

# Financial Results for the First Half of FY2017

November 13, 2017

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## Financial Results for 1H17

\* Unless otherwise mentioned, figures are on non-consolidated basis

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## (Reference)

Current Mebuki FG	21-23
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# Highlights

## Results for 1H17 (refer to page 4)

Consolidated net income\* of Mebuki is ¥24.9bn, representing 62.3% progress toward the full year forecast. \*Attributable to owners of the parent

Due to sales of strategic-holding stocks taking into consideration the stock price level, and core net business income surpassing the forecast, net income of the two banking subsidiaries' simple-sum basis represented strong progress of 64.7% toward the forecast.

Synergy effect arising from the business integration for 1H17 was ¥2.1 bn, representing steady progress of 78.9% toward the forecast for FY17 of ¥2.7 bn.

## Forecast for FY17 (refer to page 18)

\* Figures in parentheses are changes on a year-on-year basis

There has been no change since the forecast was announced on May 12, 2017.

Consolidated ordinary profit and consolidated net income\* are forecasted to be ¥58.5bn (+¥6.2bn) and ¥40.0bn (-¥118.4bn) respectively. \* Attributable to owners of the parent

Non-consolidated net income <Joyo> ¥23.0bn ( -¥1.4 bn ) <Ashikaga> ¥21.0 bn ( -¥5.4 bn )

## Dividend (refer to page 19)

For FY17, in line with an earnings distribution policy\*, annual dividend forecast is ¥11.00, made up of an interim dividend and year-end dividend of ¥5.50 each.

\* Aim to continue 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 1H17 Financial Results

## ● Mebuki FG (Consolidated basis) (¥bn)

	1H17	Pro- gress	Full- year Forecast
Ordinary profit	37.3	63.8%	58.5
Net income attributable to owners of the parent (1)	24.9	62.3%	40.0

### Consolidation adjustment

(1)– (2) -5.6bn

### Adjustments related to securities

-4.8bn

### Interest expenses of subordinated loans, expenses, etc.

-0.8bn

## ● Two banking subsidiaries and the other group companies

	1H17	Pro- gress	Full- year Forecast
Net income	(2)30.6	63.7%	48.0

## Reference | Results of Joyo and Ashikaga (¥bn)

	1H17						Progress vs forecast		
	J+A		Joyo		Ashikaga		J+A	Joyo	Ashi- kaga
	Result	YoY Chg	Result	YoY Chg	Result	YoY Chg			
Gross business profit	94.9	-4.9	53.4	-4.0	41.5	-0.9	51.9%	51.6%	52.2%
Net interest income	77.7	+0.0	43.4	+0.4	34.3	-0.4	53.0%	52.9%	53.2%
Net fees and commissions	15.5	+1.1	8.9	+1.2	6.6	-0.1	49.4%	51.3%	47.1%
Net other business income and Net trading income	1.6	-6.1	1.0	-5.7	0.5	-0.3	33.2%	26.8%	59.1%
(o/w gains/losses on bond transactions)	0.5	-6.9	0.4	-6.4	0.0	-0.4	17.3%	16.1%	-
Expenses	57.1	-1.1	33.7	-1.2	23.4	+0.0	48.8%	49.6%	47.7%
Personnel expenses	30.0	-0.3	16.9	-0.7	13.0	+0.3	-	-	-
Non-personnel expenses	22.8	-0.4	14.3	-0.2	8.5	-0.2	-	-	-
Net business income (before general allowance for loan losses)	37.8	-3.8	19.6	-2.7	18.1	-1.0	57.2%	55.4%	59.3%
Core net business income	37.2	+3.1	19.2	+3.7	18.0	-0.6	59.1%	59.0%	59.2%
Net transfer to general allowance for loan losses (a)	0.1	+2.4	-0.3	+0.6	0.5	+1.7	-	-	-
<b>Net business income</b>	<b>37.6</b>	<b>-6.2</b>	<b>20.0</b>	<b>-3.4</b>	<b>17.5</b>	<b>-2.8</b>	<b>56.5%</b>	<b>55.6%</b>	<b>57.6%</b>
Net non-recurrent gains/losses	4.3	+5.7	3.3	+4.4	0.9	+1.3	-	-	-
o/w Disposal of non-performing loans (b)	3.6	-1.5	2.1	-0.3	1.5	-1.2	-	-	-
o/w Gains/losses related to stocks, etc	9.2	+2.6	6.7	+2.6	2.4	+0.0	142.0%	168.4%	99.7%
<b>Ordinary profit</b>	<b>41.9</b>	<b>-0.4</b>	<b>23.3</b>	<b>+1.0</b>	<b>18.5</b>	<b>-1.4</b>	<b>65.5%</b>	<b>69.7%</b>	<b>60.9%</b>
Extraordinary income/losses	-1.1	-0.7	-0.7	-0.4	-0.3	-0.3	-	-	-
<b>Net Income</b>	<b>28.4</b>	<b>-0.7</b>	<b>15.7</b>	<b>+0.2</b>	<b>12.7</b>	<b>-1.0</b>	<b>64.7%</b>	<b>68.5%</b>	<b>60.5%</b>
Credit related costs (a)+(b)	3.8	+0.8	1.7	+0.3	2.0	+0.5	64.1%	50.9%	82.6%

# Core Gross Business Profit

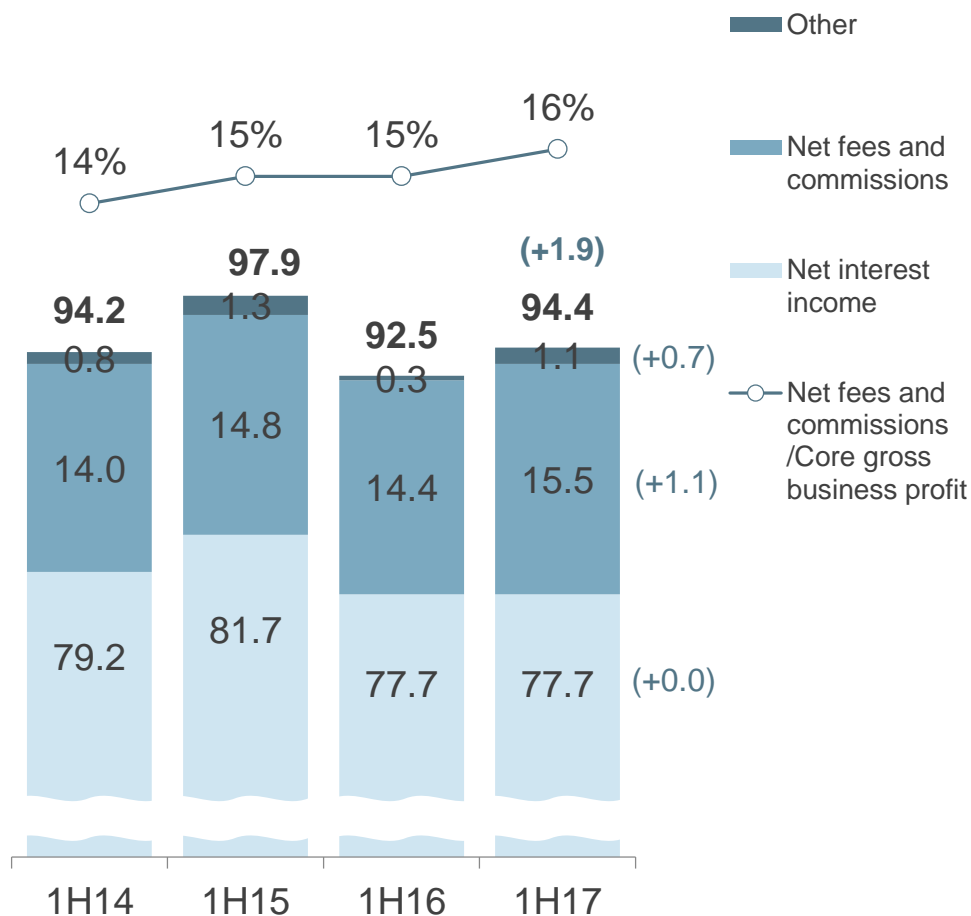
(Gross Business Profit excluding Gains/Losses on Bond Transaction)

\* Figures in parentheses are changes on a year-on-year basis

◇ Core gross business profit increased ¥1.9bn YoY. Net fees and commission from corporate customers increased through enhancement of consulting services.

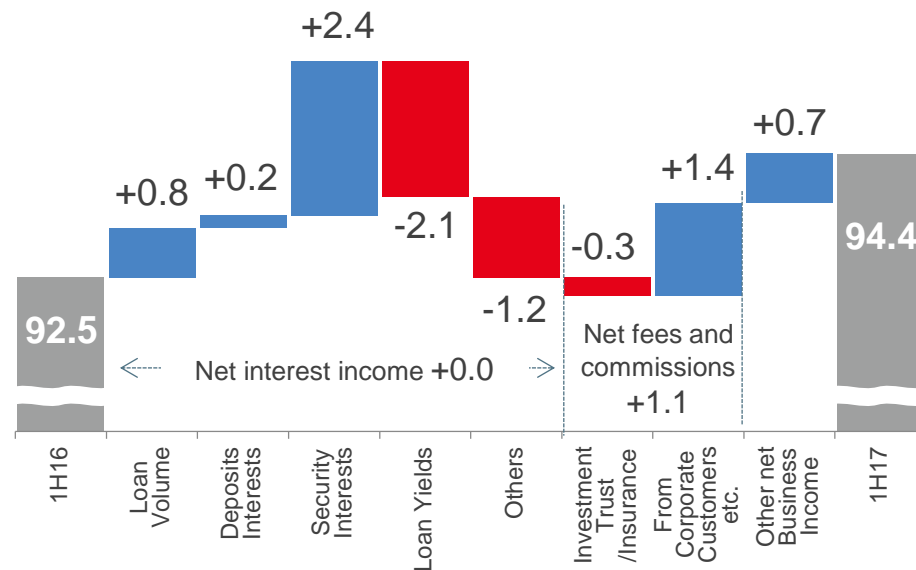
## • Joyo + Ashikaga

(¥bn)



## • Key Change Factors (Joyo + Ashikaga)

(¥bn)



(Reference) Gains on Cancellation of Private Offering Investment Trusts among Interests and Dividends on Securities

(¥bn)

		FY15	FY16	1H17	YoY Chg
Joyo	Annual	0.8	1.7	0.5	+0.4
	o/w 2H	(0.4)	(1.6)	-	-
Ashikaga	Annual	3.7	3.6	2.2	-0.8
	o/w 2H	-	(0.4)	-	-

# Net Interest Income / Loans and Deposits

Average Balance / Average Yield  
(Domestic + Overseas)

