

Mebuki Financial Group, Inc.

Financial Results For FY2016 (IR Presentation Material)



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Highlights

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

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

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

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

Dividend

- ◎ Year-end dividend for FY2016 is ¥6.50 per share, including commemorative dividend (¥1.00) for the business integration of the Joyo Bank and Ashikaga Holdings.
- ◎ For FY2017, in line with an earnings distribution policy*, annual dividend projection is ¥11.00, interim dividend and year-end dividend of which are ¥5.50 each.

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

Main Points of FY2016 Financial Results

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

* attributable to owners of the parent

● Mebuki FG (JPY Bn)

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

- Mebuki FG's consolidated financial results for FY2016 include those of Joyo Bank for the first half and those of Mebuki for the second half.
- Gain on negative goodwill due to the business integration of ¥119.2bn was recorded as extraordinary income (refer to p.20).
- Business integration synergy for FY2016 is ¥0.9 bn. Synergy effect of the business integration of ¥2.7 bn is expected for FY2017.

<Reference> Results of Joyo and Ashikaga

(JPY Bn)

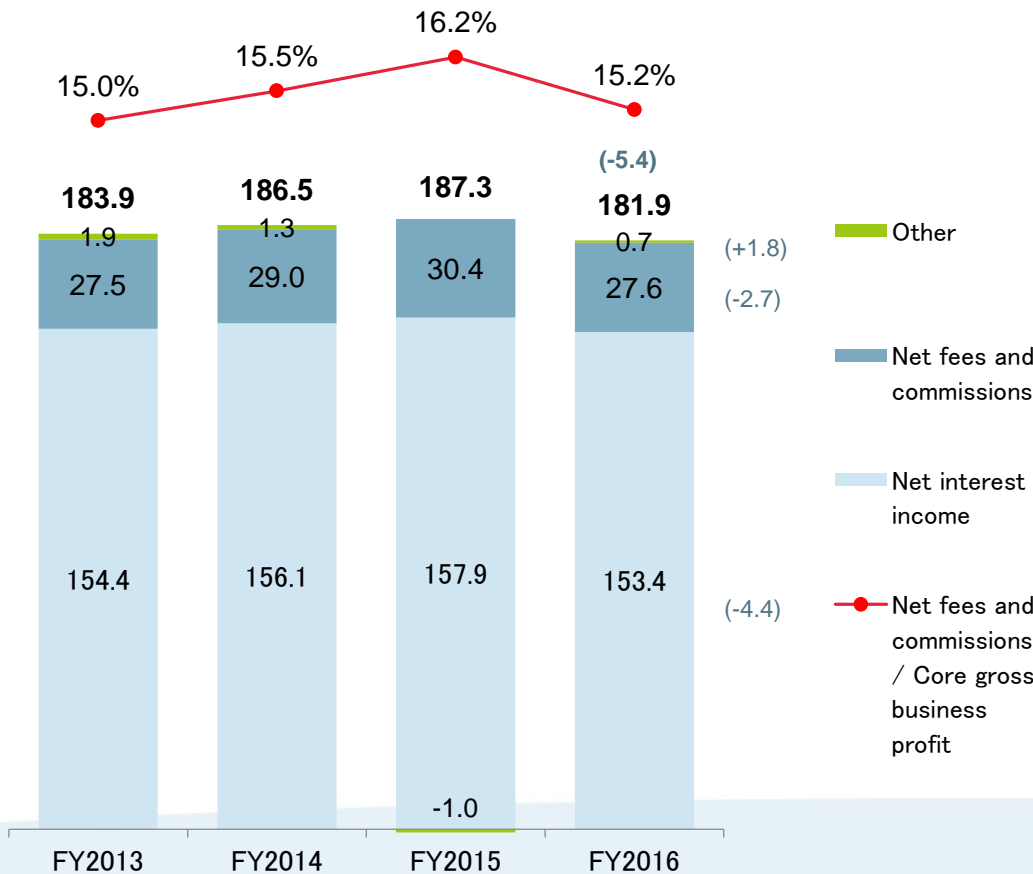
	FY2016						[Progress against forecast]		
	J + A		Joyo		Ashikaga		J + A	Joyo	Ashikaga
	Result	YoY Change	Result	YoY Change	Result	YoY Change			
Gross business profit	187.5	-8.3	105.2	-6.2	82.3	-2.0	96.1%	92.3%	101.6%
Net interest income	153.4	-4.4	85.1	-4.6	68.2	+0.1	102.3%	101.4%	103.4%
Net fees and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

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

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

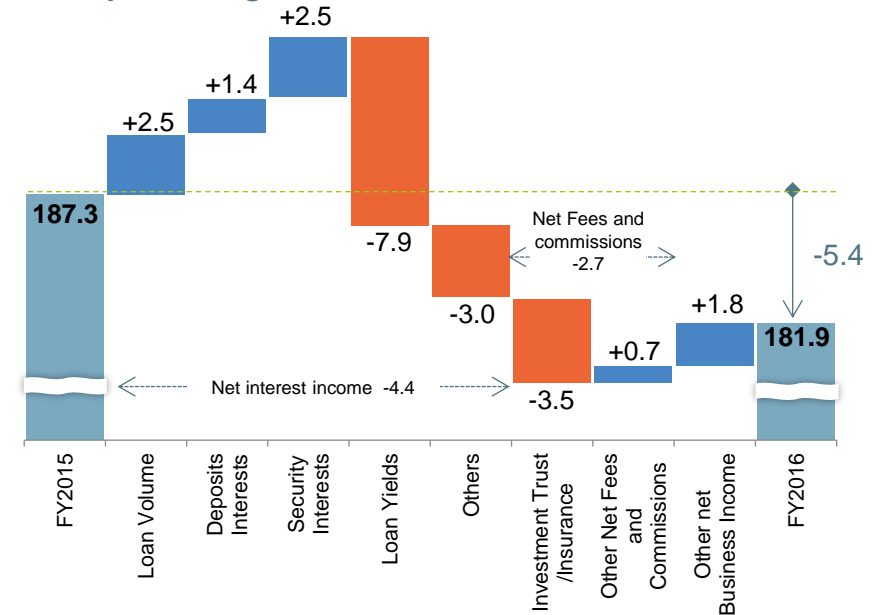
● Joyo + Ashikaga

(JPY Bn)



● Key Change Factors

(JPY Bn)



● Gains on Cancellation of Private Offering Investment Trusts among Interests and Dividends on Securities

(JPY Bn)

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

Net Interest Income / Loans and Deposit (Average Balance / Average Yield)

(Domestic + International)

(Average Balance / Average Yield)

* Unless otherwise mentioned, figures shown are sum of domestic and international figures.

Net Interest Income

● Joyo

(JPY Bn)

	Factor	Change (YoY)	(Domestic)	(International)
Interest on loans and bills discounted	Average Balance	+1.6bn	+1.5bn (+140.5bn)	+0.1bn (+10.0bn)
	Yield	-4.3bn	-4.9bn (-8BP)	+0.5bn (+52BP)
Interest on deposits (-)	-	-0.5bn	-1.3bn	+0.8bn
Interest and dividends on securities	Average Balance	-0.4bn	-0.5bn (-51.4bn)	+0.0bn (+0.5bn)
	Yield	-0.0bn	-1.0bn (-5BP)	+1.0bn (+22BP)

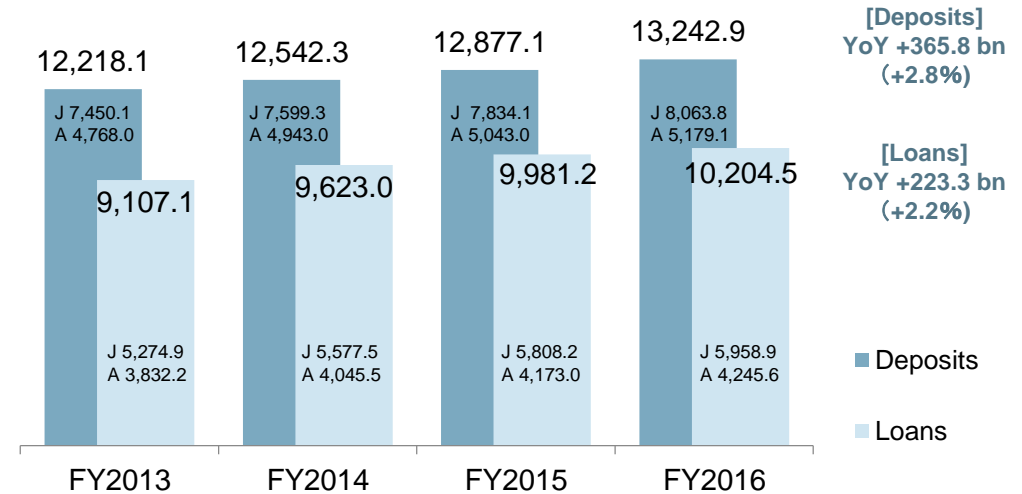
● Ashikaga

(JPY Bn)

	Factor	Change (YoY)	(Domestic)	(International)
Interest on loans and bills discounted	Average Balance	+0.8bn	+0.8bn (+72.4bn)	+0.0bn (+0.0bn)
	Yield	-3.5bn	-3.5bn (-8BP)	+0.0bn (+40BP)
Interest on deposits (-)	-	-1.1bn	-1.1bn	+0.0bn
Interest and dividends on securities	Average Balance	+2.5bn	+1.9bn (+136.0bn)	+0.6bn (+29.5bn)
	Yield	+0.6bn	-0.3bn (-3BP)	+0.9bn (+54BP)

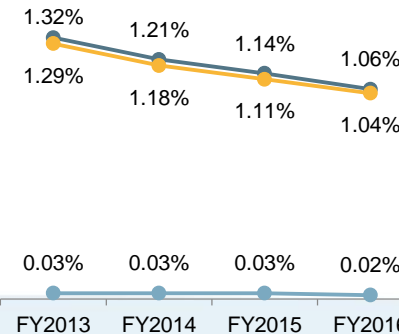
Average Balance of Loans and Deposits (J + A)

(JPY Bn)

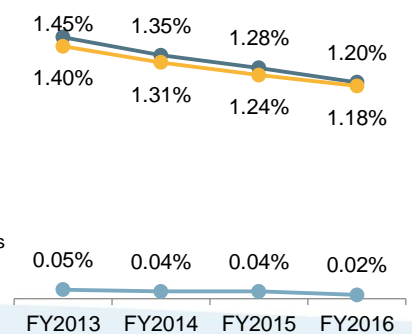


Average Yield of Loans and Deposits

● Joyo



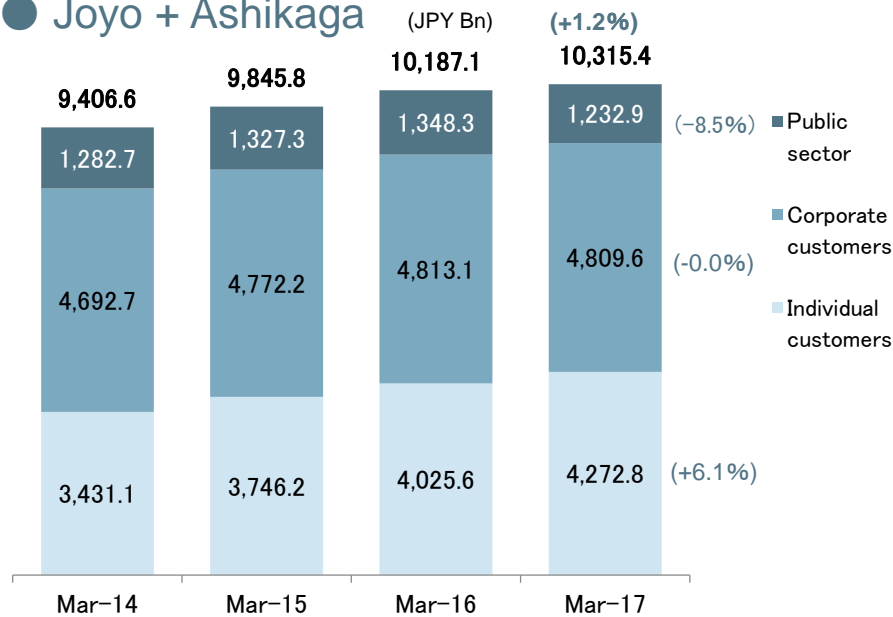
● Ashikaga



Loans (1) by Borrower Type

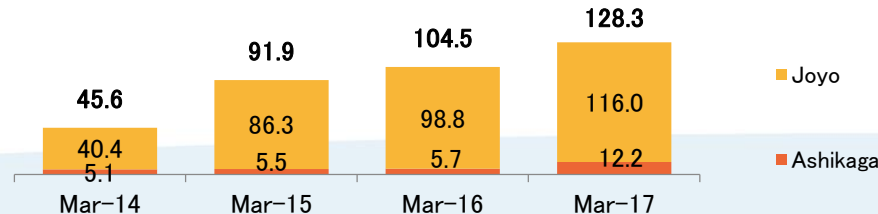
- ◇ Loans to individual customers increased by ¥247.2 bn (+6.1%) and housing related loans increased by ¥241.8 bn from the previous year.
- ◇ Loans to corporate customers decreased by ¥3.5 bn and those to local SMEs increased ¥61.7 bn year-on-year .

