

**Mebuki Financial Group, Inc.**  
Financial Results for Fiscal Year 2016, ended 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.  
 Date of General Meeting of Shareholders: June 28, 2017 (scheduled)  
 Payment date of cash dividends: June 5, 2017 (scheduled)  
 Filing date of Financial Statements: June 29, 2017 (scheduled)  
 IR Conference: Scheduled (for investors)

(Japanese yen amounts of less than 1 million and the first decimal place have been rounded down.)

### 1. Financial Highlights (from April 1, 2016 to March 31, 2017)

#### (1) Consolidated Operating Results

(%: Changes from the previous fiscal year)

Fiscal year	Ordinary Income		Ordinary Profit		Net income attributable to owners of the parent	
	¥Million	%	¥Million	%	¥Million	%
Ended March 31, 2017	213,284	-	52,255	-	158,455	-
Ended March 31, 2016	102,474	5.9	30,356	44.1	22,452	31.4

(Note) Comprehensive Income Fiscal year 2016: ¥159,609 million [- %] Fiscal year 2015: ¥19,315million [(56.0)%]

Fiscal year	Net Income per Share	Net Income per Share (Diluted)	Return on Capital Assets	Ordinary Profit on Total Assets	Ordinary Profit on Ordinary Income
	¥	¥	%	%	%
Ended March 31, 2017	156.78	156.72	21.8	0.4	24.5
Ended March 31, 2016	67.37	-	7.6	0.5	29.6

(Reference) Equity in earnings (losses) of affiliates Fiscal year 2016: ¥ - million Fiscal year 2015: ¥ - million

(Note) Since net income per share does not decrease as a result of dilution, diluted net income per share for FY2015 is not shown.

#### (2) Consolidated Financial Conditions

Fiscal year	Total Assets	Net Assets	Capital Assets to Total Assets	Net Assets per Share
	¥Million	¥Million	%	¥
Ended March 31, 2017	16,124,452	863,086	5.3	732.66
Ended March 31, 2016	6,106,037	303,105	4.9	909.54

(Reference) Capital assets Fiscal Year 2016: ¥862,892 million Fiscal Year 2015: ¥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.

#### (3) Consolidated Cash Flows

Fiscal year	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at year-end
	¥Million	¥Million	¥Million	¥Million
Ended March 31, 2017	499,210	(124,710)	(21,693)	1,369,893
Ended March 31, 2016	179,447	(93,654)	(13,332)	436,150

### 2. Cash Dividends for Shareholders

Fiscal year	Cash Dividends per Share					Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual			
	¥	¥	¥	¥	¥	¥Million	%	%
Ended March 31, 2016	—	5.50	—	4.50	10.00	3,332	14.8	1.1
Ended March 31, 2017	—	5.50	—	6.50	12.00	9,488	7.6	1.4
Ending March 31, 2018(Forecast)	—	5.50	—	5.50	11.00		32.3	

(Note) 1. Cash dividends at the end of second quarter of FY2015 include a commemorative cash dividend of ¥1.00 per share for 120-year anniversary of a wholly owned subsidiary, The Ashikaga Bank, Ltd.

2. Year-end dividend for FY2016 includes a commemorative cash dividend of ¥1.00 per share for the business integration of The Joyo Bank, Ltd. and Ashikaga Holdings Co., Ltd.

3. Cash dividends of End of 2Q FY2016 represent actual dividends paid by Ashikaga Holdings Co.,Ltd..

### 3. Consolidated Earnings Forecasts for Fiscal Year 2017, ending March 31, 2018

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

Six months	Ordinary Profit		Net income attributable to owners of the parent		Net Income per Share
	¥Million	%	¥Million	%	¥
Ending September 30, 2017	32,000		22,000		18.67
Fiscal Year					
Ending March 31, 2018	58,500	11.9	40,000	(74.7)	33.96

\*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) Changes in accounting principles, accounting estimates and restatement

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

Other changes in accounting principles: No

Changes in accounting estimates: No

Restatement: No

(3) Number of issued shares (common stock)

Number of issued shares (including treasury stock):

March 31, 2017	1,179,055,218 shares	March 31, 2016	333,250,000 shares
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Number of treasury stock:

March 31, 2017	1,303,564 shares	March 31, 2016	— shares
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Average number of shares:

FY2016	1,010,667,873 shares	FY2015	333,250,000 shares
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(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 March 31, 2017, the average number of shares is calculated by the actual figures of Mebuki Financial Group, Inc.

This report is outside the scope of the audit procedure based on the Financial Instrument and Exchange Law.

Notes for using forecasts information ,etc

·The above forecasts are based on information, which is presently available and 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 FY2016 (from April 1, 2016 to March 31, 2017) 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 March 31, 2017.

There is no continuity of financial statements between the prior fiscal year and the current fiscal year.

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

# Financial Results for the Fiscal Year 2016, Ended March 31, 2017

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Consolidated Financial Information for Fiscal Year 2016  
1. Consolidated Balance Sheet

(Millions of yen)

Item	(Japanese)	As of March 31, 2016	As of March 31, 2017
<b>Assets</b>	<b>(資産の部)</b>		
Cash and due from banks	現金預け金	437,509	1,393,762
Call loans and bills bought	コールローン及び買入手形	414	5,160
Monetary claims bought	買入金銭債権	7,627	15,952
Trading assets	特定取引資産	-	7,226
Trading account securities	商品有価証券	3,596	-
Securities	有価証券	1,296,769	4,190,681
Loans and bills discounted	貸出金	4,235,174	10,244,730
Foreign exchanges	外国為替	4,377	7,222
Lease receivable and investments in lease	リース債権及びリース投資資産	-	48,366
Other assets	その他の資産	34,277	120,249
Tangible fixed assets	有形固定資産	24,424	117,732
Buildings, net	建物	7,527	41,423
Land	土地	12,798	63,107
Leased assets, net	リース資産	16	26
Construction in progress	建設仮勘定	435	652
Other tangible fixed assets	その他の有形固定資産	3,647	12,522
Intangible fixed assets	無形固定資産	78,601	12,414
Software	ソフトウェア	2,087	8,254
Goodwill	のれん	75,979	-
Other intangible fixed assets	その他の無形固定資産	534	4,160
Asset for retirement benefits	退職給付に係る資産	10,446	12,275
Deferred tax assets	繰延税金資産	584	1,609
Customers' liabilities for acceptances and guarantees	支払承諾見返	12,913	25,916
Allowance for loan losses	貸倒引当金	(40,679)	(78,840)
Reserve for devaluation of investment securities	投資損失引当金	-	(9)
<b>Total Assets</b>	<b>資産の部合計</b>	<b>6,106,037</b>	<b>16,124,452</b>
<b>Liabilities</b>	<b>(負債の部)</b>		
Deposits	預金	5,206,700	13,507,047
Negotiable certificates of deposit	譲渡性預金	174,878	284,705
Call money and bills sold	コールマネー及び売渡手形	78,000	303,312
Payables under securities lending transactions	債券貸借取引受入担保金	25,263	167,640
Trading liabilities	特定取引負債	-	511
Borrowed money	借入金	251,726	735,593
Foreign Exchanges	外国為替	282	757
Bonds	社債	-	5,000
Bonds with warrant attached	新株予約権付社債	-	33,657
Due to trust account	信託勘定借	-	13
Other liabilities	その他の負債	46,266	140,446
Provision for directors' bonuses	役員賞与引当金	57	111
Liability for retirement benefits	退職給付に係る負債	-	8,896
Provision for directors' retirement benefits	役員退職慰労引当金	311	51
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	858	3,480
Provision for contingent loss	偶発損失引当金	464	1,548
Provision for point card certificates	ポイント引当金	134	294
Provision for loss on interest repayment	利息返還損失引当金	-	12
Reserves under special laws	特別法上の引当金	-	2
Deferred tax liabilities	繰延税金負債	5,074	31,410
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	-	9,454
Negative goodwill	のれん	-	1,501
Acceptances and guarantees	支払承諾	12,913	25,916
<b>Total liabilities</b>	<b>負債の部合計</b>	<b>5,802,932</b>	<b>15,261,366</b>

Item	(Japanese)	As of March 31, 2016	As of March 31, 2017
<b>Net Assets</b>	<b>(純資産の部)</b>		
Capital stock	資 本 金	117,495	117,495
Capital surplus	資 本 剰 余 金	29,025	148,490
Retained earnings	利 益 剰 余 金	113,594	461,631
Treasury stock	自 己 株 式	-	(6)
<b>Total shareholders' equity</b>	<b>株 主 資 本 合 計</b>	<b>260,115</b>	<b>727,610</b>
Unrealized gains on available-for-sale securities	そ の 他 有 価 証 券 評 価 差 額 金	48,527	128,545
Deferred gains (losses) on hedges	繰 延 ヘ ッ ジ 損 益	(3,951)	(674)
Land revaluation excess, net of taxes	土 地 再 評 価 差 額 金	-	12,844
Defined retirement benefit plans	退 職 給 付 に 係 る 調 整 累 計 額	(1,585)	(5,433)
<b>Total accumulated other comprehensive income</b>	<b>そ の 他 の 包 括 利 益 累 計 額 合 計</b>	<b>42,990</b>	<b>135,282</b>
Equity warrants	新 株 予 約 権	-	193
<b>Total net assets</b>	<b>純 資 産 の 部 合 計</b>	<b>303,105</b>	<b>863,086</b>
<b>Total liabilities and net assets</b>	<b>負 債 及 び 純 資 産 の 部 合 計</b>	<b>6,106,037</b>	<b>16,124,452</b>

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

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

### (1) Consolidated Statement of Income

(Millions of yen)

Item	(Japanese)	FY 2015(ended March 31, 2016)	FY 2016(ended March 31, 2017)
<b>Ordinary income</b>	<b>経常収益</b>	<b>102,474</b>	<b>213,284</b>
Interest income	資金運用収益	73,805	125,501
Interest on loans and discounts	貸出金利	55,936	89,325
Interest and dividends on securities	有価証券利息配当金	16,958	35,186
Interest on call loans and bills bought	コールローン利息及び買入手形利息	393	66
Interest on deposits with banks	預け金利息	404	502
Other interest income	その他の受入利息	114	419
Trust fees	信託報酬	-	22
Fees and commissions	役務取引等収益	22,138	36,245
Trading income	特定取引収益	-	2,241
Other ordinary income	その他業務収益	1,692	12,964
Other income	その他経常収益	4,838	36,309
Recoveries of written off claims	償却債権取立益	524	2,688
Gains on sales of stocks and other securities	株式等売却益	3,290	9,902
Others	その他の経常収益	1,023	23,718
<b>Ordinary expenses</b>	<b>経常費用</b>	<b>72,118</b>	<b>161,029</b>
Interest expenses	資金調達費用	4,832	10,287
Interest on deposits	預金利息	2,079	2,572
Interest on negotiable certificates of deposit	譲渡性預金利息	212	48
Interest on call money and bills sold	コールマネー利息及び売渡手形利息	8	595
Interest on payables under securities lending transactions	債券貸借取引支払利息	211	1,198
Interest on borrowed money	借入金利息	1,537	1,101
Interest on bonds	社債利息	-	233
Other interest expenses	その他の支払利息	783	4,537
Fees and commissions payments	役務取引等費用	6,198	10,036
Other business expenses	その他業務費用	192	7,017
General and administrative expenses	営業経費	55,471	98,088
Other operating expenses	その他経常費用	5,423	35,599
Provision of allowance for loan losses	貸倒引当金繰入額	2,013	6,277
Other	その他の経常費用	3,409	29,321
<b>Ordinary profit</b>	<b>経常利益</b>	<b>30,356</b>	<b>52,255</b>
<b>Extraordinary income</b>	<b>特別利益</b>	<b>-</b>	<b>119,225</b>
Gain on dispositions of fixed assets	固定資産処分益	-	6
Gain on negative goodwill	負のれん発生益	-	119,219
<b>Extraordinary losses</b>	<b>特別損失</b>	<b>186</b>	<b>2,085</b>
Loss on disposal of non-current assets	固定資産処分損	108	438
Impairment loss	減損損失	50	1,463
Loss on reduction of non-current assets	固定資産圧縮損	26	-
Loss on step acquisitions	段階取得に係る差損	-	184
<b>Income before income taxes</b>	<b>税金等調整前当期純利益</b>	<b>30,170</b>	<b>169,395</b>
Income taxes-current	法人税、住民税及び事業税	5,805	16,880
Income taxes-deferred	法人税等調整額	1,912	(5,968)
<b>Total income taxes</b>	<b>法人税等合計</b>	<b>7,717</b>	<b>10,911</b>
<b>Net income</b>	<b>当期純利益</b>	<b>22,452</b>	<b>158,483</b>
Net income attributable to non-controlling interests	非支配株主に帰属する当期純利益	-	28
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益	22,452	158,455

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

**(2) Consolidated Statement of Comprehensive Income**

(Millions of yen)

Item	(Japanese)	FY 2015(ended March 31, 2016)	FY 2016(ended March 31, 2017)
<b>Net income</b>	<b>当 期 純 利 益</b>	<b>22,452</b>	<b>158,483</b>
<b>Other comprehensive income</b>	<b>そ の 他 の 包 括 利 益</b>	<b>(3,136)</b>	<b>1,125</b>
Unrealized gains on available-for-sale securities	そ の 他 有 価 証 券 評 価 差 額 金	3,822	(6,507)
Deferred gains (losses) on hedges	繰 延 ヘ ッ ジ 損 益	(3,301)	2,399
Defined retirement benefit plans	退 職 給 付 に 係 る 調 整 額	(3,658)	5,233
<b>Comprehensive income</b>	<b>包 括 利 益</b>	<b>19,315</b>	<b>159,609</b>
Comprehensive income attributable to owners of the parent	親 会 社 株 主 に 係 る 包 括 利 益	19,315	159,581
Comprehensive income attributable to noncontrolling interests	非 支 配 株 主 に 係 る 包 括 利 益	-	27

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

### 3. Consolidated Statement of Shareholders' Equity

FY 2015(ended March 31, 2016)

(Millions of yen)

		Shareholders' equity			
		Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
		株主資本			
		資本金	資本剰余金	利益剰余金	株主資本合計
Balance at the beginning of current period	当 期 首 残 高	117,495	29,025	94,474	240,994
Changes of items during the period	当 期 変 動 額				
Cash dividends	剰 余 金 の 当 配			(3,332)	(3,332)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益			22,452	22,452
Net changes except for shareholders' equity during the period	株主資本以外の項目の当期変動額(純額)				
Total changes of items during the period	当 期 変 動 額 計	-	-	19,120	19,120
Balance at the end of current period	当 期 末 残 高	117,495	29,025	113,594	260,115

		Accumulated other comprehensive income				Total net assets
		Unrealized gains on available-for-sale securities	Deferred gains (losses) on hedges	Defined retirement benefit plans	Total accumulated other comprehensive income	
		その他の包括利益累計額				
		その他有価証券評価差額金	繰延ヘッジ損益	退職給付に係る調整累計額	その他の包括利益累計額合計	
Balance at the beginning of current period	当 期 首 残 高	44,704	(650)	2,072	46,126	287,121
Changes of items during the period	当 期 変 動 額					
Cash dividends	剰 余 金 の 当 配					(3,332)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益					22,452
Net changes except for shareholders' equity during the period	株主資本以外の項目の当期変動額(純額)	3,822	(3,301)	(3,658)	(3,136)	(3,136)
Total changes of items during the period	当 期 変 動 額 計	3,822	(3,301)	(3,658)	(3,136)	15,983
Balance at the end of current period	当 期 末 残 高	48,527	(3,951)	(1,585)	42,990	303,105



FY 2016(ended March 31, 2017)

(Millions of yen)

		Shareholders' equity				
		Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
		株主資本				
		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	当 期 首 残 高	85,113	58,574	333,964	(21,569)	456,082
Changes of items during the period	当 期 変 動 額					
Changes due to share exchange	株式交換による増加	32,382	90,616			122,998
Cash dividends	剰 余 金 の 当 配		(1,832)	(9,397)		(11,230)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益			158,455		158,455
Purchase of treasury stock	自己株式の取得				(11)	(11)
Disposal of treasury stock	自己株式の処分		1	(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		1,131			1,131
Transfer from land revaluation excess	土地再評価差額金の取崩			158		158
Net changes except for shareholders' equity during the period	株主資本以外の項目の当期変動額(純額)					
Total changes of items during the period	当 期 変 動 額 計 合	32,382	89,916	127,666	21,562	271,528
Balance at the end of current period	当 期 末 残 高	117,495	148,490	461,631	(6)	727,610

		Accumulated other comprehensive income					Equity warrants	Non-controlling interests	Total net assets
		Unrealized gains on available-for-sale securities	Deferred gains (losses) on hedges	Land revaluation excess, net of taxes	Defined retirement benefit plans	Total accumulated other comprehensive income			
		その他の包括利益累計額							
		その他有価証券評価差額金	繰延ヘッジ損益	土地再評価差額金	退職給付に係る調整累計額	その他の包括利益累計額合計	新株予約権	非支配株主持分	純資産合計
Balance at the beginning of current period	当 期 首 残 高	135,031	(3,073)	13,002	(10,667)	134,293	132	1,562	592,070
Changes of items during the period	当 期 変 動 額								
Changes due to share exchange	株式交換による増加								122,998
Cash dividends	剰 余 金 の 当 配								(11,230)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益								158,455
Purchase of treasury stock	自己株式の取得								(11)
Disposal of treasury stock	自己株式の処分								25
Retirement of treasury stock	自己株式の消却								
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								1,131
Transfer from land revaluation excess	土地再評価差額金の取崩								158
Net changes except for shareholders' equity during the period	株主資本以外の項目の当期変動額(純額)	(6,485)	2,399	(158)	5,233	988	61	(1,562)	(512)
Total changes of items during the period	当 期 変 動 額 計 合	(6,485)	2,399	(158)	5,233	988	61	(1,562)	271,016
Balance at the end of current period	当 期 末 残 高	128,545	(674)	12,844	(5,433)	135,282	193	-	863,086

#### 4. Consolidated Statement of Cash Flows

(Millions of yen)

Item	(Japanese)	FY 2015(ended March 31, 2016)	FY 2016(ended March 31, 2017)
<b>Cash flows from operating activities</b>	<b>営業活動によるキャッシュ・フロー</b>		
Income before income taxes	税金等調整前当期純利益	30,170	169,395
Depreciation and amortization	減価償却費	3,495	7,327
Impairment loss	減損損失	50	1,463
Amortization of goodwill	のれん償却額	6,202	-
Gain on negative goodwill	負ののれん発生益	-	(119,219)
Loss on step acquisitions	段階取得に係る差損益(は益)	-	184
Amortization of negative goodwill	負ののれん償却額	-	(158)
Increase (decrease) in allowance for loan losses	貸倒引当金の増減( )	(3,222)	(400)
Increase (decrease) in provision for directors' bonuses	役員賞与引当金の増減額(は減少)	3	44
Decrease (increase) in asset for retirement benefits	退職給付に係る資産の増減額(は増加)	(1,893)	(1,323)
Increase (decrease) in liabilities for retirement benefits	退職給付に係る負債の増減額(は減少)	-	8,764
Increase (decrease) in provision for directors' retirement benefits	役員退職慰労引当金の増減額(は減少)	48	13
Increase (decrease) in provision for reimbursement of deposits	睡眠預金払戻損失引当金の増減額(は減少)	55	317
Increase (decrease) in provision for contingent loss	偶発損失引当金の増減( )	(31)	(18)
Increase (decrease) in provision for point card certificates	ポイント引当金の増減額(は減少)	19	38
Increase (decrease) in provision for interest repayment	利息返還損失引当金の増減額(は減少)	-	(2)
Gain on fund management	資金運用収益	(73,805)	(131,337)
Financing expenses	資金調達費用	4,832	10,305
Loss (gain) related to securities	有価証券関係損益( )	(1,212)	(4,941)
Foreign exchange losses (gains)	為替差損益(は益)	7,905	(12,902)
Loss (gain) on disposal of non-current assets	固定資産処分損益(は益)	108	431
Loss on reduction of non-current assets	固定資産圧縮損	26	-
Net decrease (increase) in Trading assets	特定取引資産の純増( )減	-	1,225
Net increase (decrease) in Trading liabilities	特定取引負債の純増減( )	-	(383)
Net decrease (increase) in loans and bills discounted	貸出金の純増( )減	(84,707)	(153,758)
Net increase (decrease) in deposit	預金の純増減( )	135,589	270,177
Net increase (decrease) in negotiable certificates of deposit	譲渡性預金の純増減( )	(22,500)	37,290
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	借入金(劣後特約付借入金を除く)の純増減( )	29,180	272,353
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	預け金(日銀預け金を除く)の純増( )減	251	-
Net decrease (increase) in deposit (excluding cash and cash equivalents)	預け金(現金同等物を除く)の純増( )減	-	57,258
Net decrease (increase) in call loans	コールローン等の純増( )減	1,569	(1,499)
Net decrease (increase) in trading account securities	商品有価証券の純増( )減	607	-
Net increase (decrease) in call money	コールマネー等の純増減( )	78,000	35,956
Net increase (decrease) in payables under securities lending transactions	債券貸借取引受入担保金の純増減( )	22,789	15,881
Net decrease (increase) in foreign exchanges - assets	外国為替(資産)の純増( )減	1,460	1,256
Net increase (decrease) in foreign exchanges - liabilities	外国為替(負債)の純増減( )	(83)	(409)
Net decrease (increase) in lease receivable and investments in lease	リース債権及びリース投資資産の純増( )減	-	(5,135)
Net increase (decrease) in due to trust account	信託勘定借の純増減( )	-	(0)
Proceeds from fund management	資金運用による収入	73,908	129,285
Payments for finance	資金調達による支出	(7,692)	(8,791)
Other, net	その他	(9,273)	(62,863)
<b>Subtotal</b>	<b>小計</b>	<b>191,853</b>	<b>515,824</b>
<b>Income taxes paid</b>	<b>法人税等の支払額</b>	<b>(12,405)</b>	<b>(16,614)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>営業活動によるキャッシュ・フロー</b>	<b>179,447</b>	<b>499,210</b>

(Millions of yen)

Item	(Japanese)	FY 2015(ended March 31, 2016)	FY 2016(ended March 31, 2017)
<b>Cash flows from investing activities</b>	<b>投資活動によるキャッシュ・フロー</b>		
Purchase of securities	有価証券の取得による支出	(330,762)	(1,405,130)
Proceeds from sales of securities	有価証券の売却による収入	85,566	1,017,603
Proceeds from redemption of securities	有価証券の償還による収入	154,466	271,065
Purchases of tangible fixed assets	有形固定資産の取得による支出	(2,093)	(4,973)
Proceeds from sales of tangible fixed assets	有形固定資産の売却による収入	0	167
Purchases of intangible fixed assets	無形固定資産の取得による支出	(760)	(3,348)
Other, net	その他の	(71)	(94)
<b>Net cash provided by (used in) investing activities</b>	<b>投資活動によるキャッシュ・フロー</b>	<b>(93,654)</b>	<b>(124,710)</b>
<b>Cash flows from financing activities</b>	<b>財務活動によるキャッシュ・フロー</b>		
Repayments of subordinated borrowings	劣後特約付借入金の返済による支出	(10,000)	-
Redemption of subordinated bonds	劣後特約付社債の償還による支出	-	(10,000)
Purchases of treasury stocks	自己株式の取得による支出	-	(11)
Proceed from sales of treasury stocks	自己株式の売却による収入	-	3
Cash dividends paid	配当金の支払額	(3,332)	(11,230)
Dividends paid to non-controlling shareholders	非支配株主への配当金の支払額	-	(1)
Purchases of stocks of subsidiaries not resulting in change in scope of consolidation	連結の範囲の変更を伴わない子会社株式の取得による支出	-	(453)
<b>Net cash provided by (used in) financing activities</b>	<b>財務活動によるキャッシュ・フロー</b>	<b>(13,332)</b>	<b>(21,693)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>現金及び現金同等物に係る換算差額</b>	<b>(21)</b>	<b>29</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>現金及び現金同等物の増減額(は減少)</b>	<b>72,438</b>	<b>352,836</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>現金及び現金同等物の期首残高</b>	<b>363,712</b>	<b>396,713</b>
<b>Increase in cash and cash equivalents resulting from share exchange</b>	<b>株式交換による現金及び現金同等物の増加額</b>	<b>-</b>	<b>620,343</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>現金及び現金同等物の期末残高</b>	<b>436,150</b>	<b>1,369,893</b>

## 5. Note for Assumptions of Going Concern

Not applicable.