## Key Change Factor in NII (by Bank)

### • Jojo

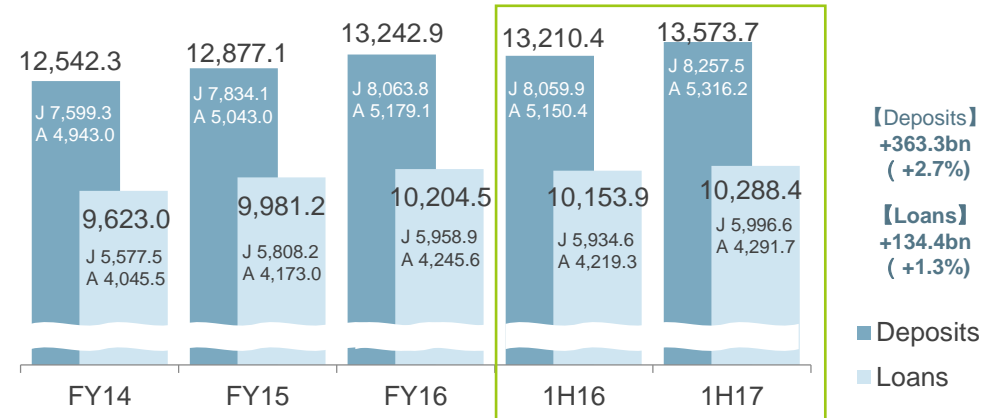
	Factor	YoY Chg	Domestic (Chg in NII)		Overseas (Chg in NII)	
			Chg in Factors		Chg in Factors	
Interest on loans and bills discounted	Avg	+0.3	+0.2	(+¥38.9bn)	+0.1	(+¥23.1bn)
	Yield	-0.7	-1.0	(-3bp)	+0.3	(+61bp)
Interest on deposits (-)		-0.0	-0.1	—	+0.0	—
Interest and dividend on securities	Avg	+0.1	-0.0	(-¥10.1bn)	+0.1	(+¥18.3bn)
	Yield	+1.0	+0.5	(+5bp)	+0.4	(+21bp)
Market investments and borrowings (-)		+0.4	-0.5	—	+1.0	—

### • Ashikaga

	Factor	YoY Chg	Domestic (Chg in NII)		Overseas (Chg in NII)	
			Chg in Factors		Chg in Factors	
Interest on loans and bills discounted	Avg	+0.4	+0.3	(+¥64.9bn)	+0.0	(+¥7.3bn)
	Yield	-1.4	-1.4	(-7bp)	+0.0	(+86bp)
Interest on deposits (-)		-0.1	-0.1	—	+0.0	—
Interest and dividend on securities	Avg	+1.1	+0.5	(+¥65.5bn)	+0.6	(+¥51.4bn)
	Yield	+0.1	-0.4	(-7bp)	+0.5	(+58bp)
Market investments and borrowings (-)		+0.8	+0.0	—	+0.8	—

## Average Balance of Loans and Deposits (J + A)

( ¥bn )

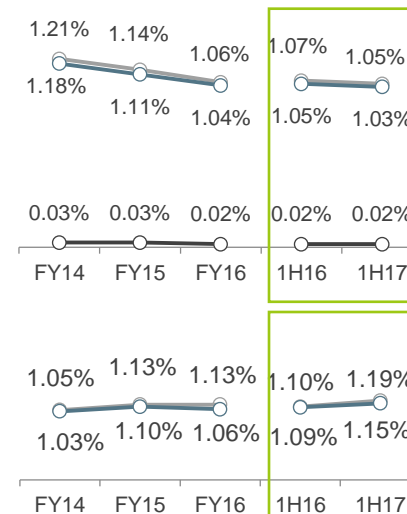


【Deposits】  
+363.3bn  
(+2.7%)

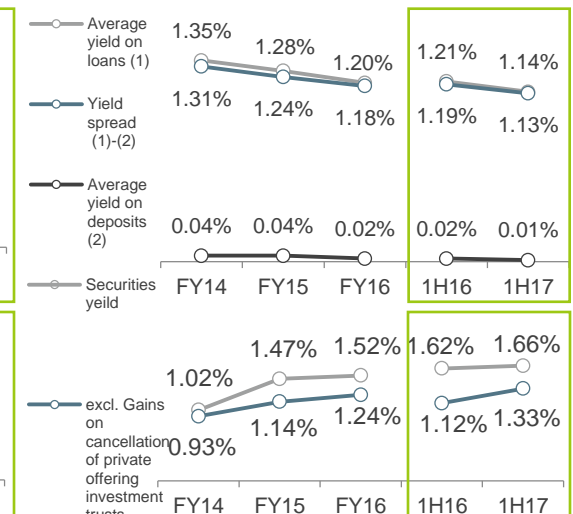
【Loans】  
+134.4bn  
(+1.3%)

## Average Yield

### • Jojo



### • Ashikaga

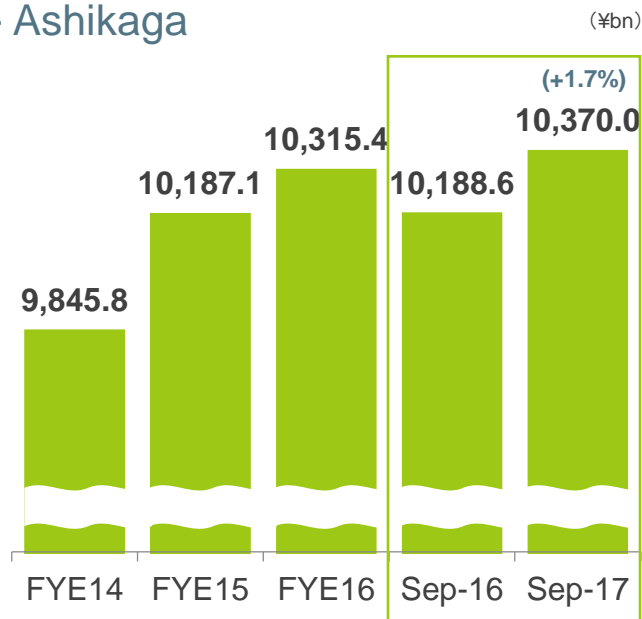


# Loans (1)

\* Figures in parentheses are changes on a year-on-year basis

- ◇ Loans to individual customers increased by ¥238.2 bn (+5.7%) and housing related loans increased by ¥230.2 bn from the previous year. (refer to p.8)
- ◇ Loans to corporate customers increased by ¥61.6 bn and those to local corporate customers increased ¥113.1 bn YoY. (refer to p.9)

## ● Joyo + Ashikaga



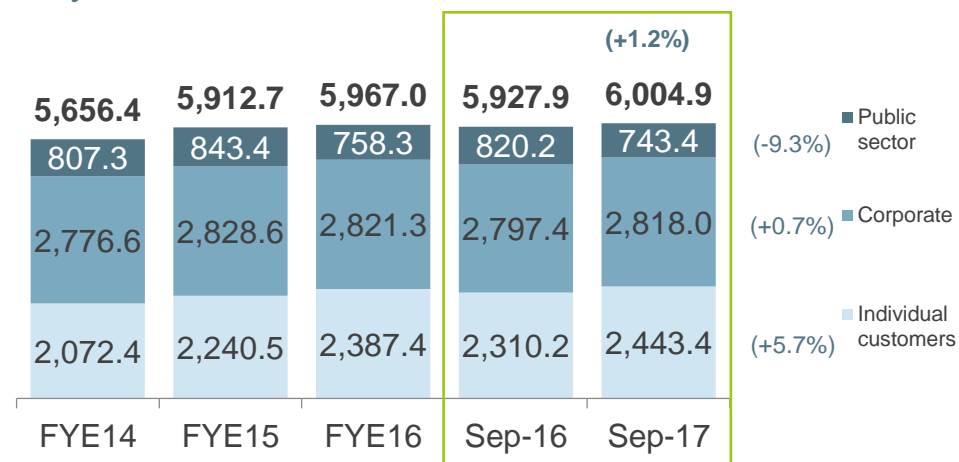
\* "Individual Customers" include sole proprietors and "Corporate" include financial institutions

	FYE14	FYE15	FYE16	Sep-16	Sep-17	YoY Change (%)
Individual	3,746.2	4,025.6	4,272.8	4,143.3	4,381.6	(+5.7%)
Corporate	4,772.2	4,813.1	4,809.6	4,773.8	4,835.5	(+1.2%)
Public	1,327.3	1,348.3	1,232.9	1,271.4	1,152.9	(-9.3%)
<b>Total</b>	<b>9,845.8</b>	<b>10,187.1</b>	<b>10,315.4</b>	<b>10,188.6</b>	<b>10,370.0</b>	<b>(+1.7%)</b>

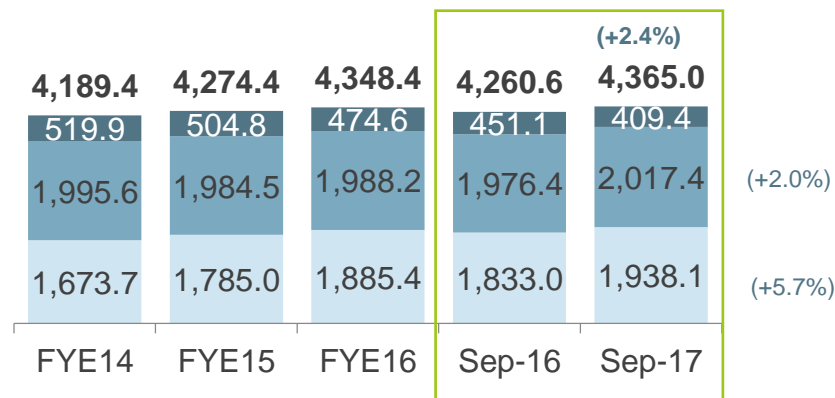
### Foreign Currency Denominated Loans

	FYE14	FYE15	FYE16	Sep-16	Sep-17
Joyo	86.3	98.8	116.0	90.6	108.9
Ashikaga	5.5	5.7	12.2	4.1	14.9
<b>Total</b>	<b>91.9</b>	<b>104.5</b>	<b>128.3</b>	<b>94.7</b>	<b>123.9</b>

## ● Joyo



## ● Ashikaga





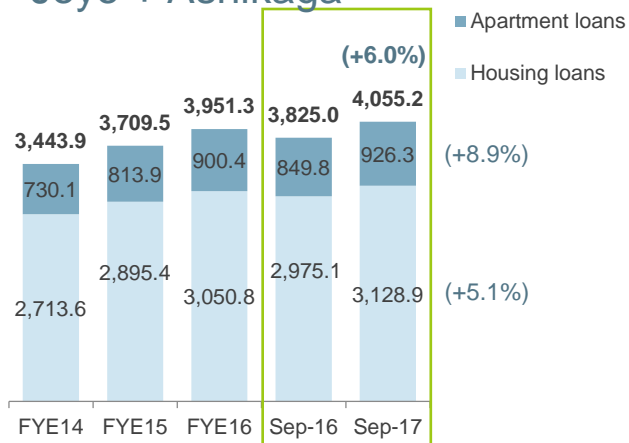
# Loans (2) Housing Related Loans / Unsecured Loans

\* Figures in parentheses are changes on a year-on-year basis

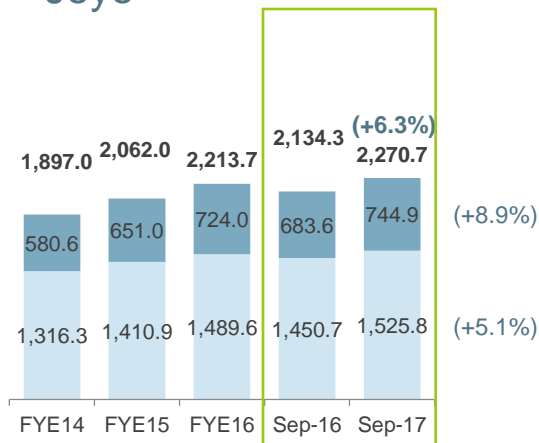
## Housing Related Loans (Term-end Balance) (¥bn)