● Joyo + Ashikaga

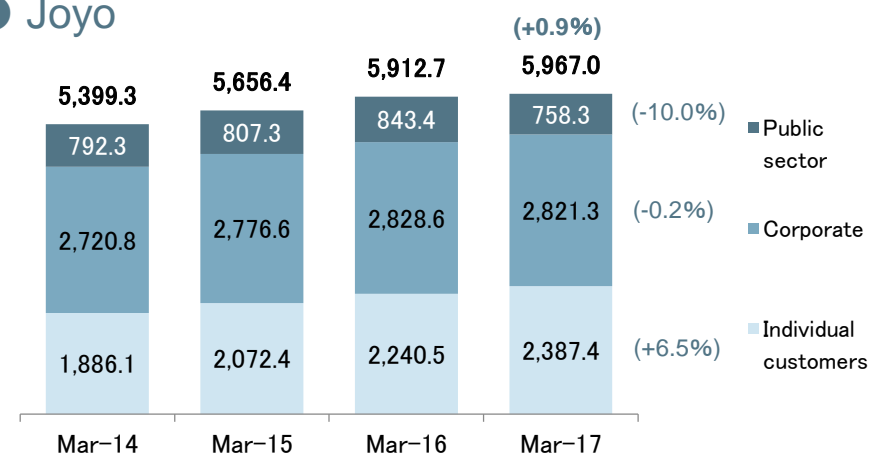


* "Individual Customers" include sole proprietors and "Corporate customers" includes financial institutions.

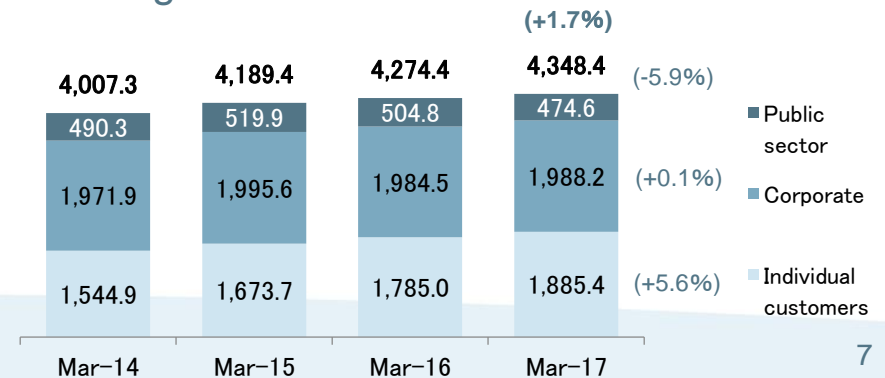
(Reference) Foreign Currency Denominated Loans (JPY Bn)



● Joyo



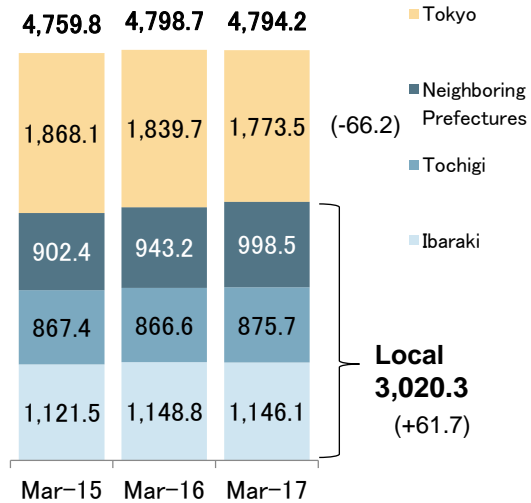
● Ashikaga



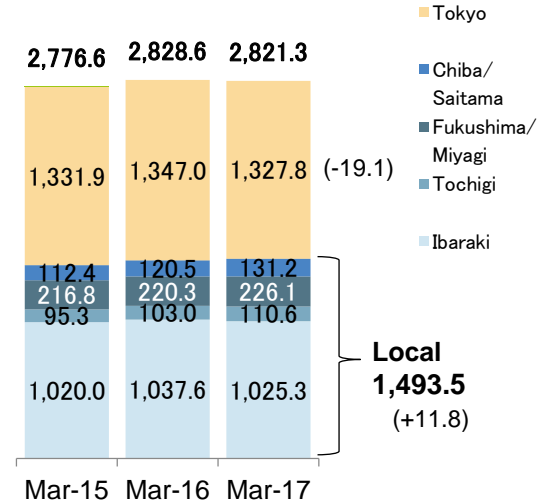
Loans (2) Loans to Corporate Customers

Balance by Area

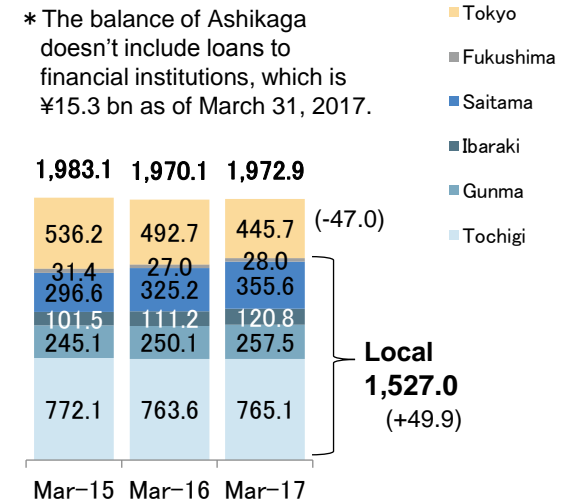
● Joyo + Ashikaga (JPY Bn)



● Joyo

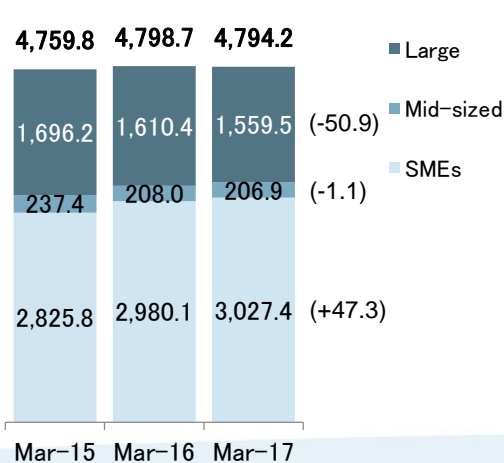


● Ashikaga

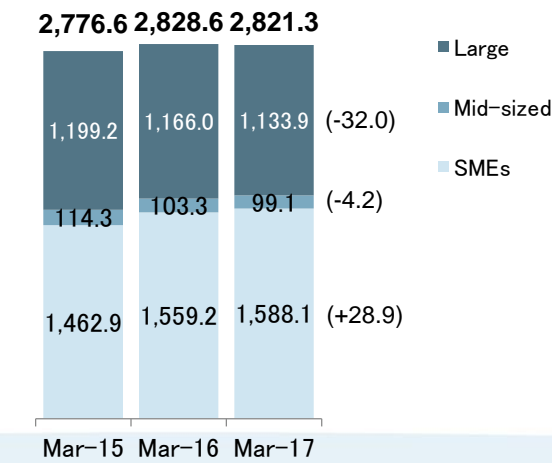


Balance by Company Size

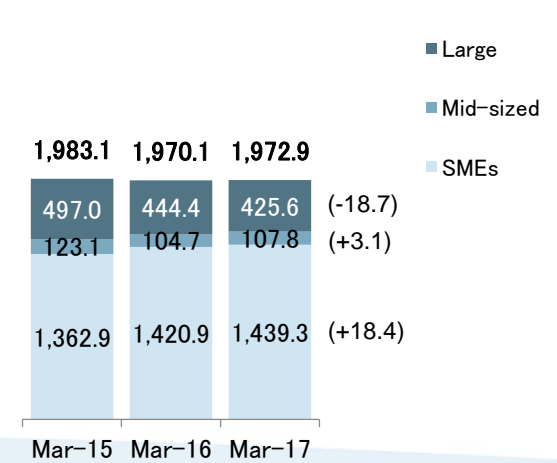
● Joyo + Ashikaga (JPY Bn)



● Joyo



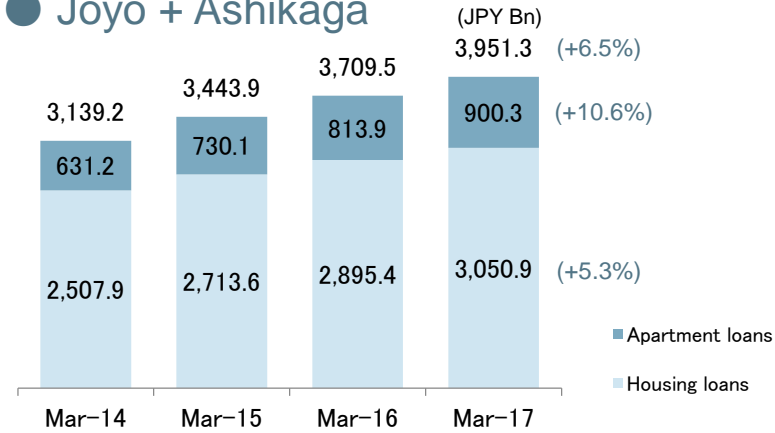
● Ashikaga



Loans (3) Housing Related Loans

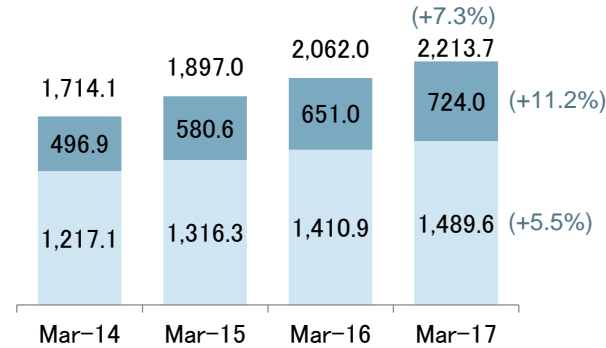
Housing Related Loans (Term-end Balance)

