

Mebuki Financial Group, Inc.

Financial Results for the Third Quarter of Fiscal Year 2016, ending March 31, 2017

Stock Exchange Listing: Tokyo (code: 7167)
 URL: <http://www.mebuki-fg.co.jp/>
 Representative: Kazuyoshi Terakado, President
 For Inquiry: Kiyoshi Nozaki, General Manager of Corporate Planning Dept.
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(Japanese yen amounts of less than 1 million or the first decimal place have been rounded down.)

1. Financial Highlights (from April 1, 2016 to December 31, 2016)

(1) Consolidated Operating Results (%: Changes from the corresponding period of the previous fiscal year)

| | Ordinary Income | | Ordinary Profit | | Net Income Attributable to Owners of the Parent | |
|-------------------------|-----------------|-----|-----------------|------|---|------|
| | ¥Million | % | ¥Million | % | ¥Million | % |
| Third quarter | | | | | | |
| Ended December 31, 2016 | 150,926 | — | 42,818 | — | 153,174 | — |
| Ended December 31, 2015 | 78,210 | 7.0 | 22,817 | 18.0 | 14,500 | 17.6 |

(Note) Comprehensive Income Third quarter of FY2016: ¥152,174 million [-%] Third quarter of FY2015: ¥11,440 million [-66.6%]

| | Net Income per Share | Net Income per Share (Diluted) |
|-------------------------|----------------------|--------------------------------|
| Third quarter | ¥ | ¥ |
| Ended December 31, 2016 | 160.22 | 160.18 |
| Ended December 31, 2015 | 43.51 | — |

(Note) Since net income per share does not decrease as a result of dilution, diluted net income per share for the third quarter of previous fiscal year 2015, is not shown.

(2) Consolidated Financial Conditions

| | Total Assets | Net Assets | Capital Assets to Total Assets |
|-------------------------|--------------|------------|--------------------------------|
| Third quarter | ¥Million | ¥Million | % |
| Ended December 31, 2016 | 16,035,098 | 855,597 | 5.3 |
| Fiscal year 2015 | 6,106,037 | 303,105 | 4.9 |

(Reference) Capital assets Third quarter of FY2016: ¥855,440million FY2015: ¥303,105 million

(Note) "Capital assets to total assets" represents ("Net assets"- "Equity warrants"- "Non-controlling interests") / "Total assets" at the end of each period. The ratio above is not the one based on the regulation of Capital Adequacy Ratio.

2. Cash Dividends for Shareholders

| | Cash Dividends per Share | | | | |
|---------------------------------|--------------------------|-----------|-----------|-----------|--------|
| | End of 1Q | End of 2Q | End of 3Q | End of FY | Annual |
| Fiscal year | ¥ | ¥ | ¥ | ¥ | ¥ |
| Ended December 31, 2016 | — | 5.50 | — | 4.50 | 10.00 |
| Ending March 31, 2017 | — | 5.50 | — | | |
| Ending March 31, 2017(Forecast) | | | | 6.50 | 12.00 |

(Note) 1. Revisions of released cash dividend forecasts : No

- 2nd Quarter-end dividend for FY2015 includes a commemorative cash dividend ¥1.00 per share for 120-year anniversary of a wholly owned subsidiary, The Ashikaga Bank, Ltd.
- Year-end dividend for FY2016 (forecast) includes a commemorative cash dividend ¥1.00 per share for the business integration of The Joyo Bank, Ltd. and Ashikaga Holdings Co., Ltd.
- Cash dividends excluding year-end dividend for FY2016 (Forecast) represent actual dividends paid by Ashikaga Holdings co.,Ltd.

3. Consolidated Earnings Forecasts for Fiscal year 2016, ending March 31, 2017

(%: Changes from the corresponding period of the previous fiscal year)

| | Ordinary Profit | | Net Income Attributable to Owners of the Parent | | Net Income per Share |
|-----------------------|-----------------|---|---|---|----------------------|
| | ¥Million | % | ¥Million | % | ¥ |
| Fiscal Year | | | | | |
| Ending March 31, 2017 | 53,000 | — | 155,000 | — | 163.21 |

(Note) Revisions of released consolidated earnings forecasts : No

*Notes

(1) Material changes in consolidated subsidiaries during the period (changes in specific subsidiaries accompanied by changes in scope of consolidation): Yes

Included: 1 company The Joyo Bank, Ltd.

Excluded: -

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements : No

(3) Changes in accounting principles, accounting estimates and restatement

① Changes in accounting principles in accordance with changes in accounting standard, etc.: No

② Other changes in accounting principles: No

③ Changes in accounting estimates: No

④ Restatement: No

(4) Number of issued shares (common stock)

① Number of issued shares (including treasury stock):

| | | | |
|-------------------|----------------------|----------------|--------------------|
| December 31, 2016 | 1,179,055,218 shares | March 31, 2016 | 333,250,000 shares |
|-------------------|----------------------|----------------|--------------------|

② Number of treasury stock:

| | | | |
|-------------------|------------------|----------------|----------|
| December 31, 2016 | 1,302,903 shares | March 31, 2016 | — shares |
|-------------------|------------------|----------------|----------|

③ Average number of shares:

| | |
|---|--------------------|
| For the nine months ended December 31, 2016 | 955,985,754 shares |
|---|--------------------|

| | |
|---|--------------------|
| For the nine months ended December 31, 2015 | 333,250,000 shares |
|---|--------------------|

(Note) From April 1,2016 to September 30,2016, the average number of shares is provided by multiplying The Joyo Bank, Ltd. 's average number of shares and the share exchange ratio. From October 1,2016 to December 31,2016, the average number of shares is calculated by the actual figures of Mebuki Financial Group, Inc.

Statement relating to the status of the quarterly review procedures

This quarterly report is not subject to the quarterly review procedures based on the Financial Instruments and Exchange Law. The audit procedures are finished at the time of the release of these financial statements.

Explanation for proper use of forecasts and other notes

The above forecasts are based on the information which is presently available and the certain assumptions which are considered to be reasonable. Actual results may differ from those forecasts depending on various future factors.

Mebuki Financial Group, Inc. (Mebuki) conducted a share exchange on October 1, 2016 under which Ashikaga Holdings, Co., Ltd. (AHD) became the wholly owing parent company and The Joyo Bank, Ltd. (Joyo) became the wholly owned subsidiary.

Based on the Accounting Standard for Business Combinations, this share exchange is a reverse acquisition wherein AHD is considered to be the acquired company and Joyo to be the acquiring company. Therefore, the consolidated assets and liabilities of AHD were transferred to the consolidated balance sheets of Joyo at the fair value.

Accordingly, consolidated financial results for the third quarter of fiscal year 2016 (from April 1, 2016 to December 31, 2016) includes those of Joyo for the period from April 1, 2016 to September 30, 2016, and those of Mebuki for the period from October 1, 2016 to December 31, 2016. There is no continuity of financial statements between the prior fiscal year and the third quarterly period.

Therefore, the year-on-year changes are not disclosed.

Financial Results for the Third Quarter of Fiscal Year 2016, Ending March 31, 2017

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I Quarterly Consolidated Financial Information

1. Quarterly Consolidated Balance Sheet

| | | (Millions of yen) | |
|---|----------------------|------------------------|------------------------|
| Item | (Japanese) | As of Mar. 31, 2016 | As of Dec. 31, 2016 |
| Assets | (資産の部) | | |
| Cash and due from banks | 現金預け金 | 437,509 | 1,487,981 |
| Call loans and bills bought | コールローン及び買入手形 | 414 | 15,180 |
| Monetary claims bought | 買入金銭債権 | 7,627 | 16,090 |
| Trading assets | 特定取引資産 | — | 7,057 |
| Trading account securities | 商品有価証券 | 3,596 | — |
| Securities | 有価証券 | 1,296,769 | 4,055,983 |
| Loans and bills discounted | 貸出金 | 4,235,174 | 10,169,125 |
| Foreign exchanges | 外国為替 | 4,377 | 6,748 |
| Lease receivable and investments in lease | リース債権及びリース投資資産 | — | 44,654 |
| Other assets | その他資産 | 34,277 | 136,906 |
| Tangible fixed assets | 有形固定資産 | 24,424 | 118,220 |
| Intangible fixed assets | 無形固定資産 | 78,601 | 12,742 |
| Asset for retirement benefits | 退職給付に係る資産 | 10,446 | 12,330 |
| Deferred tax assets | 繰延税金資産 | 584 | 1,827 |
| Customers' liabilities for acceptances and guarantees | 支払承諾見返 | 12,913 | 27,475 |
| Allowance for loan losses | 貸倒引当金 | (40,679) | (77,218) |
| Reserve for devaluation of investment securities | 投資損失引当金 | — | (9) |
| Total Assets | 資産の部合計 | 6,106,037 | 16,035,098 |
| Liabilities | (負債の部) | | |
| Deposits | 預金 | 5,206,700 | 13,348,045 |
| Negotiable certificates of deposit | 譲渡性預金 | 174,878 | 315,614 |
| Call money and bills sold | コールマネー及び売渡手形 | 78,000 | 301,940 |
| Payables under securities lending transactions | 債券貸借取引受入担保金 | 25,263 | 341,653 |
| Trading liabilities | 特定取引負債 | — | 576 |
| Borrowed money | 借入金 | 251,726 | 610,629 |
| Foreign Exchanges | 外国為替 | 282 | 695 |
| Bonds | 社債 | — | 15,000 |
| Bonds with warrant attached | 新株予約権付社債 | — | 34,872 |
| Due to trust account | 信託勘定借 | — | 2 |
| Other liabilities | その他負債 | 46,266 | 120,436 |
| Provision for directors' bonuses | 役員賞与引当金 | 57 | 35 |
| Liability for retirement benefits | 退職給付に係る負債 | — | 13,947 |
| Provision for directors' retirement benefits | 役員退職慰労引当金 | 311 | 31 |
| Provision for reimbursement of deposits | 睡眠預金払戻損失引当金 | 858 | 3,022 |
| Provision for point card certificates | ポイント引当金 | 134 | 265 |
| Provision for loss on interest repayment | 利息返還損失引当金 | — | 14 |
| Provision for contingent loss | 偶発損失引当金 | 464 | 1,574 |
| Reserves under special laws | 特別法上の引当金 | — | 2 |
| Deferred tax liabilities | 繰延税金負債 | 5,074 | 32,638 |
| Deferred tax liabilities for land revaluation | 再評価に係る繰延税金負債 | — | 9,485 |
| Negative goodwill | 負ののれん | — | 1,540 |
| Acceptances and guarantees | 支払承諾 | 12,913 | 27,475 |
| Total liabilities | 負債の部合計 | 5,802,932 | 15,179,501 |
| Net Assets | (純資産の部) | | |
| Capital stock | 資本金 | 117,495 | 117,495 |
| Capital surplus | 資本剰余金 | 29,025 | 148,493 |
| Retained earnings | 利益剰余金 | 113,594 | 456,283 |
| Treasury stock | 自己株式 | — | (6) |
| Total shareholders' equity | 株主資本合計 | 260,115 | 722,265 |
| Unrealized gains on available-for-sale securities | その他有価証券評価差額金 | 48,527 | 129,548 |
| Deferred gains (losses) on hedges | 繰延ヘッジ損益 | (3,951) | (537) |
| Land revaluation excess, net of taxes | 土地再評価差額金 | — | 12,911 |
| Defined retirement benefit plans | 退職給付に係る調整累計額 | (1,585) | (8,748) |
| Total accumulated other comprehensive income | その他の包括利益累計額合計 | 42,990 | 133,174 |
| Equity warrants | 新株予約権 | — | 156 |
| Total net assets | 純資産の部合計 | 303,105 | 855,597 |
| Total liabilities and net assets | 負債及び純資産の部合計 | 6,106,037 | 16,035,098 |

(Note) Figures are rounded down to the nearest million.

2. Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(1) Quarterly Consolidated Statement of Income

(Millions of yen)

| Item | (Japanese) | For the 9 months ended Dec.31,2015 | For the 9 months ended Dec.31,2016 |
|---|-------------------------|------------------------------------|------------------------------------|
| Ordinary income | 経常収益 | 78,210 | 150,926 |
| Interest income | 資金運用収益 | 56,472 | 87,699 |
| Interest on loans and bills discounts | (うち貸出金利息) | 42,064 | 61,311 |
| Interest and dividends on securities | (うち有価証券利息配当金) | 13,684 | 25,714 |
| Trust fees | 信託報酬 | — | 22 |
| Fees and commissions | 役務取引等収益 | 16,418 | 23,453 |
| Trading income | 特定取引収益 | — | 1,301 |
| Other ordinary income | その他業務収益 | 1,389 | 11,591 |
| Other income | その他経常収益 | 3,930 | 26,857 |
| Ordinary expenses | 経常費用 | 55,393 | 108,108 |
| Interest expenses | 資金調達費用 | 3,685 | 6,864 |
| Interest on deposits | (うち預金利息) | 1,665 | 1,894 |
| Fees and commissions payments | 役務取引等費用 | 4,653 | 6,216 |
| Other business expenses | その他業務費用 | 157 | 4,021 |
| General and administrative expenses | 営業経費用 | 41,307 | 67,932 |
| Other operating expenses | その他経常費用 | 5,588 | 23,072 |
| Ordinary profit | 経常利益 | 22,817 | 42,818 |
| Extraordinary income | 特別利益 | — | 119,225 |
| Gains on disposal of non-current assets | 固定資産処分益 | — | 6 |
| Gain on negative goodwill | 負ののれん発生益 | — | 119,219 |
| Extraordinary losses | 特別損失 | 124 | 579 |
| Losses on disposal of fixed assets | 固定資産処分損 | 97 | 226 |
| Losses on reduction of fixed assets | 固定資産圧縮損 | 26 | — |
| Impairment loss | 減損損失 | — | 169 |
| Loss on step acquisitions | 段階取得に係る差損 | — | 184 |
| Income before income taxes | 税金等調整前四半期純利益 | 22,692 | 161,464 |
| Income taxes-current | 法人税、住民税及び事業税 | 4,439 | 12,430 |
| Income taxes-deferred | 法人税等調整額 | 3,753 | (4,169) |
| Total income taxes | 法人税等合計 | 8,192 | 8,261 |
| Net income | 四半期純利益 | 14,500 | 153,202 |
| Net income attributable to non-controlling interests | 非支配株主に帰属する四半期純利益 | — | 28 |
| Net income attributable to owners of the parent | 親会社株主に帰属する四半期純利益 | 14,500 | 153,174 |

(Note) Figures are rounded down to the nearest million.

(2) Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

| Item | (Japanese) | For the 9 months ended Dec.31,2015 | For the 9 months ended Dec.31,2016 |
|--|-----------------|------------------------------------|------------------------------------|
| Net income | 四半期純利益 | 14,500 | 153,202 |
| Other comprehensive income | その他の包括利益 | (3,059) | (1,027) |
| Unrealized gains on available-for-sale securities | その他有価証券評価差額金 | (3,192) | (5,483) |
| Deferred gains (losses) on hedges | 繰延ヘッジ損益 | (185) | 2,535 |
| Defined retirement benefit plan | 退職給付に係る調整額 | 317 | 1,919 |
| Comprehensive income | 四半期包括利益 | 11,440 | 152,174 |
| Comprehensive income attributable to owners of the parent | 親会社株主に係る四半期包括利益 | 11,440 | 152,147 |
| Comprehensive income attributable to non-controlling interests | 非支配株主に係る四半期包括利益 | — | 27 |

(Note) Figures are rounded down to the nearest million.

3. Note for the Assumption of Going Concern

Not applicable.

4. Note for Material Changes in Shareholders' Equity

(Millions of yen)

| | | Shareholders' equity | | | | |
|--|---------------------------|----------------------|-----------------|-------------------|----------------|----------------------------|
| | | 株主資本 | | | | |
| | | Capital stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| | | 資本金 | 資本剰余金 | 利益剰余金 | 自己株式 | 株主資本合計 |
| Balance at the beginning of current period (Note 1) | 当期首残高 | 85,113 | 58,574 | 333,964 | (21,569) | 456,082 |
| Changes of items during the period | 当第3四半期連結会計期間末までの変動額 | | | | | |
| Changes due to share exchange (Note 2) | 株式交換による増減 | 32,382 | 90,616 | | | 122,998 |
| Cash dividends (Note 3) | 剰余金の配当 | | (1,832) | (9,397) | | (11,230) |
| Net income attributable to owners of the parent | 親会社株主に帰属する四半期純利益(累計) | | | 153,174 | | 153,174 |
| Purchase of treasury stock | 自己株式の取得 | | | | (10) | (10) |
| Disposal of treasury stock | 自己株式の処分 | | 0 | (0) | 25 | 25 |
| Retirement of treasury stock | 自己株式の消却 | | | (21,548) | 21,548 | — |
| Changes due to acquiring equity of consolidated subsidiaries | 連結子会社株式の取得による持分の増減 | | 1,134 | | | 1,134 |
| Transfer from land revaluation excess | 土地再評価差額金の取崩 | | | 91 | | 91 |
| Total changes during the period | 当第3四半期連結会計期間末までの変動額(累計)合計 | 32,382 | 89,919 | 122,318 | 21,563 | 266,183 |
| Balance at the end of current period | 当第3四半期連結会計期間末残高 | 117,495 | 148,493 | 456,283 | (6) | 722,265 |

(Note)

1. "Balance at the beginning of current period" is the balance of Joyo (consolidated) at the beginning of the current fiscal year.
2. "Changes due to share exchange" is an increase by applying the purchase method with Joyo as the acquiring company and Mel (former AHD) as the acquired company, which is the cost of acquisition of the acquired company.
3. Through the share exchange with Joyo on October 1, 2016, AHD's "Retained earnings" was transferred to Mebuki's "Capital surplus". Therefore, 1,832 million yen of cash dividends, whose record date is September 30, 2016, and whose effective date of distribution is on and after December 2, 2016, is recorded as "Cash dividends" of "Capital surplus".

5. Business Combination

The Business Integration of Ashikaga Holdings Co., Ltd. and the Joyo Bank, Ltd.

Ashikaga Holdings Co., Ltd. (hereinafter referred to as “AHD”) and the Joyo Bank, Ltd. (President: Kazuyoshi Terakado; hereinafter referred to as “Joyo”) (together, the “Companies”), resolved to consummate the business integration through a share exchange. At the same time, AHD, Joyo, and The Ashikaga Bank, Ltd. (hereinafter referred to as “Ashikaga Bank”) entered into a business integration agreement.

AHD conducted a share exchange which made AHD a wholly owing parent company and Joyo a wholly owned subsidiary, and changed its trade name to "Mebuki Financial Group, Inc." on October 1, 2016 as the effective date, after the approval for the share exchange by the ordinary general meeting of shareholders of both of the Companies held on June 28, 2016, and the approval for the business integration has been issued by the Financial Services Agency of Japan on September 29, 2016.

(1) Outline of the Business Combination

① Name and Business Content of the Acquired Company

Name of the Acquired Company : AHD

Business content : Bank holding company

② Main Reasons for the Business Combination

The new financial group established through the integration of the Companies will aim to maintain and promote the relationships with customers and the deep understanding of the local communities that Joyo and Ashikaga Bank have developed over the years, and to realize the advancement of comprehensive financial services and operational efficiencies by taking advantage of the wide area network and other connections formed through the Business Integration.

Through the above-mentioned efforts, the Companies will provide more convenient and high-quality comprehensive financial services that can be achieved only through the integration of leading regional banks. In addition, the Companies will aim to become a group that is highly evaluated by each stakeholder through the achievement of persistent growth as a driving force of regional development and revitalization, the improvement of corporate value in response to the expectations of shareholders and markets, and the expansion of the opportunities for officers and employees to play an active part and enhance their pride and enjoyment in their duties. Furthermore, the Companies will aim to become a financial group that is open to other regional financial institutions who share the corporate ideals with each other.

③ Date of the Business Combination

October 1, 2016

④ Legal Form of the Business Combination

Share exchange, under which AHD became the wholly owing parent company, and Joyo became the wholly owned subsidiary.

⑤ Name of the Company after the Business Combination

Mebuki Financial Group, Inc.

⑥ Voting rights acquired

| | |
|--|---------------|
| Voting right ratio before the share exchange | 0.39% |
| <u>Acquired voting right ratio on the date of the business combination</u> | <u>99.61%</u> |
| Voting right ratio after the share exchange | 100.00% |

⑦ Reason for determining the acquiring company

By applying “Accounting Standard for Business Combinations (ASBJ Statement No.21) and the Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No.10), it is decided that Joyo be the acquiring company and AHD be the acquired company, mainly because shareholders of Joyo, a wholly owned subsidiary, will have the largest percentage of voting rights of the integrated company.

