

Financial Results for the First Half of FY2015 and Projections for FY2015

Best Partner Bank for the Collaborative Creation of the Region's Future

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Financial Highlights for the 1H FY2015 (1)

- ◆ Non consolidated net income increased by ¥1.2 billion YoY to ¥14.8 billion with an increase in fees and commissions from financial product sales and gains on stocks.
- ◆ Revised our FY2015 forecast upward due to an increase in gains on stocks which exceeded our initial forecast.

Financial highlights for the 1H FY2015

	(Billions of yen)						
	1H FY2013	1H FY2014 ①	1H FY2015 ②	YoY Change ②-①	Change Ratio	1H FY2015 Projection* ③	Change ②-③
Gross business profit	53.7	55.3	55.5	0.2	0.4%	55.5	0.0
Net interest income	45.7	46.2	45.6	(0.6)	(1.3%)	45.0	0.6
Fees and commissions	6.8	6.8	7.4	0.5	7.8%	8.5	(1.0)
Net other operating profit	1.2	2.2	2.5	0.3	15.1%	2.0	0.5
Gains/losses on bonds	0.4	1.6	1.3	(0.2)	(13.3%)	1.5	(0.1)
Expenses	36.1	36.0	35.0	(0.9)	(2.7%)	35.0	0.0
Real business profit	17.6	19.2	20.4	1.2	6.3%	20.5	(0.0)
Net transfer to general reserve for possible loan losses (A)	(1.5)	(1.4)	0.0	1.4	-	0.5	(0.4)
Business profit	19.2	20.7	20.4	(0.2)	(1.1%)	20.0	0.4
Core net business profit	17.1	17.6	19.1	1.4	8.1%	19.0	0.1
Net non-recurring gains(losses)	0.7	0.2	1.1	0.9	391.7%	(0.5)	1.6
Disposal of non-performing loans (B)	5.6	2.3	2.6	0.3	13.4%	1.0	1.6
Gains/losses on stocks	6.2	2.1	2.9	0.7	35.7%	0.0	2.9
Ordinary profit	19.9	20.9	21.6	0.7	3.3%	19.5	2.1
Net special gains (losses)	(0.2)	(0.5)	(0.2)	0.3	-	(0.5)	0.2
Net income before income taxes and others	19.6	20.4	21.4	1.0	4.9%	19.0	2.4
Net income after tax	12.4	13.6	14.8	1.2	8.7%	12.5	2.3
Net credit costs (A)+(B)	4.0	0.9	2.6	1.7	197.5%	1.5	1.1
Ordinary profit (Consolidated)	22.3	23.4	24.1	0.7	3.1%	22.0	2.1
Net income after tax (Consolidated)	14.2	15.1	16.5	1.3	9.1%	14.0	2.5

Refer to breakdown of Top-line on page 2

Refer to breakdown of Expenses on page 3

Refer to breakdown of Consolidated profit on page 15

Financial Highlights for the 1H FY2015 (2) ~ Top-line ~

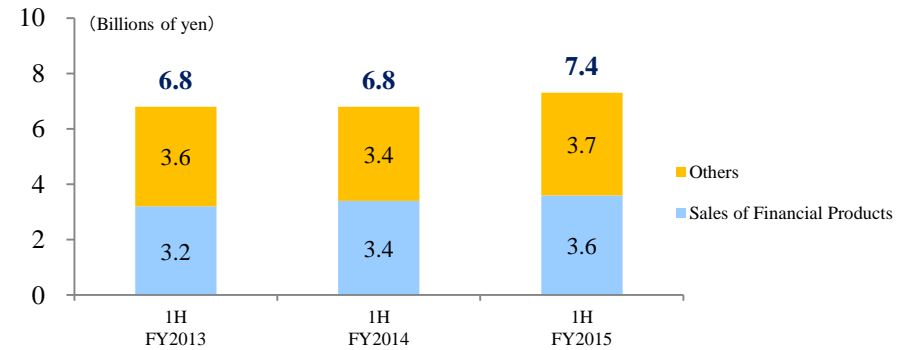
- ◆ Net interest income decreased by ¥0.6 billion YoY mainly due to decrease in interest income on loans by lower loan rates while increase in interest income on investment securities.
- ◆ Fees and Commissions increased by ¥0.5 billion (+7.8% annually) mainly from financial product sales.

Breakdown of Top-Line

	1H FY2013		1H FY2014		1H FY2015		YoY change ②-①	Change ratio	(billions of yen)	
	①	①	②	②	③	②-③				
Net interest income	45.7	46.2	45.6		45.0	0.6	(0.6)	(1.3)%		
Interest income on loans	34.9	34.0	33.1				(0.8)	(2.5)%		
Interest income on securities	12.8	14.3	15.2				0.8	6.1%		
Interest expenses on deposits	1.3	1.2	1.4				0.1	9.0%		
Other funding cost	1.0	1.1	1.7				0.5	48.5%		
Fees and Commissions	6.8	6.8	7.4		8.5	(1.0)	0.5	7.8%		
Investment trusts annuities and whole-life insurance	2.9	3.1	3.3				0.1	5.1%		
(Investment trusts)	1.9	2.2	2.0				(0.2)	(10.1)%		
(annuities and whole-life insurance)	1.0	0.9	1.3				0.3	43.7%		
TOTAL (①+②)	52.5	53.1	53.0		53.5	(0.4)	(0.0)	(0.1)%		

※As of 12 May 2015

Fees and Commissions



※ 「Financial products」 include investment trust, insurance, public bonds, financial instruments intermediary services.
Fees from foreign currency deposits are in net other operating profit.

Breakdown of Loan-Deposit Interest Margins

	1H FY2015 (Billions of yen)					
	Total		Domestic		Foreign	
	Results	Change from 1H FY2014	Results	Change from 1H FY2014	Results	Change from 1H FY2014
Loan-Deposit Interest Margins	31.7	(0.9)	31.6	(1.0)	0.1	0.0
Interest income on loans	33.1	(0.8)	32.7	(1.0)	0.3	0.2
【Breakdown by factors】	Average balance	- 1.3	- 1.2	+¥207.2 billion	- 0.1	+¥43.1 billion
	Yield	- (2.2)	- (2.3)	(8bp)	- 0.0	+17bp
Interest expenses on deposits	1.4	0.1	1.1	(0.0)	0.2	0.1

Breakdown of Interest Income on Securities

	1H FY2015 (Billions of yen)					
	Total		Domestic		Foreign	
	Results	change from FY2014	Results	Change from 1H FY2014	Results	Change from 1H FY2014
Interest income on securities	15.2	0.8	11.4	0.0	3.7	0.8
【Breakdown by factors】	Average balance	- (0.1)	- (1.3)	(¥261.8 billion)	- 1.2	+¥138.3 billion
	Yield	- 1.0	- 1.4	+12bp	- (0.3)	(19bp)

Interest income on securities: Reasons for changes (YoY)

- Increases in dividends from Equity funds, ETFs, REITs +¥1.1 billion
- Increases in dividends from Stocks +¥0.3 billion
- Decrease in interest income from yen-denominated bonds (mainly JGBs) △¥0.8 billion

- ◆ Strengthening Cost Reduction Project to attain the medium-term business plan target “OHR of 60% or less in FY2016”.
- ◆ Aim to reduce operating costs due to this project, target : ¥1.0billion in FY2015, ¥2.0billion in FY2016.

Trend in Fiscal Expenses

(Billions of yen)

	1H FY2013	2H FY2013	1H FY2014 ①	2H FY2014 ②	1H FY2015 ③	YoY change ③-①	2H FY2015 Projection ④	YoY change ④-②
Personnel expenses	17.6	17.5	17.2	17.3	17.5	0.3	17.5	0.1
Non-Personnel expenses	16.4	15.9	16.4	15.3	15.0	(1.4)	14.9	(0.4)
Depreciation	2.7	3.0	2.8	3.0	3.0	0.2	-	-
Deposit insurance cost	3.0	1.9	3.0	2.0	1.5	(1.4)	-	-
Others	10.6	10.9	10.5	10.2	10.3	(0.1)	-	-
Tax	2.1	0.9	2.4	1.0	2.5	0.0	1.3	0.3
Total	36.1	34.4	36.0	33.7	35.0	(0.9)	33.9	0.1
OHR	67.2%	66.7%	65.1%	62.8%	63.1%	(2.0%)	62.3%	(0.5%)

Cost Reduction Project (started from October 2014)

Cost Reduction Effect (optimum level)

- Ordinary expenses: Down ¥2.0 billion (FY2016 target)
 - FY2014 result : Down ¥0.5 billion
 - FY2015 projection : Down ¥1.0 billion
 - FY2016 target : Down ¥2.0 billion

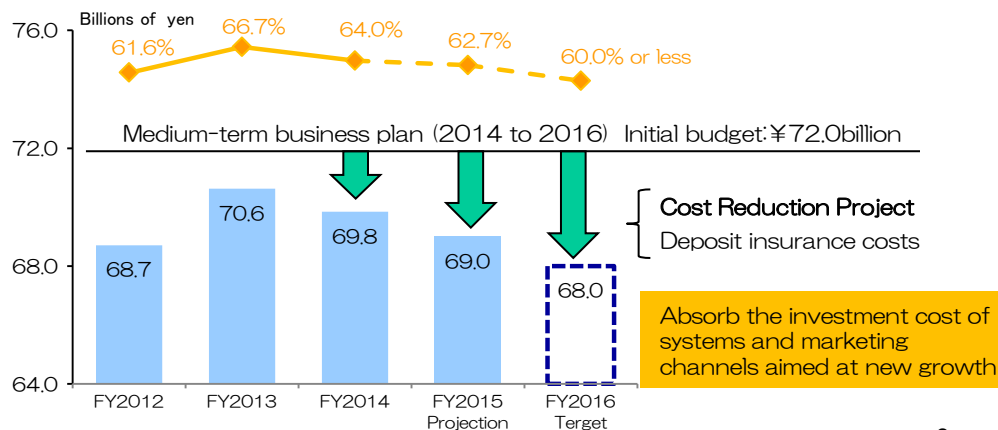
Cost Reduction Measures

- Review methods for transporting cash and contracting document delivery
- Review ownership and management methods of various real estate
- Shorten total working hours to realize an improved work-life balance
- Review system costs and postage expenses etc.

“Chance” * cooperation on mainframe system

- Joint development of IT system functions
 - Reduce the operating cost of systems development
- Collaboration beyond the scope of joint systems development & Expand and enhance regionally-oriented financial services
 - Jointly held a business exchange conference (in Vietnam)
 - Agreement on mutual assistance in the event of major disasters

* A joint IT system reflecting the common and individual needs of member banks (Joyo Bank, Hyakujushi Bank, Juroku Bank, Nanto Bank, and Yamaguchi Financial Group), built on the Bank of Tokyo Mitsubishi UFJ's mainframe system as a base.



Average Balance of Loans and Deposits

- ◆ The average balance of loans and bills discounted increased 4.5% YoY as a result of focusing proactively on growth sectors, housing-related loans, and foreign currency loans.

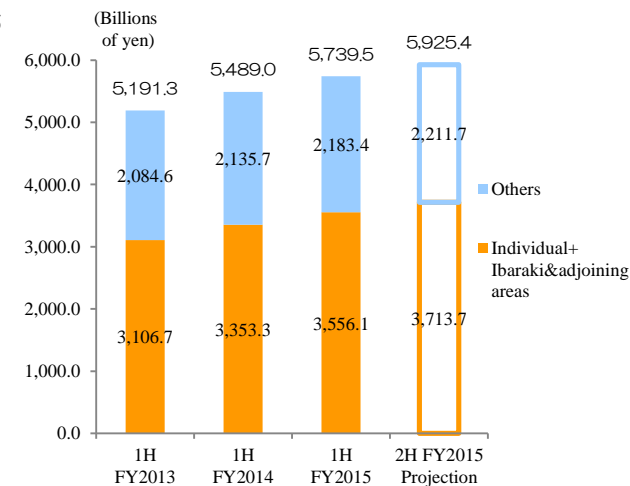
YoY : Individual loans +9.7% Foreign currency loans +86.6%

- ◆ Deposits continued to increase mainly in individual and corporate sector, the balance increased 2.8% YoY.

Average balance of loans and bills discounted

*Refer to end-balance on appendix, P34-P35

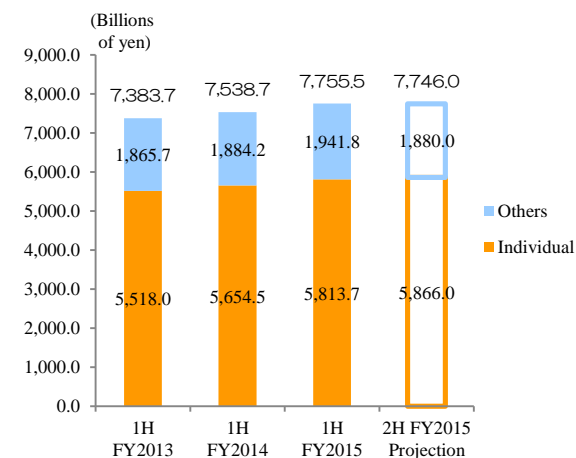
	1H FY2013		2H FY2013		1H FY2014		2H FY2014		1H FY2015		YoY change ③-①	Change ratio	change ③-②	2H FY2015 Projection	
	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	④	YoY change ④-②							
Corporate	2,632.8	2,706.7	2,719.8	2,766.5	2,732.5	12.7	0.4%	(34.0)	2,800.9	34.4					
Ibaraki and its adjoining areas	1,372.7	1,428.5	1,438.7	1,477.5	1,455.4	16.7	1.1%	(22.1)	1,510.7	33.2					
Tokyo and Osaka	1,260.1	1,278.2	1,281.1	1,289.0	1,277.1	(4.0)	(0.3%)	(11.9)	1,290.2	1.2					
Individual	1,734.0	1,822.0	1,914.6	2,007.9	2,100.7	186.1	9.7%	92.8	2,203.0	195.1					
Public sector	793.3	793.7	806.8	821.0	817.1	10.3	1.2%	(3.9)	827.5	6.5					
Foreign Currency	31.2	36.6	47.8	71.2	89.2	41.4	86.6%	18.0	94.0	22.8					
Total	5,191.3	5,359.0	5,489.0	5,666.6	5,739.5	250.4	4.5%	72.9	5,925.4	258.8					



Average balance of yen-denominated deposits

*Refer to end-balance on appendix, P36

	1H FY2013		2H FY2013		1H FY2014		2H FY2014		1H FY2015		YoY change ③-①	Change ratio	change ③-②	2H FY2015 Projection	
	FY2013	FY2013	FY2014	FY2014	FY2015	FY2015	④	YoY change ④-②							
Corporate	1,419.5	1,444.7	1,477.9	1,490.7	1,537.6	59.7	4.0%	46.9	1,550.0	59.3					
Individual	5,518.0	5,590.6	5,654.5	5,720.8	5,813.7	159.2	2.8%	92.9	5,866.0	145.2					
Public sector	446.2	353.0	406.3	334.0	404.2	(2.1)	(0.5%)	70.2	330.0	(4.0)					
Total	7,383.7	7,388.3	7,538.7	7,545.5	7,755.5	216.8	2.8%	210.0	7,746.0	200.5					
Ratio of															
current deposits	61.2%	61.6%	62.4%	62.9%	63.6%	1.2%	-	0.7%	63.4%	0.5%					
time deposits	38.8%	38.4%	37.6%	37.1%	36.4%	(1.2%)	-	(0.7%)	36.6%	(0.5%)					



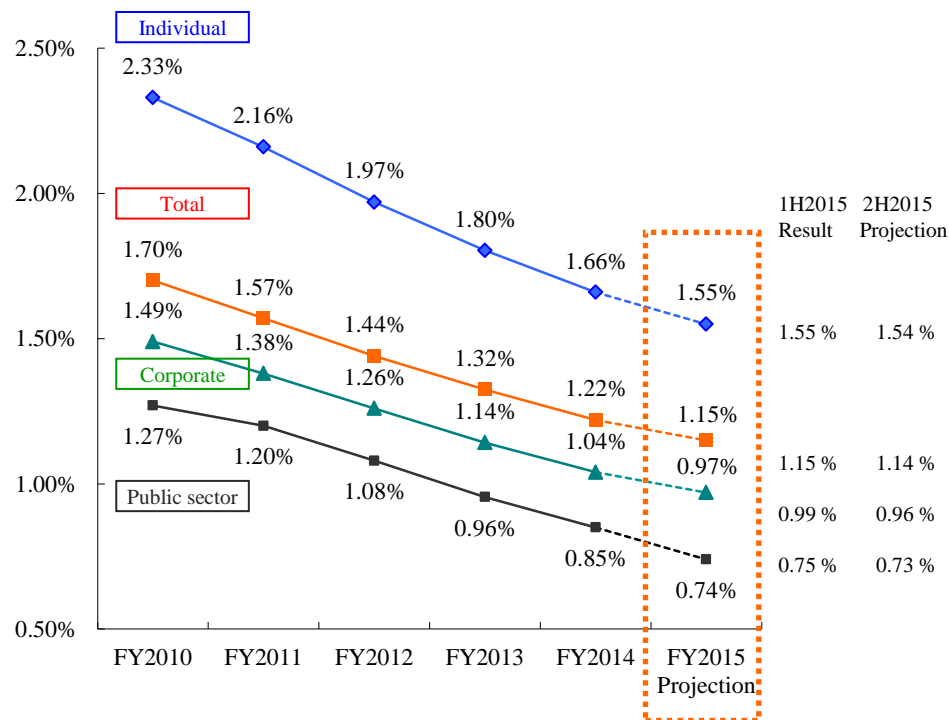
- ◆ Average yield on loans and bills discounted:
Result in 1st half of FY2015 : 1.15% (down 8bp YoY)
Target in 2nd half of FY2015 : 1.13% (down 7bp YoY)

- ◆ Loan-deposit interest margins:
Result in 1st half of FY2015 : 1.12% (down 8bp YoY)
Target in 2nd half of FY2015 : 1.11% (down 7bp YoY)

Loan-deposit interest margins

		1H FY2013	1H FY2014	1H FY2015	YoY change	2H FY2015 Projection	Change from 2H FY2014
			①	②	②-①		
Average yield on interest-earning assets	(A)	1.20%	1.16%	1.12%	(4bp)	-	-
Average yield on loans and bills discounted	(B)	1.34%	1.23%	1.15%	(8bp)	1.13%	(7bp)
Average yield on securities		0.99%	1.07%	1.19%	12bp	1.00%	(2bp)
Funding cost	(C)	0.98%	0.94%	0.90%	(4bp)	-	-
Average yield on deposits	(D)	0.03%	0.03%	0.03%	0bp	0.02%	0bp
Average yield on external liabilities		0.96%	0.94%	0.88%	(6bp)	-	-
Loan-deposit interest margins	(B-D)	1.31%	1.20%	1.12%	(8bp)	1.11%	(7bp)
Total interest margin	(A-C)	0.22%	0.22%	0.22%	0bp	-	-

Average yield on loans and bills discounted (yen)



- ◆ The average balance of corporate loans increased by ¥12.7 billion YoY led by increase of loans in Ibaraki's adjoining areas.
- ◆ Continue to respond proactively to new funding needs mainly among local borrowers such as medical healthcare, and agricultural industries.

