

Mebuki Financial Group, Inc.

# Financial Results for the First Quarter of FY2022



## 1 Financial Results for 1Q22 / Topics

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\*Unless otherwise mentioned, figures are based on banking subsidiaries (non consolidated-basis).

\*The number used for the year is based on western calendar.



# 1. Financial Results for the First Quarter of FY 2022 / Topics

## Results for 1Q22

	Results for 1Q22	YoY Change	Progress
Core net business income <sup>( *1 )</sup> ( Banks' total )	¥ 22.6bn	+ ¥ 2.7bn	-
Consolidated net income <sup>( *2 )</sup>	¥ 15.3bn	- ¥ 3.4bn	34.1%
Credit related costs ( Banks' total )	¥ 0.1bn	- ¥ 0.4bn	1.6%

- Core net business income<sup>( \*1 )</sup>, indicating the profitability in core business, increased by ¥2.7 bn YoY due to the increase of net fees and commissions reflecting strengthened consulting function and the increase of interest and dividends on securities, as well as cost reduction.
- Although consolidated net income<sup>( \*2 )</sup> decreased by ¥3.4bn YoY due to the decrease of gains/losses on securities<sup>( \*3 )</sup> by sales of foreign bonds in response to a surge in foreign currency interest rates, the progress toward to forecast for FY22 was 34.1% as planned.
- Credit related costs continued to be stable and remained at a low level of ¥ 0.1bn.

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

( \*3 ) Gain /losses on bonds (government bonds, etc.) + Gains/losses related to stocks, etc. + Gains /losses on cancellation of investment trusts

## Forecast for FY22 ( announced on May 13, 2022 )

	Forecast for FY22	YoY Change
Consolidated net income <sup>( *2 )</sup>	¥ 45.0bn	+ ¥ 2.0bn

## Mebuki FG (Consolidated)

	(¥bn)		
	1Q22 Results	YoY Chg	Progress
Gross business profit	37.6	-12.0	-
Net interest income	41.3	+3.6	-
(o/w Defference of interests between loans and deposits)	(-26.1)	(-0.4)	-
Net fees and commissions	10.9	+0.3	-
Net trading income	0.7	-0.5	-
Net other business income	-15.3	-15.4	-
Expenses	27.1	-1.1	-
Credit related cost	0.6	-0.2	-
Gains/losses related to stocks	11.2	+5.7	-
<b>Ordinary profit</b>	<b>21.7</b>	<b>-4.9</b>	<b>33.4%</b>
Extraordinary income/losses	0.1	+0.0	-
<b>Net income<sup>(*1)</sup></b>	<b>15.3</b>	<b>-3.4</b>	<b>34.1%</b>

(\*1) Attributable to owners of the parent

### 【Breakdown of Net income】

Bank Total Net income	14.7	-3.0
Group Companies Net income	1.3	-0.3
Mebuki Lease	0.2	+0.0
Mebuki Securities	0.2	-0.3
Mebuki Credit Guarantee	0.2	-0.2
Mebuki Card	0.1	+0.2
Total of banking subsidiaries	0.4	-0.0
<b>Consolidation Adjustment<sup>(*2)</sup></b>	<b>-0.7</b>	<b>-0.0</b>

(\*2) Adjustments related to securities, etc.

## 【Joyo + Ashikaga (Non-consolidated)】

	(¥bn)		
	1Q22 Results	YoY Chg	Progress
Gross business profit	35.8	-17.7	-
Net interest income	42.0	+3.6	-
(o/w Gains/losses on cancellation of investment trusts)(1)	(-2.6)	(+2.3)	-
Net interest income	39.3	+1.2	-
(exclu.Gains/losses on cancellation of investment trusts)			
(o/w Defference of interests between loans and deposits)	(-25.9)	(-0.3)	-
(o/w Securities Margin)	(-13.4)	(+1.6)	-
Net fees and commissions	9.2	+0.1	-
Net other business income	-15.3	-15.5	-
(o/w gains/losses on bond transactions)(2)	(-15.9)	(-15.6)	-
Expenses	26.4	-1.2	-
Net business income	9.4	-10.4	-
(before general allowance for loan losses)			
Core net business income	25.3	+5.1	-
(excl. gains/losses on cancellation of investment trusts)	22.6	+2.7	-
Net transfer to general allowance for loan losses (a)	-	-0.0	-
Net business income	9.4	-10.4	-
Net non-recurrent gains/losses	11.2	+6.0	-
o/w Disposal of non-performing loans (b)	0.1	-0.3	-
o/w Gains/losses related to stocks, etc. (3)	11.2	+5.8	-
<b>Ordinary profit</b>	<b>20.7</b>	<b>-4.3</b>	<b>33.1%</b>
Extraordinary income/losses	0.1	+0.0	-
<b>Net income</b>	<b>14.7</b>	<b>-3.0</b>	<b>34.2%</b>
Credit related cost (a)+(b)	0.1	-0.4	-
Gains/losses on securities (1)+(2)+(3)	-1.9	-7.4	-