(2)Period of the business results of the acquired entity included in the consolidated financial statements
From October 1, 2016 to December 31, 2016

(3)Cost of the acquisition of the acquired company and breakdown of the consideration

| | |
|---|-------------------|
| Market value of AHD common shares held by Joyo immediately before the date of the business combination | ¥ 464 million |
| Market value of Joyo common shares as if to be issued by Joyo on the date of the business combination | ¥ 122,998 million |
| Cost of acquisition | ¥ 123,463 million |

(4)Exchange Ratio by type of shares and methods of calculating the share exchange ratio and number of shares allotted

①Exchange Ratio by type of shares

Joyo shareholders receive 1.17 shares of Mebuki Financial Group, Inc. common stock for each share of Joyo common stock.

②Methods of calculating the share exchange ratio

To ensure fairness of calculation of the share exchange ratio, Companies appointed third party valuation institutions independent of both parties. Joyo has appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. for its third party valuation and AHD has appointed Pricewaterhouse Coopers for its third party valuation. Based on the analysis results, Companies have carefully consulted and considered matters, and have reached the conclusion that the above common share exchange ratio is appropriate for the business integration.

③Number of Shares Delivered

Common Shares 845,805,218 shares

(5) Amount of the difference between the total cost of each transaction and the acquisition cost of the acquired company

Loss on step acquisitions ¥ 184 million

(6)Amount and cause of gain on negative goodwill

①Amount of gain on negative goodwill

¥ 119,219 million

②Cause of gain on negative goodwill

Gain on negative goodwill was recognized because the fair value of AHD's net assets at the time of the business combination exceeded the acquisition cost.

6. Significant Subsequent event

Not applicable.

II 【Reference】Quarterly Non-consolidated Financial Information of the main consolidated subsidiaries

1. Quarterly Non-consolidated Financial Information of The Joyo Bank, Ltd.

(1) Financial Highlights (from April 1, 2016 to December 31, 2016)

① Non-consolidated Operating Results (%: Changes from the corresponding period of the previous fiscal year)

| | Ordinary Income | | Ordinary Profit | | Net Income | |
|-------------------------|-----------------|-----|-----------------|-----|------------|-----|
| | ¥Million | % | ¥Million | % | ¥Million | % |
| Third quarter | | | | | | |
| Ended December 31, 2016 | 108,916 | 6.3 | 33,978 | 3.7 | 23,698 | 6.2 |
| Ended December 31, 2015 | 102,420 | 1.0 | 32,737 | 4.8 | 22,314 | 8.2 |

② Non-consolidated Financial Conditions

| | Total Assets | Net Assets | Capital Assets to Total Assets |
|-------------------------|--------------|------------|-----------------------------------|
| | ¥Million | ¥Million | % |
| Third quarter | | | |
| Ended December 31, 2016 | 9,565,940 | 590,854 | 6.1 |
| Fiscal year 2015 | 9,236,391 | 580,932 | 6.2 |

(Reference) Capital assets Third quarter of FY2016: ¥590,854million FY2015: ¥580,799 million

(Note) “Capital assets to total assets” represents (“Net assets”-“Equity warrants”) / “Total assets” at the end of each period.

The ratio above is not the one based on the regulation of Capital Adequacy Ratio.

(2) Non-consolidated Balance Sheet (The Joyo Bank, Ltd.)

(Millions of yen)

| Item | (Japanese) | As of Mar. 31, 2016 | As of Dec. 31, 2016 |
|---|---------------|------------------------|------------------------|
| Assets | (資産の部) | | |
| Cash and due from banks | 現金預け金 | 442,654 | 759,476 |
| Call loans and bills bought | コールローン | 2,000 | 12,205 |
| Monetary claims bought | 買入金銭債権 | 9,977 | 8,448 |
| Trading assets | 特定取引資産 | 5,918 | 4,001 |
| Securities | 有価証券 | 2,739,570 | 2,618,668 |
| Loans and bills discounted | 貸出金 | 5,912,707 | 5,967,630 |
| Foreign exchanges | 外国為替 | 4,241 | 2,634 |
| Other assets | その他資産 | 36,515 | 74,793 |
| Tangible fixed assets | 有形固定資産 | 86,520 | 86,122 |
| Intangible fixed assets | 無形固定資産 | 9,456 | 9,704 |
| Asset for retirement benefits | 前払年金費用 | 7,825 | 7,378 |
| Customers' liabilities for acceptances and guarantees | 支払承諾見返 | 14,728 | 49,173 |
| Allowance for loan losses | 貸倒引当金 | (35,715) | (34,286) |
| Reserve for devaluation of investment securities | 投資損失引当金 | (9) | (9) |
| Total Assets | 資産の部合計 | 9,236,391 | 9,565,940 |
| Liabilities | (負債の部) | | |
| Deposits | 預金 | 8,103,353 | 8,148,132 |
| Negotiable certificates of deposit | 譲渡性預金 | 39,539 | 123,692 |
| Call money and bills sold | コールマネー | 45,560 | 81,312 |
| Payables under securities lending transactions | 債券貸借取引受入担保金 | 130,247 | 138,573 |
| Trading liabilities | 特定取引負債 | 895 | 576 |
| Borrowed money | 借入金 | 164,751 | 313,191 |
| Foreign Exchanges | 外国為替 | 886 | 297 |
| Bonds | 社債 | 15,000 | 15,000 |
| Bonds with warrant attached | 新株予約権付社債 | 33,804 | — |
| Due to trust account | 信託勘定借 | 13 | 2 |
| Other liabilities | その他負債 | 50,212 | 48,836 |
| Income tax payable | (未払法人税等) | 6,707 | 1,024 |
| Lease obligations | (リース債務) | 3,009 | 3,374 |
| Other liabilities | (その他の負債) | 40,496 | 44,437 |
| Provision for directors' bonuses | 役員賞与引当金 | 46 | — |
| Liability for retirement benefits | 退職給付引当金 | 7,355 | 8,112 |
| Provision for reimbursement of deposits | 睡眠預金払戻損失引当金 | 2,354 | 2,261 |
| Provision for point card certificates | ポイント引当金 | 112 | 122 |
| Provision for contingent loss | 偶発損失引当金 | 1,045 | 1,090 |
| Deferred tax liabilities | 繰延税金負債 | 36,706 | 35,903 |
| Deferred tax liabilities for land revaluation | 再評価に係る繰延税金負債 | 8,846 | 8,805 |
| Acceptances and guarantees | 支払承諾 | 14,728 | 49,173 |
| Total liabilities | 負債の部合計 | 8,655,459 | 8,975,086 |

| (Millions of yen) | | | | |
|---|------------------------------|------------------------|------------------------|--|
| Item | (Japanese) | As of Mar. 31, 2016 | As of Dec. 31, 2016 | |
| Net assets | (純資産の部) | | | |
| Capital stock | 資 本 金 | 85,113 | 85,113 | |
| Capital surplus | 資 本 剰 余 金 | 58,574 | 58,574 | |
| Legal capital surplus | 資 本 準 備 金 | 58,574 | 58,574 | |
| Retained earnings | 利 益 剰 余 金 | 315,717 | 307,518 | |
| Legal retained earnings | 利 益 準 備 金 | 55,317 | 55,317 | |
| Other retained earnings | そ の 他 利 益 剰 余 金 | 260,400 | 252,201 | |
| Reserve for advanced depreciation of non-current assets | (固 定 資 産 圧 縮 積 立 金) | 904 | 891 | |
| General Reserve | (別 途 積 立 金) | 217,432 | 222,432 | |
| Retained earnings brought forward | (繰 越 利 益 剰 余 金) | 42,064 | 28,878 | |
| Treasury stock | 自 己 株 式 | (21,963) | — | |
| Total shareholders' equity | 株 主 資 本 合 計 | 437,441 | 451,205 | |
| Unrealized gains on available-for-sale securities | そ の 他 有 価 証 券 評 価 差 額 金 | 134,985 | 128,868 | |
| Deferred gains (losses) on hedges | 繰 延 ヘ ッ ジ 損 益 | (3,073) | (573) | |
| Land revaluation excess, net of taxes | 土 地 評 価 差 額 金 | 11,445 | 11,354 | |
| Total valuation and translation adjustments | 評 価 ・ 換 算 差 額 等 合 計 | 143,357 | 139,648 | |
| Equity warrants | 新 株 予 約 権 | 132 | — | |
| Total net assets | 純 資 産 の 部 合 計 | 580,932 | 590,854 | |
| Total liabilities and net assets | 負 債 及 び 純 資 産 の 部 合 計 | 9,236,391 | 9,565,940 | |

(3) Non-Consolidated Statement of Income (The Joyo Bank, Ltd.)

| (Millions of yen) | | | | |
|---------------------------------------|--------------------------|--|--|--|
| Item | (Japanese) | For the 9 months ended Dec. 31, 2015 | For the 9 months ended Dec. 31, 2016 | |
| Ordinary income | 経 常 収 益 | 102,420 | 108,916 | |
| Interest income | 資 金 運 用 収 益 | 73,428 | 70,416 | |
| Interest on loans and bills discounts | (うち 貸 出 金 利 息) | 49,871 | 48,012 | |
| Interest and dividends on securities | (うち 有 価 証 券 利 息 配 当 金) | 23,017 | 21,868 | |
| Trust fees | 信 託 報 酬 | 25 | 22 | |
| Fees and commissions | 役 務 取 引 等 収 益 | 17,351 | 16,304 | |
| Trading income | 特 定 取 引 収 益 | 599 | 305 | |
| Other ordinary income | そ の 他 業 務 収 益 | 3,826 | 11,354 | |
| Other income | そ の 他 経 常 収 益 | 7,188 | 10,512 | |
| Ordinary expenses | 経 常 費 用 | 69,683 | 74,937 | |
| Interest expenses | 資 金 調 達 費 用 | 4,876 | 5,775 | |
| Interest on deposits | (うち 預 金 利 息) | 2,031 | 1,637 | |
| Fees and commissions payments | 役 務 取 引 等 費 用 | 5,229 | 5,401 | |
| Other business expenses | そ の 他 業 務 費 用 | 881 | 3,128 | |
| General and administrative expenses | 営 業 経 費 | 52,340 | 54,718 | |
| Other operating expenses | そ の 他 経 常 費 用 | 6,355 | 5,913 | |
| Ordinary profit | 経 常 利 益 | 32,737 | 33,978 | |
| Extraordinary income | 特 別 利 益 | 83 | 6 | |
| Extraordinary losses | 特 別 損 失 | 476 | 371 | |
| Income before income taxes | 税 引 前 四 半 期 純 利 益 | 32,343 | 33,613 | |
| Income taxes-current | 法 人 税、住 民 税 及 び 事 業 税 | 10,123 | 9,063 | |
| Income taxes-deferred | 法 人 税 等 調 整 額 | (93) | 851 | |
| Total income taxes | 法 人 税 等 合 計 | 10,029 | 9,914 | |
| Net income | 四 半 期 純 利 益 | 22,314 | 23,698 | |

2. Quarterly Non-consolidated Financial Information of The Ashikaga Bank, Ltd.

(1) Financial Highlights (from April 1, 2016 to December 31, 2016)

① Non-consolidated Operating Results (%: Changes from the corresponding period of the previous fiscal year)

| | Ordinary Income | | Ordinary Profit | | Net Income | |
|-------------------------|-----------------|-------|-----------------|--------|------------|------|
| | ¥Million | % | ¥Million | % | ¥Million | % |
| Third quarter | | | | | | |
| Ended December 31, 2016 | 73,189 | (3.7) | 27,376 | (12.7) | 23,310 | 5.2 |
| Ended December 31, 2015 | 76,043 | 8.8 | 31,368 | 28.7 | 22,153 | 23.1 |

② Non-consolidated Financial Conditions

| | Total Assets | Net Assets | Capital Assets to Total Assets |
|-------------------------|--------------|------------|--------------------------------|
| Third quarter | ¥Million | ¥Million | % |
| Ended December 31, 2016 | 6,543,374 | 317,365 | 4.8 |
| Fiscal year 2015 | 6,098,844 | 311,924 | 5.1 |

(Reference) Capital assets Third quarter of FY2016: ¥317,365 million FY2015: ¥311,924 million

(Note) "Capital assets to total assets" represents ("Net assets"-“Equity warrants”) / “Total assets” at the end of each period.

The ratio above is not the one based on the regulation of Capital Adequacy Ratio.

(2) Non-consolidated Balance Sheet (The Ashikaga Bank, Ltd.)

(Millions of yen)

| Item | (Japanese) | As of Mar. 31, 2016 | As of Dec. 31, 2016 |
|---|--------------------|------------------------|------------------------|
| Assets | (資産の部) | | |
| Cash and due from banks | 現金預け金 | 437,507 | 728,283 |
| Call loans and bills bought | コールローン | 414 | 2,975 |
| Monetary claims bought | 買入金銭債権 | 7,627 | 7,641 |
| Trading account securities | 商品有価証券 | 3,596 | 3,056 |
| Securities | 有価証券 | 1,325,749 | 1,457,097 |
| Loans and bills discounted | 貸出金 | 4,274,437 | 4,289,223 |
| Foreign exchanges | 外国為替 | 4,377 | 4,114 |
| Other assets | その他資産 | 24,916 | 26,751 |
| Tangible fixed assets | 有形固定資産 | 25,275 | 26,359 |
| Intangible fixed assets | 無形固定資産 | 2,569 | 2,502 |
| Asset for retirement benefits | 前払年金費用 | 12,786 | 14,646 |
| Deferred tax Assets | 繰延税金資産 | — | 50 |
| Customers' liabilities for acceptances and guarantees | 支払承諾見返 | 12,913 | 13,174 |
| Allowance for loan losses | 貸倒引当金 | (33,328) | (32,504) |
| Total Assets | 資産の部合計 | 6,098,844 | 6,543,374 |
| Liabilities | (負債の部) | | |
| Deposits | 預金 | 5,224,561 | 5,266,922 |
| Negotiable certificates of deposit | 譲渡性預金 | 224,878 | 272,772 |
| Call money and bills sold | コールマネー | 78,000 | 220,627 |
| Payables under securities lending transactions | 債券貸借取引受入担保金 | 25,263 | 203,079 |
| Borrowed money | 借入金 | 181,726 | 218,192 |
| Foreign Exchanges | 外国為替 | 282 | 398 |
| Other liabilities | その他負債 | 30,426 | 29,503 |
| Income tax payable | (未払法人税等) | 1,990 | 708 |
| Lease obligations | (リース債務) | 17 | 13 |
| Asset retirement obligations | (資産除去債務) | 544 | — |
| Other liabilities | (その他の負債) | 27,874 | 28,781 |
| Provision for directors' bonuses | 役員賞与引当金 | 25 | 35 |
| Provision for directors' retirement benefits | 役員退職慰労引当金 | 132 | — |
| Provision for reimbursement of deposits | 睡眠預金払戻損失引当金 | 858 | 760 |
| Provision for contingent loss | 偶発損失引当金 | 464 | 483 |
| Provision for point card certificates | ポイント引当金 | 90 | 56 |
| Deferred tax liabilities | 繰延税金負債 | 7,296 | — |
| Acceptances and guarantees | 支払承諾 | 12,913 | 13,174 |
| Total liabilities | 負債の部合計 | 5,786,919 | 6,226,009 |
| Net assets | (純資産の部) | | |
| Capital stock | 資本金 | 135,000 | 135,000 |
| Retained earnings | 利益剰余金 | 129,428 | 142,231 |
| Legal retained earnings | 利益準備金 | 17,694 | 20,107 |
| Other retained earnings | その他利益剰余金 | 111,733 | 122,123 |
| Retained earnings brought forward | (繰越利益剰余金) | 111,733 | 122,123 |
| Total shareholders' equity | 株主資本合計 | 264,428 | 277,231 |
| Unrealized gains on available-for-sale securities | その他有価証券評価差額金 | 51,447 | 40,098 |
| Deferred gains (losses) on hedges | 繰延ヘッジ損益 | (3,951) | 35 |
| Total valuation and translation adjustments | 評価・換算差額等合計 | 47,495 | 40,134 |
| Total net assets | 純資産の部合計 | 311,924 | 317,365 |
| Total liabilities and net assets | 負債及び純資産の部合計 | 6,098,844 | 6,543,374 |

(3)Non-Consolidated Statement of Income(The Ashikaga Bank, Ltd.)

(Millions of yen)

| Item | (Japanese) | For the 9 months ended Dec.31,2015 | For the 9 months ended Dec.31,2016 |
|--------------------------------------|------------------|--|--|
| Ordinary income | 経常収益 | 76,043 | 73,189 |
| Interest income | 資金運用収益 | 54,819 | 53,476 |
| Interest on loans and discounts | (うち貸出金利息) | 40,421 | 38,515 |
| Interest and dividends on securities | (うち有価証券利息配当金) | 13,684 | 14,570 |
| Fees and commissions | 役務取引等収益 | 15,667 | 14,696 |
| Other ordinary income | その他業務収益 | 1,183 | 1,460 |
| Other income | その他経常収益 | 4,372 | 3,556 |
| Ordinary expenses | 経常費用 | 44,675 | 45,813 |
| Interest expenses | 資金調達費用 | 2,617 | 2,325 |
| Interest on deposits | (うち預金利息) | 1,667 | 903 |
| Fees and commissions payments | 役務取引等費用 | 4,740 | 5,063 |
| Other business expenses | その他業務費用 | 65 | 281 |
| General and administrative expenses | 営業経費 | 35,398 | 34,698 |
| Other operating expenses | その他経常費用 | 1,854 | 3,443 |
| Ordinary profit | 経常利益 | 31,368 | 27,376 |
| Extraordinary losses | 特別損失 | 124 | 68 |
| Income before income taxes | 税引前四半期純利益 | 31,244 | 27,308 |
| Income taxes-current | 法人税、住民税及び事業税 | 8,009 | 6,808 |
| Income taxes-deferred | 法人税等調整額 | 1,080 | (2,810) |
| Total income taxes | 法人税等合計 | 9,090 | 3,998 |
| Net income | 四半期純利益 | 22,153 | 23,310 |

III Financial Data for the Third Quarter of Fiscal Year 2016 ending March 31, 2017

1. Income Status

【Mebuki Financial Group, Inc. (Consolidated basis)】

(Millions of yen)

| | (Japanese) | (Forecast) FY2016 | For the 9 months ended Dec.31, 2016 | | For the 9 months ended Dec.31 2015 (B) | (Reference) FY2015 |
|---|---------------------------------|----------------------|--|---------|--|-----------------------|
| | | | (A) | (A)-(B) | | |
| Consolidated gross profit | 連 結 粗 利 益 | | 106,965 | | | |
| Net interest income | 資 金 利 益 | | 80,834 | | | |
| Net fees and commissions | 役 務 取 引 等 利 益 | | 17,259 | | | |
| Net trading income | 特 定 取 引 利 益 | | 1,301 | | | |
| Net other business income | そ の 他 業 務 利 益 | | 7,570 | | | |
| General and administrative expenses | 営 業 経 費 | | 67,932 | | | |
| Credit related costs | 与 信 関 係 費 用 | | 3,553 | | | |
| Write-off of loans | 貸 出 金 償 却 | | 2,309 | | | |
| Transfer to specific allowance for loan losses | 個 別 貸 倒 引 当 金 繰 入 額 | | 3,133 | | | |
| Transfer to general allowance for loan losses | 一 般 貸 倒 引 当 金 繰 入 額 | | (791) | | | |
| Other credit related costs | そ の 他 の 与 信 関 係 費 用 | | (1,098) | | | |
| Gains/losses related to stocks, etc. | 株 式 等 関 係 損 益 | | 7,109 | | | |
| Equity in gains (losses) of affiliated companies | 持 分 法 に よ る 投 資 損 益 | | — | | | |
| Others | そ の 他 | | 229 | | | |
| Ordinary profit | 経 常 利 益 | 53,000 | 42,818 | | | |
| Extraordinary income(losses) | 特 別 損 益 | | 118,645 | | | |
| Income before income taxes | 税 金 等 調 整 前 四 半 期 純 利 益 | | 161,464 | | | |
| Income taxes-current | 法 人 税、住 民 税 及 び 事 業 税 | | 12,430 | | | |
| Income taxes-deferred | 法 人 税 等 調 整 額 | | (4,169) | | | |
| Total income taxes | 法 人 税 等 合 計 | | 8,261 | | | |
| Net income | 四 半 期 純 利 益 | | 153,202 | | | |
| Net income attributable to noncontrolling interests | 非 支 配 株 主 に 帰 属 す る 四 半 期 純 利 益 | | 28 | | | |
| Net income attributable to owners of the parent | 親 会 社 株 主 に 帰 属 す る 四 半 期 純 利 益 | 155,000 | 153,174 | | | |

(Note) 1. Consolidated gross business profit=(Interest income - Interest expenses)+(Fees and commissions income+Trust Fee - Fees and commissions expenses)+(Trading income - Trading expenses)+(Other business income - Other business expenses)

2. Mebuki Financial Group, Inc. ("Mebuki") and The Joyo Bank, Ltd. ("Joyo") executed the share exchange which made Mebuki a wholly-owning company and Joyo a wholly-owned company on October 1, 2016. The share exchange corresponds to a reverse acquisition under the Accounting Standard for Business Combination, and the purchase method under which Joyo is an acquiring company is applied to the transaction. Due to a gain on negative goodwill from the business integration, 119 billion yen of extraordinary income is recognized. Consolidated financial results for the third quarter are composed of the consolidated results of Joyo from April 1, 2016 to September 30, 2016 and of Mebuki from October 1, 2016 to December 31, 2016.

