

Mebuki Financial Group, Inc.
(Former Ashikaga Holdings Co., Ltd.)

Financial Results for the First Half of Fiscal Year 2016, ending March 31, 2017

Stock Exchange Listing: Tokyo (code: 7167)
 URL: <http://www.mebuki-fg.co.jp/>
 Representative: Kazuyoshi Terakado, President
 For Inquiry: Kiyoshi Nozaki, General Manager of Corporate Planning Dept.
 Filing date of Financial Statements: November 22, 2016 (scheduled)
 Payment date of cash dividends: December 2, 2016 (scheduled)

(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 September 30, 2016)

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

	Ordinary Income		Ordinary Profit		Net Income Attributable to Owners of the Parent	
	¥Million	%	¥Million	%	¥Million	%
First half						
Ended September 30, 2016	52,972	(3.5)	18,690	6.9	12,027	8.8
Ended September 30, 2015	54,905	11.1	17,469	39.1	11,051	42.1

(Note) Comprehensive Income First half of FY2016: ¥5,715 million [234.3%] First half of FY2015: ¥1,709 million [-88.9%]

	Net Income per Share	Net Income per Share (Diluted)
First half	¥	¥
Ended September 30, 2016	36.09	—
Ended September 30, 2015	33.16	—

(Note) Since net income per share does not decrease as a result of dilution, diluted net income per share for the first half of previous fiscal year 2015 and current fiscal year 2016, is not shown.

(2) Consolidated Financial Conditions

	Total Assets	Total Equity	Capital Assets to Total Assets
First half	¥Million	¥Million	%
Ended September 30, 2016	6,269,586	308,877	4.9
Fiscal year 2015	6,106,037	303,105	4.9

(Reference) Capital assets First half of FY2016: ¥308,877 million FY2015: ¥303,105 million

(Note) 1. "Capital assets to total assets" represents ("Net assets"-"Stock Acquisition Rights"-"Non controlling interests")/ "Total assets" at fiscal year-end.

2. Cash Dividends for Shareholders

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

(Note) Revisions of released cash dividend forecasts : No

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

Cash dividends at the end of FY2016 (forecast) include commemorative cash dividends ¥1.00 per share for the business integration of The Joyo Bank, Ltd. and Ashikaga Holdings Co., Ltd.

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

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

	Ordinary Profit		Net Income Attributable to Owners of the Parent		Net Income per Share
	¥Million	%	¥Million	%	¥
Fiscal Year					
Ending March 31, 2017	53,000	74.5	155,000	590.3	163.21

(Note) Revisions of released earnings forecasts : No

*Notes

- (1) Material changes in consolidated subsidiaries during the period (changes in specific subsidiaries accompanied by changes in scope of consolidation): No
- (2) Changes in accounting principles, accounting estimates and restatement
- ① Changes in accounting principles in accordance with changes in accounting standard, etc.: Yes
 - ② Other changes in accounting principles: Yes
 - ③ Changes in accounting estimates: Yes
 - ④ Restatement: No
- (3) Number of issued shares (common stock)
- ① Number of issued shares (including treasury stock):
September 30, 2016 333,250,000 shares March 31, 2016 333,250,000 shares
 - ② Number of treasury stock:
September 30, 2016 — shares March 31, 2016 — shares
 - ③ Average number of shares:
For the six months ended September 30, 2016 333,250,000 shares
For the six months ended September 30, 2015 333,250,000 shares

(Reference) Earnings forecast of subsidiary bank, The Ashikaga Bank, Ltd.(non-consolidated)

(1) Earnings forecast for fiscal year ending March 31, 2017 (in billion of JPY)

	Fiscal Year ended Mar.31,2016	Fiscal Year ending Mar.31,2017 Forecast	Defference
Core gross business profit	83.5	81.0	(2.5)
Expenses	47.0	48.5	1.4
Core net business income	36.4	32.5	(3.9)
Ordinary profit	39.8	30.5	(9.3)
Net income	30.8	21.0	(9.8)

(Note) Revisions of previous earnings forecasts : No

Statement relating to the status of the interim audit procedures

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

Explanation for proper use of forecasts and other notes

1. The company falls under the category of "Specified Business Corporation " as provided in Article 17-5-2 of the Cabinet Office Ordinance Concerning Disclosure of Public Companies. Accordingly, it has prepared its interim consolidated financial statements and interim non-consolidated financial statements for the six months ended September 30, 2016.
2. 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 (changes in business environment, the market situation of interest rates and stocks, etc.).

Financial Results for the First Half of Fiscal Year 2016, Ending March 31, 2017

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I Consolidated Interim Financial Information

1. Consolidated Interim Balance Sheet

【Ashikaga Holdings Co., Ltd.】

(Millions of yen)

Item	(Japanese)	As of March 31, 2016	As of Sep. 30, 2016
Assets	(資産の部)		
Cash and due from banks	現金預け金	437,509	621,813
Call loans and bills bought	コールローン及び買入手形	414	—
Monetary claims bought	買入金銭債権	7,627	6,454
Trading account securities	商品有価証券	3,596	2,555
Securities	有価証券	1,296,769	1,301,771
Loans and bills discounted	貸出金	4,235,174	4,221,375
Foreign exchanges	外国為替	4,377	4,237
Lease receivables and investments in lease	リース債権及びリース投資資産	—	743
Other assets	その他資産	34,277	22,249
Tangible fixed assets	有形固定資産	24,424	25,897
Intangible fixed assets	無形固定資産	78,601	75,520
Asset for retirement benefits	退職給付に係る資産	10,446	11,693
Deferred tax assets	繰延税金資産	584	538
Customers' liabilities for acceptances and guarantees	支払承諾見返	12,913	13,316
Allowance for loan losses	貸倒引当金	(40,679)	(38,581)
Total Assets	資産の部合計	6,106,037	6,269,586

(Millions of yen)

Item	(Japanese)	As of March 31, 2016	As of Sep. 30, 2016
Liabilities	(負債の部)		
Deposits	預金	5,206,700	5,148,407
Negotiable certificates of deposit	譲渡性預金	174,878	224,725
Call money and bills sold	コールマネー及び売渡手形	78,000	221,796
Payables under securities lending transactions	債券貸借取引受入担保金	25,263	21,510
Borrowed money	借入金	251,726	289,121
Foreign Exchanges	外国為替	282	280
Other liabilities	その他負債	46,266	37,182
Provision for directors' bonuses	役員賞与引当金	57	18
Provision for directors' retirement benefits	役員退職慰労引当金	311	—
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	858	809
Provision for contingent loss	偶発損失引当金	464	521
Provision for point card certificates	ポイント引当金	134	110
Deferred tax liabilities	繰延税金負債	5,074	2,908
Acceptances and guarantees	支払承諾	12,913	13,316
Total liabilities	負債の部合計	5,802,932	5,960,708
Equity	(純資産の部)		
Capital stock	資本金	117,495	117,495
Capital surplus	資本剰余金	29,025	29,025
Retained earnings	利益剰余金	113,594	125,679
Total shareholders' equity	株主資本合計	260,115	272,200
Unrealized gains on available-for-sale securities	その他有価証券評価差額金	48,527	38,173
Deferred gains (losses) on hedges	繰延ヘッジ損益	(3,951)	81
Defined retirement benefit plans	退職給付に係る調整累計額	(1,585)	(1,577)
Total accumulated other comprehensive income	その他の包括利益累計額合計	42,990	36,677
Total equity	純資産の部合計	303,105	308,877
Total liabilities and equity	負債及び純資産の部合計	6,106,037	6,269,586