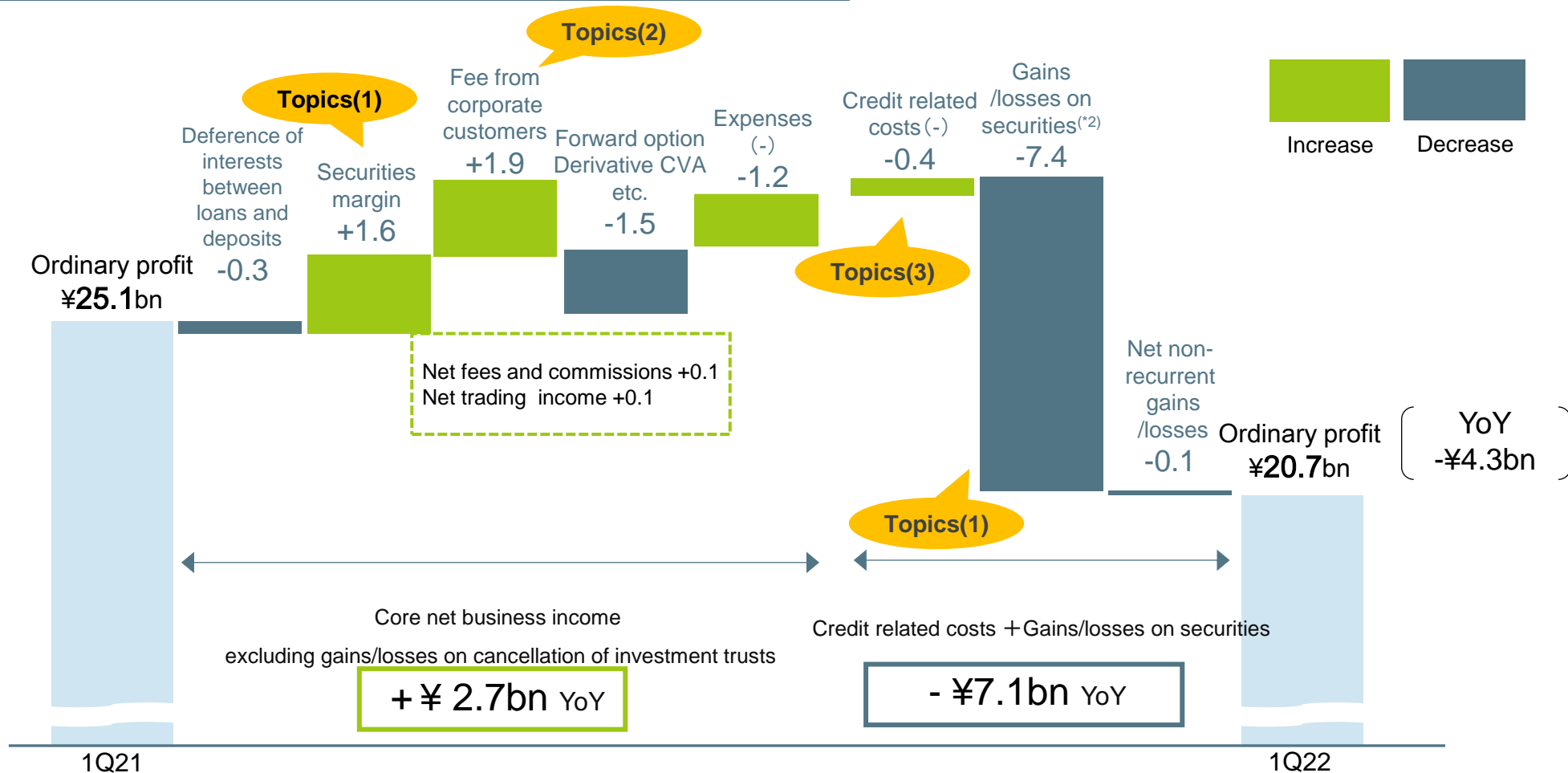
# Change of Ordinary Profit (Bank Total)

Core net business income<sup>(\*1)</sup> increased +¥2.7bn YoY mainly due to increase of consulting fees ( fees and commissions), interest and dividends income on securities, and cost reduction. However, ordinary profit decreased by ¥4.3bn YoY due to sales of foreign bonds.

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

(\*2) Gains/losses on cancellation of investment trusts +Gains/losses on bond transactions +Gains/losses related to stocks

## Year -on-Year Changes of Ordinary Profit (Bank total) (¥bn)



Net securities margin (Interest and dividends on securities - funding cost) increased by ¥1.6 bn YoY, mainly due to the increase of interest and dividends of yen denominated bonds, foreign bonds and stocks / ETF. In 1QFY22, their funding costs only increased by ¥0.2 bn. While looking ahead to an increase in funding costs (foreign interest rate rising), we will sell or replace foreign bonds that are likely to have a negative spread.

## Net Interest Income / Year onYear (¥bn)

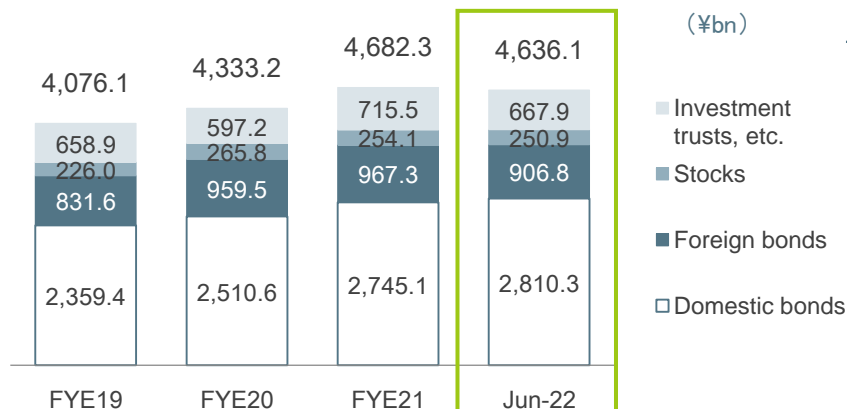
	1Q22	YoY
Interest on loans	26.2	-0.2
Interest on deposits (—)	0.3	+0.1
<b>Difference of interests between loans and deposits</b>	<b>25.9</b>	<b>-0.3</b>
Interest and dividend on securities	13.4	+1.8
Market borrowings, etc. (—)	0.0	+0.2
<b>Securities margin</b>	<b>13.4</b>	<b>+1.6</b>
Net Interest Income (excl. gains on cancellation of Investment Trusts)	39.3	+1.2
Gains on cancellation of Investment Trusts	2.6	+2.3