2. Since the financial results have substantially changed compared with those of FY2015 due to the business combination on October 1, 2016, figures of the corresponding period and full-year figures of the previous fiscal year are not shown.

(注) 1. 連結粗利益=(資金運用収益-資金調達費用)+(役員取引等収益+信託報酬-役員取引等費用)+(特定取引収益-特定取引費用)
+(その他業務収益-その他業務費用)

2. 平成28年10月1日付で、当社を株式交換完全親会社、株式会社常陽銀行を株式交換完全子会社とする株式交換を行いました。本株式交換は、企業結合会計上逆取得に該当し、株式会社常陽銀行を取得企業とするパーチェス法の適用により、「負ののれん発生益」として1.192億円を特別利益に計上しております。なお、当社の第3四半期累計期間(平成28年4月1日～平成28年12月31日)の業績は、株式会社常陽銀行の上期(平成28年4月1日～9月30日)6カ月分の連結業績に、株式交換後の当社グループの第3四半期(平成28年10月1日～12月31日)3カ月分の連結業績を合算した金額となっております。

3. 当社は、平成28年10月1日の経営統合により連続性がなくなったため、前年同期および前年度の計数は記載しておりません。

Reference

(Millions of yen)

| | (Japanese) | For the 9 months ended Dec.31, 2016 | | For the 9 months ended Dec.31 2015 (B) | (Reference) FY2015 |
|--|-----------------------------|--|---------|--|-----------------------|
| | | (A) | (A)-(B) | | |
| Consolidated net business income (before general allowance for loan losses) | 連 結 業 務 純 益 (一 般 貸 引 繰 入 前) | 41,826 | | | |
| Consolidated net business income | 連 結 業 務 純 益 | 42,617 | | | |

(Note) 1. Consolidated net business income

= Consolidated gross profit - General and administrative expenses(excluding non-recurrent expense)-Transfer to general allowance for loan losses

2. Since the financial results have substantially changed compared with those of FY2015 due to the business combination on October 1, 2016, figures of the corresponding period and full-year figures of the previous fiscal year are not shown.

(注) 1. 連結業務純益=連結粗利益-営業経費(除く臨時費用分)-一般貸倒引当金繰入額

2. 当社は、平成28年10月1日の経営統合により連続性がなくなったため、前年同期および前年度の計数は記載しておりません。

Number of Consolidated Companies

(Number of companies)

| | (Japanese) | As of Dec. 31, 2016 | | As of Dec. 31, 2015 (B) | (Reference) As of Mar 31, 2016 |
|---|-----------------|------------------------|---------|-------------------------------|--------------------------------------|
| | | (A) | (A)-(B) | | |
| Number of Consolidated Subsidiaries | 連 結 子 会 社 数 | 14 | | | |
| Number of affiliated companies applicable to the equity method | 持 分 法 適 用 会 社 数 | — | | | |

(Note) Since the financial results have substantially changed compared with those of FY2015 due to the business combination on October 1, 2016, figures at the end of December 2015 and March 2016 are not shown.

(注) 当社は、平成28年10月1日の経営統合により連続性がなくなったため、平成27年12月末および平成28年3月末の計数は記載しておりません。

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

| | (Japanese) | For the 9 months ended Dec.31, 2016 | | For the 9 months ended Dec.31 2015 | (Reference) FY2015 |
|--|---------------------------|-------------------------------------|---------|------------------------------------|--------------------|
| | | (A) | (A)-(B) | (B) | |
| Gross business profit | 業 務 粗 利 益 | 146,060 | (2,431) | 148,492 | 195,881 |
| Net interest income | 資 金 利 益 | 115,791 | (4,963) | 120,754 | 157,971 |
| Net fees and commissions | 役 務 取 引 等 利 益 | 20,558 | (2,516) | 23,075 | 30,427 |
| Net trading income | 特 定 取 引 等 利 益 | 305 | (293) | 599 | 767 |
| Net other business income | そ の 他 業 務 利 益 | 9,404 | 5,341 | 4,063 | 6,714 |
| (Of which, gains/losses on bond transactions) | (うち国債等債券損益(5勘定戻)) | 9,432 | 7,027 | 2,404 | 8,493 |
| Expenses (excluding non-recurrent expense) | 経 費 (除 く 臨 時 処 理 分) | 86,337 | 179 | 86,158 | 115,303 |
| Personnel expenses | 人 件 費 | 45,423 | 84 | 45,338 | 60,327 |
| Non-personnel expenses | 物 件 費 | 34,880 | (779) | 35,660 | 48,440 |
| Taxes | 税 金 | 6,033 | 874 | 5,159 | 6,536 |
| Net business income (before general allowance for loan losses) | 業 務 純 益 (一 般 貸 引 繰 入 前) | 59,723 | (2,611) | 62,334 | 80,577 |
| (excluding gains/losses on bond transactions) | (除く国債等債券損益(5勘定戻)) | 50,291 | (9,639) | 59,930 | 72,083 |
| Net transfer to general allowance for loan losses① | 一 般 貸 倒 引 当 金 繰 入 額 ① | (2,572) | (2,890) | 317 | (685) |
| Net business income | 業 務 純 益 | 62,295 | 278 | 62,017 | 81,262 |
| Net non-recurrent gains/losses | 臨 時 損 益 | (940) | (3,028) | 2,088 | 1,304 |
| Disposal of non-performing loans② | 不 良 債 権 処 理 額 ② | 6,993 | 3,503 | 3,490 | 5,207 |
| Write-off of loans | 貸 出 金 償 却 | 1,808 | (1,122) | 2,931 | 4,811 |
| Transfer to specific allowance for loan losses | 個 別 貸 倒 引 当 金 繰 入 額 | 6,175 | 4,283 | 1,891 | 3,486 |
| Losses on sales of loans | 貸 出 金 売 却 損 | 59 | 54 | 5 | 18 |
| Transfer to provision for contingent losses | 偶 発 損 失 引 当 金 繰 入 額 | 68 | 53 | 15 | (113) |
| Reversal of allowance for loan losses | 貸 倒 引 当 金 戻 入 益 | — | (204) | 204 | 1,284 |
| Recoveries of written-off claims | 償 却 債 権 取 立 益 | 1,571 | (178) | 1,749 | 2,318 |
| Other | そ の 他 | 452 | (148) | 600 | 606 |
| Gains/losses related to stocks, etc. | 株 式 等 関 係 損 益 | 9,660 | 2,619 | 7,040 | 7,261 |
| Other non-recurrent gains/losses | そ の 他 臨 時 損 益 | (3,607) | (2,144) | (1,462) | (749) |
| Ordinary profit | 経 常 利 益 | 61,355 | (2,750) | 64,105 | 82,567 |
| Extraordinary income/losses | 特 別 損 益 | (433) | 84 | (517) | (1,038) |
| Income before income taxes | 税 引 前 四 半 期 純 利 益 | 60,922 | (2,665) | 63,587 | 81,529 |
| Income taxes-current | 法 人 税 、 住 民 税 及 び 事 業 税 | 15,871 | (2,261) | 18,133 | 23,001 |
| Income taxes-deferred | 法 人 税 等 調 整 額 | (1,958) | (2,945) | 986 | (105) |
| Total income taxes | 法 人 税 等 合 計 | 13,913 | (5,206) | 19,119 | 22,895 |
| Net Income | 四 半 期 純 利 益 | 47,009 | 2,540 | 44,468 | 58,633 |
| Credit related costs (①+②) | 与 信 関 係 費 用 (① + ②) | 4,420 | 613 | 3,807 | 4,522 |

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | (Japanese) | For the 9 months ended Dec.31, 2016 | | For the 9 months ended Dec.31 2015 | (Reference) FY2015 |
|---|---------------------------|-------------------------------------|---------|------------------------------------|--------------------|
| | | (A) | (A)-(B) | (B) | |
| Gross business profit | 業 務 粗 利 益 | 84,098 | (146) | 84,244 | 111,510 |
| Net interest income | 資 金 利 益 | 64,640 | (3,911) | 68,552 | 89,847 |
| Net fees and commissions | 役 務 取 引 等 利 益 | 10,925 | (1,222) | 12,148 | 15,488 |
| Net trading income | 特 定 取 引 等 利 益 | 305 | (293) | 599 | 767 |
| Net other business income | そ の 他 業 務 利 益 | 8,226 | 5,281 | 2,944 | 5,406 |
| (Of which, gains/losses on bond transactions) | (うち国債等債券損益(5勘定戻)) | 8,942 | 7,391 | 1,551 | 7,634 |
| Expenses (excluding non-recurrent expense) | 経 費 (除 く 臨 時 処 理 分) | 51,667 | 415 | 51,251 | 68,248 |
| Personnel expenses | 人 件 費 | 26,262 | 17 | 26,245 | 34,931 |
| Non-personnel expenses | 物 件 費 | 21,904 | (16) | 21,920 | 29,585 |
| Taxes | 税 金 | 3,499 | 414 | 3,084 | 3,731 |
| Net business income (before general allowance for loan losses) | 業 務 純 益 (一 般 貸 引 繰 入 前) | 32,431 | (561) | 32,992 | 43,262 |
| (excluding gains/losses on bond transactions) | (除く国債等債券損益(5勘定戻)) | 23,488 | (7,953) | 31,441 | 35,627 |
| Net transfer to general allowance for loan losses① | 一 般 貸 倒 引 当 金 繰 入 額 ① | (973) | (1,291) | 317 | (685) |
| Net business income | 業 務 純 益 | 33,404 | 729 | 32,675 | 43,947 |
| Net non-recurrent gains/losses | 臨 時 損 益 | 573 | 512 | 61 | (1,230) |
| Disposal of non-performing loans② | 不 良 債 権 処 理 額 ② | 3,519 | (46) | 3,566 | 5,472 |
| Write-off of loans | 貸 出 金 償 却 | 1,331 | (1,115) | 2,447 | 3,259 |
| Transfer to specific allowance for loan losses | 個 別 貸 倒 引 当 金 繰 入 額 | 2,881 | 989 | 1,891 | 3,486 |
| Losses on sales of loans | 貸 出 金 売 却 損 | 59 | 56 | 2 | 10 |
| Transfer to provision for contingent losses | 偶 発 損 失 引 当 金 繰 入 額 | 49 | 62 | (13) | (81) |
| Reversal of allowance for loan losses | 貸 倒 引 当 金 戻 入 益 | — | — | — | — |
| Recoveries of written-off claims | 償 却 債 権 取 立 益 | 1,254 | (108) | 1,362 | 1,809 |
| Other | そ の 他 | 452 | (148) | 600 | 606 |
| Gains/losses related to stocks, etc. | 株 式 等 関 係 損 益 | 7,690 | 3,161 | 4,529 | 4,742 |
| Other non-recurrent gains/losses | そ の 他 臨 時 損 益 | (3,597) | (2,695) | (901) | (501) |
| Ordinary profit | 経 常 利 益 | 33,978 | 1,241 | 32,737 | 42,717 |
| Extraordinary income/losses | 特 別 損 益 | (364) | 28 | (393) | (654) |
| Income before income taxes | 税 引 前 四 半 期 純 利 益 | 33,613 | 1,269 | 32,343 | 42,062 |
| Income taxes-current | 法 人 税、住 民 税 及 び 事 業 税 | 9,063 | (1,060) | 10,123 | 12,532 |
| Income taxes-deferred | 法 人 税 等 調 整 額 | 851 | 945 | (93) | 1,755 |
| Total income taxes | 法 人 税 等 合 計 | 9,914 | (115) | 10,029 | 14,288 |
| Net Income | 四 半 期 純 利 益 | 23,698 | 1,384 | 22,314 | 27,774 |
| Credit related costs (①+②) | 与 信 関 係 費 用 (① + ②) | 2,545 | (1,337) | 3,883 | 4,786 |

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | (Japanese) | For the 9 months ended Dec.31, 2016 | | For the 9 months ended Dec.31 2015 | (Reference) FY2015 |
|--|---------------------------|-------------------------------------|---------|------------------------------------|--------------------|
| | | (A) | (A)-(B) | (B) | |
| Gross business profit | 業 務 粗 利 益 | 61,962 | (2,285) | 64,248 | 84,370 |
| Net interest income | 資 金 利 益 | 51,150 | (1,051) | 52,202 | 68,124 |
| Net fees and commissions | 役 務 取 引 等 利 益 | 9,633 | (1,294) | 10,927 | 14,939 |
| Net trading income | 特 定 取 引 等 利 益 | — | — | — | — |
| Net other business income | そ の 他 業 務 利 益 | 1,178 | 60 | 1,118 | 1,307 |
| (Of which, gains/losses on bond transactions) | (うち国債等債券損益(5勘定戻)) | 489 | (363) | 853 | 859 |
| Expenses (excluding non-recurrent expense) | 経 費 (除 く 臨 時 処 理 分) | 34,670 | (236) | 34,906 | 47,055 |
| Personnel expenses | 人 件 費 | 19,160 | 67 | 19,093 | 25,396 |
| Non-personnel expenses | 物 件 費 | 12,975 | (763) | 13,739 | 18,854 |
| Taxes | 税 金 | 2,533 | 459 | 2,074 | 2,804 |
| Net business income (before general allowance for loan losses) | 業 務 純 益 (一 般 貸 引 繰 入 前) | 27,292 | (2,049) | 29,341 | 37,315 |
| (excluding gains/losses on bond transactions) | (除く国債等債券損益(5勘定戻)) | 26,802 | (1,685) | 28,488 | 36,455 |
| Net transfer to general allowance for loan losses① | 一 般 貸 倒 引 当 金 繰 入 額 ① | (1,599) | (1,599) | — | — |
| Net business income | 業 務 純 益 | 28,891 | (450) | 29,341 | 37,315 |
| Net non-recurrent gains/losses | 臨 時 損 益 | (1,514) | (3,540) | 2,026 | 2,535 |
| Disposal of non-performing loans② | 不 良 債 権 処 理 額 ② | 3,473 | 3,550 | (76) | (264) |
| Write-off of loans | 貸 出 金 償 却 | 476 | (7) | 484 | 1,552 |
| Transfer to specific allowance for loan losses | 個 別 貸 倒 引 当 金 繰 入 額 | 3,294 | 3,294 | — | — |
| Losses on sales of loans | 貸 出 金 売 却 損 | 0 | (2) | 2 | 7 |
| Transfer to provision for contingent losses | 偶 発 損 失 引 当 金 繰 入 額 | 19 | (9) | 29 | (31) |
| Reversal of allowance for loan losses | 貸 倒 引 当 金 戻 入 益 | — | (204) | 204 | 1,284 |
| Recoveries of written-off claims | 償 却 債 権 取 立 益 | 317 | (70) | 387 | 508 |
| Other | そ の 他 | — | — | — | — |
| Gains/losses related to stocks, etc. | 株 式 等 関 係 損 益 | 1,969 | (541) | 2,511 | 2,519 |
| Other non-recurrent gains/losses | そ の 他 臨 時 損 益 | (9) | 551 | (560) | (248) |
| Ordinary profit | 経 常 利 益 | 27,376 | (3,991) | 31,368 | 39,850 |
| Extraordinary income/losses | 特 別 損 益 | (68) | 55 | (124) | (383) |
| Income before income taxes | 税 引 前 四 半 期 純 利 益 | 27,308 | (3,935) | 31,244 | 39,466 |
| Income taxes-current | 法 人 税 、 住 民 税 及 び 事 業 税 | 6,808 | (1,200) | 8,009 | 10,468 |
| Income taxes-deferred | 法 人 税 等 調 整 額 | (2,810) | (3,890) | 1,080 | (1,861) |
| Total income taxes | 法 人 税 等 合 計 | 3,998 | (5,091) | 9,090 | 8,607 |
| Net Income | 四 半 期 純 利 益 | 23,310 | 1,156 | 22,153 | 30,859 |
| Credit related costs (①+②) | 与 信 関 係 費 用 (① + ②) | 1,874 | 1,951 | (76) | (264) |

2. Interest Rate Spread (Domestic operations)

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(%)

| | (Japanese) | For the 9 months ended Dec.31, 2016 | | For the 9 months ended Dec.31 2015 |
|--|------------|-------------------------------------|---------|------------------------------------|
| | | (A) | (A)-(B) | (B) |
| Average yield on interest earning assets ① | 資金運用利回 | 1.06 | (0.07) | 1.13 |
| Average yield on loans and bills discounted | 貸出金利回 | 1.12 | (0.09) | 1.21 |
| Average yield on securities | 有価証券利回 | 1.14 | (0.12) | 1.26 |
| Average yield on interest bearing liabilities ② | 資金調達原価 | 0.81 | (0.06) | 0.87 |
| Average yield on deposits and negotiable certificates of deposit | 預金等利回 | 0.01 | (0.02) | 0.03 |
| Average yield on call money and borrowed money | 外部負債利回 | 0.00 | (0.10) | 0.10 |
| Average interest rate spread (①-②) | 総資金利鞘 | 0.25 | (0.01) | 0.26 |

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(%)

| | (Japanese) | For the 9 months ended Dec.31, 2016 | | For the 9 months ended Dec.31 2015 |
|--|------------|-------------------------------------|---------|------------------------------------|
| | | (A) | (A)-(B) | (B) |
| Average yield on interest earning assets ① | 資金運用利回 | 1.00 | (0.07) | 1.07 |
| Average yield on loans and bills discounted | 貸出金利回 | 1.06 | (0.09) | 1.15 |
| Average yield on securities | 有価証券利回 | 1.00 | (0.09) | 1.09 |
| Average yield on interest bearing liabilities ② | 資金調達原価 | 0.82 | (0.06) | 0.88 |
| Average yield on deposits and negotiable certificates of deposit | 預金等利回 | 0.00 | (0.02) | 0.02 |
| Average yield on call money and borrowed money | 外部負債利回 | 0.00 | (0.10) | 0.10 |
| Average interest rate spread (①-②) | 総資金利鞘 | 0.18 | (0.01) | 0.19 |

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(%)

| | (Japanese) | For the 9 months ended Dec.31, 2016 | | For the 9 months ended Dec.31 2015 |
|--|------------|-------------------------------------|---------|------------------------------------|
| | | (A) | (A)-(B) | (B) |
| Average yield on interest earning assets ① | 資金運用利回 | 1.14 | (0.07) | 1.21 |
| Average yield on loans and bills discounted | 貸出金利回 | 1.20 | (0.09) | 1.29 |
| Average yield on securities | 有価証券利回 | 1.42 | (0.23) | 1.65 |
| Average yield on interest bearing liabilities ② | 資金調達原価 | 0.78 | (0.07) | 0.85 |
| Average yield on deposits and negotiable certificates of deposit | 預金等利回 | 0.02 | (0.02) | 0.04 |
| Average yield on call money and borrowed money | 外部負債利回 | 0.00 | (0.09) | 0.09 |
| Average interest rate spread (①-②) | 総資金利鞘 | 0.36 | 0.00 | 0.36 |

3. Gains and Losses on Securities

(1) Gains and losses on bond transactions

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

| | (Japanese) | For the 9 months ended Dec.31, 2016 | | For the 9 months ended Dec.31 2015 | (Reference) FY2015 |
|-----------------------------------|------------|-------------------------------------|---------|------------------------------------|------------------------|
| | | (A) | (A)-(B) | (B) | |
| Gains/losses on bond transactions | 国債等債券損益 | 9,432 | 7,027 | 2,404 | 8,493 |
| Gains on sales | 売却益 | 11,473 | 8,283 | 3,189 | 9,271 |
| Gains on redemption | 償還益 | 48 | (89) | 137 | 139 |
| Losses on sales | 売却損 | 2,089 | 1,207 | 881 | 881 |
| Losses on redemption | 償還損 | — | — | — | — |
| Write-offs | 償却 | — | (41) | 41 | 36 |

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | (Japanese) | For the 9 months ended Dec.31, 2016 | | For the 9 months ended Dec.31 2015 | (Reference) FY2015 |
|-----------------------------------|------------|-------------------------------------|---------|------------------------------------|------------------------|
| | | (A) | (A)-(B) | (B) | |
| Gains/losses on bond transactions | 国債等債券損益 | 8,942 | 7,391 | 1,551 | 7,634 |
| Gains on sales | 売却益 | 10,702 | 8,407 | 2,294 | 8,376 |
| Gains on redemption | 償還益 | 48 | (89) | 137 | 139 |
| Losses on sales | 売却損 | 1,807 | 925 | 881 | 881 |
| Losses on redemption | 償還損 | — | — | — | — |
| Write-offs | 償却 | — | — | — | — |

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | (Japanese) | For the 9 months ended Dec.31, 2016 | | For the 9 months ended Dec.31 2015 | (Reference) FY2015 |
|-----------------------------------|------------|-------------------------------------|---------|------------------------------------|------------------------|
| | | (A) | (A)-(B) | (B) | |
| Gains/losses on bond transactions | 国債等債券損益 | 489 | (363) | 853 | 859 |
| Gains on sales | 売却益 | 771 | (123) | 894 | 895 |
| Gains on redemption | 償還益 | — | — | — | — |
| Losses on sales | 売却損 | 281 | 281 | 0 | 0 |
| Losses on redemption | 償還損 | — | — | — | — |
| Write-offs | 償却 | — | (41) | 41 | 36 |

(2) Gains and losses related to stocks, etc.