\* "Apartment loans" include those to corporate customers

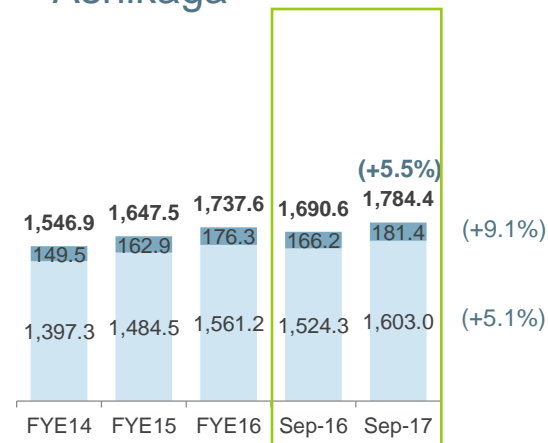
### ● Jojo + Ashikaga



### ● Jojo

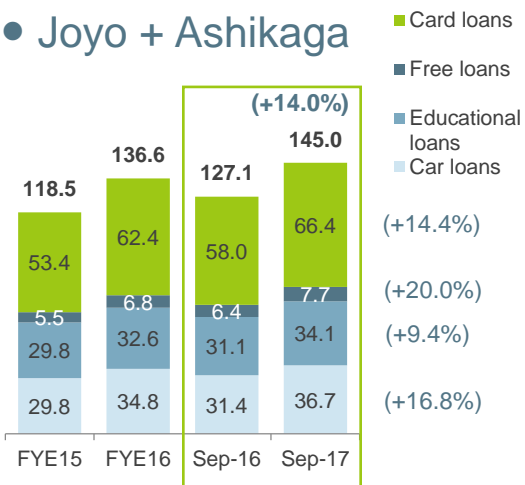


### ● Ashikaga

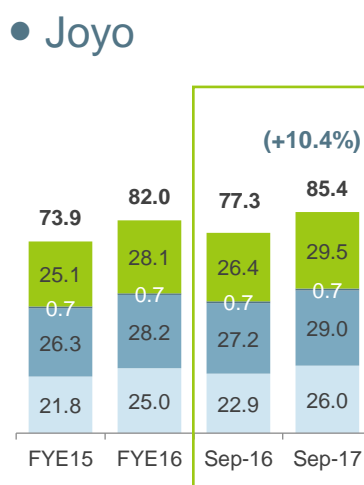


## Unsecured Loans (Term-end Balance) (¥bn)

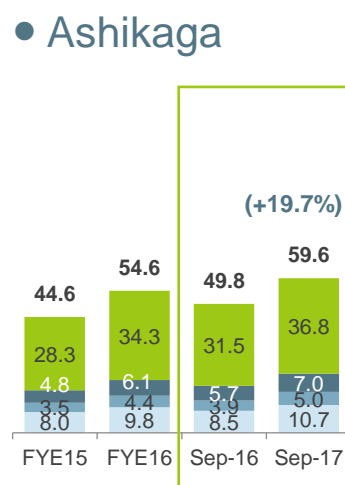
### ● Jojo + Ashikaga



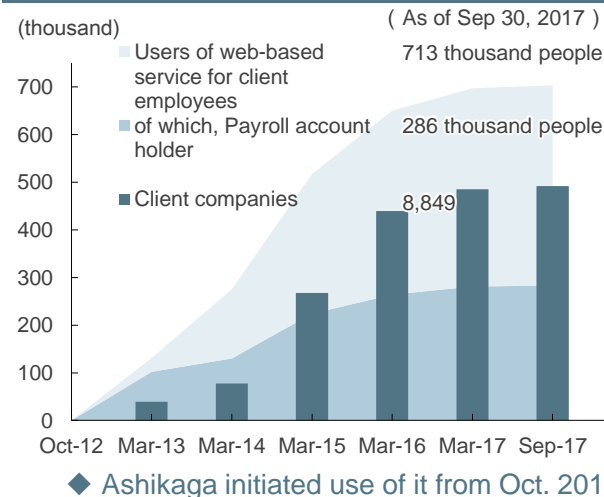
### ● Jojo



### ● Ashikaga

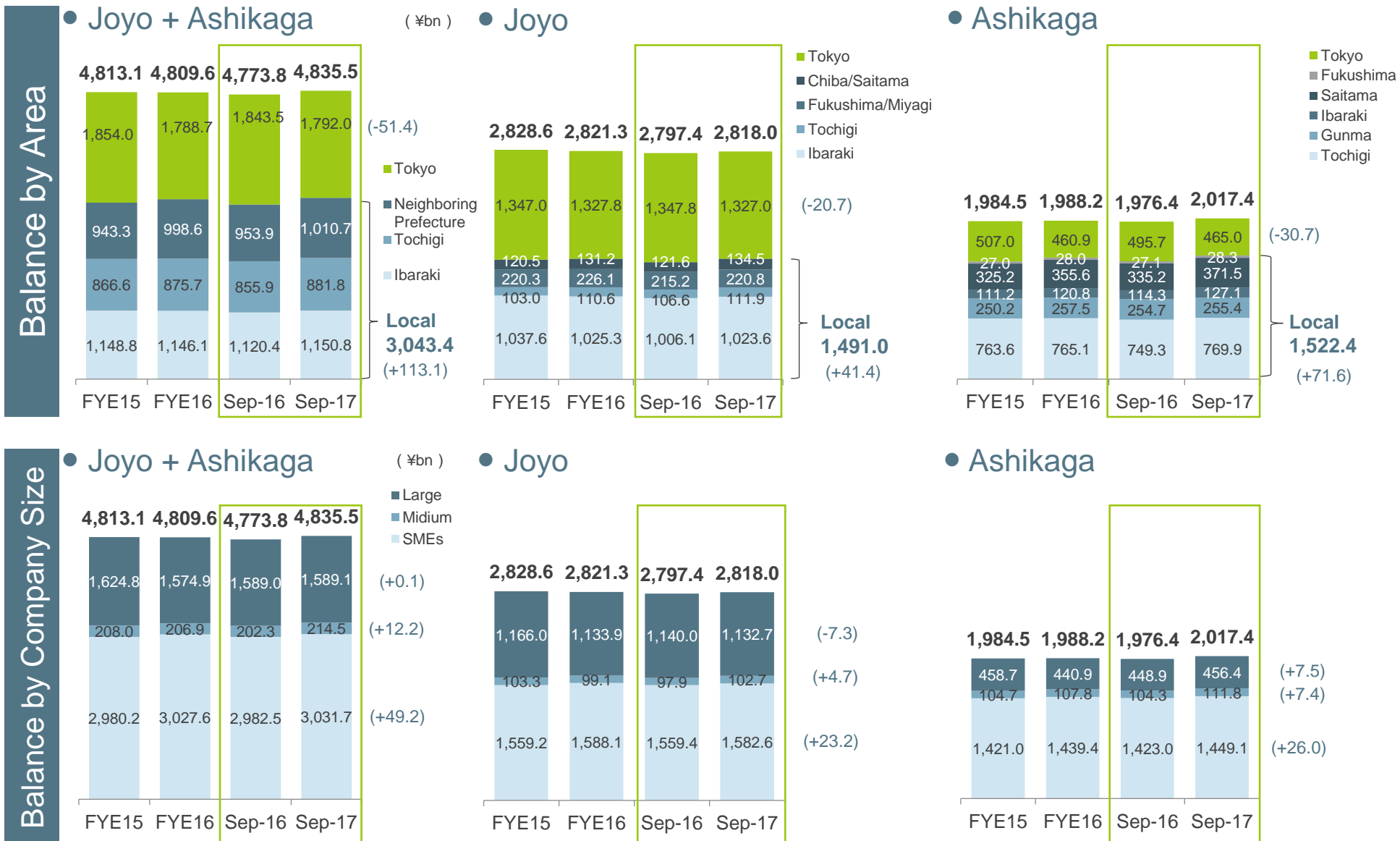


## Employee-specific Website (Jojo)



# Loans (3) Loans to Corporate Customers (by Area / Company Size)

\* Figures in parentheses are changes on a year-on-year basis

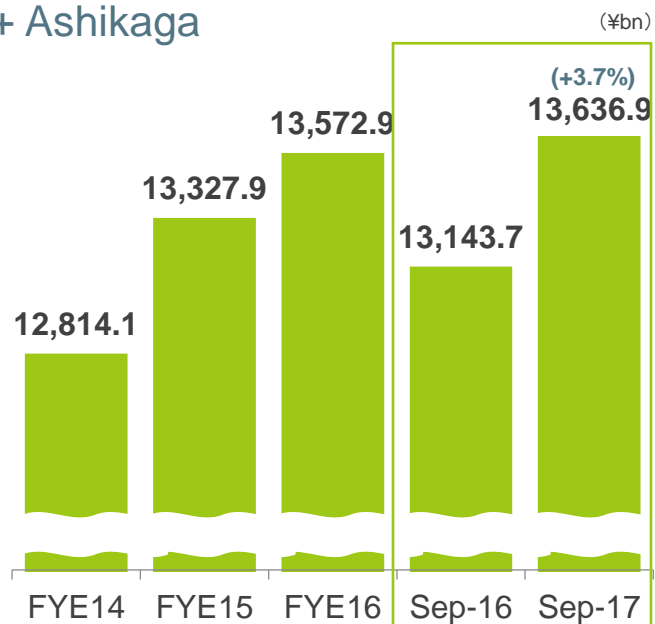


# Deposits (by Customer Type)

\* Figures in parentheses are changes on a year-on-year basis

◇ Deposits of individual and corporate customers have been on the increase.  
(Individual customers : +3.5%, Corporate customers : +4.2%)

## ● Joyo + Ashikaga



	FYE14	FYE15	FYE16	Sep-16	Sep-17	Change (%)
Individual	9,344.2	9,502.6	9,762.1	9,576.7	9,914.8	+3.5%
Corporate	2,741.9	3,020.8	3,062.8	3,005.4	3,131.8	+4.2%
Public	727.8	804.4	748.0	561.5	590.1	+5.0%
<b>Total</b>	<b>12,814.1</b>	<b>13,327.9</b>	<b>13,572.9</b>	<b>13,143.7</b>	<b>13,636.9</b>	<b>+3.7%</b>

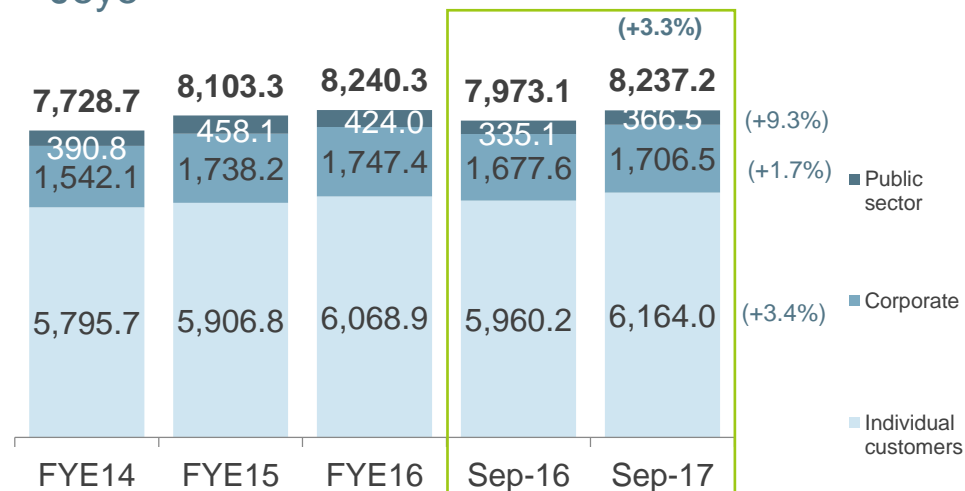
### Foreign Currency Deposit

	FYE14	FYE15	FYE16	Sep-16	Sep-17
Joyo	54.6	111.4	140.7	152.5	162.3
Ashikaga	16.4	16.3	24.8	21.4	64.2
<b>Total</b>	<b>71.1</b>	<b>127.7</b>	<b>165.6</b>	<b>174.0</b>	<b>226.5</b>

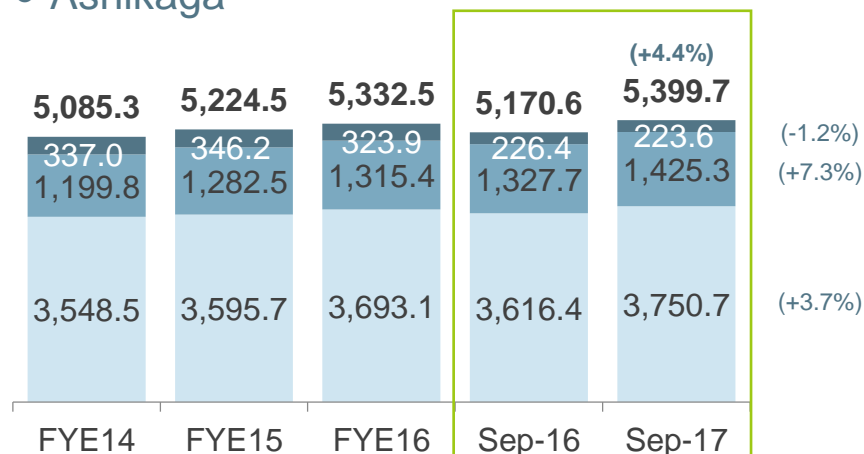
\*1 "Corporate" includes financial institutions.