## Breakdown of Securities Margin (¥bn)

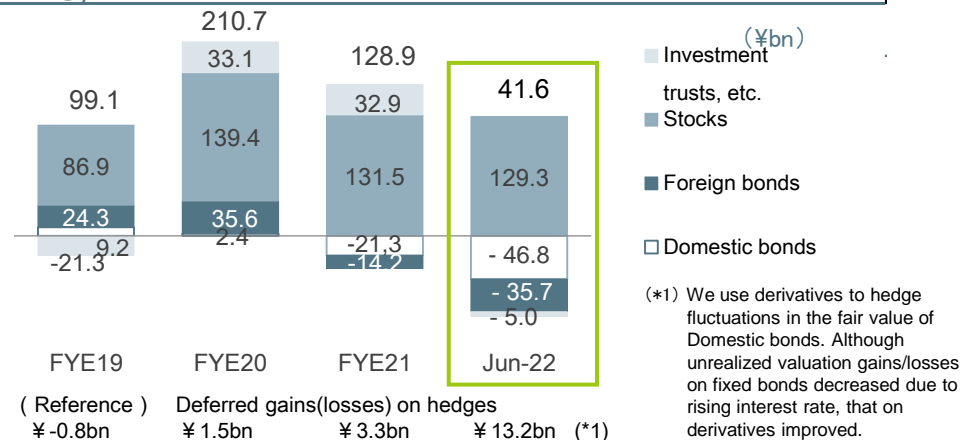
	1Q22	YoY
Interest and dividend on securities	13.4	+1.8
Yen bonds (JGB)	1.4	+0.3
Yen bonds (Japanese local government / corporate bonds)	1.4	-0.0
Foreign bonds	5.0	+0.7
Stocks / ETF	3.6	+0.4
REIT	1.3	+0.1
Investment trusts (Dividends)	0.6	+0.2
Market borrowings, etc. (—)	0.0	+0.2
Yen currency investment and funding (Incl. remuneration from “Special Deposit Facility” by Bank of Japan)	-1.5	-0.7
Foreign currency investment and funding	1.5	+0.9
<b>Securities margin</b>	<b>13.4</b>	<b>+1.6</b>

Taking into consideration the rising of foreign currency interest rates and the uncertainty of financial markets, we controlled the risk of foreign bonds, equities and ETF. Regarding foreign bonds, the balance decreased by ¥60.5bn, mainly in fixed bonds and the balance of strategic shareholdings and investment trusts decreased by ¥50.8bn. \* See the next page for details of the sale of foreign bonds.

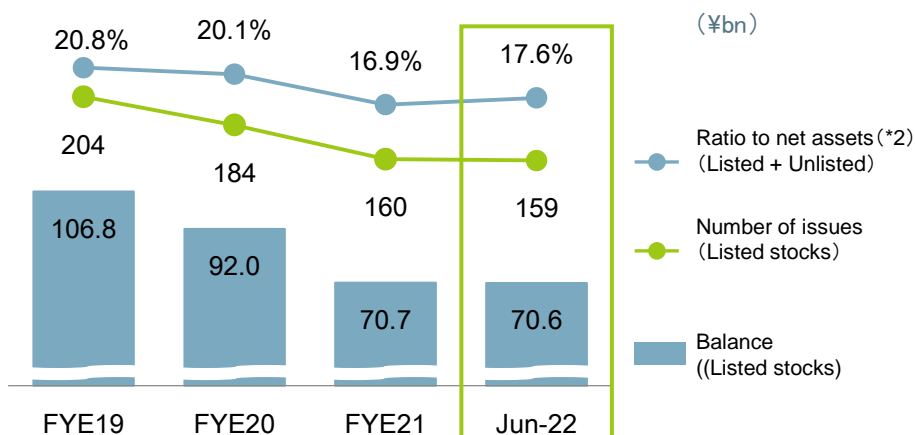
## Balance(Carrying amount) (Mebuki FG)