[Reference] Non-consolidated Financial Information of the main consolidated subsidiaries

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

(1) Financial Highlights (from April 1, 2016 to March 31, 2017)

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

Non-consolidated Operating Results

Fiscal year	Ordinary Income		Ordinary Profit		Net Income	
	¥Million	%	¥Million	%	¥Million	%
Ended March 31, 2017	141,053	1.6	35,663	(16.5)	24,454	(11.9)
Ended March 31, 2016	138,712	3.9	42,717	5.7	27,774	16.1

Non-consolidated Financial Conditions

Fiscal year	Total Assets	Net Assets	Capital Assets to Total Assets
	¥Million	¥Million	%
Ended March 31, 2017	9,697,024	593,283	6.1
Ended March 31, 2016	9,236,391	580,932	6.2

(Reference) Capital assets FY2016: ¥593,283million 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 March 31, 2016	As of March 31, 2017
<b>Assets</b>	<b>(資産の部)</b>		
Cash and due from banks	現金預け金	442,654	754,116
Cash	現金	68,700	66,398
Due from banks	預け金	373,954	687,717
Call loans	コールローン	2,000	3,365
Monetary claims bought	買入金銭債権	9,977	8,161
Trading assets	特定取引資産	5,918	4,060
Trading account securities	商品有価証券	4,009	2,457
Trading-related financial derivatives	特定金融派生商品	1,908	1,602
Securities	有価証券	2,739,570	2,793,575
Government bonds	国債	1,044,960	869,857
Local government bonds	地方債	215,769	397,999
Corporate bonds	社債	486,428	463,245
Stocks	株式	248,922	266,787
Other securities	その他の証券	743,489	795,685
Loans and bills discounted	貸出金	5,912,707	5,967,030
Bills discounted	割引手形	20,744	19,732
Loans on bills	手形貸付	297,908	282,495
Loans on deeds	証書貸付	5,026,664	5,114,904
Overdrafts	当座貸越	567,390	549,897
Foreign exchanges	外国為替	4,241	2,826
Due from foreign banks (our accounts)	外国他店預け	3,700	2,024
Foreign bills bought	買入外国為替	39	45
Foreign bills receivable	取立外国為替	502	756
Other assets	その他の資産	36,515	48,076
Domestic exchange settlement account, debit	未決済為替貸	80	64
Prepaid expenses	前払費用	514	548
Accrued income	未収収益	8,564	8,524
Variation margins of future markets	先物取引差入証拠金	160	160
Derivatives other than for trading - assets	金融派生商品	7,975	5,122
Initial margins of futures markets	金融商品等差入保証金	4,824	3,211
Other	その他の資産	14,396	30,444
Tangible fixed assets	有形固定資産	86,520	85,854
Buildings, net	建物	31,019	30,617
Land	土地	47,818	47,571
Leased assets, net	リース資産	2,812	2,837
Construction in progress	建設仮勘定	324	613
Other tangible fixed assets	その他の有形固定資産	4,546	4,214
Intangible fixed assets	無形固定資産	9,456	9,531
Software	ソフトウェア	5,918	6,142
Leased assets, net	リース資産	188	409
Other intangible fixed assets	その他の無形固定資産	3,349	2,979
Prepaid pension cost	前払年金費用	7,825	7,231
Customers' liabilities for acceptances and guarantees	支払承諾見返	14,728	47,620
Allowance for loan losses	貸倒引当金	(35,715)	(34,416)
Reserve for devaluation of investment securities	投資損失引当金	(9)	(9)
<b>Total Assets</b>	<b>資産の部合計</b>	<b>9,236,391</b>	<b>9,697,024</b>

(Millions of yen)

Item	(Japanese)	As of March 31, 2016	As of March 31, 2017
<b>Liabilities</b>	<b>(負債の部)</b>		
Deposits	預 金	8,103,353	8,240,398
Current deposits	当 座 預 金	155,904	188,796
Ordinary deposits	普 通 預 金	4,922,735	5,147,250
Saving deposits	貯 蓄 預 金	44,793	43,615
Deposits at notice	通 知 預 金	8,672	11,457
Time deposits	定 期 預 金	2,771,525	2,617,552
Other deposits	そ の 他 の 預 金	199,721	231,725
Negotiable certificates of deposit	譲 渡 性 預 金	39,539	56,252
Call money	コ ー ル マ ネ ー	45,560	61,337
Payables under securities lending transactions	債 券 貸 借 取 引 受 入 担 保 金	130,247	135,417
Trading liabilities	特 定 取 引 負 債	895	511
Trading-related financial derivatives	特 定 金 融 派 生 商 品	895	511
Borrowed money	借 用 金	164,751	436,978
Borrowings from other banks	借 入 金	164,751	436,978
Foreign Exchanges	外 国 為 替	886	501
Foreign bills sold	売 渡 外 国 為 替	819	425
Foreign bills payable	未 払 外 国 為 替	67	75
Bonds	社 債	15,000	5,000
Bonds with warrant attached	新 株 予 約 権 付 社 債	33,804	—
Due to trust account	信 託 勘 定 借	13	13
Other liabilities	そ の 他 負 債	50,212	63,079
Domestic exchange settlement account, credit	未 決 済 為 替 借	47	124
Income taxes payable	未 払 法 人 税 等	6,707	1,635
Accrued expenses	未 払 費 用	6,629	6,477
Unearned revenue	前 受 収 益	2,608	3,541
Deposit received from employees	従 業 員 預 り 金	1,501	1,612
Derivatives other than for trading - liabilities	金 融 派 生 商 品	6,871	7,174
Payables under derivative transactions	金 融 商 品 等 受 入 担 保 金	2,293	990
Lease obligations	リ ー ス 債 務	3,009	3,248
Other	そ の 他 の 負 債	20,545	38,274
Provision for directors' bonuses	役 員 賞 与 引 当 金	46	48
Provision for retirement benefits	退 職 給 付 引 当 金	7,355	8,415
Provision for reimbursement of deposits	睡 眠 預 金 払 戻 損 失 引 当 金	2,354	2,585
Provision for point card certificates	ポ イ ン ト 引 当 金	112	106
Provision for contingent loss	偶 発 損 失 引 当 金	1,045	1,038
Deferred tax liabilities	繰 延 税 金 負 債	36,706	35,662
Deferred tax liabilities for land revaluation	再 評 価 に 係 る 繰 延 税 金 負 債	8,846	8,774
Acceptances and guarantees	支 払 承 諾	14,728	47,620
<b>Total liabilities</b>	<b>負 債 の 部 合 計</b>	<b>8,655,459</b>	<b>9,103,740</b>

Item	(Japanese)	As of March 31, 2016	As of March 31, 2017
<b>Net Assets</b>	<b>(純資産の部)</b>		
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	308,341
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	253,024
Reserve for advanced depreciation of non-current assets	( 固 定 資 産 圧 縮 積 立 金 )	904	887
Reserve for special account of advanced depreciation of non-current assets	( 固 定 資 産 圧 縮 特 別 勘 定 積 立 金 )	—	13
General Reserve	( 別 途 積 立 金 )	217,432	222,432
Retained earnings brought forward	( 繰 越 利 益 剰 余 金 )	42,064	29,692
Treasury stock	自 己 株 式	(21,963)	—
<b>Total shareholders' equity</b>	<b>株 主 資 本 合 計</b>	<b>437,441</b>	<b>452,028</b>
Unrealized gains (losses) on available-for-sale securities	そ の 他 有 価 証 券 評 価 差 額 金	134,985	130,542
Deferred gains or losses on hedges	繰 延 ヘ ッ ジ 損 益	(3,073)	(574)
Land revaluation excess, net of taxes	土 地 評 価 差 額 金	11,445	11,287
<b>Total valuation and translation adjustments</b>	<b>評 価 ・ 換 算 差 額 等 合 計</b>	<b>143,357</b>	<b>141,254</b>
Equity warrants	新 株 予 約 権	132	—
<b>Total net assets</b>	<b>純 資 産 の 部 合 計</b>	<b>580,932</b>	<b>593,283</b>
<b>Total liabilities and net assets</b>	<b>負 債 及 び 純 資 産 の 部 合 計</b>	<b>9,236,391</b>	<b>9,697,024</b>

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

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

(Millions of yen)

Item	(Japanese)	FY 2015(ended March 31, 2016)	FY 2016(ended March 31, 2017)
<b>Ordinary income</b>	<b>経常収益</b>	<b>138,712</b>	<b>141,053</b>
Interest income	資金運用収益	96,360	93,101
Interest on loans and discounts	貸出金利	66,434	63,726
Interest and dividends on securities	有価証券利息配当金	29,187	28,625
Interest on call loans	コールローン利息	38	33
Interest on deposits with banks	預け金利息	323	315
Other interest income	その他の受入利息	376	401
Trust fees	信託報酬	25	22
Fees and commissions	役務取引等収益	22,967	22,154
Fees and commissions on domestic and foreign exchanges	受入為替手数料	6,276	6,283
Other fees and commissions	その他の役務収益	16,691	15,871
Trading income	特定取引収益	767	449
Gains on trading account securities	商品有価証券収益	95	92
Income from trading-related financial derivatives transaction	特定金融派生商品収益	672	356
Other ordinary income	その他業務収益	9,570	11,997
Gains on foreign exchange transactions	外国為替売買益	1,053	915
Gains on sales of bonds	国債等債券売却益	8,376	11,034
Gains on redemption of bonds	国債等債券償還益	139	48
Other	その他の業務収益	0	0
Other income	その他経常収益	9,020	13,326
Recoveries of written off claims	償却債権取立益	1,809	1,982
Gains on sales of stocks and other securities	株式等売却益	5,471	9,565
Other	その他の経常収益	1,739	1,778
<b>Operating expenses</b>	<b>経常費用</b>	<b>95,995</b>	<b>105,389</b>
Interest expenses	資金調達費用	6,513	7,903
Interest on deposits	預金利息	2,631	2,125
Interest on negotiable certificates of deposit	譲渡性預金利息	25	13
Interest on call money	コールマネー利息	255	471
Interest on deposits for bonds lending transaction	債券貸借取引支払利息	605	957
Interest on borrowed money	借入金利息	358	616
Interest on bonds	社債利息	254	233
Interest on interest swaps	金利スワップ支払利息	1,776	2,478
Other interest expenses	その他の支払利息	606	1,007
Fees and commissions payments	役務取引等費用	7,504	7,815
Fees and commissions on domestic and foreign exchanges	支払為替手数料	1,307	1,305
Other fees and commissions	その他の役務費用	6,197	6,510
Other ordinary expenses	その他業務費用	4,163	6,757
Losses on sales of bonds	国債等債券売却損	881	5,244
Expenses on derivatives	金融派生商品費用	3,282	1,512
General and administrative expenses	営業経費	69,690	72,544
Other expenses	その他経常費用	8,122	10,368
Provision of allowance for loan losses	貸倒引当金繰入額	2,796	3,811
Provision of reserve for devaluation of investment securities	投資損失引当金繰入額	-	29
Provision for reimbursement of deposits	睡眠預金払戻損失引当金繰入額	483	611
Provision for point card certificates	ポイント引当金繰入額	97	92
Write-off amount of loans	貸出金償却	3,259	2,360
Losses on sales of stocks	株式等売却損	711	1,929
Losses on devaluation of stocks and other securities	株式等償却	17	43
Other expenses or losses	その他の経常費用	756	1,490
<b>Ordinary income</b>	<b>経常利益</b>	<b>42,717</b>	<b>35,663</b>



Item	<i>(Japanese)</i>	FY 2015(ended March 31, 2016)	FY 2016(ended March 31, 2017)
<b>Extraordinary income</b>	<b>特 別 利 益</b>	<b>83</b>	<b>6</b>
Gain on disposal of non-current assets	固 定 資 産 処 分 益	83	6
<b>Extraordinary losses</b>	<b>特 別 損 失</b>	<b>737</b>	<b>822</b>
Loss on disposal of non-current assets	固 定 資 産 処 分 損	528	263
Impairment loss	減 損 損 失	208	559
<b>Income before income taxes</b>	<b>税 引 前 当 期 純 利 益</b>	<b>42,062</b>	<b>34,847</b>
Income taxes - current	法 人 税、住 民 税 及 び 事 業 税	12,532	10,477
<b>Income taxes - deferred</b>	<b>法 人 税 等 調 整 額</b>	<b>1,755</b>	<b>(84)</b>
<b>Total income taxes</b>	<b>法 人 税 等 合 計</b>	<b>14,288</b>	<b>10,392</b>
<b>Net income</b>	<b>当 期 純 利 益</b>	<b>27,774</b>	<b>24,454</b>

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

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

### (1) Financial Highlights (from April 1, 2016 to March 31, 2017)

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

#### Non-consolidated Operating Results

Fiscal year	Ordinary Income		Ordinary Profit		Net Income	
	¥Million	%	¥Million	%	¥Million	%
Ended March 31, 2017	97,768	(2.7)	33,274	(16.5)	26,412	(14.4)
Ended March 31, 2016	100,545	8.5	39,850	33.8	30,859	55.9

#### Non-consolidated Financial Conditions

Fiscal year	Total Assets	Net Assets	Capital Assets to Total Assets
	¥Million	¥Million	%
Ended March 31, 2017	6,477,729	317,494	4.9
Ended March 31, 2016	6,098,844	311,924	5.1

(Reference) Capital assets FY2016: ¥317,494million 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 March 31, 2016	As of March 31, 2017
<b>Assets</b>	<b>(資産の部)</b>		
Cash and due from banks	現金預け金	437,507	639,631
Cash	現金	59,887	59,064
Due from banks	預け金	377,620	580,566
Call loans	コールローン	414	1,795
Monetary claims bought	買入金銭債権	7,627	7,791
Trading account securities	商品有価証券	3,596	3,166
Trading government bonds	商品国債	749	164
Trading local government bonds	商品地方債	1,258	1,695
Trading government guaranteed bonds	商品政府保証債	1,587	1,306
Securities	有価証券	1,325,749	1,417,158
Government bonds	国債	351,547	260,356
Local government bonds	地方債	251,967	229,786
Corporate bonds	社債	205,872	209,394
Stocks	株式	77,629	79,717
Other securities	その他の証券	438,732	637,902
Loans and bills discounted	貸出金	4,274,437	4,348,447
Bills discounted	割引手形	25,474	24,815
Loans on bills	手形貸付	193,052	185,662
Loans on deeds	証書貸付	3,668,137	3,726,907
Overdrafts	当座貸越	387,773	411,062
Foreign exchanges	外国為替	4,377	4,396
Due from foreign banks (our accounts)	外国他店預け	4,278	4,291
Foreign bills bought	買入外国為替	52	71
Foreign bills receivable	取立外国為替	45	32
Other assets	その他の資産	24,916	32,106
Domestic exchange settlement account, debit	未決済為替貸	4	6
Prepaid expenses	前払費用	260	287
Accrued income	未収収益	5,824	5,956
Variation margins of future markets	先物取引差金勘定	26	1
Derivatives other than for trading - assets	金融派生商品	5,745	5,058
Other	その他の資産	13,056	20,794
Tangible fixed assets	有形固定資産	25,275	25,872
Buildings, net	建物	7,737	8,545
Land	土地	13,459	13,062
Leased assets, net	リース資産	16	10
Construction in progress	建設仮勘定	435	39
Other tangible fixed assets	その他の有形固定資産	3,626	4,213
Intangible fixed assets	無形固定資産	2,569	2,370
Software	ソフトウェア	2,037	1,839
Other intangible fixed assets	その他の無形固定資産	531	531
Prepaid pension cost	前払年金費用	12,786	15,323
Deferred tax assets	繰延税金資産	—	2,461
Customers' liabilities for acceptances and guarantees	支払承諾見返	12,913	11,953
Allowance for loan losses	貸倒引当金	(33,328)	(34,746)
<b>Total Assets</b>	<b>資産の部合計</b>	<b>6,098,844</b>	<b>6,477,729</b>

(Millions of yen)

Item	(Japanese)	As of March 31, 2016	As of March 31, 2017
<b>Liabilities</b>	<b>(負債の部)</b>		
Deposits	預 金	5,224,561	5,332,582
Current deposits	当 座 預 金	190,554	193,611
Ordinary deposits	普 通 預 金	3,053,380	3,212,763
Saving deposits	貯 蓄 預 金	72,060	72,347
Deposits at notice	通 知 預 金	8,181	6,954
Time deposits	定 期 預 金	1,739,401	1,687,339
Installment savings	定 期 積 金	14,710	14,486
Other deposits	そ の 他 の 預 金	146,270	145,078
Negotiable certificates of deposit	譲 渡 性 預 金	224,878	289,303
Call money	コ ー ル マ ネ ー	78,000	241,975
Payables under securities lending transactions	債 券 貸 借 取 引 受 入 担 保 金	25,263	32,222
Borrowed money	借 用 金	181,726	220,047
Borrowings from other banks	借 入 金	181,726	220,047
Foreign Exchanges	外 国 為 替	282	256
Foreign bills sold	売 渡 外 国 為 替	131	116
Foreign bills payable	未 払 外 国 為 替	151	139
Other liabilities	そ の 他 負 債	30,426	30,324
Domestic exchange settlement account, credit	未 決 済 為 替 借	2,864	3,222
Income taxes payable	未 払 法 人 税 等	1,990	1,602
Accrued expenses	未 払 費 用	5,774	5,254
Unearned revenue	前 受 収 益	1,679	1,582
Reserve for interest on installment savings	給 付 補 填 備 金	4	3
Derivatives other than for trading - liabilities	金 融 派 生 商 品	8,263	2,817
Lease obligations	リ ー ス 債 務	17	11
Asset retirement obligations	資 産 除 去 債 務	544	—
Other	そ の 他 の 負 債	9,287	15,828
Provision for directors' bonuses	役 員 賞 与 引 当 金	25	53
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	895
Provision for contingent loss	偶 発 損 失 引 当 金	464	509
Provision for point card certificates	ポ イ ン ト 引 当 金	90	111
Deferred tax liabilities	繰 延 税 金 負 債	7,296	—
Acceptances and guarantees	支 払 承 諾	12,913	11,953
<b>Total liabilities</b>	<b>負 債 の 部 合 計</b>	<b>5,786,919</b>	<b>6,160,235</b>
<b>Net Assets</b>	<b>(純資産の部)</b>		
Capital stock	資 本 金	135,000	135,000
Retained earnings	利 益 剰 余 金	129,428	145,333
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	125,225
Retained earnings brought forward	繰 越 利 益 剰 余 金	111,733	125,225
<b>Total shareholders' equity</b>	<b>株 主 資 本 合 計</b>	<b>264,428</b>	<b>280,333</b>
Unrealized gains (losses) on available-for-sale securities	そ の 他 有 価 証 券 評 価 差 額 金	51,447	37,259
Deferred gains or losses on hedges	繰 延 ヘ ッ ジ 損 益	(3,951)	(99)
<b>Total valuation and translation adjustments</b>	<b>評 価 ・ 換 算 差 額 等 合 計</b>	<b>47,495</b>	<b>37,160</b>
<b>Total net assets</b>	<b>純 資 産 の 部 合 計</b>	<b>311,924</b>	<b>317,494</b>
<b>Total liabilities and net assets</b>	<b>負 債 及 び 純 資 産 の 部 合 計</b>	<b>6,098,844</b>	<b>6,477,729</b>

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

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

(Millions of yen)

Item	(Japanese)	FY 2015(ended March 31, 2016)	FY 2016(ended March 31, 2017)
<b>Ordinary income</b>	<b>経常収益</b>	<b>100,545</b>	<b>97,768</b>
Interest income	資金運用収益	71,582	71,606
Interest on loans and discounts	貸出金利息	53,724	51,017
Interest and dividends on securities	有価証券利息配当金	16,958	20,073
Interest on call loans	コールローン利息	393	60
Interest on deposits with banks	預け金利息	404	373
Other interest income	その他の受入利息	102	82
Fees and commissions	役務取引等収益	21,253	20,040
Fees and commissions on domestic and foreign exchanges	受入為替手数料	4,764	4,704
Other fees and commissions	その他の役務収益	16,488	15,336
Other ordinary income	その他業務収益	1,343	1,772
Gains on foreign exchange transactions	外国為替売買益	347	613
Gain on trading account securities transactions	商品有価証券売買益	58	4
Gains on sales of bonds	国債等債券売却益	895	794
Gains on redemption of bonds	国債等債券償還益	—	36
Income from derivatives other than for trading or hedging	金融派生商品収益	41	323
Other	その他の業務収益	0	0
Other income	その他経常収益	6,366	4,348
Reversal of allowance for loan losses	貸倒引当金戻入益	1,284	—
Recoveries of written off claims	償却債権取立益	508	448
Gains on sales of stocks and other securities	株式等売却益	3,508	3,117
Other	その他の経常収益	1,065	782
<b>Operating expenses</b>	<b>経常費用</b>	<b>60,695</b>	<b>64,493</b>
Interest expenses	資金調達費用	3,458	3,308
Interest on deposits	預金利息	2,082	1,110
Interest on negotiable certificates of deposit	譲渡性預金利息	226	85
Interest on call money	コールマネー利息	8	152
Interest on deposits for bonds lending transaction	債券貸借取引支払利息	211	411
Interest on borrowed money	借入金利息	150	40
Other interest expenses	その他の支払利息	779	1,508
Fees and commissions payments	役務取引等費用	6,314	6,747
Fees and commissions on domestic and foreign exchanges	支払為替手数料	886	888
Other fees and commissions	その他の役務費用	5,427	5,859
Other ordinary expenses	その他業務費用	36	1,062
Losses on sales of bonds	国債等債券売却損	0	751
Losses on redemption of bonds	国債等債券償還損	—	310
Losses on devaluation of bonds	国債等債券償却	36	—
General and administrative expenses	営業経費	47,711	46,526
Other expenses	その他経常費用	3,175	6,847
Provision of allowance for loan losses	貸倒引当金繰入額	—	4,444
Write-off amount of loans	貸出金償却	1,552	743
Losses on sales of stocks	株式等売却損	980	923
Losses on devaluation of stocks and other securities	株式等償却	8	16
Losses on sales of loans	貸出金売却損	7	0
Other expenses or losses	その他の経常費用	625	720
<b>Ordinary income</b>	<b>経常利益</b>	<b>39,850</b>	<b>33,274</b>

Item	<i>(Japanese)</i>	FY 2015(ended March 31, 2016)	FY 2016(ended March 31, 2017)
<b>Extraordinary income</b>	特 別 利 益	—	0
Gain on disposal of non-current assets	固 定 資 産 処 分 益	—	0
<b>Extraordinary losses</b>	特 別 損 失	383	1,314
Loss on disposal of non-current assets	固 定 資 産 処 分 損	108	206
Impairment loss	減 損 損 失	248	1,100
Loss on reduction of non-current assets	固 定 資 産 圧 縮 損	26	7
<b>Income before income taxes</b>	税 引 前 当 期 純 利 益	<b>39,466</b>	<b>31,960</b>
Income taxes - current	法 人 税、住 民 税 及 び 事 業 税	10,468	9,350
<b>Income taxes - deferred</b>	法 人 税 等 調 整 額	<b>(1,861)</b>	<b>(3,802)</b>
<b>Total income taxes</b>	法 人 税 等 合 計	<b>8,607</b>	<b>5,547</b>
<b>Net income</b>	当 期 純 利 益	<b>30,859</b>	<b>26,412</b>

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

Financial Data for the Fiscal Year 2016 (ended March 31, 2017)

1. Income Status

[Mebuki Financial Group, Inc. (Consolidated basis)]

(Millions of yen)

	(Japanese)	FY2016		FY2015
		(A)	(A)-(B)	(B)
Consolidated gross profit	連 結 粗 利 益	149,634		
Net interest income	資 金 利 益	115,213		
Net fees and commissions	役 務 取 引 等 利 益	26,232		
Net trading income	特 定 取 引 利 益	2,241		
Net other business income	そ の 他 業 務 利 益	5,946		
General and administrative expenses	営 業 経 費	98,088		
Credit related costs	与 信 関 係 費 用	8,273		
Write-off of loans	貸 出 金 償 却	3,940		
Transfer to specific allowance for loan losses	個 別 貸 倒 引 当 金 繰 入 額	5,167		
Transfer to general allowance for loan losses	一 般 貸 倒 引 当 金 繰 入 額	1,110		
Other credit related costs	そ の 他 の 与 信 関 係 費 用	(1,944)		
Gains/losses related to stocks, etc.	株 式 等 関 係 損 益	7,644		
Equity in gains (losses) of affiliated companies	持 分 法 に よ る 投 資 損 益	-		
Others	そ の 他	1,338		
Ordinary profit	経 常 利 益	52,255		
Extraordinary income(losses)	特 別 損 益	117,139		
Income before income taxes	税 金 等 調 整 前 当 期 純 利 益	169,395		
Income taxes-current	法 人 税、住 民 税 及 び 事 業 税	16,880		
Income taxes-deferred	法 人 税 等 調 整 額	(5,968)		
Total income taxes	法 人 税 等 合 計	10,911		
Net income	当 期 純 利 益	158,483		
Net income attributable to noncontrolling interests	非 支 配 株 主 に 帰 属 す る 当 期 純 利 益	28		
Net income attributable to owners of the parent	親 会 社 株 主 に 帰 属 す る 当 期 純 利 益	158,455		

(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, 119.2 billion yen of extraordinary income is recognized. Consolidated financial results for FY2016 are composed of the consolidated results of Joyo from April 1, 2016 to September 30, 2016 and of Mebuki from October 1, 2016 to March 31, 2017.

