

Financial Results for FY2021

May 13, 2022

Financial Results for FY21

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



Highlights

Results for FY21

	Results for FY21	YoY Change	compared to Forecast
Consolidated net income ^(*1)	¥42.9bn	+¥6.4bn	+¥4.9bn
Core net business income ^(*2) (Banks' total)	¥84.2bn	+¥14.8bn	-
Credit related costs (Banks' total)	¥19.6bn	-¥2.8bn	-¥0.3bn

- Consolidated net income^(*1) was ¥42.9 bn (+¥6.4 bn YoY).
- Core net business income^(*2), indicating the profitability in core business, increased by ¥14.8bn YoY due to improvement of security margins and increase of net fees and commissions reflecting the success of strengthened consulting, as well as cost reduction.
- Credit related costs were ¥19.6bn, decreasing by ¥2.8bn YoY.

(*1) Attributable to owners of the parent (*2) Excluding gains /losses on cancellation of investment trusts

Forecast for FY22

	Forecast for FY22	YoY Change
Consolidated net income ^(*3)	¥45.0bn	+¥2.0bn

- We expect forecast for FY22 based on currently available information.
- If the circumstances change, we will immediately revise the forecast as necessary.

(*3) Attributable to owners of the parent

Main Points of FY21 Financial Results

Mebuki FG (Consolidated)

	(¥bn)		
	FY21	YoY Chg	toward forecasts
Gross business profit	194.5	+6.5	-
Net interest income	155.0	+4.8	-
(o/w Defference of interests between loans and deposits)	(-105.6)	(-1.0)	-
Net fees and commissions	40.3	+1.6	-
Net trading income	4.5	+0.2	-
Net other business income	-5.3	-0.2	-
Expenses	114.6	-1.1	-
Credit related cost	21.5	-1.8	-
Gains/losses related to stocks	3.5	-0.0	-
Ordinary profit	64.9	+10.8	+9.9
Extraordinary income/losses	-4.2	-2.3	-
Net income(*)	42.9	+6.4	+4.9

(*) Attributable to owners of the parent

【 Consolidation adjustment 】 -¥3.0bn
Adjustments related to securities, etc.

Banks+Group companies	45.9	-2.6
Group Companies Net income	5.9	-0.5
Mebuki Lease	0.6	-0.1
Mebuki Securities	1.6	+0.1
Mebuki Credit Guarantee	1.5	+0.1
Mebuki Card	0.2	-0.1
Total of banking subsidiaries	1.7	-0.5

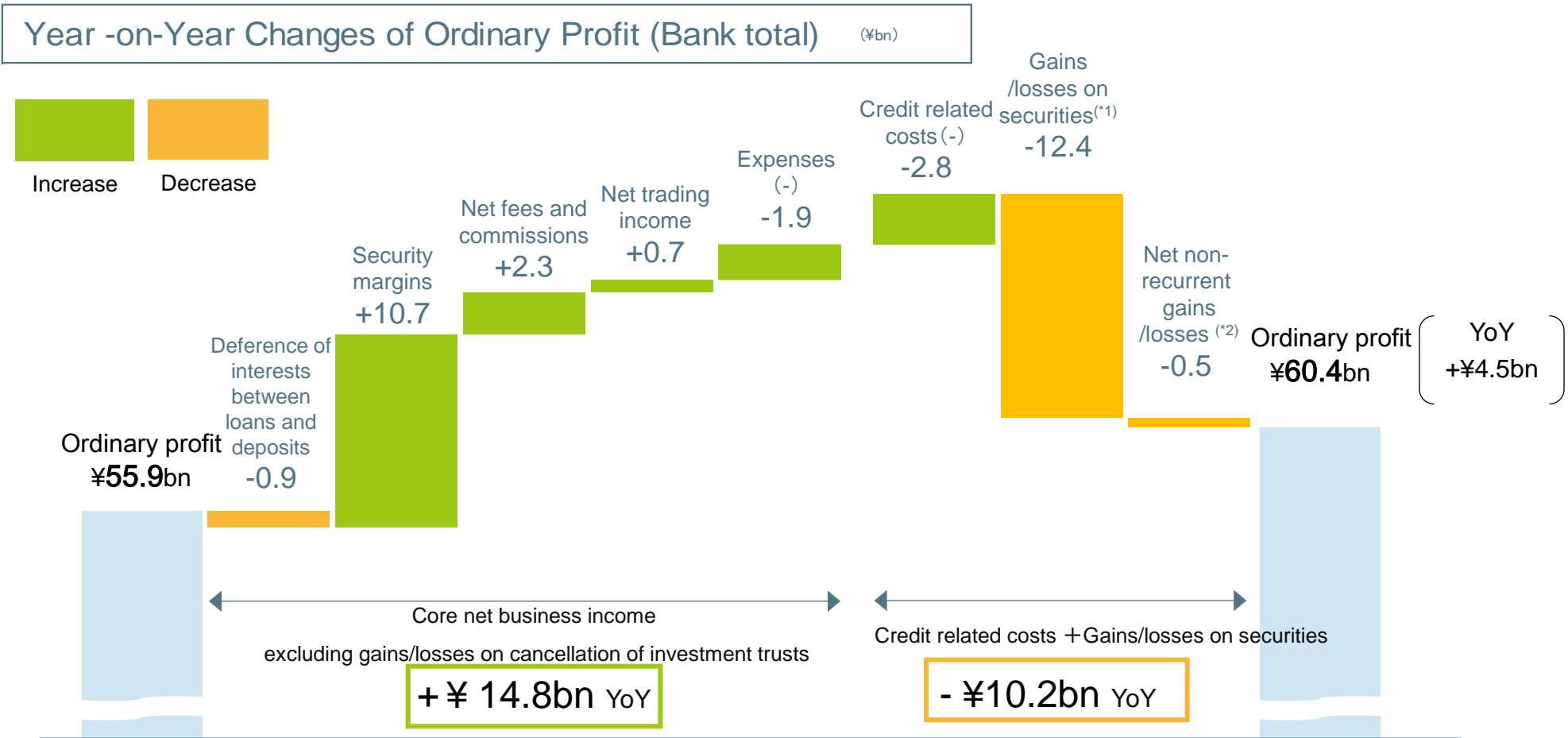
【Joyo + Ashikaga (Non-consolidated)】

	(¥bn)		
	FY21	YoY Chg	toward forecasts
Gross business profit	187.0	+6.8	-
Net interest income	157.7	+4.6	-
(o/w Gains/losses on cancellation of investment trusts)	(1.7)	(-5.0)	-
Net interest income	156.0	+9.7	-
(exclu.Gains/losses on cancellation of investment trusts)	(104.5)	(-0.9)	-
(o/w Defference of interests between loans and deposits)	(51.4)	(+10.7)	-
(o/w Securities Income)	(51.4)	(+10.7)	-
Net fees and commissions	33.7	+2.3	-
Net other business income	-4.5	-0.1	-
(o/w gains/losses on bond transactions)	(-7.1)	(-0.8)	-
Expenses	108.1	-1.9	-
Net business income	78.8	+8.8	-
(before general allowance for loan losses)	78.8	+8.8	-
Core net business income	86.0	+9.7	-
(excl. gains/losses on cancellation of investment trusts)	84.2	+14.8	-
Net transfer to general allowance for loan losses (a)	1.4	-0.7	-
Net business income	77.4	+9.6	-
Net non-recurrent gains/losses	-16.9	-5.0	-
o/w Disposal of non-performing loans (b)	18.1	-2.0	-
o/w Gains/losses related to stocks, etc.	3.5	-6.5	-
Ordinary profit	60.4	+4.5	+7.4
Extraordinary income/losses	-4.2	-6.4	-
Net income (Group total)	40.0	-2.1	+3.5
Credit related cost (J + A) (a)+(b)	19.6	-2.8	-

Change of Ordinary Profit (Bank Total)

Core net business income excluding gains/losses on cancellation of investment trusts increased +¥14.8bn YoY mainly due to increase of security margins, net fees and commissions, and cost reduction.

On the other hand, ordinary profit increased + ¥ 4.5bn YoY due to flexible securities' operations based on the market conditions and the outlook for the future (gains/losses on securities - ¥ 12.4bn)



FY20 (*1) Gains/losses on cancellation of investment trusts +Gains/losses on bond transactions +Gains/losses related to stocks

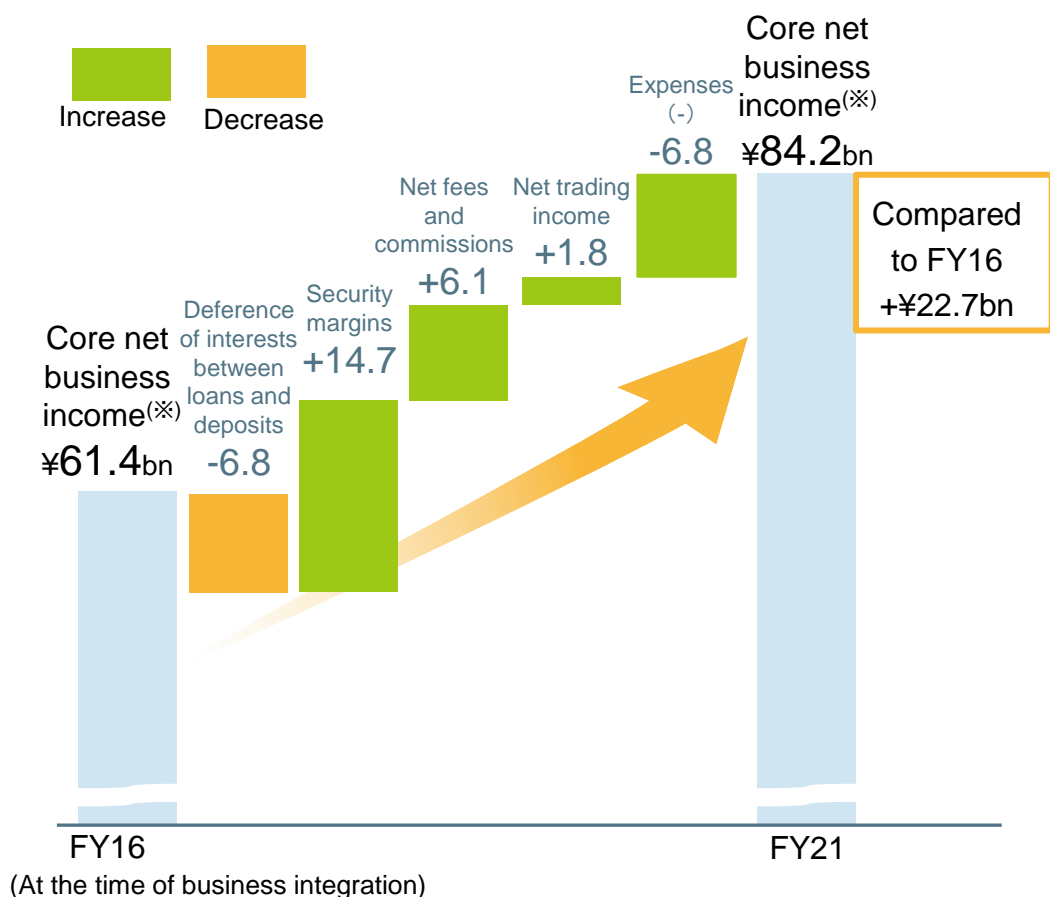
(*2) Including (-)¥ 1.5bn of costs related to liability for retirement benefits, ¥ 0.9bn of gains on equity options etc.

FY21

Change of Core Net Business Income (Excluding gains/losses on cancellation of investment trusts)

Since the founding of Mebuki FG in FY2016, core net business income increased by ¥22.7bn compared to FY2016, due to ensuring synergy effect through the integration and the progression of structural reform.

Core Net Business Income[※] (Joyo+Ashikaga) (¥ bn)



< Factors of Change >

	FY16	FY21		Factors
			Chg	
Difference of interests between loans and deposits	111.4	104.5	-6.8	Lower domestic interest rates
Securities' margin*	36.6	51.4	+14.7	Enhancing asset management, Flexible operations according to market conditions
Net fees and commissions	27.6	33.7	+6.1	Strengthening consulting functions
Net trading income	0.7	2.6	+1.8	Strengthening earnings in FX and derivatives
Expenses(-)	115.0	108.1	-6.8	Progression of structural reform, Improvement of productivity
Core net business income	61.4	84.2	+22.7	

(*) Excluding gains/losses on cancellation of investment trusts

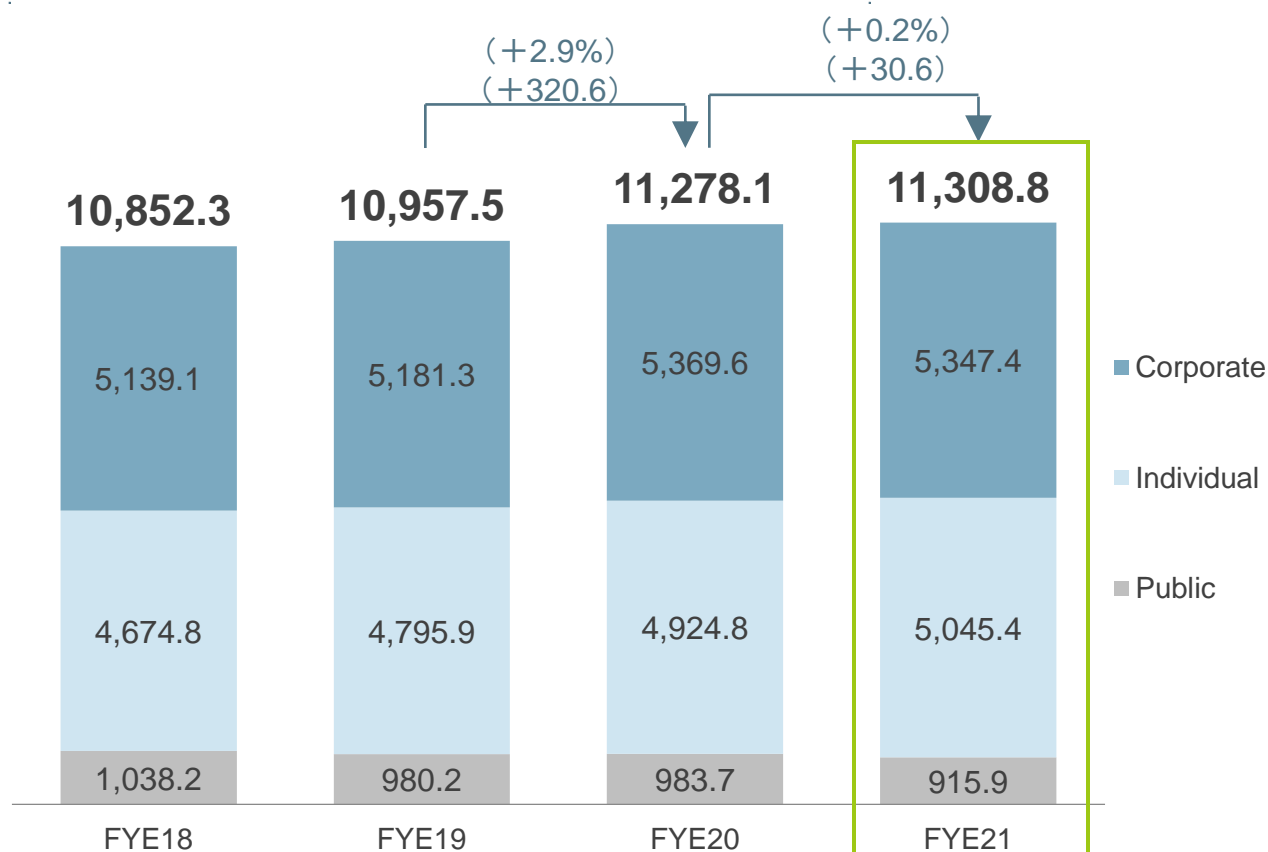
Loans (1) Term-end Balance

Amount of loans increased by ¥30.6bn YoY (+0.2% annualized).