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

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

【Ashikaga Holdings Co., Ltd.】

(1) Consolidated Interim Statement of Income

(Millions of yen)

Item	(Japanese)	For the six months ended Sep.30,2015	For the six months ended Sep.30,2016
Ordinary income	経常収益	54,905	52,972
Interest income	資金運用収益	38,955	37,364
Interest on loans and bills discounted	(うち貸出金利息)	28,008	26,850
Interest and dividends on securities	(うち有価証券利息配当金)	10,469	10,250
Fees and commissions	役務取引等収益	11,146	10,384
Other ordinary income	その他業務収益	1,067	1,333
Other income	その他経常収益	3,735	3,890
Ordinary expenses	経常費用	37,435	34,282
Interest expenses	資金調達費用	2,452	2,055
Interest on deposits	(うち預金利息)	1,131	644
Fees and commissions payments	役務取引等費用	3,066	3,274
Other business expenses	その他業務費用	124	334
General and administrative expenses	営業経費	27,943	27,258
Other operating expenses	その他経常費用	3,848	1,359
Ordinary profit	経常利益	17,469	18,690
Extraordinary losses	特別損失	59	47
Loss on disposal of fixed assets	固定資産処分損	33	39
Loss on reduction of tangible fixed assets	固定資産圧縮損	25	7
Income before income taxes and noncontrolling interests	税金等調整前中間純利益	17,409	18,643
Income taxes-current	法人税、住民税及び事業税	3,392	4,758
Income taxes-deferred	法人税等調整額	2,965	1,856
Total income taxes	法人税等合計	6,357	6,615
Net income	中間純利益	11,051	12,027
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益	11,051	12,027

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

(2) Consolidated Interim Statement of Comprehensive Income

(Millions of yen)

Item	(Japanese)	For the six months ended Sep.30,2015	For the six months ended Sep.30,2016
Net income	中間純利益	11,051	12,027
Other comprehensive income	その他の包括利益	(9,342)	(6,312)
Unrealized gain on available-for-sale securities	その他有価証券評価差額金	(10,355)	(10,353)
Deferred gains (losses) on hedges	繰延ヘッジ損益	801	4,033
Defined retirement benefit plan	退職給付に係る調整額	211	8
Comprehensive income	中間包括利益	1,709	5,715
Comprehensive income attributable to owners of the parent	親会社株主に係る中間包括利益	1,709	5,715
Comprehensive income attributable to noncontrolling interests	非支配株主に係る中間包括利益	—	—

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

3. Consolidated Interim Statement of Changes in Shareholders' Equity
 【Ashikaga Holdings Co., Ltd.】

1st Half of FY 2015 (ended September 30, 2015)

(Millions of yen)

		Shareholders' equity				Accumulated other comprehensive income				Total Equity
		Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Unrealized gains on available-for-sale securities	Deferred gains (losses) on hedges	Defined retirement benefit plans	Total accumulated other comprehensive income	
		株主資本				その他の包括利益累計額				純資産合計
		資本金	資本剰余金	利益剰余金	株主資本合計	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	117,495	29,025	94,474	240,994	44,704	(650)	2,072	46,126	287,121
Changes of items during the period	当 中 間 期 変 動 額									
Cash dividends	剰 余 金 の 当 配			(1,499)	(1,499)					(1,499)
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益			11,051	11,051					11,051
Net changes except for shareholders' equity during the period	株主資本以外の項目の当中間期変動額(純額)					(10,355)	801	211	(9,342)	(9,342)
Total changes during the period	当 中 間 期 変 動 額 合 計	—	—	9,552	9,552	(10,355)	801	211	(9,342)	209
Balance at the end of current period	当 中 間 期 末 残 高	117,495	29,025	104,026	250,547	34,348	151	2,284	36,784	287,331

1st Half of FY 2016 (ended September 30, 2016)

(Millions of yen)

		Shareholders' equity				Accumulated other comprehensive income				Total Equity
		Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Unrealized gains on available-for-sale securities	Deferred gains (losses) on hedges	Defined retirement benefit plans	Total accumulated other comprehensive income	
		株主資本				その他の包括利益累計額				純資産合計
		資本金	資本剰余金	利益剰余金	株主資本合計	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	117,495	29,025	113,594	260,115	48,527	(3,951)	(1,585)	42,990	303,105
Cumulative effects of changes in accounting policies	会計方針の変更による累積的影響額			1,557	1,557					1,557
Restated balance	会計方針の変更を反映した当期首残高	117,495	29,025	115,151	261,672	48,527	(3,951)	(1,585)	42,990	304,662
Changes of items during the period	当 中 間 期 変 動 額									
Cash dividends	剰 余 金 の 当 配			(1,499)	(1,499)					(1,499)
Net income attributable to owners of the parent	親会社株主に帰属する中間純利益			12,027	12,027					12,027
Net changes except for shareholders' equity during the period	株主資本以外の項目の当中間期変動額(純額)					(10,353)	4,033	8	(6,312)	(6,312)
Total changes during the period	当 中 間 期 変 動 額 合 計	—	—	10,528	10,528	(10,353)	4,033	8	(6,312)	4,215
Balance at the end of current period	当 中 間 期 末 残 高	117,495	29,025	125,679	272,200	38,173	81	(1,577)	36,677	308,877

4. Note for Assumptions of Going Concern

Not applicable.

5. Significant Subsequent Events

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

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

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

(1) Outline of Business Combination

① Name and Business Content of Acquired Company

Name of Acquired Company : AHD

Business content : Bank holding company

② Main Reasons for Business Combination

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

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

③ Date of Business Combination

October 1, 2016

④ Legal Form of Business Combination

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

⑤ Name of Company after Business Combination

Mebuki Financial Group, Inc.

⑥ Voting rights acquired

Voting right ratio before the share exchange	0.39%
Acquired voting right ratio on the date of the business combination	99.61%
Voting right ratio after the share exchange	100.00%

⑦ Reason for determining acquiring company

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

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

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

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

① Exchange Ratio by type of shares

Joyo shareholders receive 1.17 shares of AHD common stock for each share of Joyo common stock.