3. Since the financial results have substantially changed compared with those of FY2015 due to the business combination on October 1, 2016, 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) + (役務取引等収益 + 信託報酬 - 役務取引等費用) + (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、当社の平成28年度(平成28年4月1日～平成29年3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か月分の連結業績に、株式交換後の当社グループの下期(平成28年10月1日～平成29年3月31日)6か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、前年度の計数は記載しておりません。

Reference

(Millions of yen)

	(Japanese)	FY2016		FY2015
		(A)	(A)-(B)	(B)
Consolidated net business income (before general allowance for loan losses)	連 結 業 務 純 益 (一 般 貸 倒 引 繰 入 前)	55,272		
Consolidated net business income	連 結 業 務 純 益	54,161		

(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 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、前年度の計数は記載しておりません。

Number of Consolidated Companies

(Number of companies)

	(Japanese)	FY2016		FY2015
		(A)	(A)-(B)	(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 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年度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)	FY2016		FY2015
		(A)	(A)-(B)	(B)
Gross business profit	業 務 粗 利 益	187,550	(8,330)	195,881
(Excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻))	181,944	(5,442)	187,387
Gross domestic business profit	国 内 業 務 粗 利 益	179,325	(6,316)	185,641
(Excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻))	173,357	(4,913)	178,271
Net interest income	資 金 利 益	146,544	(3,484)	150,028
Net fees and commissions	役 務 取 引 等 利 益	27,418	(2,919)	30,337
Net trading income	特 定 取 引 等 利 益	450	(323)	773
Net other business income	そ の 他 業 務 利 益	4,911	410	4,501
(Of which, gains/losses on bond transactions)	(うち国債等債券損益(5勘定戻))	5,967	(1,402)	7,370
Gross international business profit	国 際 業 務 粗 利 益	8,225	(2,014)	10,239
(Excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻))	8,587	(528)	9,116
Net interest income	資 金 利 益	6,951	(991)	7,942
Net fees and commissions	役 務 取 引 等 利 益	236	146	90
Net trading income	特 定 取 引 等 利 益	(1)	4	(5)
Net other business income	そ の 他 業 務 利 益	1,038	(1,174)	2,212
(Of which, gains/losses on bond transactions)	(うち国債等債券損益(5勘定戻))	(362)	(1,485)	1,123
Expenses (excluding non-recurrent expense)	経 費 ( 除 く 臨 時 処 理 分 )	115,014	(289)	115,303
Personnel expenses	人 件 費	60,425	98	60,327
Non-personnel expenses	物 件 費	47,095	(1,344)	48,440
Taxes	税 金	7,492	956	6,536
Net business income (before net transfer to general allowance for loan losses)	業 務 純 益 ( 一 般 貸 引 繰 入 前 )	72,536	(8,041)	80,577
(Excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻))	66,930	(5,153)	72,083
Net transfer to general allowance for loan losses	一 般 貸 倒 引 当 金 繰 入 額	(465)	219	(685)
Net business income (Of which, gains/losses on bond transactions)	業 務 純 益 (うち国債等債券損益(5勘定戻))	73,001 5,605	(8,260) (2,888)	81,262 8,493
Net non-recurrent gains/losses	臨 時 損 益	(4,063)	(5,368)	1,304
Disposal of non-performing loans	不 良 債 権 処 理 額	10,018	4,810	5,207
Write-off of loans	貸 出 金 償 却	3,103	(1,707)	4,811
Transfer to specific allowance for loan losses	個 別 貸 倒 引 当 金 繰 入 額	8,720	5,234	3,486
Losses on sales of loans	貸 出 金 売 却 損	68	49	18
Transfer to provision for contingent losses	偶 発 損 失 引 当 金 繰 入 額	75	188	(113)
Reversal of allowance for loan losses	貸 倒 引 当 金 戻 入 益	-	(1,284)	1,284
Recoveries of written-off claims	償 却 債 権 取 立 益	2,431	113	2,318
Other	そ の 他	481	(125)	606
Gains/losses related to stocks, etc.	株 式 等 関 係 損 益	9,769	2,507	7,261
Other non-recurrent gains/losses	そ の 他 臨 時 損 益	(3,815)	(3,065)	(749)
Ordinary profit	経 常 利 益	68,938	(13,629)	82,567
Extraordinary income/losses	特 別 損 益	(2,130)	(1,092)	(1,038)
Net gain (loss) from fixed assets	固 定 資 産 処 分 損 益	(463)	90	(554)
Gain on disposal of non-current assets	固 定 資 産 処 分 益	6	(76)	83
Loss on disposal of non-current assets	固 定 資 産 処 分 損	469	(167)	637
Impairment loss	減 損 損 失	1,659	1,202	457
Loss on reduction of non-current assets	固 定 資 産 圧 縮 損	7	(19)	26
Income before income taxes	税 引 前 当 期 純 利 益	66,808	(14,721)	81,529
Income taxes-current	法 人 税、住 民 税 及 び 事 業 税	19,827	(3,173)	23,001
Income taxes-deferred	法 人 税 等 調 整 額	(3,886)	(3,781)	(105)
Total income taxes	法 人 税 等 合 計	15,940	(6,954)	22,895
Net Income	当 期 純 利 益	50,867	(7,766)	58,633
Credit related costs ( + )	与 信 関 係 費 用 ( + )	9,552	5,029	4,522

(Note) 1. Core net business income =Net business income+ net transfer to general allowance for loan losses - gains/losses on bond

2. Credit related costs =Net transfer to general allowance for loan losses+ Disposal of non-performing loans

(注) 1. コア業務純益 = 業務純益 + 一般貸倒引当金繰入額 - 国債等債券損益

2. 与信関係費用 = 一般貸倒引当金繰入額 + 不良債権処理額



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

(Millions of yen)

	(Japanese)	FY2016		FY2015
		(A)	(A)-(B)	(B)
Gross business profit	業 務 粗 利 益	105,250	(6,260)	111,510
(Excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻))	99,412	(4,462)	103,875
Gross domestic business profit	国 内 業 務 粗 利 益	99,885	(3,663)	103,548
(Excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻))	93,685	(3,351)	97,036
Net interest income	資 金 利 益	80,329	(3,411)	83,740
Net fees and commissions	役 務 取 引 等 利 益	14,154	(1,299)	15,453
Net trading income	特 定 取 引 等 利 益	450	(323)	773
Net other business income	そ の 他 業 務 利 益	4,950	1,370	3,579
(Of which, gains/losses on bond transactions)	(うち国債等債券損益(5勘定戻))	6,199	(311)	6,511
Gross international business profit	国 際 業 務 粗 利 益	5,365	(2,596)	7,962
(Excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻))	5,727	(1,111)	6,838
Net interest income	資 金 利 益	4,868	(1,237)	6,106
Net fees and commissions	役 務 取 引 等 利 益	207	172	34
Net trading income	特 定 取 引 等 利 益	(1)	4	(5)
Net other business income	そ の 他 業 務 利 益	290	(1,536)	1,827
(Of which, gains/losses on bond transactions)	(うち国債等債券損益(5勘定戻))	(362)	(1,485)	1,123
Expenses (excluding non-recurrent expense)	経 費 ( 除 く 臨 時 処 理 分 )	68,522	274	68,248
Personnel expenses	人 件 費	34,716	(214)	34,931
Non-personnel expenses	物 件 費	29,550	(35)	29,585
Taxes	税 金	4,255	524	3,731
Net business income (before net transfer to general allowance for loan losses)	業 務 純 益 ( 一 般 貸 引 繰 入 前 )	36,727	(6,534)	43,262
(excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻))	30,889	(4,737)	35,627
Net transfer to general allowance for loan losses	一 般 貸 倒 引 当 金 繰 入 額	(664)	20	(685)
Net business income	業 務 純 益	37,392	(6,555)	43,947
(Of which, gains/losses on bond transactions)	(うち国債等債券損益(5勘定戻))	5,837	(1,797)	7,634
Net non-recurrent gains/losses	臨 時 損 益	(1,728)	(498)	(1,230)
Disposal of non-performing loans	不 良 債 権 処 理 額	5,431	(40)	5,472
Write-off of loans	貸 出 金 償 却	2,360	(899)	3,259
Transfer to specific allowance for loan losses	個 別 貸 倒 引 当 金 繰 入 額	4,475	989	3,486
Losses on sales of loans	貸 出 金 売 却 損	68	57	10
Transfer to provision for contingent losses	偶 発 損 失 引 当 金 繰 入 額	29	110	(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	1,982	173	1,809
Other	そ の 他	481	(125)	606
Gains/losses related to stocks, etc.	株 式 等 関 係 損 益	7,591	2,849	4,742
Other non-recurrent gains/losses	そ の 他 臨 時 損 益	(3,888)	(3,387)	(501)
Ordinary profit	経 常 利 益	35,663	(7,053)	42,717
Extraordinary income/losses	特 別 損 益	(815)	(161)	(654)
Net gain (loss) from fixed assets	固 定 資 産 処 分 損 益	(256)	188	(445)
Gain on disposal of non-current assets	固 定 資 産 処 分 益	6	(76)	83
Loss on disposal of non-current assets	固 定 資 産 処 分 損	263	(265)	528
Impairment loss	減 損 損 失	559	350	208
Loss on reduction of non-current assets	固 定 資 産 圧 縮 損	-	-	-
Income before income taxes	税 引 前 当 期 純 利 益	34,847	(7,215)	42,062
Income taxes-current	法 人 税、住 民 税 及 び 事 業 税	10,477	(2,055)	12,532
Income taxes-deferred	法 人 税 等 調 整 額	(84)	(1,840)	1,755
Total income taxes	法 人 税 等 合 計	10,392	(3,895)	14,288
Net Income	当 期 純 利 益	24,454	(3,319)	27,774
Credit related costs ( + )	与 信 関 係 費 用 ( + )	4,767	(19)	4,786

(Note) 1. Core net business income =Net business income+ net transfer to general allowance for loan losses - gains/losses on bond

2. Credit related costs =Net transfer to general allowance for loan losses+ Disposal of non-performing loans

(注) 1. コア業務純益 = 業務純益 + 一般貸倒引当金繰入額 - 国債等債券損益

2. 与信関係費用 = 一般貸倒引当金繰入額 + 不良債権処理額

[The Ashikaga Bank, Ltd. (Non-consolidated basis)]

(Millions of yen)

	(Japanese)	FY2016		FY2015
		(A)	(A)-(B)	(B)
Gross business profit	業 務 粗 利 益	82,300	(2,070)	84,370
(Excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻)	82,532	(979)	83,511
Gross domestic business profit	国 内 業 務 粗 利 益	79,440	(2,653)	82,093
(Excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻)	79,672	(1,562)	81,234
Net interest income	資 金 利 益	66,214	(72)	66,287
Net fees and commissions	役 務 取 引 等 利 益	13,263	(1,619)	14,883
Net trading income	特 定 取 引 等 利 益	-	-	-
Net other business income	そ の 他 業 務 利 益	(38)	(960)	922
(Of which, gains/losses on bond transactions)	(うち国債等債券損益(5勘定戻)	(232)	(1,091)	859
Gross international business profit	国 際 業 務 粗 利 益	2,859	582	2,277
(Excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻)	2,859	582	2,277
Net interest income	資 金 利 益	2,082	246	1,836
Net fees and commissions	役 務 取 引 等 利 益	29	(26)	55
Net trading income	特 定 取 引 等 利 益	-	-	-
Net other business income	そ の 他 業 務 利 益	748	362	385
(Of which, gains/losses on bond transactions)	(うち国債等債券損益(5勘定戻)	-	-	-
Expenses (excluding non-recurrent expense)	経 費 ( 除 く 臨 時 処 理 分 )	46,491	(563)	47,055
Personnel expenses	人 件 費	25,709	313	25,396
Non-personnel expenses	物 件 費	17,545	(1,309)	18,854
Taxes	税 金	3,236	432	2,804
Net business income (before net transfer to general allowance for loan losses) (excluding gains/losses on bond transactions)	業 務 純 益 ( 一 般 貸 引 繰 入 前 ) (除く国債等債券損益(5勘定戻))	35,808	(1,506)	37,315
Net transfer to general allowance for loan losses	一 般 貸 倒 引 当 金 繰 入 額	199	199	-
Net business income (Of which, gains/losses on bond transactions)	業 務 純 益 (うち国債等債券損益(5勘定戻)	35,609	(1,705)	37,315
Net non-recurrent gains/losses	臨 時 損 益	(2,334)	(4,869)	2,535
Disposal of non-performing loans	不 良 債 権 処 理 額	4,586	4,850	(264)
Write-off of loans	貸 出 金 償 却	743	(808)	1,552
Transfer to specific allowance for loan losses	個 別 貸 倒 引 当 金 繰 入 額	4,245	4,245	-
Losses on sales of loans	貸 出 金 売 却 損	0	(7)	7
Transfer to provision for contingent losses	偶 発 損 失 引 当 金 繰 入 額	45	77	(31)
Reversal of allowance for loan losses	貸 倒 引 当 金 戻 入 益	-	(1,284)	1,284
Recoveries of written-off claims	償 却 債 権 取 立 益	448	(60)	508
Other	そ の 他	-	-	-
Gains/losses related to stocks, etc.	株 式 等 関 係 損 益	2,177	(341)	2,519
Other non-recurrent gains/losses	そ の 他 臨 時 損 益	73	321	(248)
Ordinary profit	経 常 利 益	33,274	(6,575)	39,850
Extraordinary income/losses	特 別 損 益	(1,314)	(930)	(383)
Net gain (loss) from fixed assets	固 定 資 産 処 分 損 益	(206)	(97)	(108)
Gain on disposal of non-current assets	固 定 資 産 処 分 益	0	0	-
Loss on disposal of non-current assets	固 定 資 産 処 分 損	206	97	108
Impairment loss	減 損 損 失	1,100	852	248
Loss on reduction of non-current assets	固 定 資 産 圧 縮 損	7	(19)	26
Income before income taxes	税 引 前 当 期 純 利 益	31,960	(7,506)	39,466
Income taxes-current	法 人 税、住 民 税 及 び 事 業 税	9,350	(1,118)	10,468
Income taxes-deferred	法 人 税 等 調 整 額	(3,802)	(1,941)	(1,861)
Total income taxes	法 人 税 等 合 計	5,547	(3,059)	8,607
Net Income	当 期 純 利 益	26,412	(4,446)	30,859
Credit related costs ( + )	与 信 関 係 費 用 ( + )	4,785	5,049	(264)

(Note) 1. Core net business income = Net business income + net transfer to general allowance for loan losses - gains/losses on bond

2. Credit related costs = Net transfer to general allowance for loan losses + Disposal of non-performing loans

(注) 1. コア業務純益 = 業務純益 + 一般貸倒引当金繰入額 - 国債等債券損益

2. 与信関係費用 = 一般貸倒引当金繰入額 + 不良債権処理額

## 2. Net Business Income

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

(Millions of yen)

	(Japanese)	FY 2016		FY 2015
		(A)	(A)-(B)	(A)
Net business income (before transfer to general allowance for loan losses)	業 務 純 益 (一般貸引繰入前)	72,536	(8,041)	80,577
Per head (in thousands of yen)	職員一人当たり(千円)	11,541	(1,261)	12,802
Net business income	業 務 純 益	73,001	(8,260)	81,262
Per head (in thousands of yen)	職員一人当たり(千円)	11,615	(1,295)	12,911

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

(Millions of yen)

	(Japanese)	FY 2016		FY 2015
		(A)	(A)-(B)	(A)
Net business income (before transfer to general allowance for loan losses)	業 務 純 益 (一般貸引繰入前)	36,727	(6,534)	43,262
Per head (in thousands of yen)	職員一人当たり(千円)	10,795	(1,913)	12,709
Net business income	業 務 純 益	37,392	(6,555)	43,947
Per head (in thousands of yen)	職員一人当たり(千円)	10,991	(1,919)	12,910

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

(Millions of yen)

	(Japanese)	FY 2016		FY 2015
		(A)	(A)-(B)	(A)
Net business income (before transfer to general allowance for loan losses)	業 務 純 益 (一般貸引繰入前)	35,808	(1,506)	37,315
Per head (in thousands of yen)	職員一人当たり(千円)	12,420	(491)	12,911
Net business income	業 務 純 益	35,609	(1,705)	37,315
Per head (in thousands of yen)	職員一人当たり(千円)	12,351	(560)	12,911

(Note) Per head' is calculated by the average number of people excluding temporary workers, etc.

(注)職員数は、臨時雇員、嘱託及び出向職員を除いた平均人員を使用しております。

## 3. Interest Rate Spread

(%)

	(Japanese)	Total			The Joyo Bank			The Ashikaga Bank		
		FY2016	FY	FY	FY2016	FY	FY	FY2016	FY	FY
		(A)	(A)-(B)	2015 (B)	(A)	(A)-(B)	2015 (B)	(A)	(A)-(B)	2015 (B)
Average yield on interest earning assets	資金運用利回	1.12	(0.04)	1.16	1.06	(0.05)	1.11	1.20	(0.02)	1.22
Average yield on loans and bills discounted	貸出金利回	1.12	(0.08)	1.20	1.06	(0.08)	1.14	1.20	(0.08)	1.28
Average yield on securities	有価証券利回	1.27	0.03	1.24	1.13	0.00	1.13	1.52	0.05	1.47
Average yield on interest bearing liabilities	資金調達原価	0.84	(0.04)	0.88	0.86	(0.03)	0.89	0.82	(0.06)	0.88
Average yield on deposits and negotiable certificates of deposit	預金等利回	0.02	(0.01)	0.03	0.02	(0.01)	0.03	0.02	(0.02)	0.04
Average yield on call money and borrowed	外部負債利回	0.15	(0.02)	0.17	0.22	0.01	0.21	0.05	(0.04)	0.09
Average interest rate spread ( - )	総資金利鞘	0.28	0.00	0.28	0.20	(0.02)	0.22	0.38	0.04	0.34

(Reference) Domestic operation

(%)

	(Japanese)	Total			The Joyo Bank			The Ashikaga Bank		
		FY2016	FY	FY	FY2016	FY	FY	FY2016	FY	FY
		(A)	(A)-(B)	2015 (B)	(A)	(A)-(B)	2015 (B)	(A)	(A)-(B)	2015 (B)
Average yield on interest earning assets	資金運用利回	1.05	(0.06)	1.11	0.99	(0.07)	1.06	1.14	(0.04)	1.18
Average yield on loans and bills discounted	貸出金利回	1.12	(0.08)	1.20	1.06	(0.08)	1.14	1.20	(0.08)	1.28
Average yield on securities	有価証券利回	1.13	(0.03)	1.16	0.96	(0.05)	1.01	1.43	(0.04)	1.47
Average yield on interest bearing liabilities	資金調達原価	0.80	(0.07)	0.87	0.82	(0.05)	0.87	0.78	(0.08)	0.86
Average yield on deposits and negotiable certificates of deposit	預金等利回	0.01	(0.02)	0.03	0.00	(0.02)	0.02	0.02	(0.02)	0.04
Average yield on call money and borrowed	外部負債利回	(0.00)	(0.09)	0.09	(0.00)	(0.10)	0.10	0.00	(0.09)	0.09
Average interest rate spread ( - )	総資金利鞘	0.25	0.01	0.24	0.17	(0.02)	0.19	0.36	0.04	0.32

#### 4. Return on Equity

(%)

	(Japanese)	Total			The Joyo Bank			The Ashikaga Bank		
		FY2016			FY2016			FY2016		
		(A)	(A)-(B)	FY 2015 (B)	(A)	(A)-(B)	FY 2015 (B)	(A)	(A)-(B)	FY 2015 (B)
Net business income (before net transfer to general allowance for loan losses)	業 務 純 益 (一般貸引繰入前)	7.60			6.25	(1.15)	7.40	11.35	(0.99)	12.34
Net business income basis	業 務 純 益 ベース	7.45			6.36	(1.16)	7.52	11.28	(1.06)	12.34
Net income basis	当 期 純 利 益 ベース	21.80			4.16	(0.59)	4.75	8.37	(1.83)	10.20

(Note) 1. ROE on net income basis is calculated based on net income attributable to owners of the parent.

2. A denominator (Net average assets) is calculated as follows: (Net assets excluding equity warrants at the beginning of the period + Net assets at the end of the period excluding equity warrants)/2.

3. 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. めぶきフィナンシャルグループ(連結)の当期純利益ベースは、親会社株主に帰属する当期純利益により算出しております。

2. 分母の自己資本平均残高は、[(期首純資産の部 - 新株予約権) + (期末純資産の部 - 新株予約権)] ÷ 2としております。

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27年度の計数は記載しておりません。

#### 5. Gains and Losses on Securities

##### (1) Gains (losses) on bonds (Government bonds, etc.)

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

(Millions of yen)

	(Japanese)	FY 2016		FY 2015 (A)
		(A)	(A)-(B)	
Gains (losses) on bonds (Government bonds, etc.)	国債等債券損益	5,605	(2,888)	8,493
Gains on sales	売却益	11,829	2,557	9,271
Gains on redemption	償還益	84	(55)	139
Losses on sales	売却損	5,996	5,115	881
Losses on redemption	償還損	310	310	-
Write-offs	償却	-	(36)	36

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

	(Japanese)	FY 2016		FY 2015 (A)
		(A)	(A)-(B)	
Gains (losses) on bonds (Government bonds, etc.)	国債等債券損益	5,837	(1,797)	7,634
Gains on sales	売却益	11,034	2,658	8,376
Gains on redemption	償還益	48	(91)	139
Losses on sales	売却損	5,244	4,363	881
Losses on redemption	償還損	-	-	-
Write-offs	償却	-	-	-

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

	(Japanese)	FY 2016		FY 2015 (A)
		(A)	(A)-(B)	
Gains (losses) on bonds (Government bonds, etc.)	国債等債券損益	(232)	(1,091)	859
Gains on sales	売却益	794	(100)	895
Gains on redemption	償還益	36	36	-
Losses on sales	売却損	751	751	0
Losses on redemption	償還損	310	310	-
Write-offs	償却	-	(36)	36

##### (2) Gains (losses) on stocks, etc.

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

(Millions of yen)

	(Japanese)	FY 2016		FY 2015 (A)
		(A)	(A)-(B)	
Gains/losses related to stocks, etc.	株式等関係損益	9,769	2,507	7,261
Gains on sales	売却益	12,682	3,702	8,980
Losses on sales	売却損	2,853	1,161	1,691
Write-offs	償却	59	33	26

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

	(Japanese)	FY 2016		FY 2015 (A)
		(A)	(A)-(B)	
Gains/losses related to stocks, etc.	株式等関係損益	7,591	2,849	4,742
Gains on sales	売却益	9,565	4,093	5,471
Losses on sales	売却損	1,929	1,218	711
Write-offs	償却	43	26	17

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

	(Japanese)	FY 2016		FY 2015 (A)
		(A)	(A)-(B)	
Gains/losses related to stocks, etc.	株式等関係損益	2,177	(341)	2,519
Gains on sales	売却益	3,117	(391)	3,508
Losses on sales	売却損	923	(57)	980
Write-offs	償却	16	7	8

6. Valuation Gains (Losses) on Securities

(1) Valuation Standards of Securities

Trading purpose securities	売買目的有価証券	Market value method (Valuation differences are recognized as gains or losses and stated in statement of income) 時価法(評価差額を損益処理)
Securities held-to-maturity	満期保有目的債券	Amortized cost method 償却原価法
Other securities (available-for-sale securities)	その他の有価証券	Market value method (Valuation differences are stated in net assets of balance sheet) 時価法(評価差額は全部純資産直入)
Stocks of subsidiaries and affiliated companies	子会社及び関連会社株式	Cost accounting method 原価法

(2) Unrealized Valuation Gains (Losses)

[Mebuki Financial Group, Inc. (Consolidated basis)]

(Millions of yen)

		As of Mar.31, 2017				As of Mar.31, 2016			
		Carrying Amount	Unrealized valuation gains (losses)			Carrying Amount	Unrealized valuation gains (losses)		
			(A)	(A-B)	Valuation gains		Valuation losses	(B)	Valuation gains
Held-to-maturity	満期保有目的	139,385	(680)		488	1,169			
	Bonds 債券	139,385	(680)		488	1,169			
	Others その他	-	-		-	-			
Available-for-sale	その他の有価証券	4,039,818	182,816		216,101	33,284			
	Stocks 株式	306,697	147,147		147,566	418			
	Bonds 債券	2,306,681	23,243		27,636	4,393			
	Others その他	1,426,439	12,425		40,898	28,472			
Total	合計	4,179,203	182,135		216,590	34,454			
	Stocks 株式	306,697	147,147		147,566	418			
	Bonds 債券	2,446,067	22,562		28,125	5,563			
	Others その他	1,426,439	12,425		40,898	28,472			

(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 March 31, 2016 are not shown.

