securities firm.

The Bank has hoisted “developing functions by utilizing alliances” as one of the main themes in its new mid-term management plan “New Horizon”, and has been building a framework to respond to the diversifying needs of the customers. Since the Bank has placed securities business as one of the strategically highest priorities, the Bank has decided to strengthen this business by jointly investing to establish a new subsidiary, going one step beyond a mere alliance.

2. Scheme of the Firm

(1) Both the Bank and TTS will invest and newly establish a securities subsidiary, which will become a consolidated subsidiary of the Bank and an affiliate of TTS accounted for using the equity method.

(2) The Subsidiary will seek optimal utilization of branch networks of the two companies, and consider various measures towards developing customer services, so as to be able to implement a strong marketing structure and to display synergy effect from the two companies in earlier stages.

3. Future Outlook

Details such as ownership ratio of the Firm, business structure, and commencement of operations are to be announced upon their decision. The two companies will further explore the possibility of business alliance in areas other than this business.

【Reference】 Profile of Tokai Tokyo Securities

Establishment : June 19, 1929

Capital : JPY 36 billion

Head Office : 7-1 Kyobashi1-chome, Chuo-ku Tokyo

Representative : Tateaki Ishida, CEO and Representative Director

Business : Financial instruments exchanges