Loans to individual customers increased due to increase mainly of housing loans and unsecured loans by ¥120.5bn YoY (+2.4% annualized). Loans to corporate customers decreased due to the peaking out of COVID-19 related financing by ¥22.2bn YoY (-0.4% annualized).

Term-end Balance (Joyo+Ashikaga) (¥bn)

* Not including borrowing from special account of MoF



Loans to 'borrowing from special account of MoF'
(FYE18) ¥399.4bn
(FYE19) ¥ 519.8bn

(FYE20) ¥ 521.5bn

(FYE21) ¥ 586.7bn

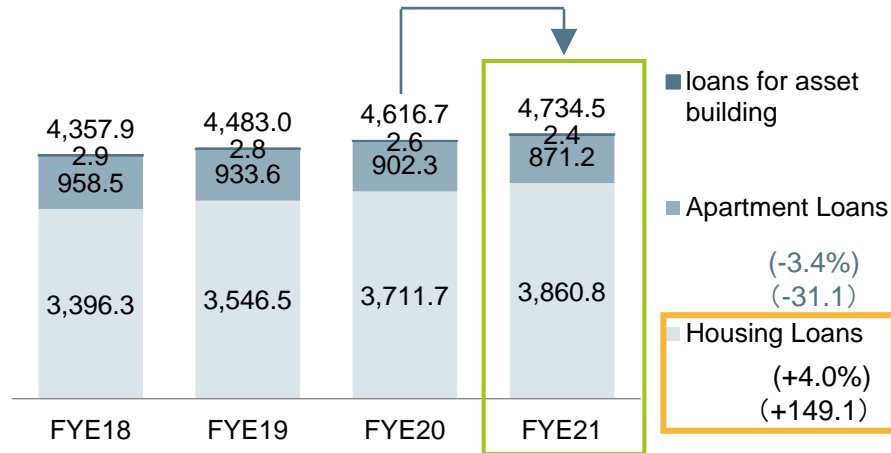
Year on Year Changes (¥bn)

	Mar-20	Mar-21	Mar-22
Total	+105.1 +0.9%	+320.6 +2.9%	+30.6 +0.2%
Corporate	+42.1 +0.8%	+188.3 +3.6%	-22.2 -0.4%
Individual	+121.1 +2.5%	+128.8 +2.6%	+120.5 +2.4%
Public	-58.0 -5.5%	+3.4 0.3%	-67.7 -6.8%

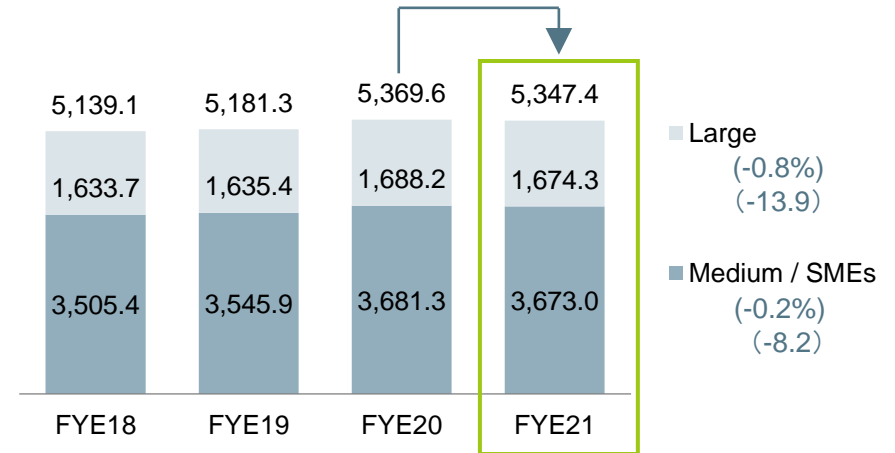
Loans (2) Individual and Corporate Loans

Loans to individual customers increased driven by housing loans (+¥149.1bn) and car loans (+¥8.1bn).
 Loans to corporate customers decreased due to the peaking out of COVID-19 related financing.

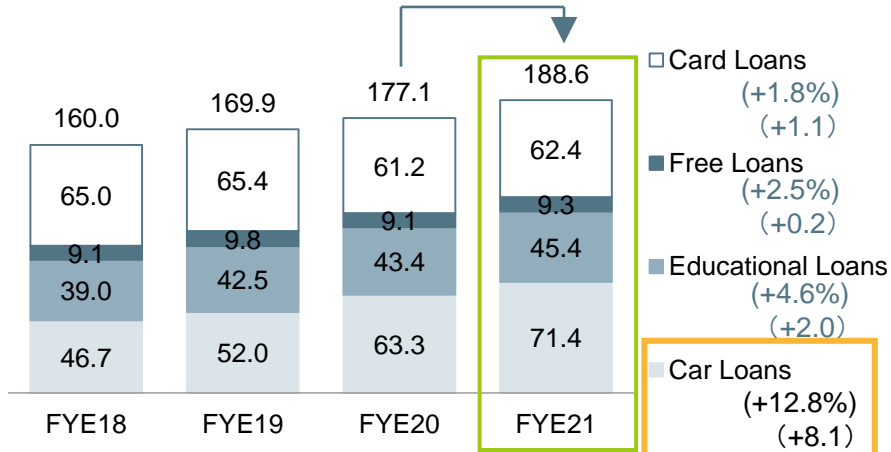
【Individual】Housing Related Loans (¥bn)



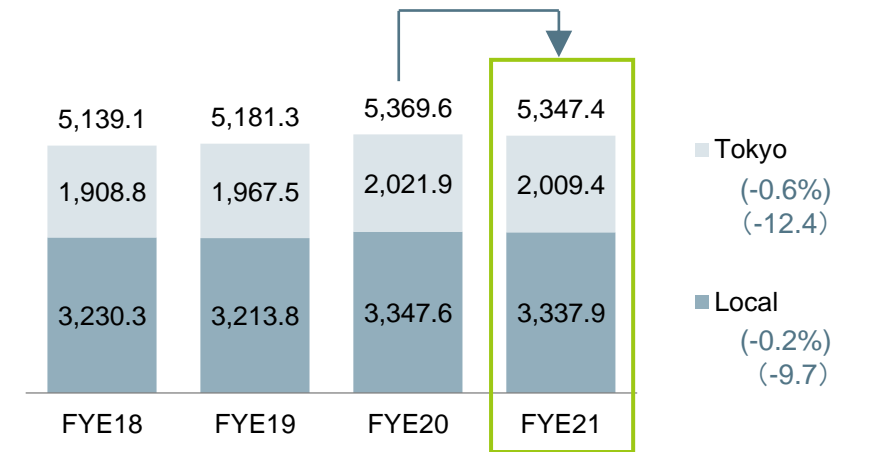
【Corporate】Term-end Balance by Company Size (¥bn)



【Individual】Unsecured Loans (¥bn)



【Corporate】Term-end Balance by Area (¥bn)



Average Yield of Loans / Net Interest Income

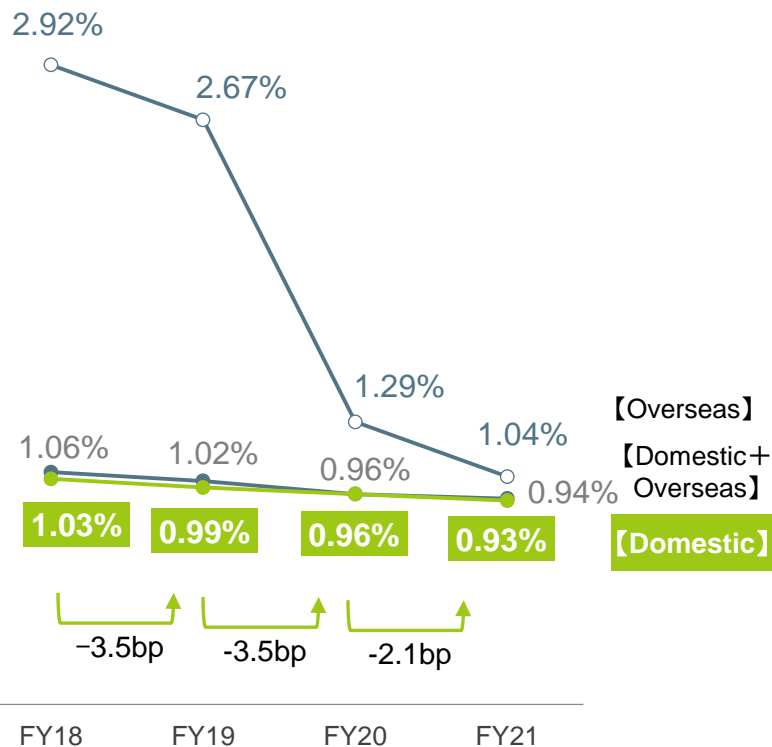
Difference of interests between loans and deposits decreased by ¥0.9bn YoY due to decrease of average yield on loans. However, the decline of domestic loans' yield improved from 3.5bp to 2.1bp.

Securities' income decreased by ¥10.7bn YoY due to increase of profit dividends to from an increase in securities balance, and decrease of market borrowings.

Average Yield on Loans(Joyo+Ashikaga) (¥bn)

(Domestic and Overseas)

* Not including borrowing from special account of MoF



Change of Interest Income(Joyo+Ashikaga) (¥ bn)

* Not including borrowing from special account of MoF

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

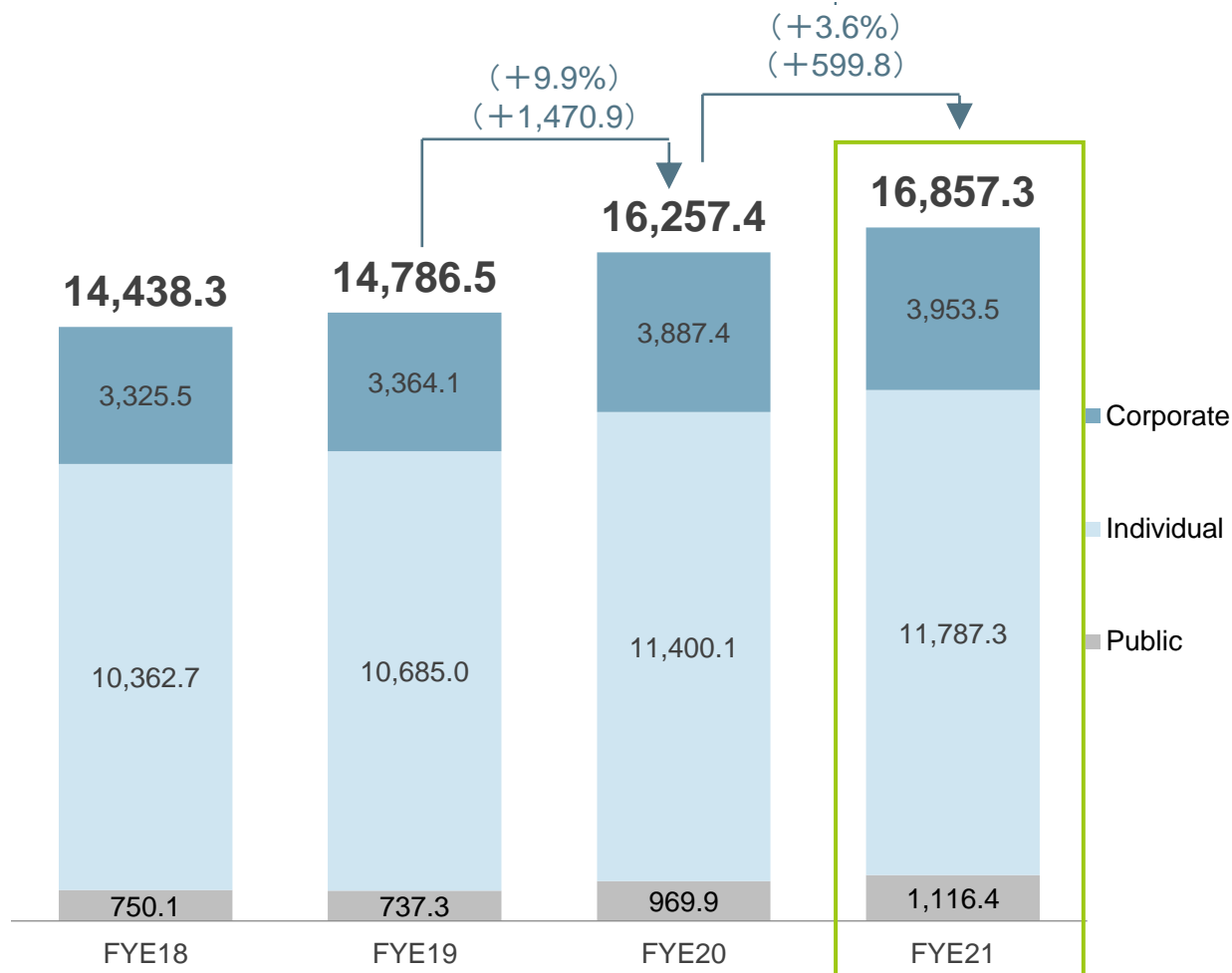
	Results	YoY Change (Factor)					
		Domestic	Chg. in Factors	Overseas	Chg. in Factors		
Interest on loans and bills discounted		Avg Balance	+1.0	+1.0	(+103.4)	+0.0	(+3.2)
		Yield	-2.8	-2.3	(-2.1bp)	-0.5	(-25.1bp)
	105.3		-1.7	-1.3	-	-0.4	-
Interest on deposits (-)	0.7		-0.8	-0.2	-	-0.5	-
Difference of interests between loans and deposits ①	104.5		-0.9	-1.0	-	+0.0	-
Interest and dividend on securities		Avg Balance	+3.4	+1.7	(+181.8)	+1.7	(+92.5)
		Yield	-4.0	-3.7	(-11.9bp)	-0.3	(-4.3bp)
	48.7		-0.6	-2.0	-	+1.4	-
(o/w gains on cancellation of Investment Trusts)	1.7		-5.0	-5.0	-	+0.0	-
(excluding gains on cancellation of Investment Trusts)	46.9		+4.4	+3.0	-	+1.4	-
Market borrowings, etc. (-)	-4.4		-6.2	-5.0	-	-1.2	-
Securities' Income (excluding gains on cancellation of Investment Trusts) ②	51.4		+10.7	+8.1	-	+2.6	-
Net Interest Income (excluding gains on cancellation of Investment Trusts) ①+②	156.0		+9.7	+7.0	-	+2.6	-

Deposits Term-end Balance

Amount of deposits increased by ¥599.8bn YoY (+3.6% annualized).