Average Balance of loans (yen)

(Billions of yen)

	1H FY2013	2H FY2013	1H FY2014	2H FY2014	1H FY2015	YoY change	Change ratio	2HFY2015 Projection	YoY change
			①	②	③	③-①		④	④-②
Corporate loans	2,632.8	2,706.7	2,719.8	2,766.5	2,732.5	12.7	0.4%	2,800.9	34.4
Ibaraki and its adjoining areas	1,372.7	1,428.5	1,438.7	1,477.5	1,455.4	16.7	1.1%	1,510.7	33.2
Ibaraki	987.7	1,027.4	1,027.5	1,054.2	1,025.0	(2.5)	(0.2%)		
Miyagi and Fukushima	204.0	211.9	215.1	218.4	216.4	1.3	0.6%		
Tochigi	88.2	90.3	92.5	94.8	97.1	4.6	4.9%		
Chiba and Saitama	92.8	98.9	103.6	110.0	116.9	13.3	12.7%		
Tokyo and Osaka	1,260.1	1,278.2	1,281.1	1,289.0	1,277.1	(4.0)	(0.3%)	1,290.2	1.2
Major companies	1,153.7	1,150.2	1,159.5	1,169.9	1,108.9	(50.6)	(4.3%)		
Medium sized companies	115.8	121.3	120.3	120.2	116.8	(3.5)	(2.9%)		
Small companies	1,363.3	1,435.2	1,440.0	1,476.4	1,506.8	66.8	4.6%		

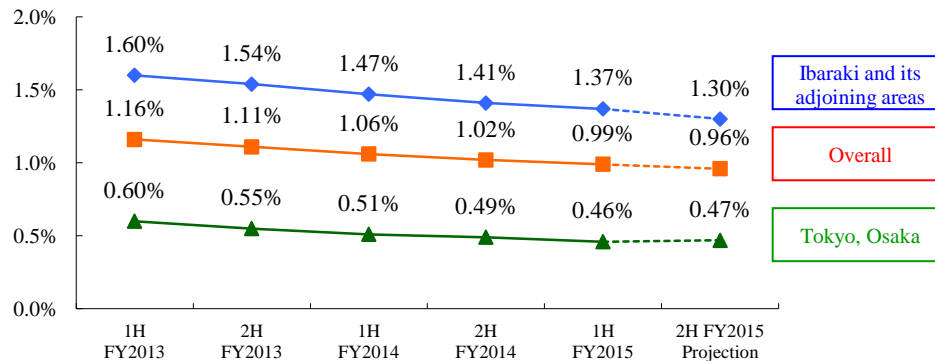
Initiatives for growth sectors

(Billions of yen)

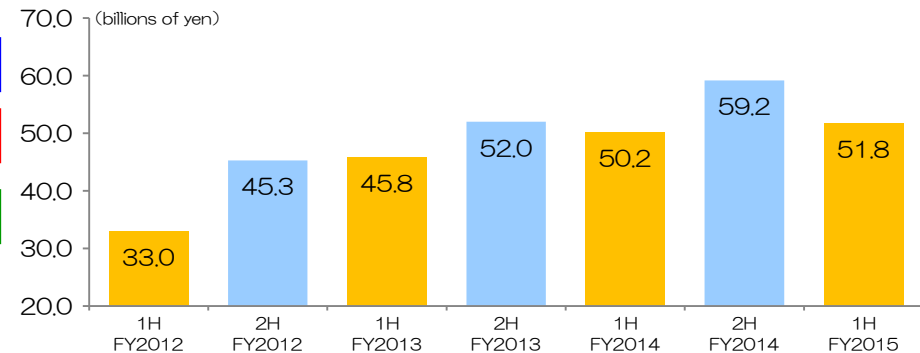
	1H FY2013	1H FY2014	1H FY2015	YoY change	Change ratio	FY2015 Target	Progress ratio
		①	②	②-①			
Total of growth sector	23.6	33.8	61.6	-	-	70.0	88.0%
Medical/Health care	15.4	17.2	26.2	9.0	52.3%	40.0	65.5%
New energy	8.2	16.6	13.5	(3.1)	(18.7%)	10.0	135.0%
Agri-business	-	-	17.8	-	-	10.0	178.0%
Manufactures	-	-	1.4	-	-	5.0	28.0%
Supports for overseas expansion	-	1.1	2.7	1.6	145.5%	5.0	54.0%

- *1. A scope of 400 borrowers until FY2014. The scope was narrowed to 252 borrowers from FY2015 to prioritize support.
- *2. Limited to the funding of capital investments by priority businesses receiving assistance applying for subsidies and other support.

Yield on Corporate Loans

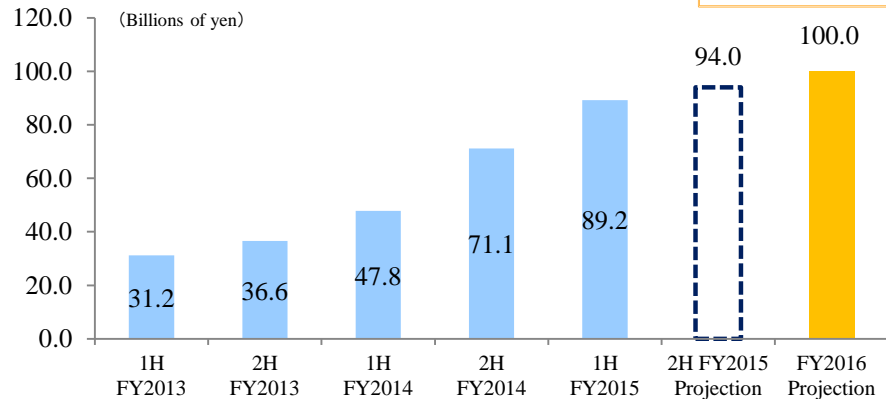


Loans for Equipment Funds (in Ibaraki and adjoining areas)



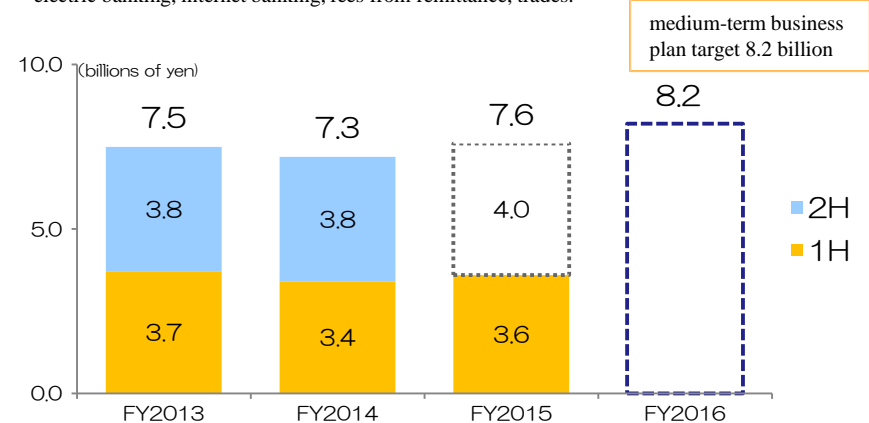
- ◆ Steady increase in foreign currency loans to attain the target of medium-term business plan.
- ◆ Corporate banking fees from derivative, international trade and other transactions also inverted in the first half of FY2015, and will be bolstered further in the second half.

Average balance of foreign currency loans



Fees from corporate customers

※Sum of derivatives, syndicated loans, private placement bonds, business matching, electric banking, internet banking, fees from remittance, trades.



	(Billions of yen)	
	1H FY2015	Change from 1H FY2014
Derivatives	31.8	8.0
Syndicated Loans	13.6	3.9
Private Placement Bonds	17.2	5.7
Business Matching	8.8	0.8
Electric Banking	57.6	3.3
Remittance	218.4	(1.9)
Trades	18.5	0.9
Others	3.1	1.2
Total	369.0	21.9

[Number of our customers advancing into the Asian region]

	Number of customers	Number of customers (Local)	Allianced Bank
China	525	285	Bank of China Bank of Communications
Taiwan	46	35	China Trust Commercial Bank
Thailand	226	91	Kasikorn Bank Bangkok Bank
Vietnam	146	58	Joint Stock Commercial Bank for Foreign Trade of Vietnam
Phillipines	29	24	BDO Unibank Inc.
Indonesia	105	19	PT.Bank Negara Indonesia TBK.
India	20	11	State Bank of India

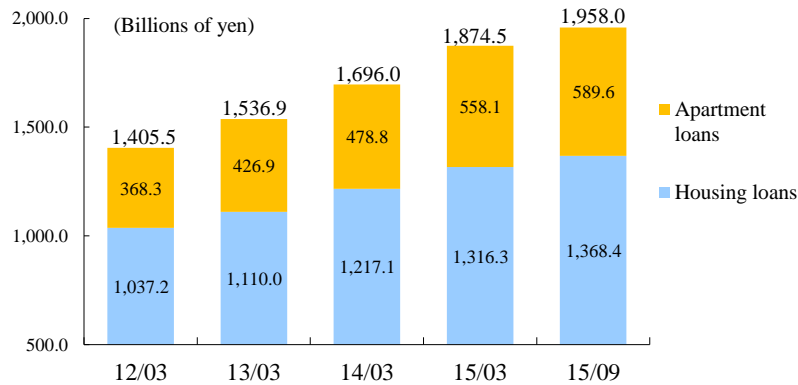
*In Vietnam, Jyo Bank also has an alliance with the Foreign Investment Agency of Vietnam

◆ On the whole, housing-related loan executions were about the same level as the previous fiscal year.

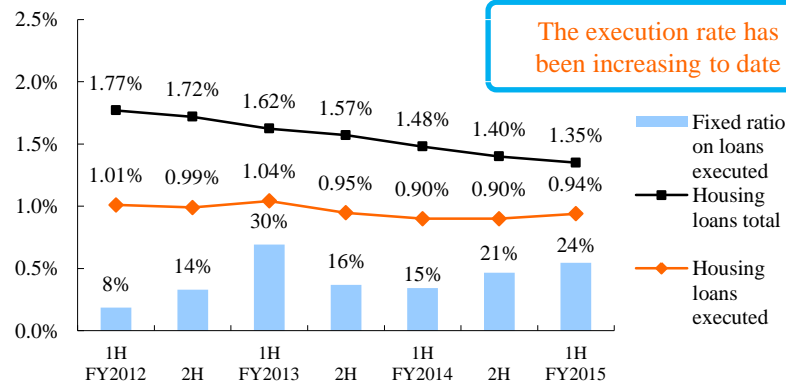
While the amount of executions declined within Ibaraki Prefecture, this was offset by executions outside] the prefecture, attributable to the consolidation of branches (to house both corporate and retail banking instead of primarily corporate banking) and the opening of loan-plazas (loan specialized branches) .

◆ Yield on recently executed housing-related loans improved.

Housing-related loans balance (term-end)



Yield of Housing loans



The execution rate has been increasing to date

Housing-related loans executed

	1H FY2013	2H FY2013	1H FY2014 ①	2H FY2014 ②	1H FY2015 ③	YoY change ③-①	Change ratio	2H FY2015 Projection ④	YoY change ④-②
Housing loans	98.2	106.7	99.1	101.8	99.0	(0.1)	(0.1%)	120.0	18.1
Ibaraki	78.1	76.2	68.2	66.6	62.1	(6.0)	(7.7%)	-	-
Miyagi and Fukushima	4.2	4.6	4.8	4.9	5.4	0.5	13.8%	-	-
Tochigi	5.1	4.9	5.6	6.3	5.8	0.2	4.5%	-	-
Chiba and Saitama	10.6	20.9	20.4	23.8	25.4	5.0	47.8%	-	-
Apartment loans	45.2	52.4	53.1	60.9	50.8	(2.3)	(5.1%)	50.0	(10.9)
Ibaraki	26.6	29.0	29.3	32.3	28.7	(0.6)	(2.3%)	-	-
Miyagi and Fukushima	6.8	10.1	10.2	11.7	9.4	(0.7)	(11.3%)	-	-
Tochigi	4.0	4.4	4.3	4.7	3.9	(0.3)	(9.2%)	-	-
Chiba and Saitama	7.6	8.7	9.2	12.0	8.6	(0.5)	(7.2%)	-	-
Total	143.4	159.1	152.3	162.8	149.9	(2.3)	(1.6%)	170.0	7.1

※Reference Housing starts in Ibaraki Pref.(Jan . 2015 to Sep. 2015YoY) Privately-owned house : + 1.7% , Rent house : +15.9%

Branches outside of Ibaraki prefecture

○ Number of Consolidated branches (to house both corporate and retail banking instead of primarily corporate banking)

FY2012 3 branches FY2013 2branches

○ Number of New Loan-Plazas

FY2012 2 plazas FY2013 2 plazas FY2014 1 plaza FY2015 1 plaza

- ◆ The average balance of unsecured consumer loans continued to increase as a result of enhancing the non-OTC transaction service function (on the web) and wide variety of products.
- ◆ The average balance increased by ¥5.6 billion YoY (+8% annually).

Average balance of unsecured consumer loans

(Billions of yen)

	1H FY2013	1H FY2014 ①	1H FY2015 ②	YoY change (②-①)	Change ratio	FY2014 executed amount	FY2015 Projection
Auto loans	13.8	17.5	19.5	2.0	11%	8.6	12.0
Educational loans	19.9	22.2	24.7	2.5	11%	8.1	10.0
Card loans	21.9	22.8	23.9	1.0	4%	-	-
Total	55.6	62.6	68.2	5.6	8%	16.7	22.0
【Reference】 Average yeild	5.8%	5.5%	5.0%	(0.4%)	-		

Online loan applications

(Number/Billions of yen)

		1H FY2013	1H FY2014 ①	1H FY2015 ②	YoY change ②-①	Change ratio	Users of Web-based service for client employees *2 1H FY2014	1H FY2015	YoY change	Change ratio
		Auto loans	Number	3,255	3,421	3,804	383	11.1%	527	919
	WEB application ratio	68.8%	66.2%	66.1%	0.0%	-	-	-	-	-
	Amount	2.4	2.6	2.7	0	2.2%	0.8	1.5	0.6	76.9%
Educational loans	Number	480	520	687	167	32.1%	195	293	98	50.2%
	WEB application ratio	38.3%	43.3%	49.3%	6.0%	-	-	-	-	-
	Amount	1.0	0.9	1.1	0.1	18.3%	0.5	0.7	0.1	33.4%
Card loans*1	Number	2,144	3,543	3,404	(139)	(3.9%)	1,184	1,954	770	65.0%
	WEB application ratio	61.8%	73.8%	76.4%	2.6%	-	-	-	-	-
	Amount	0.5	0.9	1.4	0.4	49.3%	0.7	0.8	0.1	16.3%
Total	Number	5,879	7,484	7,895	411	5.4%	1,906	3,166	1,260	66.1%
	WEB application ratio	62.2%	67.0%	68.1%	1.0%	-	-	-	-	-
	Amount	4.0	4.6	5.3	0.7	15.5%	2.1	3.1	0.9	44.6%

*1 Only CASHPIT

*2 Applications from employees who belongs to clients that use Web-based service

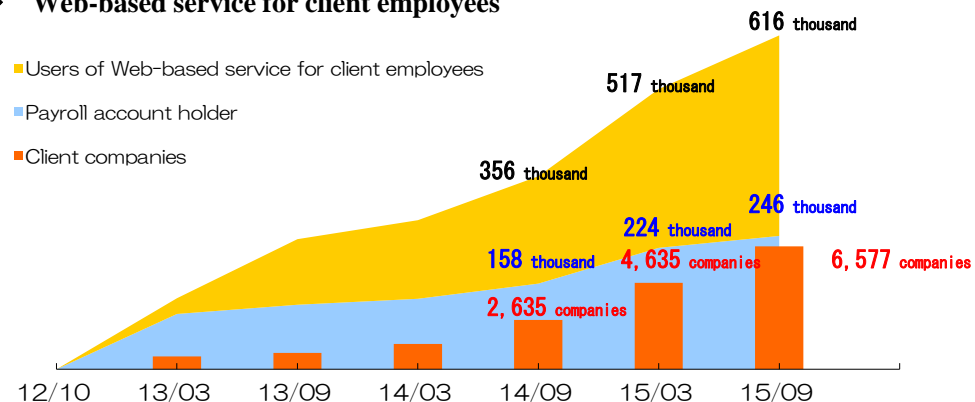
Cross-selling

【Ratio of housing-related loan borrowers who also have unsecured consumer loans】

(Number)

	14/03	14/09 ①	15/03	15/09 ②	YoY change ②-①
Borrowers of housing loans	80,905	82,727	84,483	86,189	+3,462
Auto loans	4.3%	4.5%	4.8%	4.9%	0.4%
Educational loans	4.3%	4.1%	4.4%	4.2%	0.1%
Card loans	29.1%	32.2%	35.9%	38.8%	6.6%

Web-based service for client employees



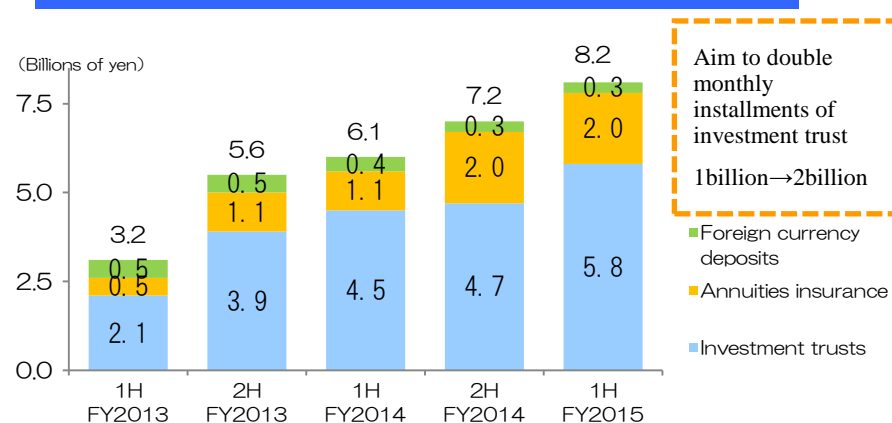
- ◆ The amount of financial product sales increased ¥68.8 billion YoY, mainly in foreign currency deposits and the brokerage of financial instruments from Joyo Securities.
- ◆ To bolster sales further, Joyo Bank will expand and enhance the product lineup and reinforce Group collaboration, while working to strengthen its installment fund instruments and improve the usage ratio of customers who have opened NISAs.

Sales of Financial Products

(Billions of yen)

	1H FY2013	2H FY2013	1H FY2014	2H FY2014	1H FY2015	YoY change	2H FY2015 Projection	YoY change
			①	②	③	③-①	④	④-②
Investment trusts	92.8	94.5	112.0	132.8	131.1	19.0	-	-
Equity investment trusts	54.8	48.6	73.4	79.3	67.6	(5.7)	90.0	10.6
MRF	38.0	45.9	38.6	53.4	63.4	24.8	-	-
Annuities insurance	42.9	40.1	44.4	38.0	30.6	(13.8)	36.0	(2.0)
Others	122.2	130.9	93.6	114.1	157.3	63.6	155.0	40.8
Public bond sales through OTC	37.6	32.5	28.9	11.8	14.5	(14.4)	20.0	8.1
Foreign currency deposits	53.4	71.0	36.6	57.3	90.7	54.0	75.0	17.6
Financial instruments intermediary services	31.2	27.2	28.0	44.9	52.0	24.0	60.0	15.0
Total	258.0	265.7	250.2	285.1	319.1	68.8	-	-

Monthly automatic sales of Financial Products

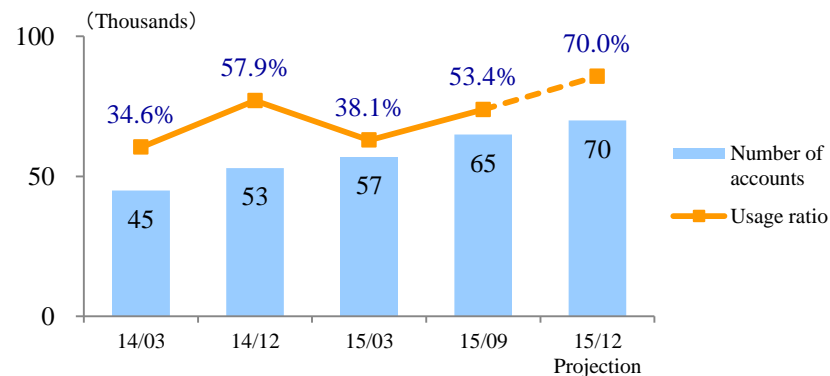


Fees from Financial Products Sales

(Billions of yen)

	1H FY2013	2H FY2013	1H FY2014	2H FY2014	1H FY2015	YoY change	2H FY2015 Projection	YoY change
			①	②	③	③-①	④	④-②
Investment trusts	1.94	1.73	2.28	2.45	2.05	(0.23)	2.72	0.26
Annuities insurance	1.02	0.91	0.90	1.33	1.30	0.39	1.40	0.06
Others	0.43	0.40	0.43	0.58	0.66	0.22	0.77	0.18
Public bond sales through OTC	0.09	0.08	0.11	0.05	0.05	(0.06)	0.07	0.01
Foreign currency deposits	0.20	0.21	0.19	0.32	0.38	0.18	0.46	0.13
Financial instruments intermediary services	0.13	0.10	0.12	0.20	0.22	0.10	0.24	0.03
Total	3.40	3.05	3.63	4.37	4.02	0.39	4.89	0.51

NISA (Japanese ISA)

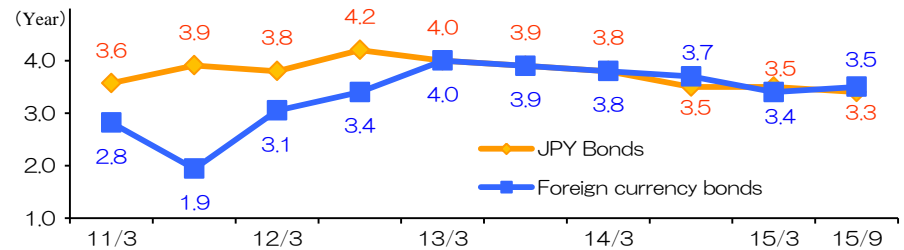


- ◆ Continue rebalancing our portfolio in view mainly of yen-denominated interest rate risks especially under long period of low interest environment.
- ◆ Duration controlled approx. 3.5 years both yen and foreign denominated bonds.