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

## ● Joyo



## ● Ashikaga



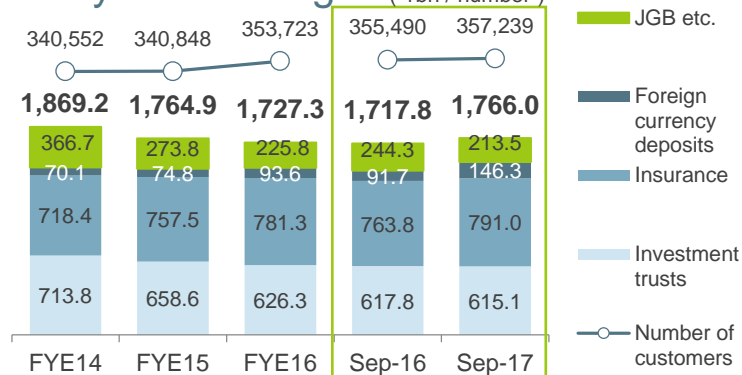
# Financial Assets under Custody Balance / Commission

\* Foreign currency deposits don't include those hedged by forward exchange contracts, offshore deposits, and those coming from the US dollar-denominated convertible bond issued by Mebuki FG.

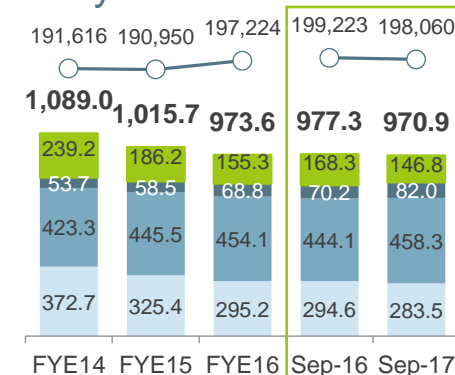
- ◇ The amount rose 2.8% YoY due to foreign currency deposits. Commission dropped mainly due to insurance.
- ◇ Commissions from intermediary financial instruments steadily increased due to the synergetic effects arising from closer cooperation between the banking subsidiaries and Mebuki Securities.

## Financial Assets under Custody (Balance)

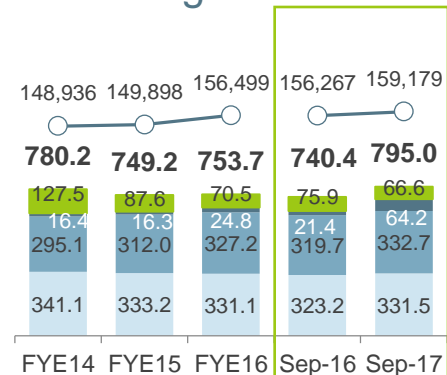
### ● Jojo + Ashikaga (¥bn / number)



### ● Jojo

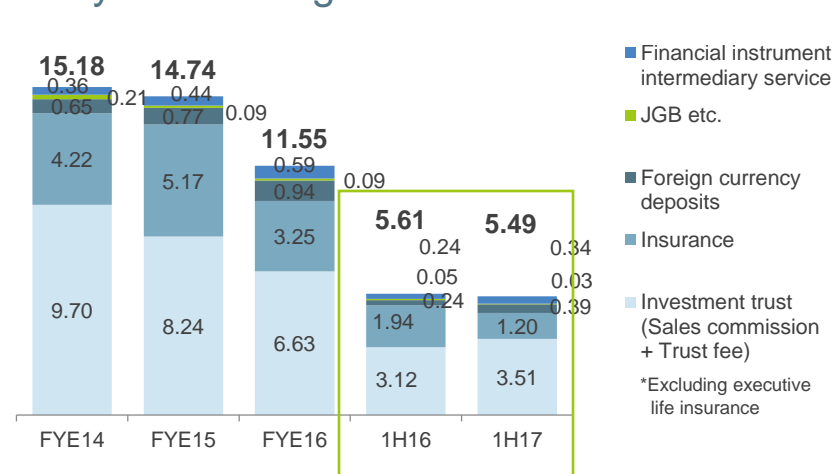


### ● Ashikaga

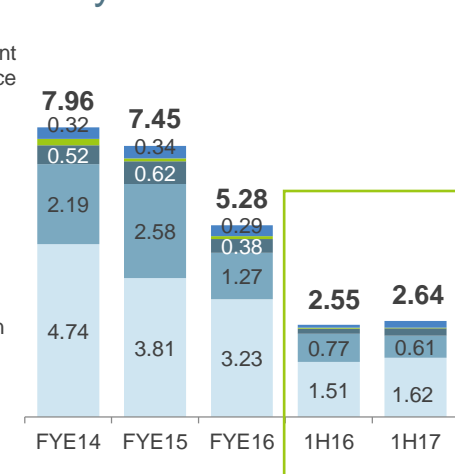


## Commissions

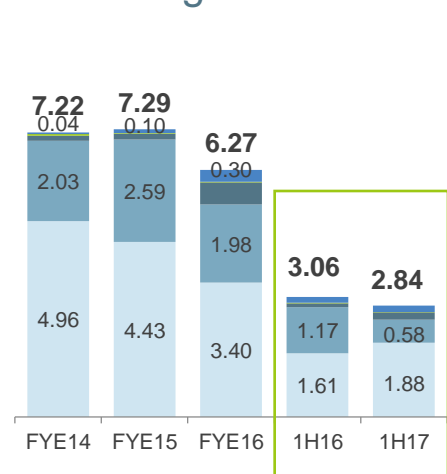
### ● Jojo + Ashikaga (¥bn / number)



### ● Jojo



### ● Ashikaga



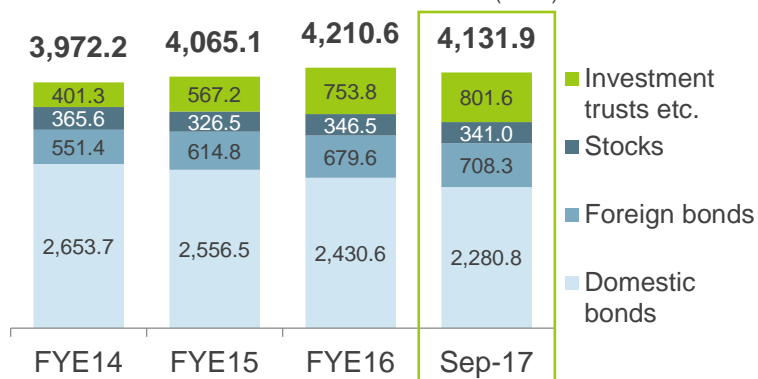
# Securities (1)

- ◇ Considering the interest rate of the Japanese yen, reinvestment of redemption payments of JGBs was suspended (The amount of domestic bonds held decreased by ¥149.7bn from the end of FY16).
- ◇ Focused on managing risks and rebalanced portfolio by purchasing investment trusts and foreign bonds.

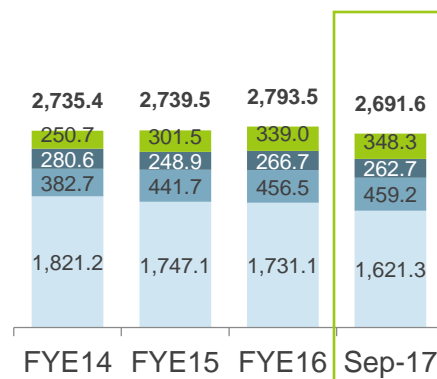
Term-end Balance  
(Balance Sheet Amount)

## • Joyo + Ashikaga

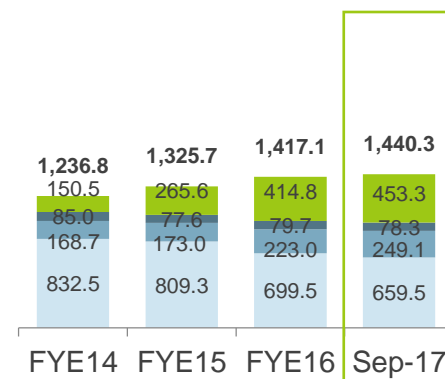
(¥bn)



## • Joyo



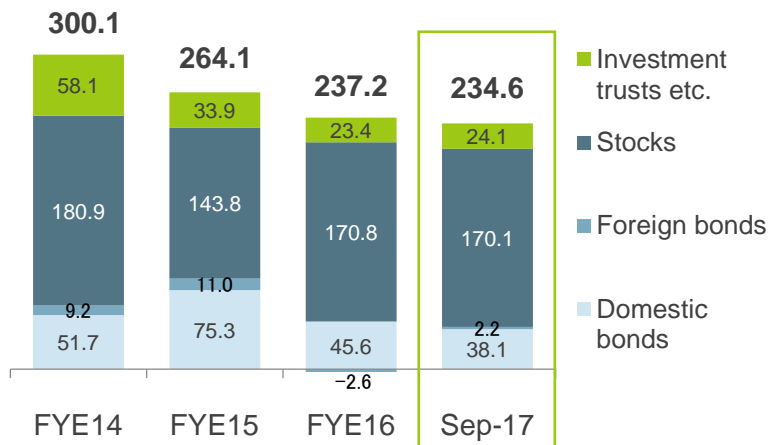
## • Ashikaga



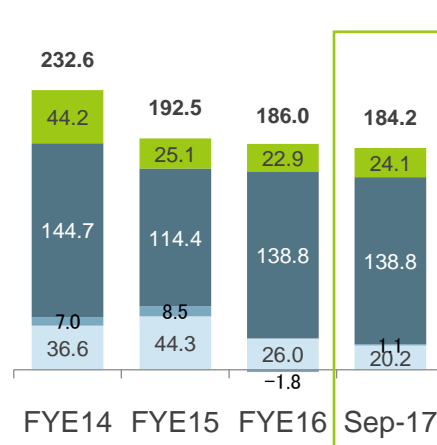
Unrealized Valuation Gains / Losses  
on Available for Sale Securities

## • Joyo + Ashikaga

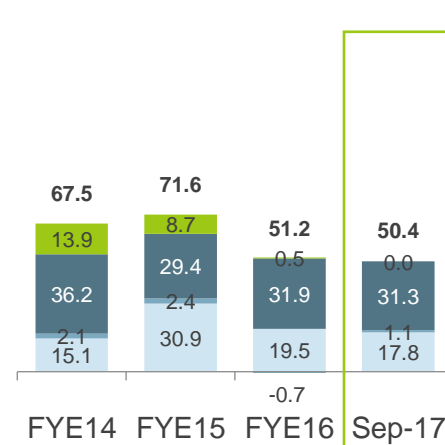
(¥bn)