Deposits from all customers remains in an increasing trend.

Term-end Balance (Joyo+Ashikaga) (¥bn)



Year on Year Changes (¥bn)

	Mar-20	Mar-21	Mar-22
Total	+348.1	+1,470.9	+599.8
	+2.4%	+9.9%	+3.6%
Corporate	+38.6	+523.2	+66.1
	+1.1%	+15.5%	+1.7%
Individual	+322.3	+715.0	+387.2
	+3.1%	+6.6%	+3.3%
Public	-12.7	232.6	+146.5
	-1.7%	31.5%	+15.1%

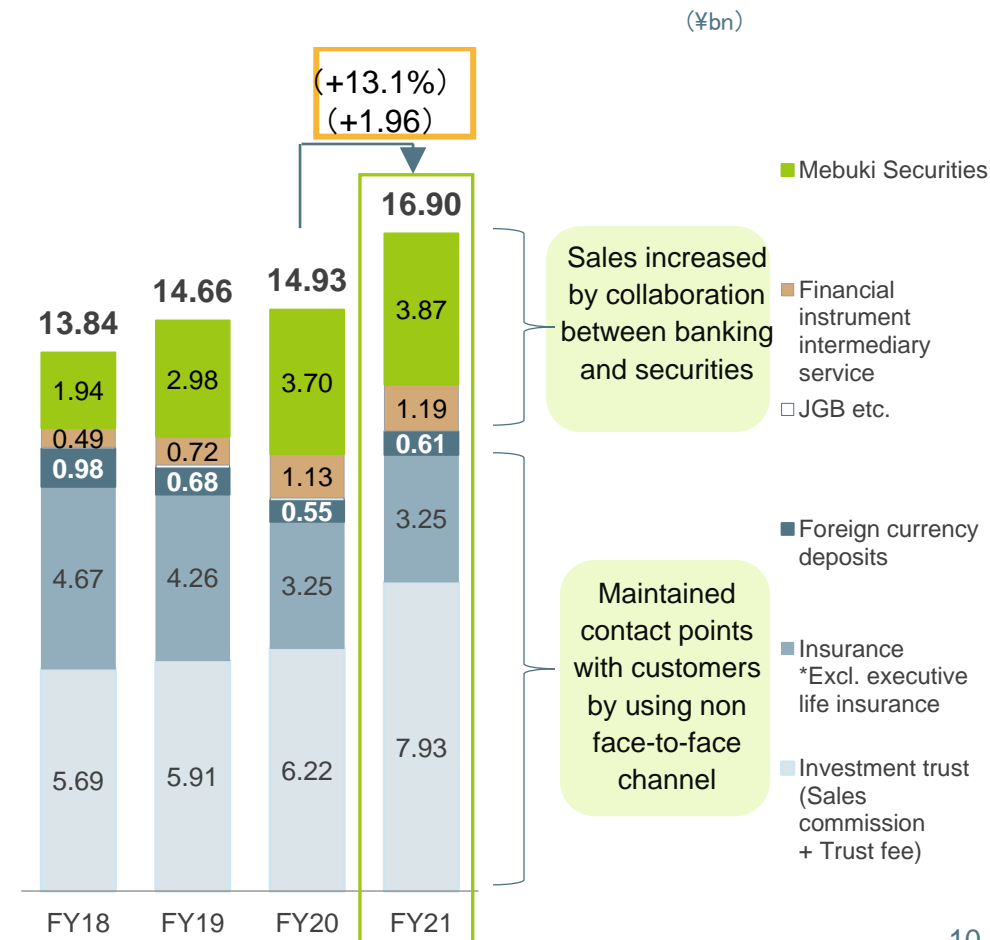
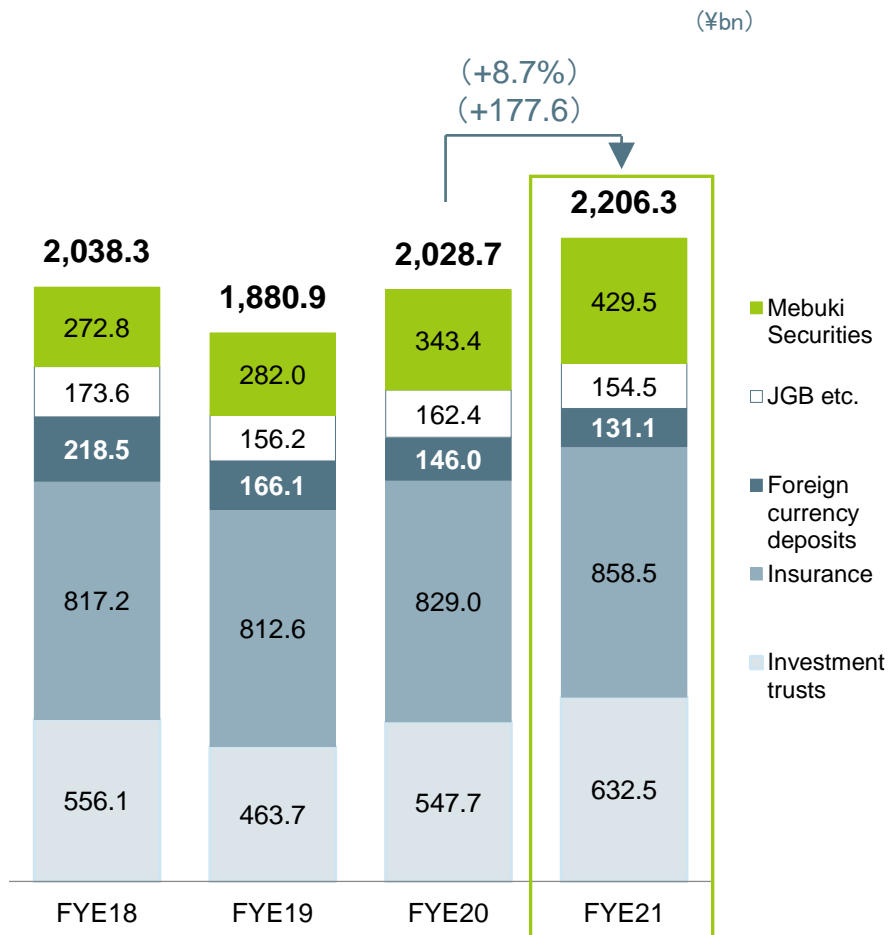
Customer Assets under Custody

Amount of customer assets under custody increased by ¥177.6bn YoY (+8.7% annualized) and related fees increased by ¥1.96bn YoY (+13.1% annualized).

We have enhanced to maintain contact points with customers by using non-face-to-face channel and strengthen the collaboration between the two banks and Mebuki Securities in our group.

Balance (Bank Total + Mebuki Securities)

Commissions (Bank Total + Mebuki Securities)

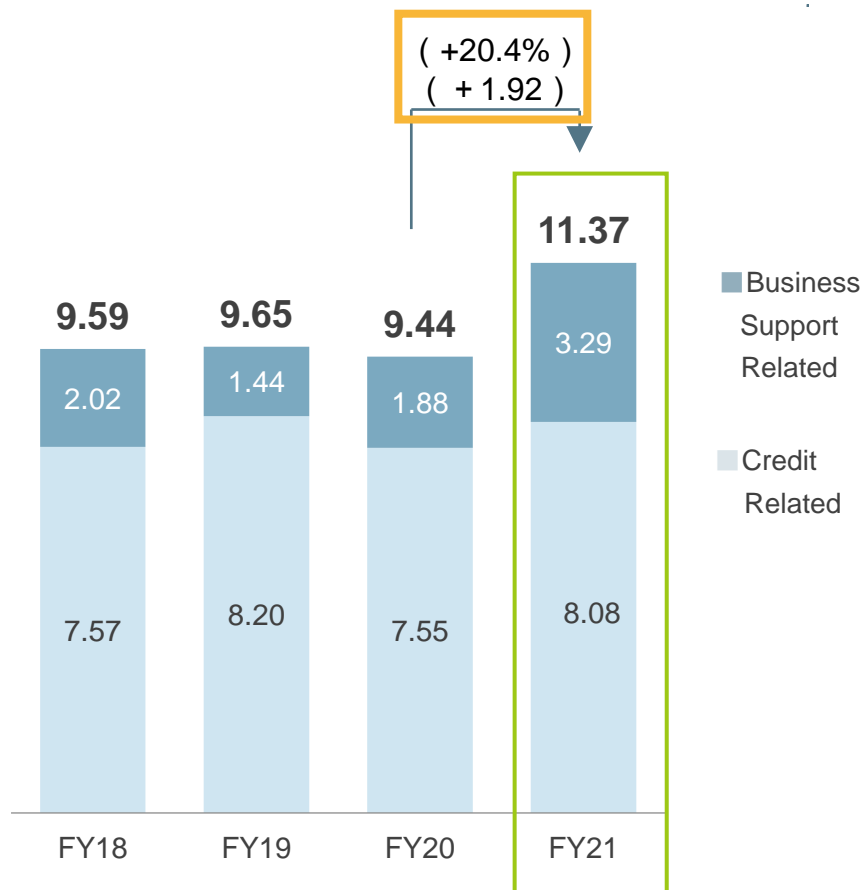


Fees from Corporate Customers

Fees from corporate customers increased by ¥1.92 bn YoY (+20.4% annualized).

Credit related fees increased by ¥0.52 bn YoY due to strengthening derivatives trading proposals that take into account market trends. Consulting related fees increased by ¥1.40bn YoY due to strengthening various business support for business matching for expanding supply chain, digitalization and human resources introduction as well as business planning and finances.

Joyo Bank + Ashikaga Bank (¥bn)



< Breakdown of Fees from Corporate customers >

	FY19	FY20	FY21	YoY
Credit related (1)	8.20	7.55	8.08	+0.52
Derivatives	1.14	0.78	1.61	+0.82
Syndicate loans	5.70	5.31	4.99	-0.31
Private placement bonds	1.35	1.45	1.48	+0.02
Consulting related (2)	1.44	1.88	3.29	+1.40
Business Matching	0.58	0.72	1.02	+0.30
Support for business Planning	-	0.10	0.84	+0.74
M&A	0.43	0.51	0.72	+0.21
Executive Insurance	0.30	0.43	0.55	+0.11
Trust · 401K	0.12	0.11	0.13	+0.02
Total ((1)+(2))	9.65	9.44	11.37	+1.92

【Business Matching, Support for Business Planning, etc.】

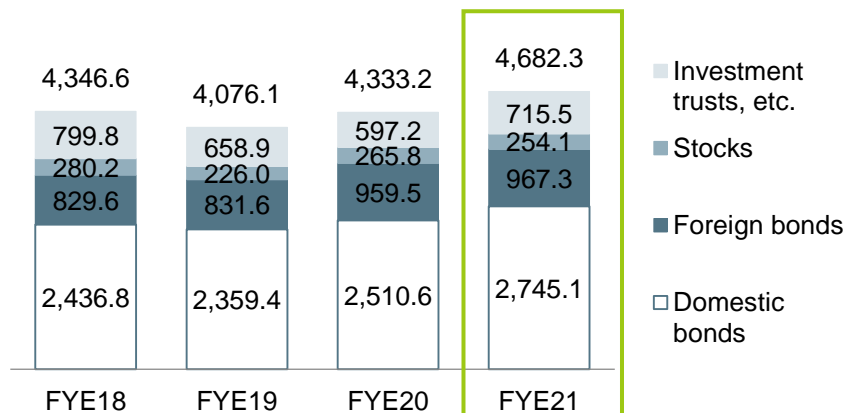
- Support for expanding sales channels and suppliers
- Introduction of core systems for sales and production management as well as systems for efficiency of back office operations such as personnel and attendance management
- Support for human resources introduction to meet customers' employment needs for "senior management" or "professionals"
- Support for business planning, financial planning and applying for public loan programs, etc.

Securities / Strategic Shareholdings

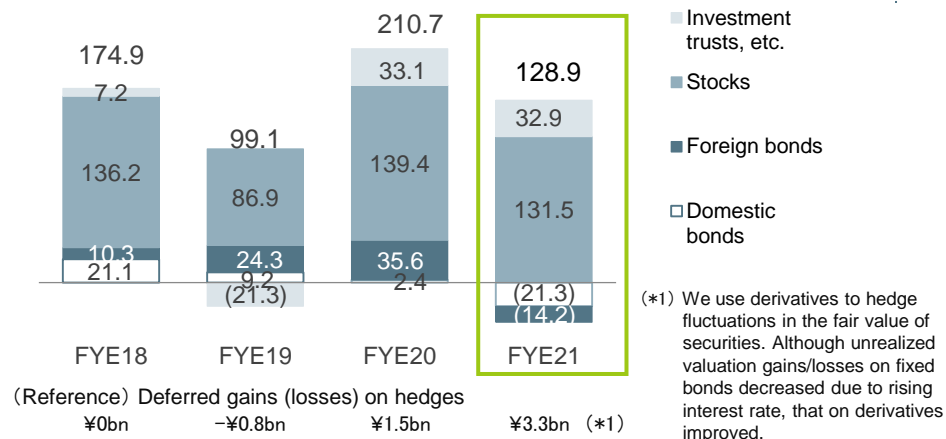
Unrealized valuation gains/losses on securities decreased YoY since domestics and overseas long-term interest rates rose.

We continue to reduce strategic shareholdings. We reduced ¥21.2bn / 24 issues in FY21.