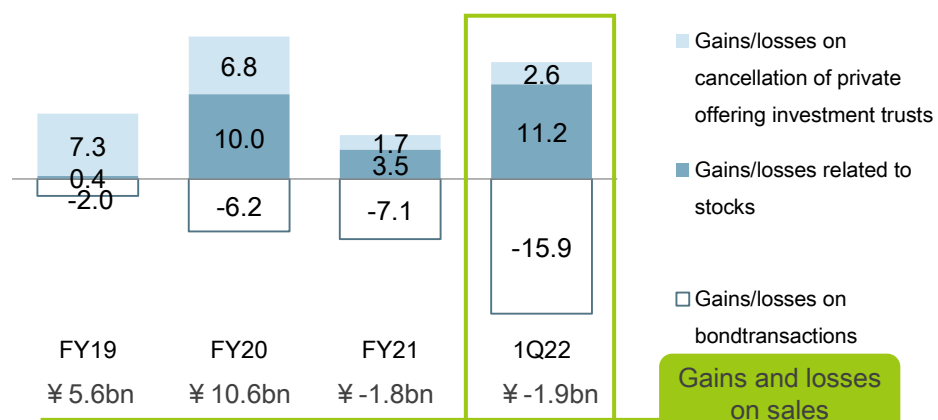
## Unrealized valuation gains/losses on available for sales securities (Mebuki FG)



## Strategic Shareholdings



## Gains and losses on securities (Bank Total)



(\*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



By the sale of foreign bonds that were likely to have a negative spread, the yield on U.S. dollar denominated fixed bonds raised to 3.12% (net security margin was 144bp, as of end of July, 2022) .  
 Unrealized gains/losses on securities recovered to ¥103.4 bn (+¥61.7 bn from the end of June, 2022).

## USD Bonds (Acquisition Costs/ Bank Total as of July, 2022) (\$mil)

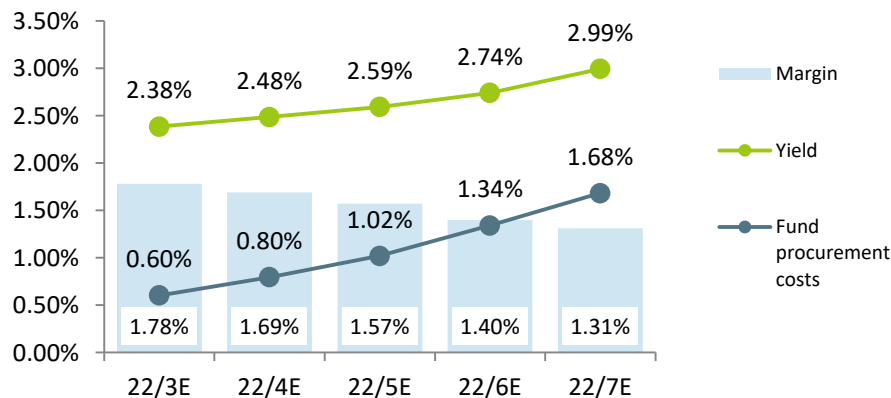
Interest rate type	Securities type	Acquisition Costs		
		Mar-22	Jul-22	change
Fixed	Government, Government-guaranteed bonds, etc.	163.0	87.1	-75.9
	Corporate bonds, etc.	284.4	282.6	-1.8
Floating	CLO <sup>(*)</sup> , Government-guaranteed bc	125.5	141.5	+16.0
<b>Total</b>		<b>573.0</b>	<b>511.2</b>	<b>-61.7</b>
composition		(Fixed rate)	(72.3%)	(-5.8%p)
		(Floating rate)	(27.7%)	(+5.8%p)

※1 Collateralized Loan Obligation (Bonds backed by several loans)

## Valuation Gains / losses on securities (¥bn)

	Mar-22	Jun-22	Jul-22
Yen Bonds	-21.3	-46.8	-23.6
Foreign Bonds	-14.2	-35.7	-15.3
Investment Trusts	+32.9	-5.0	+14.4
Stocks	+131.5	+129.3	+128.0
<b>Total</b>	<b>+128.9</b>	<b>+41.6</b>	<b>+103.4</b>

## USD Bonds' Margin (Fixed + Floating)



### • USD Bonds' Margin (as of end of July, 2022)

	Yield
<b>Total</b>	<b>2.99%</b>
Fixed Bond	3.12%
Floating Bond	2.75%
<b>Funding Cost</b>	<b>1.68%</b>
<b>Margin</b>	<b>1.31%</b>
Fixed Bond	1.44%
Floating Bond	1.07%

### • Details of USD Funding Cost ( as of the end of July, 2022 )

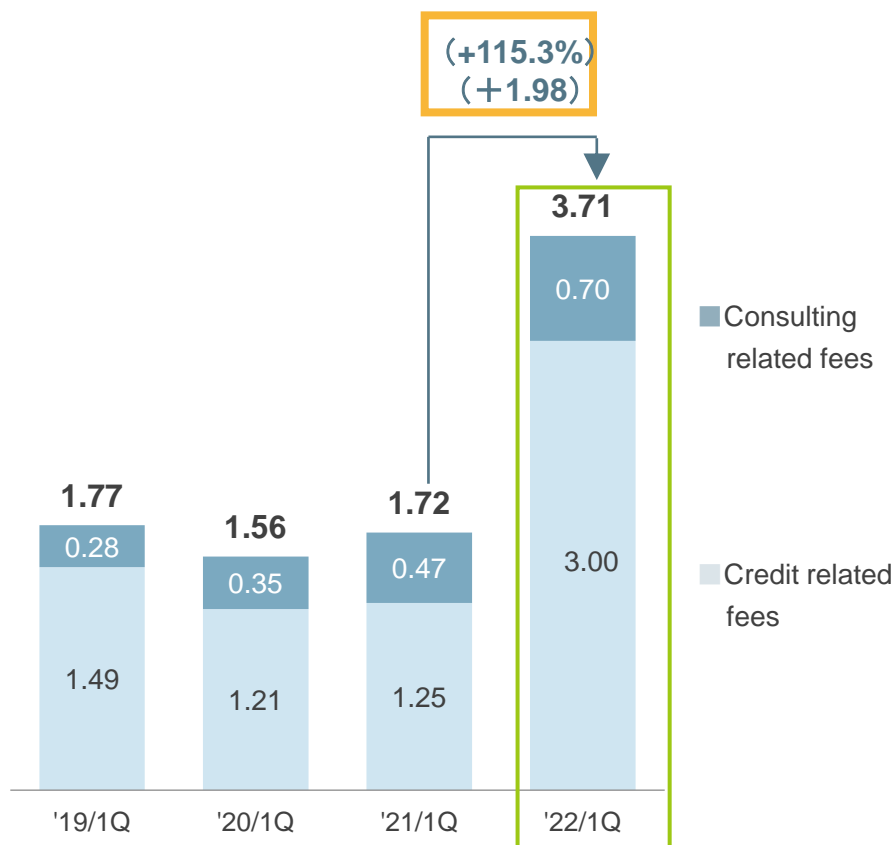
	Yield
<b>Funding cost (Composition)</b>	<b>1.68%</b>
Market/ floating (66%)	1.91%
Market/ fixed <sup>(*)</sup> (16%)	1.17%
Deposits (18%)	1.29%