## • Joyo

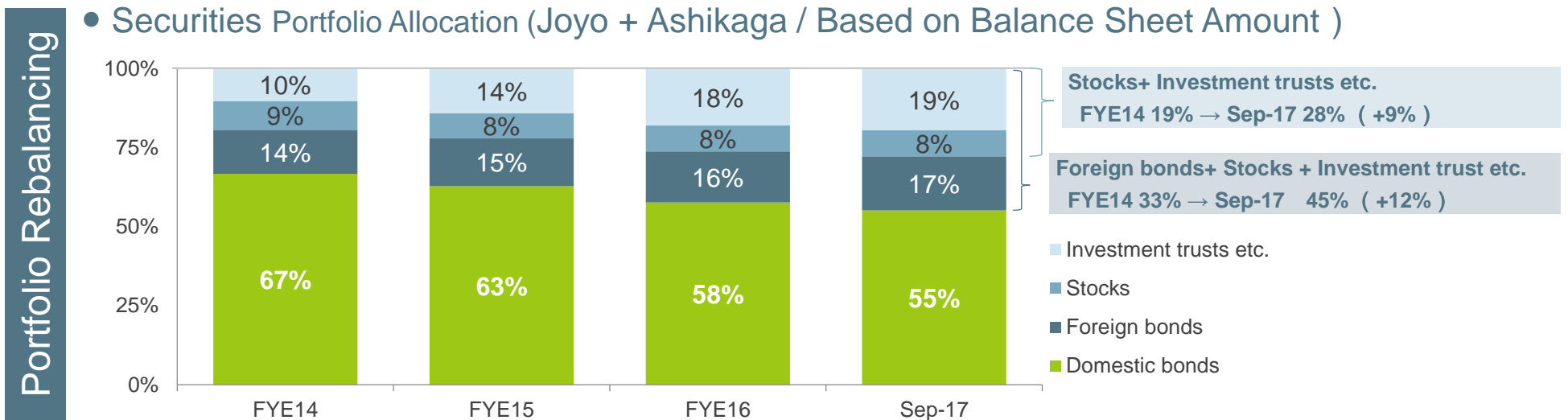
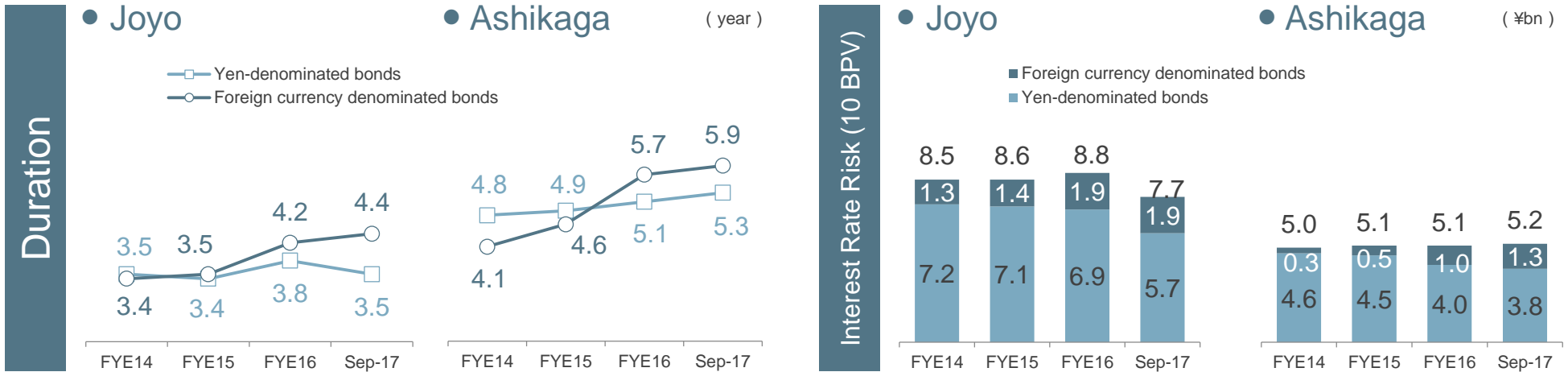


## • Ashikaga



# Securities (2) Interest Rate Risk / Portfolio Rebalancing

◇ Most of foreign bonds held are government bonds and government-guaranteed bonds. Funds investment is mainly focused upon domestic stocks and foreign bonds.



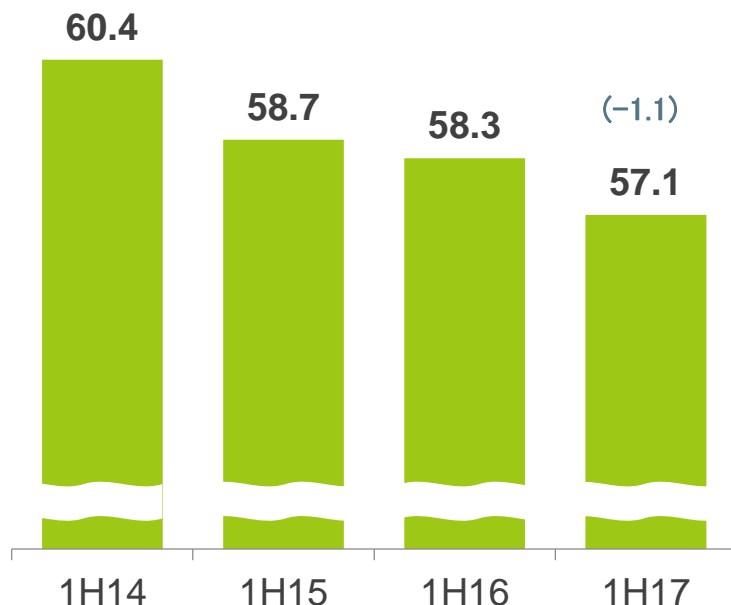
# Expenses / OHR

\* Figures in parentheses are changes on a year-on-year basis

◇ Expenses decreased ¥1.1 bn YoY, mainly due to measures to reduce expenses and a decrease in deposit insurance premiums. \* two banking subsidiaries' simple-sum basis

## ● Joyo + Ashikaga

(¥bn)

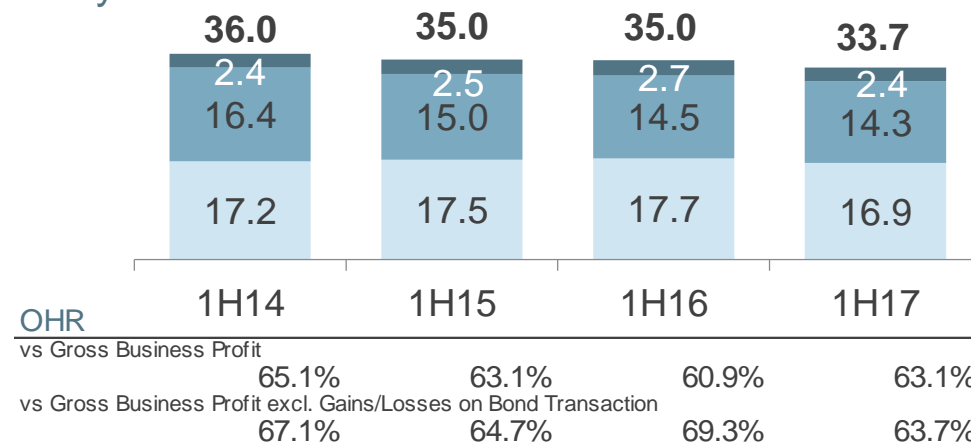


	1H14	1H15	1H16	1H17	
Personel	30.2	30.3	30.4	30.0	(-0.3)
Non-pers	26.2	24.3	23.3	22.8	(-0.4)
Taxes	3.9	4.1	4.5	4.2	(-0.3)
<b>Total</b>	<b>60.4</b>	<b>58.7</b>	<b>58.3</b>	<b>57.1</b>	<b>(-1.1)</b>

### OHR

vs Gross Business Profit	62.7%	58.7%	58.3%	60.2%
vs Gross Business Profit excl. Gains/Losses on Bond Transaction	64.1%	60.0%	63.0%	60.5%

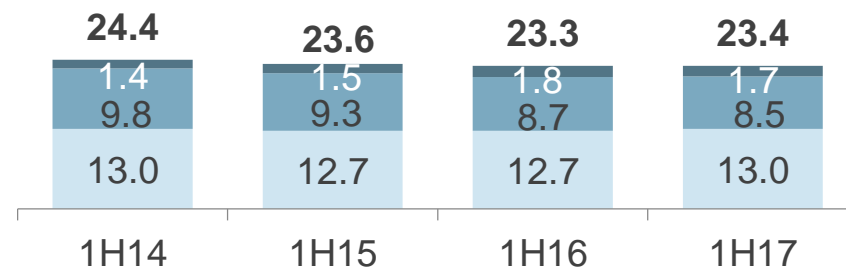
## ● Joyo



### OHR

vs Gross Business Profit	65.1%	63.1%	60.9%	63.1%
vs Gross Business Profit excl. Gains/Losses on Bond Transaction	67.1%	64.7%	69.3%	63.7%

## ● Ashikaga



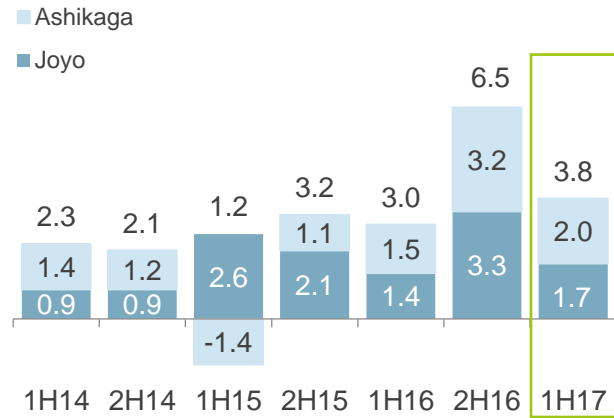
### OHR

vs Gross Business Profit	59.5%	53.2%	54.8%	56.3%
vs Gross Business Profit excl. Gains/Losses on Bond Transaction	60.2%	54.1%	55.5%	56.4%

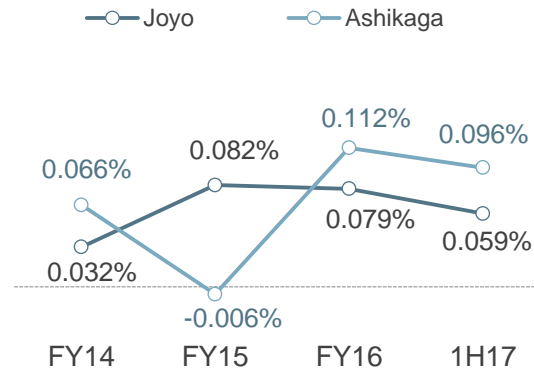
# Credit Related Costs / Non-performing Loans

◇ Credit related costs rose ¥0.8 bn YoY\* and number of bankruptcies stayed low in Ibaraki and Tochigi.  
\*two banking subsidiaries' simple-sum basis

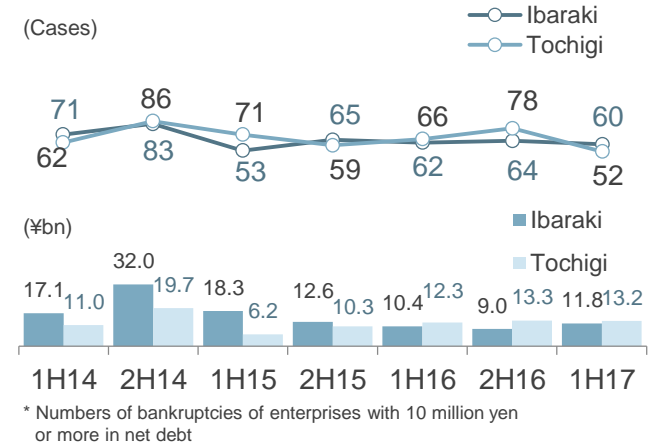
## Credit Related Costs (¥bn)