(注) 1. 「その他の有価証券」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)

		As of Mar.31, 2017				As of Mar.31, 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	123,959	12,476	(1,832)	12,512	35	121,509	14,309	14,321	12
	Bonds 債券	123,959	12,476	(1,773)	12,512	35	107,509	14,250	14,262	12
	Others その他	-	-	(58)	-	-	14,000	58	58	-
Available-for-sale	その他の有価証券	4,039,660	237,303	(26,853)	264,194	26,891	3,902,900	264,156	274,698	10,541
	Stocks 株式	306,539	170,801	26,902	171,216	414	286,922	143,898	145,502	1,603
	Bonds 債券	2,306,681	45,644	(29,694)	46,823	1,179	2,449,036	75,338	75,798	459
	Others その他	1,426,439	20,857	(24,061)	46,154	25,297	1,166,941	44,919	53,397	8,478
Total	合計	4,163,620	249,780	(28,685)	276,707	26,926	4,024,410	278,465	289,020	10,554
	Stocks 株式	306,539	170,801	26,902	171,216	414	286,922	143,898	145,502	1,603
	Bonds 債券	2,430,640	58,121	(31,467)	59,336	1,214	2,556,546	89,588	90,061	472
	Others その他	1,426,439	20,857	(24,120)	46,154	25,297	1,180,941	44,978	53,456	8,478

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

(Millions of yen)

		As of Mar.31, 2017				As of Mar.31, 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	48,130	444	(24)	461	17	32,721	468	481	12
	Bonds 債券	48,130	444	(24)	461	17	32,721	468	481	12
	Others その他	-	-	-	-	-	-	-	-	-
Available-for-sale	その他の有価証券	2,732,072	186,017	(6,506)	200,875	14,858	2,697,557	192,523	199,074	6,550
	Stocks 株式	257,254	138,827	24,367	139,242	414	239,773	114,460	115,987	1,526
	Bonds 債券	1,682,972	26,081	(18,282)	27,113	1,031	1,714,437	44,363	44,514	150
	Others その他	791,845	21,108	(12,591)	34,520	13,412	743,347	33,699	38,572	4,872
Total	合計	2,780,202	186,461	(6,531)	201,337	14,876	2,730,278	192,992	199,555	6,563
	Stocks 株式	257,254	138,827	24,367	139,242	414	239,773	114,460	115,987	1,526
	Bonds 債券	1,731,102	26,525	(18,307)	27,574	1,049	1,747,158	44,832	44,996	163
	Others その他	791,845	21,108	(12,591)	34,520	13,412	743,347	33,699	38,572	4,872

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

(Millions of yen)

		As of Mar.31, 2017				As of Mar.31, 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	75,829	12,032	(1,807)	12,050	18	88,788	13,840	13,840	-
	Bonds 債券	75,829	12,032	(1,748)	12,050	18	74,788	13,781	13,781	-
	Others その他	-	-	(58)	-	-	14,000	58	58	-
Available-for-sale	その他の有価証券	1,307,587	51,286	(20,346)	63,318	12,032	1,205,343	71,633	75,624	3,991
	Stocks 株式	49,285	31,974	2,535	31,974	-	47,149	29,438	29,515	76
	Bonds 債券	623,708	19,563	(11,411)	19,710	147	734,599	30,974	31,283	308
	Others その他	634,593	(250)	(11,470)	11,633	11,884	423,594	11,219	14,825	3,605
Total	合計	1,383,417	63,319	(22,154)	75,369	12,050	1,294,131	85,473	89,464	3,991
	Stocks 株式	49,285	31,974	2,535	31,974	-	47,149	29,438	29,515	76
	Bonds 債券	699,538	31,595	(13,160)	31,761	165	809,387	44,756	45,064	308
	Others その他	634,593	(250)	(11,529)	11,633	11,884	437,594	11,278	14,883	3,605

## 7. Capital Adequacy Ratio (Domestic standard)

[Mebuki Financial Group, Inc. (Consolidated basis)]

(Millions of yen)

(Domestic standard)		As of Mar.31,2017 (A)			As of Sep.30, 2016 (B)	As of Mar.31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Capital adequacy ratio /	自己資本比率	10.62%				
Basic Core capital	コア資本に係る基礎項目の額	811,364				
Adjustment Core capital	コア資本に係る調整項目の額	22,362				
Capital -	自己資本の額	789,002				
Total risk weighted assets	リスク・アセット等の額	7,422,804				
Total required capital ×4%	総所要自己資本額	296,912				

(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。

[The Joyo Bank, Ltd. (Consolidated basis)]

(Millions of yen)

(Domestic standard)		As of Mar.31,2017 (A)			As of Sep.30, 2016 (B)	As of Mar.31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Capital adequacy ratio /	自己資本比率	11.86%	(0.69%)	(0.14%)	12.55%	12.00%
Basic Core capital	コア資本に係る基礎項目の額	473,427	(5,865)	6,800	479,293	466,627
Adjustment Core capital	コア資本に係る調整項目の額	15,893	1,547	776	14,345	15,116
Capital -	自己資本の額	457,534	(7,413)	6,023	464,948	451,510
Total risk weighted assets	リスク・アセット等の額	3,855,804	151,461	95,325	3,704,343	3,760,479
Total required capital ×4%	総所要自己資本額	154,232	6,058	3,813	148,173	150,419

[The Joyo Bank, Ltd. (Non-consolidated basis)]

Capital Adequacy Ratio	自己資本比率	11.23%	(0.76%)	(0.28%)	11.99%	11.51%
Capital	自己資本の額	429,252	(10,799)	690	440,051	428,561
Total risk weighted assets	リスク・アセット等の額	3,821,916	154,079	99,858	3,667,836	3,722,057

[The Ashikaga Bank, Ltd.(Consolidated basis)]

(Millions of yen)

(Domestic standard)		As of Mar.31,2017 (A)			As of Sep.30, 2016 (B)	As of Mar.31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Capital adequacy ratio /	自己資本比率	9.17%	(0.16%)	0.16%	9.33%	9.01%
Basic Core capital	コア資本に係る基礎項目の額	305,300	10,414	26,822	294,886	278,478
Adjustment Core capital	コア資本に係る調整項目の額	6,219	2,186	2,538	4,033	3,681
Capital -	自己資本の額	299,080	8,227	24,283	290,853	274,797
Total risk weighted assets	リスク・アセット等の額	3,259,270	145,127	210,449	3,114,143	3,048,820
Total required capital ×4%	総所要自己資本額	130,370	5,805	8,417	124,565	121,952

[The Ashikaga Bank, Ltd. (Non-consolidated basis)]

Capital Adequacy Ratio	自己資本比率	8.75%	(0.18%)	0.08%	8.93%	8.67%
Capital	自己資本の額	286,546	6,697	20,460	279,848	266,086
Total risk weighted assets	リスク・アセット等の額	3,273,907	141,714	206,476	3,132,193	3,067,431

(Note) ·Mebuki Financial Group, Inc. and The Joyo Bank, Ltd. calculated each risk-weighted assets according to the foundation internal rating-based approach, whereas The Ashikaga Bank, Ltd used Standardized Approach.

·Mebuki Financial Group, Inc., The Joyo Bank, Ltd. and the Ashikaga Bank, Ltd. calculated each operational risk equivalent according to TSA (the standardized approach).

·Other information on capital including the composition of capital disclosure is disclosed at the website of Mebuki Financial Group, Inc ([http://www.mebuki-fg.co.jp/shareholder/ir\\_library/results/](http://www.mebuki-fg.co.jp/shareholder/ir_library/results/)).

- (注) 1. めぶきフィナンシャルグループおよび常陽銀行は信用リスクアセットの算出において、基礎的内部格付手法を採用しております。足利銀行は標準的手法により算出しております。
2. めぶきフィナンシャルグループ、常陽銀行および足利銀行はオペレーショナル・リスク相当額の算出において、粗利益配分法を採用しております。
3. 自己資本の構成に関する事項につきましては、インターネット上の当社ホームページ([http://www.mebuki-fg.co.jp/shareholder/ir\\_library/results/](http://www.mebuki-fg.co.jp/shareholder/ir_library/results/))に掲載しております。

## Status of Loans

### 1. Risk-monitored Loans

The Joyo Bank, Ltd. and The Ashikaga Bank, Ltd. apply partial direct write-off method.

The Loans to borrowers classified less than potentially bankrupt under self-assessment guideline recognized non-accrued income.

部分直接償却:実施しております。

未収利息不計上基準:自己査定の結果、破綻懸念先以下に区分した債務者に対する未収利息は、全額を不計上としております。

[Mebuki Financial Group, Inc. (Consolidated basis)]

#### (1) The amount of Risk-monitored loans

(Millions of yen)

	(Japanese)	As of Mar 31, 2017			As of Sep 30, 2016 (B)	As of Mar 31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Loans to bankrupt borrowers	破綻先債権額	2,757				
Non-accrual delinquent loans	延滞債権額	151,089				
Loans past due 3 month or more	3ヶ月以上延滞債権額	805				
Restructured loans	貸出条件緩和債権額	36,280				
Total risk-monitored loans	合 計	190,932				
Amount of partial direct write-off executed	部分直接償却実施額	23,351				
Total loans (Term-end balance)	貸出金残高(未残)	10,244,730				

#### (2) Ratio of Risk-monitored loans to total loans

(%)

	(Japanese)	As of Mar 31, 2017			As of Sep 30, 2016 (B)	As of Mar 31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Loans to bankrupt borrowers	破綻先債権額	0.02				
Non-accrual delinquent loans	延滞債権額	1.47				
Loans past due 3 month or more	3ヶ月以上延滞債権額	0.00				
Restructured loans	貸出条件緩和債権額	0.35				
Total risk-monitored loans	合 計	1.86				

(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いません。

[The Joyo Bank, Ltd. (Non-consolidated basis)]

#### (1) The amount of Risk-monitored loans

(Millions of yen)

	(Japanese)	As of Mar 31, 2017			As of Sep 30, 2016 (B)	As of Mar 31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Loans to bankrupt borrowers	破綻先債権額	1,304	(31)	90	1,335	1,213
Non-accrual delinquent loans	延滞債権額	74,912	(1,591)	(4,183)	76,504	79,095
Loans past due 3 month or more	3ヶ月以上延滞債権額	805	(848)	84	1,653	720
Restructured loans	貸出条件緩和債権額	20,525	(3,890)	(4,871)	24,415	25,397
Total risk-monitored loans	合 計	97,547	(6,361)	(8,879)	103,908	106,426
Amount of partial direct write-off executed	部分直接償却実施額	12,185	(1,541)	(1,768)	13,727	13,954
Total loans (Term-end balance)	貸出金残高(未残)	5,967,030	39,094	54,322	5,927,935	5,912,707

#### (2) Ratio of Risk-monitored loans to total loans

(%)

	(Japanese)	As of Mar 31, 2017			As of Sep 30, 2016 (B)	As of Mar 31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Loans to bankrupt borrowers	破綻先債権額	0.02	0.00	0.00	0.02	0.02
Non-accrual delinquent loans	延滞債権額	1.25	(0.04)	(0.08)	1.29	1.33
Loans past due 3 month or more	3ヶ月以上延滞債権額	0.01	(0.01)	0.00	0.02	0.01
Restructured loans	貸出条件緩和債権額	0.34	(0.07)	(0.08)	0.41	0.42
Total risk-monitored loans	合 計	1.63	(0.12)	(0.16)	1.75	1.79

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

#### (1) The amount of Risk-monitored loans

(Millions of yen)

	(Japanese)	As of Mar 31, 2017			As of Sep 30, 2016 (B)	As of Mar 31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Loans to bankrupt borrowers	破綻先債権額	1,329	(813)	(287)	2,143	1,616
Non-accrual delinquent loans	延滞債権額	75,026	6,041	5,815	68,984	69,210
Loans past due 3 month or more	3ヶ月以上延滞債権額	-	-	-	-	-
Restructured loans	貸出条件緩和債権額	15,753	(1,414)	(4,587)	17,168	20,340
Total risk-monitored loans	合 計	92,108	3,812	940	88,295	91,168
Amount of partial direct write-off executed	部分直接償却実施額	8,356	(1,065)	(1,192)	9,421	9,548
Total loans (Term-end balance)	貸出金残高(未残)	4,348,447	87,773	74,010	4,260,674	4,274,437

#### (2) Ratio of Risk-monitored loans to total loans

(%)

	(Japanese)	As of Mar 31, 2017			As of Sep 30, 2016 (B)	As of Mar 31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Loans to bankrupt borrowers	破綻先債権額	0.03	(0.02)	0.00	0.05	0.03
Non-accrual delinquent loans	延滞債権額	1.72	0.11	0.11	1.61	1.61
Loans past due 3 month or more	3ヶ月以上延滞債権額	-	-	-	-	-
Restructured loans	貸出条件緩和債権額	0.36	(0.04)	(0.11)	0.40	0.47
Total risk-monitored loans	合 計	2.11	0.04	(0.02)	2.07	2.13

## 2. Allowance for Loan Losses

[Mebuki Financial Group, Inc. (Consolidated basis)]

(Millions of yen)

	(Japanese)	As of Mar 31, 2017			As of Sep 30, 2016 (B)	As of Mar 31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Allowance for loan losses	貸倒引当金	78,840				
General allowance for loan losses	一般貸倒引当金	37,919				
Specific allowance for loan losses	個別貸倒引当金	40,921				
Allowance for specific foreign debtors	特定海外債権引当勘定	-				

(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ありません。

[The Joyo Bank, Ltd. (Non-consolidated basis)]

(Millions of yen)

	(Japanese)	As of Mar 31, 2017			As of Sep 30, 2016 (B)	As of Mar 31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Allowance for loan losses	貸倒引当金合計	34,416	342	(1,299)	34,074	35,715
General allowance for loan losses	一般貸倒引当金	13,285	325	(664)	12,960	13,950
Specific allowance for loan losses	個別貸倒引当金	21,130	16	(634)	21,114	21,765
Allowance for specific foreign debtors	特定海外債権引当勘定	-	-	-	-	-

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

(Millions of yen)

	(Japanese)	As of Mar 31, 2017			As of Sep 30, 2016 (B)	As of Mar 31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Allowance for loan losses	貸倒引当金合計	34,746	1,912	1,417	32,834	33,328
General allowance for loan losses	一般貸倒引当金	18,193	1,438	199	16,755	17,994
Specific allowance for loan losses	個別貸倒引当金	16,553	474	1,218	16,079	15,334
Allowance for specific foreign debtors	特定海外債権引当勘定	-	-	-	-	-

## 3. Ratio to Reserve for Total Risk-monitored Loans

[Mebuki Financial Group, Inc. (Consolidated basis)]

(%)

	(Japanese)	As of Mar 31, 2017			As of Sep 30, 2016 (B)	As of Mar 31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Before partial direct write-off	部分直接償却前	47.76				
After partial direct write-off	部分直接償却後	41.29				

(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ありません。

[The Joyo Bank, Ltd. (Non-consolidated basis)]

(%)

	(Japanese)	As of Mar 31, 2017			As of Sep 30, 2016 (B)	As of Mar 31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Before partial direct write-off	部分直接償却前	42.35	1.79	1.14	40.56	41.21
After partial direct write-off	部分直接償却後	35.28	2.49	1.73	32.79	33.55

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

(%)

	(Japanese)	As of Mar 31, 2017			As of Sep 30, 2016 (B)	As of Mar 31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Before partial direct write-off	部分直接償却前	43.15	(0.36)	0.31	43.51	42.84
After partial direct write-off	部分直接償却後	37.70	0.54	1.18	37.16	36.52



#### 4. Disclosed Claims under the Financial Revitalization Law

[Mebuki Financial Group, Inc. (Consolidated basis)]

(Millions of yen)

	(Japanese)	As of Mar 31, 2017			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	15,900				
Doubtful claims	危険債権	139,117				
Claims requiring monitoring	要管理債権	37,085				
Subtotal	小計	192,103				
Normal claims	正常債権	10,204,956				
Total	合計	10,397,060				
Ratio of disclosed claims under the Financial Revitalization Law	貸出金等残高に占める比率 /	1.84%				

(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いません。

[The Jojo Bank, Ltd. (Non-consolidated basis)]

(Millions of yen)

	(Japanese)	As of Mar 31, 2017			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	7,079	(10)	1,047	7,089	6,032
Doubtful claims	危険債権	69,794	(1,554)	(5,094)	71,349	74,889
Claims requiring monitoring	要管理債権	21,331	(4,738)	(4,787)	26,069	26,118
Subtotal	小計	98,205	(6,303)	(8,834)	104,508	107,040
Normal claims	正常債権	5,964,013	89,019	111,557	5,874,993	5,852,455
Total	合計	6,062,218	82,716	102,722	5,979,501	5,959,495
Ratio of disclosed claims under the Financial Revitalization Law	貸出金等残高に占める比率 /	1.61%	(0.13%)	(0.18%)	1.74%	1.79%

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

(Millions of yen)

	(Japanese)	As of Mar 31, 2017			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	7,537	1,451	2,561	6,085	4,975
Doubtful claims	危険債権	69,196	3,705	3,043	65,491	66,152
Claims requiring monitoring	要管理債権	15,753	(1,414)	(4,587)	17,168	20,340
Subtotal	小計	92,487	3,742	1,017	88,744	91,469
Normal claims	正常債権	4,343,392	85,987	81,238	4,257,404	4,262,153
Total	合計	4,435,879	89,729	82,256	4,346,149	4,353,623
Ratio of disclosed claims under the Financial Revitalization Law	貸出金等残高に占める比率 /	2.08%	0.04%	(0.02%)	2.04%	2.10%

5. Status of Coverage on Disclosed Claims under the Financial Revitalization Law  
 [The Joyo Bank, Ltd. (Non-consolidated basis)]

(Millions of yen)

	(Japanese)	As of Mar 31, 2017			As of Sep 30, 2016 (B)	As of Mar 31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Coverage amount	保 全 額	78,127	(3,198)	(5,428)	81,326	83,556
Portion covered by allowance	貸 倒 引 当 金	23,896	(771)	(1,695)	24,667	25,592
Reserve for specific debtors	担 保 保 証 等	54,231	(2,427)	(3,733)	56,659	57,964
Total disclosed claims under the Financial Revitalization Law	金融再生法開示債権残高	98,205	(6,303)	(8,834)	104,508	107,040
(%)						
Coverage ratio /	保 全 率 /	79.55	1.74	1.49	77.81	78.06

(Reference) Breakdown of Disclosed claims under the Financial Revitalization Law (As of Mar 31, 2017)

	(Japanese)	Bankrupt and substantially bankrupt claims	Doubtful claims	Claims requiring monitoring	Total
		破産更正債権及びこれらに準ずる債権	危険債権	要管理債権	合 計
Total claims outstanding	与 信 残 高	7,079	69,794	21,331	98,205
Collateral and guarantees	担 保 保 証 等 保 全 額	6,671	41,662	5,897	54,231
Uncoverage amount	非 保 全 額 = -	408	28,132	15,433	43,974
Allowance for loan losses	貸 倒 引 当 金	408	20,351	3,136	23,896
Coverage amount	保 全 額 = +	7,079	62,014	9,033	78,127
Allowance ratio	引 当 率 /	100.00%	72.34%	20.32%	54.34%
Coverage ratio	保 全 率 /	100.00%	88.85%	42.34%	79.55%

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

(Millions of yen)

	(Japanese)	As of Mar 31, 2017			As of Sep 30, 2016 (B)	As of Mar 31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
Coverage amount	保 全 額	69,981	1,781	745	68,199	69,236
Portion covered by allowance	貸 倒 引 当 金	19,930	598	1,039	19,332	18,891
Reserve for specific debtors	担 保 保 証 等	50,050	1,183	(293)	48,867	50,344
Total disclosed claims under the Financial Revitalization Law	金融再生法開示債権残高	92,487	3,742	1,017	88,744	91,469
(%)						
Coverage ratio /	保 全 率 /	75.66	(1.18)	(0.03)	76.84	75.69

(Reference) Breakdown of Disclosed claims under the Financial Revitalization Law (As of Mar 31, 2017)

	(Japanese)	Bankrupt and substantially bankrupt claims	Doubtful claims	Claims requiring monitoring	Total
		破産更正債権及びこれらに準ずる債権	危険債権	要管理債権	合 計
Total claims outstanding	与 信 残 高	7,537	69,196	15,753	92,487
Collateral and guarantees	担 保 保 証 等 保 全 額	4,012	41,414	4,624	50,050
Uncoverage amount	非 保 全 額 = -	3,525	27,782	11,128	42,436
Allowance for loan losses	貸 倒 引 当 金	3,525	12,972	3,433	19,930
Coverage amount	保 全 額 = +	7,537	54,386	8,057	69,981
Allowance ratio	引 当 率 /	100.00%	46.69%	30.84%	46.96%
Coverage ratio	保 全 率 /	100.00%	78.59%	51.14%	75.66%

## 6.Comparison between Self-assessment, Disclosed Claims under the Financial

### Revitalization Law and Risk-monitored Loans

[The Joyo Bank, Ltd. (Non-consolidated basis)]

(hundreds million of Yen)

Classification of Borrowers (Self-assessment)	Disclosed Claims under the Financial Revitalization Law 金融再生法に基づく開示債権	Claim-classification				Allowance 引当額	Coverage ratio 保全率	Risk-monitored Loans
		No-classification 非分類	分類	分類	分類			
自己査定 of 債務者区分								
Legally Bankrupt 破綻先 13	Bankrupt and substantially bankrupt claims 破産更生債権およびこれらに準ずる債権 70	Covered by allowance, corateral, guarantee 引当金、担保・保証等による保全部分		Entirely reserved	Entirely reserved or write-off	4	100.0%	リスク管理債権 (貸出金) Loans to bankrupt borrowers 破綻先債権 13
Substantially Bankrupt 実質破綻先 57		25	45	全額引当 -	全額償却引当 -			Non-accrual delinquent loans 延滞債権 749
Potentially Bankrupt 破綻懸念先 697	Doubtful claims 危険債権 697	Covered by allowance, corateral, guarantee 引当金、担保・保証等による保全部分				203	88.8%	
		470	149	77				
Borrowers Requiring Caution 要注意先 3,760	Borrowers Requiring Monitoring 要管理先 287	Covered by allowance, corateral, guarantee 引当金、担保・保証等による保全部分 131				38	42.3%	Loans past due 3 month or more 3ヶ月以上延滞債権 8
		22	265					Allowance of Claims requiring monitoring 要管理先に対する引当額 31
	Borrowers Requiring Caution その他の要注意先 3,472	Coverage of Claims requiring monitoring 要管理債権に対する保全額 90						
		1,088	2,384			76		
Normal Borrowers 正常先 55,656	Normal claims 正常債権 59,640					20		
		55,656						
Total 合計 60,185	Total 合計 60,622	No-classification 57,262	2,844	77	-	Total 合計 343		Total 合計 975

Amount of partial direct write-off 部分直接償却残高: 12.3 billion yen

(Note) 1. Figures have been rounded down to the nearest hundred million yen.

2. "Normal Borrowers" includes loans to local government.

3. "Self-assessment" doesn't include the privately-placed bonds guaranteed by the bank, whereas "Disclosed Claims under the Financial Revitalization Law" includes the amount.

(注1) 記載金額は、億円未満を切り捨てて表示しています。

(注2) 正常先には、地方公共団体への貸出金等を含んでおります。

(注3) 自己査定には「自行保証付私募債」を含んでおりませんが、金融再生法開示債権には「自行保証付私募債」を含んでおります。

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

(hundreds million of Yen)

Classification of Borrowers (Self-assessment)	Disclosed Claims under the Financial Revitalization Law	Claim-classification				Allowance	Coverage ratio	Risk-monitored Loans
		No-classification	分類	分類	分類			
自己査定 of 債務者区分	金融再生法に基づく開示債権	非分類	分類	分類	分類	引当額	保全率	リスク管理債権 (貸出金)
Legally Bankrupt 破綻先 13	Bankrupt and substantially bankrupt claims 破産更生債権およびこれらに準ずる債権 75	Covered by allowance, corateral, guarantee 引当金、担保・保証等による保全部分		Entirely reserved	Entirely reserved or write-off	35	100.0%	Loans to bankrupt borrowers 破綻先債権 13
Substantially Bankrupt 実質破綻先 61		46	29	全額引当 -	全額償却・引当 -			Non-accrual delinquent loans 延滞債権 750
Potentially Bankrupt 破綻懸念先 691	Doubtful claims 危険債権 691	Covered by allowance, corateral, guarantee 引当金、担保・保証等による保全部分		148		129	78.5%	
Borrowers Requiring Caution 要注意先 3,745	Borrowers Requiring Monitoring 要管理先 307	Covered by allowance, corateral, guarantee 引当金、担保・保証等による保全部分 166				74	51.1%	Loans past due 3 month or more 3ヶ月以上延滞債権 -
	Borrowers Requiring Caution その他の要注意先 3,437	62	245			Allowance of Claims requiring monitoring 要管理先に対する引当額 34		Restructured loans 貸出条件緩和債権 157
	Claims requiring monitoring 要管理債権 157	Coverage of Claims requiring monitoring 要管理債権に対する保全額 80						
	Normal claims 正常債権 43,433	946	2,491			82		
Normal Borrowers 正常先 39,119						23		
Total 合計 43,632	Total 合計 44,358	No-classification 40,498	2,984	148	-	Total 合計 346		Total 合計 921

Amount of partial direct write-off 部分直接償却残高: 8.3 billion yen

(Note) 1. Figures have been rounded down to the nearest hundred million yen.

2. "Normal Borrowers" includes loans to local government.

3. "Self-assessment" doesn't include the privately-placed bonds guaranteed by the bank, whereas "Disclosed Claims under the Financial Revitalization Law" includes the amount.