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

| | (Japanese) | For the 9 months ended Dec.31, 2016 | | For the 9 months ended Dec.31 2015 | (Reference) FY2015 |
|--------------------------------------|------------|-------------------------------------|---------|------------------------------------|------------------------|
| | | (A) | (A)-(B) | (B) | |
| Gains/losses related to stocks, etc. | 株式等関係損益 | 9,660 | 2,619 | 7,040 | 7,261 |
| Gains on sales | 売却益 | 11,523 | 2,782 | 8,741 | 8,980 |
| Losses on sales | 売却損 | 1,791 | 99 | 1,691 | 1,691 |
| Write-offs | 償却 | 71 | 63 | 8 | 26 |

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | (Japanese) | For the 9 months ended Dec.31, 2016 | | For the 9 months ended Dec.31 2015 | (Reference) FY2015 |
|--------------------------------------|------------|-------------------------------------|---------|------------------------------------|------------------------|
| | | (A) | (A)-(B) | (B) | |
| Gains/losses related to stocks, etc. | 株式等関係損益 | 7,690 | 3,161 | 4,529 | 4,742 |
| Gains on sales | 売却益 | 8,617 | 3,376 | 5,240 | 5,471 |
| Losses on sales | 売却損 | 868 | 156 | 711 | 711 |
| Write-offs | 償却 | 58 | 58 | — | 17 |

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | (Japanese) | For the 9 months ended Dec.31, 2016 | | For the 9 months ended Dec.31 2015 | (Reference) FY2015 |
|--------------------------------------|------------|-------------------------------------|---------|------------------------------------|------------------------|
| | | (A) | (A)-(B) | (B) | |
| Gains/losses related to stocks, etc. | 株式等関係損益 | 1,969 | (541) | 2,511 | 2,519 |
| Gains on sales | 売却益 | 2,906 | (593) | 3,500 | 3,508 |
| Losses on sales | 売却損 | 923 | (57) | 980 | 980 |
| Write-offs | 償却 | 13 | 5 | 8 | 8 |

4. Unrealized Valuation Gains (Losses)

【Mebuki Financial Group, Inc. (Consolidated basis)】

(Millions of yen)

| | | As of Dec.31, 2016 | | | | | As of Sep.30, 2016 | | | |
|--------------------|---------|--------------------|-------------------------------------|-------|-----------------|------------------|--------------------|-------------------------------------|-----------------|------------------|
| | | Carrying Amount | Unrealized valuation gains (losses) | | | | Carrying Amount | Unrealized valuation gains (losses) | | |
| | | | (A) | (A-B) | Valuation gains | Valuation losses | | (B) | Valuation gains | Valuation losses |
| Held-to-maturity | 満期保有目的 | 132,970 | (497) | | 431 | 929 | | | | |
| | Bonds | 132,970 | (497) | | 431 | 929 | | | | |
| | Others | — | — | | — | — | | | | |
| Available-for-sale | その他有価証券 | 3,914,278 | 183,937 | | 217,303 | 33,366 | | | | |
| | Stocks | 305,838 | 145,464 | | 145,971 | 506 | | | | |
| | Bonds | 2,240,540 | 25,213 | | 29,535 | 4,321 | | | | |
| | Others | 1,367,899 | 13,259 | | 41,796 | 28,537 | | | | |
| Total | 合計 | 4,047,249 | 183,440 | | 217,735 | 34,295 | | | | |
| | Stocks | 305,838 | 145,464 | | 145,971 | 506 | | | | |
| | Bonds | 2,373,511 | 24,716 | | 29,967 | 5,251 | | | | |
| | Others | 1,367,899 | 13,259 | | 41,796 | 28,537 | | | | |

(Note) 1. "Available-for-sale" is valued at market price. Consequently, figures in the above table show the differences between the acquisition cost and the balance sheet amount.

2. In addition to securities, figures in the above include the trust beneficial rights recognized as "Monetary claims bought".

3. Since the financial results have substantially changed compared with those of FY2015 due to the business combination on October 1, 2016, figures as of September 30, 2016 are not shown.

(注) 1. 「その他有価証券」については時価評価しておりますので、上記の表上は、貸借対照表計上額と取得価額との差額を計上しております。

2. 「有価証券」のほか、「買入金銭債権」中の信託受益権も含めております。

3. 当社は、平成28年10月1日の経営統合により連続性がなくなったため、平成28年9月末の計数は記載しておりません。

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

| | | As of Dec.31, 2016 | | | | | As of Sep.30, 2016 | | | |
|--------------------|---------|--------------------|-------------------------------------|----------|-----------------|------------------|--------------------|-------------------------------------|-----------------|------------------|
| | | Carrying Amount | Unrealized valuation gains (losses) | | | | Carrying Amount | Unrealized valuation gains (losses) | | |
| | | | (A) | (A-B) | Valuation gains | Valuation losses | | (B) | Valuation gains | Valuation losses |
| Held-to-maturity | 満期保有目的 | 117,266 | 12,938 | (1,361) | 12,966 | 28 | 128,035 | 14,300 | 14,315 | 15 |
| | Bonds | 117,266 | 12,938 | (1,342) | 12,966 | 28 | 114,035 | 14,281 | 14,293 | 12 |
| | Others | — | — | (18) | — | — | 14,000 | 18 | 21 | 2 |
| Available-for-sale | その他有価証券 | 3,914,125 | 239,309 | 22,734 | 266,839 | 27,530 | 3,689,588 | 216,574 | 232,251 | 15,676 |
| | Stocks | 305,685 | 169,135 | 46,465 | 169,641 | 505 | 261,882 | 122,670 | 124,401 | 1,730 |
| | Bonds | 2,240,540 | 48,607 | (15,097) | 49,848 | 1,241 | 2,246,813 | 63,704 | 64,250 | 545 |
| | Others | 1,367,899 | 21,565 | (8,632) | 47,348 | 25,783 | 1,180,892 | 30,198 | 43,599 | 13,401 |
| Total | 合計 | 4,031,392 | 252,247 | 21,373 | 279,806 | 27,558 | 3,817,624 | 230,874 | 246,566 | 15,692 |
| | Stocks | 305,685 | 169,135 | 46,465 | 169,641 | 505 | 261,882 | 122,670 | 124,401 | 1,730 |
| | Bonds | 2,357,807 | 61,546 | (16,440) | 62,815 | 1,269 | 2,360,849 | 77,986 | 78,544 | 558 |
| | Others | 1,367,899 | 21,565 | (8,651) | 47,348 | 25,783 | 1,194,892 | 30,217 | 43,621 | 13,403 |

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | | As of Dec.31, 2016 | | | | | As of Sep.30, 2016 | | | |
|--------------------|---------|--------------------|-------------------------------------|----------|-----------------|------------------|--------------------|-------------------------------------|-----------------|------------------|
| | | Carrying Amount | Unrealized valuation gains (losses) | | | | Carrying Amount | Unrealized valuation gains (losses) | | |
| | | | (A) | (A-B) | Valuation gains | Valuation losses | | (B) | Valuation gains | Valuation losses |
| Held-to-maturity | 満期保有目的 | 41,447 | 407 | (137) | 410 | 3 | 38,226 | 544 | 547 | 2 |
| | Bonds | 41,447 | 407 | (137) | 410 | 3 | 38,226 | 544 | 547 | 2 |
| | Others | — | — | — | — | — | — | — | — | — |
| Available-for-sale | その他有価証券 | 2,565,610 | 183,755 | 24,157 | 200,394 | 16,638 | 2,479,982 | 159,598 | 168,485 | 8,887 |
| | Stocks | 256,299 | 137,062 | 39,071 | 137,557 | 495 | 219,890 | 97,990 | 99,554 | 1,564 |
| | Bonds | 1,561,343 | 27,974 | (11,261) | 28,928 | 953 | 1,586,545 | 39,236 | 39,468 | 232 |
| | Others | 747,967 | 18,719 | (3,652) | 33,907 | 15,188 | 673,546 | 22,371 | 29,461 | 7,090 |
| Total | 合計 | 2,607,058 | 184,163 | 24,019 | 200,804 | 16,641 | 2,518,209 | 160,143 | 169,033 | 8,889 |
| | Stocks | 256,299 | 137,062 | 39,071 | 137,557 | 495 | 219,890 | 97,990 | 99,554 | 1,564 |
| | Bonds | 1,602,790 | 28,382 | (11,399) | 29,339 | 956 | 1,624,772 | 39,781 | 40,016 | 235 |
| | Others | 747,967 | 18,719 | (3,652) | 33,907 | 15,188 | 673,546 | 22,371 | 29,461 | 7,090 |

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | | As of Dec.31, 2016 | | | | | As of Sep.30, 2016 | | | |
|--------------------|---------|--------------------|-------------------------------------|---------|-----------------|------------------|--------------------|-------------------------------------|-----------------|------------------|
| | | Carrying Amount | Unrealized valuation gains (losses) | | | | Carrying Amount | Unrealized valuation gains (losses) | | |
| | | | (A) | (A-B) | Valuation gains | Valuation losses | | (B) | Valuation gains | Valuation losses |
| Held-to-maturity | 満期保有目的 | 75,819 | 12,531 | (1,224) | 12,556 | 25 | 89,808 | 13,755 | 13,767 | 12 |
| | Bonds | 75,819 | 12,531 | (1,205) | 12,556 | 25 | 75,808 | 13,736 | 13,746 | 9 |
| | Others | — | — | (18) | — | — | 14,000 | 18 | 21 | 2 |
| Available-for-sale | その他有価証券 | 1,348,514 | 55,553 | (1,422) | 66,444 | 10,891 | 1,209,605 | 56,975 | 63,765 | 6,789 |
| | Stocks | 49,385 | 32,073 | 7,393 | 32,084 | 10 | 41,991 | 24,680 | 24,846 | 165 |
| | Bonds | 679,197 | 20,632 | (3,835) | 20,920 | 287 | 660,267 | 24,468 | 24,781 | 313 |
| | Others | 619,931 | 2,846 | (4,980) | 13,440 | 10,594 | 507,345 | 7,826 | 14,137 | 6,310 |
| Total | 合計 | 1,424,333 | 68,084 | (2,646) | 79,001 | 10,916 | 1,299,414 | 70,731 | 77,533 | 6,802 |
| | Stocks | 49,385 | 32,073 | 7,393 | 32,084 | 10 | 41,991 | 24,680 | 24,846 | 165 |
| | Bonds | 755,017 | 33,164 | (5,040) | 33,476 | 312 | 736,076 | 38,204 | 38,527 | 322 |
| | Others | 619,931 | 2,846 | (4,999) | 13,440 | 10,594 | 521,345 | 7,845 | 14,159 | 6,313 |

5. Disclosed Claims under the Financial Revitalization Law

【Mebuki Financial Group, Inc. (Consolidated basis)】

(Millions of yen)

| | (Japanese) | As of Dec.31, 2016 | | | As of Sep.30, 2016(B) | As of Mar.31, 2016(C) |
|--|--------------------|--------------------|-------|-------|--------------------------|--------------------------|
| | | (A) | (A-B) | (A-C) | | |
| Bankrupt and substantially bankrupt claims | 破産更生債権及びこれらに準ずる債権 | 13,086 | / | / | / | / |
| Doubtful claims | 危険債権 | 142,319 | / | / | / | / |
| Claims requiring supervision | 要管理債権 | 41,399 | / | / | / | / |
| Subtotal | 小計 ① | 196,805 | / | / | / | / |
| Normal claims | 正常債権 | 10,119,700 | / | / | / | / |
| Total | 合計 ② | 10,316,505 | / | / | / | / |
| Ratio of disclosed claims towards the balance of Loans | 貸出金等残高に占める比率 ① / ② | 1.90% | / | / | / | / |

(Note) Since the financial results have substantially changed compared with those of FY2015 due to the business combination on October 1, 2016, figures as of September 30, 2016 and March 31, 2016 are not shown.

(注) 当社は、平成28年10月1日の経営統合により連続性がなくなったため、平成28年9月末および平成28年3月末の計数は記載しておりません。

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

| | (Japanese) | As of Dec.31, 2016 | | | As of Sep.30, 2016(B) | As of Mar.31, 2016(C) |
|--|--------------------|--------------------|---------|---------|--------------------------|--------------------------|
| | | (A) | (A-B) | (A-C) | | |
| Bankrupt and substantially bankrupt claims | 破産更生債権及びこれらに準ずる債権 | 11,805 | (1,370) | 796 | 13,175 | 11,008 |
| Doubtful claims | 危険債権 | 142,187 | 5,347 | 1,145 | 136,840 | 141,042 |
| Claims requiring supervision | 要管理債権 | 41,398 | (1,839) | (5,060) | 43,237 | 46,459 |
| Subtotal | 小計 ① | 195,391 | 2,137 | (3,118) | 193,253 | 198,509 |
| Normal claims | 正常債権 | 10,240,637 | 108,239 | 126,028 | 10,132,397 | 10,114,609 |
| Total | 合計 ② | 10,436,028 | 110,377 | 122,909 | 10,325,651 | 10,313,119 |
| Ratio of disclosed claims towards the balance of Loans | 貸出金等残高に占める比率 ① / ② | 1.87% | 0.00% | (0.05%) | 1.87% | 1.92% |

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | (Japanese) | As of Dec.31, 2016 | | | As of Sep.30, 2016(B) | As of Mar.31, 2016(C) |
|--|--------------------|--------------------|---------|---------|--------------------------|--------------------------|
| | | (A) | (A-B) | (A-C) | | |
| Bankrupt and substantially bankrupt claims | 破産更生債権及びこれらに準ずる債権 | 6,641 | (448) | 608 | 7,089 | 6,032 |
| Doubtful claims | 危険債権 | 72,093 | 744 | (2,795) | 71,349 | 74,889 |
| Claims requiring supervision | 要管理債権 | 25,383 | (686) | (735) | 26,069 | 26,118 |
| Subtotal | 小計 ① | 104,118 | (390) | (2,921) | 104,508 | 107,040 |
| Normal claims | 正常債権 | 5,955,367 | 80,374 | 102,911 | 5,874,993 | 5,852,455 |
| Total | 合計 ② | 6,059,485 | 79,983 | 99,989 | 5,979,501 | 5,959,495 |
| Ratio of disclosed claims towards the balance of Loans | 貸出金等残高に占める比率 ① / ② | 1.71% | (0.03%) | (0.08%) | 1.74% | 1.79% |

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | (Japanese) | As of Dec.31, 2016 | | | As of Sep.30, 2016(B) | As of Mar.31, 2016(C) |
|--|--------------------|--------------------|---------|---------|--------------------------|--------------------------|
| | | (A) | (A-B) | (A-C) | | |
| Bankrupt and substantially bankrupt claims | 破産更生債権及びこれらに準ずる債権 | 5,163 | (921) | 188 | 6,085 | 4,975 |
| Doubtful claims | 危険債権 | 70,093 | 4,602 | 3,940 | 65,491 | 66,152 |
| Claims requiring supervision | 要管理債権 | 16,015 | (1,152) | (4,325) | 17,168 | 20,340 |
| Subtotal | 小計 ① | 91,272 | 2,527 | (196) | 88,744 | 91,469 |
| Normal claims | 正常債権 | 4,285,270 | 27,865 | 23,116 | 4,257,404 | 4,262,153 |
| Total | 合計 ② | 4,376,543 | 30,393 | 22,919 | 4,346,149 | 4,353,623 |
| Ratio of disclosed claims towards the balance of Loans | 貸出金等残高に占める比率 ① / ② | 2.08% | 0.04% | (0.02%) | 2.04% | 2.10% |

6. Loans

(1) Term-end balance / Average balance

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

| | (Japanese) | As of Dec.31, 2016 | | | As of Sep.30, 2016 (B) | As of Mar.31, 2016 (C) |
|---|------------|--------------------|----------|-----------|---------------------------|---------------------------|
| | | (A) | (A-B) | (A-C) | | |
| Loans and bills discounted (Term-end balance) | 貸出金(末残) | 10,256,854 | 68,244 | 69,708 | 10,188,610 | 10,187,145 |
| Corporate | 法人 | 4,846,845 | 72,996 | 33,676 | 4,773,848 | 4,813,169 |
| Individual customers | 個人 | 4,193,330 | 50,002 | 167,660 | 4,143,327 | 4,025,669 |
| Public sector | 国及び地方公共団体 | 1,216,678 | (54,754) | (131,626) | 1,271,433 | 1,348,305 |
| Loans and bills discounted (Average balance) | 貸出金(平残) | 10,177,889 | 23,936 | 196,550 | 10,153,953 | 9,981,339 |

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | (Japanese) | As of Dec.31, 2016 | | | As of Sep.30, 2016 (B) | As of Mar.31, 2016 (C) |
|---|------------|--------------------|----------|----------|---------------------------|---------------------------|
| | | (A) | (A-B) | (A-C) | | |
| Loans and bills discounted (Term-end balance) | 貸出金(末残) | 5,967,630 | 39,694 | 54,922 | 5,927,935 | 5,912,707 |
| Corporate | 法人 | 2,838,116 | 40,704 | 9,484 | 2,797,412 | 2,828,632 |
| Individual customers | 個人 | 2,337,798 | 27,512 | 97,207 | 2,310,286 | 2,240,591 |
| Public sector | 国及び地方公共団体 | 791,715 | (28,521) | (51,768) | 820,237 | 843,484 |
| Loans and bills discounted (Average balance) | 貸出金(平残) | 5,950,745 | 16,141 | 142,473 | 5,934,603 | 5,808,271 |

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | (Japanese) | As of Dec.31, 2016 | | | As of Sep.30, 2016 (B) | As of Mar.31, 2016 (C) |
|---|------------|--------------------|----------|----------|---------------------------|---------------------------|
| | | (A) | (A-B) | (A-C) | | |
| Loans and bills discounted (Term-end balance) | 貸出金(末残) | 4,289,223 | 28,549 | 14,786 | 4,260,674 | 4,274,437 |
| Corporate | 法人 | 2,008,729 | 32,292 | 24,191 | 1,976,436 | 1,984,537 |
| Individual customers | 個人 | 1,855,531 | 22,489 | 70,452 | 1,833,041 | 1,785,078 |
| Public sector | 国及び地方公共団体 | 424,963 | (26,232) | (79,857) | 451,196 | 504,821 |
| Loans and bills discounted (Average balance) | 貸出金(平残) | 4,227,144 | 7,795 | 54,076 | 4,219,349 | 4,173,068 |

(2) Consumer loans / Loans to SMEs

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

| | (Japanese) | As of Dec.31, 2016 | | | As of Sep.30, 2016 (B) | As of Mar.31, 2016 (C) |
|--|------------|--------------------|--------|---------|---------------------------|---------------------------|
| | | (A) | (A-B) | (A-C) | | |
| Consumer loans | 消費者ローン残高 | 4,001,525 | 53,833 | 176,097 | 3,947,692 | 3,825,427 |
| Housing-related loans | 住宅関連ローン残高 | 3,876,721 | 51,681 | 167,178 | 3,825,039 | 3,709,542 |
| Housing loans | 住宅ローン残高 | 3,011,133 | 35,992 | 115,659 | 2,975,141 | 2,895,474 |
| Apartment loans | アパートローン残高 | 865,587 | 15,689 | 51,519 | 849,898 | 814,068 |
| Other loans | その他ローン残高 | 124,804 | 2,151 | 8,918 | 122,652 | 115,885 |
| Loans to SME and Individual customers (SMEs) | 中小企業等貸出金残高 | 7,228,888 | 95,799 | 214,368 | 7,133,088 | 7,014,519 |
| Ratio of loans to SMEs | 中小企業等貸出比率 | 70.47% | 0.46% | 1.62% | 70.01% | 68.85% |

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | (Japanese) | As of Dec.31, 2016 | | | As of Sep.30, 2016 (B) | As of Mar.31, 2016 (C) |
|--|------------|--------------------|--------|---------|---------------------------|---------------------------|
| | | (A) | (A-B) | (A-C) | | |
| Consumer loans | 消費者ローン残高 | 2,237,192 | 31,701 | 106,240 | 2,205,490 | 2,130,951 |
| Housing-related loans | 住宅関連ローン残高 | 2,165,967 | 31,592 | 103,952 | 2,134,374 | 2,062,014 |
| Housing loans | 住宅ローン残高 | 1,469,894 | 19,146 | 58,952 | 1,450,747 | 1,410,941 |
| Apartment loans | アパートローン残高 | 696,072 | 12,445 | 45,000 | 683,627 | 651,072 |
| Other loans | その他ローン残高 | 71,225 | 109 | 2,287 | 71,116 | 68,937 |
| Loans to SME and Individual customers (SMEs) | 中小企業等貸出金残高 | 3,926,968 | 49,817 | 118,429 | 3,877,150 | 3,808,538 |
| Ratio of loans to SMEs | 中小企業等貸出比率 | 65.80% | 0.40% | 1.39% | 65.4% | 64.4% |