② Methods of calculating share exchange ratio

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

③ Number of Shares Delivered

Common Shares 845,805,218 shares

④ The amount of difference between the total cost of each transaction and the acquisition cost of the acquired company

Loss on step acquisitions ¥184 million

⑤ Expenses related to the acquisition

Advisory fees etc. ¥649 million

6 【Reference】

【 The Ashikaga Bank, Ltd.】

Non-consolidated Interim Balance Sheet

(Millions of yen)

Item	(Japanese)	As of Mar. 31, 2016	As of Sep. 30, 2016
Assets	(資産の部)		
Cash and due from banks	現金預け金	437,507	621,812
Call loans	コールローン	414	—
Monetary claims bought	買入金銭債権	7,627	6,454
Trading account securities	商品有価証券	3,596	2,555
Securities	有価証券	1,325,749	1,330,755
Loans and bills discounted	貸出金	4,274,437	4,260,674
Foreign exchanges	外国為替	4,377	4,237
Other assets	その他資産	24,916	18,748
Tangible fixed assets	有形固定資産	25,275	26,134
Intangible fixed assets	無形固定資産	2,569	2,557
Prepaid pension cost	前払年金費用	12,786	14,016
Customers' liabilities for acceptances and guarantees	支払承諾見返	12,913	13,316
Allowance for loan losses	貸倒引当金	(33,328)	(32,834)
Total Assets	資産の部合計	6,098,844	6,268,430

(Millions of yen)

Item	(Japanese)	As of Mar. 31, 2016	As of Sep. 30, 2016
Liabilities	(負債の部)		
Deposits	預金	5,224,561	5,170,677
Negotiable certificates of deposit	譲渡性預金	224,878	284,725
Call money	コールマネー	78,000	221,796
Payables under securities lending transactions	債券貸借取引受入担保金	25,263	21,510
Borrowed money	借入金	181,726	219,121
Foreign Exchanges	外国為替	282	280
Other liabilities	その他負債	30,426	22,555
Income taxes payable	未払法人税等	1,990	1,868
Lease obligations	リース債務	17	14
Asset retirement obligations	資産除去債務	544	546
Other	その他の負債	27,874	20,125
Provision for directors' bonuses	役員賞与引当金	25	17
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	809
Provision for contingent loss	偶発損失引当金	464	521
Provision for point card certificates	ポイント引当金	90	65
Deferred tax liabilities	繰延税金負債	7,296	4,260
Acceptances and guarantees	支払承諾	12,913	13,316
Total liabilities	負債の部合計	5,786,919	5,959,657
Equity	(純資産の部)		
Capital stock	資本金	135,000	135,000
Retained earnings	利益剰余金	129,428	132,704
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	112,596
Retained earnings brought forward	繰越利益剰余金	111,733	112,596
Total shareholders' equity	株主資本合計	264,428	267,704
Unrealized gains on available-for-sale securities	その他有価証券評価差額金	51,447	40,986
Deferred gains (losses) on hedges	繰延ヘッジ損益	(3,951)	81
Total valuation and translation adjustments	評価・換算差額等合計	47,495	41,067
Total equity	純資産の部合計	311,924	308,772
Total liabilities and equity	負債及び純資産の部合計	6,098,844	6,268,430

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

7【Reference】

【 The Ashikaga Bank, Ltd.】

Non-consolidated Interim Statement of Income

(Millions of yen)

Item	(Japanese)	For the six months ended Sep.30,2015	For the six months ended Sep.30,2016
Ordinary income	経 常 収 益	54,890	50,867
Interest income	資 金 運 用 収 益	37,860	36,229
Interest on loans and bills discounts	(うち貸出金利息)	26,918	25,722
Interest and dividends on securities	(うち有価証券利息配当金)	10,469	10,246
Fees and commissions	役 務 取 引 等 収 益	10,555	10,076
Other ordinary income	そ の 他 業 務 収 益	921	1,225
Other income	そ の 他 経 常 収 益	5,553	3,336
Ordinary expenses	経 常 費 用	30,501	30,790
Interest expenses	資 金 調 達 費 用	1,694	1,433
Interest on deposits	(うち預金利息)	1,133	644
Fees and commissions payments	役 務 取 引 等 費 用	3,124	3,338
Other ordinary expenses	そ の 他 業 務 費 用	60	281
General and administrative expenses	営 業 経 費	24,019	23,336
Other operating expenses	そ の 他 経 常 費 用	1,603	2,399
Ordinary profit	経 常 利 益	24,388	20,077
Extraordinary losses	特 別 損 失	59	46
Income before income taxes	税 引 前 中 間 純 利 益	24,328	20,030
Income taxes - current	法 人 税、住 民 税 及 び 事 業 税	6,223	5,296
Income taxes - deferred	法 人 税 等 調 整 額	1,080	950
Total income taxes	法 人 税 等 合 計	7,304	6,247
Net income	中 間 純 利 益	17,024	13,783

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

8. 【Reference】

【 The Ashikaga Bank, Ltd.】

Non-consolidated Interim Statement of Changes in Shareholders' Equity

1st Half of FY 2015 (ended September 30, 2015)

(Millions of yen)

		Shareholders' equity					Valuation and translation adjustments			Total Equity
		Capital stock	Retained earnings			Total shareholders' equity	Unrealized gains on available-for-sale securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments	
			Capital surplus	Other retained earnings	Total retained earnings					
		Retained earnings brought forward								
		株主資本				評価・換算差額等			純資産合計	
		利益剰余金			株主資本合計	その他有価証券評価差額金	繰延ヘッジ損益	評価・換算差額等合計		
		資本金	利益準備金	その他利益剰余金 繰越利益剰余金						利益剰余金合計
Balance at the beginning of the period	当 期 首 残 高	135,000	15,281	95,352	110,634	245,634	47,771	(650)	47,121	292,755
Changes of items during the period	当 中 間 期 変 動 額									
Cash dividends	剰 余 金 の 当 配		2,412	(14,477)	(12,064)	(12,064)				(12,064)
Net income	中 間 純 利 益			17,024	17,024	17,024				17,024
Net changes except for shareholders' equity during the period	株主資本以外の項目の 当中間期変動額(純額)						(10,507)	801	(9,706)	(9,706)
Total changes of items during the period	当 中 間 期 変 動 額 合 計	—	2,412	2,547	4,960	4,960	(10,507)	801	(9,706)	(4,746)
Balance at the end of current period	当 中 間 期 末 残 高	135,000	17,694	97,899	115,594	250,594	37,263	151	37,414	288,009

1st Half of FY 2016 (ended September 30, 2016)

(Millions of yen)