● Joyo + Ashikaga

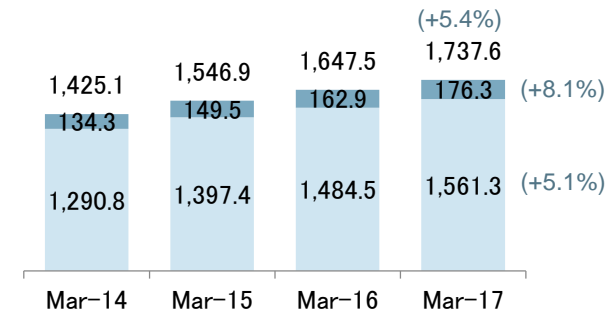


* "Apartment loans" include those to corporate customers

● Joyo

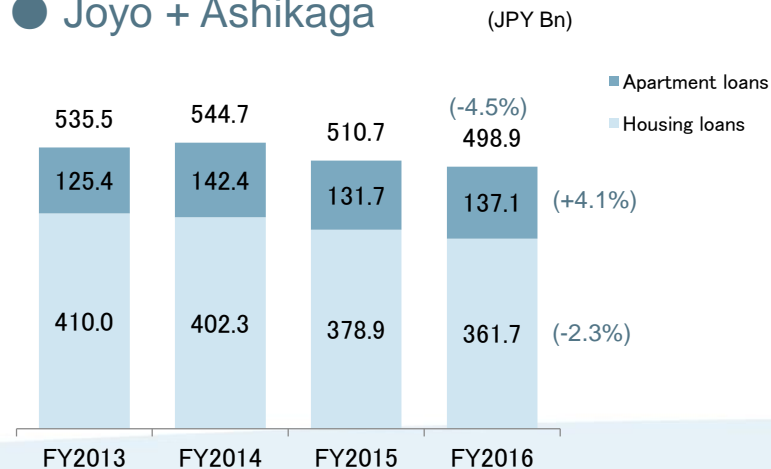


● Ashikaga



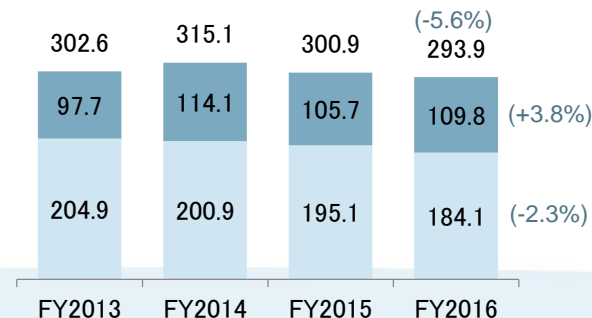
Loans Made

● Joyo + Ashikaga

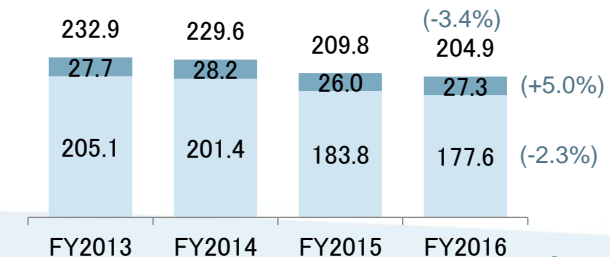


* "Apartment loans" don't include those to corporate customers

● Joyo

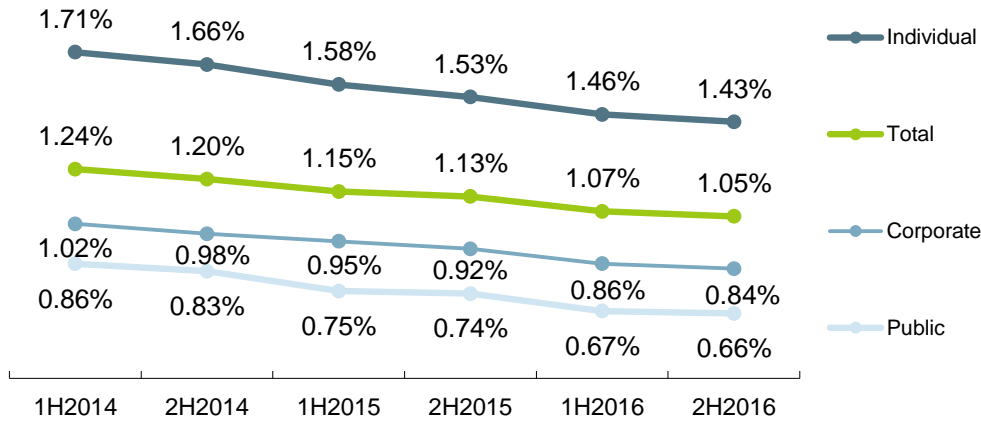


● Ashikaga

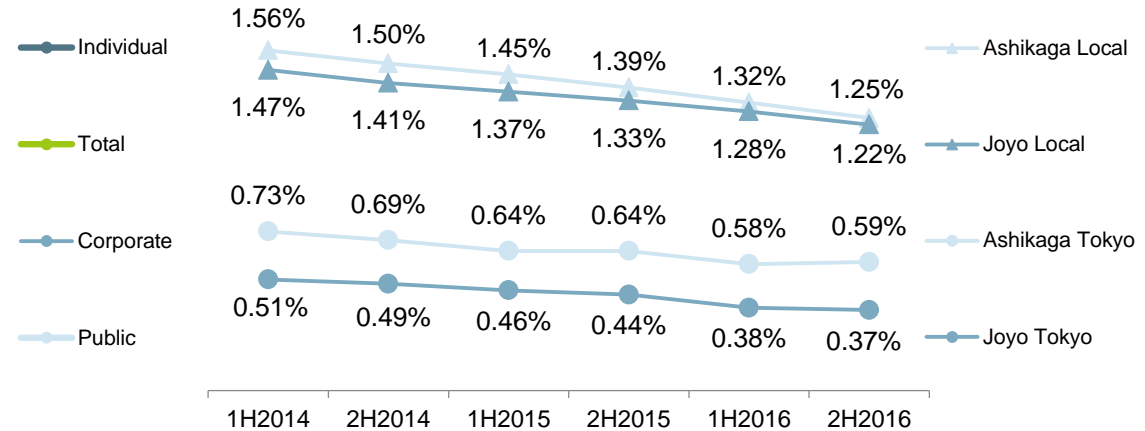


Loans (4) Average Yields

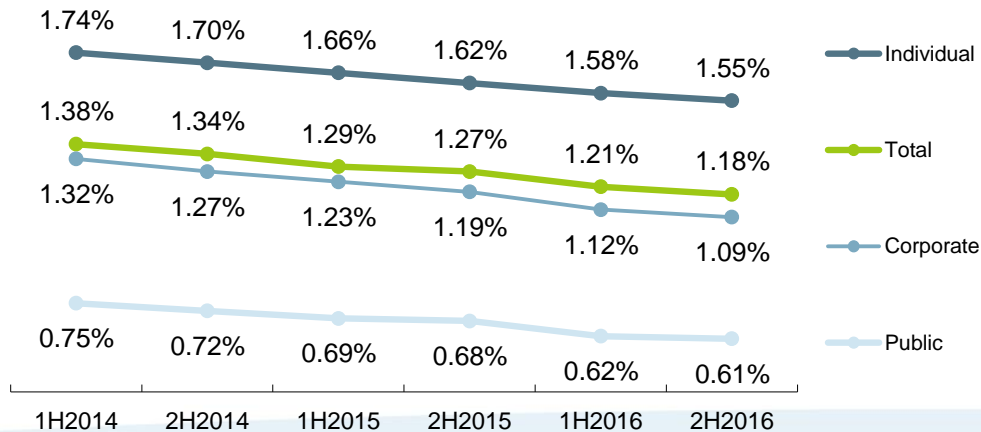
By Borrower type (Domestic) Jojo



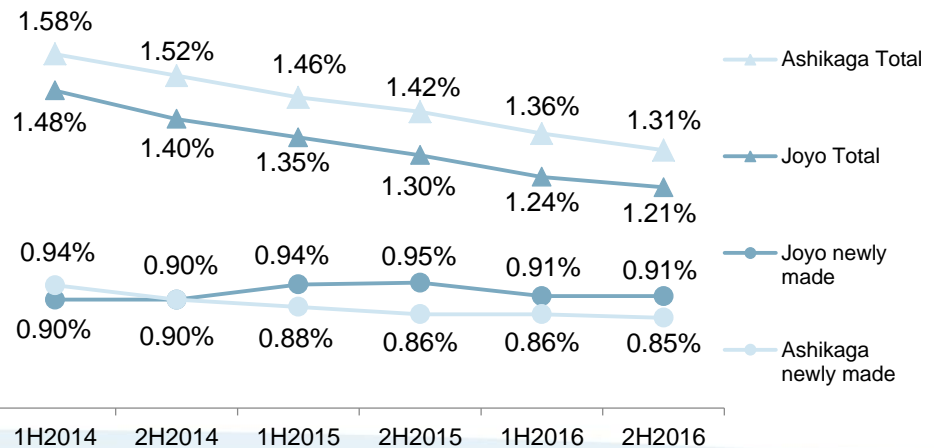
Loans to Corporate Customers (By Area)



By Borrower type (Domestic) Ashikaga



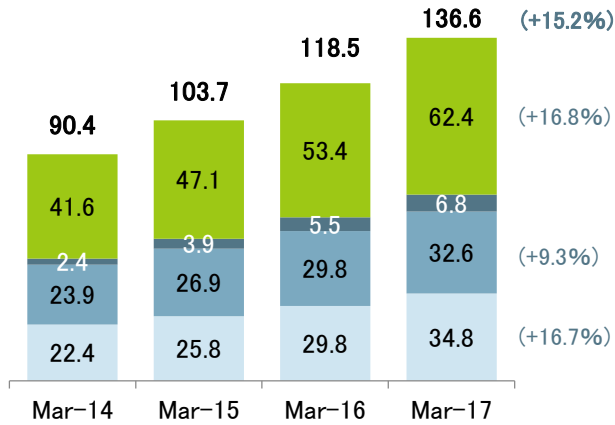
Housing Loans



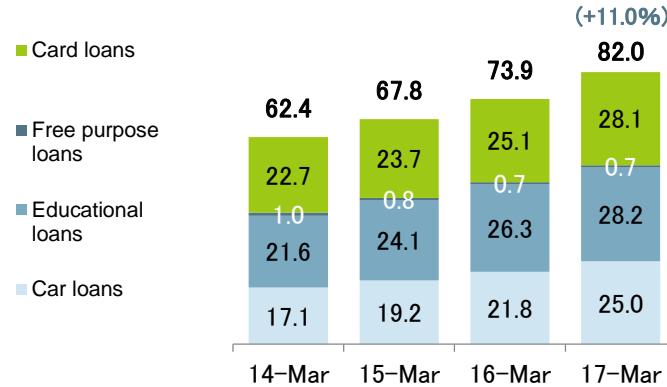
Loans (5) Unsecured Loans

Unsecured Loans (Term-end balance)

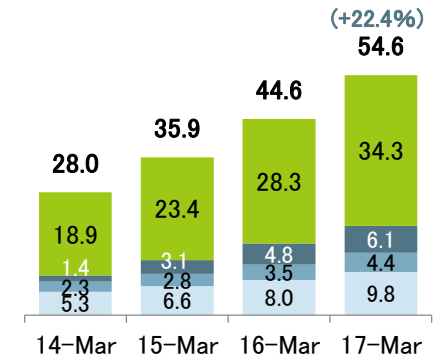
● Joyo + Ashikaga (JPY Bn)



● Joyo

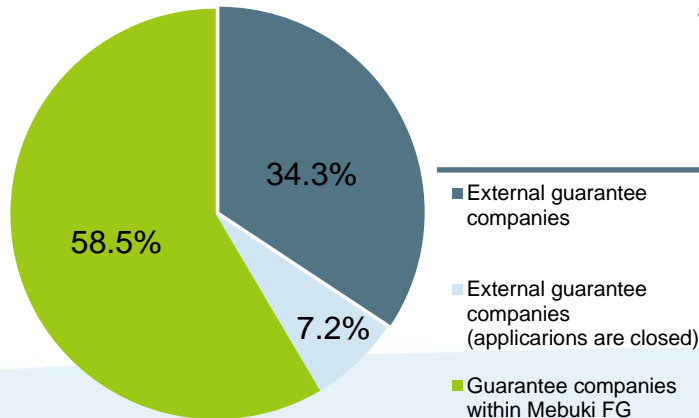


● Ashikaga



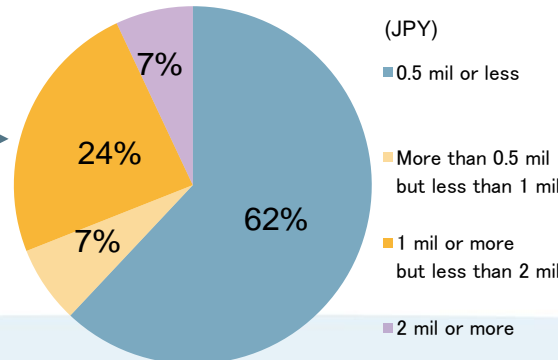
Percentage of Guarantee Companies Guaranteeing Card Loans

● Joyo + Ashikaga (based on amount)



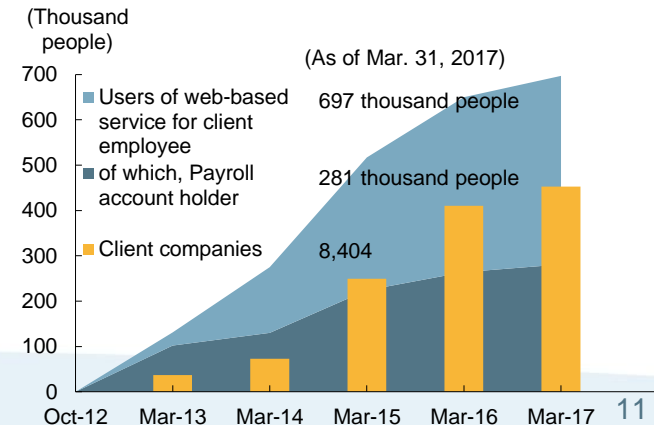
Distribution Situation of Credit Limit per Borrower

* The following is distribution situation of credit limit per borrower guaranteed by external guarantee companies who accept guarantee applications now, which is approximately 35% of total amount of card loans .



Employee-specific Website (Joyo)

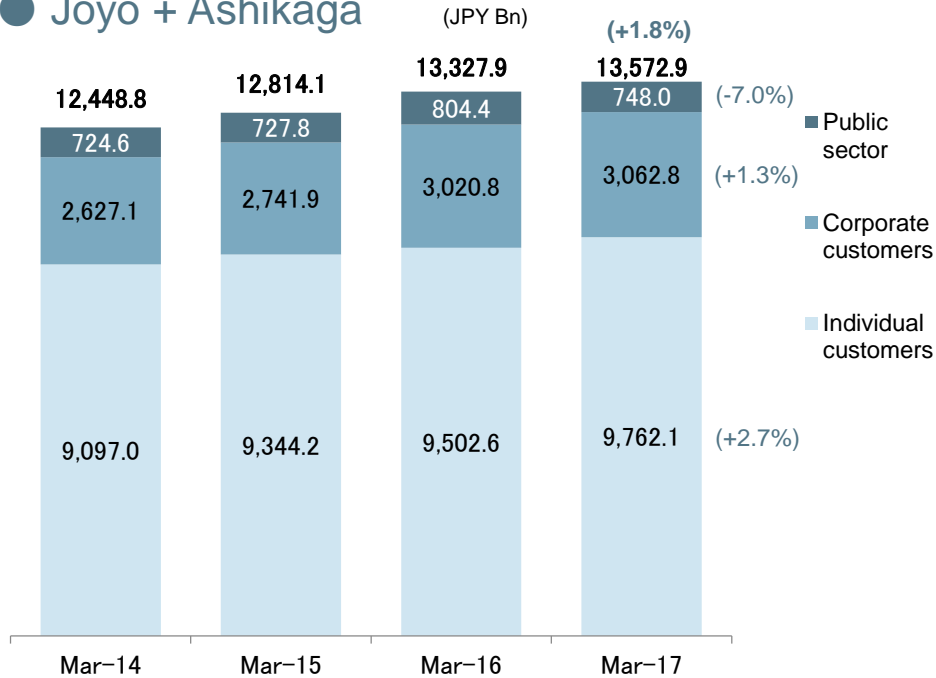
◆ Ashikaga will start to make use of the employee-specific website from Oct. 2017