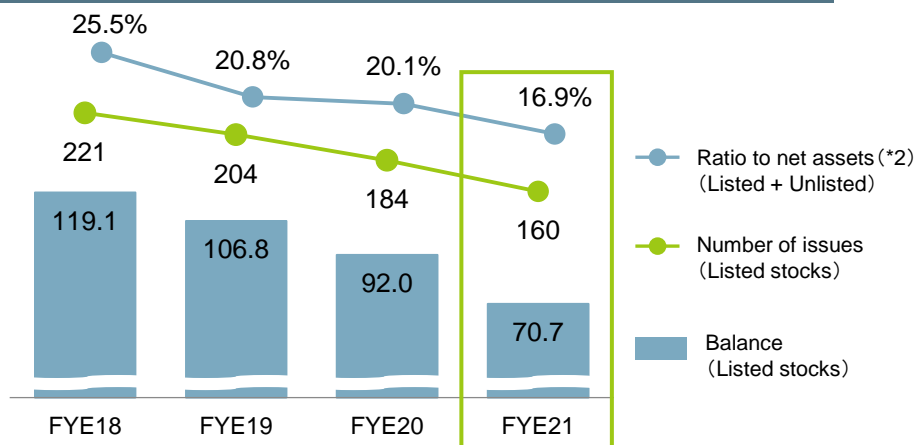
Balance(Carrying amount) (Mebuki FG) (¥bn)



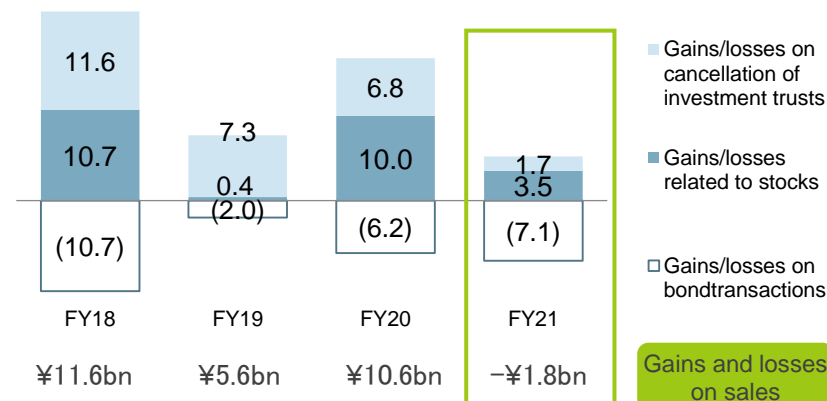
Unrealized valuation gains/losses on available for sales securities (Mebuki FG) (¥bn)



Strategic Shareholdings (¥bn)



Gains and losses on securities^(*3) (¥bn)

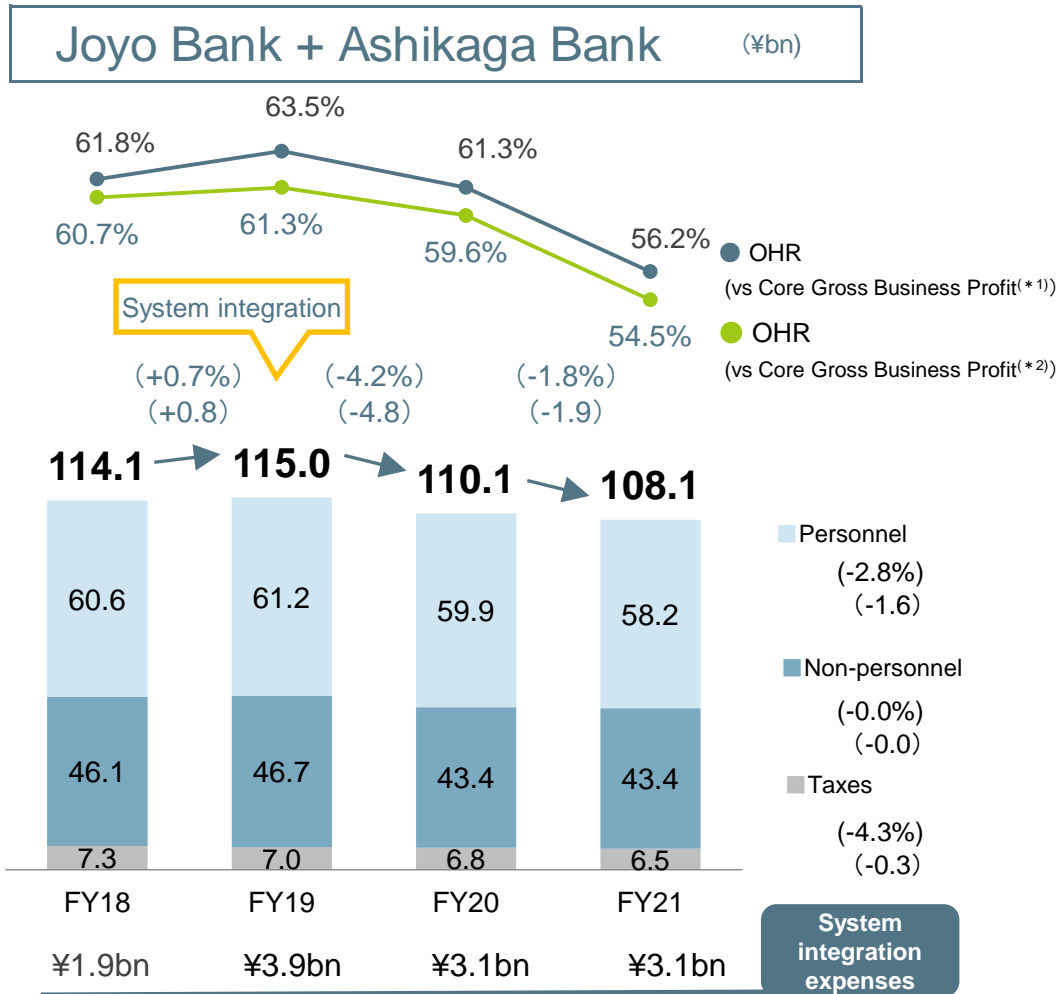


(*2) The ratio of balance sheet amounts of strategic shareholdings to consolidated net assets (based on Securities Report) (*3) gains/losses on stocks + bond transactions +cancellation of investment trusts

Expenses / OHR

Total expenses decreased, mainly in personnel expenses, due to the progression of efficiency in branch offices' operations and rationalization of head office and group companies by acceleration of the structural reform.

OHR, indicator of efficiency, declined by about 5 percentage points YoY and improved significantly.



< Factors of Change >

	FY21	YoY	Main factors
Personnel expenses	58.2	-1.6	<ul style="list-style-type: none"> Personnel reduction -1.0 (Improvement of productivity by the progression of structural reform in branch offices, head office, and group companies) Retirement benefit cost -0.6
Non-personnel expenses	43.4	-0.0	<ul style="list-style-type: none"> Reduction of rental expense by reviewing branch networks -0.2, others
Taxes	6.5	-0.3	<ul style="list-style-type: none"> Stamp tax, Fixed assets tax, etc. -0.1

(*1) Excluding gains/losses on cancellation of investment trusts

(*2) Excluding gains/losses on cancellation of investment trusts and system integration expenses

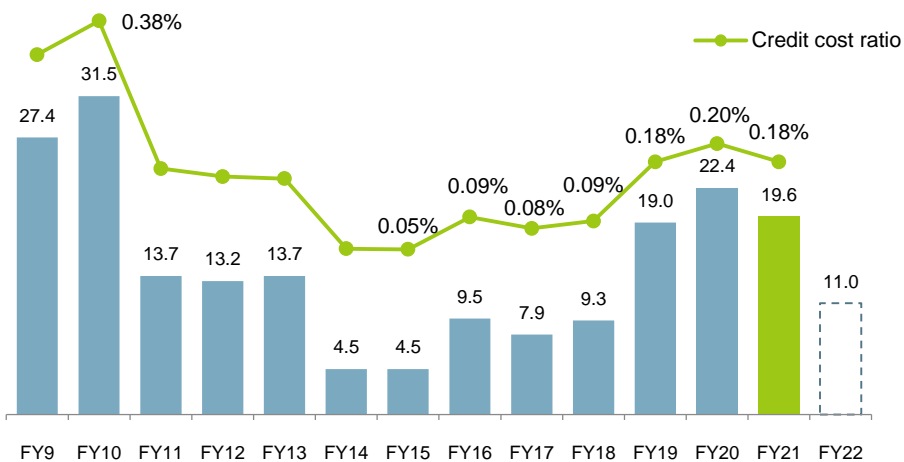
Credit Related Costs

Considering the impact of the COVID-19 pandemic and the situation in Ukraine, credit related costs were preventively recognized by transfer to specific allowance for loan losses, etc.

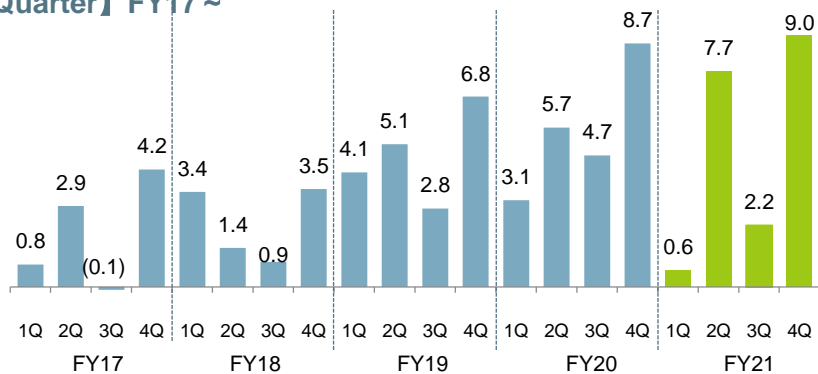
Credit related costs in FY22 are expected to be ¥11.0bn, a decrease of ¥8.6bn YoY.

Change of Credit Related Costs (¥bn)

【Annual】FY09~



【Quarter】FY17~



Breakdown on Credit Related Costs (¥bn)

	FY20	FY21	YoY
Credit Related Costs	22.4	19.6	-2.8
Net transfer to general allowance for loan losses	2.2	1.4	-0.7
Disposal of non-performing loans	20.2	18.1	-2.0
Write off of loans	4.1	4.0	-0.1
Transfer to specific allowance for loan losses	16.7	16.3	-0.4
Transfer to provision for contingent losses	0.2	0.6	+0.3
Recoveries of written-off claims(-)	1.7	3.3	+1.5
Other	0.8	0.5	-0.2

Change of terms and conditions of loans due to COVID-19 (Cumulative total until Mar.2022)

						Cumulative Total	The ratio of total customers
		~1H20	2H20	1H21	2H21		
Business loans	Customers	1,307	629	558	362	2,856	Around
	Contracts	4,099	3,288	4,151	3,355	14,893	5.1%
Housing loans	Customers	433	189	190	140	952	Around
	Contracts	477	252	256	194	1,179	0.4%

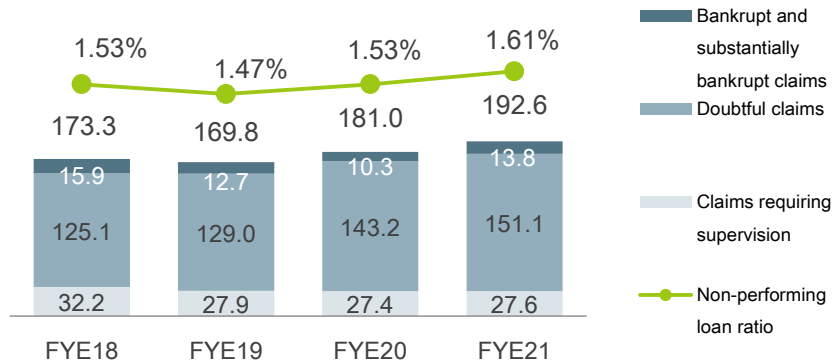
Status of Non-performing Loans and Delinquent Loans

Amount of non-performing loans based on financial revitalization law and ratio rose due to the preventive reserve carefully considering the impact of COVID-19 and the situation in Ukraine.

Although number of delinquent loans has remained flat and bankruptcies have remained stable, we continue to monitor the impact of COVID-19 and the situation in Ukraine.

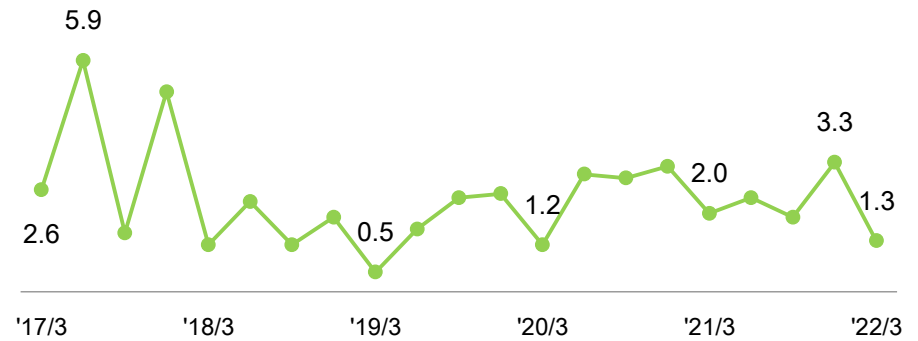
Non-performing Loans

(Financial Revitalization Law -FG consolidated) (¥bn)



Status of Delinquent Loans to Businesses

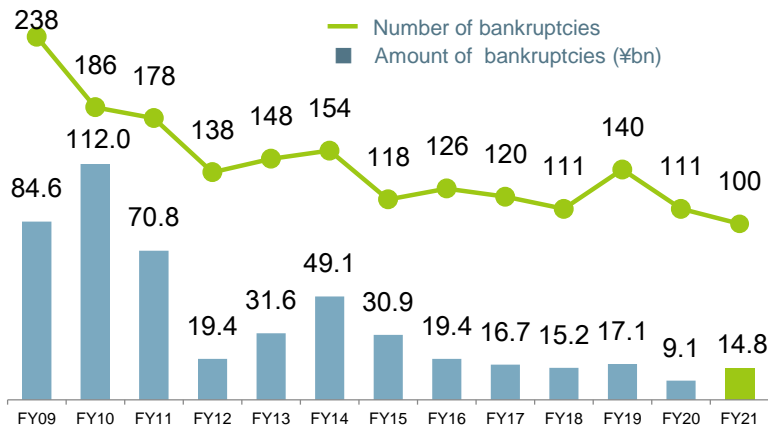
(¥bn)



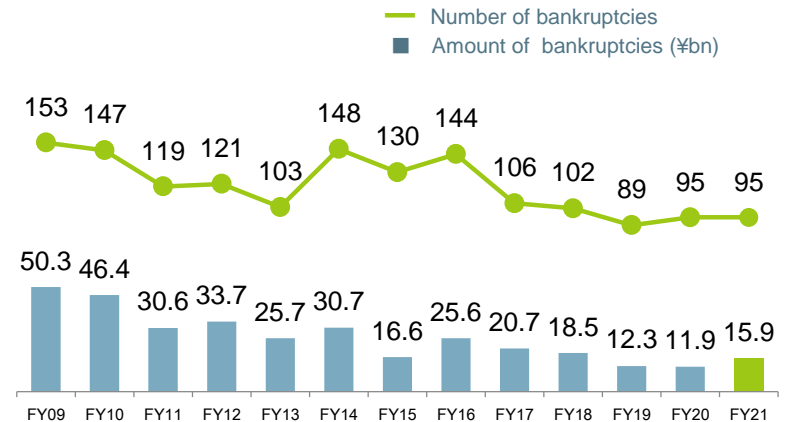
【Reference】Status of Bankruptcy

Number of bankruptcies (Total liabilities amounting to 10 million yen or more) ~by Tokyo Chamber of Commerce

<Ibaraki>



<Tochigi(*1)>



(*1) Specific major borrower's bankruptcy of ¥433.0bn in FY11 is excluded from figures below.

Shareholder Returns, Capital Adequacy Ratio

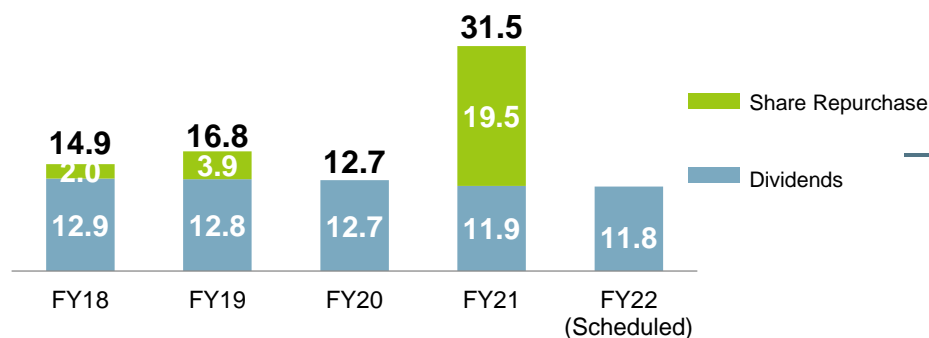
In FY21, year-end dividends of ¥5.5 (annual dividends of ¥11.0) per share have been decided. We schedule annual dividends of ¥11.0 in FY22 taking into account stable dividends.