Securities (balance/ unrealized gains and losses)

	Term-end balance					Unrealized gains(losses)			
	14/09	15/03	15/09	YoY change		14/09	15/03	15/9	YoY change
		①	②	②-①	Change ratio	③	④	④-③	④-③
Domestic bonds	1,962.2	1,784.6	1,735.7	(48.9)	(2.4%)	37.3	36.6	36.7	(0.6)
JGBs	1,282.7	1,156.3	1,112.0	(44.2)	(3.4%)	24.0	24.1	24.0	(0.0)
Foreign bonds	346.7	375.6	438.6	62.9	18.1%	3.1	7.0	5.6	2.5
Investment trusts & others	160.6	212.7	239.9	27.2	16.9%	20.3	44.2	25.7	5.4
ETF	76.8	113.8	128.5	14.7	19.1%	10.2	26.8	16.1	5.8
Stocks	138.6	135.9	134.2	(1.6)	(1.2%)	104.5	144.7	127.4	22.9
Total	2,608.3	2,508.9	2,548.5	39.5	1.5%	165.3	232.6	195.5	30.2

Duration

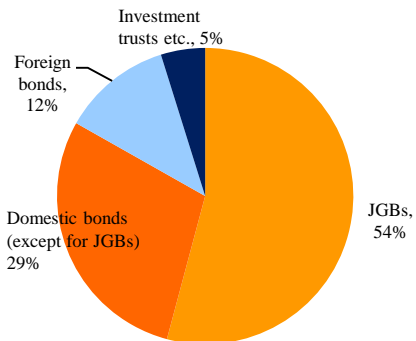


Yields

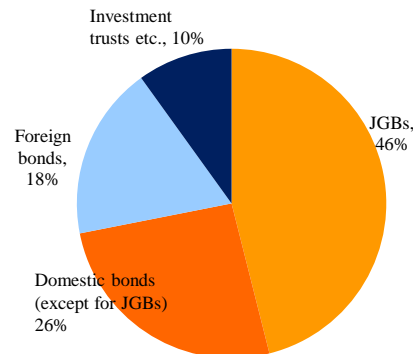
	FY2014	1H FY2015	Change	FY2015 Projection
	①	②	②-①	
Total	1.05	1.19	0.14	1.00
Domestic bonds	0.64	0.65	0.01	
Foreign bonds	1.82	1.63	(0.19)	
Investment trusts & others	2.14	2.01	(0.13)	
Stocks	3.65	5.31	1.66	

Diversification of investments

● End of May 2014
(medium-term business plan started)



● End of Sep. 2015



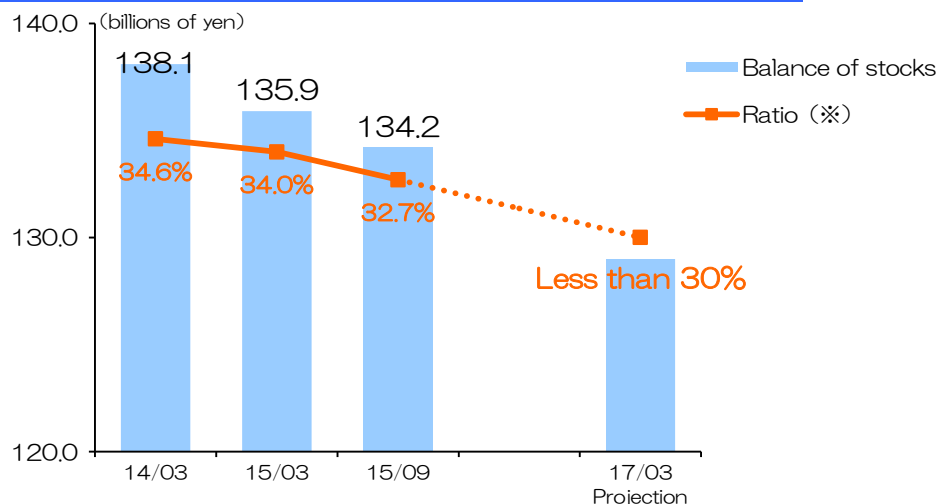
Gains/Losses on bonds & stocks (realized)

	IH FY2015	FY2015 Projection	Progress Rate
Gains on bonds	1.3	3.0	46%
Gains on stocks	2.9	3.5	84%
Total	4.3	6.5	66%

- Gains on bonds ¥1.3 billion
 - J-REITs ¥0.9 billion,
 - JGBs ¥0.4 billion, etc.
- Gains on stocks ¥2.9 billion
 - Strategic shareholdings ¥1.8 billion,
 - ETFs ¥1.0 billion, etc.

- ◆ Aim to reduce the level of stocks to less than 30% of common equity Tier I capital within the period of current medium-term business plan (by March 31, 2017).
- ◆ Established Corporate governance guideline in June 2015. Reduced stocks in the 1st half of FY2015 following the guideline.

Balance of Strategic Shareholdings



※ratio = balance of strategic shareholdings / common equity Tier I capital

Risk & Return of Strategic Shareholdings

	RORA		Dividend Yield	
	FY2013	FY2014	FY2013	FY2014
Strategic shareholdings	2.2%	2.4%	2.9%	3.3%
Strategic shareholdings which balance are more than 1% of common stock	2.4%	2.6%	3.0%	3.4%

※RORA = Return divided by Risk asset of Loans and stocks etc.
Return = Loan-Deposit Interest Margins + Fees and Commissions + Dividends

Corporate Governance Guideline

- Strategic shareholding policy
 - Joyo Bank may hold stocks for other than pure investment purposes, if they are deemed as contributing to the Bank's medium- to long-term financial gain and development, primarily by increasing the stock value of its corporate clients and the dividends it receives from them. However, Joyo Bank shall strive to manage such shareholdings appropriately under a sound risk & return management framework to prevent unwarranted conflicts of interest with its shareholders.
- Use of voting rights
 - Joyo Bank shall also strive to maintain a certain arms-length relationship with the companies it invests in for the aforementioned strategic purposes. As such, the Bank shall oppose resolutions the companies submit to the general meeting of shareholders if they hinder sustainable growth and appreciation of corporate value of the companies over the medium to long term, or pose unwarranted conflicts of interests with Joyo Bank's strategic shareholding policy.
 - In principle, Joyo Bank shall follow appropriate decision-making procedures based on its rules of jurisdiction in exercising the Bank's voting rights on all resolutions put forward by the companies. In so doing, Joyo Bank shall confirm that each resolution put forward by each individual company poses no conceivable conflict of interest with maintaining and improving shareholder value, or the Bank's strategic shareholding policy.

Following the guideline

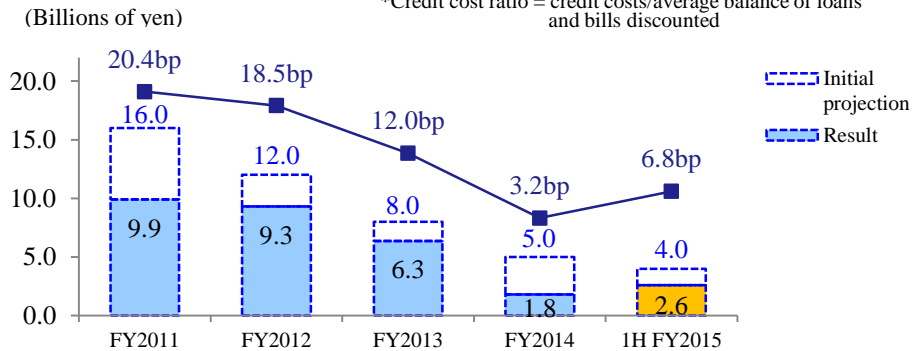
<Reexamining strategic shareholdings policy>

- Decide our policy based on quantitative(profitability, dividends) and qualitative(relationship, alliances).
- RORA is important in quantitative view.

- ◆ Credit costs increased by ¥1.7 billion YoY. As due to downgrades of specific companies in relatively large scale, annual credit cost expected to be ¥ 4.0 billion as forecasted.
- ◆ The Bank made steady progress providing borrowers with support for business improvement through examinations of recovery plans.

Net credit costs and credit cost ratio *

*Credit cost ratio = credit costs/average balance of loans and bills discounted

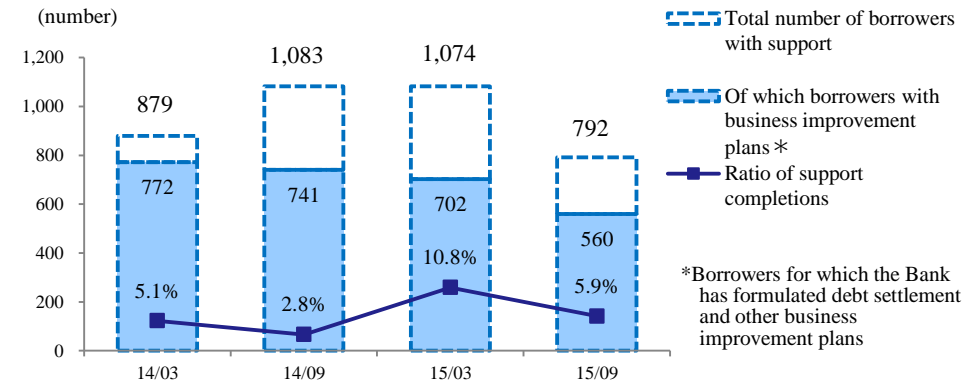


(Billions of yen)

	1H FY2013	1H FY2014 ①	1H FY2015 ②	YoY change ②-①	FY2015 Projection
New downgrades	8.0	4.4	4.6	0.1	7.0
Decrease incollateral value	0.5	0.2	0.3	0.0	
Losses on bulk sale of loans etc.	0.0	0.0	0.0	(0.0)	1.3
Others	0.4	0.3	0.2	(0.0)	
Reversal of provision for specific reserves ()	2.1	1.3	1.7	0.3	5.5
Recoveries of written-off claims ()	1.2	1.2	0.7	(0.5)	
Net transfer to general reserve for possible loan losses	(1.5)	(1.4)	0.0	1.4	1.2
Net credit costs	4.0	0.9	2.6	1.7	4.0

Actions for supports of business improvement

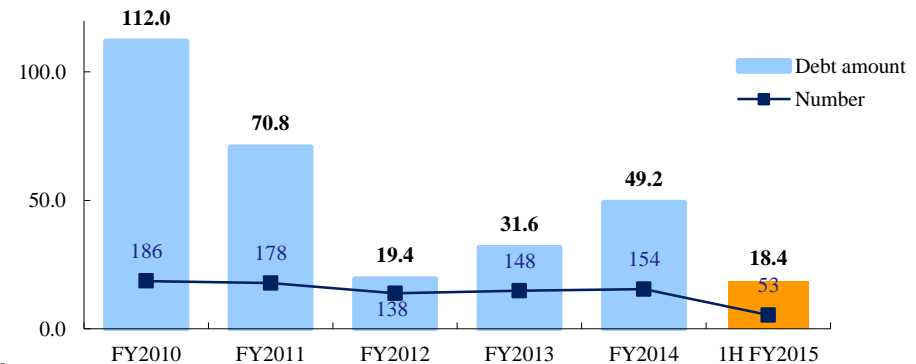
- Main and sub-main borrowers of the Bank with a credit line of at least ¥50 million who are receiving support and plans for business improvement.



*Borrowers for which the Bank has formulated debt settlement and other business improvement plans

Bankruptcies in Ibaraki

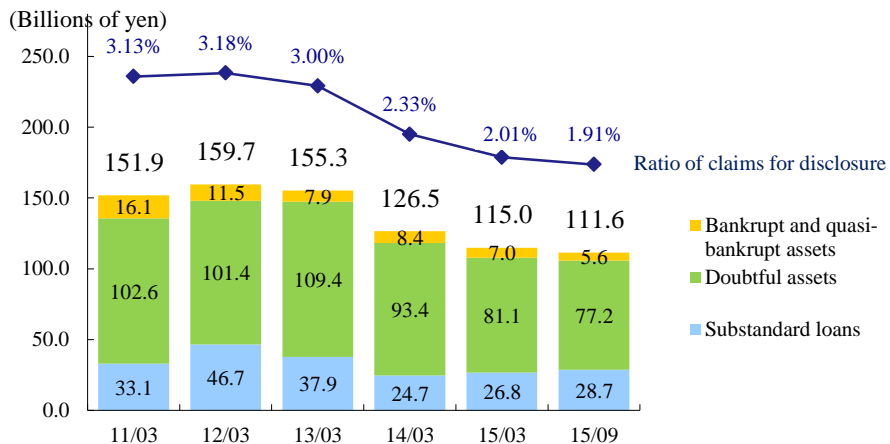
(Billions of yen)



◆ Claims for disclosure decreased by ¥3.4 billion YoY, owing to our continuous support for business improvement and corporate exit strategy.

◆ The ratio of claims for disclosure was down to 1.91%.

Claims for disclosure (based on disclosure under the Act on Emergency Measures for the Revitalization of the Financial Functions)



Classification of borrowers			Problem, non-problem assets	14/09	15/03 ①	15/09 ②	Change ②-①
Legally bankrupt			Problem assets	1.4	1.2	0.8	(0.3)
Substantially bankrupt		6.1		5.7	4.7	(1.0)	
Potentially bankrupt		88.5		81.1	77.2	(3.9)	
Borrowers requiring caution ①	Borrowers requiring monitoring	Substandard loans		25.2	26.8	28.7	1.9
		Others		10.6	12.2	11.7	(0.5)
	Borrowers requiring caution excluding borrowers requiring monitoring	Non-problem assets		339.3	336.1	324.7	(11.4)
Normal assets ②				5,074.2	5,212.1	5,347.2	135.1
Total ③				5,545.4	5,675.4	5,795.3	119.9
Normal asset ratio ②/③				91.5%	91.8%	92.3%	0.4%
Borrowers requiring caution ratio ①/③				6.8%	6.6%	6.3%	(0.3%)

Actions for Exit Strategy

● Actions of Solution support team

- <Establishment goal> Provide optimal and appropriate solutions to debtors and others involved who have agreed to a settlement of debts and other proceedings
- <Establishment date> Established within the Headquarters credit examination section in March 2012
- <Business activities> (1) Examine and execute countermeasures (including debt settlement)
(2) Provide support coordinated with outside specialists, support councils and so forth
- <Business results> Parties receiving support: 236 (as of Sep. 2015)
Of which support completion: 168 parties (71% completion rate)

[Status as of September 2015]

Actions of Solution support team	Total	(Numbers)		
		Completed	In-progress of reconstruction	Set policy
Self-recovery and continued support	19	16	0	3
Support from public institution and reconstruction funds*	32	23	5	4
DES • DDS	20	10	3	7
Debt recovery while providing support	38	19	14	5
Business closure (debt settlement)	127	100	6	21
Total	236	168	28	40

[Historical record]

	(Numbers)			Change ③-①	Change ③-②
	14/9 ①	15/3 ②	15/9 ③		
Total(a)	229	231	236	+7	+5
Completed(b)	130	155	168	+38	+13
ratio(b)/(a)	56.8%	67.1%	71.2%	14.4%	4.1%
In-progress & set policy	99	76	68	Δ31	Δ8

* Assistance from Ibaraki Prefectural Industrial Revitalization Corporation, Great Eastern Japan Earthquake Business Restoration Assistance Organization, Ibaraki Iki-iki No. 3 Fund, Risa Partners Inc., etc.

- ◆ Ordinary revenue of affiliated companies increased by 10% YoY (by ¥1,294 million).
- ◆ The Joyo Group will continue to work as one to find solutions to local issues.

Consolidated profit (1H FY2015)

(Billions of yen)

	1H FY2015 Consolidated ①	YoY Change	1H FY2015 Non-consolidated ②	YoY Change	①—②	YoY Change
Ordinary profit	24.1	0.7	21.6	0.7	2.4	0.0
Net income after tax	16.5	1.3	14.8	1.2	1.6	0.1

Financial results of affiliated companies

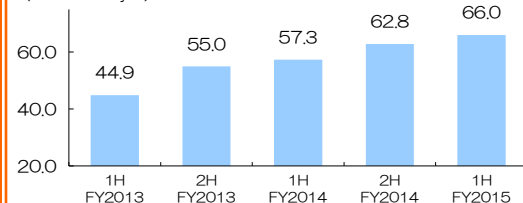
(Millions of yen)

	Business Description	Ordinary revenue	YoY change	Ordinary profit	YoY change	Net income after tax	YoY change
Profitable	The Joyo Lease Co., Ltd. Leasing of machinery and equipment, and claim acquisition	9,753	616	368	(21)	252	52
	The Joyo Securities Co., Ltd. Trading of securities and mediation, commission and proxy trading of securities	1,330	617	606	437	437	277
	The Joyo Computer Service Co., Ltd. Development and sales of software and other products, and contract data processing	678	41	24	62	15	39
	The Joyo Industrial Research Institute, Ltd. Consulting services and contract investigation and research services	301	86	31	23	20	15
	The Joyo Credit Guarantee Co., Ltd. Credit guarantee of housing loans from Joyo Bank	577	(6)	94	14	61	7
Outsourcing	The Joyo Credit Co., Ltd. Credit card services	1,724	(56)	953	(389)	621	(228)
	The Joyo Business Service Co., Ltd. Agent in charge of administrative work for Joyo Bank	387	(86)	0	0	0	0
	The Joyo Cash Service Co., Ltd. Maintenance and management of Joyo Bank ATMs	553	(14)	0	(1)	0	0
	The Joyo Equipment Management Co., Ltd. Maintenance and management of business property and equipment of the Joyo Bank	493	(66)	95	(3)	4	(72)
Total		12,096	1,294	2,485	32	1,657	184

◆ The Joyo Lease Co., Ltd.

【Lease Installments Receivable】

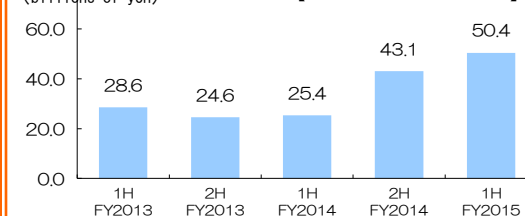
(billion of yen)



◆ The Joyo Securities Co., Ltd.

【Financial Product Sales】

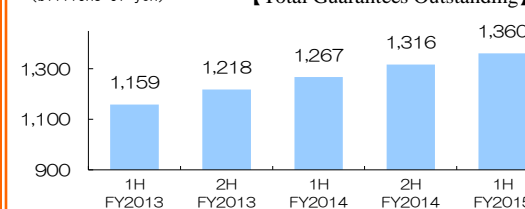
(billions of yen)



◆ The Joyo Credit Guarantee Co., Ltd.

【Total Guarantees Outstanding】

(billions of yen)



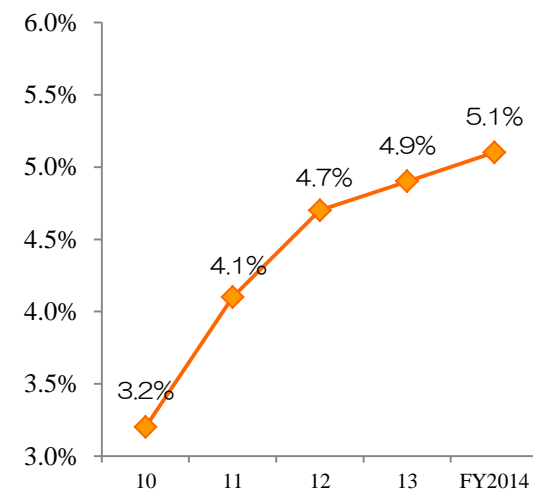
Projections for FY2015

- ◆ Revised up the projection of profit due to expanding gains on stocks than forecasted.
- ◆ Aim for consolidated ROE in the 5% range by further accumulating top-line business profit.