		Shareholders' equity					Valuation and translation adjustments			Total Equity
		Capital stock	Retained earnings			Total shareholders' equity	Unrealized gains on available-for-sale securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments	
			Capital surplus	Other retained earnings	Total retained earnings					
		Retained earnings brought forward								
		株主資本				評価・換算差額等			純資産合計	
		利益剰余金			株主資本合計	その他有価証券評価差額金	繰延ヘッジ損益	評価・換算差額等合計		
		資本金	利益準備金	その他利益剰余金 繰越利益剰余金						利益剰余金合計
Balance at the beginning of the period	当 期 首 残 高	135,000	17,694	111,733	129,428	264,428	51,447	(3,951)	47,495	311,924
Cumulative effects of changes in accounting policies	会計方針の変更による累積的影響額			1,557	1,557	1,557				1,557
Restated balance	会計方針の変更を反映した 当 期 首 残 高	135,000	17,694	113,290	130,985	265,985	51,447	(3,951)	47,495	313,481
Changes of items during the period	当 中 間 期 変 動 額									
Cash dividends	剰 余 金 の 当 配		2,412	(14,477)	(12,064)	(12,064)				(12,064)
Net income	中 間 純 利 益			13,783	13,783	13,783				13,783
Net changes except for shareholders' equity during the period	株主資本以外の項目の 当中間期変動額(純額)						(10,461)	4,033	(6,428)	(6,428)
Total changes of items during the period	当 中 間 期 変 動 額 合 計	—	2,412	(694)	1,718	1,718	(10,461)	4,033	(6,428)	(4,709)
Balance at the end of current period	当 中 間 期 末 残 高	135,000	20,107	112,596	132,704	267,704	40,986	81	41,067	308,772

II Financial Data for the First Half of Fiscal Year 2016

1. Income Status

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

	(Japanese)	First Half of FY2016		First Half of FY2015
		(A)	(A)-(B)	(B)
Consolidated gross profit	連 結 粗 利 益	43,418	(2,106)	45,525
Net interest income	資 金 利 益	35,309	(1,193)	36,503
Net fees and commissions	役 務 取 引 等 利 益	7,110	(968)	8,079
Net trading income	特 定 取 引 利 益	—	—	—
Net other business income	そ の 他 業 務 利 益	998	55	943
General and administrative expenses	営 業 経 費	27,258	(684)	27,943
Credit related costs	与 信 関 係 費 用	451	(1,917)	2,368
Write-off of loans	貸 出 金 償 却	470	(11)	482
Transfer to specific allowance for loan losses	個 別 貸 倒 引 当 金 繰 入 額	1,398	(3,702)	5,100
Transfer to general allowance for loan losses	一 般 貸 倒 引 当 金 繰 入 額	(1,249)	1,658	(2,908)
Other credit related costs	そ の 他 の 与 信 関 係 費 用	(167)	138	(305)
Gains (losses) on stocks	株 式 等 関 係 損 益	2,324	43	2,280
Equity in gains (losses) of affiliated companies	持 分 法 に よ る 投 資 損 益	—	—	—
Others	そ の 他	656	681	(24)
Ordinary profit	経 常 利 益	18,690	1,220	17,469
Extraordinary income(losses)	特 別 損 益	(47)	12	(59)
Income before income taxes and minority interests	税 金 等 調 整 前 中 間 純 利 益	18,643	1,233	17,409
Income taxes-current	法 人 税、住 民 税 及 び 事 業 税	4,758	1,366	3,392
Income taxes-deferred	法 人 税 等 調 整 額	1,856	(1,108)	2,965
Total income taxes	法 人 税 等 合 計	6,615	257	6,357
Net income	中 間 純 利 益	12,027	975	11,051
Net income attributable to noncontrolling interests	非 支 配 株 主 に 帰 属 す る 中 間 純 利 益	—	—	—
Net income attributable to owners of the parent	親 会 社 株 主 に 帰 属 す る 中 間 純 利 益	12,027	975	11,051

(Note) 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)

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

Reference

Consolidated net business income (before general allowance for loan losses)	連 結 業 務 純 益 (一 般 貸 倒 引 繰 入 前)	16,195	(1,736)	17,932
Consolidated net business income	連 結 業 務 純 益	17,445	(3,395)	20,841

(Note) Consolidated net business income

= Consolidated gross profit - General and administrative expenses(excluding non-recurrent expense)

- Transfer to general allowance for loan losses

(注) 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

(Number of Consolidated Subsidiaries)

	(Japanese)	First Half of FY2016		First Half of FY2015
		(A)	(A)-(B)	(B)
Number of consolidated subsidiaries	連 結 子 会 社 数	4	—	4
Number of affiliated companies applicable to the equity method	持 分 法 適 用 会 社 数	—	—	—

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

(Millions of yen)

	(Japanese)	First Half of FY2016		First Half of FY2015
		(A)	(A)-(B)	(B)
Gross business profit (excluding gains/losses on bond transactions)	業 務 粗 利 益 (除く国債等債券損益(5勘定戻))	42,476	(1,981)	44,458
Domestic gross business profit (excluding gains/losses on bond transactions)	国 内 業 務 粗 利 益 (除く国債等債券損益(5勘定戻))	41,189	(2,154)	43,343
Net interest income	資 金 利 益	33,859	(1,402)	35,261
Net fees and commissions	役 務 取 引 等 利 益	6,721	(674)	7,396
Net trading income	特 定 取 引 等 利 益	—	—	—
Net other business income (Of which, gains/losses on bond transactions)	そ の 他 業 務 利 益 (うち国債等債券損益(5勘定戻))	608	(77)	685
International gross business profit (excluding gains/losses on bond transactions)	国 際 業 務 粗 利 益 (除く国債等債券損益(5勘定戻))	1,287	172	1,115
Net interest income	資 金 利 益	936	31	904
Net fees and commissions	役 務 取 引 等 利 益	16	(18)	34
Net trading income	特 定 取 引 等 利 益	—	—	—
Net other business income (Of which, gains/losses on bond transactions)	そ の 他 業 務 利 益 (うち国債等債券損益(5勘定戻))	335	159	175
Expenses (excluding non-recurrent expense)	経 費 (除 く 臨 時 処 理 分)	23,311	(380)	23,691
Personnel expenses	人 件 費	12,716	(72)	12,789
Non-personnel expenses	物 件 費	8,789	(515)	9,305
Taxes	税 金	1,805	208	1,597
Net business income (before 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))	19,165	(1,601)	20,766
Net transfer to general allowance for loan losses①	一 般 貸 倒 引 当 金 繰 入 額 ①	(1,239)	(1,239)	—
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))	20,404	(362)	20,766
Net non-recurrent gains/losses	臨 時 損 益	(326)	(3,948)	3,621
Disposal of non-performing loans②	不 良 債 権 処 理 額 ②	2,789	4,242	(1,452)
Write-off of loans	貸 出 金 償 却	428	(4)	433
Transfer to specific allowance for loan losses	個 別 貸 倒 引 当 金 繰 入 額	2,516	2,516	—
Losses on sales of loans	貸 出 金 売 却 損	0	(2)	2
Transfer to provision for contingent losses	偶 発 損 失 引 当 金 繰 入 額	57	89	(32)
Reversal of allowance for loan losses	貸 倒 引 当 金 戻 入 益	—	(1,582)	1,582
Recoveries of written-off claims	償 却 債 権 取 立 益	212	(60)	273
Other	そ の 他	—	—	—
Gains/losses related to stocks, etc	株 式 等 関 係 損 益	2,442	(57)	2,499
Gains on sales on stocks, etc	株 式 等 売 却 益	2,875	(610)	3,486
Losses on sales on stocks, etc	株 式 等 売 却 損	419	(558)	978
Write-off amount of stocks, etc	株 式 等 償 却	13	5	8
Other non-recurrent gains/losses	そ の 他 臨 時 損 益	21	350	(329)
Ordinary profit	経 常 利 益	20,077	(4,310)	24,388
Extraordinary income/losses	特 別 損 益	(46)	12	(59)
Net gains/losses from fixed assets	固 定 資 産 処 分 損 益	(39)	(5)	(33)
Gains on disposal of fixed assets	固 定 資 産 処 分 益	—	—	—
Losses on disposal of fixed assets	固 定 資 産 処 分 損	39	5	33
Impairment losses	減 損 損 失	—	—	—
Loss on reduction of tangible fixed assets	固 定 資 産 圧 縮 損	7	(18)	25
Income before income taxes	税 引 前 中 間 純 利 益	20,030	(4,298)	24,328
Income taxes-current	法 人 税、住 民 税 及 び 事 業 税	5,296	(926)	6,223
Income taxes-deferred	法 人 税 等 調 整 額	950	(130)	1,080
Total income taxes	法 人 税 等 合 計	6,247	(1,057)	7,304
Net Income	中 間 純 利 益	13,783	(3,241)	17,024
Credit related costs (①+②)	与 信 関 係 費 用 (① + ②)	1,550	3,003	(1,452)