Shareholder Returns Policy

- We will target a Total Return Ratio^(*) of 30% or more while taking into account both the maintenance of solid capital levels for future growth and the appropriate distribution of profits to our shareholders. We will continue to consider the dividend level.

(*) Total Return Ratio = (Total amount of dividends + Total amount of acquisition of own shares) / Net income

Dividends, Shareholder Returns



Annual Dividends	¥11.0	¥11.0	¥11.0	¥11.0	¥11.0 (scheduled)
Payout Ratio	27.8%	35.3%	34.9%	28.2%	26.3%
Total Return Ratio	32.3%	46.2%	34.9%	73.3%	-

Capital Adequacy Ratio

	Mebuki FG (Consolidated)	Joyo (Consolidated)	Ashikaga (Consolidated)
FYE18	9.94%	11.91%	8.55%
FYE19 ^(*)	10.95%	12.22%	9.45%
FYE20	10.87%	12.18%	9.51%
FYE21	10.92%	12.34%	9.81%

(*) As of March.31,2020, Ashikaga Bank started to calculate risk-weighted asset according to foundation internal rating-based approach (FIRB)

Forecast for FY2022

Mebuki FG

(consolidated)

(¥bn)

	Forecast for FY22	FY21 Results	YoY
Ordinary Profit	65.0	64.9	+0.0
Net Income (Attributable to owners of the parent)	45.0	42.9	+2.0

Total of Two Banking Subsidiaries

(¥bn)

	Forecast for FY22	FY21 Results	YoY
Ordinary Profit	62.5	60.4	+2.0
Net Income	43.0	40.0	+2.9
(Credit Related Costs)	11.0	19.6	-8.6

Subsidiary Banks

(Joyo)

(¥bn)

	Forecast for FY22	FY21 Results	YoY
Ordinary Profit	38.5	37.9	+0.5
Net Income	26.0	24.6	+1.3

(Ashikaga)

(¥bn)

	Forecast for FY22	FY21 Results	YoY
Ordinary Profit	24.0	22.5	+1.4
Net Income	17.0	15.4	+1.5

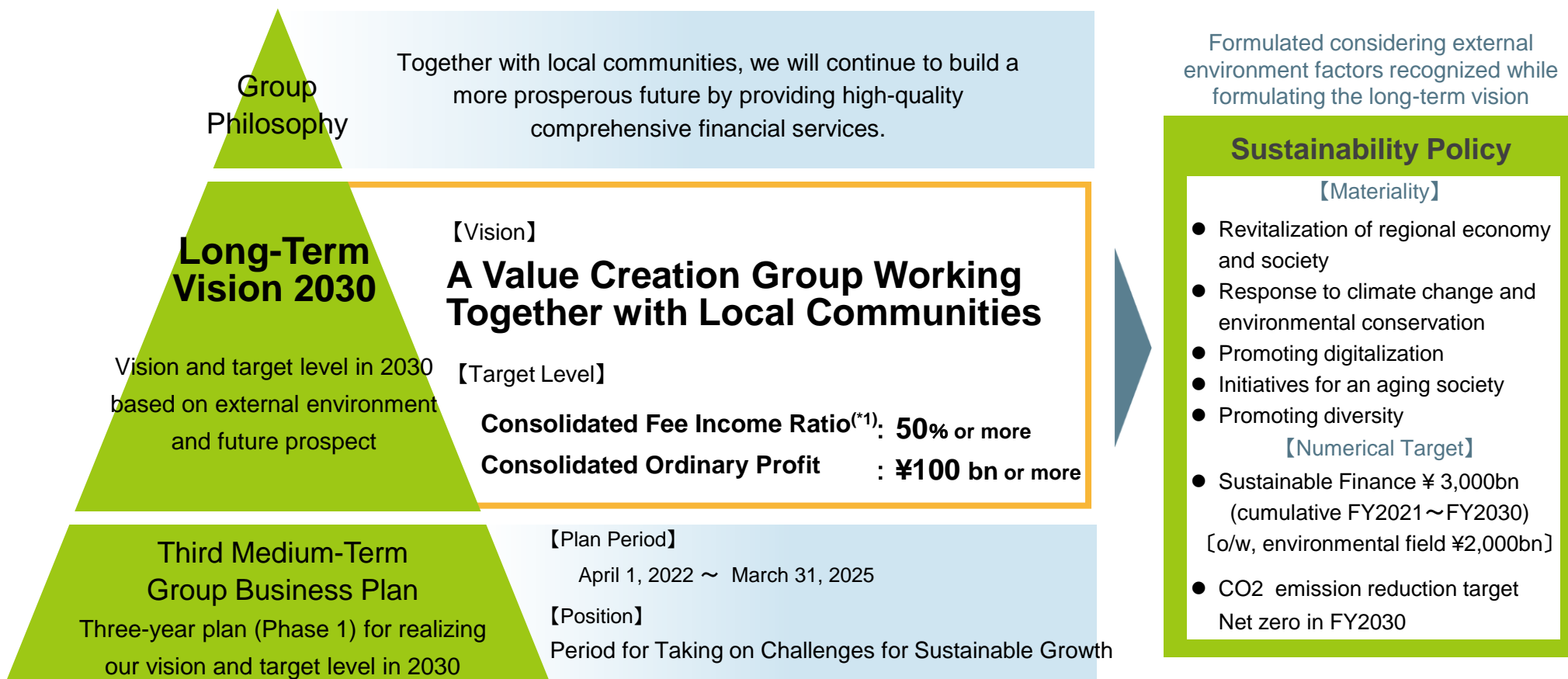
Long-Term Vision 2030

Third Medium-Term Group Business Plan

(Plan Period: April 1, 2022 ~ March 31, 2025)

1 Long-Term Vision

- In order to achieve sustainable growth together with local communities amidst a drastically changing business environment, we have formulated a long-term vision targeting the year 2030 as a major direction for the Group to aim for.
- “Long-Term Vision 2030” is based on our desire to “continue to create new value by working together with local stakeholders to solve their various issues” and to “contribute to the realization of sustainable local communities through value creation, and remain an essential presence in local communities.”



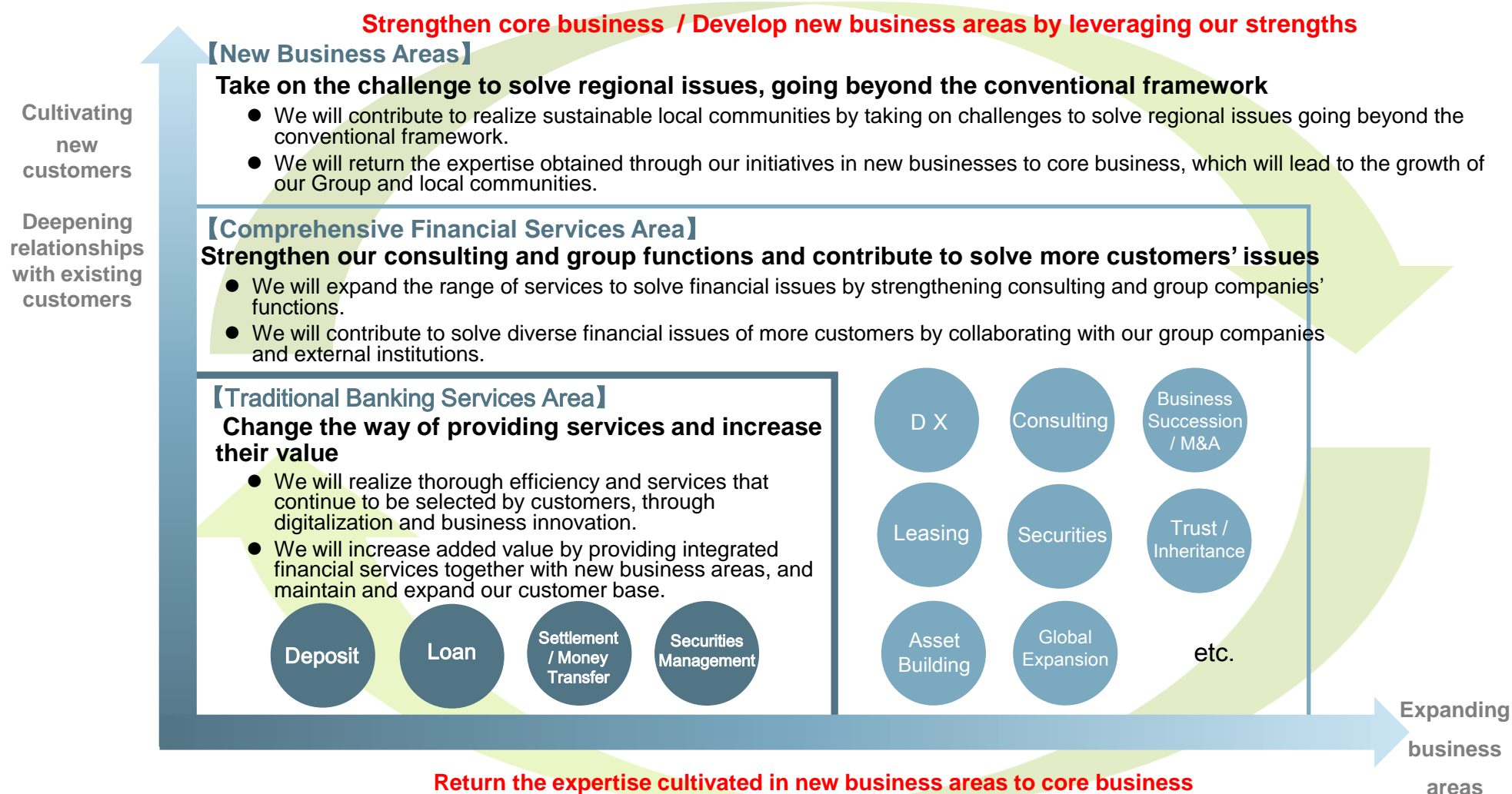
(*1) Consolidated Fee Income Ratio = Consolidated fee income^{*2} ÷ Income from customers^{*3}

(*2) Consolidated fee income = Fee from customers of Banks + Gross profit from customers of other group companies

(*3) Income from customers = Difference of interests between loans and deposits + Consolidated fee income ※excluding securities' income

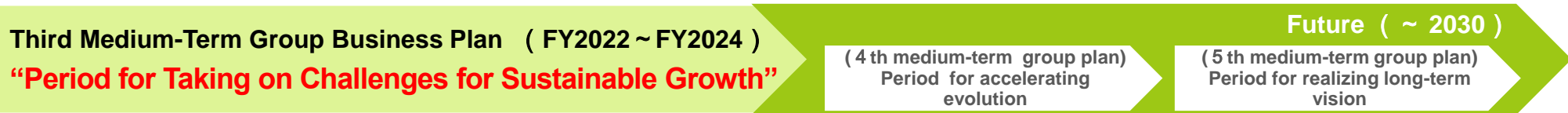
2 Approach to Realization of Long-Term Vision

- To realize our long-term vision, we will strengthen our core business areas such as traditional banking and comprehensive financial services and take effort to expand our business areas by leveraging our strengths.
- We will create new value by taking on challenges to solve regional issues beyond the framework of conventional financial services and returning the expertise obtained through these initiatives to our core business.



3 Overview of the Third Medium-Term Group Business Plan

- The Third Medium-Term Group Business Plan is positioned to be a “Period for Taking on Challenges for Sustainable Growth.”
- While strengthening our management structure by innovating traditional banking services and deepening comprehensive financial services, we will take effort to sow and nurture in “New Business Areas” and aim to contribute to local communities beyond the framework of conventional financial services.



Basic Strategies

- 1 . Pursue a business model to support local communities
- 2 . Build a sustainable management base
- 3 . Develop human resources and promote active participation

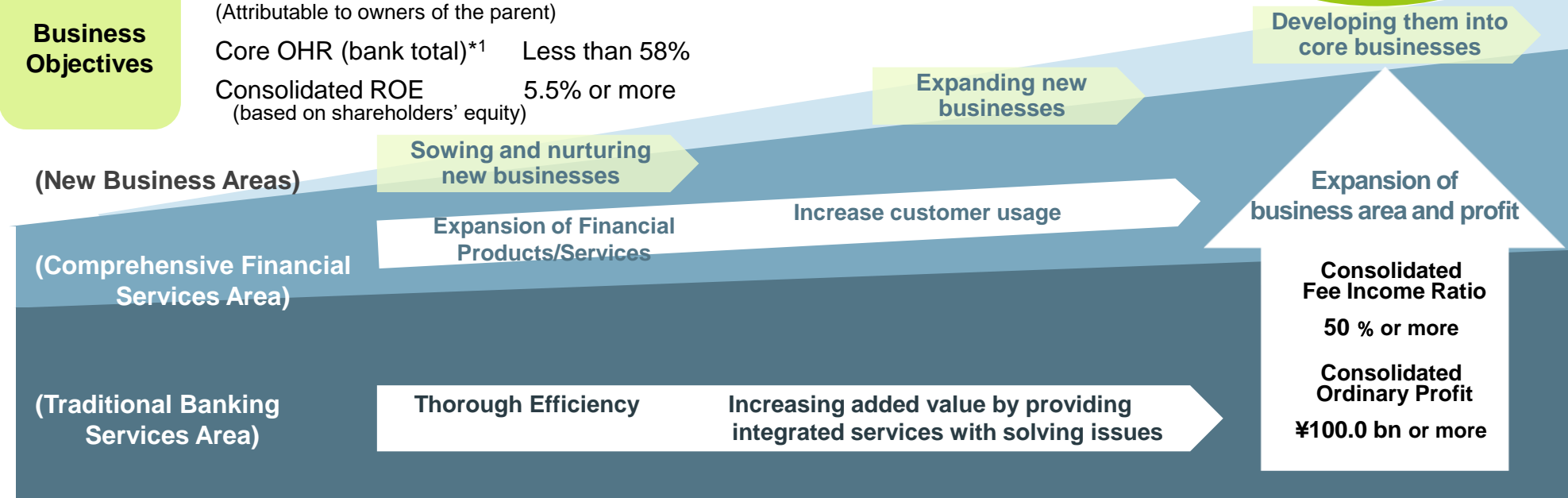
Business Objectives

Consolidated net income ¥ 52.0 bn or more
 (Attributable to owners of the parent)

Core OHR (bank total)*1 Less than 58%

Consolidated ROE 5.5% or more
 (based on shareholders' equity)

Long-Term Vision 2030
A Value Creation Group Working Together with Local Communities



* 1 Core OHR = Expenses + Core gross business profit (Gross business profit * 2 - gain/losses on bond transactions)
 * 2 Excluding gains/losses on cancellation of investment trusts and remuneration from “Special Deposit Facility to enhance the resilience of the regional financial system” and “Special Funds-applying Operations to facilitate financing in response to COVID-19” by Bank of Japan

4 Basic Strategies of the Third Medium-Term Group Business Plan

- In the Third Medium-Term Business Plan, we will pursue a business model to support local communities aimed at contributing to them through new value creation.
- Toward new value creation, we will work to build a sustainable management base by promoting Digital Transformation(DX), etc., and to develop human resources and promote their active participation.