	FY2015 Initial Projection ①	FY2015 Revised Projection ②	Change ②-①	Change ratio	YoY Change	1H FY2014	2H FY2015 Projection	Change from 2H FY2014
Gross business profit	110.5	110.0	(0.5)	(0.5%)	0.9	55.5	54.4	0.6
Net interest income	89.0	89.0	0.0	0.0%	(2.0)	45.6	43.3	(1.4)
Net interest on loans and deposits	66.0	64.0	(2.0)	(3.0%)	(1.5)	31.7	32.2	(0.5)
Interest and dividends on securities	23.0	25.0	2.0	8.7%	(0.5)	13.8	11.1	(0.8)
Fees and Commissions	17.0	16.0	(1.0)	(5.9%)	1.5	7.4	8.5	0.9
Net other operating profit	4.5	5.0	0.5	11.1%	1.4	2.5	2.4	1.1
Gains(losses) on bonds	3.0	3.0	0.0	0.0%	0.3	1.3	1.6	0.5
Expenses	69.0	69.0	0.0	0.0%	(0.8)	35.0	33.9	0.1
Real business profit	41.5	41.0	(0.5)	(1.2%)	1.7	20.4	20.5	0.5
Net transfer to general reserve for possible loan losses (A)	1.0	0.5	(0.5)	(50.0%)	1.5	0.0	0.4	0.1
Business profit	40.5	40.5	0.0	0.0%	0.1	20.4	20.0	0.4
Core net business profit	38.5	38.0	(0.5)	(1.3%)	1.4	19.1	18.8	0.0
Net non-recurring gains(losses)	(2.5)	0.5	3.0	-	0.3	1.1	(0.6)	(0.5)
Disposal of non-performing loans (B)	3.0	3.5	0.5	16.7%	0.5	2.6	0.8	0.2
Net gains/losses on equity securities	0.0	3.5	3.5	-	0.6	2.9	0.5	0.0
Ordinary profit	38.0	41.0	3.0	7.9%	0.5	21.6	19.3	(0.1)
Net special gains(losses)	(1.0)	(1.0)	0.0	0.0%	0.4	(0.2)	(0.7)	0.1
Net income before income taxes and others	37.0	40.0	3.0	8.1%	1.0	21.4	18.5	0.0
Net income after tax	25.0	27.5	2.5	10.0%	3.5	14.8	12.6	2.3
Net credit costs (A) + (B)	4.0	4.0	0.0	0.0%	2.1	2.6	1.3	0.3
Ordinary profit (Consolidated)	43.5	46.5	3.0	6.8%	0.7	24.1	22.3	0.0
Net income after tax (Consolidated)	28.5	31.0	2.5	8.7%	2.3	16.5	14.4	0.9

(Billions of yen)

● ROE (Consolidated)

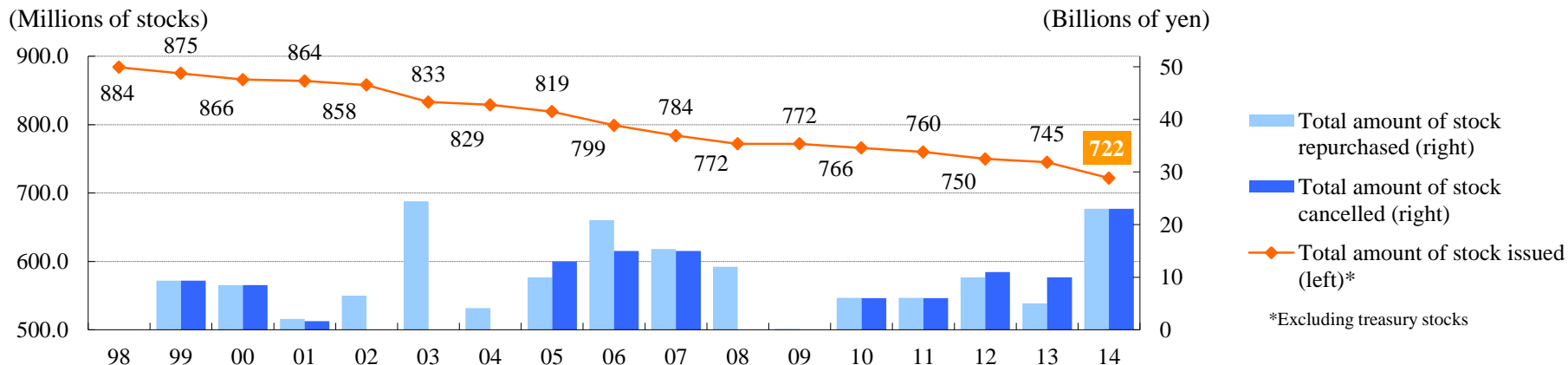


- ◆ Continue to take business risks proactively while maintaining a consolidated capital adequacy ratio of around 12% as targeted in the medium-term plan.
- ◆ Reduced the number of outstanding shares by around 20% from the peak level by continuing to repurchase and retire treasury stocks.

Capital Adequacy Ratio

	14/03	15/03	15/09	The 12th mid-term business plan's goal ('17/03)	【Reference】 Interim Measure Disapply		【Reference】 Common Equity Tier I ratio	
Consolidated Capital Adequacy Ratio	12.60%	12.40%	12.69%	approx. 12%	15/03	15/09	15/03	15/09
Total Capital (Billions of yen)	440.0	435.8	450.0	—	11.51%	11.81%	12.95%	13.23%
Risk Weighted Assets	3,491.1	3,512.7	3,544.2					

Outstanding shares and treasury stock repurchase and retirement



Dividends

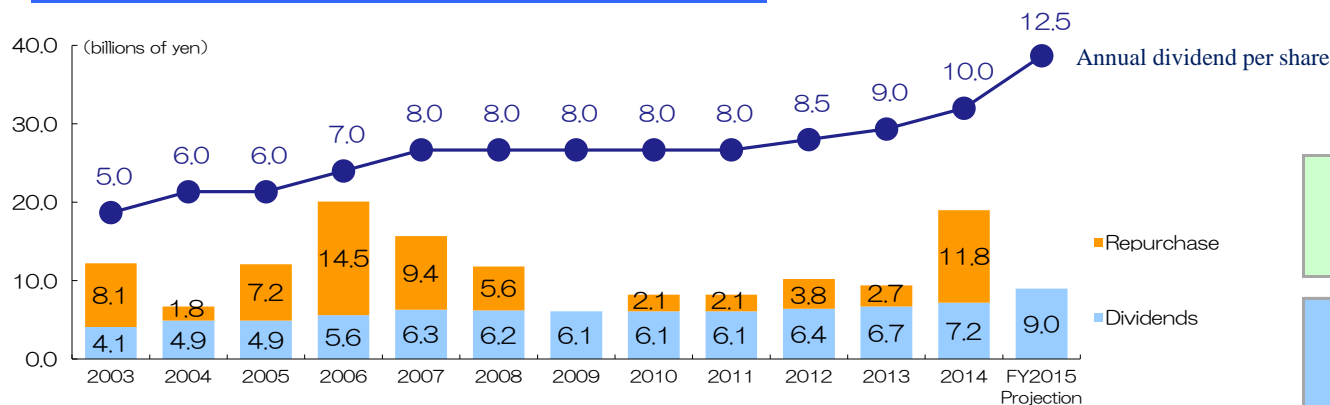
Dividends

Annual dividend of ¥12.5 per share
(interim dividend of ¥6.0* and year-end dividend of ¥6.5 per share)

*Ordinary dividend of ¥5.0 and commemorative dividend of ¥1.0 per share

- ◇ An increase in year-end dividend of ¥1.0 per share, following an upward revision of profit forecasts (Announced on October 26, 2015)
- ◇ Annual dividend following the increase is ¥12.5 per share (Up ¥2.5 per share from FY2014 and marking the fourth consecutive fiscal year of increase)

Historical Dividends and Repurchase



Shareholder return ratio	Average of past 5 FYs	57.3%
	Average of past 10 FYs	81.7%
Dividend payout ratio	Average of past 5 FYs	35.2%
	Average of past 10 FYs	43.7%

- ◆ Due to revision of profit forecast for FY2015, both consolidated and non-consolidated net income after tax will surpass the profit levels ensuring attainment of targets set in the medium-term plan ending FY2016.
- ◆ Based on strengthening top line profitability, all of the 7 KGIs be attained.

Progress in Numerical Targets

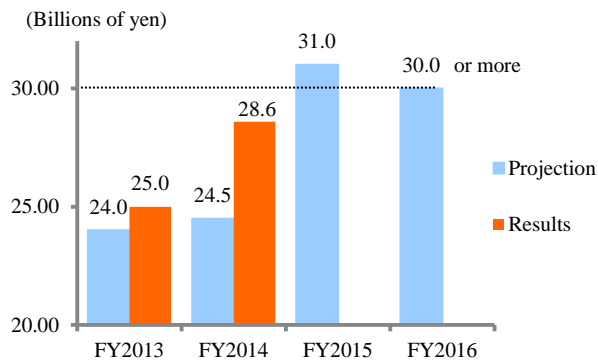
Numerical Goals		The 11th mid-term business plan FY2013	The 12th mid-term business plan				FY2016 Targets
			FY2014		Achievement ②/①	FY2015 Revised* Projection	
			Projection* ①	Results ②			
Income goals	Consolidated net income after tax	25.0	24.5	28.6	Achieved	31.0	30.0 or more
	Non-consolidated net income after tax	22.0	22.0	23.9	Achieved	27.5	27.0 or more
	Non-consolidated ordinary profit	35.8	34.0	40.4	Achieved	41.0	40.0 or more
	Non-consolidated gross business profit	105.7	110.5	109.0	98.6%	110.0	1,20.0 or more
Efficiency indicators	Non-consolidated OHR	66.7%	65.1%	64.0%	Achieved	62.7%	under 60%
	Non-consolidated ROE	4.40%	mid 4% range	4.37%	Mostly achieved	Aim at ROE5% (Consolidated)	approx. 5%
Soundness indicators	Consolidated capital adequacy ratio	12.60%	mid 12% range	12.40%	Mostly achieved	In the lower 12% range	approx. 12%

(Billions of yen)

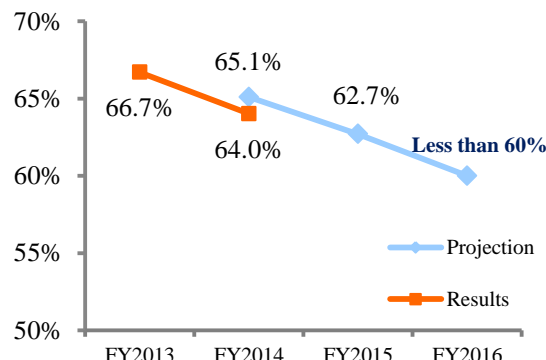
* As of May 2014

* As of October 2015

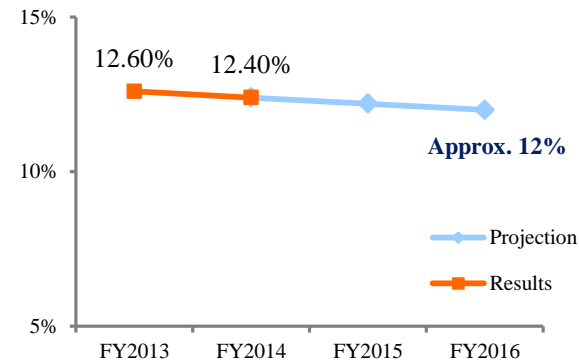
● Consolidated net income after tax



● OHR



● Consolidated capital adequacy ratio



Progress in The 12th Medium-Term Business Plan (2) KPI

◆ For FY2015 projection, 10 KPIs out of 14 will be attained.

※ 4 KPIs set in the medium-term business plan ending FY2016 are projected to be attained one year ahead of the schedule in the FY2015 projection.

Progress in KPIs' Goals

		The 11th mid-term business plan	The 12th mid-term business plan						(Billions of yen)
		FY2013	FY2014 Results	FY2015			FY2016		
				Initial Projection ①	1H Results ②	Progress rate ②/①	Revised Projection ③	% Change from initial projection (③-①)/①	Targets
Collaborative Creation	Fees from financial product sales	6.4	8.0	9.5	4.0	42.3%	8.9	(6.3%)	10.7
	Individual loans	1,777.8	1,961.1	2,135.0	2,100.7	98.3%	2,151.9	will be achieved	2,323.0
	Individual deposits	5,554.2	5,687.5	5,810.0	5,813.7	100.0%	5,840.0	will be achieved	5,930.0
	Housing loans executed	302.6	315.1	330.0	149.9	45.4%	320.0	(3.0%)	Cumulative over 3 years
Expansion of Customer Base	Corporate fees and commissions	7.5	7.3	7.8	3.6	47.3%	7.6	(2.5%)	8.2
	Corporate loans in Ibaraki and its adjoining area	1,400.5	1,458.1	1,510.0	1,454.4	96.3%	1,483.0	(1.7%)	1,523.0
	Loan executed for growth sectors	-	121.0	70.0	61.6	88.0%	70.0	will be achieved	Cumulative over 3 years
Strengthening Investment Return	Average balance of foreign bonds +Investment trusts, others	353.7	499.5	637.0	621.2	97.5%	700.0	will be achieved	570.0
	The percentage of investment in foreign bonds+funds, etc.	13.8%	20.2%	26.4%	23.5%	-	27.0%	will be achieved	20.0%
	Profit or loss related to bonds, shares, etc.	-	5.5	3.0+ α	4.3	-	6.5	will be achieved	Cumulative over 3 years
	Average balance of foreign currency-denominated loans	33.9	59.4	90.0	89.2	99.1%	91.6	will be achieved	100.0
Renewal of Operation	Individual internet banking contracts	165,000 contracts	263,847 contracts	323,000 contracts	305,621 contracts	94.6%	323,000 contracts	will be achieved	400,000 contracts
	Reduce over-the-counter and back office entries*1	-	(19.0%)	(30.0%)	(25.0%)	83.3%	(30.0%)	will be achieved	(50.0%)
	Reduce time spent on client and lending administration*2	-	(49.1%)	(50.0%)	(50.0%)	100.0%	(50.0%)	will be achieved	(50.0%)
Remaking Human Resources Portfolio	Increase the number of female managers	-	+14.7%	+20.0%	+19.0%	99.0%	+20.0%	will be achieved	+20.0%

*1 FY2013=100

*2 FY2011 (initial year of JAST planning) =100

◎ Aiming to achieve 1 year ahead of schedule

Business Integration with Ashikaga Holdings

Outline Basic Agreement Concerning
the Business Integration

Circumstances and Background

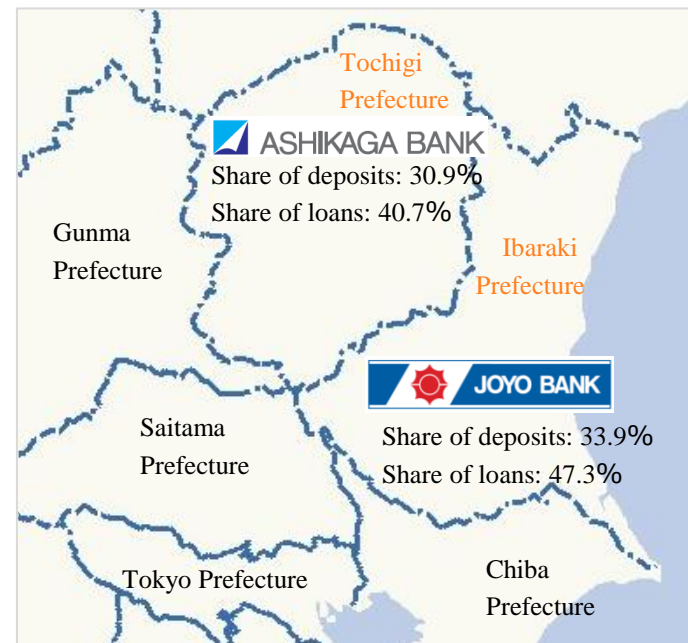
Sales base

- ✓ Main sales base of Joyo Bank and Ashikaga Bank are located close to the Metropolitan area
- ✓ Development of transportation infrastructure, such as the Kita-Kanto Expressway, the Metropolitan Inter-City Expressway, the Shinkansen, the Tsukuba Express, the Ibaraki Airport and the Ibaraki Port, has progressed

Business challenges

- ✓ Addressing concerns about the shrinking regional economy due to changes in the social structure, such as a decrease in total population and acceleration of aging society combined with the declining birth rate
- ✓ Addressing intensifying competition, expansion of financial services and economic globalization

Two banks have favorable sales base with high potential while facing common business challenges



(Source: Kinyu Map 2015)

<Joyo Bank's strength>

- The only one-stop financial service provider in the region whose group companies cover lease, securities, think tank functions and information technology
- Thorough support system for manufacturing companies
- Abundant contact points with large companies in Tokyo
- Ample equity capital ...and other strengths

<Ashikaga Bank's strength>

- Customer base over a broad area, including the automobile and aviation industries
- Sales capabilities with thorough consulting services
- Fee business for retail and corporate customers
- Wealth of know-how regarding low-cost operations ...and other strengths

Joyo Bank and Ashikaga Bank decided that it would be effective and beneficial to proactively exercise their collaborative innovation capabilities and create wealth under a common philosophy in order for the two banks that are deeply-rooted in their communities with a large market share as leading banks to further contribute to regional revitalization as regional financial institutions and to continue to grow with customers and local communities.

November 2, 2015 Entered into the Basic Agreement Concerning the Business Integration

Purpose and philosophy of the Business Integration

- ✓ The new financial group that will be established will aim to maintain and promote the relationships with customers and deep understanding of local communities that Joyo Bank and Ashikaga Bank (together, the "Banks") have built over the years, as well as 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.
- ✓ The Banks will be able to provide more convenient, high-quality comprehensive financial services that can only be achieved through the integration of leading regional banks.
- ✓ The Banks will aim to become a group that is highly valued by each stakeholder by achieving sustained growth as a driving force of regional development and revitalization and improvement of corporate value in response to the expectations of shareholders and markets, as well as expansion of the opportunities for executives and employees and enhance their pride in and enjoyment of their duties.
- ✓ The Banks will aim to become a financial group that is open to other regional financial institutions who share their corporate ideal.

Form of Integration

The Business Integration will be carried out by the holding company method

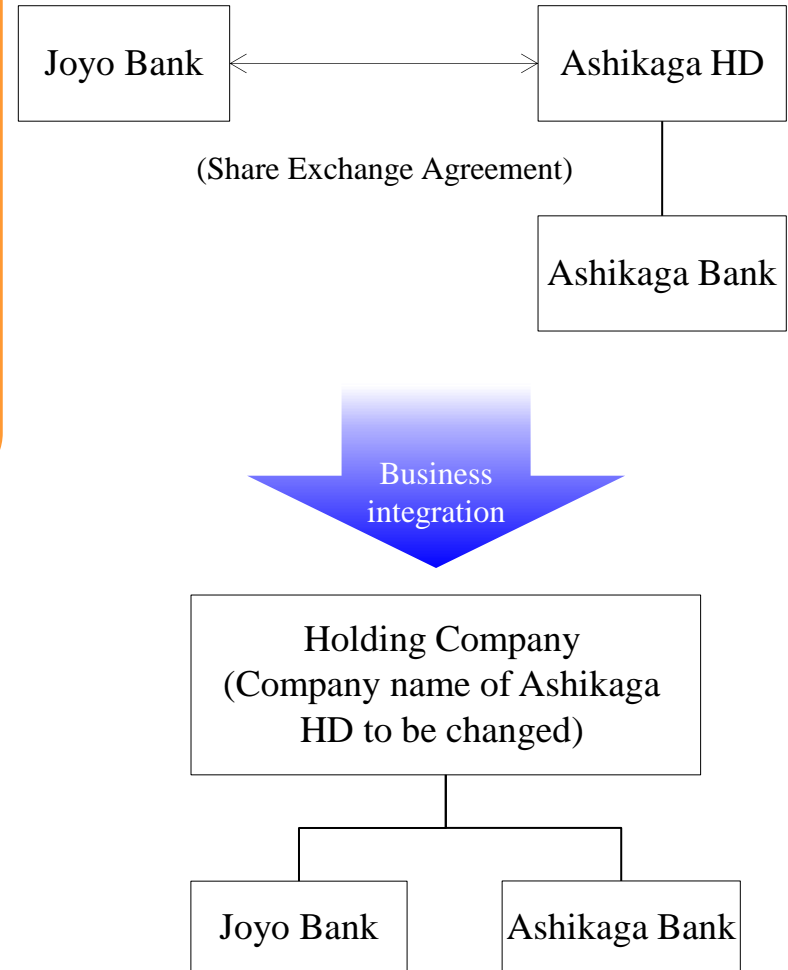
<The reasons for the business integration by the holding company method>

- To continue to provide financial services for local communities by taking advantage of a wide area network and other connections formed through the Business Integration, and utilizing the brand names and the relationships with customers that both Banks have built over the years.
- To produce synergy quickly and integrate corporate culture smoothly, while taking into account the differences between the Banks.
- To have a flexible structure for the future, in anticipation of the further expansion of financial services.

- ✓ Joyo Bank and Ashikaga HD (together, the "Companies") plan to utilize Ashikaga HD, which already has a holding company structure, as the holding company of the new financial group.
- ✓ The Companies plan to carry out the Business Integration by having Joyo Bank conduct a share exchange with Ashikaga HD.

Share Exchange Ratio

- ✓ Joyo Bank shareholders will receive 1.170 shares of Holding Company common stock for each share of Joyo Bank common stock.