(注1) 記載金額は、億円未満を切り捨てて表示しています。

(注2) 正常先には、地方公共団体への貸出金等を含んでおります。

(注3) 自己査定には「自行保証付私募債」を含んでおりませんが、金融再生法開示債権には「自行保証付私募債」を含んでおります。

7. Loan Portfolio, etc

(1) Classification of loans by type of industry

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

(Millions of yen)

	(Japanese)	As of Mar.31,2017			As of Sep.30, 2016	As of Mar.31, 2016
		(A)	(A)-(B)	(A)-(C)	(B)	(C)
Total	合 計	10,315,478	126,868	128,332	10,188,610	10,187,145
Manufacturing	製 造 業	1,201,256	(20,493)	(25,296)	1,221,750	1,226,553
Agriculture / Forestry	農 業 、 林 業	29,231	2,154	1,629	27,077	27,601
Fishery	漁 業	4,300	308	(57)	3,991	4,357
Mining / Quarrying of stone / Gravel	鉱業、採石業、砂利採取業	14,495	373	(918)	14,122	15,414
Construction	建 設 業	324,501	13,206	2,447	311,294	322,053
Electricity, gas and water	電気・ガス・熱供給・水道業	112,667	6,103	9,030	106,564	103,637
Telecommunication	情 報 通 信 業	52,828	(2,159)	(4,374)	54,987	57,203
Transportation / Postal activities	運 輸 業 、 郵 便 業	259,316	4,508	10,147	254,808	249,168
Wholesale / Retail services	卸 売 業 、 小 売 業	1,005,960	15,780	12,261	990,179	993,698
Financial and insurance services	金 融 業 、 保 険 業	376,519	(38,027)	(70,137)	414,547	446,656
Real estate / Goods rental and leasing	不 動 産 業 、 物 品 賃 貸 業	1,687,027	70,994	119,966	1,616,033	1,567,060
Medical welfare and other services	医 療 ・ 福 祉 等 サ ー ビ ス 業	702,139	15,097	4,869	687,042	697,269
Government / Local government	国 ・ 地 方 公 共 団 体	1,226,013	(38,022)	(113,589)	1,264,036	1,339,603
Others	そ の 他	3,319,219	97,045	182,353	3,222,173	3,136,866

【The Joyo Bank, Ltd. (Consolidated basis)】

(Millions of yen)

	(Japanese)	As of Mar.31,2017			As of Sep.30, 2016	As of Mar.31, 2016
		(A)	(A)-(B)	(A)-(C)	(B)	(C)
Total	合 計	5,967,030	39,094	54,322	5,927,935	5,912,707
Manufacturing	製 造 業	704,131	(22,858)	(22,268)	726,990	726,400
Agriculture / Forestry	農 業 、 林 業	17,617	1,177	1,505	16,440	16,112
Fishery	漁 業	3,781	244	(61)	3,537	3,842
Mining / Quarrying of stone / Gravel	鉱業、採石業、砂利採取業	10,222	161	282	10,060	9,939
Construction	建 設 業	177,306	11,577	5,012	165,729	172,294
Electricity, gas and water	電気・ガス・熱供給・水道業	66,018	1,860	5,526	64,158	60,491
Telecommunication	情 報 通 信 業	33,894	(1,737)	(3,020)	35,631	36,915
Transportation / Postal activities	運 輸 業 、 郵 便 業	149,991	1,134	3,609	148,857	146,381
Wholesale / Retail services	卸 売 業 、 小 売 業	606,693	17,438	8,753	589,254	597,940
Financial and insurance services	金 融 業 、 保 険 業	225,150	(8,852)	(37,159)	234,002	262,309
Real estate / Goods rental and leasing	不 動 産 業 、 物 品 賃 貸 業	1,166,465	42,535	82,890	1,123,930	1,083,575
Medical welfare and other services	医 療 ・ 福 祉 等 サ ー ビ ス 業	385,698	2,074	(4,296)	383,623	389,994
Government / Local government	国 ・ 地 方 公 共 団 体	751,335	(61,504)	(83,446)	812,839	834,782
Others	そ の 他	1,668,721	55,843	96,994	1,612,878	1,571,726

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

(Millions of yen)

	(Japanese)	As of Mar.31,2017			As of Sep.30, 2016	As of Mar.31, 2016
		(A)	(A)-(B)	(A)-(C)	(B)	(C)
Total	合 計	4,348,447	87,773	74,010	4,260,674	4,274,437
Manufacturing	製 造 業	497,124	2,365	(3,028)	494,759	500,153
Agriculture / Forestry	農 業 、 林 業	11,613	976	124	10,636	11,489
Fishery	漁 業	518	64	3	454	514
Mining / Quarrying of stone / Gravel	鉱業、採石業、砂利採取業	4,273	211	(1,201)	4,061	5,474
Construction	建 設 業	147,194	1,628	(2,565)	145,565	149,759
Electricity, gas and water	電気・ガス・熱供給・水道業	46,649	4,242	3,503	42,406	43,145
Telecommunication	情 報 通 信 業	18,934	(421)	(1,353)	19,355	20,287
Transportation / Postal activities	運 輸 業 、 郵 便 業	109,324	3,373	6,537	105,951	102,787
Wholesale / Retail services	卸 売 業 、 小 売 業	399,266	(1,657)	3,508	400,924	395,758
Financial and insurance services	金 融 業 、 保 険 業	151,369	(29,175)	(32,977)	180,544	184,346
Real estate / Goods rental and leasing	不 動 産 業 、 物 品 賃 貸 業	520,561	28,458	37,076	492,103	483,485
Medical welfare and other services	医 療 ・ 福 祉 等 サ ー ビ ス 業	316,441	13,022	9,166	303,418	307,275
Government / Local government	国 ・ 地 方 公 共 団 体	474,678	23,481	(30,142)	451,196	504,821
Others	そ の 他	1,650,497	41,202	85,358	1,609,295	1,565,139

## (2) Classification of risk-monitored loans by type of industry

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

(Millions of yen)

	(Japanese)	As of Mar.31,2017			As of Sep.30, 2016	As of Mar.31, 2016
		(A)	(A)-(B)	(A)-(C)	(B)	(C)
Total	合計	189,656	(2,548)	(7,938)	192,204	197,595
Manufacturing	製造業	48,848	(1,635)	(4,608)	50,484	53,457
Agriculture / Forestry	農業、林業	524	(120)	(237)	644	761
Fishery	漁業	4	(1)	(2)	5	6
Mining / Quarrying of stone / Gravel	鉱業、採石業、砂利採取業	-	-	-	-	-
Construction	建設業	13,681	92	(1,028)	13,588	14,709
Electricity, gas and water	電気・ガス・熱供給・水道業	2	(2)	0	4	1
Telecommunication	情報通信業	1,753	402	418	1,350	1,335
Transportation / Postal activities	運輸業、郵便業	5,123	(113)	(489)	5,236	5,612
Wholesale / Retail services	卸売業、小売業	46,588	1,918	2,440	44,670	44,148
Financial and insurance services	金融業、保険業	365	(45)	(90)	410	456
Real estate / Goods rental and leasing	不動産業、物品賃貸業	24,593	185	(1,237)	24,407	25,831
Medical welfare and other services	医療・福祉等サービス業	25,695	(3,722)	(3,934)	29,418	29,630
Government / Local government	国・地方公共団体	-	-	-	-	-
Others	その他	22,475	492	830	21,982	21,644

## 【The Joyo Bank, Ltd. (Consolidated basis)】

(Millions of yen)

	(Japanese)	As of Mar.31,2017			As of Sep.30, 2016	As of Mar.31, 2016
		(A)	(A)-(B)	(A)-(C)	(B)	(C)
Total	合計	97,547	(6,361)	(8,879)	103,908	106,426
Manufacturing	製造業	21,327	(2,570)	(4,166)	23,897	25,494
Agriculture / Forestry	農業、林業	226	(190)	(203)	417	429
Fishery	漁業	4	(1)	(2)	5	6
Mining / Quarrying of stone / Gravel	鉱業、採石業、砂利採取業	-	-	-	-	-
Construction	建設業	7,886	(498)	(1,048)	8,385	8,935
Electricity, gas and water	電気・ガス・熱供給・水道業	-	(1)	(1)	1	1
Telecommunication	情報通信業	1,310	279	457	1,031	853
Transportation / Postal activities	運輸業、郵便業	2,317	(172)	(313)	2,489	2,631
Wholesale / Retail services	卸売業、小売業	28,036	834	1,353	27,202	26,682
Financial and insurance services	金融業、保険業	306	(12)	(57)	319	363
Real estate / Goods rental and leasing	不動産業、物品賃貸業	13,906	342	(205)	13,563	14,111
Medical welfare and other services	医療・福祉等サービス業	14,273	(3,877)	(4,446)	18,151	18,720
Government / Local government	国・地方公共団体	-	-	-	-	-
Others	その他	7,950	(491)	(244)	8,442	8,195

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

(Millions of yen)

	(Japanese)	As of Mar.31,2017 (A)			As of Sep.30, 2016	As of Mar.31, 2016
		(A)	(A)-(B)	(A)-(C)	(B)	(C)
Total	合計	92,108	3,812	940	88,295	91,168
Manufacturing	製造業	27,521	934	(441)	26,586	27,963
Agriculture / Forestry	農業、林業	298	70	(33)	227	331
Fishery	漁業	-	-	-	-	-
Mining / Quarrying of stone / Gravel	鉱業、採石業、砂利採取業	-	-	-	-	-
Construction	建設業	5,794	591	19	5,202	5,774
Electricity, gas and water	電気・ガス・熱供給・水道業	2	(0)	2	2	-
Telecommunication	情報通信業	442	123	(38)	319	481
Transportation / Postal activities	運輸業、郵便業	2,805	59	(175)	2,746	2,981
Wholesale / Retail services	卸売業、小売業	18,552	1,083	1,086	17,468	17,465
Financial and insurance services	金融業、保険業	59	(32)	(33)	91	92
Real estate / Goods rental and leasing	不動産業、物品賃貸業	10,686	(157)	(1,032)	10,844	11,719
Medical welfare and other services	医療・福祉等サービス業	11,421	155	512	11,266	10,909
Government / Local government	国・地方公共団体	-	-	-	-	-
Others	その他	14,524	984	1,075	13,540	13,448

## (3) Consumer loans / Loans to SMEs

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

(Millions of yen)

	(Japanese)	As of Mar.31,2017			As of Sep.30, 2016	As of Mar.31, 2016
		(A)	(A)-(B)	(A)-(C)	(B)	(C)
		Consumer loans	消費者ローン残高	4,081,996	134,304	256,569
Housing-related loans	住宅関連ローン残高	3,951,353	126,314	241,811	3,825,039	3,709,542
Housing loans	住宅ローン残高	3,050,861	75,719	155,386	2,975,141	2,895,474
Apartment loans	アパートローン残高	900,492	50,594	86,424	849,898	814,068
Other loans	その他ローン残高	130,643	7,990	14,758	122,652	115,885
Loans to SME and Individual customers (SMEs)	中小企業等貸出金残高	7,307,258	174,170	292,738	7,133,088	7,014,520
Ratio of loans to SMEs	中小企業等貸出比率	70.83%	0.82%	1.98%	70.01%	68.85%

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

(Millions of yen)

	(Japanese)	As of Mar.31,2017			As of Sep.30, 2016	As of Mar.31, 2016
		(A)	(A)-(B)	(A)-(C)	(B)	(C)
		Consumer loans	消費者ローン残高	2,288,031	82,540	157,079
Housing-related loans	住宅関連ローン残高	2,213,700	79,325	151,686	2,134,374	2,062,014
Housing loans	住宅ローン残高	1,489,601	38,854	78,660	1,450,747	1,410,941
Apartment loans	アパートローン残高	724,099	40,471	73,026	683,627	651,072
Other loans	その他ローン残高	74,331	3,214	5,393	71,116	68,937
Loans to SME and Individual customers (SMEs)	中小企業等貸出金残高	3,982,501	105,351	173,963	3,877,150	3,808,538
Ratio of loans to SMEs	中小企業等貸出比率	66.74%	1.34%	2.33%	65.40%	64.41%

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

(Millions of yen)

	(Japanese)	As of Mar.31,2017			As of Sep.30, 2016	As of Mar.31, 2016
		(A)	(A)-(B)	(A)-(C)	(B)	(C)
		Consumer loans	消費者ローン残高	1,793,965	51,764	99,489
Housing-related loans	住宅関連ローン残高	1,737,652	46,988	90,124	1,690,664	1,647,528
Housing loans	住宅ローン残高	1,561,260	36,865	76,726	1,524,394	1,484,533
Apartment loans	アパートローン残高	176,392	10,122	13,397	166,270	162,995
Other loans	その他ローン残高	56,312	4,775	9,364	51,536	46,947
Loans to SME and Individual customers (SMEs)	中小企業等貸出金残高	3,324,756	68,818	118,774	3,255,938	3,205,981
Ratio of loans to SMEs	中小企業等貸出比率	76.45%	0.04%	1.45%	76.41%	75.00%

## 8. Outstanding Balance of Deposits and Loans [Non-consolidated]

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

(Millions of yen)

	<i>(Japanese)</i>	As of Mar.31,2017			As of Sep.30, 2016 (B)	As of Mar.31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
		Deposits (Terms-end balance)	預 金 ( 末 残 )	13,572,980		
Deposits (Average balance)	預 金 ( 平 残 )	13,242,987	32,530	365,803	13,210,456	12,877,183
Loans (Terms-end balance)	貸 出 金 ( 末 残 )	10,315,478	126,868	128,332	10,188,610	10,187,145
Loans (Average balance)	貸 出 金 ( 平 残 )	10,204,562	50,609	223,222	10,153,953	9,981,339

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

(Millions of yen)

	<i>(Japanese)</i>	As of Mar.31,2017			As of Sep.30, 2016 (B)	As of Mar.31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
		Deposits (Terms-end balance)	預 金 ( 末 残 )	8,240,398		
Deposits (Average balance)	預 金 ( 平 残 )	8,063,809	3,827	229,639	8,059,982	7,834,170
Loans (Terms-end balance)	貸 出 金 ( 末 残 )	5,967,030	39,094	54,322	5,927,935	5,912,707
Loans (Average balance)	貸 出 金 ( 平 残 )	5,958,917	24,314	150,646	5,934,603	5,808,271

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

(Millions of yen)

	<i>(Japanese)</i>	As of Mar.31,2017			As of Sep.30, 2016 (B)	As of Mar.31, 2016 (C)
		(A)	(A)-(B)	(A)-(C)		
		Deposits (Terms-end balance)	預 金 ( 末 残 )	5,332,582		
Deposits (Average balance)	預 金 ( 平 残 )	5,179,177	28,703	136,164	5,150,474	5,043,012
Loans (Terms-end balance)	貸 出 金 ( 末 残 )	4,348,447	87,773	74,010	4,260,674	4,274,437
Loans (Average balance)	貸 出 金 ( 平 残 )	4,245,644	26,295	72,576	4,219,349	4,173,068



# Financial Results for FY2016

May 12, 2017

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## Financial Results for FY2016

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

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# Highlights

## Financial Results for FY2016 (Results for 1H of Joyo Bank + 2H of Mebuki)

- ◎ Consolidated net income\* of Mebuki surpassed the forecast mainly because gain on negative goodwill of ¥119.2 bn associated with the business integration exceeded the initial estimate.  
<Mebuki> Consolidated net income ¥158.4 bn / Forecast ¥155.0 bn \* attributable to owners of the parent
- ◎ The business integration synergy for the second half of FY2016 was ¥0.9 bn.

## Earnings Forecast for FY2017 (Changes : year-on-year basis)

- ◎ Consolidated ordinary profit and consolidated net income\* are forecasted to increase by ¥ 6.2 bn to ¥58.5 bn and decrease by ¥118.4 bn to ¥40.0 bn respectively. \* attributable to owners of the parent  
Non-consolidated net income <Joyo> ¥23.0bn (-¥1.4 bn) <Ashikaga> ¥21.0 bn (-¥5.4 bn)
- ◎ Synergy effect of the business integration of ¥2.7 bn is expected for FY2017.

## Dividend

- ◎ Year-end dividend for FY2016 is ¥6.50 per share, including commemorative dividend (¥1.00) for the business integration of the Joyo Bank and Ashikaga Holdings.
- ◎ For FY2016, in line with an earnings distribution policy\*, annual dividend projection is ¥11.00, interim dividend and year-end dividend of which are ¥5.50 each.

\* 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.

# Main Points of FY2016 Financial Results

- ◇ Consolidated net income\* of Mebuki surpassed the forecast mainly because gain on negative goodwill associated with the business integration, which is ¥119.2 bn, exceeded the initial estimate.

\* attributable to owners of the parent

## ● Mebuki FG (JPY Bn)

FY2016	Consolidated		Forecast
		Progress	
Ordinary profit	52.2	98.5%	53.0
Net income attributable to owners of the parent	158.4	102.2%	155.0
(exc. gain on negative goodwill)	39.2	98.0%	40.0

- Mebuki FG's consolidated financial results for FY2016 include those of Joyo Bank for the first half and those of Mebuki for the second half.
- Gain on negative goodwill due to the business integration amounting to ¥119.2bn was recorded as extraordinary income (refer to p.17).
- The business integration synergy for FY2016 is ¥0.9 bn lift. Synergy effect of the business integration of ¥2.7 bn is expected for FY2017.

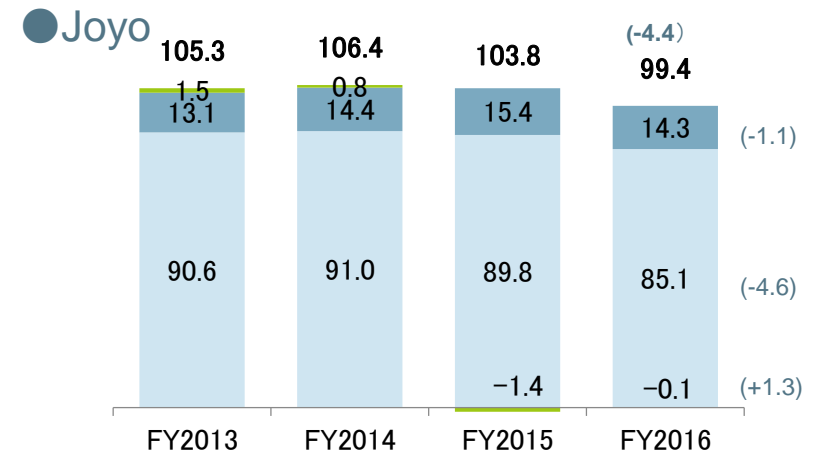
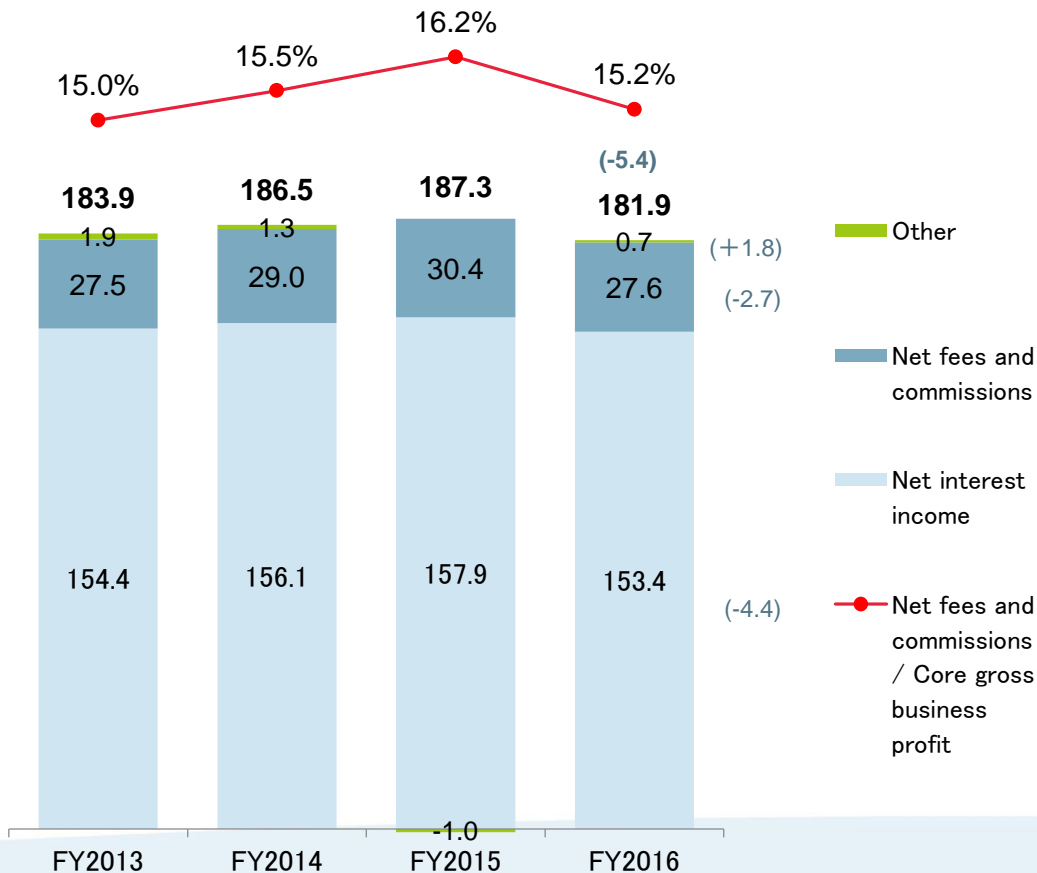
## <Reference> Results of Joyo and Ashikaga (JPY Bn)

	FY2016						[Progress against forecast]		
	J + A		Joyo		Ashikaga		J + A	Joyo	Ashikaga
	Result	YoY Change	Result	YoY Change	Result	YoY Change			
Gross business profit	187.5	-8.3	105.2	-6.2	82.3	-2.0	96.1%	92.3%	101.6%
Net interest income	153.4	-4.4	85.1	-4.6	68.2	+0.1	102.3%	101.4%	103.4%
Net fees and commissions	27.6	-2.7	14.3	-1.1	13.2	-1.6	84.3%	79.7%	89.8%
Net other business income and Net trading income	6.3	-1.0	5.6	-0.4	0.7	-0.5	51.6%	47.4%	177.5%
(o/w gains/losses on bond transactions)	5.6	-2.8	5.8	-1.7	-0.2	-1.0	62.2%	64.8%	-
Expenses	115.0	-0.2	68.5	+0.2	46.4	-0.5	98.7%	100.7%	95.8%
Personnel expenses	60.4	+0.0	34.7	-0.2	25.7	+0.3	-	-	-
Non-personnel expenses	47.0	-1.3	29.5	-0.0	17.5	-1.3	-	-	-
Net business income (before general allowance for loan)	72.5	-8.0	36.7	-6.5	35.8	-1.5	92.4%	79.8%	110.1%
Core net business income	66.9	-5.1	30.8	-4.7	36.0	-0.4	96.3%	83.4%	110.8%
Net transfer to general allowance for loan losses (a)	-0.4	+0.2	-0.6	+0.0	0.1	+0.1	-	-	-
Net business income	73.0	-8.2	37.3	-6.5	35.6	-1.7	92.9%	81.2%	109.5%
Net non-recurrent gains/losses	-4.0	-5.3	-1.7	-0.4	-2.3	-4.8	-	-	-
o/w Disposal of non-performing loans (b)	10.0	+4.8	5.4	-0.0	4.5	+4.8	133.5%	108.6%	183.4%
o/w Gains/losses related to stocks, etc	9.7	+2.5	7.5	+2.8	2.1	-0.3	244.2%	189.7%	-
Ordinary profit	68.9	-13.6	35.6	-7.0	33.2	-6.5	97.0%	88.0%	109.0%
Extraordinary income/losses	-2.1	-1.0	-0.8	-0.1	-1.3	-0.9	-	-	-
Net Income	50.8	-7.7	24.4	-3.3	26.4	-4.4	103.8%	87.3%	125.7%
Credit related costs (a)+(b)	9.5	+5.0	4.7	-0.0	4.7	+5.0	127.3%	95.3%	191.4%

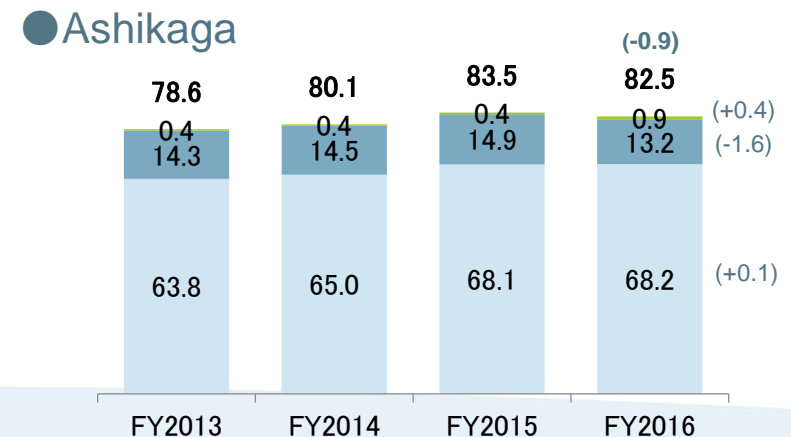
# Core Gross Business Profit (Gross Business Profit excluding Gains/Losses on Bond Transaction)

- ◇ Core gross business profit decreased by ¥5.4 bn, net interest income and net fees and commissions of which decreased by ¥4.4 bn and ¥2.7 bn from the previous year respectively.
- ◇ The drop in the profit is mainly attributable to a decline in loan yields and a decrease in fees related to financial assets under custody.