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | (Japanese) | As of Dec.31, 2016 | | | As of Sep.30, 2016 (B) | As of Mar.31, 2016 (C) |
|--|------------|--------------------|--------|--------|---------------------------|---------------------------|
| | | (A) | (A-B) | (A-C) | | |
| Consumer loans | 消費者ローン残高 | 1,764,332 | 22,131 | 69,856 | 1,742,201 | 1,694,476 |
| Housing-related loans | 住宅関連ローン残高 | 1,710,754 | 20,089 | 63,225 | 1,690,664 | 1,647,528 |
| Housing loans | 住宅ローン残高 | 1,541,239 | 16,845 | 56,706 | 1,524,394 | 1,484,533 |
| Apartment loans | アパートローン残高 | 169,514 | 3,244 | 6,519 | 166,270 | 162,995 |
| Other loans | その他ローン残高 | 53,578 | 2,041 | 6,630 | 51,536 | 46,947 |
| Loans to SME and Individual customers (SMEs) | 中小企業等貸出金残高 | 3,301,919 | 45,981 | 95,938 | 3,255,938 | 3,205,981 |
| Ratio of loans to SMEs | 中小企業等貸出比率 | 76.98% | 0.57% | 1.98% | 76.41% | 75.00% |

7. Deposits

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

| | (Japanese) | As of Dec.31, 2016 | | | As of Sep.30, 2016 (B) | As of Mar.31, 2016 (C) |
|---|------------|--------------------|----------|-----------|---------------------------|---------------------------|
| | | (A) | (A-B) | (A-C) | | |
| Deposits (Term-end balance) | 預金(末残) | 13,415,055 | 271,270 | 87,141 | 13,143,785 | 13,327,914 |
| Of which, individual customers | うち個人預金 | 9,829,050 | 252,264 | 326,342 | 9,576,786 | 9,502,707 |
| Of which, corporate | うち法人預金 | 2,934,120 | 65,675 | 80,899 | 2,868,444 | 2,853,220 |
| Of which, public sector | うち公金預金 | 534,427 | (27,169) | (270,009) | 561,596 | 804,437 |
| Deposits (Average balance) | 預金(平残) | 13,212,251 | 1,794 | 335,067 | 13,210,456 | 12,877,183 |
| Negotiable certificates of deposit (Term-end balance) | 譲渡性預金(末残) | 396,464 | (2,431) | 132,046 | 398,896 | 264,418 |

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | (Japanese) | As of Dec.31, 2016 | | | As of Sep.30, 2016 (B) | As of Mar.31, 2016 (C) |
|---|------------|--------------------|----------|-----------|---------------------------|---------------------------|
| | | (A) | (A-B) | (A-C) | | |
| Deposits (Term-end balance) | 預金(末残) | 8,148,132 | 175,024 | 44,779 | 7,973,108 | 8,103,353 |
| Of which, individual customers | うち個人預金 | 6,110,584 | 150,270 | 203,657 | 5,960,314 | 5,906,926 |
| Of which, corporate | うち法人預金 | 1,648,311 | 69,187 | 29,287 | 1,579,123 | 1,619,023 |
| Of which, public sector | うち公金預金 | 300,530 | (34,614) | (157,644) | 335,144 | 458,175 |
| Deposits (Average balance) | 預金(平残) | 8,050,450 | (9,531) | 216,279 | 8,059,982 | 7,834,170 |
| Negotiable certificates of deposit (Term-end balance) | 譲渡性預金(末残) | 123,692 | 9,521 | 84,152 | 114,171 | 39,539 |

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

| | (Japanese) | As of Dec.31, 2016 | | | As of Sep.30, 2016 (B) | As of Mar.31, 2016 (C) |
|---|------------|--------------------|----------|-----------|---------------------------|---------------------------|
| | | (A) | (A-B) | (A-C) | | |
| Deposits (Term-end balance) | 預金(末残) | 5,266,922 | 96,245 | 42,361 | 5,170,677 | 5,224,561 |
| Of which, individual customers | うち個人預金 | 3,718,466 | 101,994 | 122,685 | 3,616,472 | 3,595,781 |
| Of which, corporate | うち法人預金 | 1,285,809 | (3,512) | 51,612 | 1,289,321 | 1,234,197 |
| Of which, public sector | うち公金預金 | 233,897 | 7,445 | (112,365) | 226,452 | 346,262 |
| Deposits (Average balance) | 預金(平残) | 5,161,800 | 11,325 | 118,787 | 5,150,474 | 5,043,012 |
| Negotiable certificates of deposit (Term-end balance) | 譲渡性預金(末残) | 272,772 | (11,953) | 47,893 | 284,725 | 224,878 |

Financial Results for the Third Quarter of FY2016

February 10, 2017

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|-------------------|---|

Financial Results for the 3rd Quarter of FY2016

<Joyo Bank / Ashikaga Bank>

※Unless otherwise provided herein, the figures shown are those of each bank on a non-consolidated basis.

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Forecast for FY2016

<Mebuki FG>

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Highlights

【Mebuki FG (consolidated)】 Financial Results for the 3Q FY2016 Earnings Forecast and Dividend Projection for FY2016

- Net income attributable to owners of the parent for the 3Q FY2016 is ¥153.1bn, which includes gain on negative goodwill of ¥119.2bn (※). Full-year net income forecast for FY2016 has not been changed from the previous forecast of ¥155.0bn.
※For more information on gain on negative goodwill, please refer to page 24 of this document.
- The year-end dividend forecast for FY2016 is ¥6.50 per share, including commemorative dividend (¥1.00) for the business integration of the Joyo Bank, Ltd. and Ashikaga Holdings Co., Ltd.
- Aim to continue the stable dividend returns while taking into account both the maintenance of solid capital levels for the future growth and the appropriate distribution of profits to our shareholders.

【Joyo Bank (non-consolidated)】 Financial Results for the 3Q FY2016

- Although net interest income and net fees and commissions decreased, net income increased by ¥1.3bn y-o-y, mainly due to an increase in gains on sales of securities and a decrease in credit cost.
- The term-end balance of loans increased by ¥96.8bn (+1.6%) y-o-y to ¥5,967.6bn, mainly due to increases in housing loans and apartment loans. The average yield on loans fell 7bp y-o-y.

【Ashikaga Bank (non-consolidated)】 Financial Results for the 3Q FY2016

- Although core gross business profit decreased, net income increased by ¥1.1bn y-o-y, mainly due to an increase in gains on sales of securities and decreases in expenses and income tax deferred.
- The term-end balance of loans increased by ¥62.9bn (+1.4%) y-o-y to ¥4,289.2bn mainly due to an increase in housing loans. The average yield on loans fell 8bp y-o-y.

Main Points of 3Q FY2016 Financial Results

◇The sum of both banks' net income for the third quarter of FY2016 is ¥47.0bn on a non-consolidated basis and ¥52.0bn on a consolidated basis.

◇Mebuki FG's consolidated ordinary profit is ¥42.8bn and consolidated net income attributable to owners of the parent is ¥153.1bn for the third quarter of FY2016.

●Mebuki FG

(JPY Bn)

| Item | Consolidated | | Forecast |
|---|--------------|----------|----------|
| | | Progress | |
| Ordinary profit | 42.8 | 80.7% | 53.0 |
| Net income attributable to owners of the parent | 153.1 | 98.8% | 155.0 |
| (exc. profit on negative goodwill) | 33.9 | 84.8% | 40.0 |

※"Progress" represents percentages of attainment of the forecast released on October 2016.

- Mebuki FG's consolidated financial results for the third quarter of FY2016 includes those of Joyo Bank for the period from April 1, 2016 to September 30, 2016 and those of Mebuki for the period from October 1, 2016 to December 31, 2016.
- Gain on negative goodwill due to the business integration amounting to ¥119.2bn was recorded as extraordinary income.

●Joyo

(JPY Bn)

| Item | Non-consolidated | | | | Item | Consolidated | | | |
|---------------------|------------------|--------------|----------|-------|---------------------|--------------|--------------|----------|-------|
| | YoY | Change ratio | Progress | | | YoY | Change ratio | Progress | |
| Net business income | 33.4 | +0.7 | +2.2% | 72.6% | Net business income | - | - | - | - |
| Ordinary profit | 33.9 | +1.2 | +3.7% | 83.8% | Ordinary profit | 36.8 | +0.7 | +2.1% | 81.8% |
| Net income | 23.6 | +1.3 | +6.2% | 84.6% | Net Income | 25.5 | +1.0 | +4.2% | 82.4% |

●Ashikaga

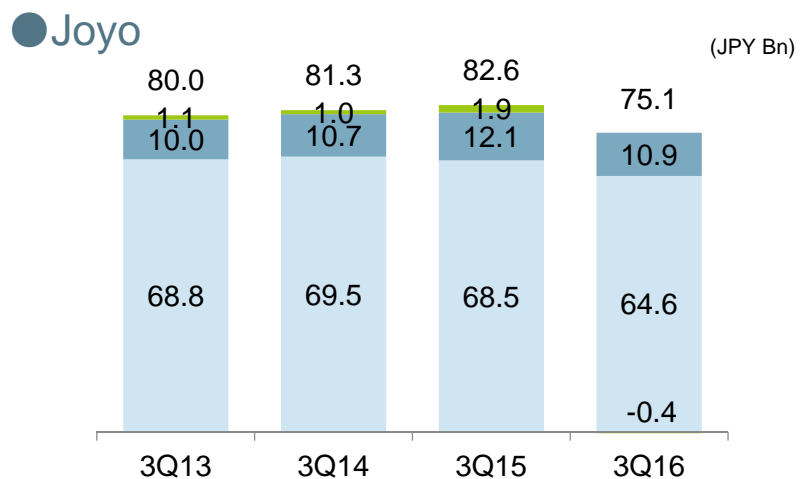
(JPY Bn)

| Item | Non-consolidated | | | | Item | Consolidated | | | |
|---------------------|------------------|--------------|----------|--------|---------------------|--------------|--------------|----------|--------|
| | YoY | Change ratio | Progress | | | YoY | Change ratio | Progress | |
| Net business income | 28.8 | -0.4 | -1.5% | 88.8% | Net business income | - | - | - | - |
| Ordinary profit | 27.3 | -3.9 | -12.7% | 89.7% | Ordinary profit | 31.4 | +1.8 | +6.3% | 99.7% |
| Net income | 23.3 | +1.1 | +5.2% | 111.0% | Net income | 26.4 | +5.8 | +28.5% | 123.0% |

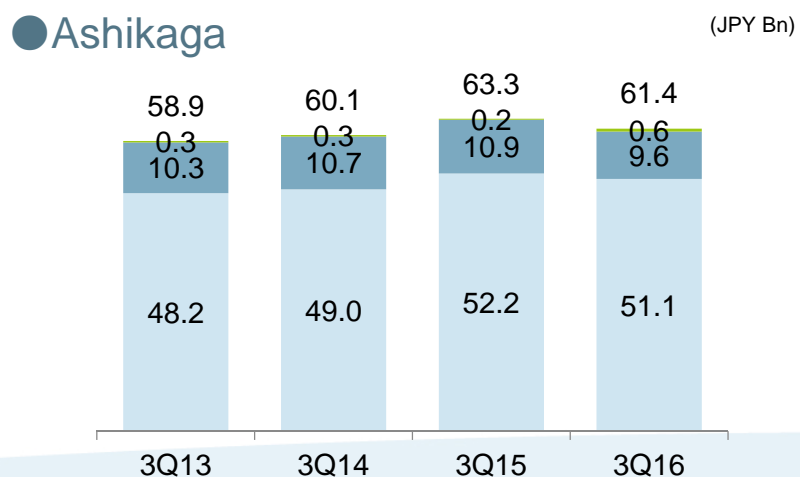
※"Progress" represents percentages of attainment of the forecast released on May 2016.

Core Gross Business Profit (Gross Business Profit excluding Gains/losses on Bond Transactions)

- ◇ Net interest income of each bank decreased mainly due to a decline in loan yields.
- ◇ Net fees and commissions, especially fees related to financial assets under custody, decreased.



※"Other" of "3Q16" includes costs of interest rate swaps.



◆ Net fees and commissions / Core gross business profit

Net Interest Income / Net Fees and Commissions

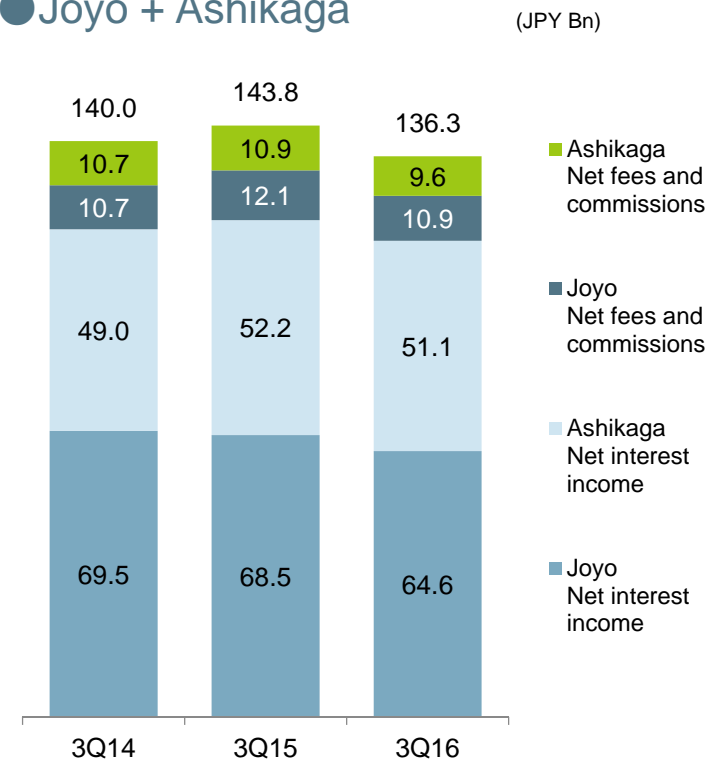
● Joyo

| | (JPY Bn) | | | |
|---|----------|------|------|------|
| | 3Q14 | 3Q15 | 3Q16 | YoY |
| Net interest income | 69.5 | 68.5 | 64.6 | -3.9 |
| Interest on loans and bills discounted | 51.1 | 49.8 | 48.0 | -1.8 |
| Interest and dividends on securities | 21.6 | 23.0 | 21.8 | -1.1 |
| Interest on deposits (-) | 1.8 | 2.0 | 1.6 | -0.3 |
| Other funding cost(-) | 1.3 | 2.3 | 3.6 | +1.2 |
| Net fees and commissions | 10.7 | 12.1 | 10.9 | -1.2 |
| Fees related to investment trusts and insurance | 5.0 | 4.8 | 3.4 | -1.3 |
| Fees related to loans | 1.1 | 1.3 | 1.7 | +0.4 |
| Fees on settlement-related business | 8.9 | 9.1 | 9.1 | +0.0 |
| Insurance premiums | -3.7 | -2.6 | -2.7 | -0.1 |
| Others | -0.7 | -0.5 | -0.6 | -0.1 |

● Ashikaga

| | (JPY Bn) | | | |
|---|----------|------|------|------|
| | 3Q14 | 3Q15 | 3Q16 | YoY |
| Net interest income | 49.0 | 52.2 | 51.1 | -1.0 |
| Interest on loans and bills discounted | 41.4 | 40.4 | 38.5 | -1.9 |
| Interest and dividends on securities | 9.3 | 13.6 | 14.5 | +0.8 |
| Interest on deposits (-) | 1.7 | 1.6 | 0.9 | -0.7 |
| Other funding cost(-) | -0.0 | 0.2 | 1.0 | +0.7 |
| Net fees and commissions | 10.7 | 10.9 | 9.6 | -1.2 |
| Fees related to investment trusts and insurance | 5.2 | 5.3 | 4.1 | -1.2 |
| Fees related to loans | 2.6 | 2.7 | 2.9 | +0.2 |
| Fees on settlement-related business | 5.2 | 5.3 | 5.2 | -0.1 |
| Insurance premiums | -2.6 | -2.6 | -2.9 | -0.3 |
| Others | 0.1 | 0.1 | 0.3 | +0.1 |

● Joyo + Ashikaga



● Gains on Cancellation of Privately Placed Investment Trusts among Interest and Dividends on Securities

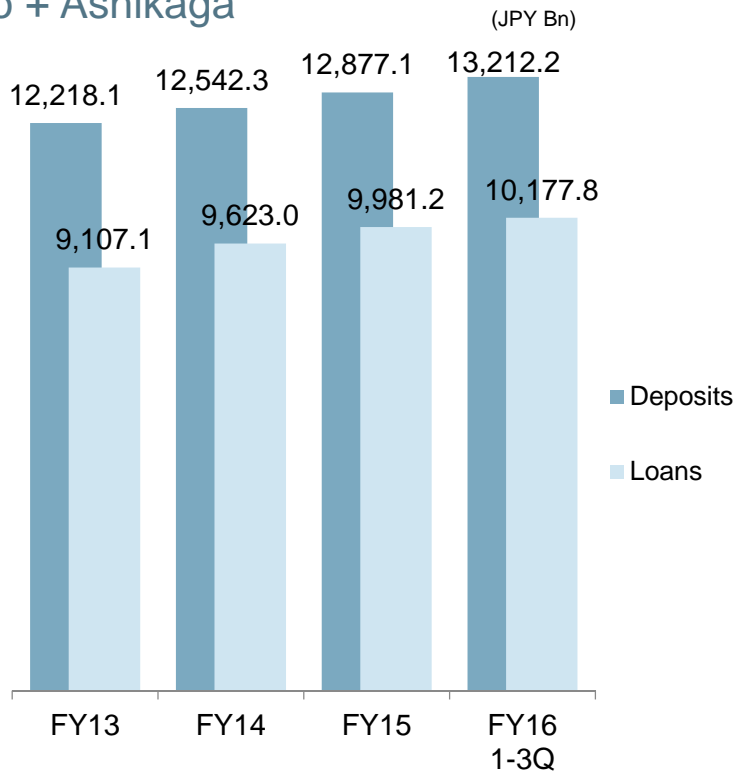
| | | (JPY Bn) | | |
|----------|----|----------|--------|--------|
| | | FY2014 | FY2015 | FY2016 |
| Joyo | 1H | 0.4 | 0.4 | 0.0 |
| | 2H | -0.0 | 0.4 | 0.3 |
| Ashikaga | 1H | 1.1 | 3.7 | 3.1 |
| | 2H | - | - | 0.4 |

※The figures for FY2016 2H are those for Oct - Dec 2016.

Loans and Deposits (Average Balance / Average Yield)

Loans and Deposits (Average Balance)

● Joyo + Ashikaga

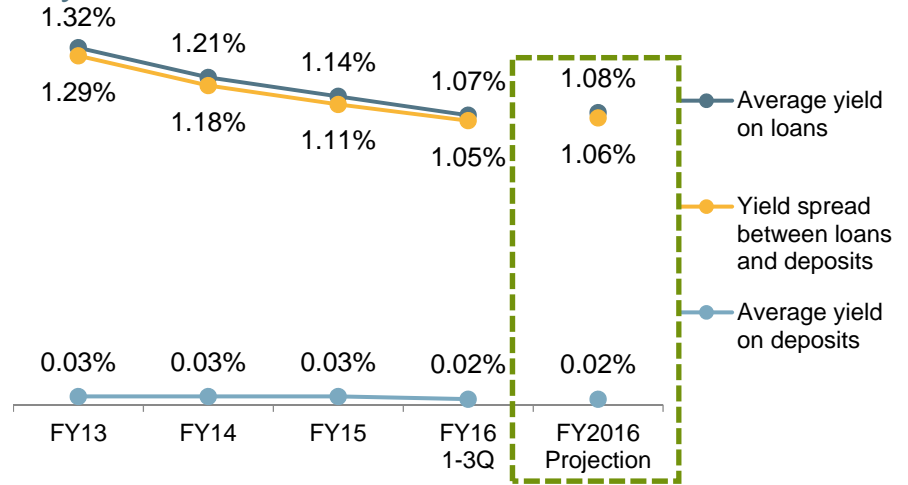


| <Deposits> | FY13 | FY14 | FY15 | FY16 1-3Q |
|------------|---------|---------|---------|-----------|
| Joyo | 7,450.1 | 7,599.3 | 7,834.1 | 8,050.4 |
| Ashikaga | 4,768.0 | 4,943.0 | 5,043.0 | 5,161.8 |

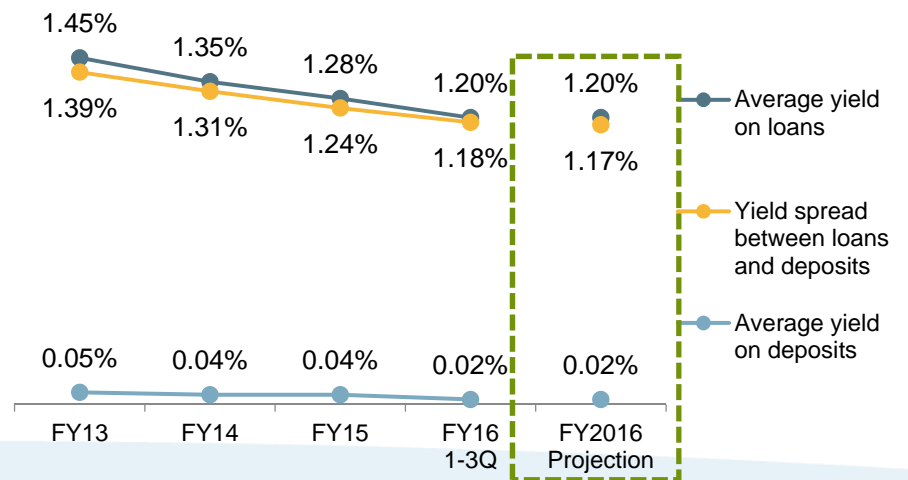
| <Loans> | FY13 | FY14 | FY15 | FY16 1-3Q |
|----------|---------|---------|---------|-----------|
| Joyo | 5,274.9 | 5,577.5 | 5,808.2 | 5,950.7 |
| Ashikaga | 3,832.2 | 4,045.5 | 4,173.0 | 4,227.1 |

Average Yield (Total Account)

● Joyo



● Ashikaga



Loans (1) Term-end Balance

◇ Loans to individual customers of each bank, especially housing loans and apartment loans, increased.