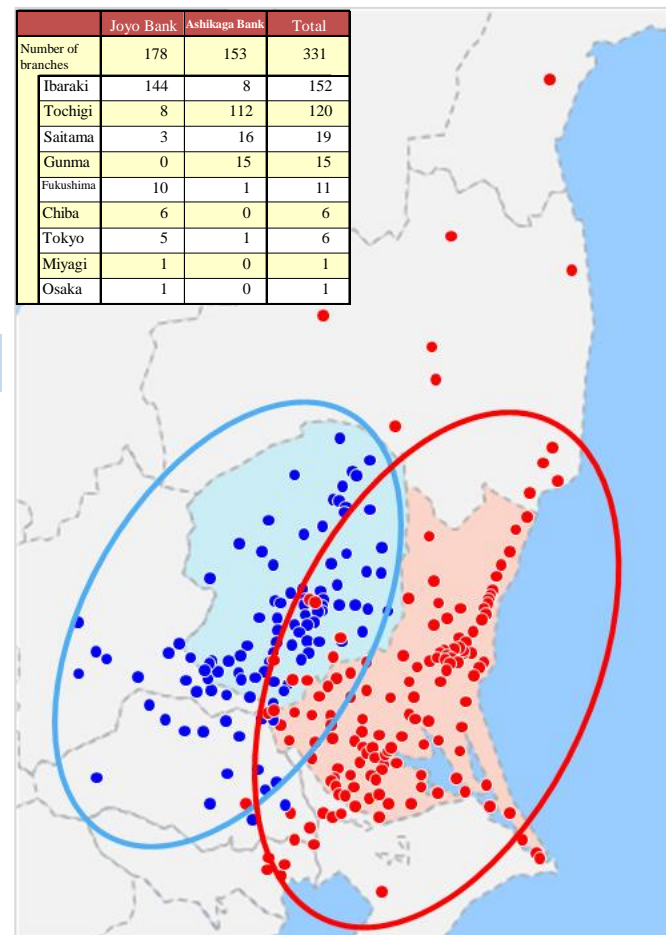
Outline of the New Group

The business integration will create a new group ranking among the top regional banks in Japan

<Branches of Joyo Bank and Ashikaga Bank (as of March 31, 2015)>

	Joyo Bank	Ashikaga HD/ Ashikaga Bank	New group (simple sum)
Total assets ※1 (consolidated)	9,065.4 billion yen	5,864.2 billion yen	14,929.6 billion yen
Net assets ※1 (consolidated)	601.8 billion yen	287.1 billion yen	888.9 billion yen
Deposits ※1 (non-consolidated)	7,728.7 billion yen	5,085.3 billion yen	12,814.1 billion yen
Loans and bills discounted ※1 (non-consolidated)	5,656.4 billion yen	4,189.4 billion yen	9,845.8 billion yen
Securities portfolio ※1 (non-consolidated)	2,735.4 billion yen	1,236.8 billion yen	3,972.2 billion yen
Gross business profit ※2 (non-consolidated)	109.0 billion yen	80.5 billion yen	189.6 billion yen
Net business income ※2 (non-consolidated)	39.2 billion yen	32.5 billion yen	71.7 billion yen
Core net business income ※2 (non-consolidated)	36.5 billion yen	32.0 billion yen	68.6 billion yen
Net income ※2 (consolidated)	28.6 billion yen	17.0 billion yen	45.7 billion yen
Market capitalization ※3	481.1 billion yen	166.2 billion yen	647.4 billion yen
Number of branches ※1 (including sub-branches)	178	153	331
Number of employees ※1 (consolidated)	3,687	2,944	6,631
Market share of deposits ※4 (non-consolidated)	In Ibaraki/33.9%	In Tochigi/30.9%	Both prefectures/33.8%
Market share of loans ※4 (non-consolidated)	In Ibaraki/47.3%	In Tochigi/40.7%	Both prefectures/47.6%

	Joyo Bank	Ashikaga Bank	Total
Number of branches	178	153	331
Ibaraki	144	8	152
Tochigi	8	112	120
Saitama	3	16	19
Gunma	0	15	15
Fukushima	10	1	11
Chiba	6	0	6
Tokyo	5	1	6
Miyagi	1	0	1
Osaka	1	0	1



● Ashikaga Bank ● Joyo Bank

※1 As of March 31, 2015 ※2: For Fiscal 2014 ※3: As of September 30, 2015

※4: Market Share of deposits includes the balance at JA Bank and Japan Post Bank (as of March 31, 2014) Source: "Kinyu Map 2015" with partial edits

Characteristics of the Sales Base and Potential for the New Group

- ✓ Economic scale of the two prefectures of Ibaraki and Tochigi, where the new group's main sales base is located, is equal to that of Saitama Prefecture or Chiba Prefecture.
- ✓ The two prefectures are among the nation's top regions with respect to the number of factories, and the new group's branch network covers an entire region where there is a high concentration of manufacturing bases in Kita-Kanto.
- ✓ Industries in the region consist of a primary industry (agriculture, forestry, fishery, livestock and mining), secondary industry (manufacturing) and tertiary industry (tourism and services) in a balanced manner. Development of transportation network in the two prefectures, as well as between the two prefectures and the Metropolitan area, has progressed and the collaboration and interaction among industries are expected to create new industries.



Birth of a financial group with a large market share in the sales base of the same size as those of other prefectures in the Metropolitan area

- As a financial group that has deep understanding of local communities and is familiar with their circumstances, the new group is able to boost contribution to regional development and revitalization in a wider area and on a deeper level based on transactions with a broad range of customers, numerous local core companies and the public sector.

Item	Ibaraki + Tochigi	Saitama	Chiba	Kanagawa
Prefectural GDP (Fiscal 2011) ※1	19,276.2 billion yen	20,370.0 billion yen	18,799.5 billion yen	30,422.2 billion yen
Prefectural income (Fiscal 2011) ※1	14,913.2 billion yen	20,075.1 billion yen	17,523.8 billion yen	26,501.9 billion yen
Population (January 1, 2014) ※1	4,924 thousand people	7,169 thousand	6,142 thousand	8,940 thousand
Number of employed persons in the prefecture (Fiscal 2011) ※1	2,334 thousand	2,770 thousand	2,379 thousand	3,538 thousand
Number of households (January 1, 2014) ※1	1,923 thousand households	3,001 thousand households	2,626 thousand households	4,003 thousand households
Number of corporations (As of March 31, 2013) ※1	86,067	126,866	101,545	173,011
Number of factories newly located (excluding electricity business) (Fiscal 2014) ※2	119	49	29	28
Farm output (Fiscal 2013) ※3	704.6 billion yen	2,01.2 billion yen	414.1 billion yen	80.4 billion yen
Value of manufactured goods shipment (Fiscal 2013) ※2	19,080.8 billion yen	11,787.7 billion yen	13,003.2 billion yen	17,226.1 billion yen
Balance of deposits and savings in the prefecture (As of March 31, 2014) ※4	33,026.2 billion yen	47,751.8 billion yen	39,532.7 billion yen	63,833.8 billion yen
Of which balance held by the top regional bank in the region (As of March 31, 2014) ※4	11,164.7 billion yen	3,728.3 billion yen	9,881.5 billion yen	10,938.1 billion yen
Share of balance of deposits and savings in the prefecture by the top bank in the region (As of March 31, 2014) ※4	33.8%	7.8%	25.0%	17.1%
Balance of loans in the prefecture (As of March 31, 2014) ※1	12,909.5 billion yen	19,229.0 billion yen	15,037.3 billion yen	25,060.0 billion yen
Of which balance held by the top regional bank in the region (As of March 31, 2014) ※4	6,148.8 billion yen	2,672.5 billion yen	5,877.0 billion yen	73,79.8 billion yen
Share of balance of loans in the prefecture by the top bank in the region (As of March 31, 2014) ※4	47.6%	13.9%	39.1%	29.4%

Source: ※1 "Kinryu Map 2015" with partial edits ※2 Ministry of Economy, Trade and Industry ※3 Ministry of Agriculture, Forestry and Fisheries
 ※4 The calculation assumes that the top regional bank in the region is the "new group"



Synergy of the Business Integration

Banking business “more convenient and reliable bank”

- ✓ For corporate customers, the Banks will aim to produce synergy by financing regional SME’s, promoting business matching that utilizes technology assessment capabilities and a wide sales network, providing solutions in business successions and M&A, overseas business support, etc.
- ✓ For retail customers, the Banks will aim to produce synergy through the joint development and collaboration in the promotion of products and services, provision of further convenience that utilizes the wide area network and the Internet, expansion of the sales network and development of shared branches, provision of high-level consulting that meets the various needs of asset management, support for smooth asset succession to the next generation, etc.
- ✓ For regional communities, the Banks will aim to enhance their contributions through the use of their thorough regional information network in the strategy of wide-area regional and industrial development, the use of and collaboration with research institutes, provision of solutions to local governments, etc.
- ✓ In the investment of securities, the Banks will aim to enhance the management of securities that total 4 trillion yen.

Lease and securities business, etc. “to provide one-stop financial services with higher added value”

- ✓ Through a new business alliance between Ashikaga Bank and Joyo Bank’s leasing subsidiary and securities subsidiary, Ashikaga Bank will aim to re-enter the leasing business and to enter the securities business in order to increase revenue in the non-banking business.
- ✓ The Banks will also consider entering new businesses and collaboration in the fund business, think tank function and credit card service and taking similar measures.

Management efficiency

- ✓ The Banks will aim to improve management efficiency by streamlining and integrating overlapping areas, such as headquarter and affiliate functions and infrastructures, sharing overseas base and sales base, and using a common platform, including systems, and to shift personnel and other management resources generated as a result to growing areas.

Mutual complement of know-how and integration of corporate culture through personnel exchanges

- ✓ In order to realize the benefits of integration swiftly, the Banks will aim to exchange personnel actively to mutually complement know-how and integrate corporate culture.

Schedule of the Business Integration

The Banks will establish an Integration Preparatory Committee to discuss and consider consummating the Business Integration promptly on or after today.

November 2, 2015	Execution of the Basic Agreement
April 2016 (planned)	Execution of the Definitive Agreement concerning the Business Integration (including the share exchange agreement)
June 2016 (planned)	General shareholders meetings of the Companies
October 1, 2016 (planned)	Effective date of the Share Exchange (Business Integration, establish a new financial group)

<Notice>

The Companies may change the form of the Business Integration or share exchange ratio after continuing discussions and considerations conducted in the future between the Companies.

Appendix

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Provide solutions with the ample provision of funds

- 1 Initiatives to promote permanent residency and resolve vacant housing in Ibaraki Prefecture
 - Loans supporting permanent residency: Loans in collaboration with a system of subsidies by municipalities for promoting permanent residence
 - Activities for change in housing style: Reverse mortgages in collaboration with the Japan Trans-housing Institute (Japan’s first reverse mortgage paid back with rent proceeds)
⇒ Solutions to local issues (promoting permanent residency and resolving vacant housing)
- 2 Integrated promotion of agriculture and food industries with the aim of supporting sixth industrialization
 - Investments through the Joyo Daichi to Umi (Land and Sea) Growth Support Fund
⇒ Create new businesses and support growth
- 3 Syndication of funds supporting the revitalization of local communities
 - Joint syndication of funds with the Development Bank of Japan
 - Support the establishment and rebirth of companies, as well as companies aiming to revive and expand their business base
⇒ Sustainable growth and revitalization of local industries
- 4 Support for the revitalization of shopping districts
 - Concluded a partnership agreement with the Regional Economy Vitalization Corporation of Japan on the revitalization of shopping districts
⇒ Revitalize and generate footfall for shopping districts with solutions to issues such as vacant storefronts

- ◇ Initiatives in collaboration with municipalities to promote permanent residency and resolve vacant housing



(Ceremony announcing the launch of loans in collaboration with Tone Town)

- ◇ Loan Products



Business creation through the revitalization of local economies and industrial promotion

1 Business Collaborative Creation Project “Action JAT ”

- Collaboration with the National Institute of Advanced Industrial Science and Technology (AIST) and Toho Bank
- Mainly the provision of consulting and funding support for business commercialization
⇒ Revitalize the local economy by supporting the advancement of local SMEs into growth fields

*1 JAT: Acronym of a joint project between Joyo Bank, AIST, and Toho Bank.

2 “Joyo Business Award “and “Joyo Collaborative Community Creation Fund ”

- A program for accepting submissions and awarding innovative and creative new business plans in the growth sector and other fields
- Various types of business commercialization support utilizing the Joyo Collaborative Community Creation Fund and other means
⇒ Revitalize the local economy through new business creation

*2. Back the commercialization of innovative and creative new business plans by utilizing a diverse range of funding methods including the acquisition of classified stocks and the provision of subordinated loans.

3 Joyo Manufacturing Forum

- A business matching operation providing clients with opportunities to pitch technology proposals and conduct sales meeting (Participation by many major companies as technology users)
- Coordinators from Joyo Bank provide full support from identifying a company’s core technologies to preparing the technology proposals
⇒ Increase business for the Bank by mainly expanding the sales channels of local SMEs

4 Joyo Commercial Food Fair

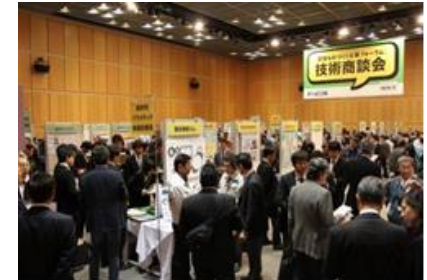
- Exhibitors include agricultural producers as well as food processors, wholesalers and retailers
⇒ Promote mutual exchange among food businesses and help them to expand sales channels and procure food materials

*3 The 14th Joyo Commercial Food Fair in Tsukuba with approximately 250 corporate exhibits was attended by 2,900 people from 1,400 companies, and was the largest sales conference the Bank had sponsored.

◇ Action JAT’s technological needs briefing



◇ Joyo Manufacturing Forum’s technology sales conference



◇ Joyo Commercial Food Fair



Social contribution to the region’s future

- 1 Joyo Photo Contest—Discovering Regional Attractions
 - Held a photo contest to promote tourism by unearthing the region’s new attractions and hidden tourism resources
(1st contest: Northern Ibaraki Prefecture, 2nd contest: Fukushima and Tochigi Prefectures, 3rd contest: Central and Rokko region of Ibaraki Prefecture, 4th contest: Southern and western Ibaraki Prefecture)
- 2 Management of public infrastructure assets
 - Held training seminars and provided support for preparing a white paper on the management of public infrastructure assets
 - ⇒ Solutions to issues surrounding public infrastructure assets (maintenance and management of public infrastructure assets, provision of public services, etc.)
- 3 Joyo Bank Receives a 2015 Food Action Nippon Award
 - Joyo Bank’s shareholder benefit program, in which shareholders get to select a local specialty of their choice from a gift catalog of local specialties and other produce, received an award for excellence in the sales activities category.
 - ⇒ Provide sales promotion support for local food businesses and contribute to the region’s recovery and growth
- 4 Conclusion of agreements on cooperation in the event of disasters
 - Joyo Bank has agreed to supply electric vehicles and recharging facilities and provide space for temporary shelter and the storage of emergency supplies in the event of disaster.
- 5 Joyo Furusato Forest” woodland preservation activities
 - Woodland preservation activities such as tree planting to hand down healthy forests in the home
- 6 Establishment of the Joyo Mirai Kyoso Juku, an adult education program for nurturing the next generation of business proprietors
 - This is an adult management education program for young proprietors and successors of local businesses (aimed primarily at nurturing professional management skills and building new human networks)

- ◇ The photo awarded the grand prize in the Joyo Photo Contest (featuring scenes from Ibaraki Prefecture’s central and Rokko region)



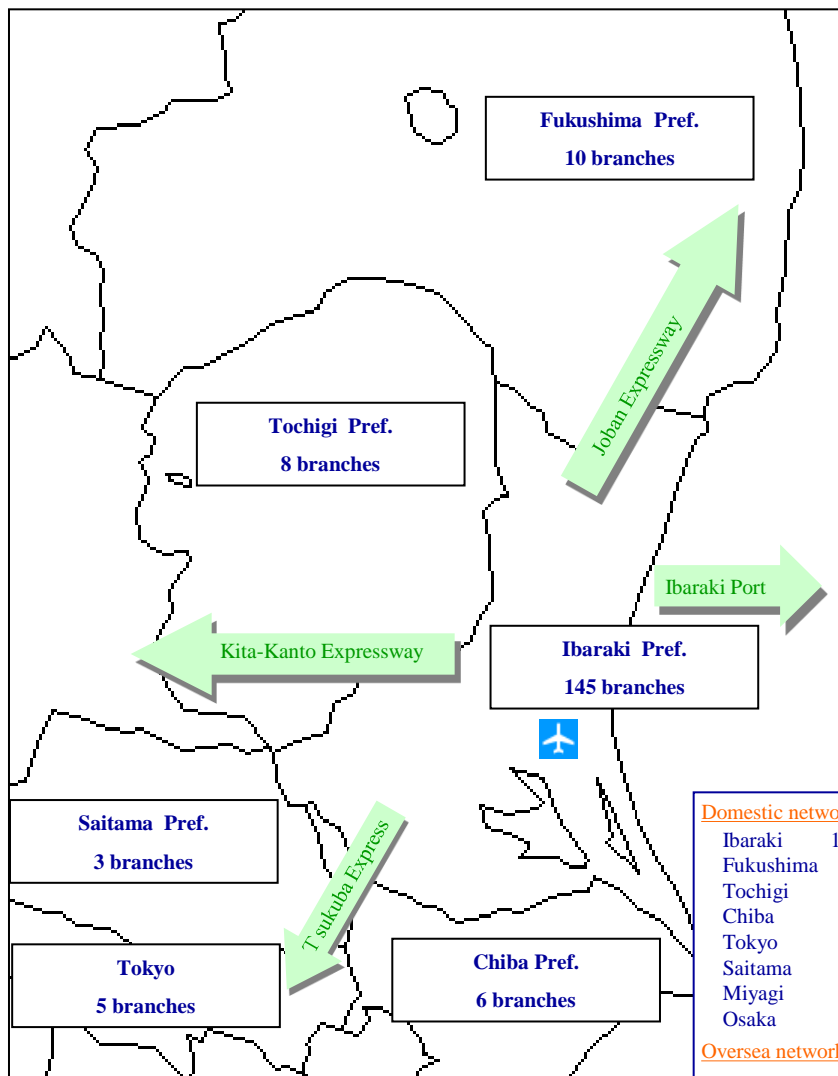
- ◇ Shareholder benefit gift catalog



- ◇ “Joyo Furusato Forest” woodland preservation activity



Domestic networks (Ibaraki and its adjoining area)



Domestic networks: 179 branches

Ibaraki	145 branches
Fukushima	10 branches
Tochigi	8 branches
Chiba	6 branches
Tokyo	5 branches
Saitama	3 branches
Miyagi	1 branch
Osaka	1 branch

Oversea networks :3 offices

Oversea networks



Shanghai representative office
2 staff members
(since May 1996)

New York representative office
2 staff members
(since October 2014)

Singapore representative office
2 staff members
(since September 2012)

Trainee to foreign institutions

5 staff members

- Singapore (Japanese Financial institution)
- Thailand (foreign Financial institution)
- New York (Japanese Financial institution)
- Philippine (foreign Financial institution)
- Indonesia (foreign Financial institution)

Alliance with foreign financial institutions

Total 9 institutions

- Kasikorn Bank (Thailand)
- Bangkok Bank (Thailand)
- Bank Negara Indonesia (Indonesia)
- State Bank of India (India)
- Banko de Oro Unibank (Philippines)
- Vietcombank (Vietnam)
- CTBC Bank (Taiwan)
- Bank of Communications (China)
- Bank of China (China)

Assets

(Average balance: Billions of yen, yield: %, interest income: Millions of yen)

	1H FY2015			YoY change		
	Average balance	Yield	Interest income	Average balance	Yield	Interest income
Loans and bills discounted	5,739.5	1.15	3,314.7	250.4	(0.08)	(86.5)
JPY	5,644.1	1.15	3,276.5	207.2	(0.08)	(108.4)
Foreign currency	95.3	0.80	38.2	43.1	0.18	21.8
Securities	2,555.2	1.19	1,525.3	(123.4)	0.12	87.8
Domestic Bonds	1,748.8	0.65	574.2	(343.2)	0.00	(83.2)
Stocks	136.7	5.31	363.5	(2.5)	1.17	73.9
Foreign securities	462.0	1.63	377.8	138.3	(0.19)	80.9
Others	207.5	2.01	209.4	84.0	(1.10)	16.2
Call loans	20.9	0.25	2.7	8.9	0.02	1.3
JPY	18.6	0.16	1.5	8.1	0.04	0.8
Foreign currency	2.2	1.03	1.1	0.7	0.06	0.4
Bills purchased	-	-	-	-	-	-
Commercial paper and other debt purchased	11.3	0.37	2.1	(3.2)	(0.03)	(0.8)
Due from banks	277.2	0.14	19.4	147.7	(0.07)	5.3
NCDs	-	-	-	-	-	-
Foreign exchange	4.7	0.43	1.0	1.1	0.06	0.3
Others	3.7	7.35	13.6	1.6	(7.65)	(1.4)
Interest rate swaps	-	-	-	-	-	-
Interest-earning assets	8,612.7	1.12	4,879.1	283.3	(0.03)	6.0