※2 Foreign Currency Swap (More than 1 year remaining until maturity)

Fees from corporate customers increased by ¥ 1.98 bn YoY (annualized +115.3%).

Credit related fees increased by ¥ 1.75 bn YoY due to strengthening derivatives trading proposals that take into account yen's depreciation. Consulting related fees increased by ¥ 0.22bn YoY due to continuously enhancing support for business planning and business matching for expanding supply chain and digitalization support toward customers' sustainable growth.

## Joyo Bank + Ashikaga Bank (¥bn)



## <Breakdown of Fees from Corporate customers>

	1Q20	1Q21	1Q22	YoY
<b>Credit related (1)</b>	<b>1.21</b>	<b>1.25</b>	<b>3.00</b>	<b>+1.75</b>
Derivatives	0.04	0.24	1.76	+1.51
Syndicate loans	0.87	0.74	0.97	+0.22
Private placement bonds	0.29	0.25	0.26	+0.01
<b>Consulting related (2)</b>	<b>0.35</b>	<b>0.47</b>	<b>0.70</b>	<b>+0.22</b>
Business Matching	0.09	0.15	0.24	+0.09
Support for business Planning	—	0.10	0.19	+0.08
M&A	0.13	0.07	0.12	+0.05
Executive Insurance	0.08	0.10	0.10	+0.00
Trust · 401K	0.03	0.04	0.03	-0.01
<b>Total (3) ( (1)+(2) )</b>	<b>1.56</b>	<b>1.72</b>	<b>3.71</b>	<b>+1.98</b>
Credit risk related to derivatives trading <sup>(*)</sup> (4) (-)	—	-0.00	1.18	+1.18
<b>Total ( (3)+(4) )</b>	<b>1.56</b>	<b>17.2</b>	<b>2.52</b>	<b>+0.80</b>

(\*) Net amount of CVA and DVA between the end of the previous fiscal year and 1Q22 is recognized.  
 CVA: Credit valuation adjustment to reflect the credit risk of counterparty in derivative transaction  
 DVA: Debt valuation adjustment to reflect two subsidiary banks' credit risk

We are providing various services with consultation through escorted support .

At present, sales staff of branches and head offices have been working together to take measures timely to meet the hedging needs of customers accompanying a sudden foreign currency fluctuation.

## Reorganization for Consulting Services

- ✓ Establishment of consulting business division for responding to corporate customers' business expansion (FY2020)  
(HR introduction, IT, Manufacturing technology, Overseas support, Business matching, M&A, IT/digitalization support etc.)
- ✓ Establishment of an industry specific consulting section (FY2021)  
(Research, analysis, and business support for industrial structure change)

## Escorted Support



### Key issues

- ✓ Securing management resources
- ✓ Stable funding
- ✓ Executable planning
- ✓ Business succession (absence of successors, dispersed shares)

### Escorted Support

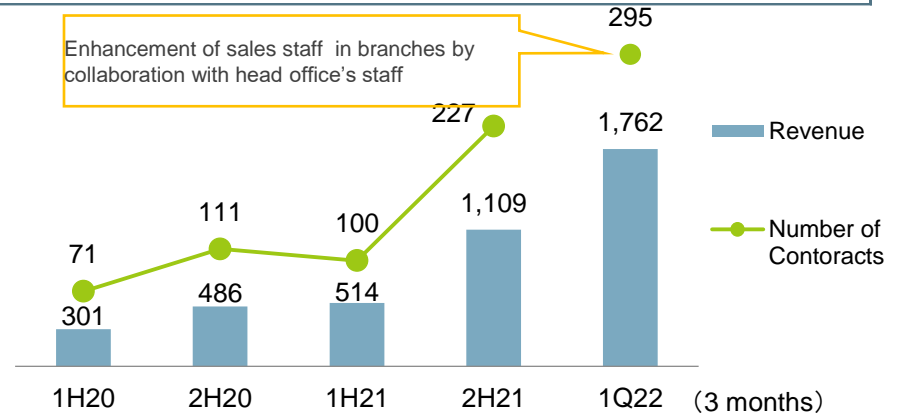


### Concrete Support

- ✓ Providing solutions by matching business partners
- ✓ Support for enhancing productivity using subsidies, etc.
- ✓ Addressing managerial issues by macroeconomic environmental analysis, etc.
- ✓ Planning growth strategies, financial restructuring
- ✓ Expert advice such as technical evaluation by external experts