The term-end balance of total loans of Joyo Bank increased by ¥96.8bn (+1.6%) and that of Ashikaga Bank increased by ¥ 62.9bn (+1.4%) year-on-year.

● Joyo

(JPY Bn)

| | 13/12 | 14/12 | 15/12 | 16/12 | YoY |
|---|---------|---------|---------|---------|--------|
| Individual customers | 1,825.4 | 2,008.6 | 2,187.4 | 2,337.7 | +6.8% |
| Corporate | 2,659.0 | 2,743.3 | 2,774.2 | 2,725.1 | -1.7% |
| Public sector | 793.1 | 816.8 | 807.1 | 791.7 | -1.9% |
| Foreign Currency | 37.5 | 71.6 | 101.9 | 112.9 | +10.8% |
| Total | 5,315.1 | 5,640.5 | 5,870.7 | 5,967.6 | +1.6% |
| YoY | - | +6.1% | +4.0% | +1.6% | - |
| Loan-deposit ratio (Yen denominated) | 70.4% | 73.1% | 73.6% | 73.4% | -0.2% |

● Ashikaga

(JPY Bn)

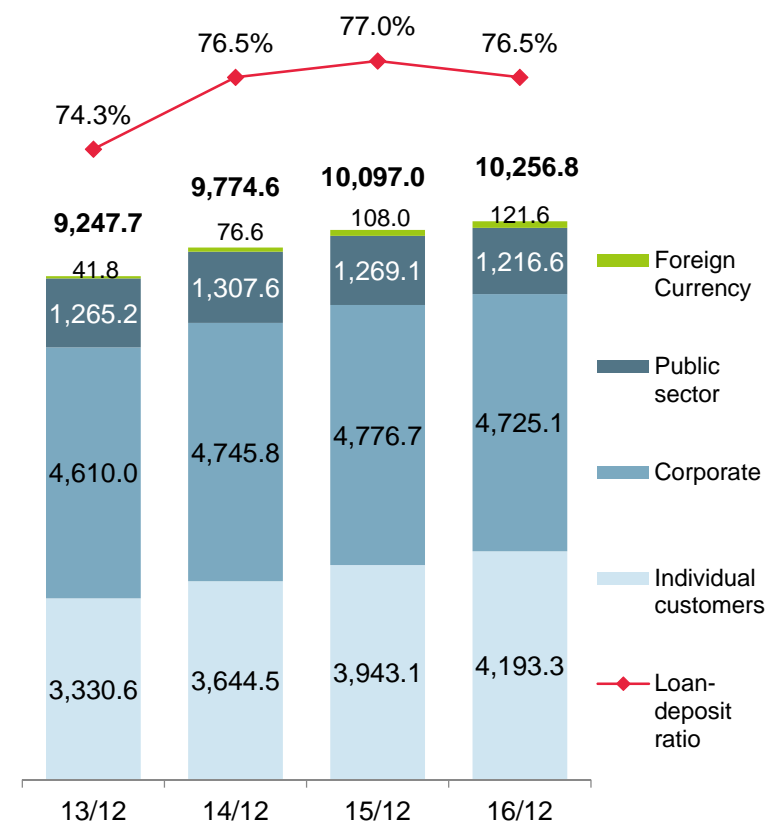
| | 13/12 | 14/12 | 15/12 | 16/12 | YoY |
|---|---------|---------|---------|---------|--------|
| Individual customers | 1,505.2 | 1,635.8 | 1,755.6 | 1,855.5 | +5.6% |
| Corporate | 1,951.0 | 2,002.5 | 2,002.4 | 2,000.0 | -0.1% |
| Public sector | 472.0 | 490.8 | 461.9 | 424.9 | -8.0% |
| Foreign Currency | 4.2 | 5.0 | 6.0 | 8.6 | +42.7% |
| Total | 3,932.5 | 4,134.1 | 4,226.2 | 4,289.2 | +1.4% |
| YoY | - | +5.1% | +2.2% | +1.4% | |
| Loan-deposit ratio (Yen denominated) | 80.1% | 81.7% | 82.0% | 81.2% | -0.8% |

※"Individual customers" include sole proprietors.

※"Corporate" includes financial institutions.

● Joyo + Ashikaga

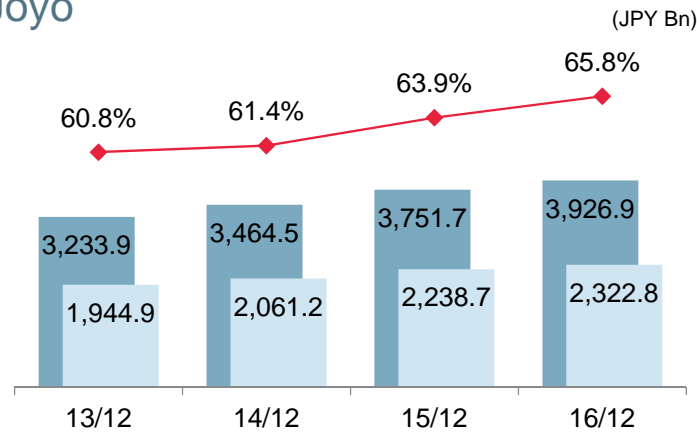
(JPY Bn)



Loans (2) Loans to SMEs / Housing loans

Loans to SMEs (SME and Individual Customers) (Term-end Balance)

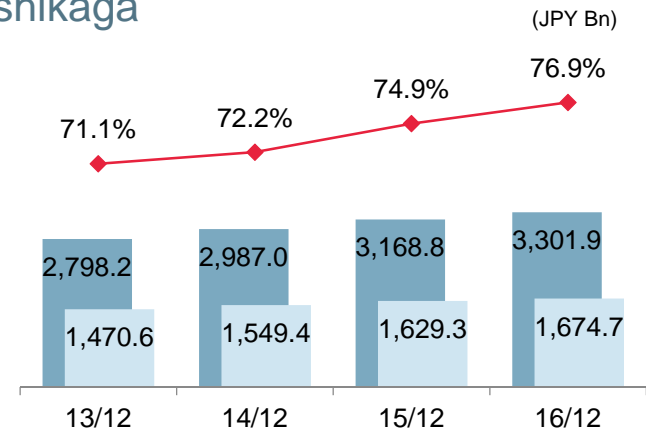
● Joyo



■ SME and individual customers
 ■ of which, SME and solo proprietors
 ◆ Ratio of loans to SMEs

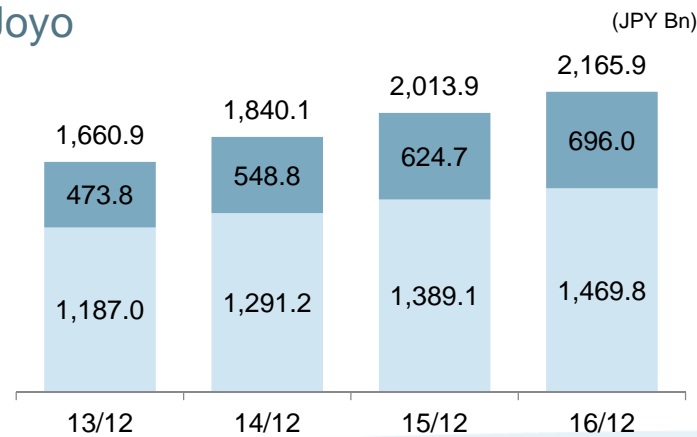
※Ratio of loans to SMEs
 = Loans to SMEs / Total loans

● Ashikaga



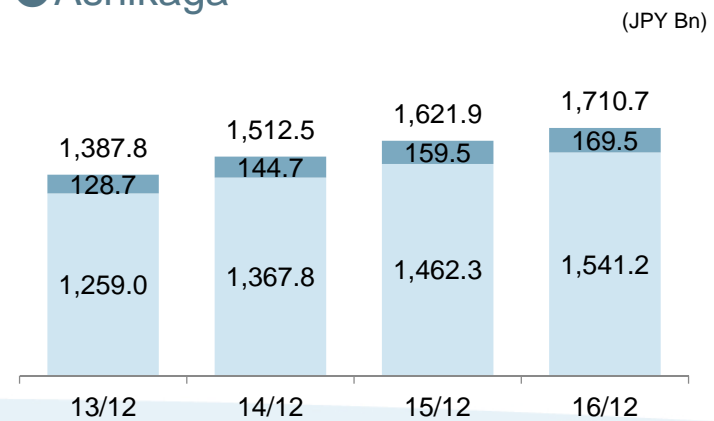
Housing Related Loans (Term-end Balance)

● Joyo



■ Balance of Apartment loans
 ■ Balance of housing loans

● Ashikaga



Deposits (Term-end Balance)

- ◇ Deposits from individual customers and corporate customers (yen-denominated) and foreign currency deposits of each bank increased.

The term-end balance of total deposits of Joyo Bank increased ¥227.9bn (+2.8%) and that of Ashikaga Bank increased ¥123.4bn (+2.3%) year-on-year.

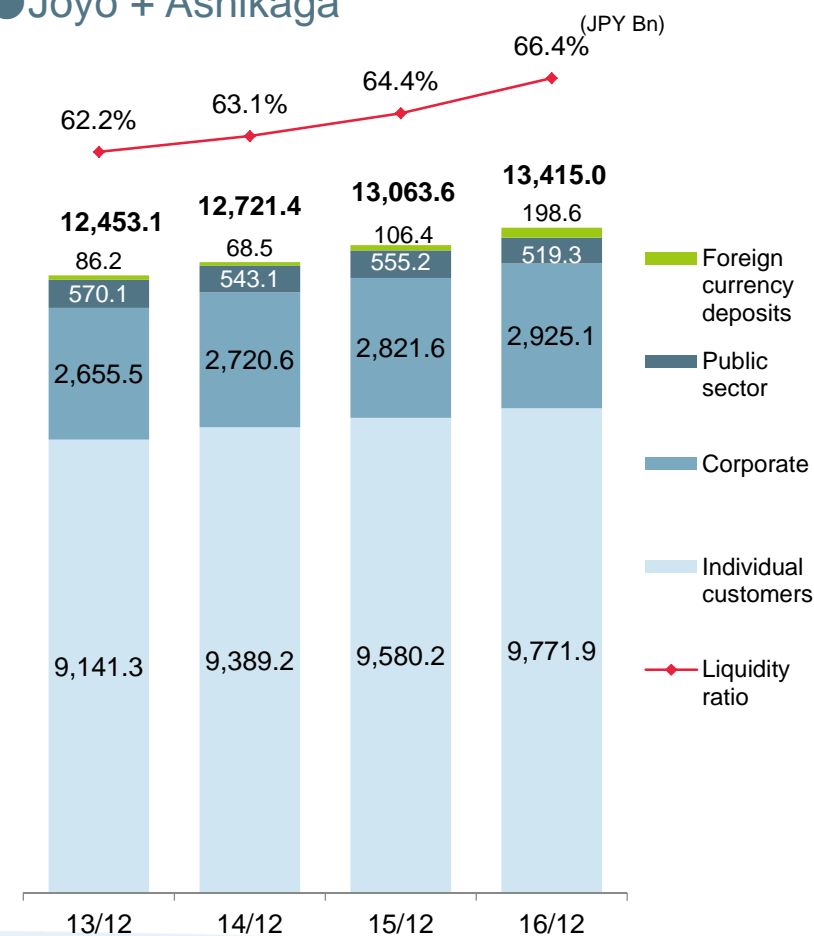
● Joyo

| | (JPY Bn) | | | | |
|----------------------|----------------|----------------|----------------|----------------|--------------|
| | 13/12 | 14/12 | 15/12 | 16/12 | YoY |
| Individual customers | 5,672.3 | 5,791.9 | 5,937.6 | 6,067.7 | +2.1% |
| Corporate(※1) | 1,467.0 | 1,505.1 | 1,556.6 | 1,614.6 | +3.7% |
| Public sector | 346.9 | 320.8 | 334.6 | 285.4 | -14.7% |
| Foreign Currency(※2) | 67.9 | 52.2 | 91.2 | 180.2 | +97.5% |
| Total | 7,554.2 | 7,670.1 | 7,920.1 | 8,148.1 | +2.8% |
| YoY | - | +1.5% | +3.2% | +2.8% | |
| Liquidity ratio(※3) | 62.1% | 63.3% | 64.6% | 66.7% | +2.1% |

● Ashikaga

| | (JPY Bn) | | | | |
|----------------------|----------------|----------------|----------------|----------------|--------------|
| | 13/12 | 14/12 | 15/12 | 16/12 | YoY |
| Individual customers | 3,468.9 | 3,597.2 | 3,642.6 | 3,704.2 | +1.6% |
| Corporate(※1) | 1,188.6 | 1,215.6 | 1,265.2 | 1,310.5 | +3.5% |
| Public sector | 223.1 | 222.2 | 220.6 | 233.8 | +6.0% |
| Foreign Currency(※2) | 18.1 | 16.1 | 14.9 | 18.2 | +21.7% |
| Total | 4,898.8 | 5,051.3 | 5,143.4 | 5,266.9 | +2.3% |
| YoY | - | +3.1% | +1.8% | +2.3% | |
| Liquidity ratio(※3) | 62.3% | 62.8% | 64.2% | 66.0% | +1.8% |

● Joyo + Ashikaga



※1 "Corporate" includes financial institutions.

※2 Foreign currency deposits include foreign currency deposits hedged by forward exchange contracts, offshore deposits, and so on.

※3 Liquidity ratio = Yen-denominated liquid deposits (term-end balance) / Total yen-denominated deposits (term-end balance)

Financial Assets under Custody (1) Balance / NISA

- ◇ The sales amount of investment trusts and insurance products of each bank decreased due to the concern over the unstable financial market.
- ◇ Both banks have been focusing on broadening its customer base.

Financial Assets under Custody (Balance)

● Joyo

| | (JPY Bn) | | | | Change ratio |
|---------------------------|----------------|----------------|----------------|----------------|--------------|
| | 13/12 | 14/12 | 15/12 | 16/12 | |
| Investment trusts | 291.0 | 370.9 | 337.1 | 306.7 | -9.0% |
| Insurance | 384.1 | 418.4 | 438.7 | 451.7 | +2.9% |
| Foreign currency deposits | 67.9 | 50.4 | 55.6 | 119.7 | +115.0% |
| Public sector bonds | 313.3 | 259.3 | 198.1 | 160.5 | -18.9% |
| Total | 1,056.4 | 1,099.1 | 1,029.8 | 1,038.8 | +0.8% |
| Number of customers | - | 190,614 | 190,858 | 196,895 | +3.1% |

※ Foreign currency deposits include foreign currency deposits hedged by forward exchange contracts.

● Ashikaga

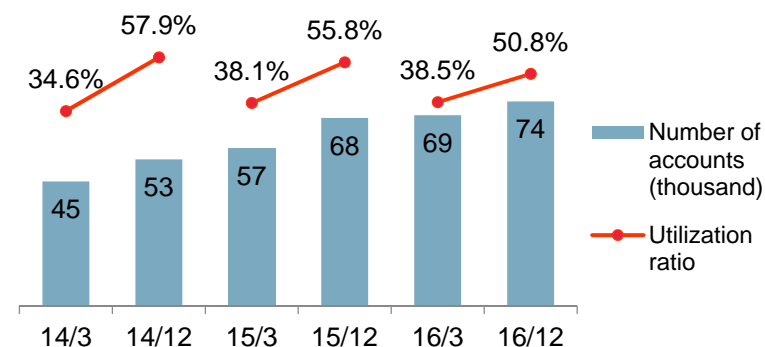
| | (JPY Bn) | | | | Change ratio |
|---------------------------|--------------|--------------|--------------|--------------|--------------|
| | 13/12 | 14/12 | 15/12 | 16/12 | |
| Investment trusts | 283.7 | 333.6 | 343.9 | 338.6 | -1.5% |
| Insurance | 276.3 | 291.2 | 304.4 | 325.4 | +6.9% |
| Foreign currency deposits | 18.1 | 15.8 | 14.9 | 18.2 | +21.7% |
| Public sector bonds | 190.6 | 139.0 | 94.9 | 73.8 | -22.2% |
| Total | 768.8 | 779.7 | 758.3 | 756.2 | -0.2% |
| Number of customers | - | 148,501 | 148,650 | 155,875 | +4.8% |

● Joyo + Ashikaga

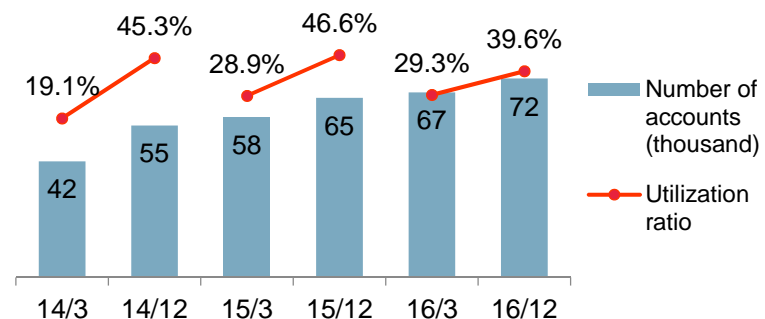
| | (JPY Bn) | | | | Change ratio |
|---------------------------|----------------|----------------|----------------|----------------|--------------|
| | 13/12 | 14/12 | 15/12 | 16/12 | |
| Investment trusts | 574.8 | 704.5 | 681.0 | 645.3 | -5.2% |
| Insurance | 660.4 | 709.7 | 743.2 | 777.2 | +4.5% |
| Foreign currency deposits | 86.0 | 66.2 | 70.6 | 138.0 | +95.2% |
| Public sector bonds | 503.9 | 398.3 | 293.1 | 234.3 | -20.0% |
| Total | 1,825.3 | 1,878.8 | 1,788.1 | 1,795.0 | +0.3% |

NISA (Number of Accounts / Utilization Ratio)

● Joyo



● Ashikaga



Financial Assets under Custody (2) Sales Amount / Sales Commission

Sales Amount / Sales Commission

(JPY Bn)

● Joyo

| | Sales Amount | | | | | Sales Commission | | | | |
|---|--------------|--------------|--------------|--------------|---------------|------------------|-------------|-------------|-------------|---------------|
| | FY2014 | FY2015 | 1H16 | 3Q16 | 3Q15 compared | FY2014 | FY2015 | 1H16 | 3Q16 | 3Q15 compared |
| Investment trusts | 244.9 | 204.0 | 31.1 | 23.4 | -21.8 | 4.74 | 3.81 | 1.51 | 0.86 | +0.03 |
| stock Investment trusts | 152.8 | 112.5 | 31.1 | 23.4 | +4.5 | - | - | - | - | - |
| Insurance | 82.5 | 61.3 | 16.5 | 6.6 | -9.1 | 2.24 | 2.66 | 0.83 | 0.26 | -0.41 |
| Foreign currency deposits | 95.0 | 168.2 | 154.9 | 82.3 | +53.4 | 0.52 | 0.62 | 0.14 | 0.15 | +0.02 |
| Public sector bonds | 40.7 | 21.4 | 9.1 | 7.3 | +2.0 | 0.17 | 0.08 | 0.03 | 0.02 | +0.00 |
| Financial instruments intermediary services | 73.0 | 84.7 | 33.2 | 23.4 | +9.7 | 0.32 | 0.34 | 0.08 | 0.07 | +0.02 |
| Total | 536.3 | 539.9 | 245.1 | 143.2 | +34.1 | 8.01 | 7.52 | 2.61 | 1.38 | -0.32 |

※ Foreign currency deposits include foreign currency deposits hedged by forward exchange contracts.