Liabilities

(Average balance: Billions of yen, yield: %, interest expenses: Millions of yen)

	1H FY2015			YoY change		
	Average balance	Yield	Interest expense	Average balance	Yield	Interest expense
Deposits	7,828.5	0.03	140.8	229.5	0.00	11.7
JPY	7,755.5	0.02	116.2	216.8	(0.01)	(4.1)
Foreign currency	73.0	0.67	24.6	12.6	0.38	15.8
NCDs	44.6	0.03	0.8	29.4	0.00	0.5
Call money	60.1	0.41	12.4	6.0	0.09	3.5
JPY	-	-	-	-	-	-
Foreign currency	60.1	0.41	12.4	6.0	0.09	3.5
Payables under securities lending transactions	144.2	0.32	23.2	31.0	0.13	12.4
Bills sold	-	-	-	-	-	-
Borrowed money	251.4	0.14	18.5	(46.0)	0.01	(1.5)
Foreign exchange	0.2	0.00	0.0	0.0	(0.01)	0.0
Corporate bonds	51.5	0.49	12.8	9.3	(0.11)	0.0
Others	1.5	138.18	108.4	0.0	53.77	42.8
Interest rate swaps	-	-	66.3	-	-	13.3
Interest-bearing liabilities	8,382.3	0.07	317.1	259.4	0.01	69.6

【Appendix】 Interest Yields and Spreads

Total account

	(%)					
	1H FY2011	1H FY2012	1H FY2013	1H FY2014	1H FY2015	YoY change
Average yield on interest-earning assets (A)	1.39	1.29	1.20	1.16	1.12	(0.04)
Average yield on loans and bills discounted (B)	1.60	1.47	1.34	1.23	1.15	(0.08)
Average yield on securities	1.12	1.06	0.99	1.07	1.19	0.12
Average yield on interest-bearing liabilities	0.09	0.07	0.06	0.06	0.07	0.01
Average yield on deposits and NCDs (C)	0.06	0.05	0.03	0.03	0.03	0.00
Expense ratio	0.99	0.96	0.96	0.94	0.88	(0.06)
Deposit and securities cost (D)	1.05	1.01	1.00	0.97	0.92	(0.05)
Funding cost (E)	1.07	1.01	0.98	0.94	0.90	(0.04)
Loan-deposit interest margins (B)-(C)	1.54	1.42	1.31	1.20	1.12	(0.08)
Difference between average yield on loans and deposits (B)-(D)	0.55	0.46	0.34	0.26	0.23	(0.03)
Total interest margins (A)-(E)	0.32	0.28	0.22	0.22	0.22	0.00

Domestic account

	(%)					
	1H FY2011	1H FY2012	1H FY2013	1H FY2014	1H FY2015	YoY change
Average yield on interest-earning assets (A)	1.36	1.26	1.16	1.12	1.07	(0.05)
Average yield on loans and bills discounted (B)	1.60	1.47	1.34	1.24	1.15	(0.09)
Average yield on securities	1.05	1.00	0.89	0.96	1.09	0.13
Average yield on interest-bearing liabilities	0.08	0.06	0.05	0.05	0.05	0.00
Average yield on deposits and NCDs (C)	0.06	0.04	0.03	0.03	0.02	(0.01)
Expense ratio	0.98	0.95	0.95	0.93	0.87	(0.06)
Deposit and securities cost (D)	1.04	1.00	0.99	0.96	0.90	(0.06)
Funding cost (E)	1.05	1.00	0.98	0.94	0.90	(0.04)
Loan-deposit interest margins (B)-(C)	1.54	1.43	1.31	1.21	1.13	(0.08)
Difference between average yield on loans and deposits (B)-(D)	0.56	0.47	0.35	0.28	0.25	(0.03)
Total interest margins (A)-(E)	0.31	0.26	0.18	0.18	0.17	(0.01)

【Appendix】Yen-Denominated Loans (1)

Breakdown by self-assessment classification of borrowers

(Billions of yen)

	12/9		13/3		13/9		14/3		14/9		15/3		15/9		Change from 15/3		Change from 14/9	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	change ratio	Term-end balance	change ratio
Yen-denominated loans (Total)	5,006.0	100.0%	5,112.9	100.0%	5,206.6	100.0%	5,358.8	100.0%	5,469.1	100.0%	5,570.0	100.0%	5,685.7	100.0%	115.7	2.1%	216.6	4.0%
Normal (including borrowers without a credit score)	4,372.2	87.3%	4,520.3	88.4%	4,666.0	89.6%	4,840.8	90.3%	4,999.5	91.4%	5,108.7	91.7%	5,240.0	92.2%	131.3	2.6%	240.5	4.8%
Ibaraki and its adjoining areas	3,215.4	64.2%	3,365.7	65.8%	3,479.6	66.8%	3,633.0	67.8%	3,783.5	69.2%	3,859.0	69.3%	3,961.0	69.7%	102.0	2.6%	177.5	4.7%
Ibaraki	2,693.3	53.8%	2,810.6	55.0%	2,879.9	55.3%	2,962.9	55.3%	3,083.4	56.4%	3,061.4	55.0%	3,111.7	54.7%	50.3	1.6%	28.3	0.9%
Miyagi , Fukushima and Tochigi	376.7	7.5%	388.9	7.6%	414.3	8.0%	451.0	8.4%	469.0	8.6%	518.8	9.3%	542.4	9.5%	23.6	4.5%	73.4	15.7%
Chiba and Saitama	145.3	2.9%	166.2	3.3%	185.3	3.6%	219.0	4.1%	231.0	4.2%	278.8	5.0%	306.7	5.4%	27.9	10.0%	75.7	32.8%
Tokyo and Osaka	1,156.8	23.1%	1,154.5	22.6%	1,186.4	22.8%	1,207.7	22.5%	1,215.9	22.2%	1,249.6	22.4%	1,278.9	22.5%	29.3	2.3%	63.0	5.2%
Other borrowers requiring caution	452.4	9.0%	419.3	8.2%	390.9	7.5%	381.7	7.1%	337.9	6.2%	334.8	6.0%	322.8	5.7%	(12.0)	(3.6%)	(15.1)	(4.5%)
Substandard borrowers	66.6	1.3%	56.1	1.1%	39.5	0.8%	34.5	0.6%	35.6	0.7%	38.5	0.7%	40.2	0.7%	1.7	4.4%	4.6	12.9%
Potentially bankrupt or worse	114.7	2.3%	117.1	2.3%	110.0	2.1%	101.7	1.9%	95.9	1.8%	88.0	1.6%	82.6	1.5%	(5.4)	(6.1%)	(13.3)	(13.9%)

Breakdown by geographic area

(Billions of yen)

	12/9		13/3		13/9		14/3		14/9		15/3		15/9		Change from 15/3		Change from 14/9	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	change ratio	Term-end balance	change ratio
Yen-denominated loans (Total)	5,006.0	100.0%	5,112.9	100.0%	5,206.6	100.0%	5,358.8	100.0%	5,469.1	100.0%	5,570.0	100.0%	5,685.7	100.0%	115.7	2.1%	216.6	4.0%
Ibaraki and its adjoining areas	3,782.1	75.6%	3,879.3	75.9%	3,943.6	75.7%	4,073.5	76.0%	4,186.8	76.6%	4,272.3	76.7%	4,367.7	76.8%	95.4	2.2%	180.9	4.3%
Ibaraki	3,140.4	62.7%	3,202.7	62.6%	3,249.6	62.4%	3,312.6	61.8%	3,380.0	61.8%	3,390.7	60.9%	3,434.8	60.4%	44.1	1.3%	54.8	1.6%
Miyagi , Fukushima and Tochigi	470.6	9.4%	486.3	9.5%	501.1	9.6%	530.4	9.9%	551.3	10.1%	579.8	10.4%	602.2	10.6%	22.4	3.9%	50.9	9.2%
Chiba and Saitama	171.0	3.4%	190.2	3.7%	192.9	3.7%	230.5	4.3%	255.5	4.7%	301.8	5.4%	330.7	5.8%	28.9	9.6%	75.2	29.4%
Tokyo and Osaka	1,223.8	24.4%	1,233.6	24.1%	1,263.0	24.3%	1,285.2	24.0%	1,282.2	23.4%	1,297.8	23.3%	1,318.0	23.2%	20.2	1.6%	35.8	2.8%

Number of SMEs

	12/9		13/3		13/9		14/3		14/9		15/3		15/9	
	Number	Change from last term-end	Number	Change from last term-end	Number	Change from last term-end	Number	Change from last term-end	Number	Change from last term-end	Number	Change from last term-end	Number	Change from last term-end
Number of SMEs	33,000	(235)	33,143	143	32,992	(151)	33,250	258	33,143	(107)	33,318	175	33,470	152

【Appendix】Yen-Denominated Loans (2)

Breakdown by borrower type

(Billions of yen)

	12/9		13/3		13/9		14/3		14/9		15/3		15/9		Change from 15/3		Change from 14/9	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	change ratio	Term-end balance	change ratio
Yen denominated loans (Total)	5,006.0	100.0%	5,112.9	100.0%	5,206.6	100.0%	5,358.8	100.0%	5,469.1	100.0%	5,570.0	100.0%	5,685.7	100.0%	115.7	2.1%	216.6	4.0%
Individual loans	1,632.6	32.6%	1,705.9	33.4%	1,785.2	34.3%	1,886.1	35.2%	1,975.9	36.1%	2,072.3	37.2%	2,157.1	37.9%	84.8	4.1%	181.2	9.2%
Corporate loans	2,588.3	51.7%	2,609.9	51.0%	2,643.7	50.8%	2,680.2	50.0%	2,690.8	49.2%	2,690.3	48.3%	2,711.5	47.7%	21.2	0.8%	20.7	0.8%
Major companies	1,143.8	22.8%	1,180.6	23.1%	1,149.1	22.1%	1,150.0	21.5%	1,160.7	21.2%	1,129.4	20.3%	1,102.7	19.4%	(26.7)	(2.4%)	(58.0)	(5.0%)
Medium sized companies	125.5	2.5%	121.1	2.4%	120.2	2.3%	121.7	2.3%	120.3	2.2%	114.2	2.1%	111.7	2.0%	(2.5)	(2.2%)	(8.6)	(7.1%)
Small and medium sized companies	1,318.9	26.3%	1,308.1	25.6%	1,374.3	26.4%	1,408.5	26.3%	1,409.7	25.8%	1,446.6	26.0%	1,497.0	26.3%	50.4	3.5%	87.3	6.2%
Public sector	7,850.0	15.7%	7,970.0	15.6%	7,776	14.9%	7,923	14.8%	8,023	14.7%	8,073	14.5%	8,169	14.4%	96.0	1.2%	146.0	1.8%

Individual loans

(Billions of yen)

	12/9		13/3		13/9		14/3		14/9		15/3		15/9		Change from 15/3		Change from 14/9	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	change ratio	Term-end balance	change ratio
Individual loans (Total)	1,632.6	100.0%	1,705.9	100.0%	1,785.2	100.0%	1,886.1	100.0%	1,975.9	100.0%	2,072.3	100.0%	2,157.1	100.0%	84.8	4.1%	181.2	9.2%
Housing-related loans	1,459.7	89.4%	1,537.0	90.1%	1,616.7	90.6%	1,715.8	91.0%	1,804.6	91.3%	1,897.0	91.5%	1,981.6	91.9%	84.6	4.5%	177.0	9.8%
Consumer loans	73.0	4.5%	73.2	4.3%	74.9	4.2%	78.0	4.1%	79.8	4.0%	81.1	3.9%	82.6	3.8%	1.5	1.9%	2.8	3.5%
Loans to small businesses	100.0	6.1%	95.7	5.6%	93.6	5.2%	92.3	4.9%	91.5	4.6%	94.2	4.5%	92.8	4.3%	(1.4)	(1.4%)	1.3	1.5%

Corporate loans (Breakdown by geographic area)

(Billions of yen)

	12/9		13/3		13/9		14/3		14/9		15/3		15/9		Change from 15/3		Change from 14/9	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	change ratio	Term-end balance	change ratio
Corporate loans (Total)	2,588.3	100.0%	2,609.9	100.0%	2,643.7	100.0%	2,680.2	100.0%	2,690.8	100.0%	2,690.3	100.0%	2,711.5	100.0%	21.2	0.8%	20.7	0.8%
Ibaraki and its adjoining areas	1,366.1	52.8%	1,378.1	52.8%	1,387.5	52.5%	1,411.3	52.7%	1,433.4	53.3%	1,443.1	53.6%	1,449.8	53.5%	6.7	0.5%	16.4	1.1%
Ibaraki	971.3	37.5%	976.6	37.4%	994.3	37.6%	1,002.5	37.4%	1,020.2	37.9%	1,018.8	37.9%	1,016.6	37.5%	(2.2)	(0.2%)	(3.6)	(0.3%)
Miyagi, Fukushima and Tochigi	293.7	11.3%	297.7	11.4%	297.3	11.2%	305.7	11.4%	308.6	11.5%	312.0	11.6%	317.5	11.7%	5.6	1.8%	9.0	2.9%
Chiba and Saitama	101.0	3.9%	103.8	4.0%	95.8	3.6%	103.1	3.8%	104.5	3.9%	112.3	4.2%	115.7	4.3%	3.4	3.1%	11.3	10.8%
Tokyo and Osaka	1,222.1	47.2%	1,231.7	47.2%	1,256.2	47.5%	1,268.9	47.3%	1,257.3	46.7%	1,247.1	46.4%	1,261.7	46.5%	14.6	1.2%	4.4	0.3%

Deposits

(Billions of yen)

	12/9		13/3		13/9		14/3		14/9		15/3		15/9		Change from 15/3		Change from 14/9	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%
Deposits (Total)	7,243.7	100.0%	7,355.3	100.0%	7,463.3	100.0%	7,490.9	100.0%	7,567.5	100.0%	7,728.7	100.0%	7,783.6	100.0%	54.9	0.7%	216.1	2.9%
Yen deposits	7,181.6	99.1%	7,294.8	99.2%	7,407.9	98.9%	7,432.6	99.2%	7,509.5	97.2%	7,673.1	99.3%	7,695.6	98.9%	22.5	0.3%	186.1	2.5%
Foreign deposits	62.1	0.9%	60.5	0.8%	55.3	0.7%	58.3	0.8%	55.8	0.7%	54.6	0.7%	58.2	0.7%	3.6	6.6%	2.4	4.3%
JOM deposits	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	2.1	0.0%	0.9	0.0%	29.7	0.4%	28.8	3,200.0%	27.6	1,314.3%
Others	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	-	-	-	-
NCDs		9.4		16.5		5.9		16.5		13.4		15.9		99.2	83.3	523.90%	85.8	640.3%

Yen-denominated deposits by customer type

(Billions of yen)

	12/9		13/3		13/9		14/3		14/9		15/3		15/9		Change from 15/3		Change from 14/9	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%
Yen deposits	7,181.6	100.0%	7,294.8	100.0%	7,407.9	100.0%	7,432.6	100.0%	7,509.5	100.0%	7,673.1	100.0%	7,695.6	100.0%	22.5	0.3%	186.1	2.5%
Individual	5,410.0	75.3%	5,466.7	74.9%	5,525.0	74.6%	5,598.7	75.3%	5,650.5	75.2%	5,757.2	75.0%	5,812.0	75.5%	54.8	1.0%	161.5	2.9%
Corporate	1,395.8	19.4%	1,404.4	19.3%	1,476.9	19.9%	1,461.8	19.7%	1,476.9	19.7%	1,525.0	19.9%	1,510.1	19.6%	(14.9)	(1.0%)	33.2	2.2%
Public sector	375.6	5.2%	423.7	5.8%	405.8	5.5%	372.0	5.0%	382.0	5.1%	390.8	5.1%	373.4	4.9%	(17.4)	(4.5%)	(8.6)	(2.3%)

Client assets (Deposits and Financial Products)

(Billions of yen)

	12/9		13/3		13/9		14/3		14/9		15/3		15/9		Change from 15/3		Change from 14/9	
	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%	Term-end balance	%
Individual	6,466.4	100.0%	6,502.5	100.0%	6,561.3	100.0%	6,642.7	100.0%	6,727.3	100.0%	6,846.2	100.0%	6,867.6	100.0%	21.4	0.3%	140.3	2.1%
Current	3,034.6	46.9%	3,125.7	47.3%	3,186.7	48.6%	3,288.6	48.4%	3,340.7	49.7%	3,468.9	50.7%	3,522.4	51.3%	53.5	1.5%	181.7	5.4%
Time deposits	2,375.4	36.7%	2,341.0	35.4%	2,338.3	35.6%	2,310.1	34.0%	2,309.8	34.3%	2,288.3	33.4%	2,289.6	33.3%	1.3	0.1%	(20.2)	(0.9%)
Sub total	5,410.0	83.7%	5,466.7	82.8%	5,525.0	84.2%	5,598.7	82.5%	5,650.5	84.0%	5,757.2	84.1%	5,812.0	84.6%	54.8	1.0%	161.5	2.9%
Asset management products	1,056.4	16.3%	1,035.8	17.2%	1,036.3	15.8%	1,044.0	17.5%	1,076.8	16.0%	1,089.0	15.9%	1,055.6	15.4%	(33.4)	(3.1%)	(21.2)	(2.0%)

【Appendix】 Monthly Automatic Sales of Financial Products

Number of Contracts

(By installment fund instrument)

	13/9	14/3	14/9	15/3	15/9	Change form 14/9	(Number) change ratio
Investment Trusts	29,347	41,016	53,016	62,944	77,640	24,624	39.1%
Annuities Insurance	6,777	9,110	12,202	16,776	22,145	9,943	59.3%
Foreign Currency Deposits	14,364	12,914	12,007	10,730	10,339	△ 1,668	△ 15.5%

Number of Customers

(By installment fund instrument)

	13/9	14/3	14/9	15/3	15/9	Change form 14/9	(Number) change ratio
Investment Trusts	18,480	22,386	26,382	28,909	33,001	6,619	22.9%
Annuities Insurance	3,178	5,022	6,639	9,956	15,761	9,122	91.6%
Foreign Currency Deposits	13,215	11,868	10,892	9,631	6,145	△ 4,747	△ 49.3%

Transaction Amount

(By installment fund instrument)

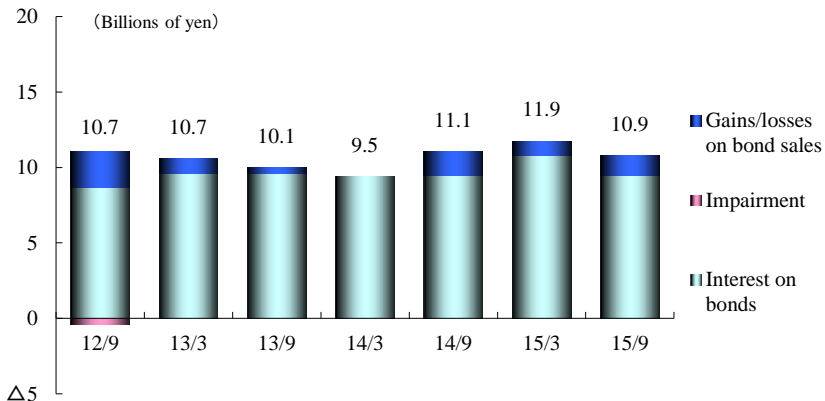
	13/9	14/3	14/9	15/3	15/9	Change form 14/9	(Million yen) change ratio
Investment Trusts	2,124	3,938	4,536	4,747	5,863	1,327	28.0%
Annuities Insurance	561	1,142	1,111	2,081	2,038	927	44.5%
Foreign Currency Deposits	597	521	464	396	354	△ 110	△ 27.8%

Balance of securities (booking price)

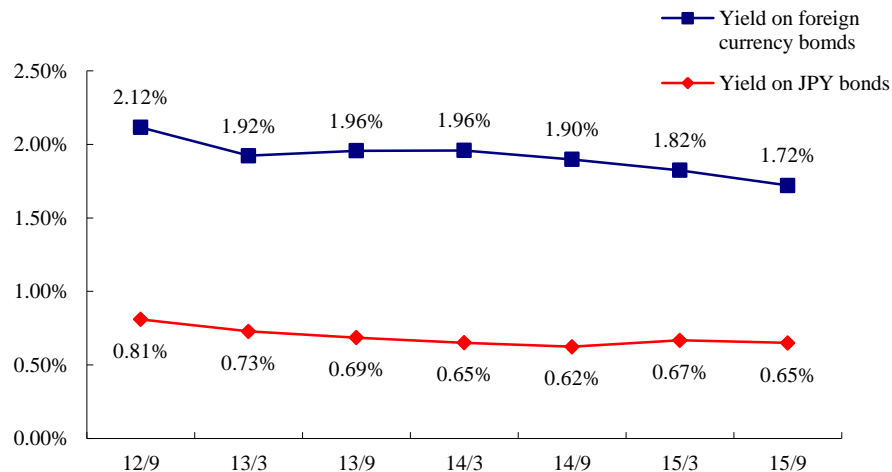
(Billions of yen)