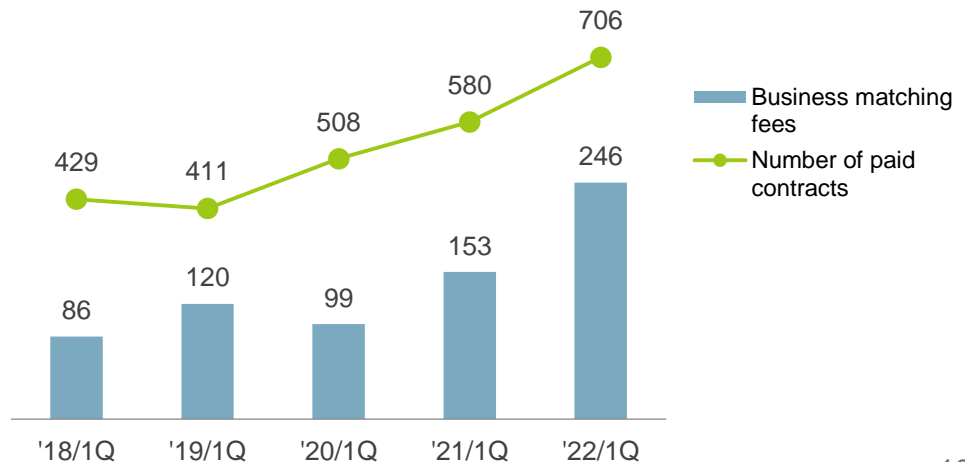
## Derivatives

( ¥ million)



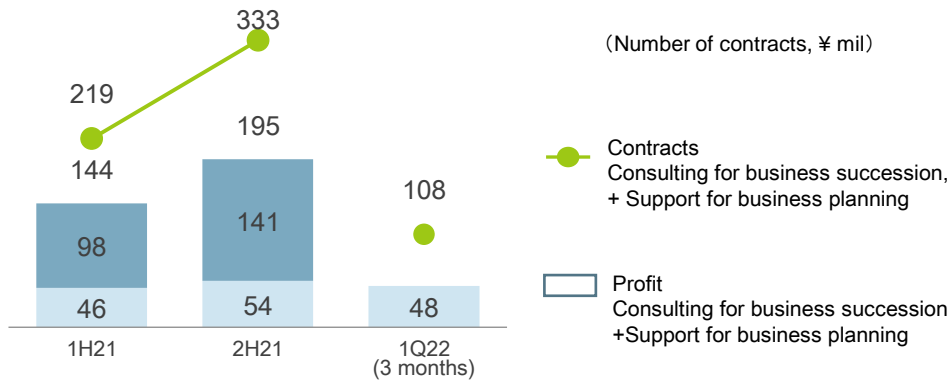
## Business Matching

( ¥ million)

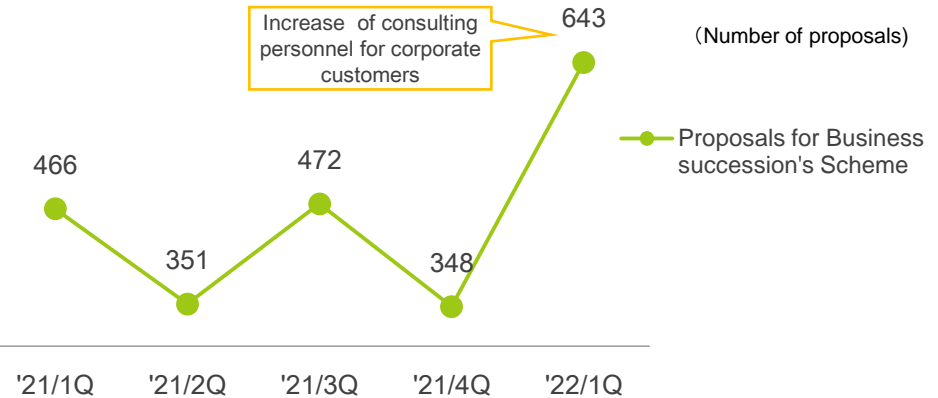


We have taken deep discussions with our customers on core topics such as business prospects and strategies for the future. We are taking initiatives to support customers' sustainable growth by providing various solutions including in non-financial areas.