● Ashikaga

| | Sales Amount | | | | | Sales Commission | | | | |
|---|--------------|--------------|-------------|-------------|---------------|------------------|-------------|-------------|-------------|---------------|
| | FY2014 | FY2015 | 1H16 | 3Q16 | 3Q15 compared | FY2014 | FY2015 | 1H16 | 3Q16 | 3Q15 compared |
| Investment trusts | 150.1 | 123.9 | 37.6 | 22.7 | -3.7 | 4.96 | 4.43 | 1.61 | 0.87 | -0.17 |
| stock Investment trusts | 147.1 | 120.6 | 37.6 | 22.7 | -3.5 | - | - | - | - | - |
| Insurance | 42.7 | 45.3 | 16.9 | 3.3 | -6.2 | 2.03 | 2.59 | 1.29 | 0.32 | -0.29 |
| Foreign currency deposits | 11.8 | 14.2 | 13.1 | 4.4 | +1.2 | 0.13 | 0.15 | 0.13 | 0.38 | +0.20 |
| Public sector bonds | 16.4 | 11.0 | 2.1 | 3.6 | -0.9 | 0.04 | 0.01 | 0.00 | 0.00 | +0.00 |
| Financial instruments intermediary services | 1.8 | 3.3 | 7.8 | 2.7 | +1.4 | 0.03 | 0.10 | 0.15 | 0.04 | +0.00 |
| Total | 222.9 | 198.0 | 77.7 | 36.9 | -8.3 | 7.22 | 7.29 | 3.21 | 1.63 | -0.24 |

● Joyo + Ashikaga

| | Sales Amount | | | | | Sales Commission | | | | |
|---|--------------|--------------|--------------|--------------|---------------|------------------|--------------|-------------|-------------|---------------|
| | FY2014 | FY2015 | 1H16 | 3Q16 | 3Q15 compared | FY2014 | FY2015 | 1H16 | 3Q16 | 3Q15 compared |
| Investment trusts | 395.0 | 328.0 | 68.8 | 46.1 | -25.6 | 9.71 | 8.25 | 3.12 | 1.73 | -0.14 |
| stock Investment trusts | 299.9 | 233.1 | 68.8 | 46.1 | +1.0 | - | - | - | - | - |
| Insurance | 125.3 | 106.7 | 33.5 | 10.0 | -15.4 | 4.28 | 5.25 | 2.13 | 0.58 | -0.70 |
| Foreign currency deposits | 106.9 | 182.5 | 168.1 | 86.8 | +54.6 | 0.65 | 0.77 | 0.28 | 0.54 | +0.23 |
| Public sector bonds | 57.1 | 32.4 | 11.3 | 11.0 | +1.0 | 0.22 | 0.10 | 0.04 | 0.03 | +0.01 |
| Financial instruments intermediary services | 74.8 | 88.1 | 41.0 | 26.2 | +11.2 | 0.36 | 0.44 | 0.24 | 0.12 | +0.03 |
| Total | 759.3 | 737.9 | 322.8 | 180.2 | +25.8 | 15.23 | 14.82 | 5.82 | 3.02 | -0.57 |

Securities (1) Term-end Balance / Unrealized Valuation Gains (Losses)

◇Joyo: The holding amount of domestic bonds decreased due to the suspension of reinvestment of redemption payments of Japanese government bonds.

◇Ashikaga: The holding amount of Japanese government bonds decreased and that of investment trusts increased by rebalancing the portfolio.

Term-end Balances / Unrealized Valuation Gains (Losses)

(JPY Bn)

| | | Term-end balances | | | | | o/w Unrealized Valuation Gains (Losses) on Available-for-sale Securities | | | |
|-----------------|------------------------|-------------------|-------------|--------------|-------------------|--------------|---|-------------|--------------|-------------------|
| | | 15/3 | 16/3 (1) | 16/12 (2) | Change (2)-(1) | Change ratio | 15/3 | 16/3 (3) | 16/12 (4) | Change (4)-(3) |
| Joyo | Domestic bonds | 1,821.2 | 1,747.1 | 1,602.7 | -144.3 | -8.2% | 36.6 | 44.3 | 27.9 | -16.3 |
| | JGBs | 1,180.5 | 1,044.9 | 818.5 | -226.3 | -21.6% | 24.1 | 28.4 | 15.3 | -13.1 |
| | Foreign bonds | 382.7 | 441.7 | 486.0 | +44.2 | +10.0% | 7.0 | 8.5 | -3.6 | -12.1 |
| | Stocks | 280.6 | 248.9 | 265.8 | +16.9 | +6.8% | 144.7 | 114.4 | 137.0 | +22.6 |
| | Investment trusts etc. | 250.7 | 301.5 | 263.9 | -37.6 | -12.4% | 44.2 | 25.1 | 22.3 | -2.8 |
| | Total | 2,735.4 | 2,739.5 | 2,618.6 | -120.7 | -4.4% | 232.6 | 192.5 | 183.7 | -8.7 |
| Ashikaga | Domestic bonds | 832.5 | 809.3 | 755.0 | -54.3 | -6.7% | 15.1 | 30.9 | 20.6 | -10.3 |
| | JGBs | 351.9 | 351.5 | 291.2 | -60.3 | -17.1% | 7.5 | 18.3 | 9.8 | -8.4 |
| | Foreign bonds | 168.7 | 173.0 | 222.9 | +49.8 | +28.8% | 2.1 | 2.4 | -1.2 | -3.7 |
| | Stocks | 85.0 | 77.6 | 79.8 | +2.2 | +2.8% | 36.2 | 29.4 | 32.0 | +2.6 |
| | Investment trusts etc. | 150.5 | 265.6 | 399.2 | +133.6 | +50.3% | 13.9 | 8.7 | 4.1 | -4.5 |
| | Total | 1,236.8 | 1,325.7 | 1,457.0 | +131.3 | +9.9% | 67.5 | 71.6 | 55.5 | -16.0 |
| Joyo + Ashikaga | Domestic bonds | 2,653.7 | 2,556.5 | 2,357.8 | -198.7 | -7.7% | 51.7 | 75.3 | 48.6 | -26.7 |
| | Foreign bonds | 551.4 | 614.8 | 709.0 | +94.1 | +15.3% | 9.2 | 11.0 | -4.8 | -15.8 |
| | Stocks | 365.6 | 326.5 | 345.7 | +19.1 | +5.8% | 180.9 | 143.8 | 169.1 | +25.2 |
| | Investment trusts etc. | 401.3 | 567.2 | 663.1 | +95.9 | +16.9% | 58.1 | 33.9 | 26.4 | -7.4 |
| | Total | 3,972.2 | 4,065.1 | 4,075.7 | +10.5 | +0.2% | 300.1 | 264.1 | 239.3 | -24.8 |

Securities (2) Duration / Gains and Losses on Securities (Reference)

Duration

| | | (Years) | | | |
|----------|----------------|---------|------|------|-------|
| | | 14/3 | 15/3 | 16/3 | 16/12 |
| Joyo | Domestic bonds | 3.8 | 3.5 | 3.4 | 3.6 |
| | Foreign bonds | 3.8 | 3.4 | 3.5 | 4.0 |
| Ashikaga | Domestic bonds | 4.4 | 4.8 | 4.9 | 5.1 |
| | Foreign bonds | 3.4 | 4.1 | 4.6 | 5.6 |

Gains and Losses on Securities

※"Gains and Losses on Securities" consists of gains/losses on bond transactions, gains/losses related to stocks, etc., and gains/losses on cancellation of privately-placed investment trusts.

(JPY Bn)

| | | 28/12 | Breakdown |
|----------|--------------------------------|-------|--|
| Joyo | Gains and Losses on Securities | 17.0 | - |
| | Domestic bonds | 6.1 | JGBs |
| | Foreign bonds | 1.7 | Foreign government bonds Yen-denominated foreign bond (CMS floater) |
| | Stocks | 2.1 | Stocks for policy purpose |
| | Investment trusts & others | 6.9 | ETF, J-REIT etc. |
| Ashikaga | Gains and Losses on Securities | 6.0 | - |
| | Domestic bonds | 0.7 | JGBs |
| | Foreign bonds | - | - |
| | Stocks | 2.9 | Stocks for policy purpose |
| | Investment trusts & others | 2.4 | Index funds, Yen bond funds etc. |

※

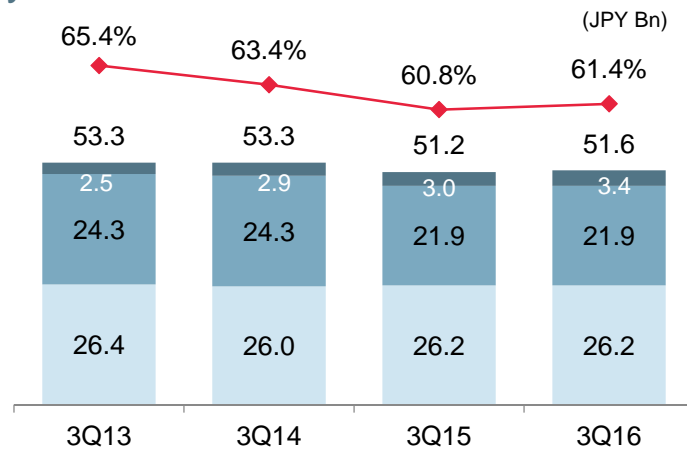
※ (Reference) Costs of interest rate swaps : ¥-1.6bn

Expenses / OHR

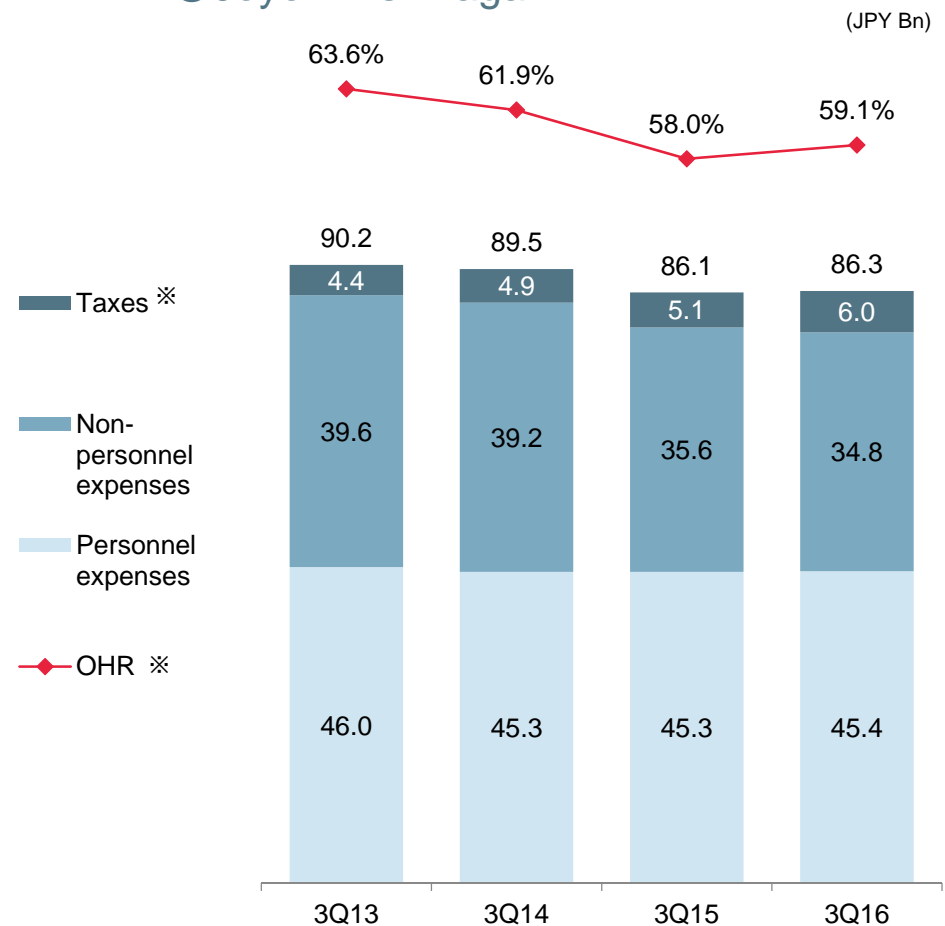
◇Joyo: The expenses increased year-on-year mainly due to an increase in taxes.

◇Ashikaga: The expenses decreased. Despite the fact that the OHR slightly rose, it remained in the mid-50%.

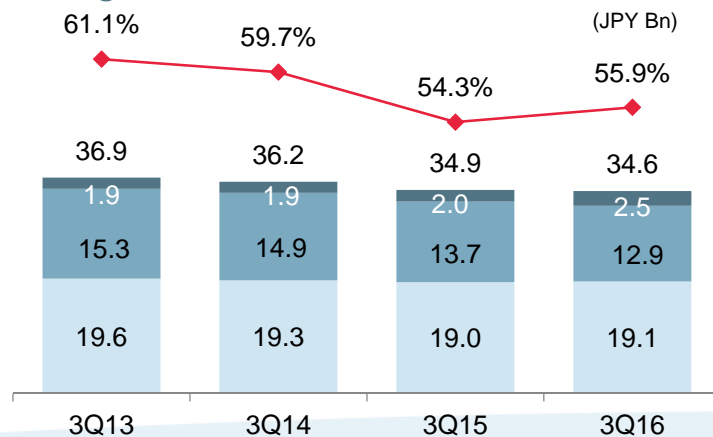
●Joyo



●Joyo + Ashikaga



●Ashikaga



※Taxes increased mainly due to an increase in size-based business tax.

※OHR = Expenses / Core gross business profit

Credit Related Costs / Non-performing Loans

◇ The credit costs of each bank have been constantly at a low level.

Credit Related Costs



<Reference(1)> BK Credit Related Cost Ratio

| | FY2013 | FY2014 | FY2015 | FY2016 Projection |
|----------|--------|--------|---------|-------------------|
| Joyo | 0.120% | 0.032% | 0.082% | 0.082% |
| Ashikaga | 0.193% | 0.066% | -0.006% | 0.064% |

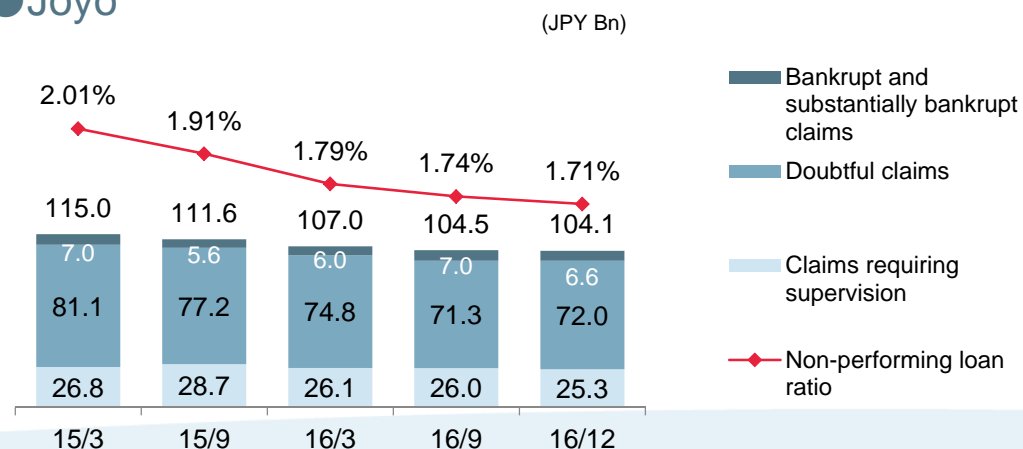
<Reference(2)> Business Failures

| | | (Cases/JPY Bn) | | | | | |
|--------------------|--------|----------------|------|------|------|------|------|
| | | 1H14 | 2H14 | 1H15 | 2H15 | 1H16 | 3Q16 |
| Ibaraki Prefecture | number | 71 | 83 | 53 | 65 | 62 | 31 |
| | amount | 17.1 | 32.0 | 18.3 | 12.6 | 10.4 | 4.2 |
| Tochigi Prefecture | number | 62 | 86 | 71 | 59 | 66 | 46 |
| | amount | 11.0 | 19.7 | 6.2 | 10.3 | 12.3 | 10.7 |

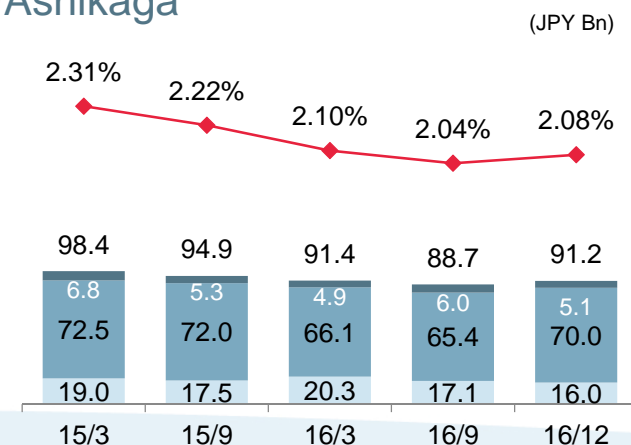
※Numbers of bankruptcies of enterprises with 100 million yen or more in net debt

Non-performing Loans

Joyo



Ashikaga



Forecast for FY2016

◇ The earning forecasts of the two banks and Mebuki have not been changed from the initial one.

Mebuki's full-year "net income attributable to owners of the parent" forecast for FY2016 is ¥155.0bn(※). ※Incl. Gain on negative goodwill of ¥119.2bn

(Reference) Forecast for FY2016 of the Banking Subsidiaries (non-consolidated) (JPY Bn)

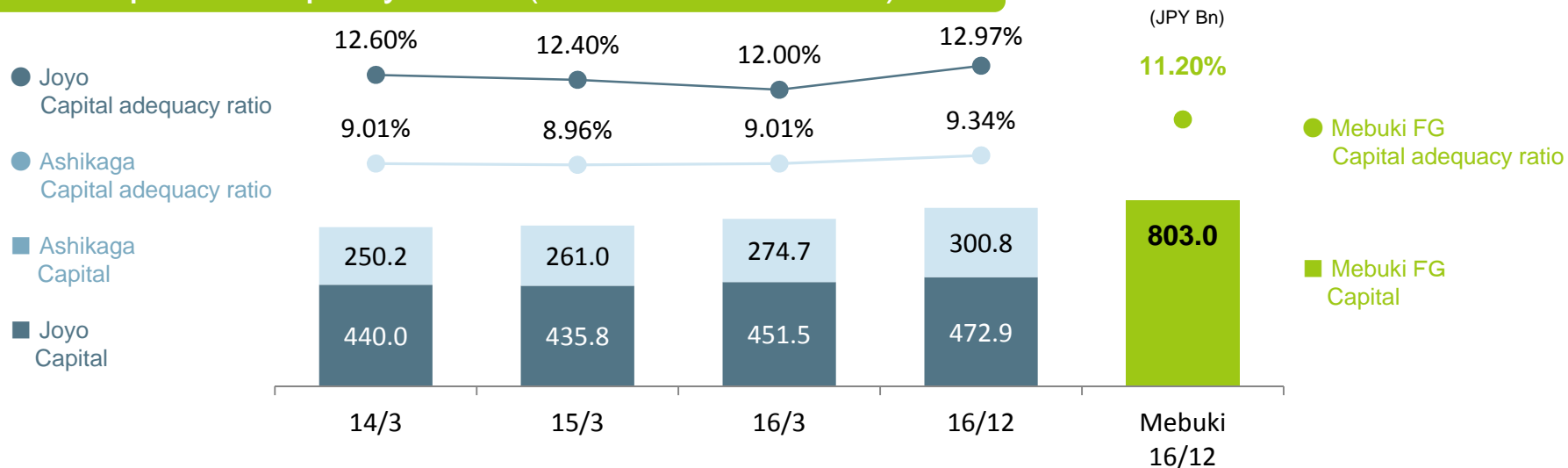
| | FY2015 Results | | | FY2016 Forecast | | | Y o Y | | | | | |
|--|----------------|-------------|-------------|-----------------|-------------|-------------|--------------|---------------|-------------|--------------|-------------|---------------|
| | J + A | Joyo | Ashikaga | J + A | Joyo | Ashikaga | J + A | | Joyo | | Ashikaga | |
| | | | | | | | Change | ratio | Change | ratio | Change | ratio |
| Gross business profit | 195.8 | 111.5 | 84.3 | 195.0 | 114.0 | 81.0 | -0.8 | -0.4% | +2.4 | +2.2% | -3.3 | -3.9% |
| Net interest income | 157.9 | 89.8 | 68.1 | 150.0 | 84.0 | 66.0 | -7.9 | -5.0% | -5.8 | -6.5% | -2.1 | -3.1% |
| Net fees and commissions | 30.4 | 15.4 | 14.9 | 32.8 | 18.0 | 14.8 | +2.3 | +7.7% | +2.5 | +16.2% | - | -0.9% |
| Net trading income and Net other business income | 7.4 | 6.1 | 1.3 | 12.4 | 12.0 | 0.4 | +4.9 | +65.7% | +5.8 | +94.3% | -0.9 | -69.4% |
| (o/w Gains/losses on bond transactions) | 8.4 | 7.6 | 0.8 | 9.0 | 9.0 | - | +0.5 | +5.9% | +1.3 | +17.8% | -0.8 | - |
| Expenses | 115.3 | 68.2 | 47.0 | 116.5 | 68.0 | 48.5 | +1.1 | +1.0% | -0.2 | -0.3% | +1.4 | +3.0% |
| Net business income (before general allowance for loan losses) | 80.5 | 43.2 | 37.3 | 78.5 | 46.0 | 32.5 | -2.0 | -2.5% | +2.7 | +6.3% | -4.8 | -12.9% |
| Core net business income | 72.0 | 35.6 | 36.4 | 69.5 | 37.0 | 32.5 | -2.5 | -3.5% | +1.3 | +3.8% | -3.9 | -10.8% |
| Net transfer to general allowance for loan losses (a) | -0.6 | -0.6 | - | - | - | - | +0.6 | - | +0.6 | - | - | - |
| Net business income | 81.2 | 43.9 | 37.3 | 78.5 | 46.0 | 32.5 | -2.7 | -3.3% | +2.0 | +4.6% | -4.8 | -12.9% |
| Net non-recurrent gains/losses | 1.3 | -1.2 | 2.5 | -3.5 | -5.5 | 2.0 | -4.8 | -368.2% | -4.2 | +346.9% | -0.5 | -21.1% |
| o/w Disposal of non-performing loans (b) | 5.2 | 5.4 | -0.2 | 7.5 | 5.0 | 2.5 | +2.2 | +44.0% | -0.4 | -8.6% | +2.7 | - |
| o/w Gains/losses related to stocks, etc | 7.2 | 4.7 | 2.5 | 4.0 | 4.0 | - | -3.2 | -44.9% | -0.7 | -15.6% | -2.5 | - |
| Ordinary profit | 82.5 | 42.7 | 39.8 | 71.0 | 40.5 | 30.5 | -11.5 | -14.0% | -2.2 | -5.1% | -9.3 | -23.4% |
| Extraordinary income/losses | -1.0 | -0.6 | -0.3 | 0.1 | 0.2 | -0.1 | +1.1 | - | +0.6 | - | +0.2 | -73.9% |
| Net Income | 58.6 | 27.7 | 30.8 | 49.0 | 28.0 | 21.0 | -9.6 | -16.4% | +0.2 | +0.8% | -9.8 | -31.9% |
| Credit related costs (a)+(b) | 4.5 | 4.7 | -0.2 | 7.5 | 5.0 | 2.5 | +2.9 | +65.8% | +0.2 | +4.4% | +2.7 | - |