	Basic Strategy 1 Pursue a business model to support local communities	Basic Strategy 2 Build a sustainable management base	Basic Strategy 3 Develop human resources and promote active participation	
New Business Areas	<p>【Specific Strategy 1-3】 Challenges to expand business areas</p> <ul style="list-style-type: none"> ● Provide value beyond the conventional framework utilizing the strengths of our Group and investments 	<p>【Specific Strategy 2-1】 Promoting DX</p> <ul style="list-style-type: none"> ● Provide new services by utilizing digital technology and data, increase the added value of conventional services 	<p>【Specific Strategy 2-2】 Enhancing group management</p> <ul style="list-style-type: none"> ● Organizational development related to DX and sustainability ● Business management response to expansion of business areas 	<p>Developing and securing human resources who can create value</p> <ul style="list-style-type: none"> ● Trainee dispatch About 120 people (3 year cumulative) ● Developing employees' digital skills DX personnel 400 people (end of Mar.2025) Basis of DX personnel 3,000 people (end of Mar.2025) * Expected at the end of Mar. 2022 : 1,000 people
Comprehensive Financial Services Area	<p>【Specific Strategy 1-2】 Deepening comprehensive financial services</p> <ul style="list-style-type: none"> ● Strengthen consulting and group functions and contribute to solve more customers' issues 	<ul style="list-style-type: none"> ● Accumulate, analyze and utilize data obtained through digital channel and face-to-face channel 	<p>Shifting human resources to focus area: 200 people (3 year cumulative) New digitalization investments ¥7.0 bn (3 year cumulative)</p>	<p>Implementing diversity / Initiatives for job satisfaction</p> <ul style="list-style-type: none"> ● Expanding working opportunities for female employees Female employees ratio of positions equivalent to assistant manager or higher 35% or more (end of Mar.2025) * Expected at the end of Mar. 2022 : 31%
Traditional Banking Services Area	<p>【Specific Strategy 1-1】 Innovating traditional banking services</p> <ul style="list-style-type: none"> ● Enhance customers' convenience utilizing digital technology and non-face-to-face services ● Increase the value of services by strengthening consulting function and providing integrated services for solving issues 	<ul style="list-style-type: none"> ● Accelerate business innovation ● Expand non-face-to-face and remote procedures 	<p>Generating management resources by promoting DX etc. Reducing and reviewing business operations About 580 people (3 year cumulative) Cost reduction ¥3.0 bn (compared to FY21, the final year of 2nd medium-term plan)</p>	

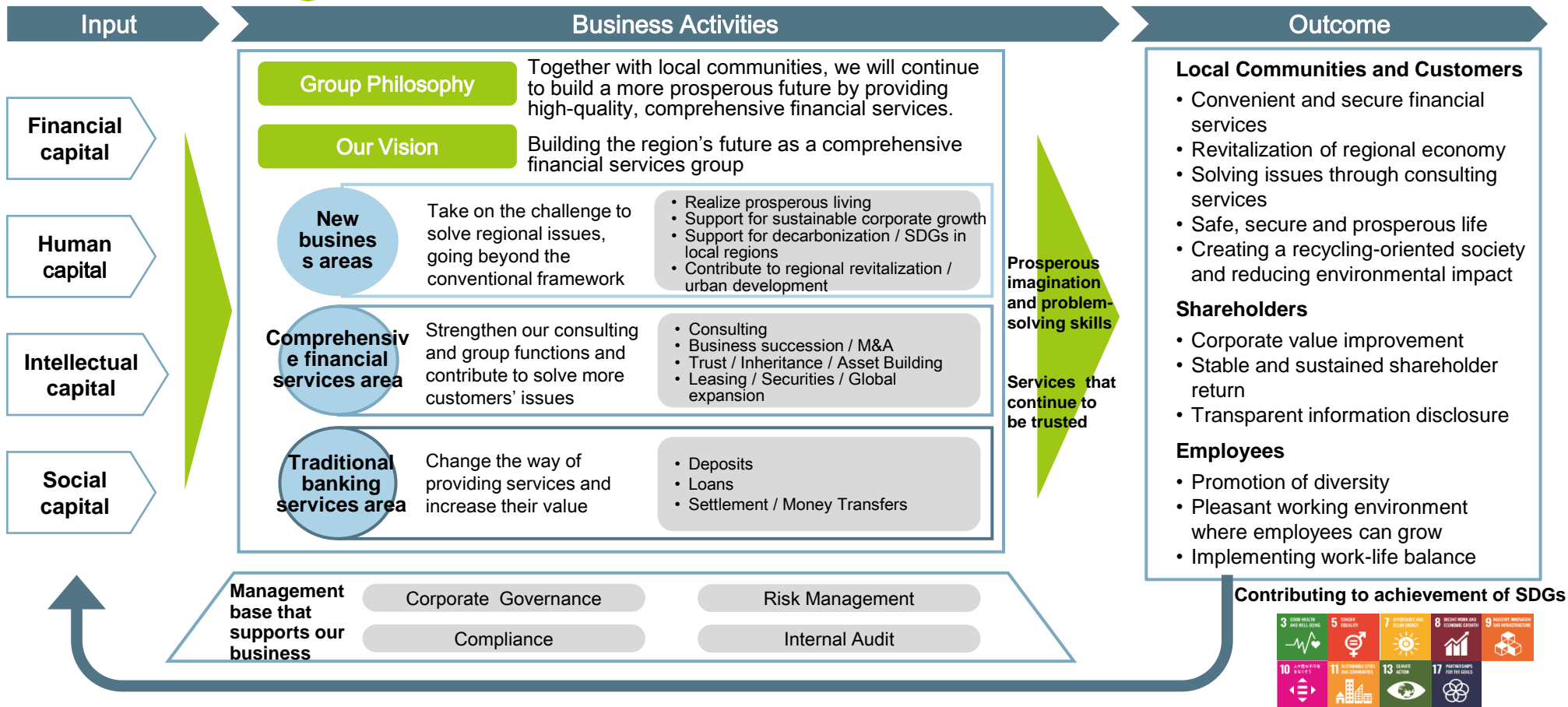
Value Creation Process

Initiatives for Sustainability

Value Creation Process

Based on the corporate philosophy of the Group, Mebuki Financial Group will provide high-quality, comprehensive financial services by taking advantage of its wide-area network, solid customer base and other strengths, while contributing to the sustainable growth of local communities through improving the Group's corporate value and creating value for stakeholders.

- External environment**
- Aging and Declining population
 - Industrial and work structure changes
 - Progress of digitalization and technology
 - Changes in lifestyle and value
 - Shift to decarbonized and recycling-oriented society



Explanation of each capital

Financial capital

- Sufficient capital
- Sound assets
- Stable funding

Human capital

- Diverse human resources
- Enhancing training programs and specialized human resources
- Human resources rooted in local communities

Intellectual capital

- Brand strength and history
- Comprehensive capabilities with know-how in the Group
- Advanced risk management

Social capital

- Wide-area networks based in Ibaraki and Tochigi Prefectures
- Solid customer base
- Network with domestic and international partners

Sustainability Policy

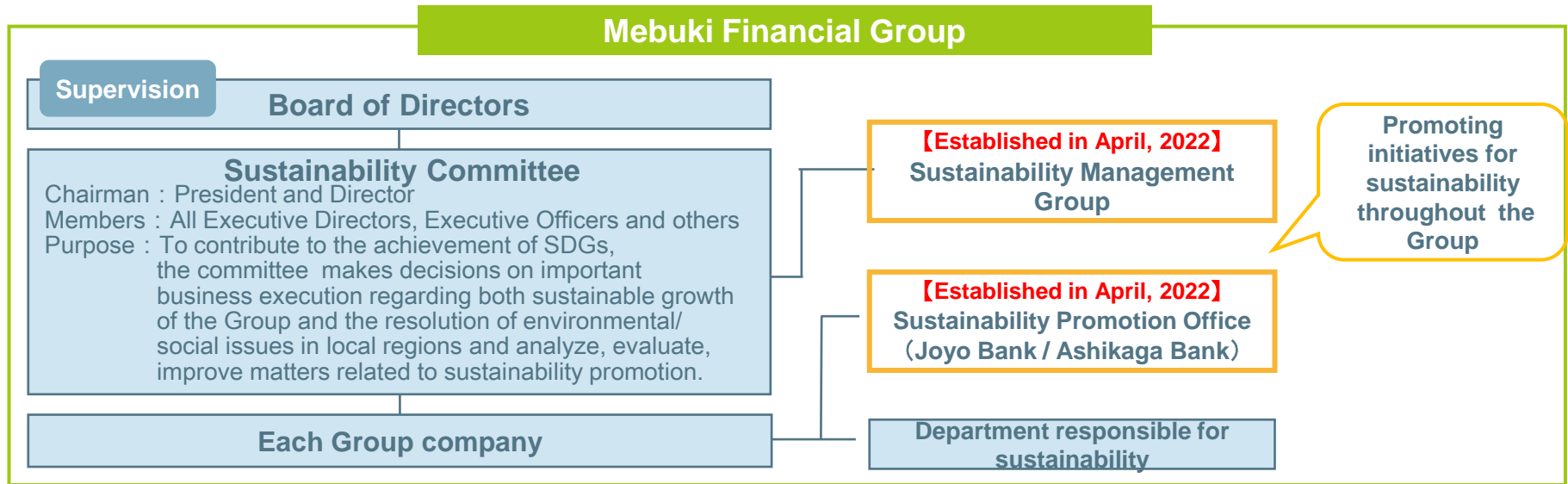
Mebuki Financial Group has formulated the Group Sustainability Policy in order to reinforce further initiatives for the achievement of our long-term vision, in conjunction with the start of the 3rd Medium-Term Group Business Plan. In addition, we have formulated independent policies to clarify policies regarding “Environment”, “Human Rights” and “Diversity”.

Long-Term Vision 2030
“A Value Creation Group Working Together with Local Communities”

Mebuki Financial Group Sustainability Policy



Based on the group philosophy “*Together with local communities, we will continue to build a more prosperous future by providing high-quality comprehensive financial services*”, Mebuki Financial Group will support solving issues in our regions, while contributing to the achievement of sustainable growth of local communities as well as the improvement of our corporate value.



Sustainability Policy

Mebuki Financial Group has established key issues (materiality) to be focused on in order to contribute to the realization of sustainable local communities.

Going forward, based on these five (5) key issues, we will promote initiatives to solve regional issues.

Key issues (Materiality)	Main initiatives in the 3rd mid-term business plan	Goal of SDGs	Long-term KPI for sustainability
Revitalization of regional economy and local communities	<p>【Specific Strategy 1-2】 Deepening comprehensive financial services</p> <ul style="list-style-type: none"> Deepening consulting function for companies Initiatives for regional revitalization / SDGs Deepening life plan consulting <p>【Specific Strategy 1-3】 Challenges to expand business areas</p> <ul style="list-style-type: none"> Developing new business areas by leveraging group's strength Utilizing strategic investments and collaboration, etc. 		<p>Sustainable finance goal</p> <p>FY2021~FY2030 (cumulative total) “ 3 trillion yen ” (o/w Environmental fields 2 trillion yen)</p>
Climate change and environment conservation	<p>【Specific Strategy 1-2】 Deepening comprehensive financial services</p> <ul style="list-style-type: none"> Initiatives for regional revitalization / SDGs 		<p>CO2 emission reduction goal</p> <p>FY2030 “CO2 emission Net-zero”</p>
Promotion of digitalization	<p>【Specific Strategy 1-1】 Innovating traditional banking services</p> <ul style="list-style-type: none"> Enhancing contact points with customers and non-face-to-face services using digitalization Optimizing channel network and enhancing consulting function <p>【Specific Strategy 2-1】 Promoting DX</p>		<p>Female employees ratio of positions equivalent to assistant manager or higher</p> <p>End of Mar. 2025 “ 35% ” or more</p>
Response to aging society	<p>【Specific Strategy 1-2】 Deepening comprehensive financial services</p> <ul style="list-style-type: none"> Enhancing response to an aging society 		<p>End of Mar. 2025 “ 35% ” or more</p>
Promotion of diversity	<p>【Basic Strategy 3】 Develop human resources and promote active participation</p> <ul style="list-style-type: none"> Implementation of diversity 		

Initiatives for Sustainability

We will work with all of our stakeholders, including customers, shareholders, employees and business partners, to create a more prosperous regional society and aim to keep growing together with our local communities.

Main initiatives as a corporate citizen

E Response to climate change



- Contribution to decarbonized society
 - Initiatives for TCFD recommendation (enhancing internal control system including scenario analysis of climate change and related disclosures)
 - Initiatives to reduce greenhouse gas emission
- Forest conservation activities, subsidies and donations to environment conservation groups

S Promotion of diversity



- Increase active participation of female employees and opportunities for promotion to higher level positions
- Develop and secure specialized human resources, active participation of senior human resources
- Investment in people
- Work-style reform / promote work-life balance
- Respect for human rights

S Build a sustainable system / Develop and secure human resources in local regions



- Promotion of digital transformation (DX)
- Innovation of business operations
- Support for financial education
- Joint support with local governments for recruiting
- Support for training young managers and successors

G Advanced corporate management



- Strengthen and improve corporate governance
- Shut out relations with anti-social forces and prevent money-laundering and financing of terrorism for a peaceful and just society

Main initiatives contributing to SDGs through the Group's businesses

E Response to climate change



- Environmental consideration and support for the spread of renewable energy through investment to green loans / bonds and environment-friendly private placement bonds, etc.
- Support for promoting environmental businesses

S Promotion of sustainability transformation (SX)



- Collaborative creation with our customers
 - For acceleration and expansion of SDGs, we will provide various products/services to raise customers' sense of participation in SDGs from the viewpoint of "activities to support the achievement of SDGs' goals in partnership with customers"



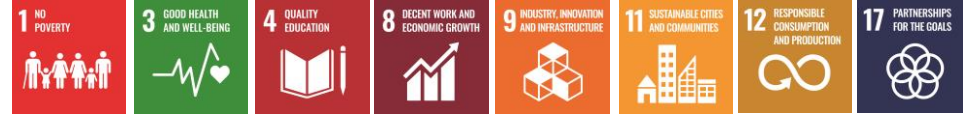
S Contributions to regional sustainable growth



- Collaboration with local regions / regional companies and regional revitalization by making the most of the Group's wide-area network
- Solving regional issues by working with local governments
- Financial support by providing sustainability linked loans to solve customers' social issues
- Expanding various services related to financial gerontology
- Expanding non-financial services responding to problems for the elderly

Initiatives for Sustainability

● Major initiatives through the Group's business



Discovering and creating new business

- For the development of the regional economy, we invite people in the community to offer innovative and creative business plans, for which we provide support toward commercialization and growth.
- In FY21, we awarded 27 business plans.