## Support for Business Planning and Consulting for Business Succession

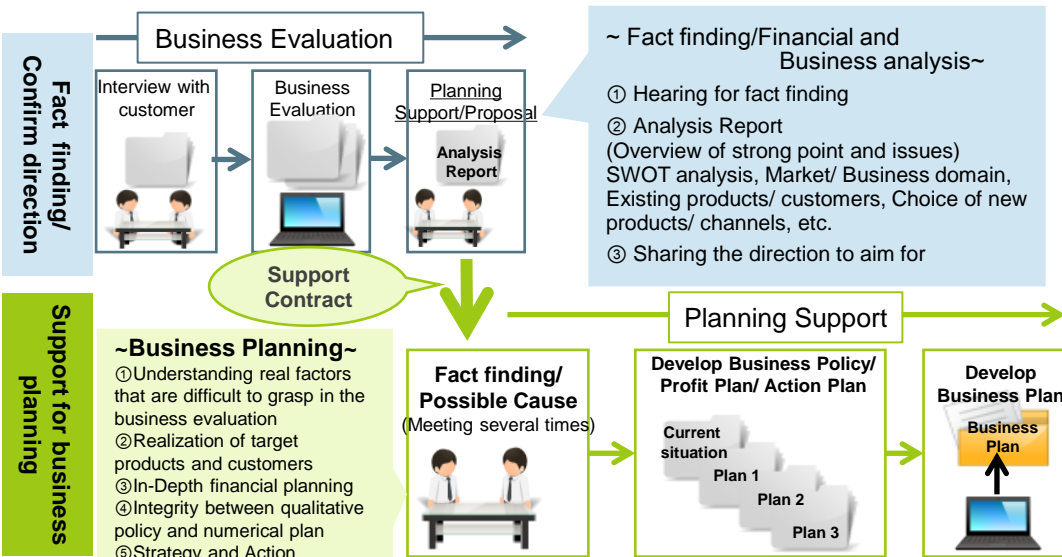
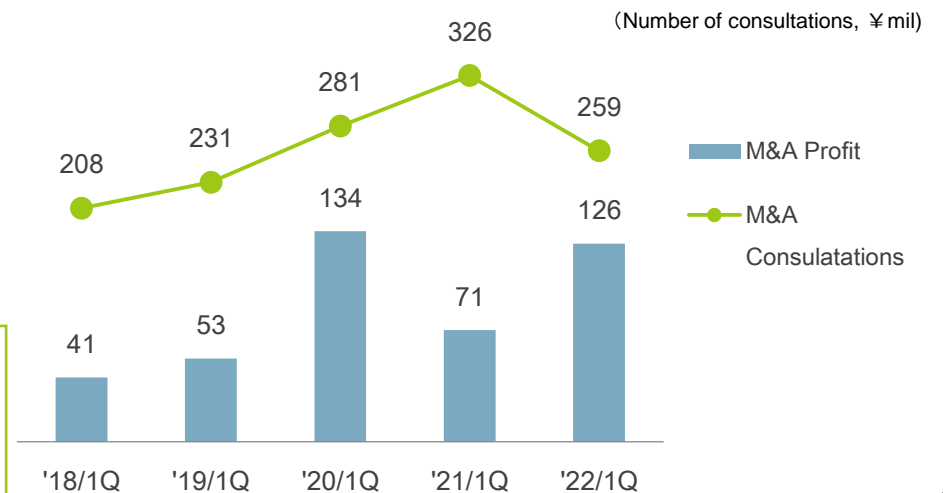


## Proposals for Business Succession's Scheme



## Support for Business Planning

## M&A Consultations

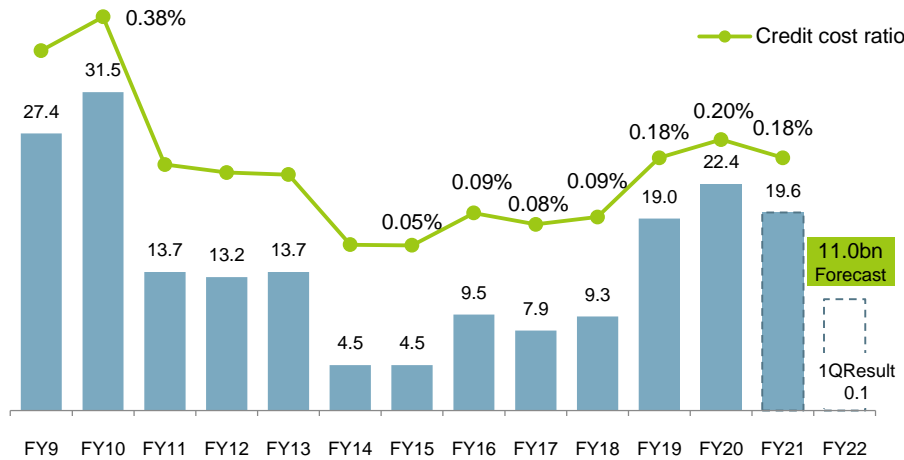


Since number of corporate bankruptcies was stable, amount of credit related costs (bank total) was ¥0.1bn (-¥0.4bnYoY).

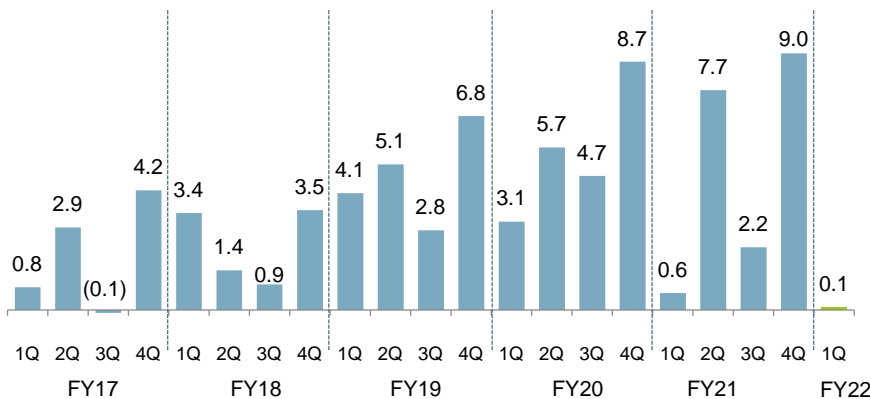
However, considering the uncertainty of the spread of COVID-19 again and high cost of resources, we maintain a forecast of ¥11.0bn for credit related costs in FY22.