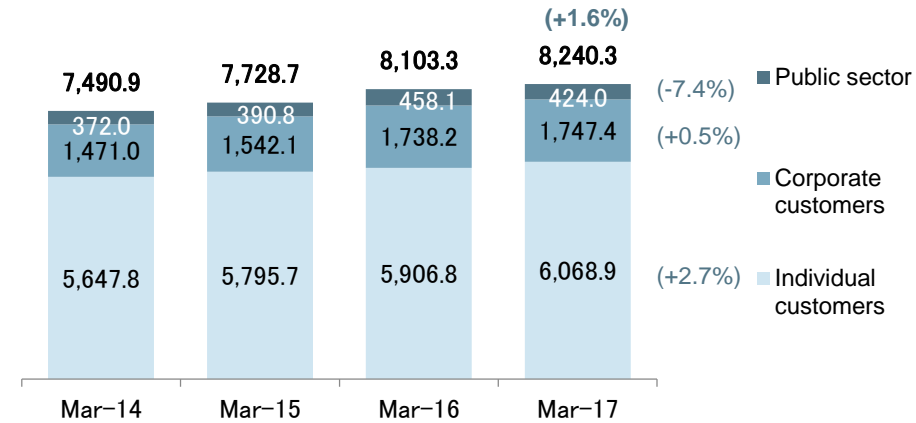
Deposits Balance by Depositor Type

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

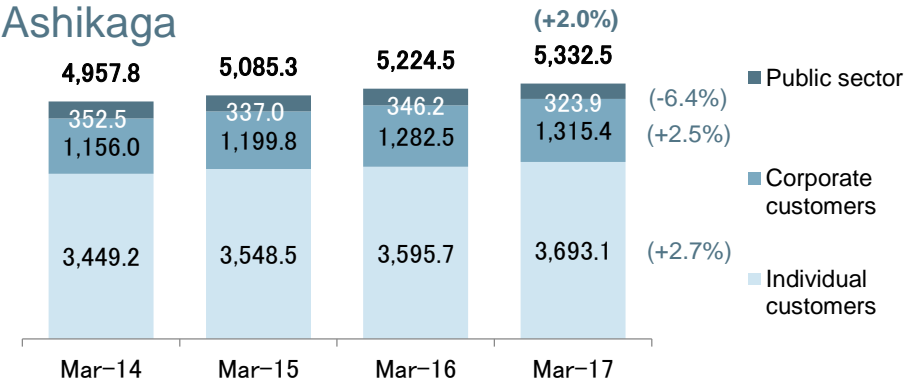
● Jojo + Ashikaga



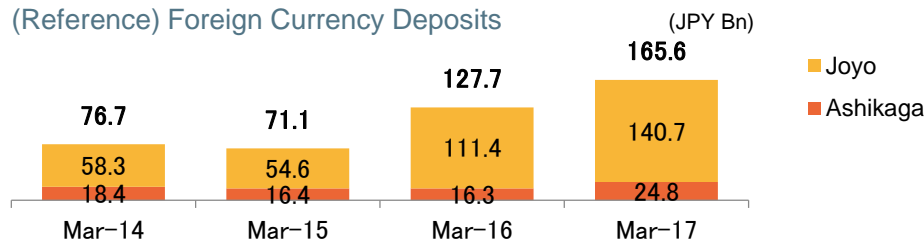
● Jojo



● Ashikaga



(Reference) Foreign Currency Deposits



※1 "Corporate customers" include financial institutions.

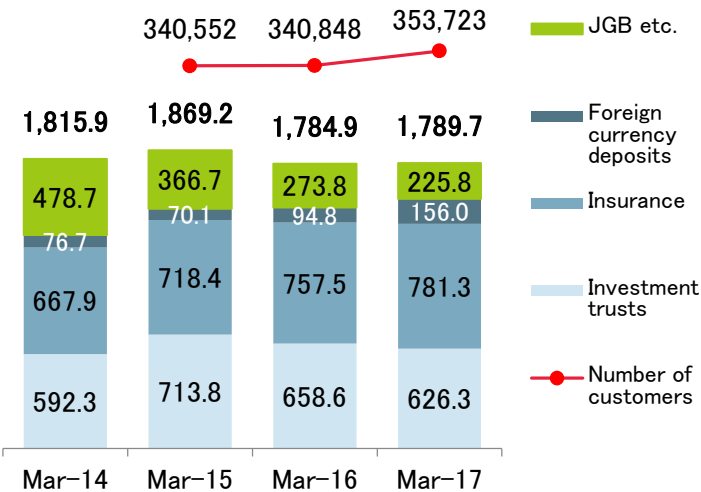
※2 Foreign currency deposits include foreign currency deposits hedged by forward exchange contracts, offshore deposits, and so forth.

Financial Assets under Custody Balance / Sales Commission

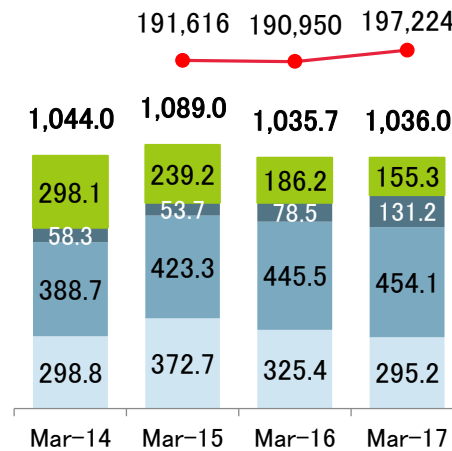
- ◇ Sales commissions, mainly those of investment trusts and insurance products, decreased due to the concern over the unstable financial market.
- ◇ Both banks have been focusing on broadening their customer bases.

Financial Assets under Custody (Balance)

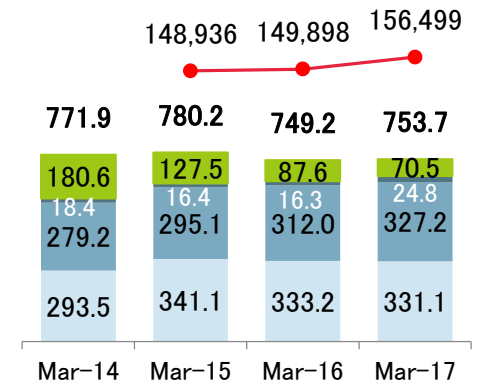
● Joyo + Ashikaga (JPY Bn)



● Joyo

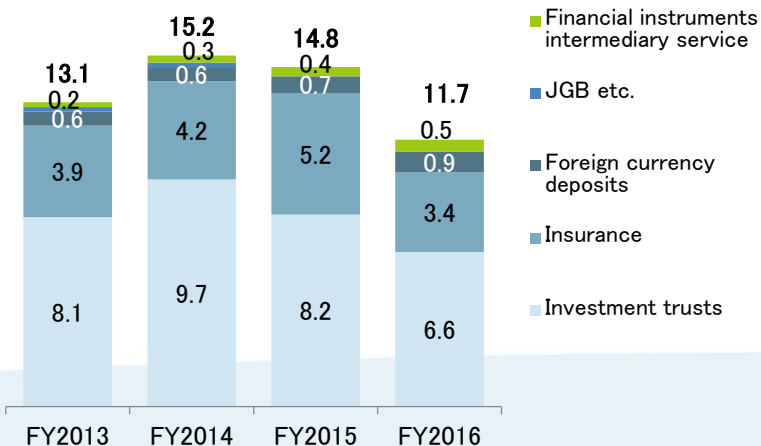


● Ashikaga

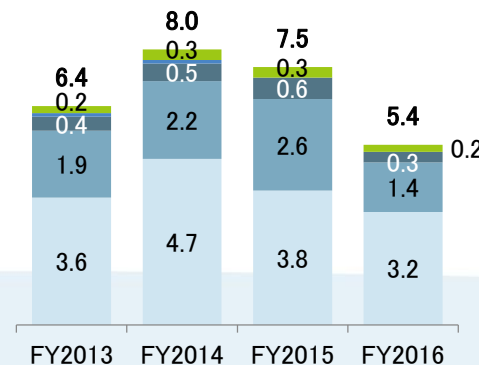


Sales Commission

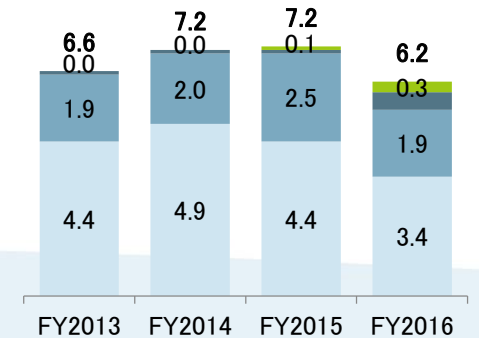
● Joyo + Ashikaga (JPY Bn)



● Joyo



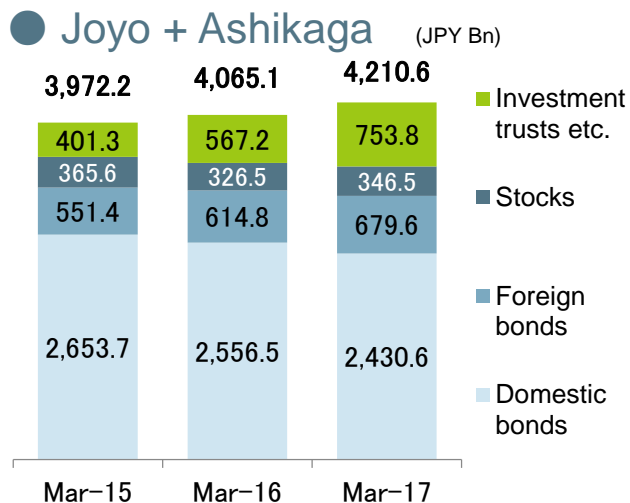
● Ashikaga



Securities (1) Balance / Unrealized Valuation Gains / Losses

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

Term-end Balance
(Balance Sheet Amount)

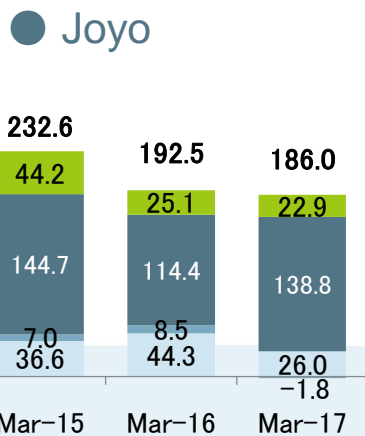
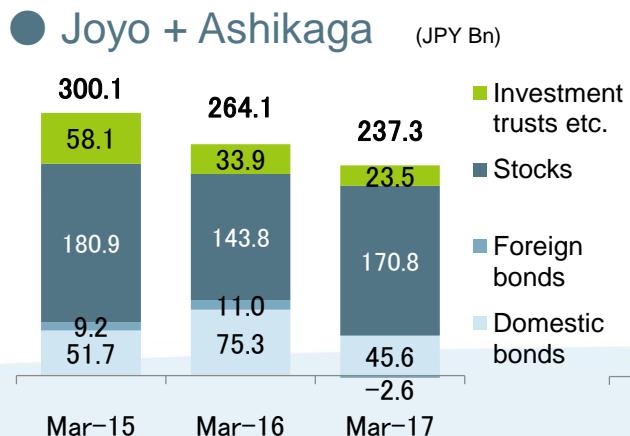


Gains on
Sales of Securities

			Gains	Losses	Net	
Joyo	Gains / losses on bond transactions	Domestic	8.0	-1.8	6.1	JGB, J-REIT, etc.
		International	3.0	-3.4	-0.3	Foreign government bond, Ginnie Mae, etc.
	Gains / losses related to stocks, etc.	—	9.5	-1.9	7.5	Strategic shareholdings, ETF
OSold bonds with lower interest rate, longer duration, etc.						
			Gains	Losses	Net	
Ashikaga	Gains / losses on bond transactions	Domestic	0.7	-1.0	-0.2	JGB, Local government bond, etc.
		International	-	-	-	
	Gains / losses related to stocks, etc.	—	3.1	-0.9	2.1	Strategic shareholdings, Investment trust

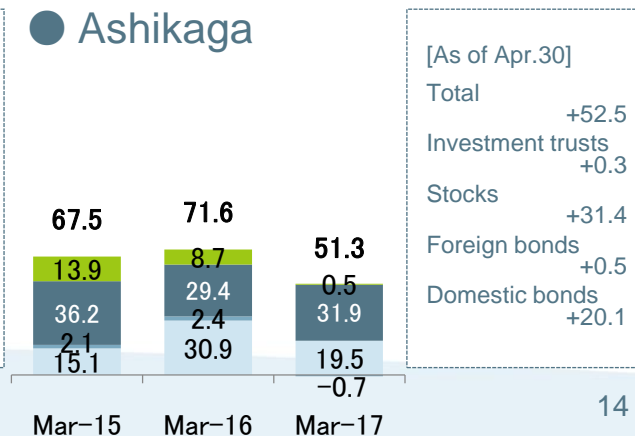
* Refer to p.5, for information regarding gains on cancellation of private offering investment trusts, Joyo and Ashikaga's results for FY2016 of which are +1.7bn and +3.6bn respectively.