	12/9		13/3		13/9		14/3		14/9		15/3		15/9		Change from 15/3		Change from 14/9	
	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%	Balance	%
Yen-denominated bonds	2,154.8	86.1%	2,089.3	83.2%	2,013.6	81.4%	2,077.7	79.0%	1,974.5	75.7%	1,795.4	71.6%	1,796.5	70.5%	1.1	0.1%	(178.0)	(9.0%)
Duration [years]	4.2	—	4.0	—	3.9	—	3.8	—	3.5	—	3.5	—	3.3	—	(0.2)	-	(0.2)	-
Fixed rate notes	1,942.2	77.6%	1,883.1	75.0%	1,816.6	73.5%	1,883.1	71.6%	1,781.1	68.3%	1,652.4	65.9%	1,675.1	65.7%	22.7	1.4%	(106.0)	(5.9%)
[Average yield]	0.79%	—	0.79%	—	0.75%	—	0.71%	—	0.68%	—	0.72%	—	0.68%	—	(0.04%)	-	0.00%	-
Floating rate notes	212.6	8.5%	206.1	8.2%	197.0	8.0%	194.5	7.4%	193.4	7.4%	143.0	5.7%	121.4	4.8%	(21.6)	(15.1%)	(72.0)	(37.2%)
[Average yield]	0.16%	—	0.10%	—	0.07%	—	0.05%	—	0.06%	—	0.09%	—	0.24%	—	0.15%	-	0.18%	-
Foreign-denominated bonds	149.3	6.0%	204.1	8.1%	241.7	9.8%	284.8	10.8%	334.6	12.8%	365.0	14.5%	378.1	14.8%	13.1	3.6%	43.5	13.0%
Duration [years]	3.4	—	4.0	—	3.9	—	3.8	—	3.7	—	3.4	—	3.5	—	0.1	-	(0.2)	-
[Average yield spread]	1.75%	—	1.29%	—	1.69%	—	1.69%	—	1.66%	—	1.50%	—	1.40%	—	(0.10%)	-	(0.25%)	-
Fixed rate notes	138.6	5.5%	196.6	7.8%	233.9	9.5%	274.3	10.4%	318.7	12.2%	346.1	13.8%	340.8	13.4%	(5.3)	(1.5%)	22.1	6.9%
[Average yield]	2.24%	—	2.00%	—	1.98%	—	2.01%	—	1.95%	—	1.87%	—	1.77%	—	(0.10%)	-	(0.18%)	-
[Average yield spread]	1.85%	—	1.67%	—	1.71%	—	1.73%	—	1.70%	—	1.57%	—	1.47%	—	(0.10%)	-	(0.23%)	-
Floating rate notes	10.6	0.4%	7.4	0.3%	7.8	0.3%	10.5	0.4%	15.9	0.6%	18.9	0.8%	37.3	1.5%	18.4	97.2%	21.4	134.5%
[Average yield]	0.86%	—	0.73%	—	0.71%	—	0.72%	—	0.75%	—	0.97%	—	1.13%	—	0.16%	-	0.38%	-
[Average yield spread]	0.48%	—	0.35%	—	0.37%	—	0.47%	—	0.53%	—	0.67%	—	0.84%	—	0.17%	-	0.30%	-
Stock	137.1	5.5%	137.7	5.5%	138.4	5.6%	138.1	5.3%	138.6	5.3%	135.9	5.4%	134.2	5.3%	(1.7)	(1.3%)	(4.4)	(3.2%)
CET 1 ratio	-	36.1%	-	35.8%	-	34.9%	-	34.6%	-	34.6%	-	34.1%	-	32.7%	(1.4%)	-	(1.8%)	-
Investment trusts and others	59.9	2.4%	80.3	3.2%	78.3	3.2%	128.5	4.9%	160.6	6.2%	212.6	8.5%	239.8	9.4%	27.2	12.8%	79.2	49.3%
Total	2,501.3	100.0%	2,511.5	100.0%	2,472.3	100.0%	2,629.3	100.0%	2,608.3	100.0%	2,508.9	100.0%	2,548.5	100.0%	39.5	1.6%	(59.7)	(2.3%)
[Average yield]	1.06%	—	0.94%	—	0.99%	—	0.93%	—	1.07%	—	1.02%	—	1.19%	—	0.17%	-	0.12%	11.2%
Unrealized gains/(losses)	53.9	—	131.8	—	135.1	—	131.3	—	165.3	—	232.6	—	195.5	—	(37.1)	(16.0%)	30.2	18.3%

Gains (losses) on bonds



Yields on bonds (JPY bonds, Foreign currency bonds)



Securities portfolio

(Billions of yen)

	14/9		15/3		15/9		Change from 15/3		Change from 14/9	
	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)
Domestic bonds	1962.2	37.3	1784.6	36.6	1735.7	36.7	(48.9)	0.1	(226.5)	(0.6)
Foreign bonds	346.7	3.1	375.6	7.0	438.6	5.6	62.9	(1.4)	91.8	2.5
Stocks	138.6	104.5	135.9	144.7	134.2	127.4	(1.6)	(17.2)	(4.3)	22.9
Investment trusts & Others	152.9	20.3	205.9	44.2	234.1	25.7	28.2	(18.4)	81.1	5.4
Trust beneficiary rights	7.6	0.0	6.7	0.0	5.7	0.0	(0.9)	0.0	(1.8)	0.0
Total	2608.3	165.3	2508.9	232.6	2548.5	195.5	39.5	(37.0)	(59.7)	30.2

Foreign bonds

(Billions of yen)

	14/9		15/3		15/9		Change from 15/3		Change from 14/9	
	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)	Balance	Unrealized gains (losses)
Sovereign	219.3	1.7	225.9	4.9	307.2	4.5	81.2	(0.4)	87.8	2.8
Corporate	54.4	0.5	70.3	0.9	76.4	0.3	6.0	(0.5)	21.9	(0.2)
Pass through (Ginme Mae)	68.9	0.4	70.8	0.9	35.1	0.6	(35.6)	(0.3)	(33.7)	0.1
Securitization	3.8	0.2	8.5	0.1	19.8	0.1	11.3	0.0	15.9	(0.1)
Total	346.7	3.1	375.6	7.0	438.6	5.6	62.9	(1.4)	91.8	2.5

【Appendix】 Comparison between Self-Assessment, Disclosure of Problem Assets and Write-offs / Reserves

Breakdown by self-assessment classification of borrowers

Classification of borrowers (Self-Assessment)					Reserve	Reserve ratio	(Billions of yen)		
Classification of borrowers	claim classification						Problem asset	Coverage ratio	
	No-classification	II	III	IV					
Legally Bankrupt 0.8 (0.3)	1.4	4.1	—	—	0 (0)	1 1	Bankrupt and quasi-bankrupt assets	5.6 (1.4)	1 1
Substantially Bankrupt 4.7 (1.0)	Protected by reserve, corateral, guarantee		Booking reserve on no-classification		Write-off				
Potentially Bankrupt 77.2 (3.9)	52.4	16.9	7.8		22 (0)	0.7378 0.7131	Doubtful assets	77.3 (3.9)	0.8984 0.8909
	Protected by reserve, corateral, guarantee		Booking reserve on no-classification		Specific reserve				
Borrowers Requiring Caution	Borrowers Requiring Monitoring 40.4 (1.4)	5	35.4		6.9 (0)	0.1744 0.1868	Substandard loans	28.7 (1.9)	0.4272 0.425
	Borrowers Requiring Caution 324.7 (11.4)	112.3	212.3		General loan loss reserve				
Normal Borrowers 5347.2 (135.1)	5347.2				5.9 (0.4)	0.0183 0.019	Normal assets 5708.9 (126.2)		
					1.7 (0.4)	0.0004 0.0003			
Total	No-classificatio	II	III	IV	Total reserve		Total	Coverage ratio (Total)	
5795.3	5518.5	268.9	7.8	0	36.7	(0)	5820.5	0.7823 0.7889	

【Appendix】 Changes in Borrower Classification

Based on number of borrowers

(Number)

		15/3						Total
		Normal borrowers	Borrowers requiring caution	Borrowers requiring monitoring	Potentially bankrupt	Substantially bankrupt	Legally bankrupt	
1 / 9	Normal borrowers	10,428	241	9	2	0	0	10,680
	Borrowers requiring caution	268	4,944	36	57	0	0	5,305
	Borrower requiring monitoring	8	53	239	7	1	0	308
	Potentially bankrupt	7	83	20	1,584	0	0	1,694
	Substantially bankrupt	6	16	3	67	185	0	277
	Legally bankrupt	2	5	0	9	13	20	49
	Others	3,092	265	6	52	0	0	3,415
	Total	13,811	5,607	313	1,778	199	20	21,728

(Number)

Upgraded	353
Unchanged	17,400
Downgraded	560
Others	3,415
Total	21,728

Based on borrowed amount

(Millions of yen)

		15/3						Total
		Normal borrowers	Borrowers requiring caution	Borrowers requiring monitoring	Potentially bankrupt	Substantially bankrupt	Legally bankrupt	
1 / 9	Normal borrowers	2,762,271	28,317	554	77	0	0	2,791,219
	Borrowers requiring caution	27,354	267,414	3,058	1,921	0	0	299,746
	Borrower requiring monitoring	876	5,829	31,879	1,423	1	0	40,008
	Potentially bankrupt	896	2,684	2,514	67,910	0	0	74,004
	Substantially bankrupt	1,411	267	69	2,257	3,582	0	7,586
	Legally bankrupt	142	134	0	433	75	601	1,386
	Others	63,426	4,165	73	660	0	0	68,323
	Total	2,856,377	308,810	38,146	74,680	3,659	601	3,282,274

(Millions of yen)

Upgraded	35,350
Unchanged	3,133,658
Downgraded	44,943
Others	68,323
Total	3,282,274

【Appendix】 Balance of Loans / Risk-Monitored Loans by Industry

Balance of loans by industry

(Millions of yen)

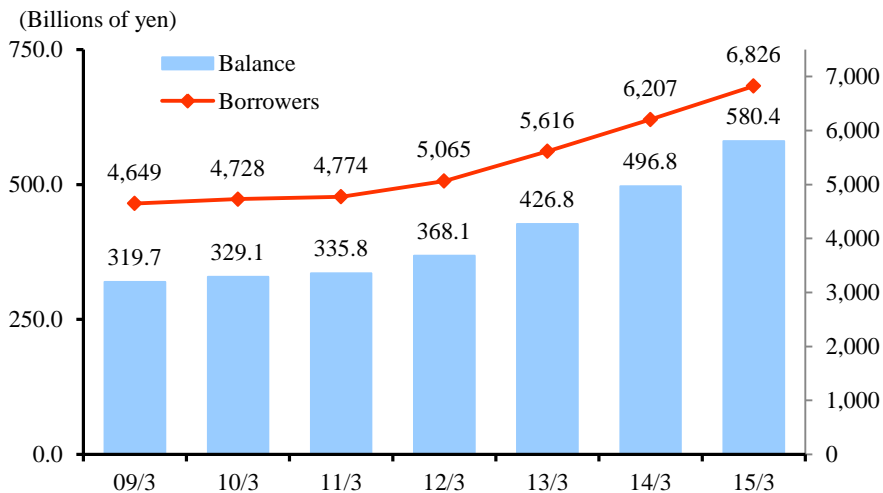
	15/3		15/9		Change from 15/3	
	Balance	(%)	Balance	(%)	Balance	(%)
Corporate loans	340,637.1	60.2%	345,590.8	59.8%	4953.7	(0.4%)
Manufacturing	73,303.5	12.9%	73,675.7	12.7%	372.1	(0.2%)
Farming & Forestry	1,584.9	0.2%	1,572.5	0.2%	(12.4)	(0.0%)
Fishery	365.8	0.0%	540.1	0.0%	174.2	0.0%
Mining & quarrying of stone and gravel	1,782.9	0.3%	731.3	0.1%	(1,051.5)	(0.1%)
Construction	16,638.5	2.9%	15,837.5	2.7%	(800.9)	0.0%
Electric & gas utilities, water service	5,352.5	0.9%	5,775.3	0.9%	422.8	0.0%
Information communication	3,685.9	0.6%	3,486.9	0.6%	(199.0)	(0.0%)
Transport & postal activities	14,675.8	2.5%	14,899.2	2.5%	223.4	(0.0%)
Wholesaling & retailing	60,722.1	10.7%	61,517.5	10.6%	795.3	(0.1%)
Financial & insurance	24,131.4	4.2%	24,724.2	4.2%	592.8	0.0%
Real estate, goods rental & leasing	99,383.9	17.5%	103,418.2	17.9%	4,034.2	0.3%
Miscellaneous services	39,009.9	6.8%	39,412.4	6.8%	402.4	(0.1%)
Public sector	79,872.8	14.1%	80,892.9	14.0%	1,020.1	(0.1%)
Others (including individual loans)	145,130.2	25.6%	151,138.2	26.1%	6,008.0	0.5%
Total	565,640.7	100.0%	577,622.6	100.0%	11,981.8	-

Risk-monitored loans by industry

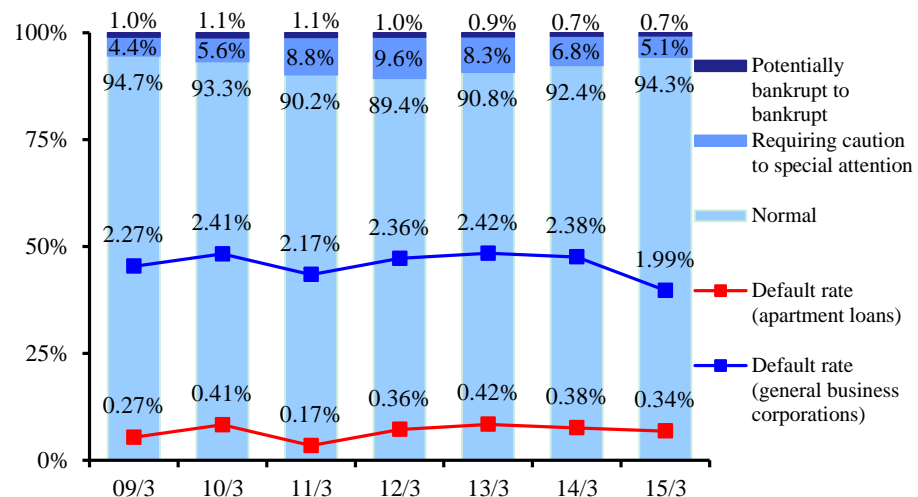
(Millions of yen)

	15/3		15/9		Change from 15/3	
	Balance	(%)	Balance	(%)	Balance	(%)
Corporate loans	10,696.2	93.1%	10,333.0	92.7%	(363.2)	(0.4%)
Manufacturing	2,472.4	21.5%	2,543.3	22.8%	70.8	1.3%
Farming & Forestry	96.2	0.8%	80.0	0.7%	(16.1)	(0.1%)
Fishery	5.6	0.0%	4.4	0.0%	(1.1)	(0.0%)
Mining & quarrying of stone and gravel	0.0	0.0%	0.0	0.0%	0.0	0.0%
Construction	1,013.9	8.8%	965.9	8.7%	(48.0)	(0.2%)
Electric & gas utilities, water service	0.5	0.0%	0.4	0.0%	0.0	(0.0%)
Information communication	108.2	0.9%	88.6	0.8%	(19.5)	(0.1%)
Transport & postal activities	332.2	2.9%	288.4	2.6%	(43.8)	(0.3%)
Wholesaling & retailing	2,931.9	25.5%	2,852.5	25.6%	(79.4)	0.1%
Financial & insurance	42.8	0.4%	38.9	0.3%	(3.9)	(0.0%)
Real estate, goods rental & leasing	1,682.9	14.7%	1,537.4	13.8%	(145.5)	(0.9%)
Miscellaneous services	2,009.6	17.5%	1,933.2	17.3%	(76.4)	(0.1%)
Public sector	-	-	-	-	-	-
Others (including individual loans)	789.8	6.9%	811.3	7.3%	21.5	0.4%
Total	11,486.6	100.0%	11,144.8	100.0%	-	-

Number of borrowers and balance of loans

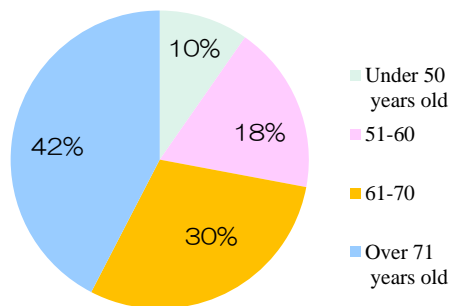


Borrower rating and default ratio

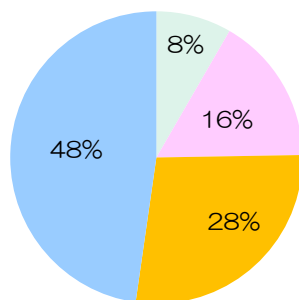


Composition by age group

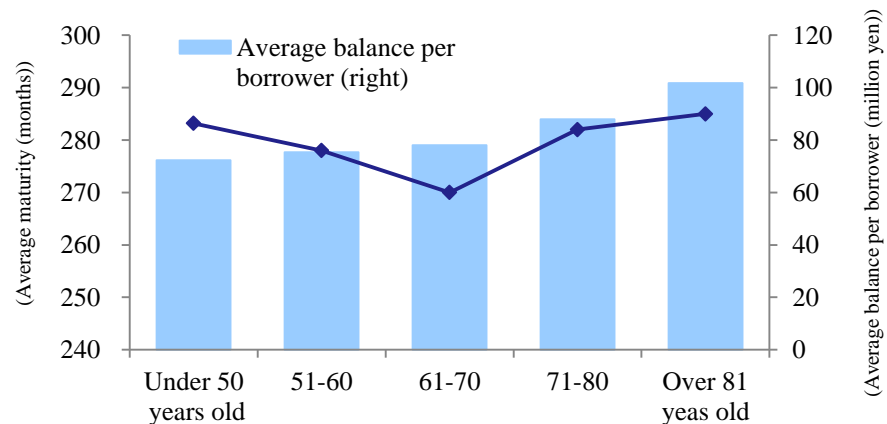
● By number of borrowers



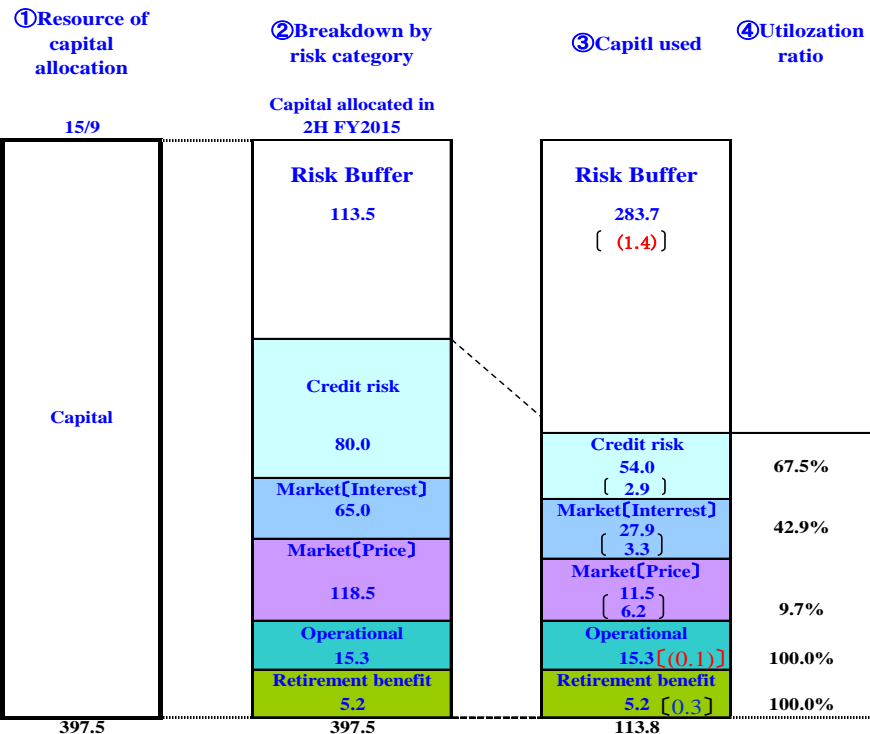
● By amount of loans



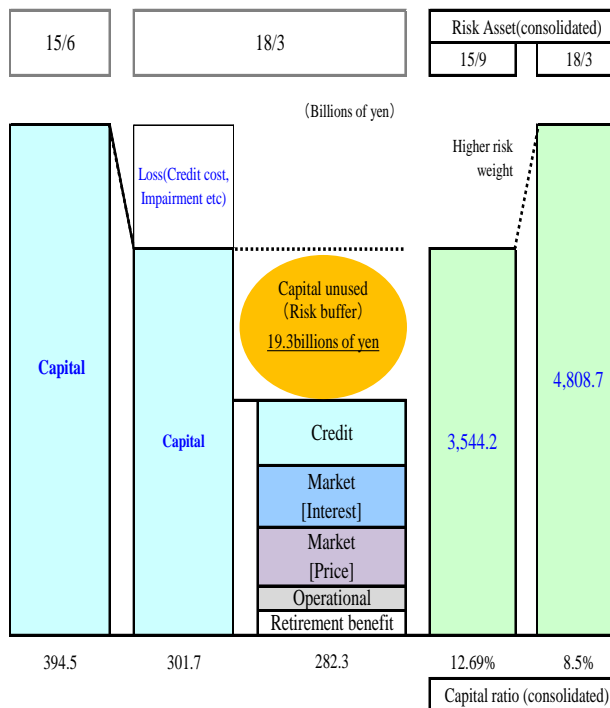
Average balance and average maturity by age group