2. Net Business Income

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

(Millions of yen)

	(Japanese)	First Half of FY2016		First Half of FY2015
		(A)	(A)-(B)	(B)
Net business income (before transfer to general allowance for loan losses)	業務純益(一般貸引繰入前)	19,165	(1,601)	20,766
Per head (in thousands of yen)	職員一人当たり(千円)	6,581	(537)	7,119
Net business income	業務純益	20,404	(362)	20,766
Per head (in thousands of yen)	職員一人当たり(千円)	7,007	(112)	7,119

(Note) The average number of full-time employees, excluding transferred employees, temporary staff, and contract employees, is used in the above calculation.

(注) 職員数は、臨時雇用、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

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

(%)

Whole bank operations	(Japanese)	First Half of FY2016		First Half of FY2015
		(A)	(A)-(B)	(B)
Average yield on interest earning assets①	資金運用利回	1.22	(0.08)	1.30
Average yield on loans and bills discounted	貸出金利回	1.21	(0.08)	1.29
Average yield on securities	有価証券利回	1.62	(0.29)	1.91
Average yield on interest bearing liabilities②	資金調達原価	0.83	(0.06)	0.89
Average yield on deposits and negotiable certificates of deposit	預金等利回	0.02	(0.02)	0.04
Average yield on call money and borrowed money	外部負債利回	0.04	(0.06)	0.10
Average interest rate spread (①-②)	総資金利鞘	0.39	(0.02)	0.41

(%)

Domestic operations	(Japanese)	First Half of FY2016		First Half of FY2015
		(A)	(A)-(B)	(B)
Average yield on interest earning assets ①	資金運用利回	1.18	(0.08)	1.26
Average yield on loans and bills discounted	貸出金利回	1.21	(0.08)	1.29
Average yield on securities	有価証券利回	1.60	(0.41)	2.01
Average yield on interest bearing liabilities ②	資金調達原価	0.80	(0.08)	0.88
Average yield on deposits and negotiable certificates of deposit	預金等利回	0.02	(0.02)	0.04
Average yield on call money and borrowed money	外部負債利回	0.01	(0.08)	0.09
Average interest rate spread (①-②)	総資金利鞘	0.38	0.00	0.38

4. Return on Equity

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(%)

	(Japanese)	First Half of FY2016		First Half of FY2015
		(A)	(A)-(B)	(B)
Net income attributable to owners of the parent basis	親会社株主に帰属する中間純利益ベース	7.82	0.15	7.67

(Note) A denominator (Net average assets) is calculated as follows: (Net assets at the beginning of the period excluding subscription rights to shares and non controlling interest + Net assets at the end of the period excluding subscription rights to shares and non controlling interest)/2

(注) 分母となる自己資本平均残高は、[(期首純資産の部-新株予約権-非支配株主持分)+(期末純資産の部-新株予約権-非支配株主持分)]÷2としております。

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

(%)

	(Japanese)	First Half of FY2016		First Half of FY2015
		(A)	(A)-(B)	(B)
Net business income basis	業務純益ベース	13.08	(1.18)	14.26
Net income basis	中間純利益ベース	8.83	(2.86)	11.69

(Note) A denominator (Net average assets) is calculated as follows: (Net assets at the beginning of the period excluding subscription rights to shares + Net assets at the end of the period excluding subscription rights to shares)/2

(注) 分母となる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。

5. Gains and Losses on Securities

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

(Millions of yen)

	(Japanese)	First Half of FY2016		First Half of FY2015
		(A)	(A)-(B)	(B)
Gains (losses) on bonds (Government bonds, etc.)	国債等債券損益(5勘定戻)	487	(213)	700
Gains on sales	売却益	769	32	736
Gains on redemption	償還益	—	—	—
Losses on sales	売却損	281	281	0
Losses on redemption	償還損	—	—	—
Write-offs	償却	—	(36)	36
Gains (losses) on stocks, etc.	株式等損益(3勘定戻)	2,442	(57)	2,499
Gains on sales	売却益	2,875	(610)	3,486
Losses on sales	売却損	419	(558)	978
Write-offs	償却	13	5	8

6. Retirement Benefits

Retirement Benefit Costs

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

(Millions of yen)

	(Japanese)	First Half of FY2016		First Half of FY2015
		(A)	(A)-(B)	(B)
Retirement benefit costs	退職給付費用	237	(336)	574
Service cost	勤務費用	1,009	101	907
Interest cost	利息費用	90	(130)	221
Expected return on plan assets	期待運用収益	(875)	(7)	(868)
Amortization of prior service cost	過去勤務債務償却	(72)	—	(72)
Recognized actuarial losses	数理計算上の差異償却	85	(298)	383
Other retirement cost	その他	—	(1)	1