## ● Joyo + Ashikaga (JPY Bn)



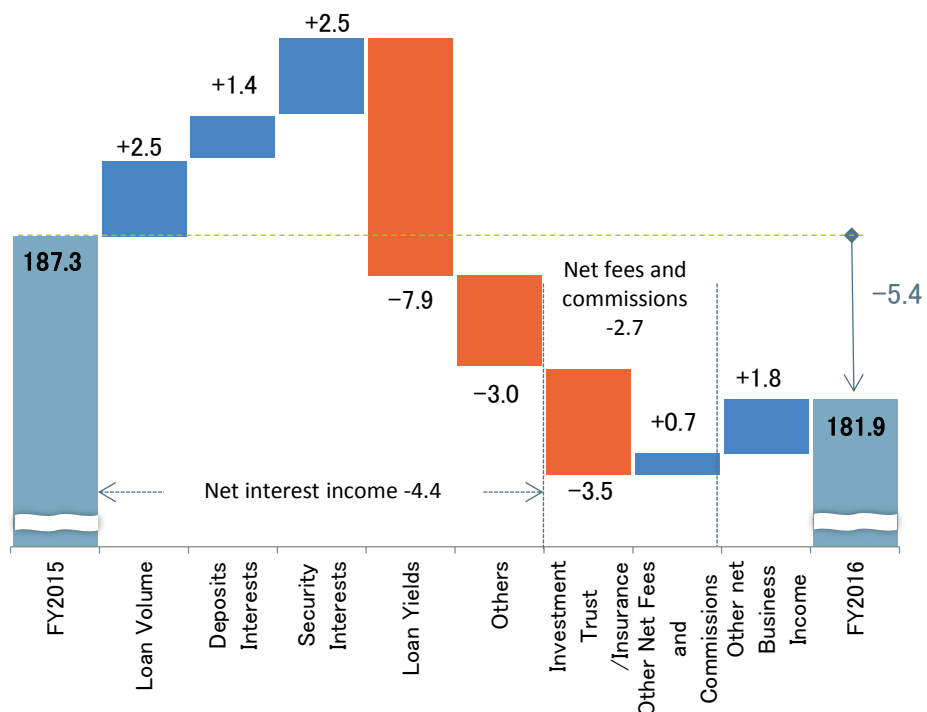
(\* ) "Other" includes costs of interest rate swaps



# Key Change Factors in Core Gross Business Profit

## Key Change Factors (Joyo + Ashikaga)

### ● Joyo + Ashikaga (JPY Bn)



### ● Gains on Cancellation of Private Offering Investment Trusts among Interests and Dividends on Securities (JPY Bn)

		FY2014	FY2015	FY2016
Joyo	Annual	0.3	0.8	1.7
	(o/w 2H)	(-0.0)	(0.4)	(1.6)
Ashikaga	Annual	1.1	3.7	3.6
	(o/w 2H)	-	-	(0.4)

## Net Interest Income, and Net Fees and Commissions (by Banking Subsidiary)

### ● Joyo (JPY Bn)

	FY2014	FY2015	FY2016	YoY
Net interest income	91.0	89.8	85.1	-4.6
Interest on loans and bills discounted	67.9	66.4	63.7	-2.7
Interest and dividends on securities	27.4	29.1	28.6	-0.5
Interest on deposits (-)	2.3	2.6	2.1	-0.5
Other funding cost (-)	1.9	3.1	5.0	+1.8
Net fees and commissions	14.4	15.4	14.3	-1.1
Fees related to investment trusts and insurance	6.9	6.4	4.6	-1.7
Fees related to loans	1.6	1.7	2.6	+0.8
Fees on settlement-related business	11.7	11.9	12.0	+0.0
Insurance premiums	-5.0	-4.0	-4.2	-0.2
Others	-0.8	-0.6	-0.7	-0.0

### ● Ashikaga (JPY Bn)

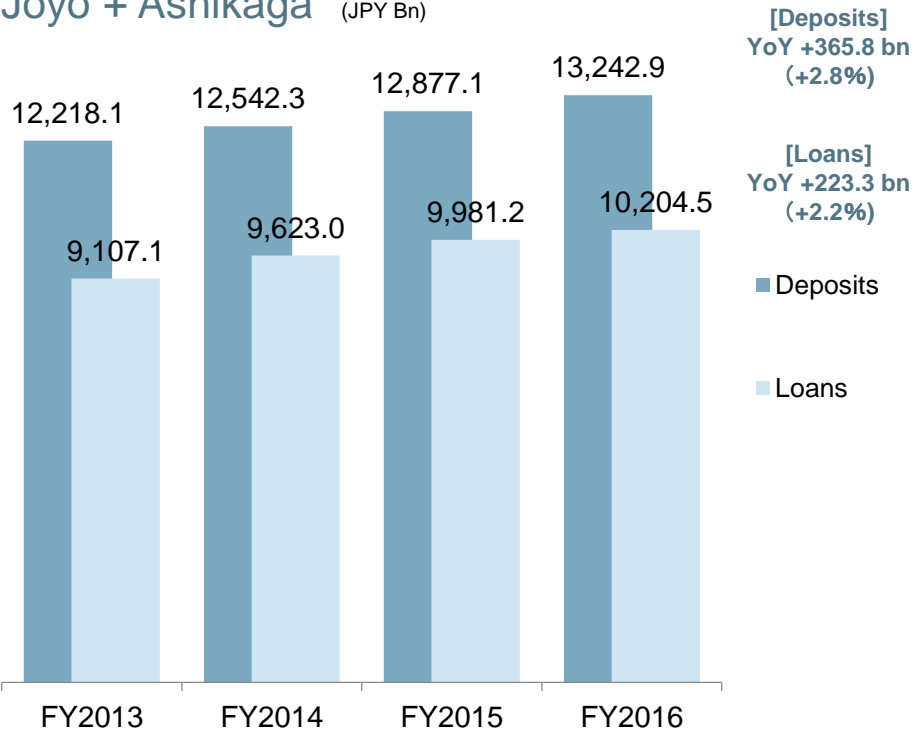
	FY2014	FY2015	FY2016	YoY
Net interest income	65.0	68.1	68.2	+0.1
Interest on loans and bills discounted	55.0	53.7	51.0	-2.7
Interest and dividends on securities	12.4	16.9	20.0	+3.1
Interest on deposits (-)	2.5	2.3	1.1	-1.1
Other funding cost (-)	-0.2	0.1	1.6	+1.0
Net fees and commissions	14.5	14.9	13.2	-1.6
Fees related to investment trusts and insurance	7.4	7.5	5.7	-1.7
Fees related to loans	3.9	4.4	4.7	+0.3
Fees on settlement-related business	7.6	7.6	7.5	-0.1
Insurance premiums	-3.4	-3.5	-3.9	-0.4
Others	-1.0	-1.1	-0.8	+0.2

\* Unless otherwise provided herein, the figures shown are the sums of domestic and international loans and deposits

# Loans and Deposits (Average Balance / Average Yield) (Domestic and International)

## Loans and Deposits (Average Balance)

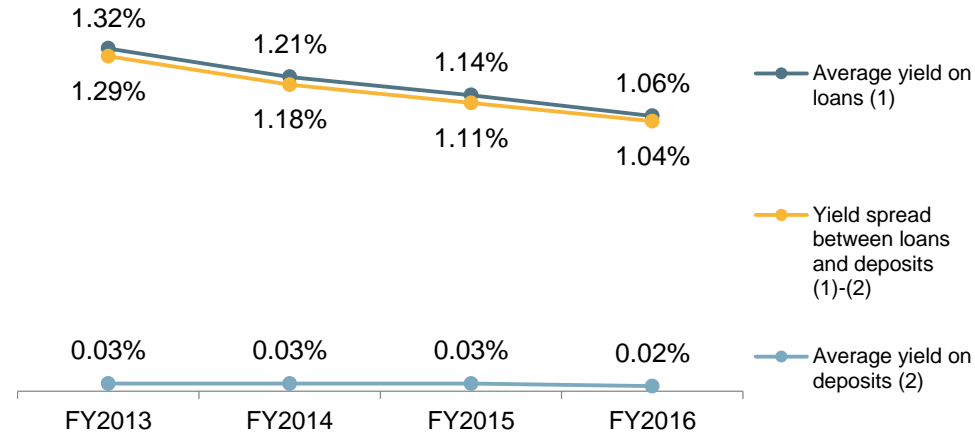
### ● Joyo + Ashikaga (JPY Bn)



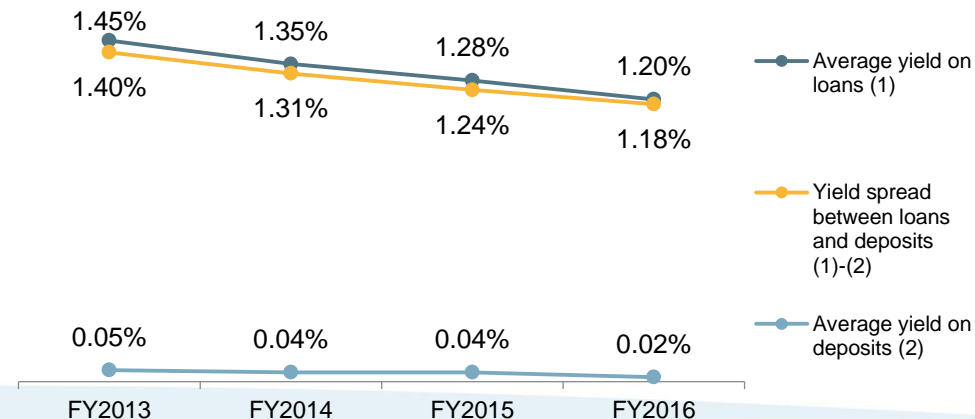
[Deposits]	FY2013	FY2014	FY2015	FY2016
Joyo	7,450.1	7,599.3	7,834.1	8,063.8
Ashikaga	4,768.0	4,943.0	5,043.0	5,179.1
[Loans]	FY2013	FY2014	FY2015	FY2016
Joyo	5,274.9	5,577.5	5,808.2	5,958.9
Ashikaga	3,832.2	4,045.5	4,173.0	4,245.6

## Average Yields of Loans and Deposits

### ● Joyo



### ● Ashikaga

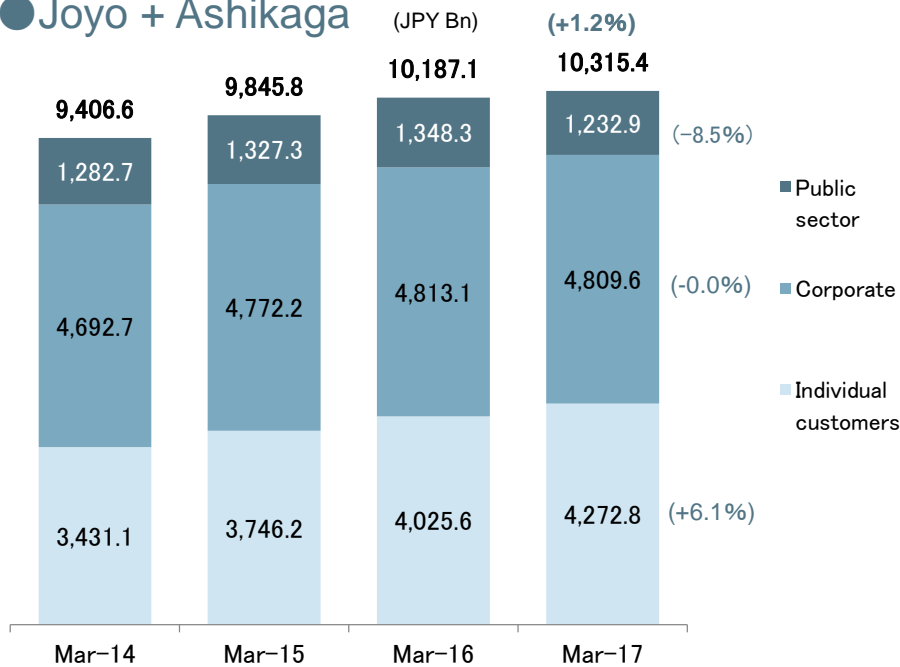




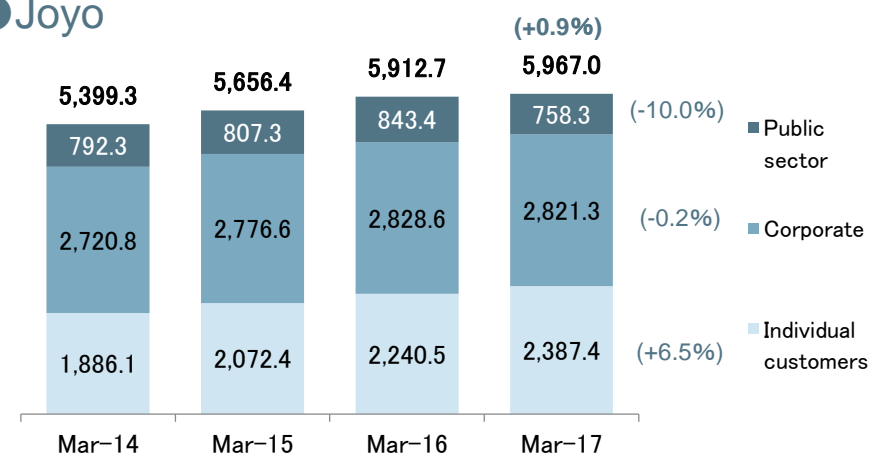
# Loans (1)

- ◇ Loans to individual customers increased by ¥247.2 bn (+6.1%) and housing related increased by ¥241.8 bn from the previous year (refer to p.9).
- ◇ Loans to corporate customers decreased by ¥3.5 bn and those to local SMEs increased ¥61.7 bn year-on-year (refer to p.10).

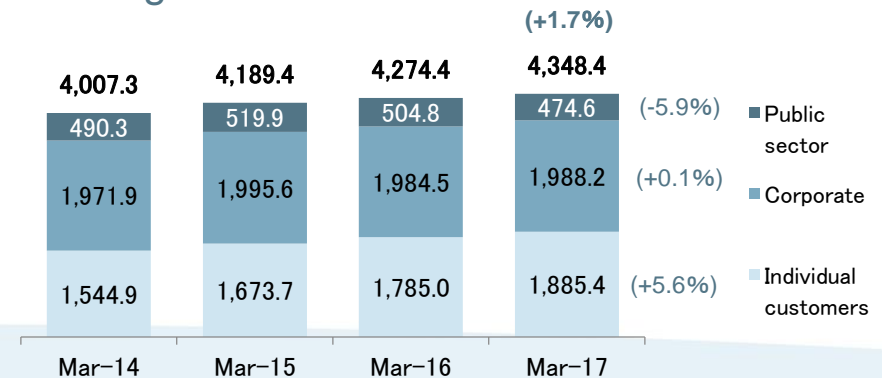
## ● Joyo + Ashikaga



## ● Joyo

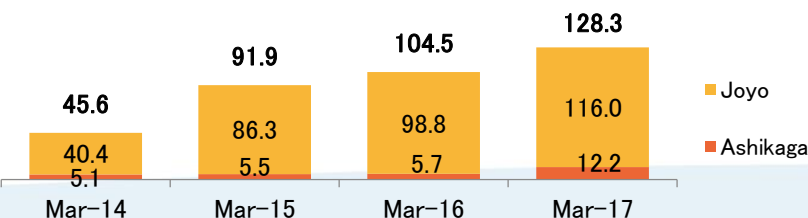


## ● Ashikaga



(\* ) "Individual Customers" include sole proprietors

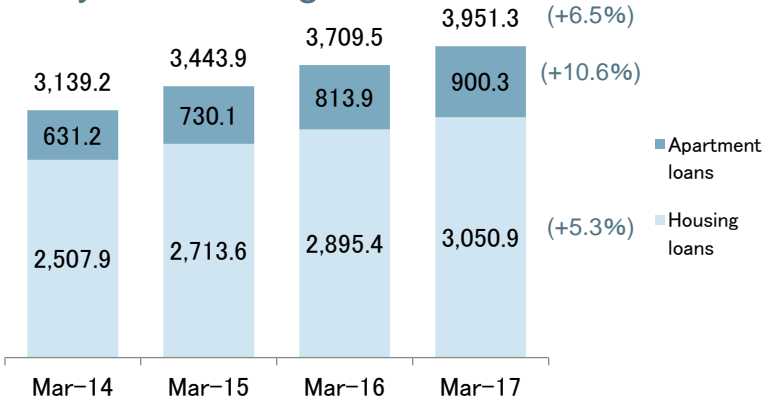
(Reference) Foreign Currency Denominated Loans (JPY Bn)



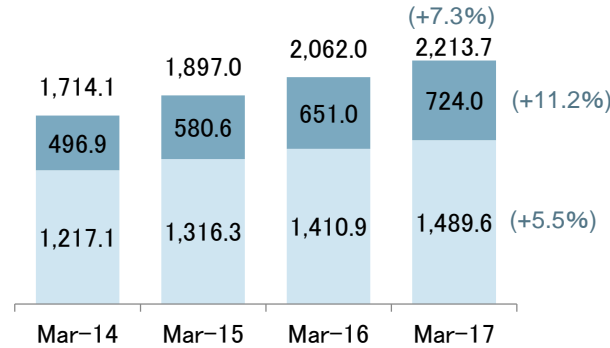
# Loans (2) Housing related loans / Unsecured Loans

## Housing Related Loans (Term-end Balance)

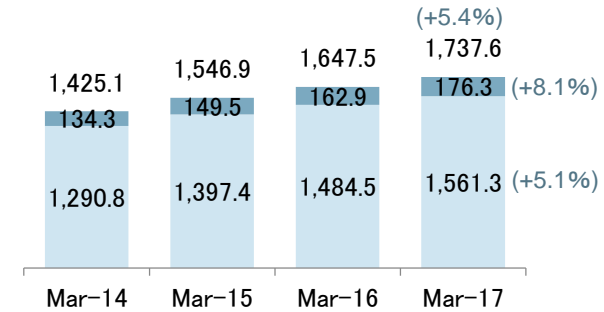
### ● Joyo + Ashikaga (JPY Bn)



### ● Joyo



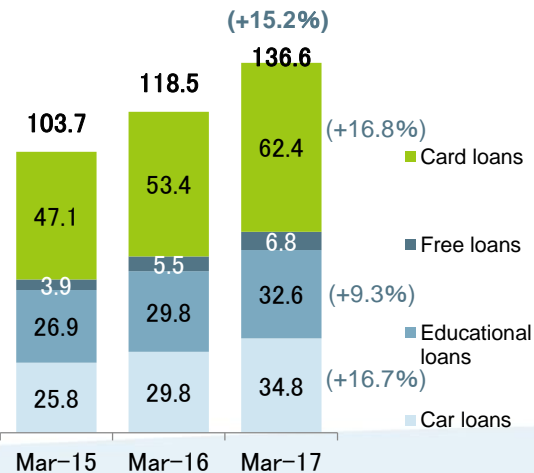
### ● Ashikaga



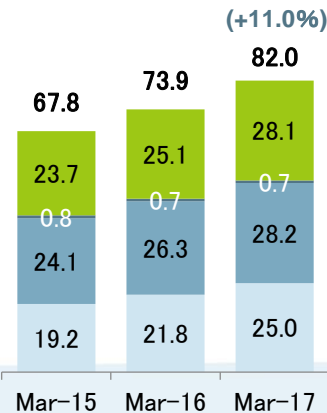
\* "Apartment loans" include those to corporate customers

## Unsecured Loans (Term-end balance)

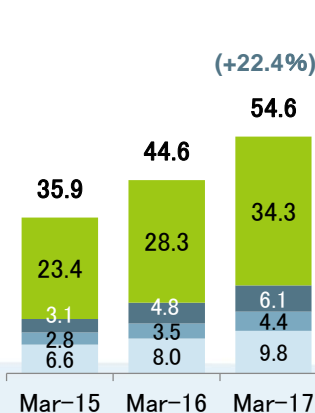
### ● Joyo + Ashikaga (JPY Bn)



### ● Joyo

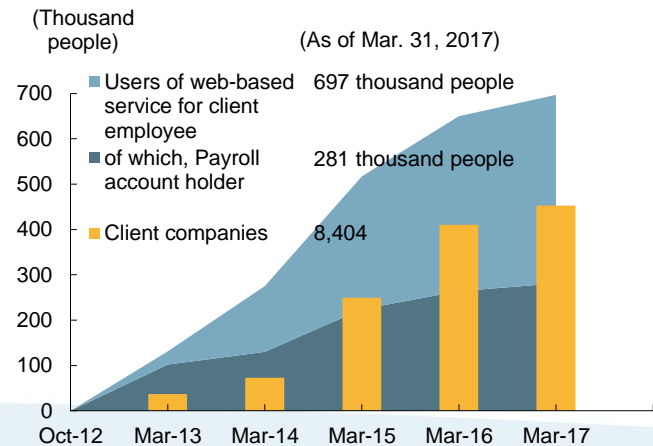


### ● Ashikaga



## Employee-specific Website (Joyo)

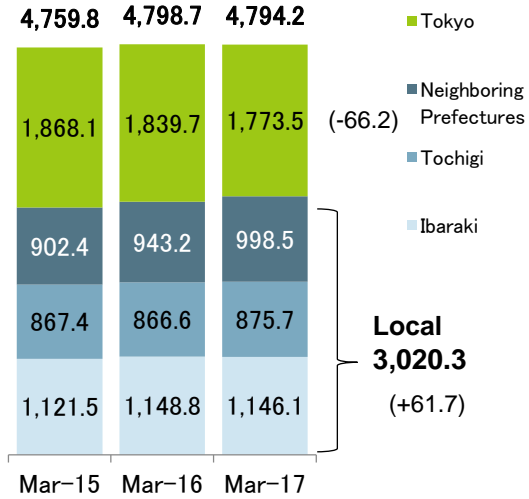
◆ Ashikaga starts to make use of the employee-specific website from Oct. 2017



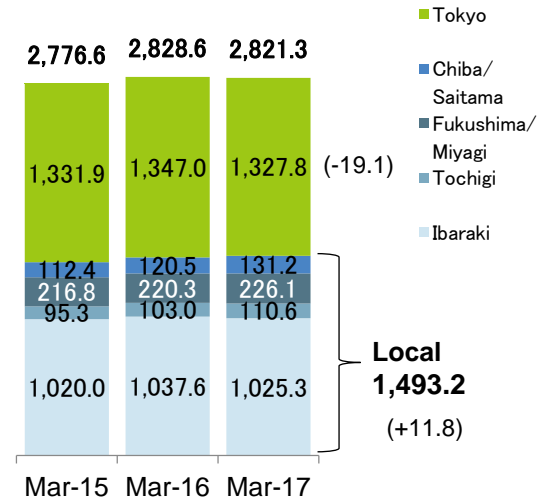
# Loans (3) Loans to corporate customers (by Area / Company Size)

Balance by Area

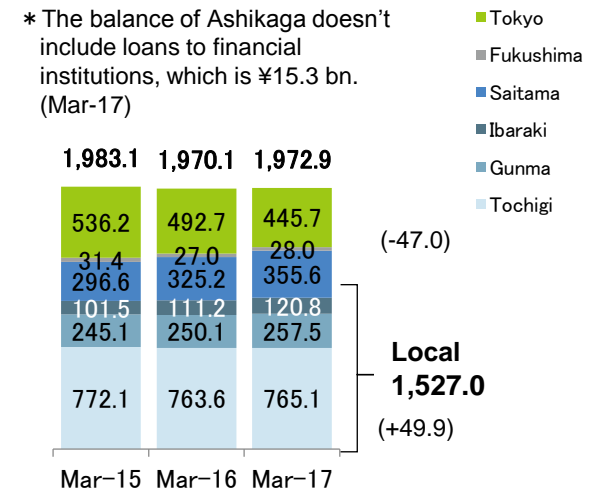
● Joyo + Ashikaga (JPY Bn)



● Joyo

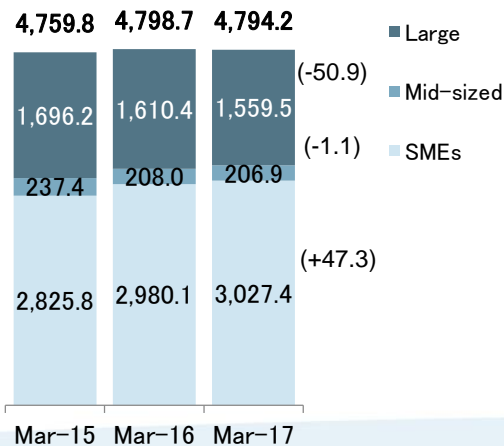


● Ashikaga

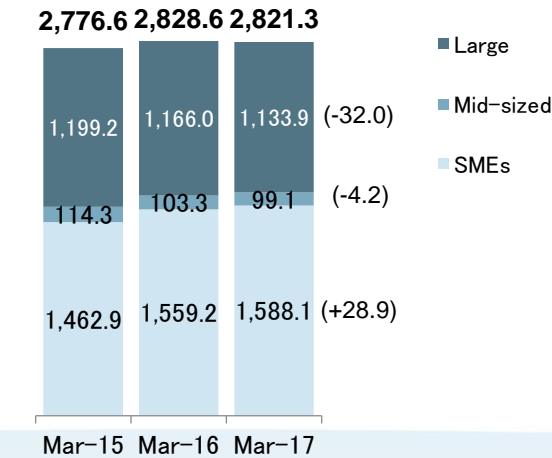


Balance by Company Size

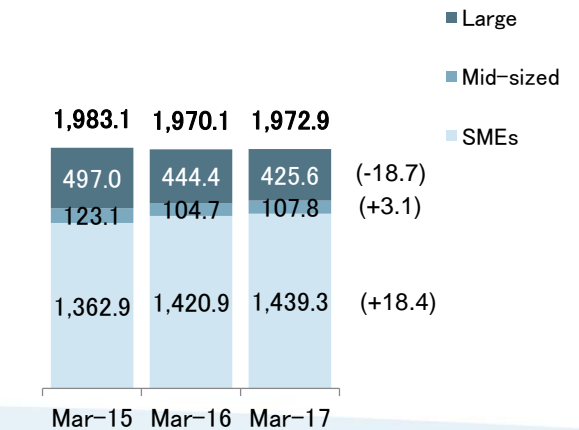
● Joyo + Ashikaga (JPY Bn)