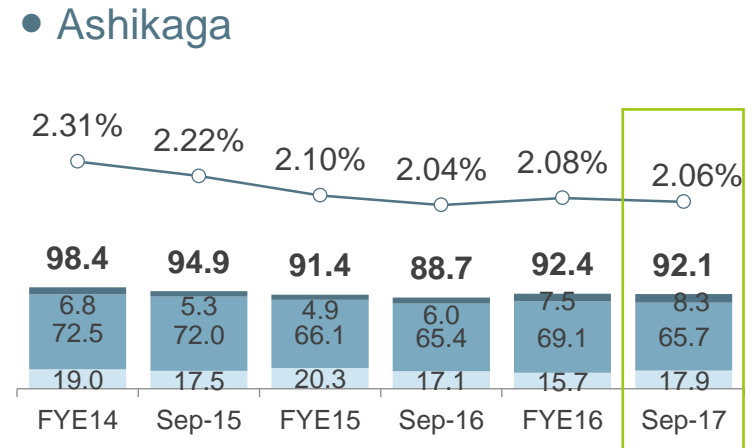
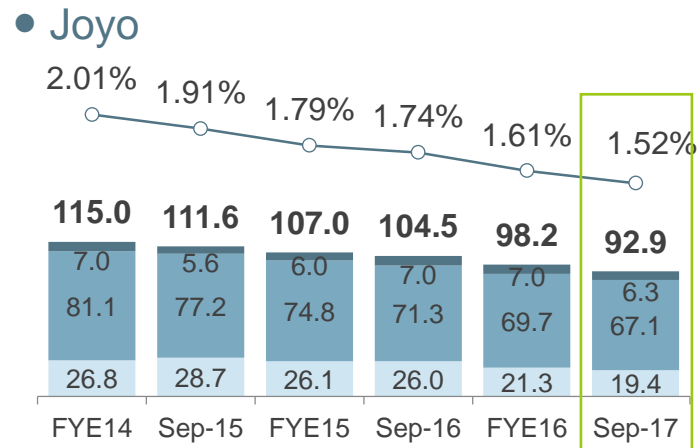
< Reference > Credit Related Cost Ratio



< Reference > Bankruptcies



## Non-performing Loans (¥bn)





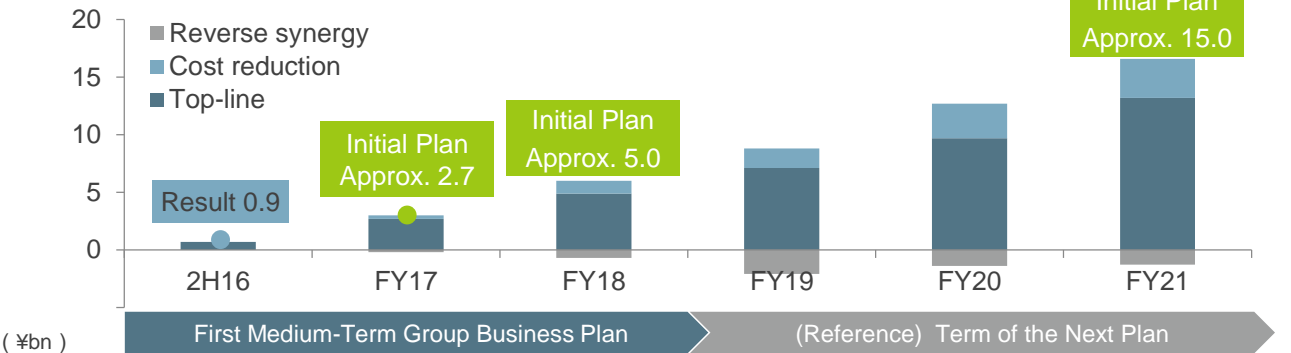
# Status of Integration Synergy

- ◇ Synergy effect for 1H17 is ¥2.1bn representing progress of 78% towards FY17 forecast of ¥2.7bn.
- ◇ Integration measures are progressing steadily to achieve synergy effect target for after FY18.

## Synergy Effects on the Statement of Income\* \*before taxes

	Amount
FY17 Forecast	+ ¥2.7bn
1H17 Result	+ ¥2.1bn (Progress 78%)

## ● Initial Plan (¥bn)



## FY17 (1H Result / Forecast)

Items	Full-year Forecast	1H Result	Progress	Details
Loans Corporate services	1.03	0.77	74.4%	<ul style="list-style-type: none"> <li>• Sales promotion based on wide area network → co-financing, syndicate loans, customer referral, and lending to growth industries (medical and nursing care)</li> <li>• Utilization of Mebuki Lease</li> <li>• Share know-how for non-face-to-face sales (unsecured loans)</li> <li>• Joint development of online application housing loans, joint sales of housing loans for women</li> </ul>
Financial assets under custody	0.85	0.40	47.4%	<ul style="list-style-type: none"> <li>• Share sales promotion know-how</li> <li>• Utilization of Mebuki Securities</li> </ul>
Securities	0.70	0.29	41.6%	<ul style="list-style-type: none"> <li>• Investment in new areas and diversification of funding method based on both banking subsidiaries' investment experience</li> <li>• Joint investment</li> <li>• Enhancement of investment and controlling method through sharing of analysis method (monitoring, etc.)</li> </ul>
Others (Channel / international)	0.25	0.55	215.0%	<ul style="list-style-type: none"> <li>• Enhance staff in important regions</li> <li>• Promote cross-border loans</li> <li>• Utilize Joyo's know-how of dual currency deposit service (Ashikaga)</li> <li>• Conduct foreign currency deposit campaigns</li> </ul>
Cost reductions	0.30	0.39	132.0%	<ul style="list-style-type: none"> <li>• Joint cost reduction and cost effectiveness evaluation</li> <li>• Strengthen price negotiation power through information sharing</li> <li>• Share know-how to improve branch operation efficiency</li> <li>• Integrate operation center in Tokyo</li> <li>• Joint issuance of bills/check paper and bank cards</li> </ul>
Cost Increases / Reverse synergy	-0.37	-0.22	-	<ul style="list-style-type: none"> <li>• Lower transfer fee between both banks to the inter-branch rate</li> <li>• Increase in depreciation expense and running cost</li> </ul>
<b>Total</b>	<b>2.77</b>	<b>2.18</b>	<b>78.9%</b>	

# Status of Group Companies Mebuki Lease / Mebuki Securities

## Financial Results of Non-banking Subsidiaries

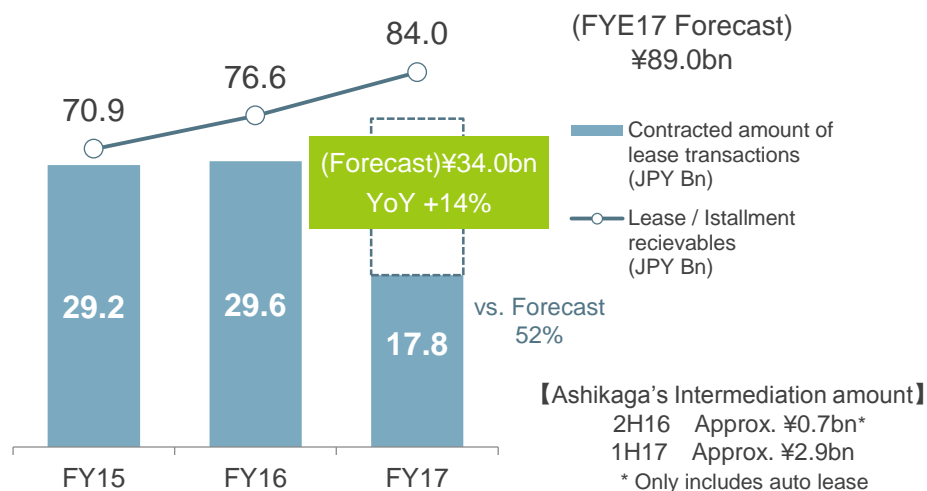
( ¥bn )

	1H17	Progress	FY17 Forecast	Break down
Ordinary profit	3.2	-	-	-
Net income	2.1	52.8%	4.0	Mebuki Lease 0.3bn, Mebuki Securities 0.3bn The Joyo Credit Guarantee 0.6bn, Ashikaga Credit Guarantee 0.5bn, Others 0.3bn

### Mebuki Lease

- Mebuki Lease, whose trade name was changed from Joyo Lease in Apr. 2017, has become Mebuki FG's wholly owned subsidiary.
- Integrated the leasing business units within the group
- Strengthening sales operation, opened three sales offices in Tochigi Prefecture (Utsunomiya, Ashikaga, and Oyama)

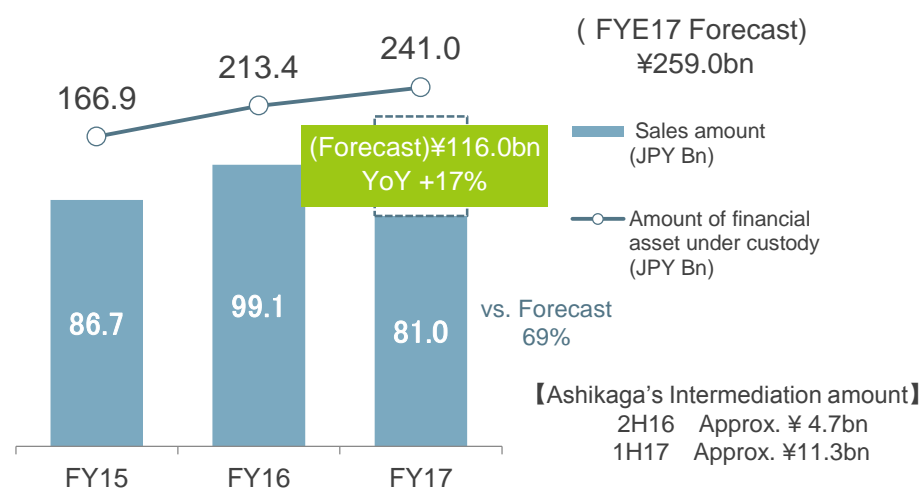
#### • Contracted amount of lease transactions / Lease receivables



### Mebuki Securities

- Trade name was changed from Joyo Securities in Apr. 2017.
- Number of Ashikaga's branches that intermediate financial products carried by Mebuki Securities increased from 13 to 128.
- Opened Utsunomiya Branch and became Mebuki FG's wholly owned subsidiary in Oct. 2017.

#### • Sales amount / Amount of financial assets under custody



# Forecast for FY17

- ◇ There has been no change since the forecast was announced on May 12, 2017.
- ◇ Consolidated ordinary profit and consolidated net income\* are forecasted to be ¥58.5bn (+¥6.2bn) and ¥40.0bn (-¥118.4bn) respectively.

\*1 Attributable to owners of the parent \* 2 For FY16, gain on negative goodwill arising from the business integration of ¥119.2bn was recorded as extraordinary income .