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

	(Japanese)	First Half of FY2016		First Half of FY2015
		(A)	(A)-(B)	(B)
Retirement benefit costs	退職給付費用	235	(338)	574

7. 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	Amortized cost method 償却原価法
Other securities (available-for-sale securities)	その他有価証券	Market value method (Valuation differences are stated in equity 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)

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

(Millions of yen)

		As of Sep. 30, 2016					As of Mar. 31, 2016			As of Sep. 30, 2015		
		Unrealized valuation gains (losses)					Unrealized valuation gains (losses)			Unrealized valuation gains (losses)		
		(A)	(A-B)	(A-C)	Valuation gains	Valuation losses	(B)	Valuation gains	Valuation losses	(C)	Valuation gains	Valuation losses
Held-to-maturity	満期保有目的	13,755	(84)	3,656	13,767	12	13,840	13,840	—	10,099	10,099	—
	Bonds 債券	13,736	(44)	3,745	13,746	9	13,781	13,781	—	9,991	9,991	—
	Others その他	18	(39)	(88)	21	2	58	58	—	107	107	—
Other (available-for-sale)	その他有価証券	56,975	(14,657)	4,715	63,765	6,789	71,633	75,624	3,991	52,260	55,473	3,213
	Stocks 株式	24,680	(4,758)	(6,491)	24,846	165	29,438	29,515	76	31,171	31,220	49
	Bonds 債券	24,468	(6,506)	10,536	24,781	313	30,974	31,283	308	13,932	14,452	519
	Others その他	7,826	(3,392)	670	14,137	6,310	11,219	14,825	3,605	7,156	9,800	2,643
Total	合計	70,731	(14,741)	8,371	77,533	6,802	85,473	89,464	3,991	62,359	65,572	3,213
	Stocks 株式	24,680	(4,758)	(6,491)	24,846	165	29,438	29,515	76	31,171	31,220	49
	Bonds 債券	38,204	(6,551)	14,281	38,527	322	44,756	45,064	308	23,923	24,443	519
	Others その他	7,845	(3,432)	581	14,159	6,313	11,278	14,883	3,605	7,264	9,908	2,643

(Note) "Other securities" are valued at market price. Consequently, figures in the above table show the differences between the acquisition cost and the balance sheet amount.

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

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

		As of Sep. 30, 2016					As of Mar. 31, 2016			As of Sep. 30, 2015		
		Unrealized valuation gains (losses)					Unrealized valuation gains (losses)			Unrealized valuation gains (losses)		
		(A)	(A-B)	(A-C)	Valuation gains	Valuation losses	(B)	Valuation gains	Valuation losses	(C)	Valuation gains	Valuation losses
Held-to-maturity	満期保有目的	13,755	(84)	3,656	13,767	12	13,840	13,840	—	10,099	10,099	—
	Bonds 債券	13,736	(44)	3,745	13,746	9	13,781	13,781	—	9,991	9,991	—
	Others その他	18	(39)	(88)	21	2	58	58	—	107	107	—
Other (available-for-sale)	その他有価証券	53,681	(14,543)	4,821	61,578	7,896	68,225	72,825	4,600	48,860	52,596	3,736
	Stocks 株式	21,386	(4,644)	(6,385)	22,658	1,272	26,030	26,717	686	27,771	28,343	572
	Bonds 債券	24,468	(6,506)	10,536	24,781	313	30,974	31,283	308	13,932	14,451	519
	Others その他	7,826	(3,392)	670	14,137	6,310	11,219	14,825	3,605	7,156	9,800	2,643
Total	合計	67,436	(14,628)	8,477	75,346	7,909	82,065	86,666	4,600	58,959	62,695	3,736
	Stocks 株式	21,386	(4,644)	(6,385)	22,658	1,272	26,030	26,717	686	27,771	28,343	572
	Bonds 債券	38,204	(6,551)	14,281	38,527	322	44,756	45,064	308	23,923	24,443	519
	Others その他	7,845	(3,432)	581	14,159	6,313	11,278	14,883	3,605	7,264	9,908	2,643

(Note) "Other securities" are valued at market price. Consequently, figures in the above table show the differences between the acquisition cost and the balance sheet amount.

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

8. Capital Adequacy Ratio (Domestic standard)

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

		As of Sep.30, 2016 (A)			As of Mar.31, 2016 (B)	As of Sep. 30, 2015 (C)
			(A)-(B)	(A)-(C)		
①Capital adequacy ratio ④÷⑤	自己資本比率	8.88%	0.27%	0.21%	8.61%	8.67%
②Basic Core capital	コア資本に係る基礎項目	352,493	10,505	14,259	341,988	338,234
③Adjustment Core capital	コア資本に係る調整項目	77,078	(2,854)	(4,812)	79,932	81,890
④Capital ②－③	自己資本の額	275,415	13,359	19,072	262,056	256,343
⑤Risk-weighted assets	リスク・アセット等	3,101,499	59,851	147,522	3,041,648	2,953,977
⑥Total required capital	総所要自己資本額	124,059	2,394	5,900	121,665	118,159

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

(Millions of yen)

		As of Sep.30, 2016 (A)			As of Mar.31, 2016 (B)	As of Sep. 30, 2015 (C)
			(A)-(B)	(A)-(C)		
①Capital adequacy ratio ④÷⑤	自己資本比率	8.93%	0.26%	0.01%	8.67%	8.92%
②Basic Core capital	コア資本に係る基礎項目	284,459	14,101	16,939	270,358	267,520
③Adjustment Core capital	コア資本に係る調整項目	4,610	338	2,599	4,272	2,011
④Capital ②－③	自己資本の額	279,848	13,762	14,339	266,086	265,509
⑤Risk-weighted assets	リスク・アセット等	3,132,193	64,762	157,410	3,067,431	2,974,783
⑥Total required capital	総所要自己資本額	125,287	2,590	6,296	122,697	118,991

(Note) ・Ashikaga Holdings Co., Ltd. and the Ashikaga Bank, Ltd. calculated each risk-weighted assets according to the Standardised Approach.
 ・Ashikaga Holdings Co., Ltd. and the Ashikaga Bank, Ltd. calculated each operational risk equivalent according to TSA (the standardized approach) except at the end of Sep. 30, 2015, at which BIA (basic indicator approach) is adopted.

(注) 自己資本比率の算定にあたっては、以下の手法を採用しております。
 ・信用リスクに関する手法：標準的手法
 ・オペレーショナル・リスクに関する手法：粗利益配分法(27年9月末は基礎的手法を採用し算出しております)

III Status of Loans

1. Risk-monitored Loans

(Note) ・The amounts of Risk-monitored loans are presented after partial direct write-off.

・Accrued interest for non-performing loans classified according to the self-assessment guidelines is not recognized.