Business Award ceremony

Initiatives to revitalize the regional economy

- By making the most of the Group's wide-area network, Jojo Bank and Ashikaga Bank jointly hold various business conferences related to agriculture, food and manufacturing to help develop a market and expand economic exchange through business matching, etc. among clients.



Initiatives based on the knowledge on gerontology

- Toward the realization of the communities where the elderly can continuously live in comfort, we are expanding our services utilizing the knowledge on gerontology. (Asset management, asset succession, etc.)



Identifying management issues and providing solutions for regional companies

- To support the efforts to solve management issues, we provide optimal solutions through consulting. (Business succession, SDGs consulting, etc.)



Supporting the growth and enhanced productivity of regional companies

- We provide support for appropriate personnel placement as well as for review of personnel systems to solve issues. In addition, we offer management issue solutions utilizing personnel working side jobs.



Contributing to communities through private placement bonds with donation scheme

- A portion of the commission received when issuing private placement bonds for customers is used for donating goods to schools or organizations engaged in initiatives for SDGs of the customer's choice.



Kindergartners playing with donated toys 28

Initiatives for Sustainability

● Initiatives for climate change and environment conservation



Initiatives for promoting renewable energy business

- We proactively support our clients' efforts toward the realization of a carbon-free society by providing financial support for renewable energy businesses.



Initiatives to reduce greenhouse gas emissions

- Setting a reduction goal of CO2 emissions, the entire Group strives to reduce CO2 emissions through measures such as establishing environment-friendly branches and integrating the mail carrying system between offices and branches.



Fuel-efficient business cars

Subsidies and donations to environment conservation groups

- To support environment conservation activities, we continue to offer subsidies and donations to organizations and groups working on environment conservation.



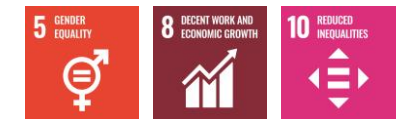
Kindergartners releasing juvenile fish

Environment conservation activities

- In addition to tree-planting activities and promotion of environmental education, we make efforts to conserve the environment through reduced paper use by promoting our smartphone app and online passbook. (Tree planting, saving paper resources by promoting online passbook, etc.)



● Initiatives for diversity



Promotion of diversity

- We have established "**Diversity Promotion Office**" as an organization to supervise the initiatives for promoting diversity to create a working environment where women and other diverse human resources can become more active, and to improve organizational capabilities.
- We are conducting "**Mebuki Women's Class**" in order to foster women leaders and proactively promoting capable and motivated women employees to assistant manager positions or higher.



"Mebuki Women's Class"

Initiatives for LGBT communities

- We offer housing loans and house renovation loans, accepting same-sex partners as spouses. We include same-sex partners as loan recipients in the cases of joint liability or combining income at the time of borrowing, as we aim for a society where people can live by their own values, with their sexual orientation and gender identity being respected.

Response to Climate Change

In March 2021, we declared support for the TCFD Recommendations and strengthened our response to climate change.

Revising the target for CO2 emissions reduction upwards, we will accelerate to realize a decarbonized society and contribute to regional sustainable growth.

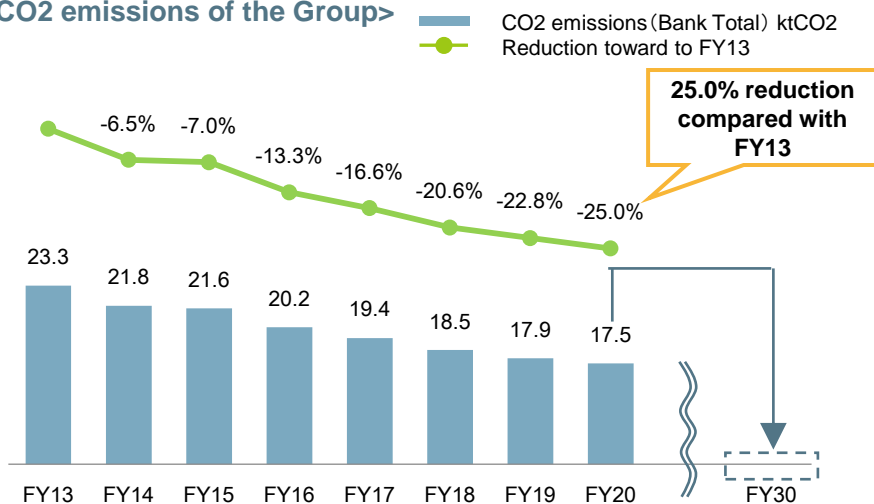
CO2 Emissions Reduction

- We have set the target for CO2 emission reduction in FY2030 to **“Net-zero”**.
- We have achieved a 25.0% reduction of CO2 emissions in FY2021 (*1), compared with FY2013.



* 1 Total CO2 emissions of Scope 1 + Scope 2 of Joyo Bank + Ashikaga Bank, calculated based on the reporting standards stipulated in the Energy Efficiency Act.

<CO2 emissions of the Group>



Sustainable Finance

Definition of “Sustainable Finance”

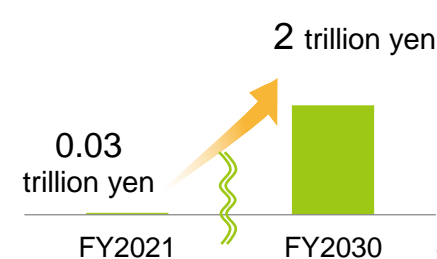
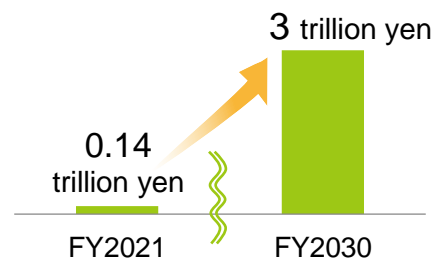
“Finance to support customers’ activities aiming to realize a sustainable society through solving environmental and social issues”, as referenced in related external standards (the Green Loan Principles, the Green Bond Principles, the Social Bond Principles, etc.)

Transactions subject to “Sustainable Finance”

Environmental fields	Projects that contribute to the adaptation and mitigation of climate change, including renewable energy projects Capital investments that contribute to re-energy, energy conservation and carbon neutral, etc.
Social fields	Projects that contribute to regional revitalization and regional creation Projects that contribute to foster start-up companies and job creation

Cumulative total (FY2021 ~ FY2030) **3 trillion yen**

o/w Environmental fields **2 trillion yen**



Response to Climate Change

We will continue to implement proactive support for customers' efforts seeking the achievement of a sustainable environment and society, by providing renewable energy-related loans for reducing climate change risks and through our environment conservation activities. Further, we will appropriately act for reducing and avoiding negative impacts based on the “Environmentally and Socially Friendly Investments and Loans Policy”.

Major Initiatives for Environment Conservation

<Initiatives for promoting renewable energy business >

- We proactively support our customers seeking the realization of a carbon-free society by providing financial support for renewable energy business projects such as solar power generation, biomass power generation, and wind power generation.

<Balance of investments and loans related to renewable energy>
(as of end of March, 2021)

Loans	¥195.7bn
Solar power	¥175.7bn
Others (biomass power, wind power, etc.)	¥20.0bn
Investments	¥12.3bn

<Subsidies for environment conservation groups, etc.>

- Utilizing the mechanism of charitable trust, we grant subsidies to organizations and groups working on environment conservation.

Total investments and loans balance (Bank total) ¥208.1bn

<Subsidies through charitable trust (Cumulative total, as of end of March, 2022)>

Number	Amount of Subsidies	Number of cedar trees owned
1,571	169.44 million yen	80

<Environment conservation activities>

- We have conducted tree-planting and other activities in order to pass our communities' beautiful and sound forests on to the next generation. We are also making efforts to protect limited natural resources by promoting the use of smartphone apps and online passbooks in efforts to save paper.

<Support for the 21st Century Financial Behavior Principles>

- Supporting the 21st Century Financial Behavior Principles, which was adopted in December 2011 in order for financial institutions in the banking, securities, and insurance industries to work together on expanding environmental finance initiatives, we make efforts toward the formation of a sustainable society.



Environmentally and Socially Friendly Investments

- Concerning investments and loans to particular sectors that could cause great impact on the environment and society, we will appropriately act based on the “Environmentally and Socially Friendly Investments and Loans Policy”.

1. Coal-fired power plants

In principle, we will not engage in investments and loans for newly established coal-fired power plants. (However, exceptions may be considered where taking into account background or characteristics of each project such as overall power generation efficiency, impacts on environment and local communities, etc., based on international guidelines.)

2. Deforestation

Investment decisions for deforestation operations will be made after careful consideration of the status of acquisition of international certifications by FSC or PEFC, environmental considerations and conflicts with local communities.

3. Palm oil plantation development

Investment decisions for palm oil plantation development will be made after careful consideration of the status of acquisition of international certifications by RSPO, environmental considerations, and conflicts with local communities.

4. Cluster munitions manufacturing

In view of the inhumane nature of cluster munitions, we prohibit investments and loans for businesses that manufacture cluster munitions, regardless of the use of the funds.

5. Human rights violations, forced labor, etc.

We prohibit investments and loans for businesses that violate the principles of international human rights standards such as child labor and forced labor.

【Financial Data for FY21】

【Data】 Breakdown of Banking subsidiaries

(1) P/L for FY21							(¥ b n)	
	J+A	YoY	Joyo	YoY	Ashikaga	YoY		
Gross business profit	187.0	+6.8	106.9	+4.5	80.0	+2.3		
(Core Gross business profit)	194.1	+7.7	111.8	+5.4	82.3	+2.3		
Net interest income	157.7	+4.6	90.7	+2.9	67.0	+1.7		
o/w Gains/losses on Cancellation of Private Offering Investment Trusts	1.7	-5.0	1.7	-3.1	0.0	-1.9		
Net fees and commissions	33.7	+2.3	19.2	+1.9	14.5	+0.3		
Net other business income and Net trading income	-4.5	-0.1	-3.0	-0.3	-1.5	+0.2		
(o/w gains/losses on bond transactions)	-7.1	-0.8	-4.8	-0.9	-2.2	+0.0		
Expenses	108.1	-1.9	60.5	-1.1	47.6	-0.8		
o/w Personnel expenses	58.2	-1.6	32.7	-0.4	25.4	-1.2		
o/w Non-personnel expenses	43.4	-0.0	24.1	-0.5	19.2	+0.5		
Net business income (before general allowance for loan losses)	78.8	+8.8	46.4	+5.6	32.4	+3.1		
Core net business income	86.0	+9.7	51.2	+6.5	34.7	+3.1		
Core net Business Income (exclu. Gains/losses on Cancellation of Investment Trusts)	84.2	+14.8	49.5	+9.7	34.7	+5.0		
Net transfer to general allowance for loan losses (a)	1.4	-0.7	0.3	-1.4	1.0	+0.6		
Net business income	77.4	+9.6	46.0	+7.0	31.3	+2.5		
Net non-recurrent gains/losses	-16.9	-5.0	-8.1	-5.1	-8.7	+0.1		
o/w Disposal of non-performing loans (b)	18.1	-2.0	9.5	-0.8	8.6	-1.2		
o/w Gains/losses related to stocks, etc	3.5	-6.5	3.5	-5.5	-0.0	-0.9		
Ordinary profit	60.4	+4.5	37.9	+1.8	22.5	+2.6		
Extraordinary income/losses	-4.2	-6.4	-3.6	-2.3	-0.5	-4.1		
Net income	40.0	-2.1	24.6	+0.1	15.4	-2.2		
Credit related costs (a)+(b)	19.6	-2.8	9.8	-2.2	9.7	-0.5		

(2) Average Yield on Loans(excluding borrowing from special account of MoF)

		FY18	FY19	FY20	FY21	YoY
J+A	Domestics	1.03%	0.99%	0.96%	0.93%	-0.02%
	Overseas	2.92%	2.67%	1.29%	1.04%	-0.25%
	Total	1.06%	1.02%	0.96%	0.94%	-0.02%
Joyo	Domestics	1.00%	0.97%	0.93%	0.91%	-0.01%
	Overseas	2.95%	2.69%	1.30%	1.05%	-0.25%
	Total	1.04%	1.01%	0.94%	0.92%	-0.02%
Ashikaga	Domestics	1.07%	1.02%	0.99%	0.96%	-0.02%
	Overseas	2.67%	2.48%	1.19%	0.98%	-0.21%
	Total	1.08%	1.03%	0.99%	0.96%	-0.02%

【Data】 Breakdown of Banking subsidiaries

(3) Loans Term-end Balance

		(¥ b n)				
		FYE18	FYE19	FYE20	FYE21	YoY
J+A	Individual	4,674.8	4,795.9	4,924.8	5,045.4	+120.5
	Corporate	5,139.1	5,181.3	5,369.6	5,347.4	-22.2
	Public	1,038.2	980.2	983.7	915.9	-67.7
	Total	10,852.3	10,957.5	11,278.1	11,308.8	+30.6
Joyo	Individual	2,570.2	2,624.6	2,687.7	2,740.2	+52.4
	Corporate	2,974.3	3,002.6	3,103.0	3,091.3	-11.6
	Public	650.7	612.8	562.7	498.1	-64.6
	Total	6,195.3	6,240.1	6,353.6	6,329.7	-23.8
Ashikaga	Individual	2,104.6	2,171.3	2,237.0	2,305.1	+68.1
	Corporate	2,164.8	2,178.6	2,266.5	2,256.0	-10.5
	Public	387.5	367.4	420.9	417.8	-3.0
	Total	4,657.0	4,717.3	4,924.5	4,979.0	+54.4

*Excluding borrowing from special account of MoF

Foreign Currency Denominated Loans

		(¥ b n)				
		FYE18	FYE19	FYE20	FYE21	YoY
J+A		145.8	164.2	162.6	150.6	-12.0
Joyo		126.8	146.8	150.0	139.5	-10.4
Ashikaga		19.0	17.3	12.6	11.0	-1.6

(4) Loans Individual Housing Related Loans Term-end Balance

		(¥ b n)				
		FYE18	FYE19	FYE20	FYE21	YoY
J+A	Housing Loans	3,396.3	3,546.5	3,711.7	3,860.8	+149.1
	Apartment Loans	958.5	933.6	902.3	871.2	-31.1
	Asset building loans	2.9	2.8	2.6	2.4	-0.2
	Total	4,357.9	4,483.0	4,616.7	4,734.5	+117.8
Joyo	Housing Loans	1,640.6	1,719.5	1,809.7	1,889.9	+80.2
	Apartment Loans	769.1	748.6	722.8	694.2	-28.6
	Asset building loans	2.9	2.8	2.6	2.4	-0.2
	Total	2,412.7	2,471.1	2,535.1	2,586.5	+51.4
Ashikaga	Housing Loans	1,755.7	1,826.9	1,902.0	1,970.9	+68.8
	Apartment Loans	189.3	185.0	179.5	177.0	-2.4
	Asset building loans	-	-	-	-	-
	Total	1,945.1	2,011.9	2,081.5	2,147.9	+66.4