Risk capital allocation as of Sep 30, 2015



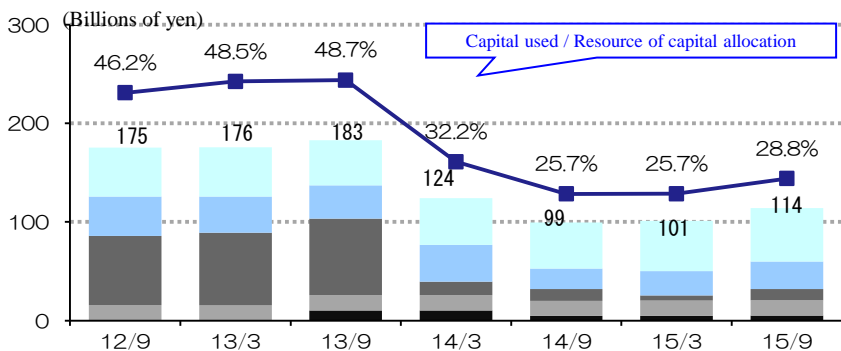
Stress test



【Assumptions】

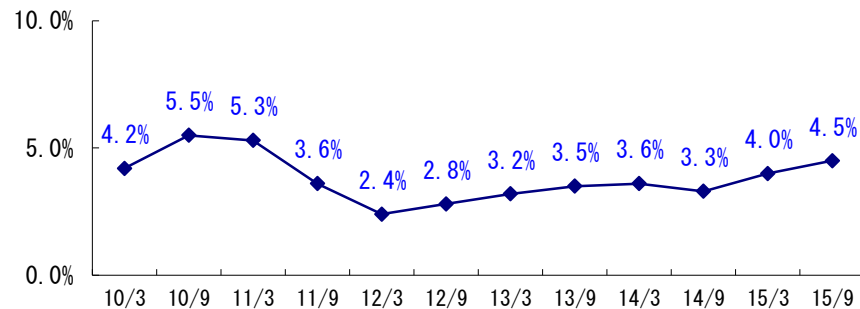
- Reference date : June, 2015
- Risk scenario:
 - Due to uncertainties concerning Japan's financial policies, the yield on 10-year JGBs rose to as high as 5.4% and the Nikkei Average declined to as low as ¥8,500.
- Conclusions
 - Jojo Bank's capital adequacy ratio declined to as low as 8.5%. However, it remained above the 4% level required by Japanese standards.
 - Secured ¥19.3 billion in unused capital from the standpoint of comprehensive risk management.

Capital used

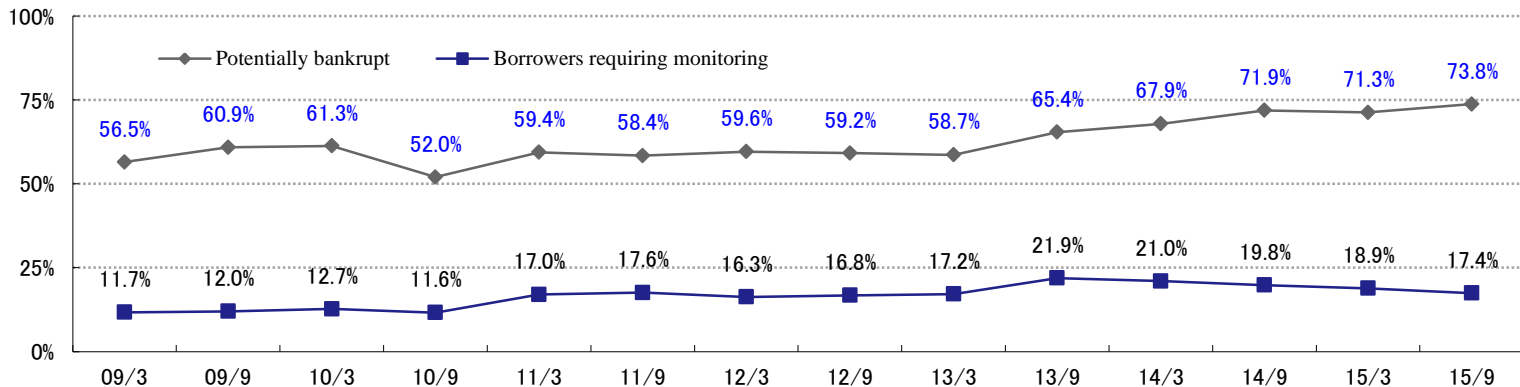


Market risk (interest)

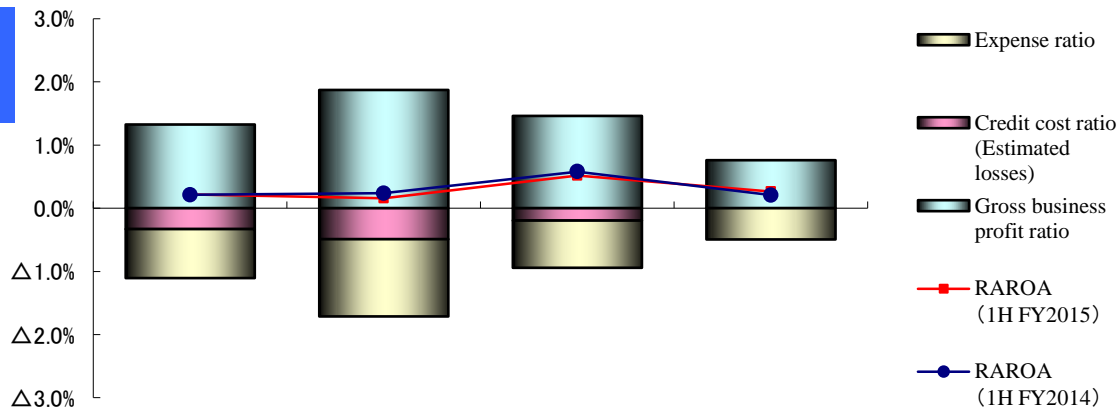
◆ Outlier ratio



Reserve ratio (potentially bankrupt, borrowers requiring monitoring)



Status of earnings by principal operation (FY2015)



	Corporate	Corporate (Ibaraki and its adjoining area)	Housing-related loans	Client assets
RAROA (1H FY2015)	0.2%	0.2%	0.5%	0.3%
RAROA (1H FY2014)	0.2%	0.2%	0.6%	0.2%
Balance (trillion)	2.8	1.6	1.9	1.1

Breakdown of expenses

(Billions of yen)

	1H FY2012	FY2012	1H FY2013	FY2013	1H FY2014	FY2014	1H FY2015	YoY change
Total expenses	35.2	68.7	36.1	70.6	36.0	69.8	35.0	(0.9)
Personnel expenses	17.7	35.1	17.6	35.1	17.2	34.5	17.5	0.3
Non-Personnel expenses	15.4	30.6	16.4	32.3	16.4	31.8	15.0	(1.4)
Depreciation ①	2.4	5.1	2.7	5.8	2.8	5.8	3.0	0.2
Deposit insurance cost ②	2.9	4.8	3.0	4.9	3.0	5.1	1.5	(1.4)
Others (Excluding ① & ②)	10.0	20.5	10.6	21.5	9.5	20.8	10.3	(0.1)
Tax	2.0	2.9	2.1	3.0	2.4	3.4	2.5	0.0
OHR (Core net business income basis)	64.8%	63.9%	67.8%	67.1%	67.1%	65.6%	63.1%	(4.0%)

Number of employees/branches

(Number)

	12/9	13/3	13/9	14/3	14/9	15/3	15/9	YoY change
Number of employees	3,417	3,332	3,398	3,291	3,365	3,282	3,390	25
Number of branches	409	410	413	415	417	418	420	3
Domestic	177	177	178	179	178	178	179	1
Overseas	2	2	2	2	2	3	3	1
ATM spot	230	231	233	234	237	237	238	1
ATM	30,277	31,713	32,872	33,397	34,305	35,137	35,991	1,686
Own ATM	878	878	880	883	878	877	879	1
E-net (alliance)	12,069	12,714	13,148	13,000	13,118	13,204	13,333	215
Seven bank (alliance)	17,330	18,123	18,844	19,514	20,309	21,056	21,779	1,470

Management Indices (Non-consolidated)

	FY2011	1H FY2012	FY2012	1H FY2013	FY2013	1H FY2014	FY2014	1H FY2015	YoY change
EPS (Yen) *1	21.91	14.54	26.95	16.69	29.55	18.77	32.92	20.59	1.82
BPS (Yen)	575.02	580.91	659.16	675.79	680.52	729.54	812.06	791.64	62.09
ROE (Net income basis: %) *2	3.92%	5.03%	4.37%	4.98%	4.40%	5.26%	4.37%	5.12%	(0.14%)
ROE (consolidated)	4.1%	-	4.7%	-	4.9%	-	5.1%	-	-
OHR (Core net business profit basis: %)	63.7%	64.8%	63.9%	67.8%	67.1%	67.1%	65.6%	64.7%	(2.3%)
ROA (Core net business profit basis: %)	0.51%	0.48%	0.49%	0.41%	0.41%	0.40%	0.42%	0.42%	0.02%

*1 The denominator of the equation for EPS is the average number of shares outstanding,

and the denominator of the equation for BPS is the number of shares outstanding at end of fiscal year (both excluding treasury stock)

*2 ROE figures are on top: net income ÷ (balance of net assets at end of previous fiscal year

+ balance of net assets at end of period) ÷ 2

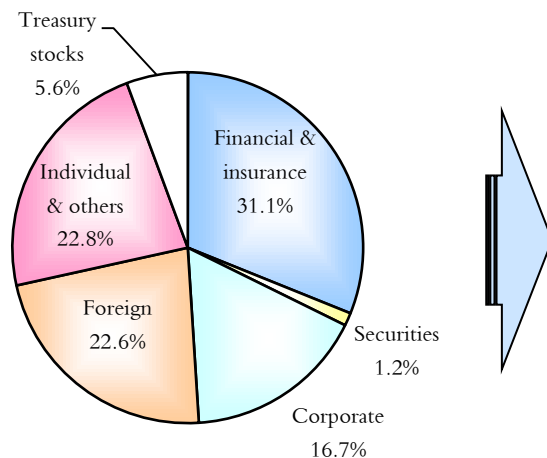
Share of Loans and Bills discounted, Deposits in Ibaraki Prefecture

	12/3	12/9	13/3	13/9	14/3	14/9	15/3	YoY change
Loans and bills discounted	44.17%	44.12%	44.48%	44.91%	45.39%	45.84%	45.74%	0.35%
Deposits	43.32%	42.82%	43.05%	43.01%	42.98%	42.97%	43.37%	0.39%

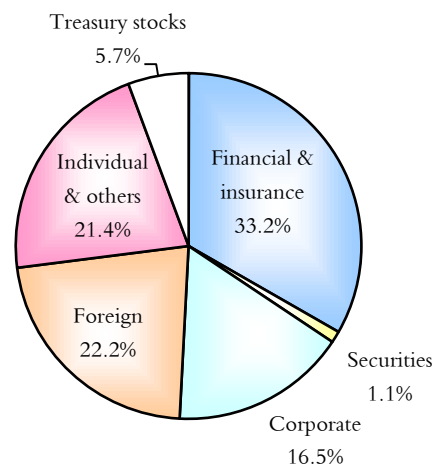
Shareholder composition

	13/3			13/9			14/3			14/9			15/3			15/9			change from 14/9		
	Number of Stockholders	Stock (Thousands)	%	Number of Stockholders	Stock (Thousands)	%	Number of Stockholders	Stock (Thousands)	%	Number of Stockholders	Stock (Thousands)	%	Number of Stockholders	Stock (Thousands)	%	Number of Stockholders	Stock (Thousands)	%	Number of Stockholders	Stock (Thousands)	%
Public sector	3	297	0.0%	3	297	0.0%	3	297	0.0%	3	297	0.0%	3	297	0.0%	3	297	0.0%	0	0	0.0%
Financial & insurance	55	251,390	31.5%	56	247,142	31.3%	59	245,734	31.1%	55	238,923	31.1%	58	253,033	33.0%	59	254,707	33.2%	4	15,784	2.2%
Securities	37	8,853	1.1%	40	7,790	1.0%	34	8,056	1.0%	33	9,161	1.2%	35	10,166	1.3%	39	8,311	1.1%	6	(850)	(0.1%)
Corporate	959	132,793	16.6%	944	129,662	16.4%	937	129,489	16.4%	918	128,469	16.7%	901	127,522	16.6%	879	126,127	16.5%	(39)	(2,342)	(0.2%)
Foreign	308	171,226	21.4%	312	178,847	22.7%	342	182,746	23.2%	357	173,522	22.6%	385	162,690	21.2%	412	169,816	22.2%	55	(3,706)	(0.4%)
Individual & others	27,468	186,214	23.3%	26,670	182,155	23.1%	26,856	179,468	22.7%	25,913	175,417	22.8%	25,413	169,048	22.1%	24,511	163,617	21.4%	(1,402)	(11,800)	(1.5%)
Treasury stocks	1	48,455	6.1%	1	43,335	5.5%	1	43,438	5.5%	0	43,439	5.6%	1	43,473	5.7%	1	43,354	5.7%	0	(85)	0.0%
Total	28,831	799,231	100.0%	28,026	789,231	100.0%	28,232	789,231	100.0%	27,280	769,231	100.0%	26,796	766,231	100.0%	25,904	766,231	100.0%	(1,376)	(3,000)	0.0%

As of Sep 30, 2014

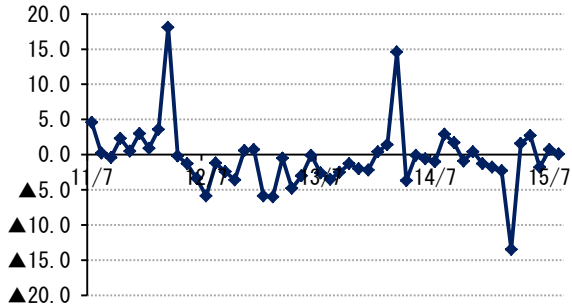


As of Sep 30, 2015

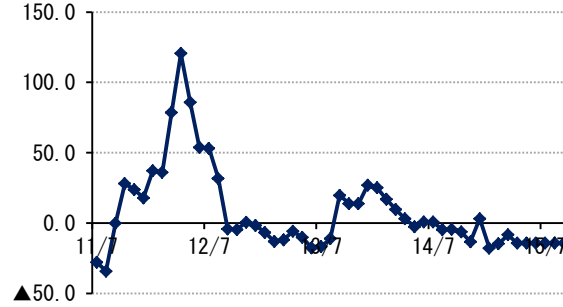


【Appendix】 Economic Indicators for Ibaraki Prefecture

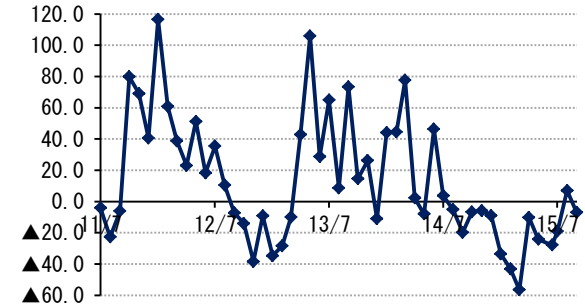
Large-scale retail store sales (YoY)



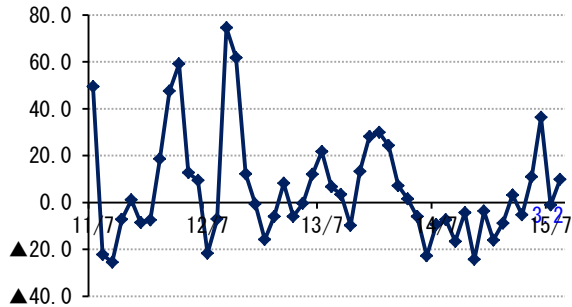
Number of registered new automobiles (YoY)



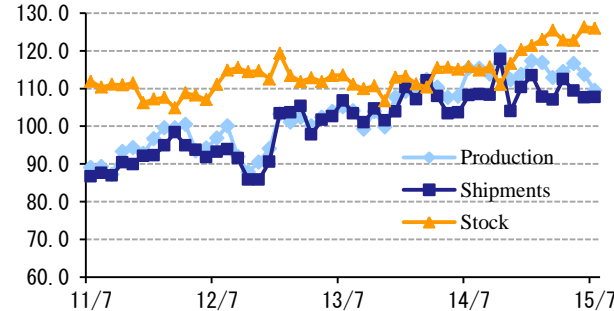
Public construction starts by order (YoY)



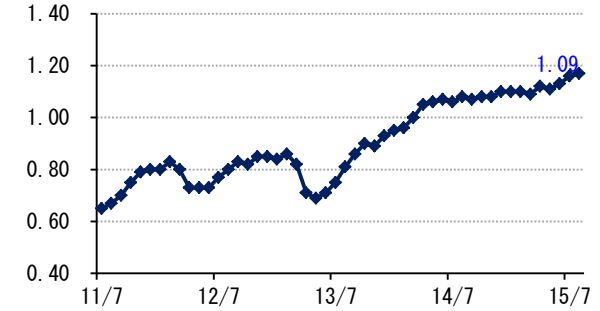
New housing starts (YoY)



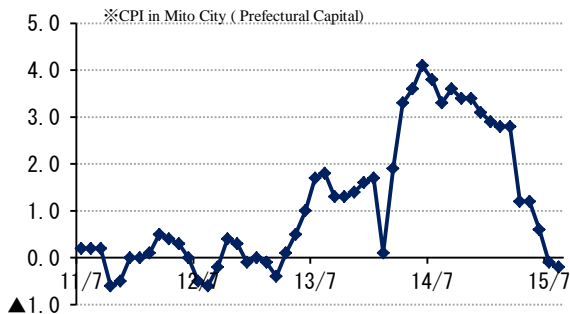
Industrial production (2010=100)



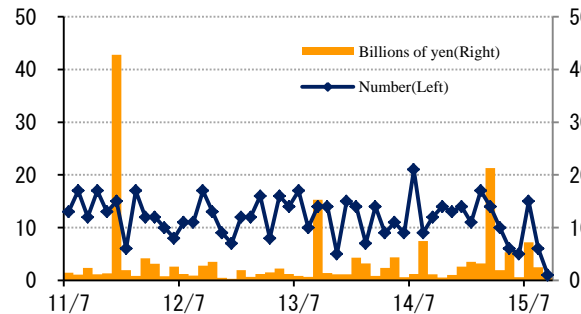
Ratio of job offers to job seekers



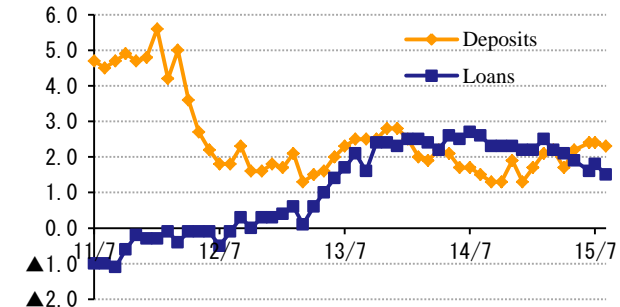
Consumer prices (YoY)



Business bankruptcies (number and value)



Deposits, loans and bills discounted (YoY)





【About the logo】

- Orange rectangles show “customers”, ”local communities”, ”Joyo bank”, the red rectangle shows “additional value”
- Spread made by four rectangles shows “+” shape , and brings up the image that four rectangles make new value like a wind mill

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