Unrealized Valuation
Gains / Losses
on Available for Sale Securities



[As of Apr.30]

Total	+174.0
Investment trusts	+19.6
Stocks	+127.4
Foreign bonds	+0.4
Domestic bonds	+26.4



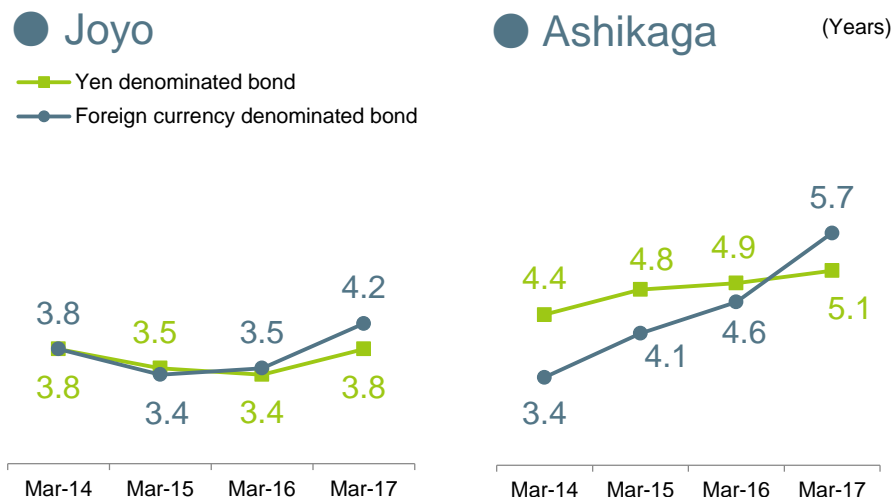
[As of Apr.30]

Total	+52.5
Investment trusts	+0.3
Stocks	+31.4
Foreign bonds	+0.5
Domestic bonds	+20.1

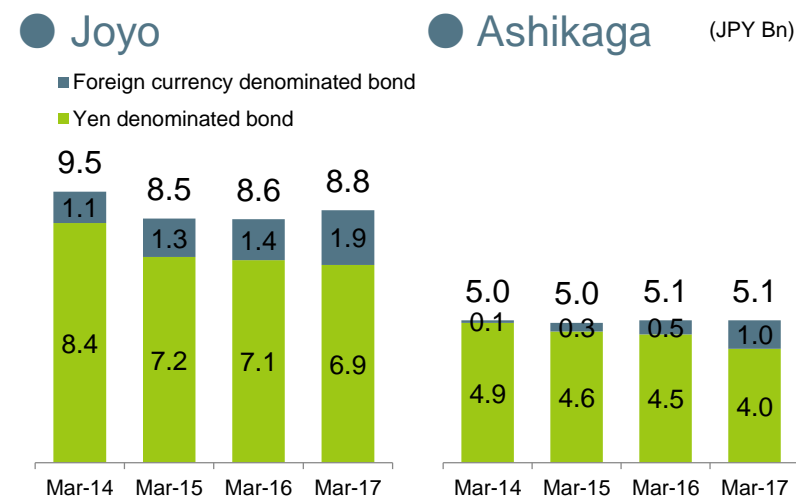
Securities (2) Interest Rate Risk / Foreign Bonds

◇ Foreign bonds, most of which are government bonds and government-guaranteed bonds, have unrealized gains as of April 30, 2017.

Duration



Interest Rate Risk (10 BPV)



Foreign Bonds / Funds (Book Value)

● Joyo + Ashikaga (As of Mar. 31, 2017)

		J + A	Joyo	Ashikaga	Details
Foreign Bonds		682.2	458.4	223.8	-
	o/w Government Bond	313.6	261.0	52.5	Invest mainly in U.S. Treasury and partially in European bonds
	o/w Corporate Bond	285.9	114.7	171.2	Bonds rated A or above account for 90% of total
	o/w Ginnie Mae	28.7	28.7	0.0	Sold bonds w hose duration w as likely to be longer in FY2016
	others	53.9	53.9	0.0	Securitized products centering on CLO (only highest tranches)
Funds		727.0	316.0	411.0	-
	o/w ETF	155.7	155.7	0.0	Control risks using bear funds
	o/w REIT	58.1	42.2	15.8	Invest in diversified REIT considering yield and liquidity
	others	513.2	118.0	395.2	Improve risk-return profile of entire portfolio considering correlation with other assets

Strategic Shareholdings

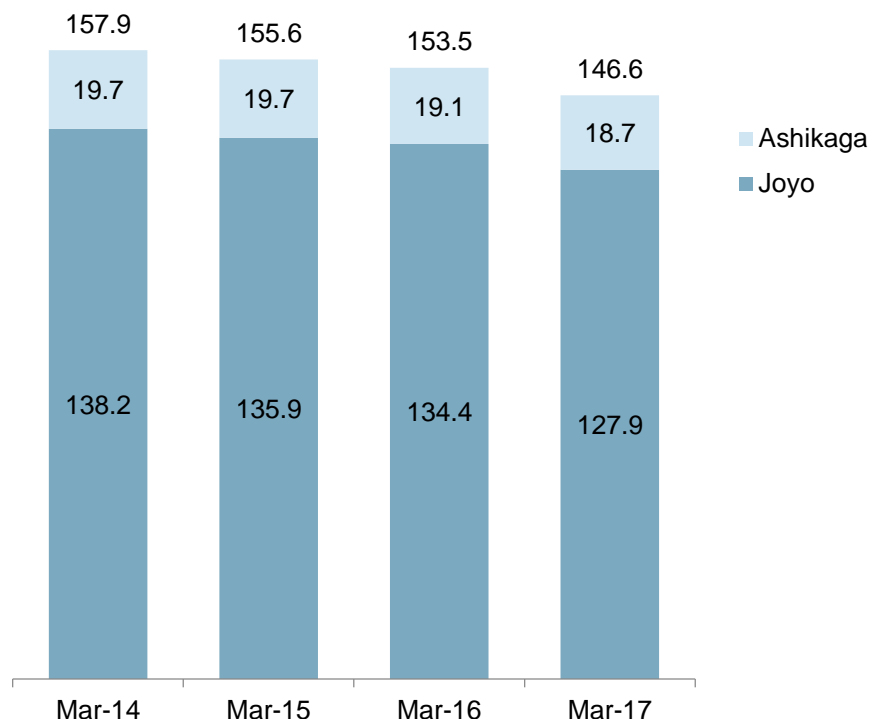
- ◇ Sum of strategic shareholdings of the two banking subsidiaries are ¥146.6 bn (YoY -¥6.9 bn)
- ◇ The amount of Joyo is ¥127.9 bn (YoY -¥6.5 bn), which is equivalent to 29.7%* of CET1

* The rate is calculated assuming stocks which its issuers agreed for us to sell were sold.

Balance

● Joyo + Ashikaga

(JPY Bn)



* Concerning some of the stocks which its issuers agreed for us to sell, their risks are hedged through forward contract.

● Joyo

(JPY Bn)

	Mar-14	Mar-15	Mar-16	Mar-17	Change
Balance	138.2	135.9	134.4	127.9	-6.5
CET1 ratio	34.6%	34.1%	32.6%	30.4% (29.7%)	-2.2% (-2.9%)

● Ashikaga

	Mar-14	Mar-15	Mar-16	Mar-17	Change
Balance	19.7	19.7	19.1	18.7	-0.4

Excerpts from Basic Corporate Governance Policy

(Basic Policy on Strategic Shareholdings)

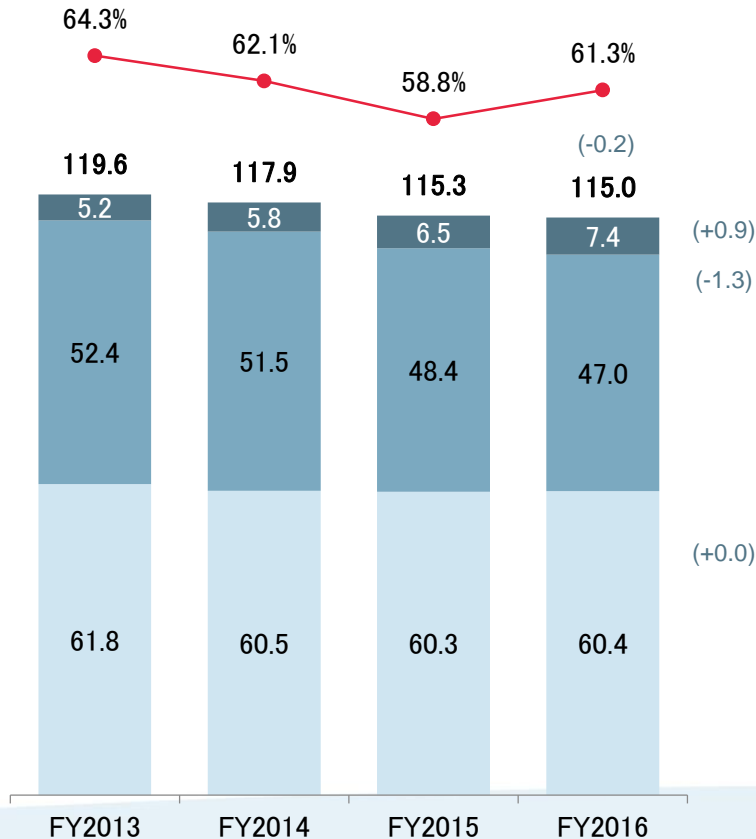
- The objective and rationale behind strategic shareholdings are sustainable growth and improvement of mid- to long-term corporate value of Mebuki FG and its customers, and to maintain a stable relationship with customers.
- Concerning major strategic shareholdings, examine the permissibility of the shareholdings at the board of directors every year, based on mid- to long-term economic rationality reflecting the risk and returns, and the objective and rationale behind the shareholdings.

Expenses / OHR

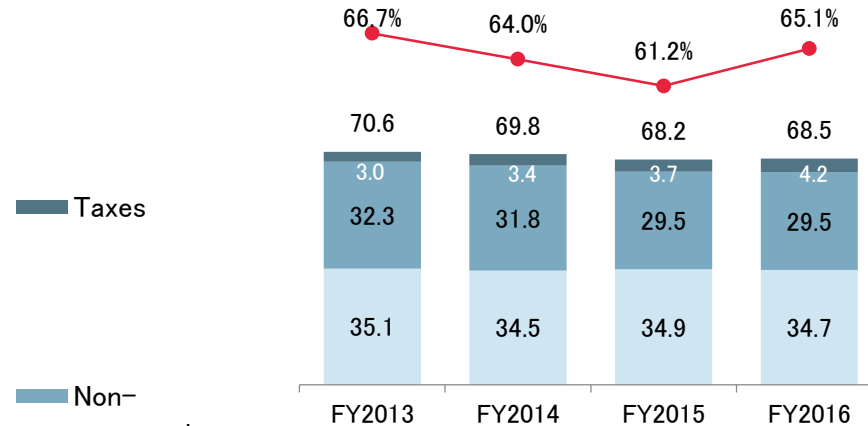
◇ Despite the fact that taxes such as size-based business tax increased, expenses decreased (by ¥0.2 billion on Joyo-Ashikaga simple-sum basis) compared with the previous fiscal year, mainly due to decreases in non-personnel expenses centering on depreciation expenses. We will continue to focus on cost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

● Joyo + Ashikaga

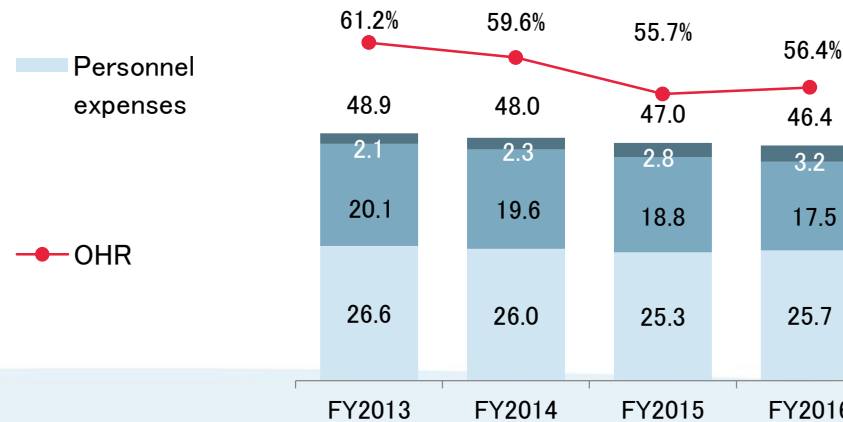
(JPY Bn)



● Joyo



● Ashikaga

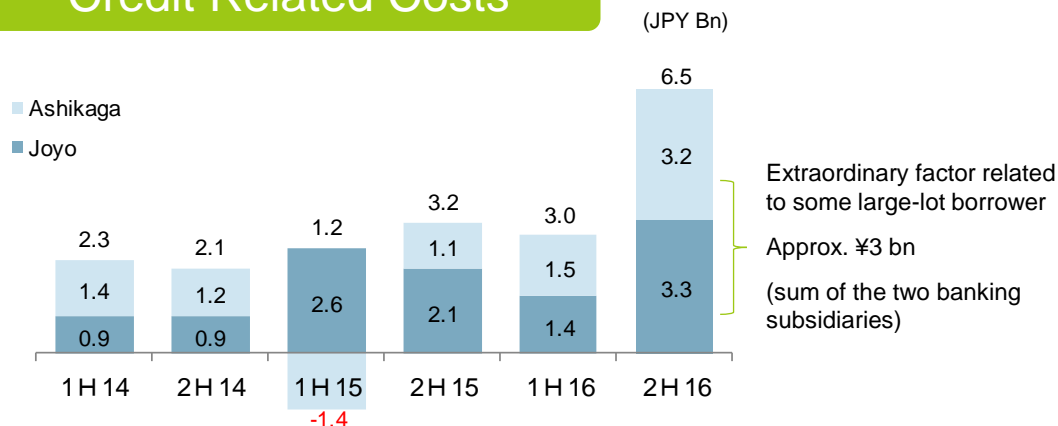


* The depreciation method has been changed from the declining-balance method to the straight-line method, which decreased depreciation expenses by ¥0.7 bn.