(注) ・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、全額不計上としております。

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

(1)Risk-monitored loans

(Millions of yen)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016	As of Sep. 30, 2015
		(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	破綻先債権額	2,143	526	571	1,616	1,571
Non-accrual delinquent loans	延滞債権額	68,984	(226)	(6,348)	69,210	75,333
Loans past due for 3 months or more	3ヶ月以上延滞債権額	—	—	(5)	—	5
Restructured loans	貸出条件緩和債権額	17,168	(3,172)	(341)	20,340	17,510
Total risk-monitored loans	合計	88,295	(2,872)	(6,124)	91,168	94,420
Amount of partial direct write-off executed	部分直接償却実施額	9,421	(127)	1,479	9,548	7,942
Total loans (Term-end balance)	貸出金残高(末残)	4,260,674	(13,763)	56,112	4,274,437	4,204,562

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

(%)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016	As of Sep. 30, 2015
		(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	破綻先債権額	0.05	0.02	0.02	0.03	0.03
Non-accrual delinquent loans	延滞債権額	1.61	0.00	(0.18)	1.61	1.79
Loans past due for 3 months or more	3ヶ月以上延滞債権額	—	—	0.00	—	0.00
Restructured loans	貸出条件緩和債権額	0.40	(0.07)	(0.01)	0.47	0.41
Total risk-monitored loans	合計	2.07	(0.06)	(0.17)	2.13	2.24

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(1)Risk-monitored loans

(Millions of yen)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016	As of Sep. 30, 2015
		(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	破綻先債権額	2,190	485	498	1,704	1,691
Non-accrual delinquent loans	延滞債権額	69,728	(186)	(6,554)	69,914	76,282
Loans past due for 3 months or more	3ヶ月以上延滞債権額	—	—	(5)	—	5
Restructured loans	貸出条件緩和債権額	17,168	(3,172)	(341)	20,340	17,510
Total risk-monitored loans	合計	89,086	(2,873)	(6,402)	91,959	95,489
Amount of partial direct write-off executed	部分直接償却実施額	10,989	(353)	962	11,342	10,027
Total loans (Term-end balance)	貸出金残高(末残)	4,221,375	(13,799)	55,752	4,235,174	4,165,622

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

(%)

Item	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016	As of Sep. 30, 2015
		(A)	(A-B)	(A-C)	(B)	(C)
Loans to bankrupt borrowers	破綻先債権額	0.05	0.01	0.01	0.04	0.04
Non-accrual delinquent loans	延滞債権額	1.65	0.00	(0.18)	1.65	1.83
Loans past due for 3 months or more	3ヶ月以上延滞債権額	—	—	0.00	—	0.00
Restructured loans	貸出条件緩和債権額	0.40	(0.08)	(0.02)	0.48	0.42
Total risk-monitored loans	合計	2.11	(0.06)	(0.18)	2.17	2.29

2. Allowance for Loan Losses

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

(Millions of yen)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016 (B)	As of Sep. 30, 2015 (C)
		(A)	(A-B)	(A-C)		
Allowance for loan losses	貸 倒 引 当 金	32,834	(494)	(3,276)	33,328	36,111
General allowance for loan losses	一 般 貸 倒 引 当 金	16,755	(1,239)	(171)	17,994	16,926
Specific allowance for loan losses	個 別 貸 倒 引 当 金	16,079	744	(3,105)	15,334	19,185
Allowance for specific foreign debtors	特 定 海 外 債 権 引 当 勘 定	—	—	—	—	—

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016 (B)	As of Sep. 30, 2015 (C)
		(A)	(A-B)	(A-C)		
Allowance for loan losses	貸 倒 引 当 金 合 計	38,581	(2,097)	(5,593)	40,679	44,175
General allowance for loan losses	一 般 貸 倒 引 当 金	18,757	(1,249)	(305)	20,007	19,063
Specific allowance for loan losses	個 別 貸 倒 引 当 金	19,824	(847)	(5,287)	20,671	25,112
Allowance for specific foreign debtors	特 定 海 外 債 権 引 当 勘 定	—	—	—	—	—

3. Ratio to Reserve for Total Risk-monitored Loans

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

(%)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016 (B)	As of Sep. 30, 2015 (C)
		(A)	(A-B)	(A-C)		
Before partial direct write-off	部 分 直 接 償 却 前	43.51	0.67	0.19	42.84	43.32
After partial direct write-off	部 分 直 接 償 却 後	37.16	0.64	(1.05)	36.52	38.21

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(%)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016 (B)	As of Sep. 30, 2015 (C)
		(A)	(A-B)	(A-C)		
Before partial direct write-off	部 分 直 接 償 却 前	49.83	(0.84)	(1.87)	50.67	51.70
After partial direct write-off	部 分 直 接 償 却 後	43.28	(0.92)	(2.94)	44.20	46.22

4. Disclosed Claims under the Financial Revitalization Law

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

(Millions of yen)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016	As of Sep. 30, 2015
		(A)	(A-B)	(A-C)	(B)	(C)
Bankrupt and substantially bankrupt claims	破産更生債権及びこれらに準ずる債権	6,085	1,109	738	4,975	5,346
Doubtful claims	危険債権	65,491	(661)	(6,572)	66,152	72,063
Claims requiring supervision	要管理債権	17,168	(3,172)	(347)	20,340	17,515
Subtotal	小計	88,744	(2,724)	(6,181)	91,469	94,926
Normal claims	正常債権	4,257,404	(4,749)	77,280	4,262,153	4,180,123
Total	合計	4,346,149	(7,473)	71,099	4,353,623	4,275,049
Ratio of disclosed claims towards the balance of Loans	貸出金残高に占める比率	2.04%	(0.06%)	(0.18%)	2.10%	2.22%

【Ashikaga Holdings Co., Ltd. (Consolidated basis)】

(Millions of yen)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016	As of Sep. 30, 2015
		(A)	(A-B)	(A-C)	(B)	(C)
Bankrupt and substantially bankrupt claims	破産更生債権及びこれらに準ずる債権	6,879	1,090	429	5,789	6,450
Doubtful claims	危険債権	65,604	(657)	(6,576)	66,261	72,180
Claims requiring supervision	要管理債権	17,168	(3,172)	(347)	20,340	17,515
Subtotal	小計	89,652	(2,739)	(6,493)	92,391	96,146
Normal claims	正常債権	4,220,148	(4,931)	77,316	4,225,079	4,142,831
Total	合計	4,309,800	(7,670)	70,823	4,317,471	4,238,977
Ratio of disclosed claims towards the balance of Loans	貸出金残高に占める比率	2.08%	(0.05%)	(0.18%)	2.13%	2.26%