(5) Unsecured Loans Term-end Balance

		(¥ b n)				
		FYE18	FYE19	FYE20	FYE21	YoY
J+A	Car Loans	46.7	52.0	63.3	71.4	+8.1
	Educational Loans	39.0	42.5	43.4	45.4	+2.0
	Free Loans	9.1	9.8	9.1	9.3	+0.2
	Card Loans	65.0	65.4	61.2	62.4	+1.1
	Total	160.0	169.9	177.1	188.6	+11.5
Joyo	Car Loans	32.2	35.2	45.4	50.6	+5.1
	Educational Loans	31.9	34.0	34.3	35.5	+1.2
	Free Loans	2.2	3.5	3.6	3.8	+0.2
	Card Loans	26.5	26.0	23.7	24.8	+1.0
	Total	93.0	98.8	107.1	114.8	+7.6
Ashikaga	Car Loans	14.5	16.8	17.8	20.8	+2.9
	Educational Loans	7.0	8.5	9.1	9.9	+0.8
	Free Loans	6.8	6.2	5.4	5.5	+0.0
	Card Loans	38.4	39.4	37.5	37.5	+0.0
	Total	66.9	71.0	70.0	73.8	+3.8

(6) Loans Corporate Term-end Balance by Company Size

		(¥ b n)				
		FYE18	FYE19	FYE20	FYE21	YoY
J+A	Large	1,633.7	1,635.4	1,688.2	1,674.3	-13.9
	Medium/SMEs	3,505.4	3,545.9	3,681.3	3,673.0	-8.2
	Total	5,139.1	5,181.3	5,369.6	5,347.4	-22.2
Joyo	Large	1,159.1	1,165.1	1,220.6	1,206.9	-13.6
	Medium/SMEs	1,815.1	1,837.4	1,882.3	1,884.3	+1.9
	Total	2,974.3	3,002.6	3,103.0	3,091.3	-11.7
Ashikaga	Large	474.5	470.2	467.6	467.3	-0.2
	Medium/SMEs	1,690.2	1,708.4	1,798.9	1,788.7	-10.2
	Total	2,164.8	2,178.6	2,266.5	2,256.0	-10.5

(7) Loans Corporate Term-end Balance by Area

		(¥ b n)				
		FYE18	FYE19	FYE20	FYE21	YoY
J+A	Tokyo	1,908.8	1,967.5	2,021.9	2,009.4	-12.4
	Local	3,230.3	3,213.8	3,347.6	3,337.9	-9.7
	Total	5,139.1	5,181.3	5,369.6	5,347.4	-22.2
Joyo	Tokyo	1,378.3	1,422.6	1,484.1	1,468.9	-15.1
	Local	1,596.0	1,579.9	1,618.9	1,622.4	+3.4
	Total	2,974.3	3,002.6	3,103.0	3,091.3	-11.7
Ashikaga	Tokyo	530.5	544.8	537.8	540.5	+2.7
	Local	1,634.2	1,633.8	1,728.7	1,715.5	-13.2
	Total	2,164.8	2,178.6	2,266.5	2,256.0	-10.5

【Data】 Breakdown of Banking subsidiaries

(8) Deposits Term-end Balance

(¥ bn)

		FYE18	FYE19	FYE20	FYE21	YoY
J+A	Individual	10,362.7	10,685.0	11,400.1	11,787.3	+387.2
	Corporate	3,325.5	3,364.1	3,887.4	3,953.5	+66.1
	Public	750.1	737.3	969.9	1,116.4	+146.5
	Total	14,438.3	14,786.5	16,257.4	16,857.3	+599.8
Joyo	Individual	6,440.1	6,633.6	7,053.1	7,272.7	+219.5
	Corporate	1,835.4	1,880.3	2,136.5	2,180.4	+43.9
	Public	453.6	459.2	515.8	600.7	+84.9
	Total	8,729.1	8,973.1	9,705.5	10,053.9	+348.4
Ashikaga	Individual	3,922.5	4,051.4	4,346.9	4,514.5	+167.6
	Corporate	1,490.1	1,483.8	1,750.8	1,773.1	+22.2
	Public	296.5	278.1	454.1	515.7	+61.5
	Total	5,709.2	5,813.4	6,551.9	6,803.3	+251.4

Foreign Currency Deposit

		FYE18	FYE19	FYE20	FYE21	YoY
J+A		306.0	219.7	180.0	168.2	-11.8
Joyo		222.6	176.4	151.9	139.6	-12.3
Ashikaga		83.3	43.2	28.0	28.5	+0.4

(9) Customer Assets under Custody Balance

(¥ bn)

		FYE18	FYE19	FYE20	FYE21	YoY
Group total	Investment trusts	556.1	463.7	547.7	632.5	+84.8
	Insurance	817.2	812.6	829.0	858.5	+29.4
	Foreign currency deposits	218.5	166.1	146.0	131.1	-14.8
	JGB etc.	173.6	156.2	162.4	154.5	-7.9
	Mebuki Securities	272.8	282.0	343.4	429.5	+86.1
	Total	2,038.3	1,880.9	2,028.7	2,206.3	+177.6
Joyo	Investment trusts	263.3	214.7	249.8	302.6	+52.7
	Insurance	465.6	471.9	488.5	511.5	+22.9
	Foreign currency deposits	135.5	122.9	117.9	102.6	-15.3
	JGB etc.	118.5	104.1	108.2	102.7	-5.5
	Total	983.1	913.8	964.6	1,019.4	+54.8
Ashikaga	Investment trusts	292.8	249.0	297.8	329.8	+32.0
	Insurance	351.5	340.6	340.5	347.0	+6.5
	Foreign currency deposits	82.9	43.2	28.0	28.5	+0.4
	JGB etc.	55.0	52.1	54.2	51.7	-2.4
	Total	782.4	685.0	720.6	757.3	+36.6

(10) Customer Assets under Custody Commissions

(¥ bn)

		FY18	FY19	FY20	FY21	YoY
Group Total	Investment trusts(*1)	5.69	5.91	6.22	7.93	+1.71
	Insurance(*2)	4.67	4.26	3.25	3.25	+0.00
	Foreign currency deposits	0.98	0.68	0.55	0.61	+0.06
	JGB etc.	0.04	0.08	0.06	0.01	-0.04
	Financial instrument intermediary service	0.49	0.72	1.13	1.19	+0.05
	Mebuki Securities	1.94	2.98	3.70	3.87	+0.16
Total	13.84	14.66	14.93	16.90	+1.96	
Joyo	Investment trusts(*1)	2.63	2.83	2.93	4.10	+1.17
	Insurance(*2)	2.12	2.61	2.06	2.00	-0.06
	Foreign currency deposits	0.70	0.50	0.39	0.39	-0.00
	JGB etc.	0.03	0.05	0.05	0.01	-0.03
	Financial instrument intermediary service	0.27	0.43	0.75	0.89	+0.14
	Total	5.77	6.44	6.20	7.41	+1.20
Ashikaga	Investment trusts(*1)	3.06	3.08	3.29	3.83	+0.53
	Insurance(*2)	2.55	1.64	1.18	1.25	+0.07
	Foreign currency deposits	0.28	0.18	0.15	0.22	+0.07
	JGB etc.	0.00	0.02	0.01	0.00	-0.00
	Financial instrument intermediary service	0.22	0.29	0.38	0.29	-0.08
	Total	6.12	5.22	5.02	5.61	+0.58

* 1 : Sales commission+ Trust fee

* 2 : Excl. executive life insurance

(11) Fees from Corporate Customers

(¥ bn)

		FY18	FY19	FY20	FY21	YoY
J+A total	Credit Related	7.57	8.20	7.55	8.08	+0.52
	Consulting Related	2.02	1.44	1.88	3.29	+1.40
	total	9.59	9.65	9.44	11.37	+1.92
Joyo total	Credit Related	4.14	4.24	4.03	4.70	+0.67
	Consulting Related	1.14	0.80	1.18	2.14	+0.95
	total	5.28	5.05	5.21	6.84	+1.62
Ashikaga total	Credit Related	3.42	3.95	3.52	3.38	-0.14
	Consulting Related	0.88	0.64	0.70	1.14	+0.44
	total	4.30	4.60	4.22	4.52	+0.30

【Data】 Breakdown of Banking subsidiaries

(12) Securities Balance (Balance Sheet Amount)

(¥ bn)

		FYE18	FYE19	FYE20	FYE21	YoY
Mebuki FG (Consolidated)	Domestic bonds	2,436.8	2,359.4	2,510.6	2,745.1	+234.5
	Foreign bonds	829.6	831.6	959.5	967.3	+7.8
	Stocks	280.2	226.0	265.8	254.1	-11.6
	Investment trusts, etc.	799.8	658.9	597.2	715.5	+118.3
	Total	4,346.6	4,076.1	4,333.2	4,682.3	+349.0
Joyo	Domestic bonds	1,812.4	1,746.7	1,822.0	2,002.5	+180.5
	Foreign bonds	513.2	505.3	595.5	597.9	+2.4
	Stocks	243.4	197.2	233.1	226.8	-6.3
	Investment trusts, etc.	456.7	388.1	373.9	439.9	+65.9
	Total	3,025.9	2,837.4	3,024.6	3,267.3	+242.6
Ashikaga	Domestic bonds	610.9	600.3	679.1	734.1	+55.0
	Foreign bonds	316.3	326.3	364.0	369.3	+5.3
	Stocks	72.4	64.2	39.1	33.6	-5.5
	Investment trusts, etc.	338.7	266.7	219.1	271.5	+52.3
	Total	1,338.4	1,257.5	1,301.5	1,408.8	+107.2

(13) Securities Unrealized Valuation Gains/Losses on Available for Sale Securities

(¥ bn)

		FYE18	FYE19	FYE20	FYE21	YoY
Mebuki FG (Consolidated)	Stocks	136.2	86.9	139.4	131.5	-7.9
	Domestic bonds	21.1	9.2	2.4	-21.3	-23.7
	Investment trusts, etc.	7.2	-21.3	33.1	32.9	-0.1
	Foreign bonds	10.3	24.3	35.6	-14.2	-49.9
	Total	174.9	99.1	210.7	128.9	-81.8
Joyo	Stocks	128.0	85.1	127.5	123.6	-3.8
	Domestic bonds	19.3	9.0	3.0	-16.3	-19.4
	Investment trusts, etc.	12.6	-8.3	26.0	27.4	+1.4
	Foreign bonds	10.4	12.8	15.0	-12.8	-27.8
	Total	170.5	98.7	171.7	122.0	-49.7
Ashikaga	Stocks	28.4	20.8	25.0	21.0	-3.9
	Domestic bonds	15.7	11.5	8.5	1.9	-6.5
	Investment trusts, etc.	-2.3	-10.6	8.5	6.7	-1.7
	Foreign bonds	2.8	13.8	22.4	-0.1	-22.5
	Total	44.6	35.6	64.5	29.7	-34.8

(14) Strategic shareholdings (Balance including *Listed and Unlisted)

(¥ bn)

		FYE18	FYE19	FYE20	FYE21	YoY
J+A	Balance	125.5	114.0	98.5	76.9	-21.5
Joyo	Balance	110.7	99.7	84.7	64.7	-19.9
Ashikaga	Balance	14.8	14.3	13.8	12.2	-1.5

(15) Gains/Losses on Securities

(¥ bn)

		FY18	FY19	FY20	FY21	YoY
J+A	Stocks	-10.7	-2.0	-6.2	-7.1	-0.8
	Domestic bonds	10.7	0.4	10.0	3.5	-6.5
	Investment trusts, etc.	11.6	7.3	6.8	1.7	-5.0
	Total	11.6	5.6	10.6	-1.8	-12.4
Joyo	Stocks	-7.3	-0.9	-3.9	-4.8	-0.9
	Domestic bonds	12.4	0.6	9.1	3.5	-5.5
	Investment trusts, etc.	1.6	5.2	4.9	1.7	-3.1
	Total	6.7	4.8	10.1	0.4	-9.6
Ashikaga	Stocks	-3.3	-1.1	-2.3	-2.2	+0.0
	Domestic bonds	-1.7	-0.1	0.9	-0.0	-0.9
	Investment trusts, etc.	9.9	2.0	1.9	0.0	-1.9
	Total	4.8	0.8	0.4	-2.3	-2.8

【Data】 Breakdown of Banking subsidiaries

(16) Expenses		(¥ b n)				
		FY18	FY19	FY20	FY21	YoY
J+A	Personnel	60.6	61.2	59.9	58.2	-1.6
	Non-Personnel	46.1	46.7	43.4	43.4	-0.0
	Taxes	7.3	7.0	6.8	6.5	-0.3
	Total	114.1	115.0	110.1	108.1	-1.9
Joyo	Personnel	33.8	33.5	33.2	32.7	-0.4
	Non-Personnel	27.7	26.8	24.7	24.1	-0.5
	Taxes	3.8	3.8	3.7	3.6	-0.1
	Total	65.3	64.2	61.7	60.5	-1.1
Ashikaga	Personnel	26.8	27.6	26.6	25.4	-1.2
	Non-Personnel	18.4	19.9	18.6	19.2	+0.5
	Taxes	3.5	3.1	3.0	2.9	-0.1
	Total	48.8	50.7	48.4	47.6	-0.8

(17) Credit related cost		(¥ bn)				
		FY18	FY19	FY20	FY21	YoY
J+A		9.3	19.0	22.4	19.6	-2.8
Joyo		4.2	10.1	12.0	9.8	-2.2
Ashikaga		5.0	8.8	10.3	9.7	-0.5

(18) Disclosed Claims under the Financial Revitalization Law		(億円)				
		FYE18	FYE19	FYE20	FYE21	YoY
J+A	Bankrupt claims	15.9	12.7	10.3	13.8	+3.4
	Doubtful claims	125.1	129.0	143.2	151.1	+7.9
	Claims requiring monitoring	32.2	27.9	27.4	27.6	+0.1
	(Loans past due 3 month or more)	-	-	0.1	0.0	-0.0
	(Restructured loans)	-	-	27.3	27.5	+0.1
	Total	173.3	169.8	181.0	192.6	+11.5
Joyo	Bankrupt claims	6.1	5.7	5.5	5.4	-0.1
	Doubtful claims	66.4	69.9	78.0	86.5	+8.4
	Claims requiring monitoring	17.5	12.5	13.0	13.3	+0.2
	(Loans past due 3 month or more)	-	-	0.0	0.0	+0.0
	(Restructured loans)	-	-	13.0	13.2	+0.2
	Total	90.2	88.2	96.7	105.2	+8.5
Ashikaga	Bankrupt claims	8.7	5.8	4.0	7.7	+3.7
	Doubtful claims	58.5	59.0	65.0	64.6	-0.4
	Claims requiring monitoring	14.7	15.4	14.4	14.2	-0.1
	(Loans past due 3 month or more)	-	-	0.0	0.0	-0.0
	(Restructured loans)	-	-	14.3	14.2	-0.0
	Total	81.9	80.2	83.5	86.7	+3.1

(19) Non-accrual delinquent loans (to Business) (1 month or more)		(¥ bn)				
		FYE18	FYE19	FYE20	FYE21	YoY
J+A		0.5	1.2	2.0	1.3	-0.7
Joyo		0.3	0.3	0.0	0.8	+0.8
Ashikaga		0.2	0.9	2.0	0.5	-1.5

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