Credit Related Costs / Non-performing Loans

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

Credit Related Costs



<Reference (1)> Credit Related Cost Ratio

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

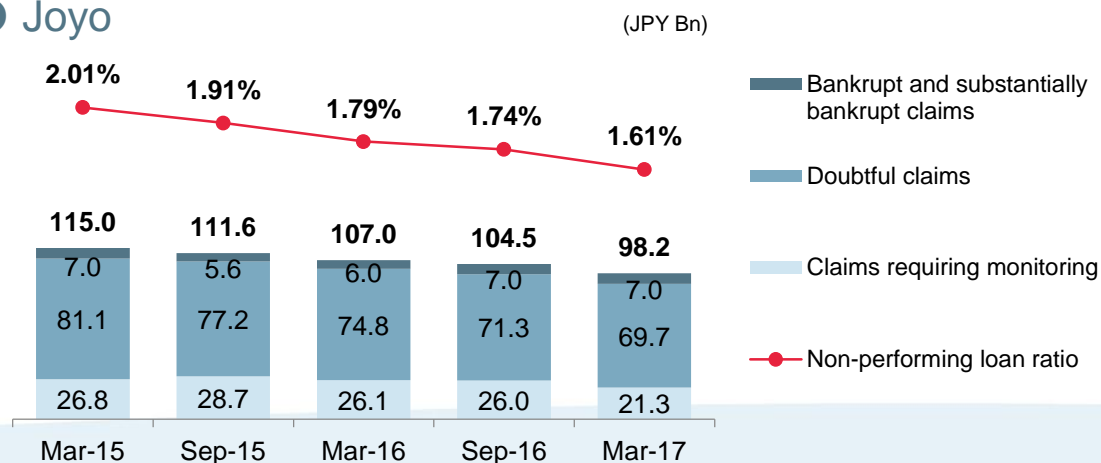
<Reference (2)> Business Failures

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

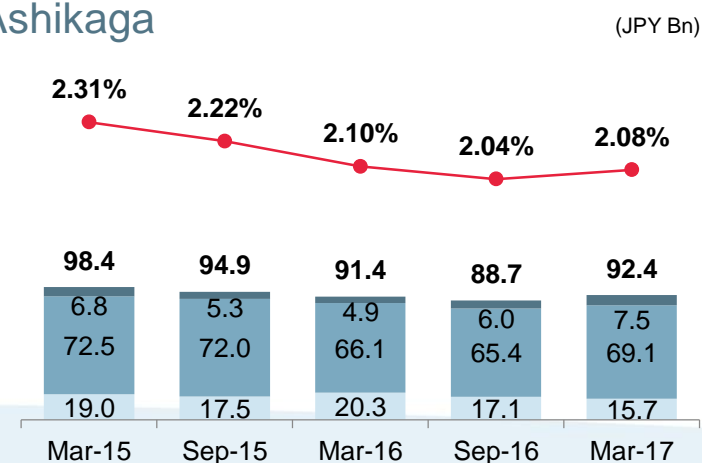
* Numbers of bankruptcies of enterprises with 10 million yen or more in net debt

Non-performing Loans

Joyo



Ashikaga



Status of Group Companies

		(JPY Mil)							
	Company name	Main business activities	Ordinary Income		Ordinary Profit		Net Income*		
				YoY		YoY		YoY	
JOYO	Sales	The Joyo Lease	Leasing of machinery and equipment, claim acquisition	22,092	+1,993	1,024	+139	645	+13
		The Joyo Securities	Dealing of securities, mediation, commission and substitution of trading of securities	2,181	+39	740	-37	509	-48
		The Joyo Computer Service	Sale of software and contracting of calculating business	1,437	+59	89	+27	60	+20
		The Joyo Industrial Research Institute	Consulting, investigation and research	606	-20	19	-31	12	-21
		The Joyo Credit Guarantee	Credit guarantee of housing loans	3,766	+212	1,582	-454	1,033	-326
	Business operation	The Joyo Credit	Credit card services	1,198	+11	235	+1	206	+55
		The Joyo Business Service	Agent in charge of administrative work for the Bank	786	+1	0	-1	0	-0
		The Joyo Cash Service	Maintenance and management of the Bank's ATMs and CDs	1,101	+4	1	-0	0	+0
		The Joyo Equipment Management	Maintenance and management of operational properties and equipment of the Bank	973	-5	283	+55	184	+96
		Total		34,144	+2,295	3,977	-301	2,654	-211
Ashikaga	Ashikaga Credit Guarantee	Credit guarantee of housing loans	3,481	+298	1,575	-409	995	-277	
	Ashigin Research Institute	Consulting, investigation and research	648	+23	39	+28	37	+27	
	Ashigin Card	Credit card services	1,220	-213	2,969	+5,781	2,264	+4,319	
	Total		5,350	+109	4,583	+5,400	3,297	+4,068	

* attributable to owners of the parent

Change of trade names (Apr. 3, 2017)

Mebuki Lease
Mebuki Securities

- Strengthen and deepen the cooperation within the newly established group in order to provide one-stop services with greater added value

[Mebuki Lease]

- Changed its trade name from Joyo Lease to "Mebuki Lease" on April 3, 2017.
- Became a wholly owned subsidiary of Mebuki FG.
- Integrated the leasing business of Ashikaga Credit Guarantee into Mebuki Lease. Ashikaga started to handle finance lease and installment sales provided by Mebuki Lease, as agency.

[Mebuki Securities]

- Changed its trade name from Joyo Securities to "Mebuki Securities" on April 3, 2017.
- Number of branches of Ashikaga Bank which handle financial products provided by Mebuki Securities as intermediaries increased from 13 to 128.
- Meet diversifying investment needs through one-stop service.

Gain on Negative Goodwill (Reference)

【Legal Form of the Business Combination】

Share Exchange on October 1, 2016

Ashikaga HD : Parent company
Joyo Bank : Wholly owned subsidiary

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

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

Joyo Bank : Acquiring company
Ashikaga HD : Acquired company

【Image (As of October 1, 2016)】

Joyo Bank

Total Net Assets
(Consolidated Basis)
¥582.0bn

+

Ashikaga HD

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

=

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

Capital Surplus
¥123.5bn

Retained Earnings
¥119.2bn

(※2) Acquisition Cost of Ashikaga HD

(※3) Gain on negative Goodwill

Total Net Assets (consolidated) : ¥824.7bn

Mebuki FG

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

Fair Value of Net Assets(※1)

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

Acquisition Cost of Ashikaga HD (※2)

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

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

Gain on Negative Goodwill (※3)

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

Forecast for FY2017 (1)

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

* Attributable to owners of the parent

●Mebuki FG

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

●Joyo + Ashikaga + Non-banking Subsidiaries

Items		
	Interim	Annual
Net income	27.5	48.0

← Consolidation Adjustments -¥8.0 bn

Breakdown of Consolidation Adjustments of -¥8.0 bn	
○Adjustments related to securities	-6.4 bn
○Interest expenses of subordinated loans, expenses, etc.	-1.6 bn

●Joyo + Ashikaga

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

●Joyo (non-consolidated)

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

●Ashikaga (non-consolidated)

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

Forecast for FY2017 (2) Sum of the two Banking Subsidiaries (Reference)

(JPY Bn)	FY2016 Results			FY2017 Forecast			Y o Y			
	J + A	Joyo	Ashi- kaga	J + A	Joyo	Ashi- kaga	J + A		Joyo Change	Ashikaga Change
							Change	ratio		
Gross business profit	187.5	105.2	82.3	183.0	103.5	79.5	-4.5	-2.4%	-1.7	-2.8
Net interest income	153.4	85.1	68.2	146.5	82.0	64.5	-6.9	-4.5%	-3.1	-3.7
Net fees and commissions	27.6	14.3	13.2	31.5	17.5	14.0	+3.8	+13.9%	+3.1	+0.7
Net trading income and Net other business income	6.4	5.6	0.7	5.0	4.0	1.0	-1.4	-21.8%	-1.6	+0.2
(Of which, gains/losses on bond transactions)	5.6	5.8	-0.2	3.0	3.0	0.0	-2.6	-46.4%	-2.8	+0.2
Expenses	115.0	68.5	46.4	117.0	68.0	49.0	+1.9	+1.7%	-0.5	+2.5
Net business income (before general allowance for loan losses)	72.5	36.7	35.8	66.0	35.5	30.5	-6.5	-9.0%	-1.2	-5.3
Core net business income	66.9	30.8	36.0	63.0	32.5	30.5	-3.9	-5.8%	+1.6	-5.5
Net transfer to general allowance for loan losses (a)	-0.4	-0.6	0.1	-0.5	-0.5	0.0	+0.0	-	+0.1	-0.1
Net business income	73.0	37.3	35.6	66.5	36.0	30.5	-6.5	-8.9%	-1.3	-5.1
Net non-recurrent gains/losses	-4.0	-1.7	-2.3	-2.5	-2.5	0.0	+1.5	-	-0.7	+2.3
Disposal of non-performing loans (b)	10.0	5.4	4.5	6.5	4.0	2.5	-3.5	-35.1%	-1.4	-2.0
Gains/losses related to stocks, etc	9.7	7.5	2.1	6.5	4.0	2.5	-3.2	-33.4%	-3.5	+0.3
Ordinary profit	68.9	35.6	33.2	64.0	33.5	30.5	-4.9	-7.1%	-2.1	-2.7
Extraordinary income/losses	-2.1	-0.8	-1.3	-0.7	-0.5	-0.2	+1.4	-	+0.3	+1.1
Net Income	50.8	24.4	26.4	44.0	23.0	21.0	-6.8	-13.4%	-1.4	-5.4
Credit related costs (a)+(b)	9.5	4.7	4.7	6.0	3.5	2.5	-3.5	-37.1%	-1.2	-2.2

[Consolidated]

Net income attributable to owners of the parent	57.7	27.4	30.3	47.5	26.0	21.5	-10.2	-17.8%	-1.4	-8.8
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[ROE]	FY2016	FY2017 Projection
Mebuki FG (consolidated)	-	4.6%
Joyo (non-consolidated)	4.1%	3.8%
Ashikaga (non-consolidated)	8.3%	6.5%

[OHR]	FY2016	FY2017 Projection
Joyo + Ashikaga	61.3%	63.8%
Joyo (non-consolidated)	65.1%	65.8%
Ashikaga (non-consolidated)	56.4%	61.5%

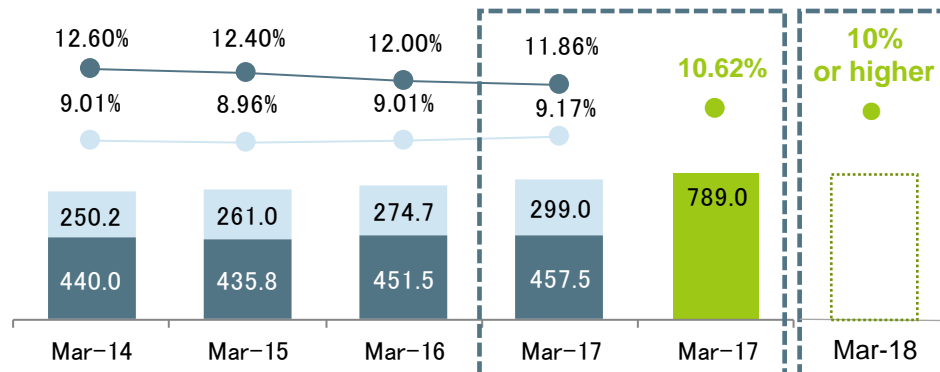
[Break Down]

○ Net Interest Income	-6.9
Interest on loans and discounts	-2.6
Interest and dividend on securities	+2.2
Interest on deposits (-)	+0.3
Market borrowing, etc. (-)	+3.5
Gains on cancellation of private offering investment trusts	-2.7
○ Net fees and commissions	+3.8
Assets under custody	+2.4
Corporate services, etc.	+1.4
○ Expenses	+1.9
Personnel	+0.8
Non-personnel	+1.2

Capital Adequacy Ratio / Shareholder Return

Capital Adequacy Ratio

- Joyo
Capital adequacy ratio
(consolidated)
- Ashikaga
Capital adequacy ratio
(consolidated)
- Ashikaga
Capital (consolidated)
(JPY Bn)
- Joyo
Capital (consolidated)
(JPY Bn)



※Calculation method of risk weighted assets
 Mebuki FG : The fundamental internal rating based approach
 Joyo : The fundamental internal rating based approach
 Ashikaga : The standardized approach

- Mebuki FG
Capital adequacy ratio
(consolidated)
- Mebuki FG
Capital (consolidated)
(JPY Bn)

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

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

[Status of Subordinated Loans]

- Mebuki FG: Subordinated loans
 ¥40 bn (Call date: FY2018)
 ¥30 bn (Call date: FY2020)

Dividend Policy

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

- For FY2016, year-end dividend is ¥6.50 per share, including a commemorative dividend of ¥1.00 for the business integration.
- For FY2017, annual dividend projection is ¥11.00 per share in line with the earnings dividend policy (Dividend payout ratio estimate : 32.3%).