(Reference) First Medium-Term Group Business Plan of Mebuki FG

| | FY2015 | FY2016 | FY2018 | FY2021 |
|--------------------------------------|----------|--------------|-------------|-------------|
| Joyo (consolidated) | 31.0 | 31.0 | 27.8 | 37.1 |
| Ashikaga (consolidated) | 30.1 | 13.0 | 22.3 | 29.7 |
| Joyo + Ashikaga | 61.1 | 44.0 | 50.1 | 66.8 |
| Consolidated adjustment account etc. | - | 111.0 | -3.6 | -2.7 |
| Mebuki FG (consolidated) | - | 155.0 | 46.6 | 64.1 |

Capital Adequacy Ratio / Rating

Capital Adequacy Ratio (consolidated basis)



※Joyo Bank calculated each risk-weighted asset according to the fundamental internal rating based approach

※Ashikaga Bank calculated each risk-weighted asset according to the standardized approach.

<Reference> Capital Adequacy Ratio (without Temporary Measure)

| | 14/3 | 15/3 | 16/3 | 16/12 |
|-----------|--------|--------|--------|--------|
| Mebuki FG | - | - | - | 9.81% |
| Joyo | 11.35% | 11.51% | 11.16% | 12.16% |
| Ashikaga | 8.67% | 8.64% | 8.77% | 9.10% |

Rating

○ R&I (Rating and Investment Information, Inc.)

| Mebuki FG | Joyo | Ashikaga |
|-----------|------|----------|
| A | A+ | A+ |

○ Moody's

| Joyo |
|------|
| A2 |

Shareholder Return

Dividend Policy

- Aim to continue the stable dividend returns while taking into account both the maintenance of solid capital levels for the future growth and the appropriate distribution of profits to its shareholders.
- The year-end dividend forecast for FY2016 is ¥6.50 per share, including commemorative dividend (¥1.00) for the business integration of Joyo Bank and Ashikaga HD.

Shareholder Benefit Plan

【Shareholders to be Subjected】

Shareholders recorded in the register of shareholders as of March 31 of every year and holding 1,000 shares or more at the record date.

【Contents of the Plan】

Depending on the number of shares held, shareholders can choose items from a dedicated catalog that lists local specialties.

【Dividend per Share】

| | FY2015 | FY2016 | |
|----------------|--|-------------------|---|
| | Annual dividends | Interim dividends | Year-end dividends |
| Joyo ※1 | ¥13.00 ※2 (incl. commemorative dividend of ¥1.00) | ¥6.00 | Mebuki FG ¥6.50 (incl. commemorative dividend of ¥1.00) |
| Ashikaga HD | ¥10.00 ※3 (incl. commemorative dividend of ¥1.00) | ¥5.50 | |

※1 Former Joyo bank's shareholders receive ¥13.60 per share as annual dividends for FY 2016.

Joyo bank's interim dividend (¥6.00) + Mebuki FG's year-end dividend (¥6.50) × Share exchange ratio (1.17)

※2 Commemorative dividend : ¥ 1.00 per share for 80-year anniversary.

※3 Commemorative dividend : ¥ 1.00 per share for 120-year anniversary of Ashikaga Bank, a wholly owned subsidiary.

【Contents of the Shareholder Benefit Plan】

| Number of shares held | Items that can be selected | |
|--|----------------------------|---|
| Less than 5,000 shares and 1,000 shares or more | Equivalent to 2,500 yen | More than 400 items centered on specialty products from Ibaraki Prefecture and Tochigi Prefecture(※). |
| Less than 10,000 shares and 5,000 shares or more | Equivalent to 4,000 yen | |
| 10,000 shares or more | Equivalent to 6,000 yen | |

※The number of items listed on the FY2016 Joyo Bank's shareholder benefit catalog is 316.

Progress of the Initiatives and Measures of the Integration(1)

【Regional Revitalization】

| Food Exhibition in Mito City | Food Business Meeting in Utsunomiya City | Mebuki Business Award | Mebuki Financial Group Manufacturing Business Forum 2017 |
|--|--|---|--|
| <ul style="list-style-type: none"> ◆ Conduct evaluations for product development and quality improvement of local specialties making use of regional resources. | <ul style="list-style-type: none"> ◆ Support customers' sales and buying channel expansion for local specialties making use of regional resources, etc. through the meeting. | <ul style="list-style-type: none"> ◆ Integrated each bank's business awards together ◆ Grant awards to ingenious business plans in our region and support their business expansion. | <ul style="list-style-type: none"> ◆ Support local manufacturing companies. ◆ Invite German and Taiwanese manufacturing companies to the forum. |
| <p><u>Outline (12 Oct.2016)</u></p> <ul style="list-style-type: none"> •Exhibitors Approx. 100 •Evaluators Approx. 500 •Evaluation sheets handed in by evaluators Over 4,600 | <p><u>Outline (22 Nov.2016)</u></p> <ul style="list-style-type: none"> •Exhibitors Over 300 •Buyers Approx.150 •Meetings held Approx.450 | <p><u>Number of Applicants</u></p> <ul style="list-style-type: none"> •516 plans (As of Jan.31 2017) <p><u>Target business categories</u></p> <ul style="list-style-type: none"> •8 categories ("growing field", "regional revitalization", "new business", etc.) | <p><u>Outline (Scheduled in Feb. 2017)</u></p> <ul style="list-style-type: none"> •Technical Proposals Over 250 •Panel Exhibition accompanied by Business Meetings Approx. 300 |
| <p>※Food related business operators exhibited their products and international students and house wives experienced the products and evaluated them on interview base.</p> | <p>※Conducted "Exhibition" where selling enterprises promoted their products and "Business Meetings" which required reservations.</p> | <p>※Financial Support: "Mebuki Regional Revitalization Fund" Volume: 2 billion yen. LP: Jyo Bank, Ashikaga Bank, Sompo Japan Nippon Insurance</p> | <p>※63 companies, including 21 large user companies taking part in this event for the first time, will participate in the forum, which is the largest scale for the two banks.</p> |

【Regional Interaction】

Economic Lecture (8 times held in the 2H FY2016)

Introduce Mebuki FG in the main cities for both banks at the time of the lectures (President of the both banks take part in the lectures in the underlined cities below).

【Venue】 Tohigi Pref.: Utsunomiya, Ashikaga
Ibaraki Pref.: Mito, Tsukuba, Hitachi, Shimodate
Fukushima Pref.: Koriyama

【Organizational Integration (Personnel Exchange)】

Joint-Training

- Hold rank-based trainings in which 1,000 employees participate.
- Share each other's training program.

Regional Collaboration Meeting

Establish "Regional Collaboration Meeting" at 10 areas to enhance collaboration between Jyo Bank and Ashikaga Bank on introducing customers and co-financing.

Progress of the Initiatives and Measures of the Integration(2) Day180 Plan

| | | Items | Details | Results (Oct - Dec 2016) (Shown in parentheses are YoY changes) |
|----------------------|----------------------|--|--|--|
| Action Plan | Channel | Lowering transfer fee between both banks to the inter-branch rate | Lower the fee for transfer between the two banks to the inter-branch rate for teller transactions, ATM transactions, and internet banking transactions. | - |
| | | Shared use of ATMs for deposits | Make it possible to deposit money using a cash card issued by either bank at the other bank's ATMs. | - |
| | Group Companies | Securities | Start to intermediate financial products carried by Joyo Securities at 13 branches of Ashikaga Bank to which full time financial consultants belong. | Intermediary amount of the whole group Sales amount ¥28.6bn (+11.3bn) o/w Foreign bonds ¥22.8bn (+14.0bn) |
| | | Leasing | Ashikaga Bank begins to offer Joyo Lease's auto lease products. | Number of referrals to Joyo Lease 1,171(+297) |
| Assets under Custody | Joint fund | Commemorating the business combination, establish and sell an investment trust named "Two Dreams" which invests in companies related to Ibaraki and Tochigi Prefectures. | <u>Results of the whole group</u> Sales amount ¥20.2bn (Attained 101.3% of our target of ¥20bn) Number of sales 9,117 | |
| Campaign | Individual Customers | Investment product campaign | All customers have a chance to win local specialty items by lottery if they obtain investment products worth at least 200,000 yen or start to accumulate investment trusts. | <u>Sales amount (Campaign performance)</u> Investment trust ¥28.2bn(+3.6bn) Foreign currency deposits ¥2.3bn(+1.4bn) Accumulation service 4,206(-394) |
| | | Car loans and educational loans campaign | Preferential Interest Rates | <u>Preliminary application</u> Car loans ¥8.4bn / 4,499 loans Educational loans ¥4.0bn / 1,501 loans |
| | Corporate Customers | Internet banking campaign for corporate customers | Exemption of activation fee and three-month's monthly fee for new subscribers. | <u>Amount of loans made</u> Car loans ¥2.7bn / 1,605loans Educational loans ¥1.5bn / 567loans |
| | | Business seminar | Members of either bank's reserch institute can take seminars of the other reserch institute at preferential rates. | <u>New contrasts of the whole group</u> New subscribers 1,704(+591) Optional services 586 |
| Others | Framework | Liaison officer Regional collaboration meeting | Deploy "liaison officers" at both banks' headquarters and establish "Regional Collaboration Meeting" at 10 areas in order to enhance the collaboration between Joyo Bank and Ashikaga Bank on introducing customers and co-financing | Mutual participants 19 from 11 companies Co-financing ¥1,759mil / 3borrowers Syndicate loans ¥2,120mil / 5borrowers Number of referrals ¥718mil / 6borrowers |

【Reference】 Summary of the Financial Results (Joyo / Ashikaga)

Financial Highlights for the 3Q FY2016

(JPY Bn)

| | For the 9 months ended Dec.31,2015 | | | For the 9 months ended Dec.31,2016 | | | | | | | | | Progress (compared with FY2016 Forecast) | | |
|--|------------------------------------|------|----------|------------------------------------|--------|---------|--------|---------|----------|--------|---------|--------|--|----------|--|
| | J+A | Joyo | Ashikaga | J+A | | Joyo | | | Ashikaga | | | J+A | Joyo | Ashikaga | |
| | | | | Results | Change | Results | Change | ratio | Results | Change | ratio | | | | |
| Gross business profit | 148.4 | 84.2 | 64.2 | 146.0 | -2.4 | 84.0 | -0.1 | -0.1% | 61.9 | -2.2 | -3.5% | 74.9% | 73.7% | 76.5% | |
| Net interest income | 120.7 | 68.5 | 52.2 | 115.7 | -4.9 | 64.6 | -3.9 | -5.7% | 51.1 | -1.0 | -2.0% | 77.2% | 76.9% | 77.5% | |
| Net fees and commissions | 23.0 | 12.1 | 10.9 | 20.5 | -2.5 | 10.9 | -1.2 | -10.0% | 9.6 | -1.2 | -11.8% | 62.7% | 60.6% | 65.1% | |
| Net other business income and Net trading income | 4.6 | 3.5 | 1.1 | 9.7 | +5.0 | 8.5 | +4.9 | +140.7% | 1.1 | +0.0 | +5.3% | 78.3% | 71.1% | 294.6% | |
| (o/w gains/losses on bond transactions) | 2.4 | 1.5 | 0.8 | 9.4 | +7.0 | 8.9 | +7.3 | +476.5% | 0.4 | -0.3 | -42.6% | 104.8% | 99.3% | - | |
| Expenses | 86.1 | 51.2 | 34.9 | 86.3 | +0.1 | 51.6 | +0.4 | +0.8% | 34.6 | -0.2 | -0.6% | 74.1% | 75.9% | 71.5% | |
| Personnel expenses | 45.3 | 26.2 | 19.0 | 45.4 | +0.0 | 26.2 | +0.0 | +0.0% | 19.1 | +0.0 | +0.3% | 73.6% | 74.6% | 72.3% | |
| Non-personnel expenses | 35.6 | 21.9 | 13.7 | 34.8 | -0.7 | 21.9 | -0.0 | Δ0.0% | 12.9 | -0.7 | -5.5% | 73.3% | 76.5% | 68.3% | |
| Net business income (before general allowance for loan losses) | 62.3 | 32.9 | 29.3 | 59.7 | -2.6 | 32.4 | -0.5 | -1.7% | 27.2 | -2.0 | -6.9% | 76.1% | 70.5% | 84.0% | |
| Core net business income | 59.9 | 31.4 | 28.4 | 50.2 | -9.6 | 23.4 | -7.9 | -25.2% | 26.8 | -1.6 | -5.9% | 72.4% | 63.4% | 82.5% | |
| Net transfer to general allowance for loan losses (a) | 0.3 | 0.3 | - | -2.5 | -2.8 | -0.9 | -1.2 | - | -1.5 | -1.5 | - | - | - | - | |
| Net business income | 62.0 | 32.6 | 29.3 | 62.2 | +0.2 | 33.4 | +0.7 | +2.2% | 28.8 | -0.4 | -1.5% | 79.4% | 72.6% | 88.9% | |
| Net non-recurrent gains/losses | 2.0 | 0.0 | 2.0 | -0.9 | -3.0 | 0.5 | +0.5 | +834.7% | -1.5 | -3.5 | -174.7% | - | - | - | |
| o/w Disposal of non-performing loans (b) | 3.4 | 3.5 | -0.1 | 6.9 | +3.5 | 3.5 | -0.0 | -1.3% | 3.4 | +3.5 | - | 93.2% | 70.3% | 138.9% | |
| o/w Gains/losses related to stocks, etc | 7.0 | 4.5 | 2.5 | 9.6 | +2.6 | 7.6 | +3.1 | +69.7% | 1.9 | -0.5 | -21.5% | - | 192.2% | - | |
| Ordinary profit | 64.1 | 32.7 | 31.3 | 61.3 | -2.7 | 33.9 | +1.2 | +3.7% | 27.3 | -3.9 | -12.7% | 86.4% | 83.8% | 89.8% | |
| Extraordinary income/losses | -0.5 | -0.3 | -0.1 | -0.4 | +0.0 | -0.3 | +0.0 | - | -0.0 | +0.0 | - | - | - | - | |
| Net Income | 44.4 | 22.3 | 22.1 | 47.0 | +2.5 | 23.6 | +1.3 | +6.2% | 23.3 | +1.1 | +5.2% | 95.9% | 84.6% | 111.0% | |
| Credit related costs (a)+(b) | 3.8 | 3.8 | -0 | 4.4 | +0.6 | 2.5 | -1.3 | -34.4% | 1.8 | +1.9 | - | 58.9% | 50.9% | 75.0% | |
| 【Consolidated】 | | | | | | | | | | | | | | | |
| Ordinary profit | 65.6 | 36.0 | 29.5 | 68.2 | +2.6 | 36.8 | +0.7 | +2.1% | 31.4 | +1.8 | +6.3% | - | - | - | |
| Net income attributable to owners of the parent | 45.1 | 24.5 | 20.5 | 52.0 | +6.9 | 25.5 | +1.0 | +4.2% | 26.4 | +5.8 | +28.5% | - | - | - | |

【Reference】 Negative Goodwill

【Legal Form of the Business Combination】

Share Exchange on October 1, 2016

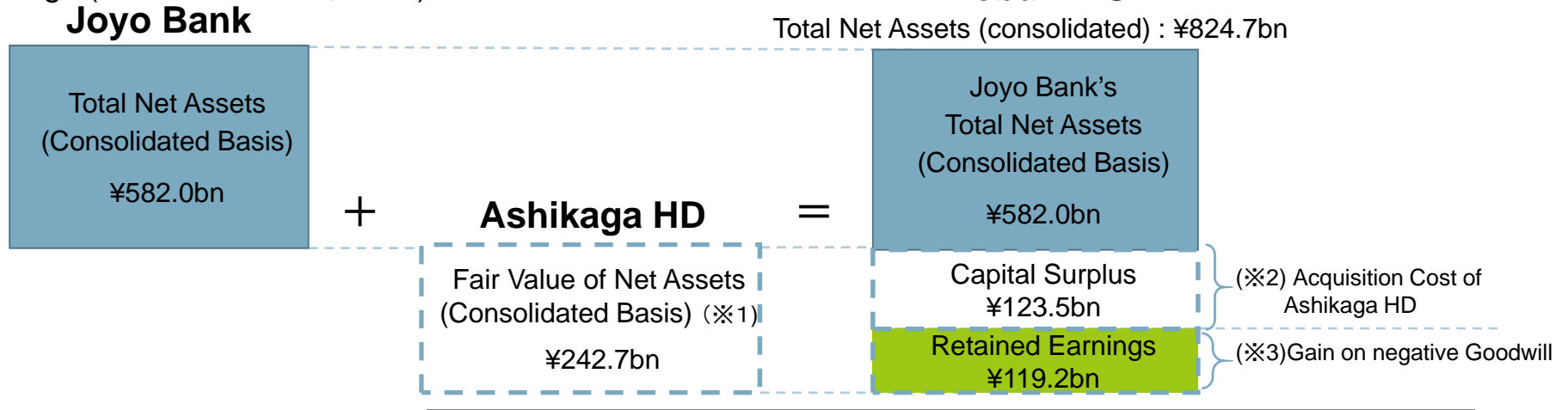
Ashikaga HD : Parent company
Joyo Bank : Wholly owned subsidiary

【Accounting for Business Combinations (Reverse Acquisition / Purchase Method)】

Gain on negative goodwill of ¥119.2bn is recorded in extraordinary income

Joyo Bank : Acquiring company
Ashikaga HD : Acquired company

【Image (As of October 1, 2016)】



The difference between the acquisition cost and the fair value of net assets of Ashikaga HD is gain on negative goodwill.

Fair Value of Net Assets(※1)

This figure is equivalent to the fair value of assets and liabilities of Ashikaga HD (after deduction of Ashikaga HD's positive goodwill on the balance sheet).

Acquisition Cost of Ashikaga HD (※2)

The acquisition cost in the purchase method, which is equivalent to the market capitalization of Ashikaga HD, is recorded in capital surplus.

◇Ashikaga HD's number of shares after adjustment / Exchange Ratio (1.17) × Closing price of Joyo's stock at the final trading date.

Gain on Negative Goodwill (※3)

Gain on the negative goodwill is recorded in extraordinary income on the consolidated income statement and in retained earnings on the consolidated balance sheet.

Inquiries regarding this matter:

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