● Joyo



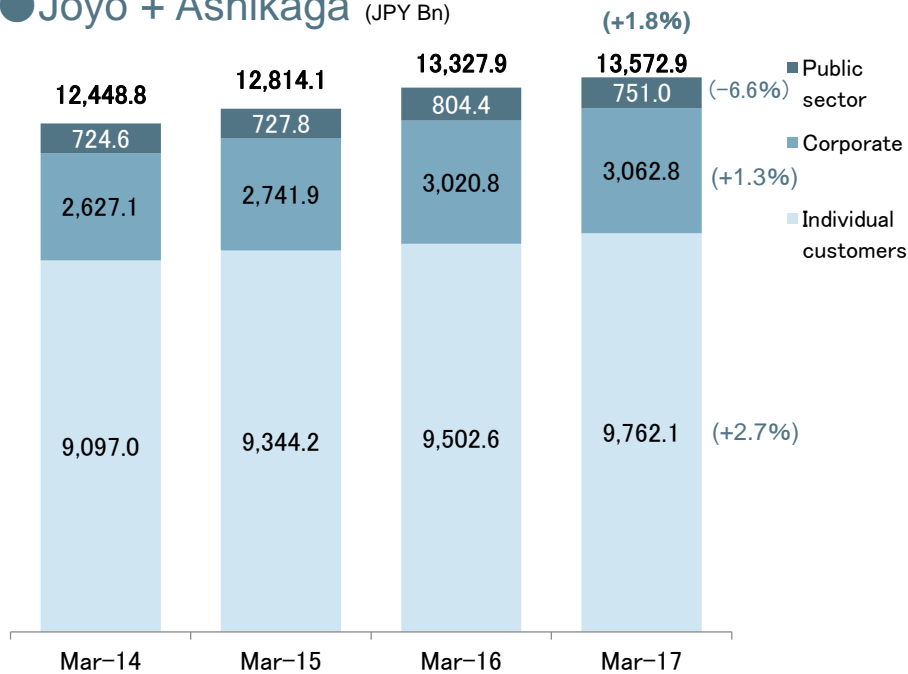
● Ashikaga



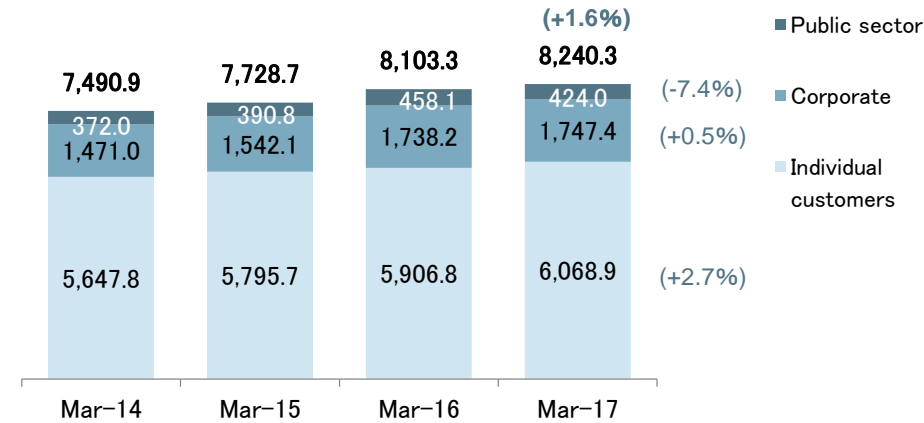
# Deposits

◇ Deposits of individual and corporate customers have been on the increase. (Individual customers : YoY +2.7%, Corporate customers : YoY +1.3%)

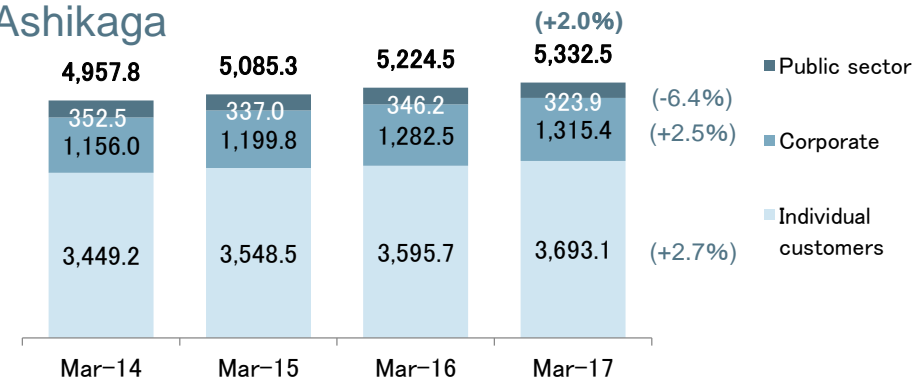
## ● Joyo + Ashikaga (JPY Bn)



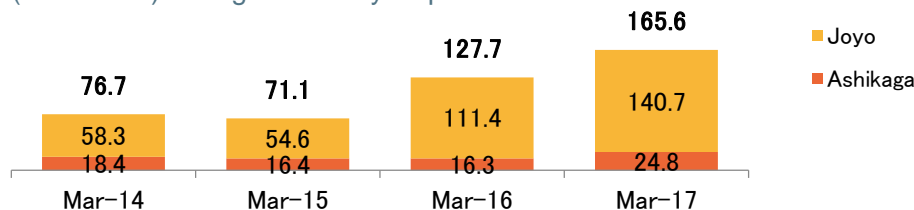
## ● Joyo



## ● Ashikaga



## (Reference) Foreign Currency Deposits



※1 "Corporate" includes financial institutions.

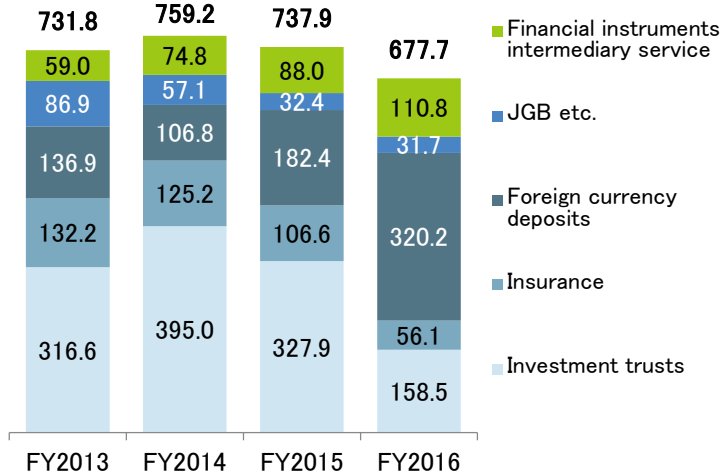
※2 Foreign currency deposits include foreign currency deposits hedged by forward exchange contracts, offshore deposits, and so on.

# Financial Assets under Custody (1) Sales Amount / Sales Commission

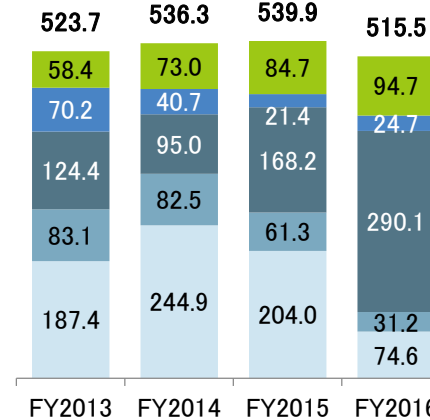
- ◇ The sales amount of investment trusts and insurance products of each bank decreased due to the concern over the unstable financial market.
- ◇ Both banks have been focusing on broadening its customer base (refer to p.13).

Sales Amount

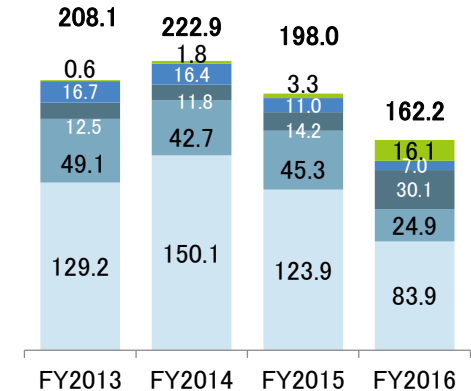
● Joyo + Ashikaga (JPY Bn)



● Joyo

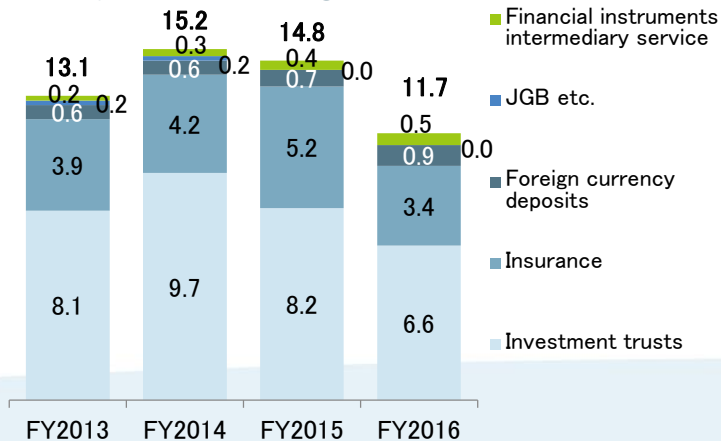


● Ashikaga

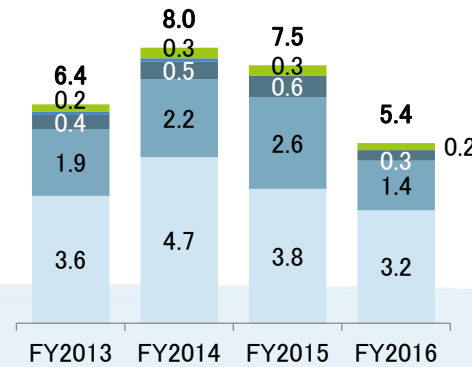


Sales Commission

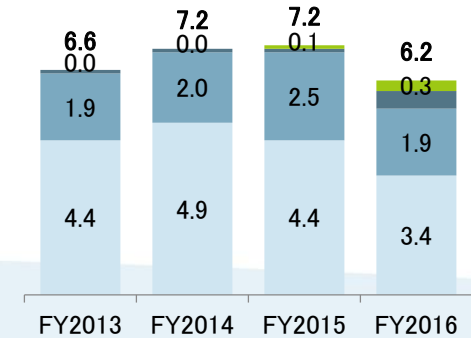
● Joyo + Ashikaga (JPY Bn)



● Joyo

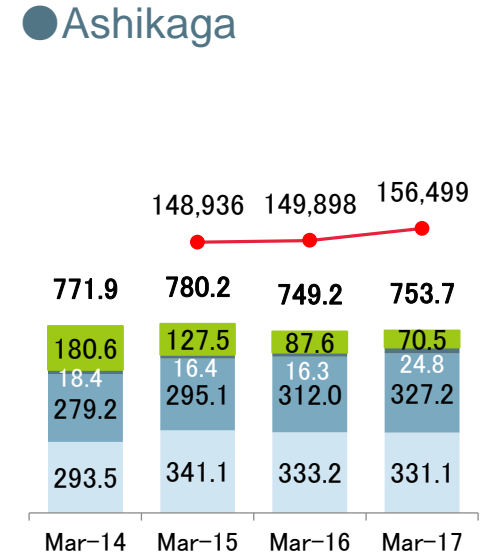
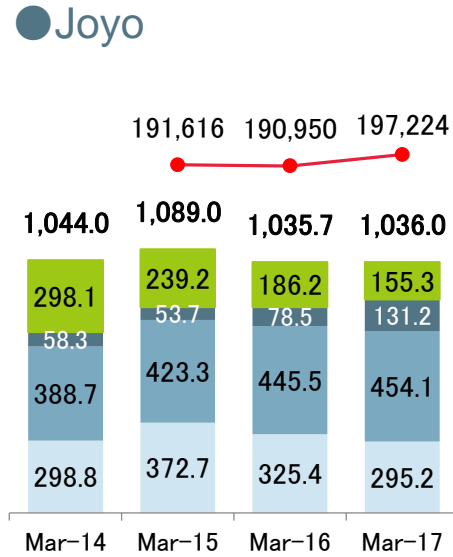
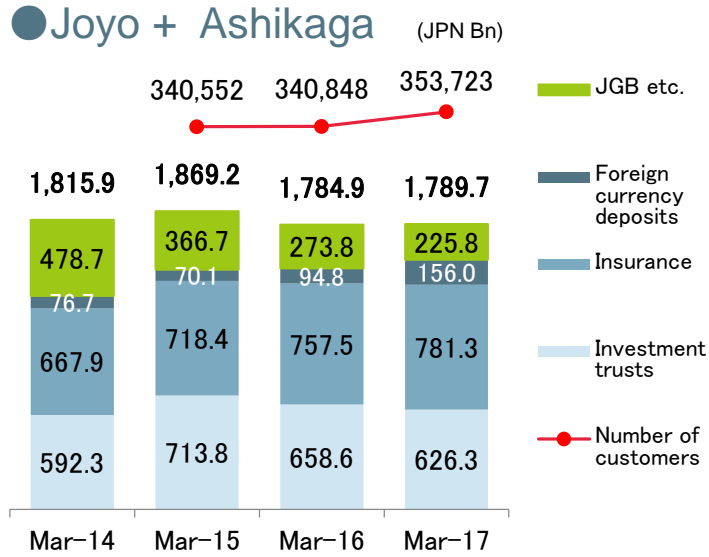


● Ashikaga

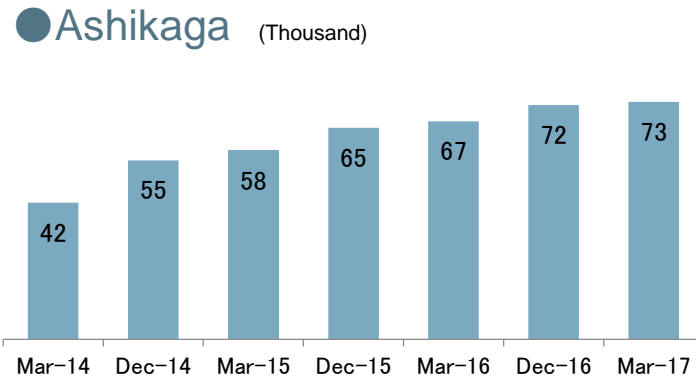
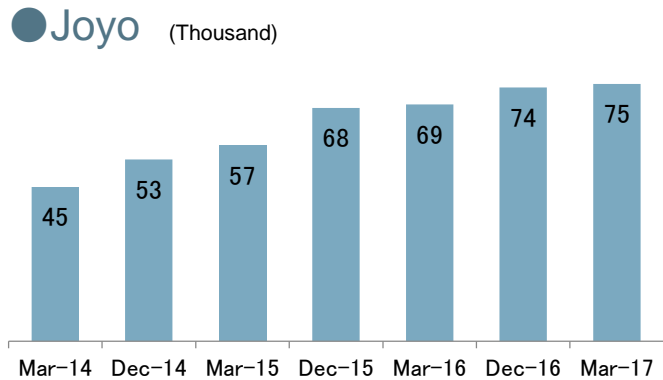


# Financial Assets under Custody (2) Balance / NISA (Nippon Individual Savings Account Program)

Financial Assets under Custody (Balance)



Number of NISA Account Openings

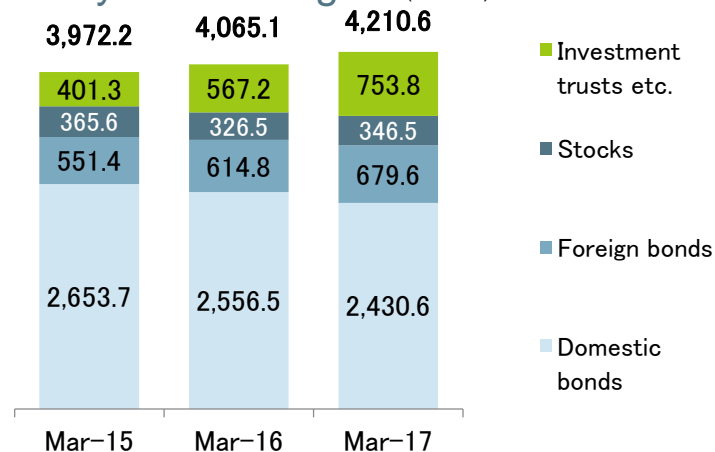


# Securities

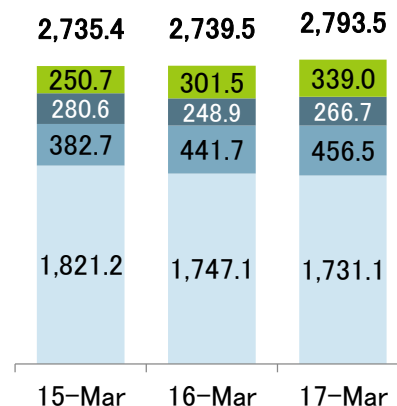
- ◇ Considering the interest rate of Japanese yen, suspended reinvestment of redemption payments of JGBs, which results in a decrease of the amount of domestic bonds held.
- ◇ Continue to rebalance our portfolio through purchasing investment trusts and foreign bonds, while paying attention to risk management.

Term-end Balance  
(Balance Sheet Amount)

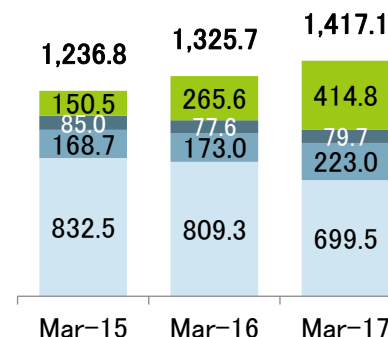
● Joyo + Ashikaga (JPY Bn)



● Joyo

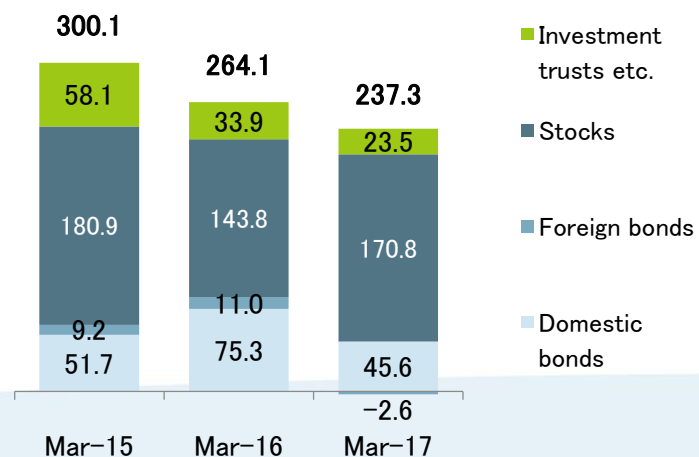


● Ashikaga

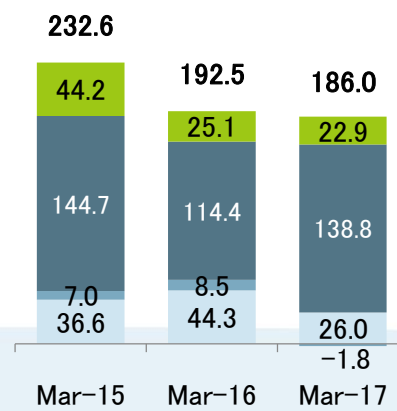


Unrealized Valuation Gains (Losses)  
on Available for Sale Securities

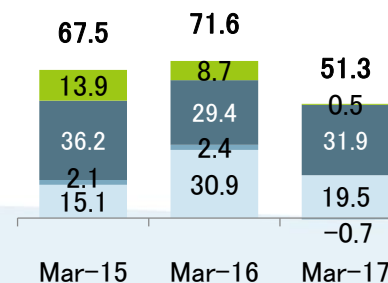
● Joyo + Ashikaga (JPY Bn)



● Joyo



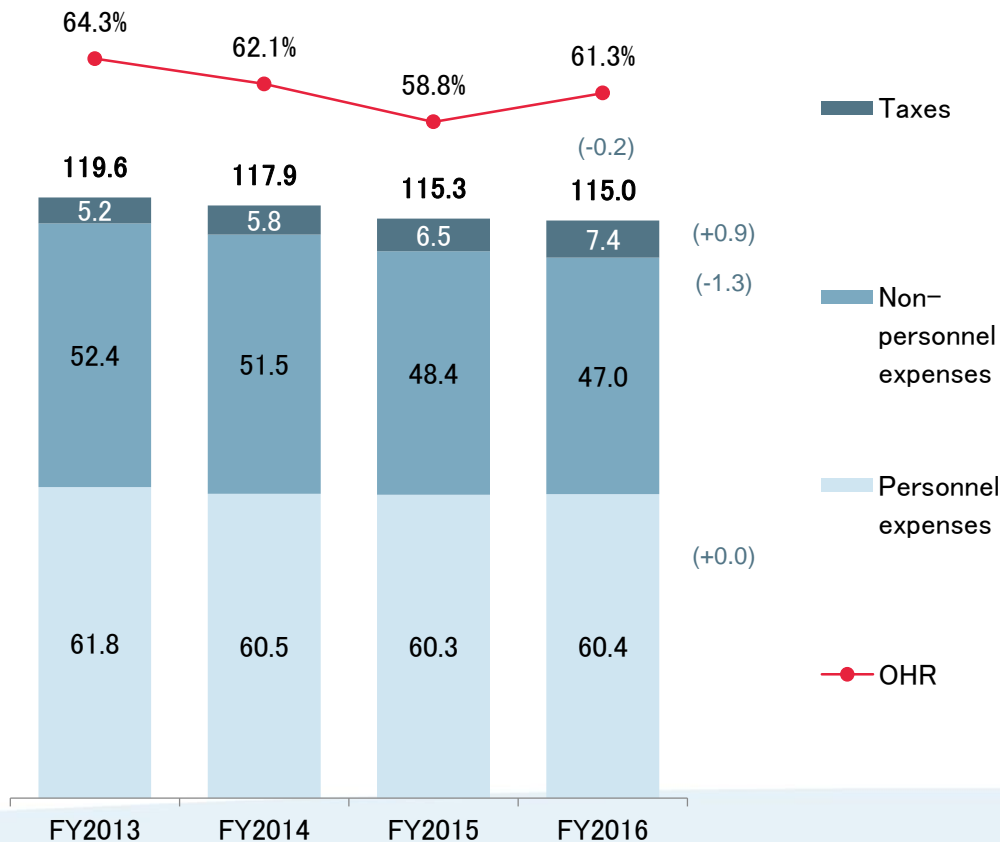
● Ashikaga



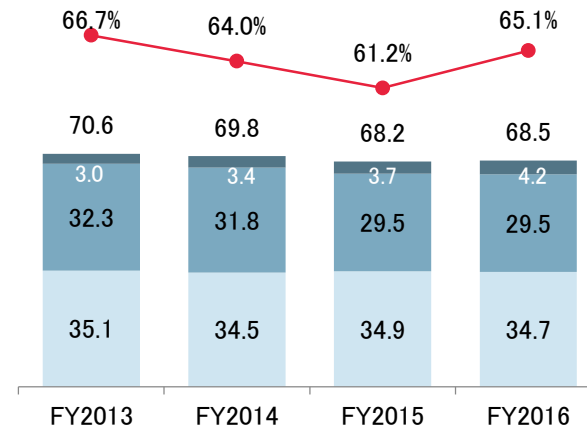
# Expenses / OHR

◇ Despite the fact that taxes such as size-based business tax increased, expenses decreased (by ¥0.2 billion on Joyo-Ashikaga simple-sum basis) compared with the previous fiscal year, mainly due to decreases in non-personnel expenses centering on depreciation expenses.

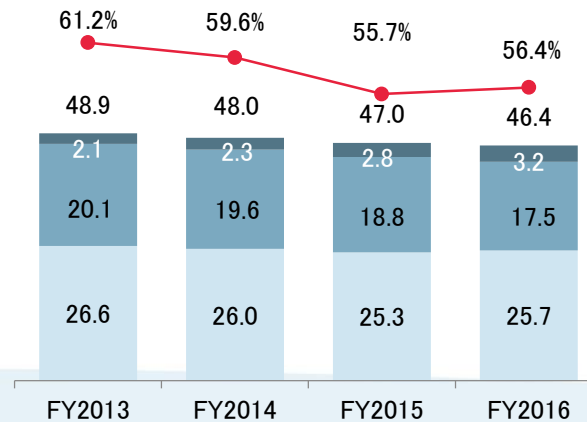
## ● Joyo + Ashikaga (JPY Bn)



## ● Joyo



## ● Ashikaga



\* The depreciation method has been changed from the declining-balance method to the straight-line method, which decreased depreciation expenses by ¥0.7 bn.

\* OHR = Expenses / Core gross business profit



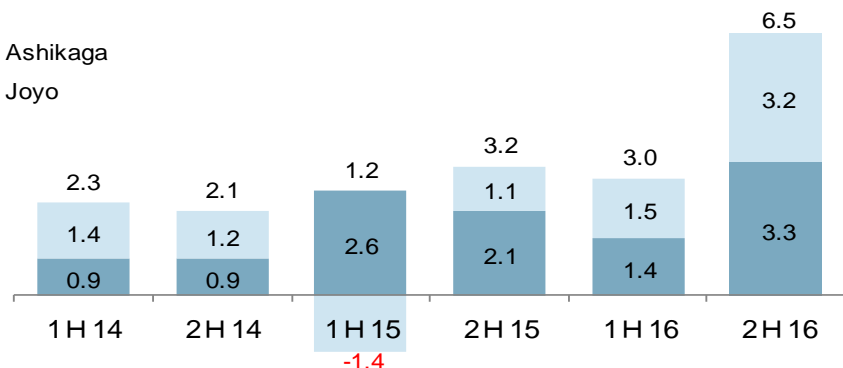
# Credit Related Costs / Non-performing Loans

◇ In the second half of FY2016, despite of the fact that credit related costs increased mainly due to an extraordinary factor, number of bankruptcies of local businesses remains low level.