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

(Reference) Dividend payout ratio (FY2016) : 7.6%
 Dividend payout ratio excluding an extraordinary factor * : 26.9%

* The later ratio is calculated as shown below:

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

Synergy Effects on Statement of Income (1)

- ◇ Synergy effect for the 2H of FY2016 (¥0.9 bn) surpassed the projection in the First Medium-Term Group Business Plan and its forecast for FY2017 (¥2.7 bn) is in line with the plan.
- ◇ Integration measures are progressing steadily to achieve synergy effect target for after FY2018.

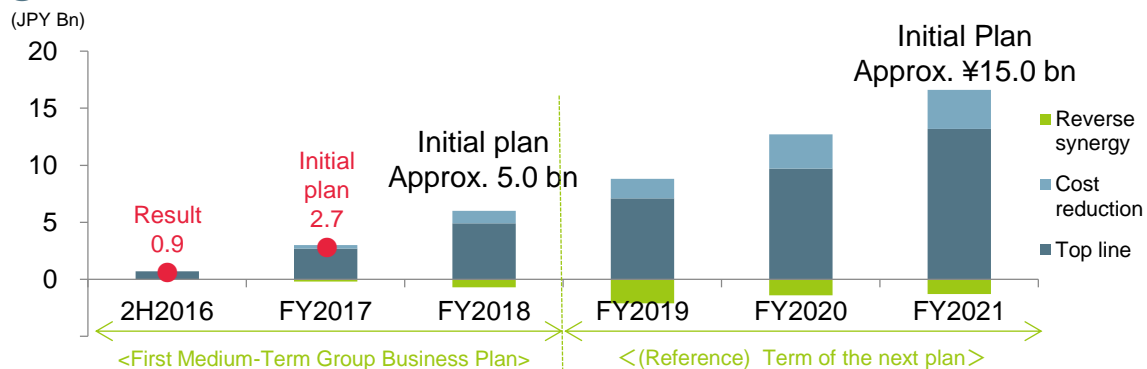
Synergy Effects on the Statement of Income

	Amount*
2H2016 Result	+ ¥0.9 bn
FY2017 Forecast	+ ¥2.7 bn

* Before income tax

progressed according to the plan

Initial Plan



Results for FY2016

Items	Results	Initial Plan	Details
1. Loans Corporate services	+0.39	+0.25	<ul style="list-style-type: none"> • Increase co-financing, syndicate loans, mutual customer referral • Strengthen product line-up through joint development • Enhance solutions for corporate customers (Derivatives, etc.) • Increase lease transactions
2. Financial assets under custody	+0.34	+0.40	<ul style="list-style-type: none"> • Conduct campaigns • Share sales promotion know-how • Utilization of Mebuki Securities • Commemorating the business integration, establish and sell an investment trust named "Two Dreams"
3. Securities	+0.05	+0.17	<ul style="list-style-type: none"> • Joint investment
4. Others	+0.10	+0.03	<ul style="list-style-type: none"> • Start dual currency deposit service (Ashikaga) • Foreign currency deposit campaign • Promote cross boarder loans
5. Cost reductions	+0.10	+0.02	<ul style="list-style-type: none"> • Reduction of system related expenses • Reduction of other non-personnel expenses
6. Cost Increases / Reverse synergy	-0.08	-0.12	<ul style="list-style-type: none"> • Lower transfer fee between both banks to the inter-branch rate, etc.
Total	+0.91	+0.75	—

Synergy Effects on Statement of Income (2)

Projection for FY2017

(JPY Bn)

Items	Projection	Details
1. Loans (refer to p.26) Corporate Services (refer to p.27)	+1.5	<ul style="list-style-type: none"> Enhance sales promotion utilizing wide-area network → Co-financing, syndicate loans, mutual customer referral, growth Industries (medical and nursing, etc.) Utilization of Mebuki Lease · Strategic personnel allocation to important areas Joint development of online application housing loans · Joint promotion of female specific housing loans Share know-how for non-face-to-face sales promotion (Unsecured loans)
2. Financial assets under custody (refer to p.27)	+0.8	<ul style="list-style-type: none"> Share financial product sales promotion know-how · Utilization of Mebuki Securities Conduct campaigns
3. Securities	+0.7	<ul style="list-style-type: none"> Invest in new categories combining investment experience of both banks · Joint investment Sophisticate management and investment measures through sharing analytical methods for monitoring and performance evaluations
4. Others	+0.4	<ul style="list-style-type: none"> Promote cross boarder loans Start dual currency deposit service (Ashikaga) · Foreign currency deposit campaign
5. Cost reductions (refer to p.28)	+0.3	<ul style="list-style-type: none"> Share cost reduction know-how · Improve price bargaining power through group-wide information sharing Share know-how to improve branch operation efficiency · Integrate business operations center of both banks in Tokyo Joint issuance of notes and checks, and cash cards
6. Cost Increases / Reverse synergy	-1.0	<ul style="list-style-type: none"> Lower transfer fee between both banks to the inter-branch rate Increase in depreciation expenses and running costs
Total	+2.7	—

Personnel Relocation* (Regular Employee and Part-time Workers)

* Figures in the following table are changes of the number of personnel

(people)

		Result for 2H 2016	FY2017 Projection	Total	
1. Reduction of administrative staff (Operational efficiency improvement)	Deallocate	-42	-63	-105	<ul style="list-style-type: none"> Improvement of operational efficiency · Integrate business operations center of both banks in Tokyo Business Process Reengineering (BPR)
2. Increase of sales promotion staff (Allocate resources to growth areas)	Deallocate	-	-38	-38	<ul style="list-style-type: none"> Improvement of branch operation efficiency (Share know-how) Reconstruction of branch network in overlapping areas
	Allocate	+17	+64	+81	<ul style="list-style-type: none"> Increase personnel in new / important areas (refer to p.26 for information about FY2017) Enhance solutions for corporate customers
Net (1+2)		-25	-37	-62	· Increase personnel in important areas while controlling total number of employees

Sales Promotion Measures Loans / Strategic Personnel Allocation to important areas

Loans to Corporate Customers

(Synergy Effect Projection for FY2017 : +¥0.3 bn)

<Corporate Customer Strategy>

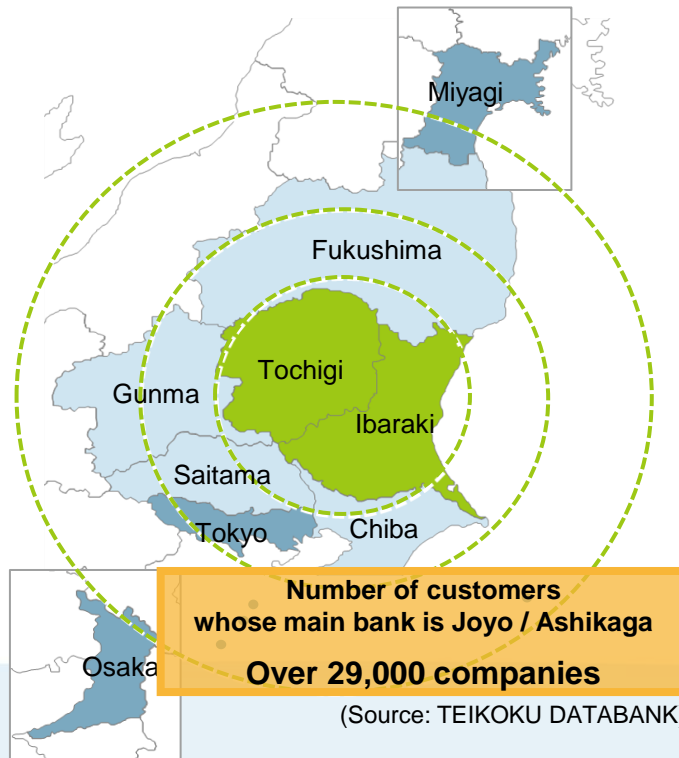
- ◎ Enhance Cooperative Sales Promotion between the Two Banks
 - Enhance sales promotion based on wide-area information through “Regional Collaboration Meeting” set in ten areas.

⇒ Increase co-financing, syndicate loans, mutual customer referrals
- ◎ Cultivate Growth Industries (Medical and Nursing, etc.)
 - Share know-how for supporting medical institutions’ bond issuance
 - Co-financing on large-scale crediting

⇒ Actively finance for customers’ future growth

<Common Strategy>

- ◎ Strategic personnel allocation to new / important areas Approx.+50 people
- ◎ Wide-area Regional Revitalization
 - Promote migration to Ibaraki and Tochigi
 - Inter-Prefectural tourism promotion
 - Attraction of enterprises in corporation with local governments
 - Wide-area business matching



Individual Customer Strategy

(Synergy Effect Projection for FY2017 : +¥0.6 bn)

<Individual Customer Strategy>

- ◎ Promote Unsecured Loans
 - Share sales promotion know-how
 - Share know-how for non-face-to-face sales promotion
 - Enhance cross-selling to housing loan customers

⇒ Increase unsecured loans
- ◎ Promote Housing Loans
 - Joint development of online application housing loans (for refinancing)
 - Joint promotion of female specified housing loans

⇒ Increase housing loans
(Make new loans of ¥ 390 bn in FY2017)
- ◎ Utilize Employee-specific website
 - Ashikaga will start to make use of the employee-specific website from Oct. 2017

Sales Promotion Measures (Corporate Services / Financial Asset under Custody)

Corporate Services
(Synergy Effect Projection for FY2017 : +¥0.6 bn)

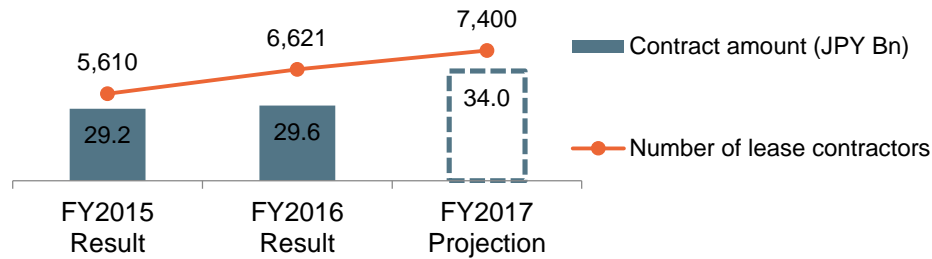
Financial Asset under Custody
(Synergy Effect Projection for FY2017 : +¥0.8 bn)

Construct One-stop Sales Promotion System → Improve Comprehensive Financial Services

Expand Operations of Mebuki Lease

Ashikaga : Start to intermediate finance lease and introduce installment sales service customers to Mebuki Lease (Apr. 2017)
Joyo : Start to intermediate finance lease (Jan. 2017)

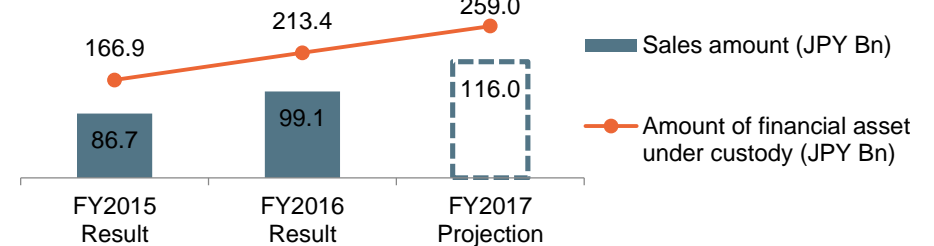
[Contract amount of lease transactions / Number of lease contractors]



Expand Operations of Mebuki Securities

Ashikaga : Expand intermediation to all 128 branches (from 13 branches)
Joyo : Intermediate private placement structured bonds

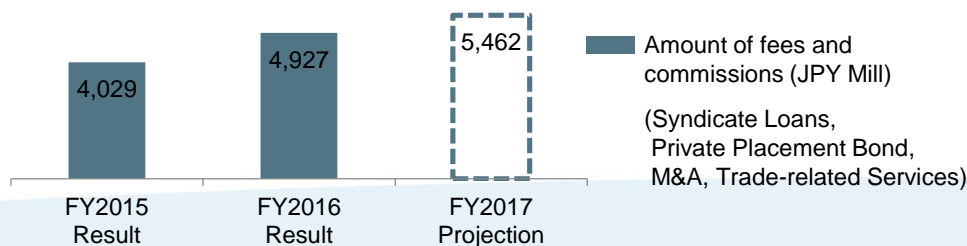
[Sales amount / Amount of financial asset under custody]



Syndicate Loans, Private Placement Bond, M&A, Trade-related Services

- Share sales promotion know-how
- Jointly hold seminars for customers and study meetings
- Mutual use of overseas representative offices