5. Status of Coverage on Disclosed Claims under the Financial Revitalization Law

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

(Millions of yen)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016	As of Sep. 30, 2015
		(A)	(A-B)	(A-C)	(B)	(C)
Coverage amount ②	保全額 ②	68,199	(1,036)	(6,785)	69,236	74,985
Portion covered by allowance	貸倒引当金	19,332	440	(2,974)	18,891	22,307
Reserve for specific debtors	担保保証等	48,867	(1,477)	(3,811)	50,344	52,678
Total disclosed claims under the Financial Revitalization Law ①	金融再生法開示債権残高 ①	88,744	(2,724)	(6,181)	91,469	94,926

Coverage ratio ②/①	保全率 ② / ①	76.84	1.15	(2.15)	75.69	78.99
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(Reference) Breakdown of Disclosed claims under the Financial Revitalizations Law (As of Sep. 30, 2016)

(Millions of yen)

	(Japanese)	①	Bankrupt and substantially bankrupt claims	Doubtful claims	Claims requiring supervision	Total
			破産更生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	①	6,085	65,491	17,168	88,744
Collateral and guarantees	担保保証等保全額	②	4,129	38,287	6,450	48,867
Non-covered amount	非保全額	③=①-②	1,956	27,203	10,717	39,877
Allowance for loan losses	貸倒引当金	④	1,956	14,162	3,213	19,332
Coverage amount	保全額	⑤=②+④	6,085	52,450	9,664	68,199
Allowance ratio	引当率	④/③	100.00%	52.06%	29.98%	48.47%
Coverage ratio	保全率	⑤/①	100.00%	80.08%	56.29%	76.84%

6. Loan Portfolio

(1) Classification of loans by type of industry

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

(Millions of yen)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016	As of Sep. 30, 2015
		(A)	(A-B)	(A-C)	(B)	(C)
Total	合 計	4,260,674	(13,763)	56,112	4,274,437	4,204,562
Manufacturing	製 造 業	494,759	(5,394)	(9,049)	500,153	503,808
Agriculture / Forestry	農 業 、 林 業	10,636	(853)	(356)	11,489	10,992
Fishery	漁 業	454	(60)	(83)	514	537
Mining / Quarrying of stone / Gravel	鉱業、採石業、砂利採取業	4,061	(1,413)	(1,584)	5,474	5,645
Construction	建 設 業	145,565	(4,194)	3,250	149,759	142,315
Electricity, gas and water	電気・ガス・熱供給・水道業	42,406	(739)	1,181	43,145	41,225
Telecommunication	情 報 通 信 業	19,355	(932)	(19,969)	20,287	39,324
Transportation / Postal activities	運 輸 業 、 郵 便 業	105,951	3,164	4,354	102,787	101,597
Wholesale / Retail services	卸 売 業 、 小 売 業	400,924	5,167	5,501	395,757	395,423
Financial and insurance services	金 融 業 、 保 険 業	180,544	(3,802)	(15,208)	184,346	195,752
Real estate / Goods rental and leasing	不動産業、物品賃貸業	492,102	8,618	22,396	483,484	469,706
Medical ,welfare and other services	医療・福祉サービス業	303,415	(3,857)	2,486	307,272	300,929
Government / Local government	国・地方公共団体	451,195	(53,625)	(28,696)	504,820	479,891
Others	そ の 他	1,609,295	44,156	91,890	1,565,139	1,517,405

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

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

(Millions of yen)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016	As of Sep. 30, 2015
		(A)	(A-B)	(A-C)	(B)	(C)
Total	合 計	88,295	(2,872)	(6,124)	91,168	94,420
Manufacturing	製 造 業	26,586	(1,376)	1,929	27,963	24,657
Agriculture / Forestry	農 業 、 林 業	227	(104)	14	331	213
Fishery	漁 業	—	—	—	—	—
Mining / Quarrying of stone / Gravel	鉱業、採石業、砂利採取業	—	—	(52)	—	52
Construction	建 設 業	5,202	(572)	(1,139)	5,774	6,341
Electricity, gas and water	電気・ガス・熱供給・水道業	2	2	0	—	2
Telecommunication	情 報 通 信 業	319	(162)	(310)	481	629
Transportation / Postal activities	運 輸 業 、 郵 便 業	2,746	(234)	(338)	2,981	3,084
Wholesale / Retail services	卸 売 業 、 小 売 業	17,468	2	(1,547)	17,465	19,015
Financial and insurance services	金 融 業 、 保 険 業	91	(1)	3	92	88
Real estate / Goods rental and leasing	不動産業、物品賃貸業	10,844	(875)	(1,316)	11,719	12,160
Medical ,welfare and other services	医療・福祉サービス業	11,266	356	(3,862)	10,909	15,128
Government / Local government	国・地方公共団体	—	—	—	—	—
Others	そ の 他	13,540	91	493	13,448	13,046

(3) Consumer loans

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

(Millions of yen)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016	As of Sep. 30, 2015
		(A)	(A-B)	(A-C)	(B)	(C)
Consumer loans	消費者ローン残高	1,742,201	47,725	101,281	1,694,476	1,640,920
Of which, housing loans	うち、住宅ローン残高	1,690,664	43,136	92,679	1,647,528	1,597,985
Of which, other loans	うち、その他ローン残高	51,537	4,589	8,602	46,948	42,935

(4) Loans to small-and-medium-sized enterprises

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

(Millions of yen)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016	As of Sep. 30, 2015
		(A)	(A-B)	(A-C)	(B)	(C)
Loans to small and medium-sized enterprises	中小企業等貸出残高	3,255,938	49,957	134,432	3,205,981	3,121,506
Ratio of small and medium-sized enterprises loans	中小企業等貸出比率	76.41%	1.41%	2.17%	75.00%	74.24%

7. Loans to Entities Overseas by Country

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

(1) Specific overseas loans

Not applicable

(2) Loans to Asian Countries

(Millions of yen)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016	As of Sep. 30, 2015
		(A)	(A-B)	(A-C)	(B)	(C)
China	中国	1,137	641	657	495	479
(Of which, risk-monitored loans)	(うちリスク管理債権)	—	—	—	—	—
Total	合計	1,137	641	657	495	479
(Of which, risk-monitored loans)	(うちリスク管理債権)	—	—	—	—	—

(3) Loans to Latin American Countries

Not applicable

(4) Loans to Russia

Not applicable

8. Outstanding Balance of Deposits and Loans

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

(Millions of yen)

	(Japanese)	As of Sep. 30, 2016			As of Mar. 31, 2016	As of Sep. 30, 2015
		(A)	(A-B)	(A-C)	(B)	(C)
Deposits (Term-end balance)	預金(末残)	5,170,677	(53,884)	112,559	5,224,561	5,058,117
Deposits (Average balance)	預金(平残)	5,150,474	107,461	122,499	5,043,012	5,027,975
Loans and bills discounted (Term-end balance)	貸出金(末残)	4,260,674	(13,763)	56,112	4,274,437	4,204,562
Loans and bills discounted (Average balance)	貸出金(平残)	4,219,349	46,280	73,989	4,173,068	4,145,359