## ● Mebuki FG

	Consolidated		
	1H17	Progress	FY17 Forecast
Ordinary profit	37.3	63.8%	58.5
Net income attributable to owners of the parent	24.9	62.3%	40.0

## ● Joyo + Ashikaga

### + Non-banking Subsidiaries

( ¥bn )

	Consolidated		
	1H17	Progress	FY17 Forecast
Net income	30.6	63.7%	48.0

## ● Joyo + Ashikaga

## ● Joyo (non-consolidated)

## ● Ashikaga (non-consolidated)

	Non-consolidated			
	1H17	Progress	FY17 Forecast	YoY Chg
Core net business income	37.2	59.1%	63.0	-3.9
Ordinary profit	41.9	65.5%	64.0	-4.9
Net income	28.4	64.7%	44.0	-6.8

	Non-consolidated			
	1H17	Progress	FY17 Forecast	YoY Chg
Core net business income	19.2	59.0%	32.5	+1.6
Ordinary profit	23.3	69.7%	33.5	-2.1
Net income	15.7	68.5%	23.0	-1.4

	Non-consolidated			
	1H17	Progress	FY17 Forecast	YoY Chg
Core net business income	18.0	59.2%	30.5	-5.5
Ordinary profit	18.5	60.9%	30.5	-2.7
Net income	12.7	60.5%	21.0	-5.4

# Capital Adequacy Ratio / Shareholder Return

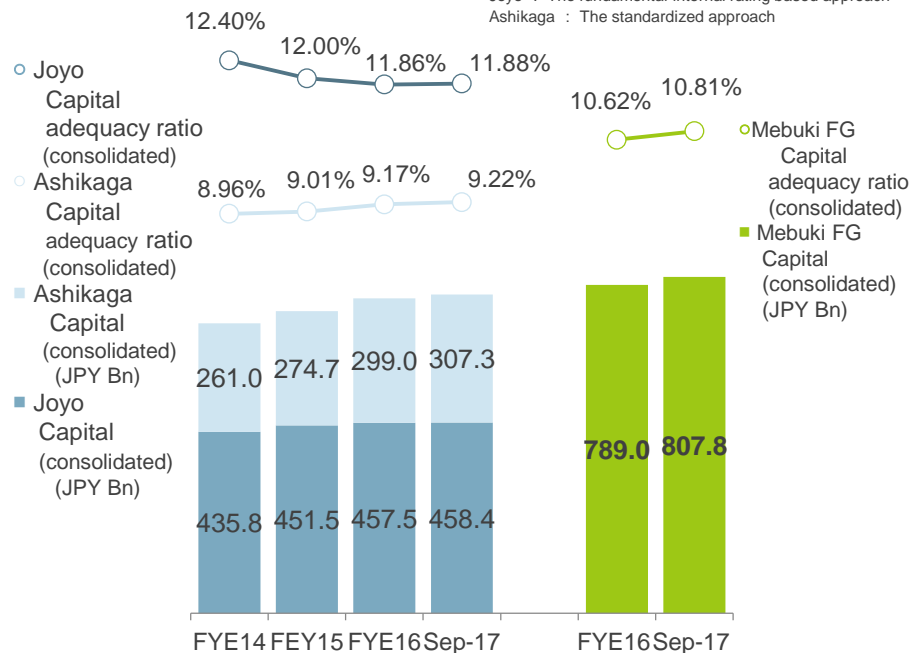
## Capital Adequacy Ratio

※Calculation method of risk weighted assets

Mebuki FG : The fundamental internal rating based approach

Joyo : The fundamental internal rating based approach

Ashikaga : The standardized approach



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

	FYE13	FYE14	FYE15	FYE16	Sep-17
Mebuki FG	-	-	-	9.49%	9.68%
Joyo	11.35%	11.51%	11.17%	11.52%	11.56%
Ashikaga	8.67%	8.64%	8.77%	9.00%	9.05%

## Dividend Policy

Aim to continue 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.

In line with the earnings distribution policy, the dividend forecast for FY17 is ¥11.0 per share (Payout ratio: 32.3%).

### Dividend per Share Forecast for FY17

Annual dividend	FY17	
	Interim dividend	Term-end dividend
¥11.00	¥5.50	¥5.50

## Shareholder Benefit Plan

### Shareholders to be Subjected

Shareholders holding 1,000 shares or more as of Mar. 31.

### Contents of the Plan

Local specialties etc. can be chosen from a dedicated catalog depending on the number of shares held.

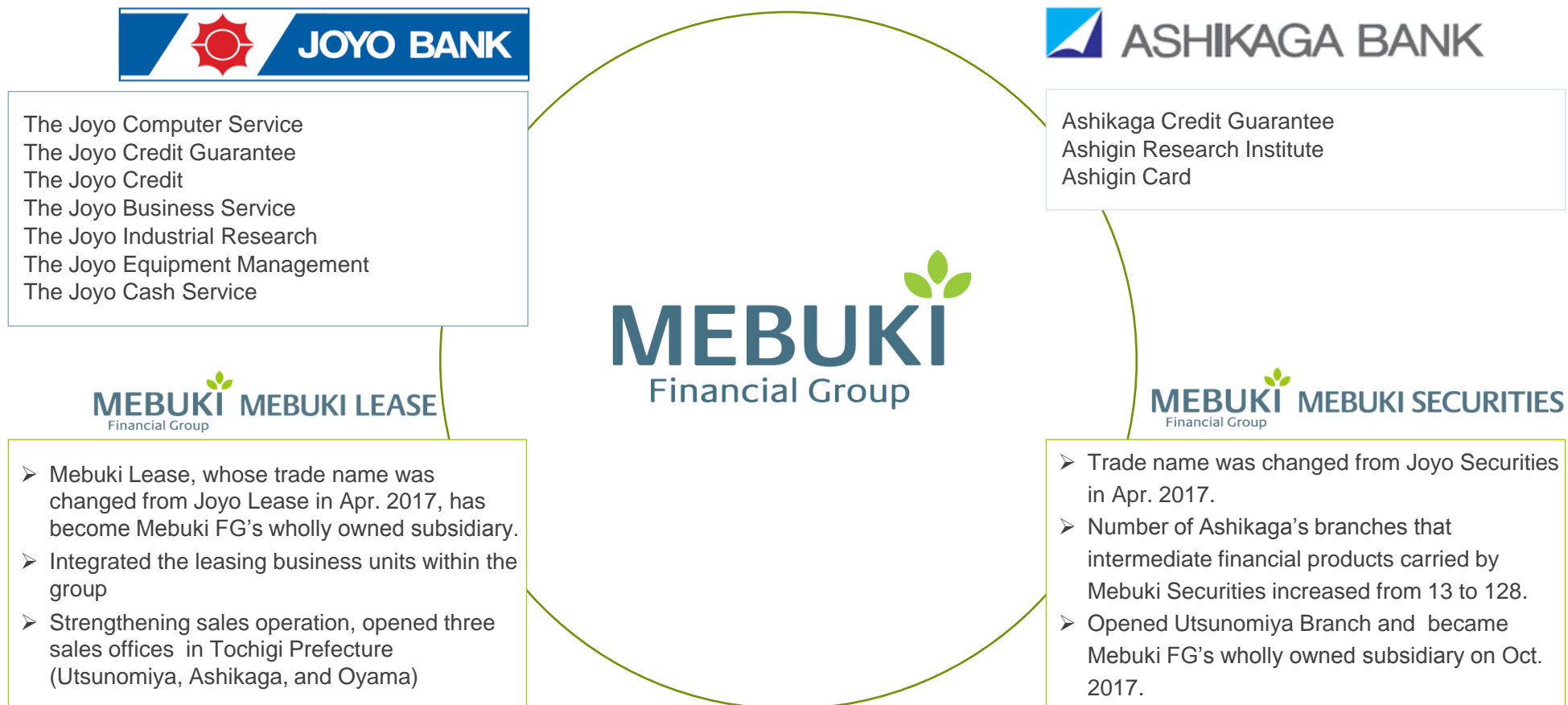
### Contents of the Shareholder Benefit Plan

Number of shares held	Items that can be selected	
Less than 5,000 shares and 1,000 shares or more	Equivalent to 2,500 yen	488 items centered on specialty products from Ibaraki Prefecture and Tochigi Prefecture *
Less than 10,000 shares and 5,000 shares or more	Equivalent to 4,000 yen	
10,000 shares or more	Equivalent to 6,000 yen	

\*The number of items listed on the FY2016 Joyo bank's shareholder benefit catalog is 316.

# Reference

# (Reference) Current Mebuki FG



## (Reference) Rating

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

Mebuki FG	Joyo	Ashikaga
A	A+	A+

○ Moody's

Joyo
A2

## (Reference) Major indexes in which Mebuki FG is included

JPX400 (From Aug 31, 2017)

Nikkei Stock Index 300, Nikkei 500 Stock Average Index, TOPIX, MSCI Japan, etc.

# (Reference) Domestic Branch Network

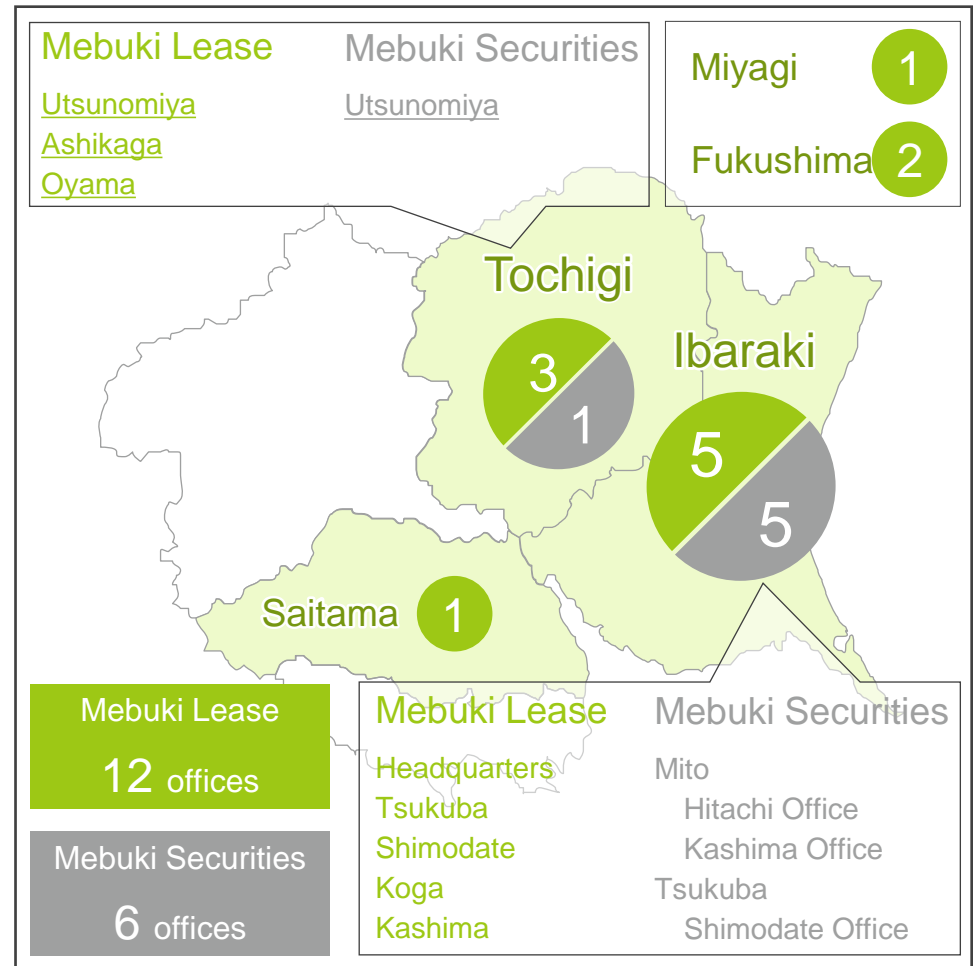
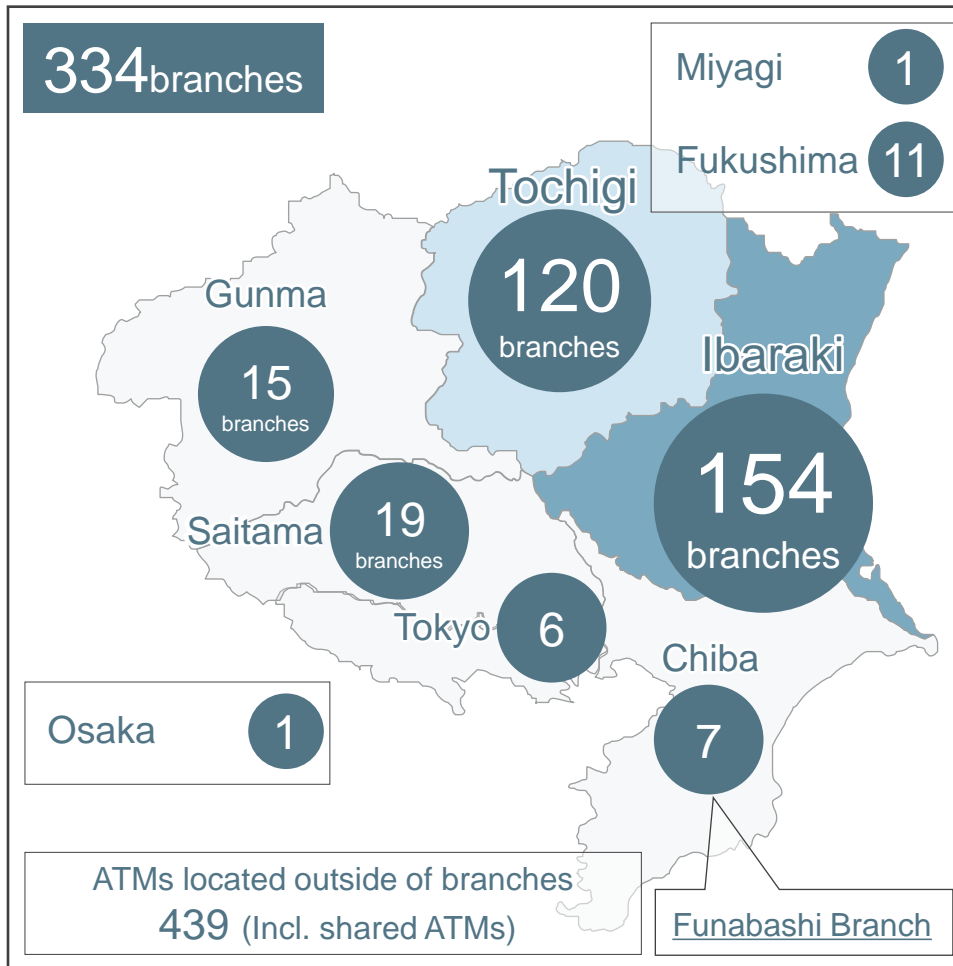
( As of Oct. 31, 2017)