## Credit Related Costs

(JPY Bn)

■ Ashikaga  
■ Joyo



## <Reference (1)> Credit Related Cost Ratio

	FY2013	FY2014	FY2015	FY2016
Joyo	0.120%	0.032%	0.082%	0.079%
Ashikaga	0.193%	0.066%	-0.006%	0.112%

## <Reference (2)> Business Failures

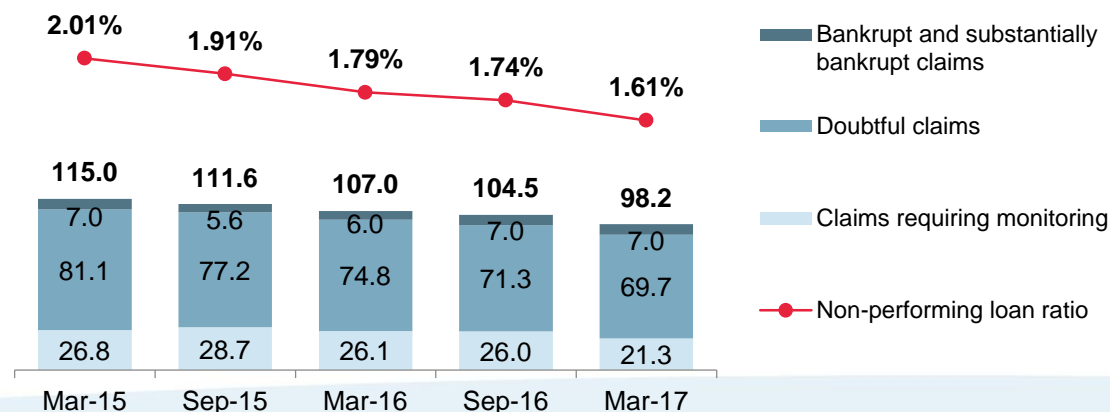
(Cases/JPY Bn)

		1H14	2H14	1H15	2H15	1H16	2H16
Ibaraki Prefecture	number	71	83	53	65	62	64
	amount	17.1	32.0	18.3	12.6	10.4	9.0
Tochigi Prefecture	number	62	86	71	59	66	78
	amount	11.0	19.7	6.2	10.3	12.3	13.3

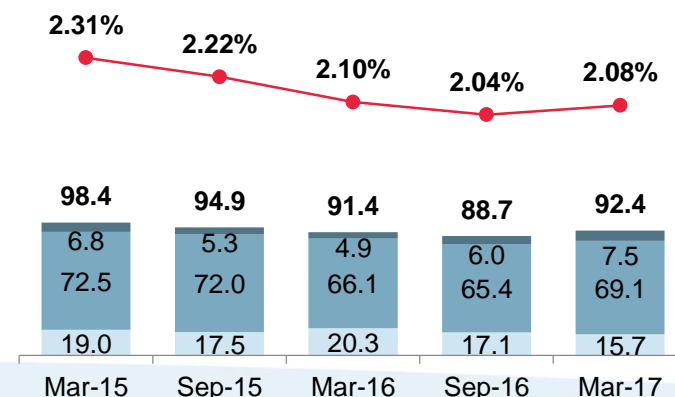
(\* ) Numbers of bankruptcies of enterprises with 100 million yen or more in net debt

## Non-performing Loans

● Joyo (JPY Bn)



● Ashikaga (JPY Bn)



# Gain on Negative Goodwill (Reference)

## 【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)】

### Joyo Bank

Total Net Assets  
(Consolidated Basis)  
¥582.0bn

+

### Ashikaga HD

Fair Value of Net Assets  
(Consolidated Basis) (※1)  
¥242.7bn

=

Joyo Bank's  
Total Net Assets  
(Consolidated Basis)  
¥582.0bn

Capital Surplus  
¥123.5bn

Retained Earnings  
¥119.2bn

(※2) Acquisition Cost of Ashikaga HD

(※3) Gain on negative Goodwill

Total Net Assets (consolidated) : ¥824.7bn

### Mebuki FG

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.

# Forecast for FY2017

- ◇ For FY2017, the projection of consolidated ordinary profit and that of consolidated net income\* are ¥58.5 bn (YoY +6.2 bn) and ¥40.0 bn (YoY -¥118.4 bn) respectively.
- ◇ Synergy effect of the business integration of ¥2.7 bn is expected for FY2017 (The business integration synergy for the second half of FY2016 was ¥0.9 bn).

\* Attributable to owners of the parent

## ●Mebuki FG

Items	[Consolidated]	
	Interim	Annual
Ordinary Profit	32.0	58.5
Net income attributable to owners of the parent	22.0	40.0

## ●Joyo + Ashikaga + Non-banking Subsidiaries

(JPY Bn)

Items	Interim	Annual
Net income	27.5	48.0

## ●Joyo + Ashikaga

Items	[non-consolidated]		
	Interim	Annual	YoY change
Core net business income	33.5	63.0	-3.9
Ordinary profit	37.0	64.0	-4.9
Net income	25.5	44.0	-6.8

## ●Joyo (non-consolidated)

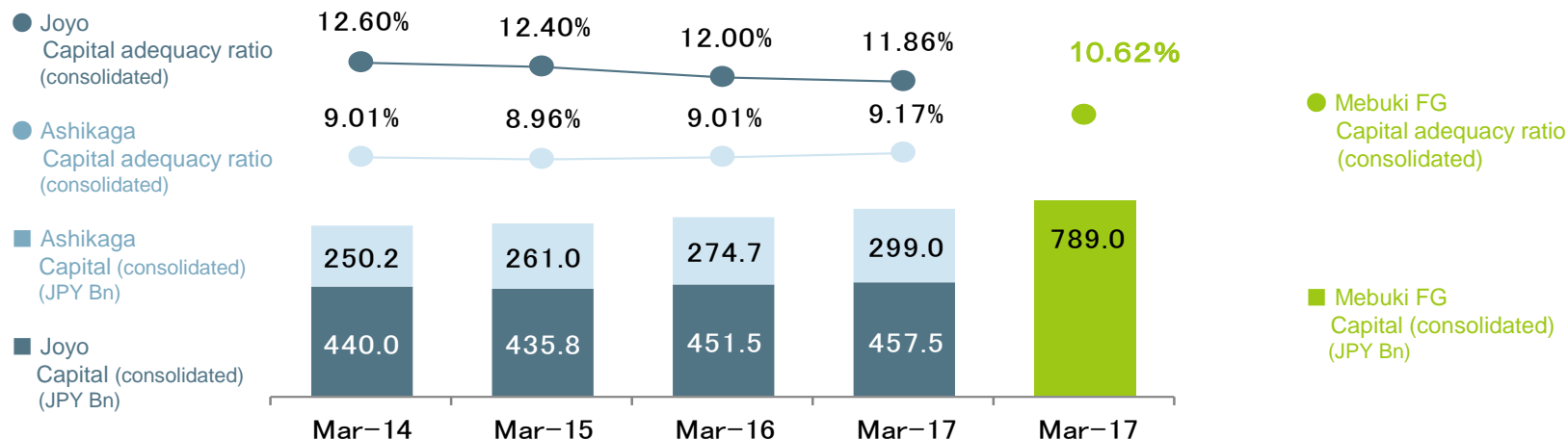
Items	[non-consolidated]		
	Interim	Annual	YoY Change
Core net business income	17.0	32.5	+1.6
Ordinary profit	19.5	33.5	-2.1
Net income	13.5	23.0	-1.4

## ●Ashikaga (non-consolidated)

Items	[non-consolidated]		
	Interim	Annual	YoY Change
Core net business income	16.5	30.5	-5.5
Ordinary profit	17.5	30.5	-2.7
Net income	12.0	21.0	-5.4

# Capital Adequacy Ratio / Rating

## Capital Adequacy Ratio



※Calculation method of risk weighted assets

Mebuki FG : The fundamental internal rating based approach

Joyo : The fundamental internal rating based approach

Ashikaga : The standardized approach

<Reference> Capital Adequacy Ratio without Temporary Measure (consolidated)

	Mar-14	Mar-15	Mar-16	Mar-17
Mebuki FG	-	-	-	9.49%
Joyo	11.35%	11.51%	11.17%	11.52%
Ashikaga	8.67%	8.64%	8.77%	9.00%

## Rating

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

○ Moody's

<b>Mebuki FG</b>	Joyo	Ashikaga		Joyo
<b>A</b>	<b>A+</b>	<b>A+</b>		<b>A2</b>

# Shareholder Return –Mebuki Conducts a Shareholder Benefit Plan–

## Dividend Policy

### [ Earnings Dividend Policy ]

Aim to continue stable dividend returns while taking into account of both the maintenance of solid capital levels for the future growth and the appropriate distribution of profits to our shareholders

- For FY2016, year-end dividend is ¥6.50 per share, including a commemorative dividend of ¥1.00 for the business integration

(Reference) Dividend payout ratio (FY2016) : 7.6%

Dividend payout ratio excluding an extraordinary factor \* : 26.9%

\* The later ratio is calculated as shown below:

$$\frac{\text{Dividend (Interim dividend of Joyo and Ashikaga HD + Year-end dividend of Mebuki)}}{\text{Consolidated net income (1st half of Joyo and Ashikaga HD + 2nd half of Mebuki FG [ exc. Gain on negative goodwill ] )}}$$

- For FY2017, annual dividend projection is ¥11.00 per share in line with the earnings dividend policy (Dividend payout ratio estimate : 32.3%).

## Shareholder Benefit Plan

### [ Shareholders Eligible ]

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 and so forth.

### [ Dividends per Share ]

FY2016	FY2017		
Year-end Dividend	Annual Dividend	Interim Dividend	Year-end Dividend
¥6.50 (Incl. commemorative dividend of ¥1.00)	¥11.00	¥5.50	¥5.50

### [ Contents of the Shareholder Benefit Plan ]

Number of shares held	Items that can be selected	
1,000 shares or more but less than 5,000 shares	Equivalent to 2,500 yen	Approx. 490 items centered on specialty products from Ibaraki Prefecture and Tochigi Prefecture*
5,000 shares or more but less than 10,000 shares	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

— Results of the Day 180 Plan —

		Items	Details
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.
		Leasing	Ashikaga Bank begins to offer Joyo Lease's auto lease products.
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.	
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.
		Car loans and educational loans campaign	Preferential Interest Rates
	Corporate Customers	Internet banking campaign for corporate customers	Exemption of activation fee and three months of monthly fees for new subscribers.
		Business seminar	Members of either bank's research institute can take seminars of the other research institute at preferential rates.
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

Results (Oct. 2016 - Mar. 2017) (Figures in parentheses are YoY changes)	
	-
	-
Sales amount of the whole group	
Sales amount	¥78.2bn (+41.6bn)
o/w Foreign bonds	¥62.3bn (+36.5bn)
Number of referrals to Joyo Lease	3,258(+1,401)
<u>Results of the whole group</u>	
Sales amount	¥20.2bn (Attained 101.3% of our target of ¥20bn)
Number of sales	9,117
<u>Sales amount (Campaign performance)</u>	
Investment trust	¥28.2bn(+3.6bn)
Foreign currency deposits	¥2.3bn(+1.4bn)
Accumulation service	4,206(-394)
<u>Preliminary application</u>	
Car loans	¥20.3bn / 10,958 loans
Educational loans	¥11.4bn / 4,309 loans
<u>Amount of loans made</u>	
Car loans	¥7.7bn / 4,515loans
Educational loans	¥5.5bn / 1,990loans
<u>New contracts of the whole group</u>	
New subscribers	3,642(+781)
Optional services	1,417
Mutual participants	52 from 33 companies
【As of the end of Jan. 2017】	
Co-financing	¥2,349mil /13borrowers
Syndicate loans	¥4,405mil /25borrowers
<u>Number of referrals</u> ¥1,760mil /24borrowers	
Total	¥8,514mil /62borrowers

# Day180 Plan / Other Initiatives and Measures

## 【Regional Revitalization】

### Food Exhibition

In Mito City

- Product development
- Test marketing

<refer to p.23>

Conducted on Oct. 12, 2016

### Food Business Meeting

in Utsunomiya City

- Sales channel cultivation
- Sales channel development

<refer to p.23>

Conducted on Nov. 22, 2016

### Mebuki Business Award

<refer to p.24>

### Regional Revitalization Fund

<refer to p.25>

### Mebuki Financial Group Manufacturing Business Forum 2017

- Support business meetings through technical proposal booklet and panel exhibition

<refer to p.26>

Conducted on Feb. 22, 2017

## 【Regional Interaction】

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

Introduced Mebuki FG in the main cities for both banks at the time of the lectures (Presidents of both banks took part in the lectures in the underlined cities below).

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

## 【Organizational Integration (Personnel Exchange)】

### Joint-Training

- Held rank-based trainings in which 1,000 employees participated.
- Shared each other's training program.

### Regional Collaboration Meeting

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

## 【Other Initiatives and Measures】

○Integration of overlapping branches: Integrate four of Joyo's branches into two in Utsunomiya city and Moka city

(on Apr. 3, 2017)

○Operational efficiency improvement: Shared card issuing process, which reduces cost by approx. ¥18 mil per year

○Business alliance with crowd funding service "Makuake"

(Ashikaga) First deal completed (Joyo) Developed affiliated loan



# Initiatives of Day 180 Plan –Local Products Support Project–

- Held “Food Exhibition in Mito City” and “Food Business Meeting in Utsunomiya City” for food related business operators.
- Dividing the value chain of local products from development to sales into four stages below, provided seamless support through appropriate measures depending on the stage.

1.Product Development

2.Test Marketing  
(Improvement of Products)

3.Sales Channel Cultivation

4.Sales Channel Development

## Food Exhibition in Mito City

Date	October 12, 2016
Place	Mito Plaza Hotel (Mito, Ibaraki Pref.)
Exhibitors	100 companies
Evaluators	505

### <Contents>

- Food related business operators exhibited their products and international students and housewives experienced the products and evaluated them.
- Evaluation based on taste, price, package and so forth.
- Support food related operators’ future product development and test marketing.



Venue



Evaluators



Awards  
Ceremony

## Food Business Meeting in Utsunomiya City

Date	November 22, 2016
Place	Marronnier Plaza (Utsunomiya, Tochigi Pref.)
Exhibitors	327 companies (Tochigi: 142, Ibaraki: 94)
Visitors	Approx. 3,000
Meetings Held	451

### <Contents>

- Exhibition where selling enterprises promote their products
- Business meetings which require reservation
- Support food related business operators’ sales channel expansion
- Number of buyer enterprises that participated: 148



Exhibition of Prize-winning Products  
of the Food Exhibition



Venue

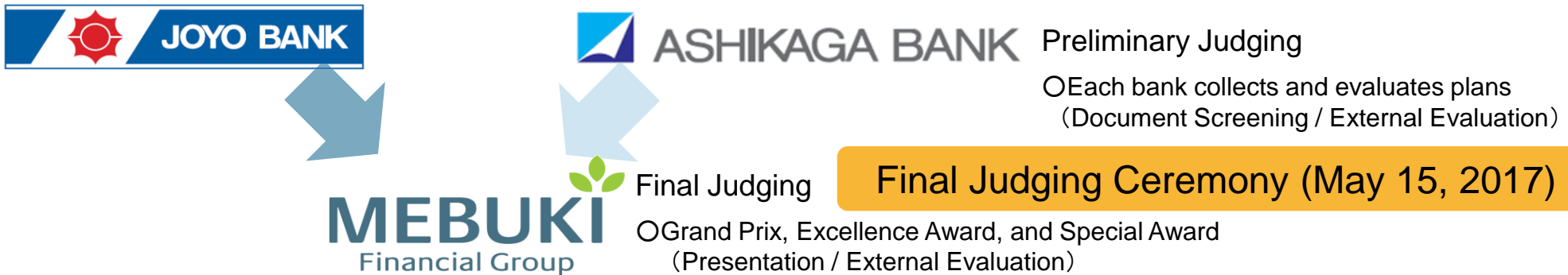


Business  
Meeting



# Initiatives of Day 180 Plan –Mebuki Business Award–

- In commemoration of the establishment of Mebuki Financial Group, each bank's business award was integrated together and the first "Mebuki Business Award" is being held.
- Ingenious business ideas latent in both banks' vast business territory are gathered and the best entries will be presented with awards.
- After the award, consistent support is provided, including financial support such as formulating business plans and launching new businesses through financing and so forth.

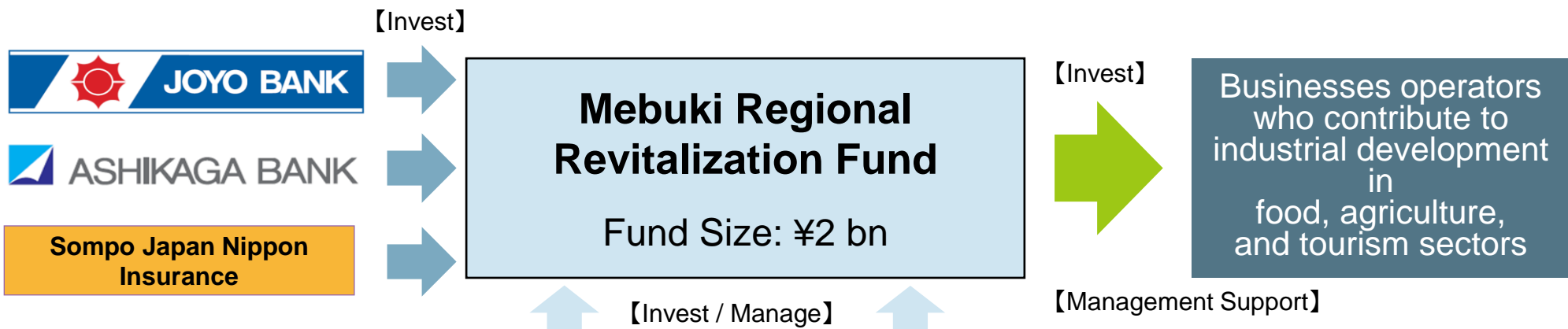


Target Business Categories	1.Manufacturing 2.Agriculture / 6th Industrialization 3.Environment / Energy 4.Medical / Nursing Care 5. Advanced Technologies 6.Overseas Expansion 7.Regional Revitalization, etc. 8.New Business, etc.
Application Period	From December 1, 2016 to January 31, 2017
Judging Process	Preliminary Judging: Document Screening Final Judging: Presentation
Awards	Grand Prix: 1 plan (¥3mil), Excellence Award: Several (¥1mil), Special Award: Mebuki Award, Hitachi Award, Encouragement Award: Several
Sponsors	Sponsors: Mebuki Financial Group, Joyo Bank, Ashikaga Bank Co-sponsors: Joyo Industrial Research, Ashigin Research Institute

Number of Applicants  
**646\***  
Joyo 344  
Ashikaga 302  
\* Record high



# Initiatives of Day 180 Plan –Mebuki Regional Revitalization Fund–



**Its investment limit is planned to be increased based on the possibilities of investment in new businesses**

**Outline of the Fund**  
 Establishment: November 14, 2016  
 Investment Period: 10 years  
 Methods: Capital Contribution, etc.  
 Structure: Investment Business Limited Partnerships

**Amount / Number of deals**  
 ¥1.2 bn / 4 deals (as of May12, 2017)

- (Completed Deals)
1. World Farm (Tsukuba city)  
Date: Jan. 31, 2017 / Amount: ¥100 million
  2. HATAKE Company (Tsukuba city)  
Date: May. 31, 2017 / Amount: ¥200 million
  3. SS Food International (Ichikawa city)  
Date: Apr. 25, 2017 / Amount: ¥200 million
  4. Hayakawa Holdings (Ashikaga city)  
Date: Apr. 28, 2017 / Amount: ¥700 million



**<Investment Target>**

- Operators who contribute to industrial development in food, agriculture, and tourism sectors (including agricultural corporations)
- Prize winners of Mebuki Business Award etc.

# Initiatives of Day 180 Plan – Manufacturing Business Forum –

- A record number of 314 companies, including Ashikaga Bank’s 72 customers, exhibited at this year’s forum (including 11 overseas companies)
- Distributed English version of the technical proposal booklet for the first time and coordinated business meetings with overseas companies.
- With the full cooperation of SUBARU CORPORATION (Gunma Manufacturing Division), set up exhibition booth of seven Tier 1 manufacturers.
- Conducted demonstrations which can offer clues to manufacturing
  - Sango Co., Ltd. and Sango Kanto Co., Ltd. exhibited labor saving machines which are used in the companies’ factories.
  - A venture company spun off from The Industrial Technology Research Institute of Taiwan demonstrated a walking support robot.
- Three prize-winners of Joyo Business Award conducted presentations.

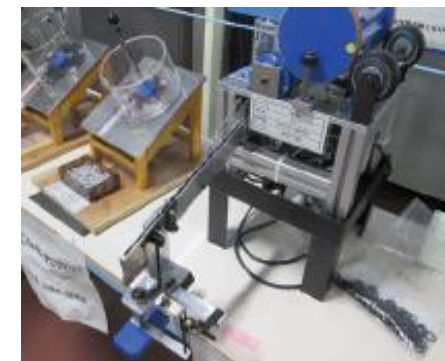
- Exhibitors: 314 companies
- Visitors: 850 companies / Approx. 2,000 people
- Business meetings based on technical proposal booklet: 390 meetings
- Business meetings between Joyo Bank’s customers and Ashikaga Bank’s customers: 90 meetings



< Technical proposal booklet (English Ver.) >



< SUBARU CORPORATION's booth >



< Labor Saving Machines >

# Step-up 180 Plan – For Individual Customers –

## Support Customers' Asset Building

### <For the First Investment>

#### ■ First Investment Campaign (Jun.-Dec. / under planning)

Reward customers who open a new account, and purchase financial products (¥100,000 or more) or start an accumulation service for investment trusts (¥10,000 per month or more) with prizes.

### <For Additional Investment>

#### ■ Mebuki Securities (Apr.-)

Ashikaga Bank started to intermediate financial products carried by Joyo Securities at its all branches.

#### ■ Foreign Bond Campaign (Apr.-Jun.)

Reward customers who purchase foreign bonds directly from Mebuki Securities or from the securities company through any of Mebuki's banking subsidiaries with gift certificate or local specialties.

### <Others>

#### ■ Mebuki FG Founding Commemoration Seminar (Apr.-Jun.)

#### ■ Foreign Currency Deposit Campaign (Jun.- Sept. / under planning)

## Support Customers' Housing Acquisition

### <Housing Loans>

#### ■ Housing Loan for Women (Apr.-)

- A maximum two-year grace period of principal payment during maternity and child care leave period
- Exemption of prepayment fee
- Exemption of group credit life insurance premium

#### ■ Online Application Housing Loan (May-)

- Preferential interest rates
- Exemption of prepayment fee
- Exemption of group credit life insurance premium

## Unsecured Loans

#### ■ Motivates students to go to universities located in Ibaraki and Tochigi Prefecture

Prevent student drain and increase student migration from other prefectures as measures against population decline

#### ■ One-year Anniversary of Mebuki FG

(Sept. 2017-Apr. 2018 / under planning)

Preferential interest rates for housing/educational loans

# Step-up 180 Plan – For Corporate Customers –

## <Support for Manufacturers>

- **Manufacturer Training Workshop** (Aug.-Sept.)
  - Inform KAIZEN activities conducted by large companies to our customers for productivity improvement.
  - Achieve SMEs' improvement of production management and development of human resources through the workshop.
- **R&D Meet-up in Utsunomiya and Mito** (May-Jun.)
  - Provide opportunities for applicants to have discussions with researchers of universities and research institute, concerning certain themes.
  - Promote information exchange among the participants.
- **Rebuild support structures for start-ups and second start-ups**
  - Construct a support structure for university-originated venture businesses.
  - Support Mebuki Business Award applicants to launch new businesses. Investment limit of Mebuki Regional Revitalization Fund is planed to be increased based on the possibilities of investment in their businesses.  
(Present Investment limit : ¥2.0 bn / Investment amount : ¥1.2 bn)

## <Support for Agricultural Producers>

- **Collaboration on Agri-Food Matching** (Sept.)
  - Joyo conducted a business matching event in Tsukuba city to match agricultural producers and food processing operators on a trial basis (Feb.)
  - Another matching event is being planned, broadening its area, which newly includes Tochigi Prefecture, and extending its scope to producer associations and municipalities.

## <Support for Overseas Expansion>

- **Cooperation on export support services** (Mar.-)
- **Cooperation with Japan Halal Business Association** (Apr.-)
- **Overseas business convention, business networking, seminar** (Jun.-)
- **South East Asia Investment Seminar** (Jun./ under planning )

## <Matching Event for Experienced Retirees and Local Businesses>

- Under the cooperation of Kanto Bureau of Economy, Trade and Industry and regional financial institutions, conduct matching events to match companies experiencing various management issues, and retirees and those who are just before their retirement.
- Through matching companies experiencing management issues, such as development of new products, sales channel expansion, and experienced retirees, help the companies resolve management challenges.



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