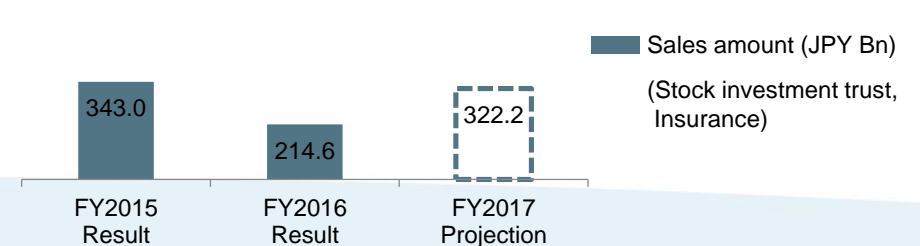
[Fees and commissions]



Financial Asset under Custody

- Conduct personnel exchange, and share sales promotion know-how (Ashikaga's promotion system and training structure, etc.)
- Utilize ICT (Introduce robo-advisor named PORTSTAR)

[Sales amount]



System Integration / Cost Reduction

System Integration

[Basic Policy]

- Ashikaga will adopt a core system named “Chance” that has been used by Joyo and some regional banks
- Aim to complete core system integration in Jan. 2020

«System integration project was commenced in Apr. 2017»

● System Integration Project

- Integrate core system, distributed systems, networks, etc.
 - ⇒ Reduce development costs and running costs such as maintenance costs
 - ⇒ Shift the costs to investment in new domains and systems
- Improve customer services at low cost by utilizing ICT

● Schedule of System Integration

- Core system integration is scheduled for Jan. 2020
 - Synergy effect of ¥0.4 bn* that arises from system integration is estimated for FY2021
 - Depreciation of initial costs of the integration will be completed and synergy effect will increase in FY2024
- * Cost reduction synergy (¥1.8 bn) – depreciation of initial costs (¥1.4 bn)

[Distributed Systems]

- Integrate 170 or more out of around 280 distributed systems between Joyo and Ashikaga

Cost Reduction (Synergy Effect Projection for FY2017 : +¥0.3 bn)

- Share know-how for cost reduction and cost effectiveness evaluation
- Share know-how to improve branch operation efficiency
- Integrate business operation center in Tokyo of both banks so as to concentrate business operations further.
- Improve operating efficiency through ICT investment

● Cost Reduction Project

- Reduction of recurrent expenses :
 - Reduce purchase of operation system equipment, building and repairs of branches, and utilize joint purchasing

Branches

- Reconstruct branch network in overlapping areas
 - Relocated three branches as branch-in-branch and integrated two branches in the two banks (Apr.-Jun. 2017)
- Construct efficient branch network
- Share know-how to improve branch operation efficiency
- Utilize internet branch

Progress of the Initiatives and Measures of the Integration

— Results of the Day 180 Plan —

		Items	Details	
Action Plan	Channel	Lowering transfer fee between both banks to the inter-branch rate	Lower the fee for transfer between the two banks to the inter-branch rate for teller transactions, ATM transactions, and internet banking transactions.	-
		Shared use of ATMs for deposits	Make it possible to deposit money using a cash card issued by either bank at the other bank's ATMs.	-
	Group Companies	Securities	Start to intermediate financial products carried by Joyo Securities at 13 branches of Ashikaga Bank to which full time financial consultants belong.	Sales amount of the whole group Sales amount ¥78.2bn (+41.6bn) o/w Foreign bonds ¥62.3bn (+36.5bn)
		Leasing	Ashikaga Bank begins to offer Joyo Lease's auto lease products.	Number of referrals to Joyo Lease 3,258(+1,401)
Assets under Custody	Joint fund	Commemorating the business combination, establish and sell an investment trust named "Two Dreams" which invests in companies related to Ibaraki and Tochigi Prefectures.	<u>Results of the whole group</u> Sales amount ¥20.2bn (Attained 101.3% of our target of ¥20bn) Number of sales 9,117	
Campaign	Individual Customers	Investment product campaign	All customers have a chance to win local specialty items by lottery if they obtain investment products worth at least 200,000 yen or start to accumulate investment trusts.	<u>Sales amount (Campaign performance)</u> Investment trust ¥28.2bn(+3.6bn) Foreign currency deposits ¥2.3bn(+1.4bn) Accumulation service 4,206(-394)
		Car loans and educational loans campaign	Preferential Interest Rates	<u>Preliminary application</u> Car loans ¥20.3bn / 10,958 loans Educational loans ¥11.4bn / 4,309 loans
	Corporate Customers	Internet banking campaign for corporate customers	Exemption of activation fee and three months of monthly fees for new subscribers.	<u>Amount of loans made</u> Car loans ¥7.7bn / 4,515loans Educational loans ¥5.5bn / 1,990loans
		Business seminar	Members of either bank's reserch institute can take seminars of the other reserch institute at preferential rates.	<u>New contracts of the whole group</u> New subscribers 3,642(+781) Optional services 1,417
Others	Framework	Liaison officer Regional collaboration meeting	Deploy "liaison officers" at both banks' headquarters and establish "Regional Collaboration Meeting" at 10 areas in order to enhance the collaboration between Joyo Bank and Ashikaga Bank on introducing customers and co-financing	Mutual participants 52 from 33 companies Co-financing ¥2,349mil /13borrowers Syndicate loans ¥4,405mil /25borrowers <u>Number of referrals</u> ¥1,760mil /24borrowers Total ¥8,514mil /62borrowers

Day180 Plan / Other Initiatives and Measures

【Regional Revitalization】

Food Exhibition

In Mito City

- Product development
- Test marketing

<refer to p.31>

Conducted on Oct. 12, 2016

Food Business Meeting

in Utsunomiya City

- Sales channel cultivation
- Sales channel development

<refer to p.31>

Conducted on Nov. 22, 2016

Mebuki Business Award

<refer to p.32>

Regional Revitalization Fund

<refer to p.33>

Mebuki Financial Group Manufacturing Business Forum 2017

- Support business meetings through technical proposal booklet and panel exhibition

<refer to p.34>

Conducted on Feb. 22, 2017

【Regional Interaction】

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

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

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

【Organizational Integration (Personnel Exchange)】

Joint-Training

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

Regional Collaboration Meeting

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

【Other Initiatives and Measures】

- Integration of overlapping branches: Integrate four of Joyo's branches into two in Utsunomiya city and Moka city (on Apr. 3, 2017)
- Operational efficiency improvement: Shared card issuing process, which reduces cost by approx. ¥18 mil per year
- Business alliance with crowd funding service "Makuake"
(Ashikaga) First deal completed (Joyo) Developed affiliated loan

Initiatives of Day 180 Plan –Local Products Support Project–

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

1.Product Development

2.Test Marketing
(Improvement of Products)

3.Sales Channel Cultivation

4.Sales Channel Development

Food Exhibition in Mito City

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

<Contents>

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



Venue



Evaluators



Awards
Ceremony

Food Business Meeting in Utsunomiya City

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

<Contents>

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



Exhibition of Prize-winning Products
of the Food Exhibition



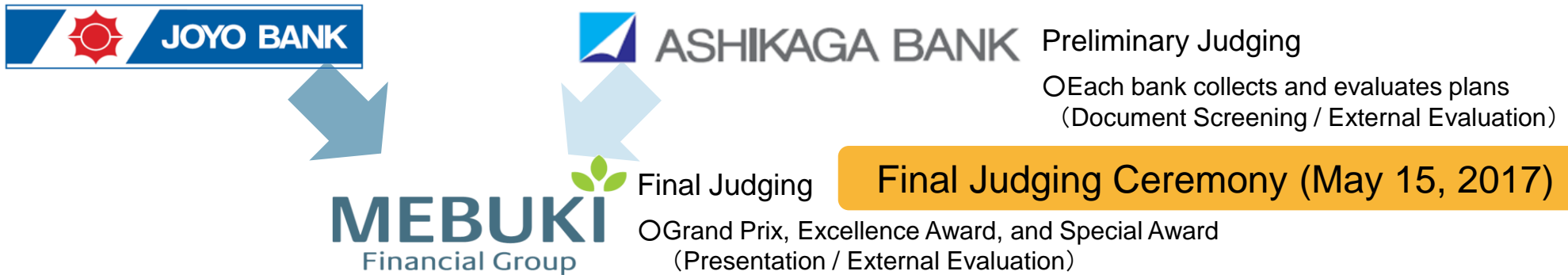
Venue



Business
Meeting

Initiatives of Day 180 Plan –Mebuki Business Award–

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

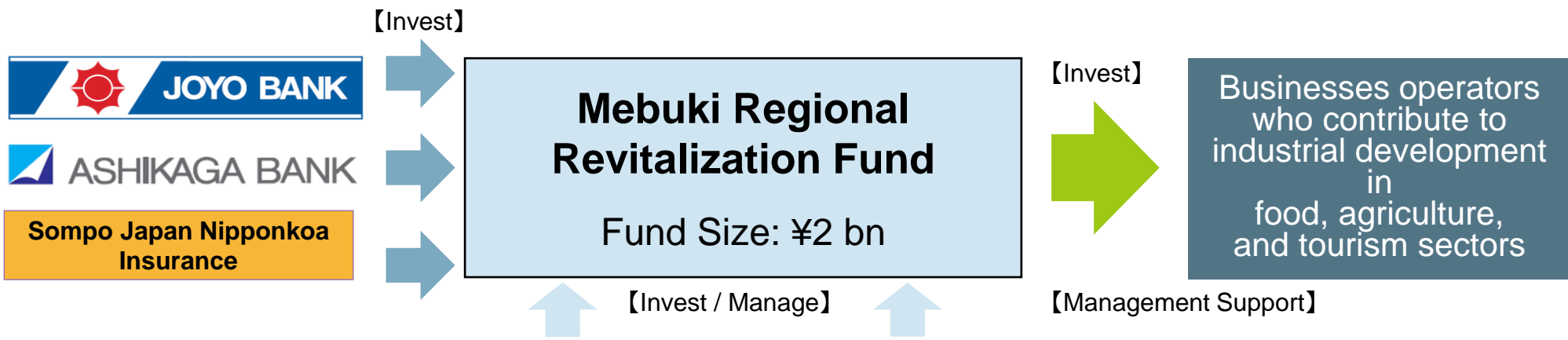


Target Business Categories	1.Manufacturing 2.Agriculture / 6th Industrialization 3.Environment / Energy 4.Medical / Nursing Care 5. Advanced Technologies 6.Overseas Expansion 7.Regional Revitalization, etc. 8.New Business, etc.
Application Period	From December 1, 2016 to January 31, 2017
Judging Process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

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



Initiatives of Day 180 Plan –Mebuki Regional Revitalization Fund–



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

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

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

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



<Investment Target>

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

Initiatives of Day 180 Plan – Manufacturing Business Forum –

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

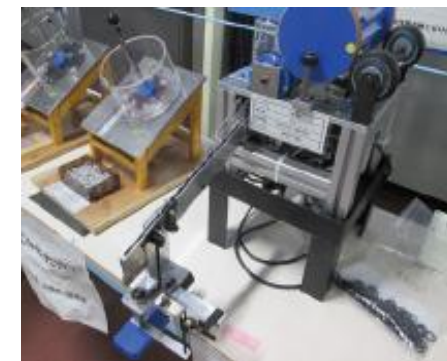
- Exhibitors: 314 companies
- Visitors: 850 companies / Approx. 2,000 people
- Business meetings based on technical proposal booklet: 390 meetings
- Business meetings between Joyo Bank's customers and Ashikaga Bank's customers: 90 meetings



< Technical proposal booklet (English Ver.) >



< SUBARU CORPORATION's booth >



< Labor Saving Machines >

Support Customers' Asset Building

<For the First Investment>

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

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

<For Additional Investment>

■ **Mebuki Securities** (Apr.-)

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

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

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

<Others>

■ **Mebuki Securities Founding Commemoration Seminar** (Apr.-Jun.)

■ **Foreign Currency Deposit Campaign**

(Jun.- Sept. / under planning)

Support Customers' Housing Acquisition

<Housing Loans>

■ **Housing Loan for Women** (Apr.-)

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

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

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

Unsecured Loans

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

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

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

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

Preferential interest rates for housing/educational loans

Step-up 180 Plan – For Corporate Customers –

<Support for Manufacturers>

- **Manufacturer Training Workshop** (Aug.-Sept.)
 - Inform KAIZEN activities conducted by large companies to our customers for productivity improvement.
 - Achieve SMEs' improvement of production management and development of human resources through the workshop.

- **R&D Meet-up in Utsunomiya and Mito** (May-Jun.)
 - Provide opportunities for applicants to have discussions with researchers of universities and research institute, concerning certain themes.
 - Promote information exchange among the participants.

- **Rebuild support structures for start-ups and second start-ups**
 - Construct a support structure for university-originated venture businesses.
 - Support Mebuki Business Award applicants to launch new businesses. Investment limit of Mebuki Regional Revitalization Fund is planed to be increased based on the possibilities of investment in their businesses.
(Present Investment limit : ¥2.0 bn / Investment amount : ¥1.2 bn)

<Support for Agricultural Producers>

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

<Support for Overseas Expansion>

- **Cooperation on export support services** (Mar.-)
- **Cooperation with Japan Halal Business Association** (Apr.-)
- **Overseas business convention, business networking, seminar** (Jun.-)

<Matching Event for Experienced Retirees and Local Businesses>

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

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