\*Newly launched after the business integration on Oct. 2016 are underlined

◇ Fifteen branches/offices across the group are planned to be launched by FY21

● Bank branches ( Joyo + Ashikaga )

● Mebuki Lease / Mebuki Securities



# (Reference) Overseas Network

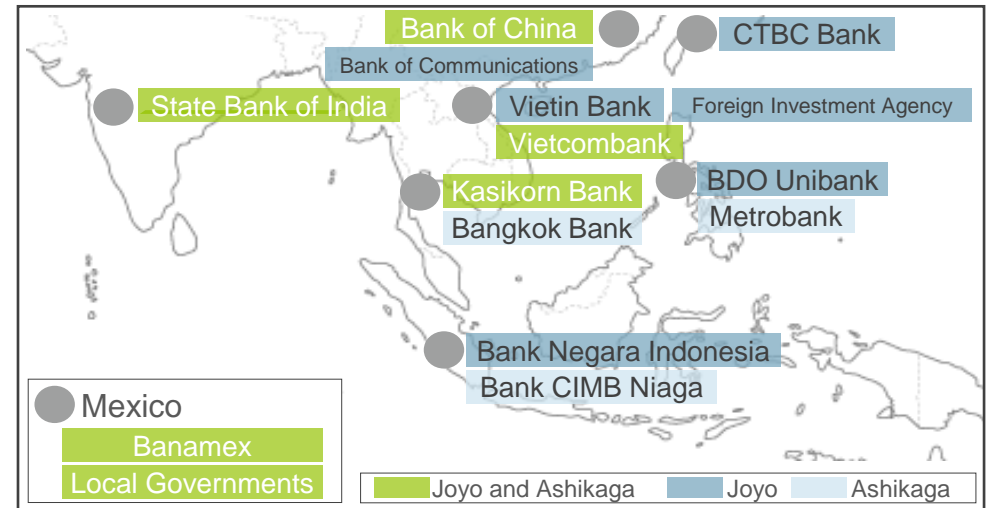
( As of Oct. 31, 2017)

◇ Enhance overseas network and offer stronger support for customers' overseas expansion.

- Overseas representative offices



- Business alliances with local financial institutions



- Support for overseas expansion

Mfair Bangkok Business Matching for Manufactures' Network in Asia  
(Exhibitors | 191, Visitors | 10,655)

Factory Business Conference Hanoi  
(Exhibitors | 108, Visitors | 2,878)

Factory Business Conference Shanghai  
(Exhibitors | 462, Visitors | 31,568)

- Support for customers' overseas sales channel expansion
- Active business discussions were held between exhibitors and local enterprises



# (Reference) Regional Revitalization (1) | Mebuki Business Award

- ◇ In commemoration of the establishment of Mebuki FG, each banking subsidiaries' business award was integrated together
- ◇ Ingenious business ideas latent in both banking subsidiaries' vast business territories are gathered and the best entries were presented with awards
- ◇ Consistent support will be provided regarding formulating business plans and launching new businesses through financing and so forth
- ◇ Adopted GAP fund framework to support creation of university-oriented venture enterprises (Nov. 2017)

## 1st "Mebuki Business Award" held

Target Business Categories	Manufacturing
	Agriculture / 6th Industrialization
	Environment / Energy
	Medical / Nursing Care
	Advanced Technologies
	Overseas Expansion
	Regional Revitalization, etc.
New Business, etc.	
Sponsors	Sponsors Mebuki FG, Joyo Bank, Ashikaga Bank
	Co-sponsors Joyo Industrial Research, Ashigin Research Institute

**Applicants**  
**646**  
Joyo | 344  
Ashikaga | 302



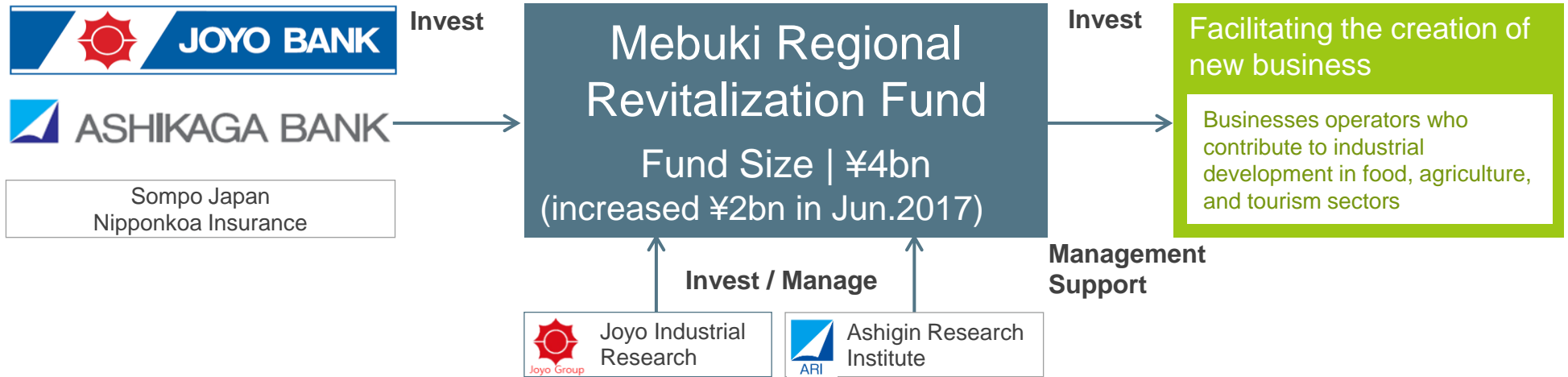
## Final Judging Ceremony (May-15)

○Presentation / External Evaluation

Grand Prix	MCBI (Tsukuba, Ibaraki) Business plan that realizes early detection and prevention of dementia
Excellence Award	Sid (Kawaguchi, Saitama) SOMAY-Q TECHNOLOGY (Satte, Saitama ) Fukule (Kiryu, Gunma )
Other	Special Award   5 Encouragement Award   19

↓  
**Business Launching Support**

# (Reference) Regional Revitalization (2) | Mebuki Regional Revitalization Fund



Result	Amount   ¥1.4bn
	Number of deals   6 deals (as of Oct.31, 2017)
Invested Deals	1. World Farm (Tsukuba city) Date: Jan. 2017 / Amount : ¥100 million
	2. HATAKE Company (Tsukuba city) Date: May. 2017 / Amount : ¥200 million
	3. SS Food International (Ichikawa city) Date: Apr. 2017 / Amount: ¥200 million
	4. Hayakawa Holdings (Ashikaga city) Date: Apr. 2017 / Amount: ¥700 million
	5. Hibiki (Kawagoe city) Date: Jun. 2017 / Amount: ¥100 million
	6. Atock (Joso city) Date: Sep. 2017 / Amount: ¥100 million

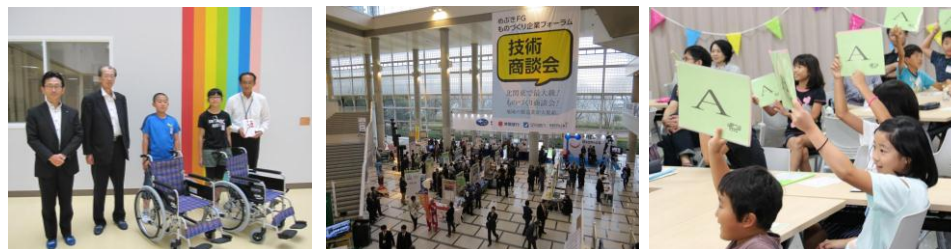


# (Reference) Initiatives for ESG Issues

- ◇ Increase medium to long term corporate value through dealing with ESG issues.

## Social

- Private placement bond with donation scheme
- Sponsor local sports teams (Kashima Antlers, Tochigi SC etc.)
- Jointly host fairs, forums, and so forth
- Support the attraction of enterprises and promotion of the relocation and settlement of people to the home region
- Holding business events and opening offices in Asia
- Enhancement of life-work balance and improvement of productivity
- Promotion of women to managerial positions and child care support
- Promotion of financial education



## Environment

- Forest conservation activities
- Support for eco-energy (Environmental rating loans, solar power generation business loans, etc.)
- Use of local materials to build new branches
- Support for environmental organizations



## Governance

- Company with audit and supervisory committee / Appointment of outside directors to enhance audit and supervisory functions
- Establishment of Corporate Governance Committee (Advisory body of board of directors mainly composed of outside directors)
- Basic Corporate Governance Policy

## Inquiries :

Mebuki Financial Group, Inc. Corporate Planning Department

TEL **+81-29-300-2869 or +81-29-300-2603**

E-mail **ir@mebuki-fg.co.jp**

URL **<http://www.mebuki-fg.co.jp/>**

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