Change of Credit Related Costs (¥bn)

【Annual】FY09 ~



【Quarter】FY17 ~



Breakdown on Credit Related Costs (¥bn)

	1Q21	1Q22	YoY
<b>Credit Related Costs</b>	<b>0.6</b>	<b>0.1</b>	<b>-0.4</b>
Net transfer to general allowance for loan losses	0.0	-	-0.0
Disposal of non-performing loans	0.5	0.1	-0.3
Write off of loans	0.6	0.6	+0.0
Transfer to specific allowance for loan losses	0.3	-	-0.3
Transfer to provision for contingent losses	0.0	-0.0	-0.0
Recoveries of written-off claims(-)	-	0.2	+0.2
Other	0.7	0.3	-0.3
	0.2	0.1	-0.0

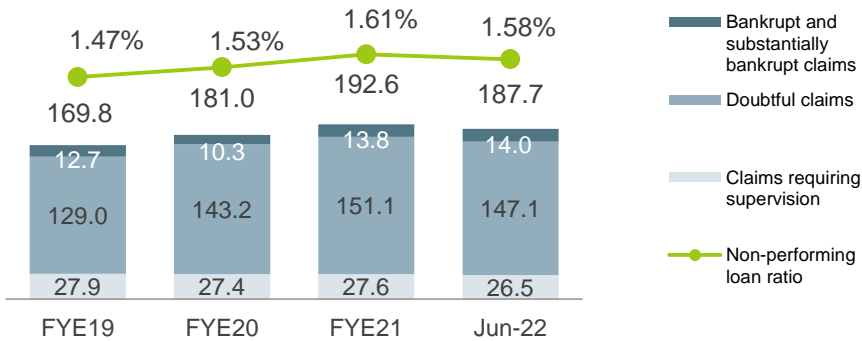
Change of terms and conditions of loans due to COVID-19 (Cumulative total until Jun. 2022)

							Cumulative Total	The ratio of total customers
		~1H20	2H20	1H21	2H21	1Q22		
Business loans	Customers	1,307	629	558	362	142	2,998	Around 5.4%
	Contracts	4,099	3,288	4,151	3,355	1,893	16,786	
Housing loans	Customers	433	189	190	140	42	994	Around 0.5%
	Contracts	477	252	256	194	68	1,247	

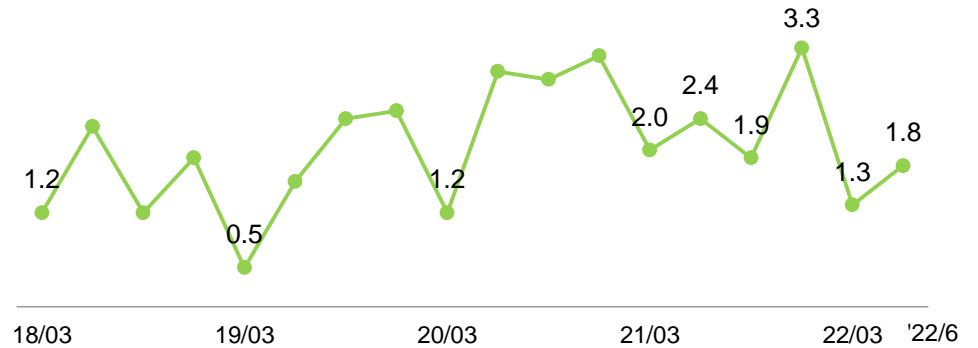
Amount of non-performing loans based on financial revitalization law decreased by ¥4.8bn YoY and non performing loan ratio fell by 0.03%pt.

As of Jun.30,2022, amount of delinquent loans decreased by ¥0.6bn YoY to ¥1.8bn.

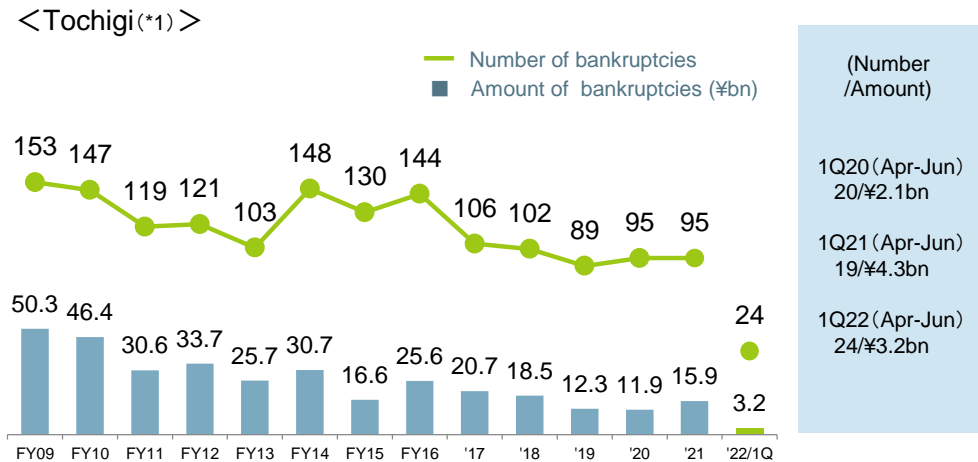
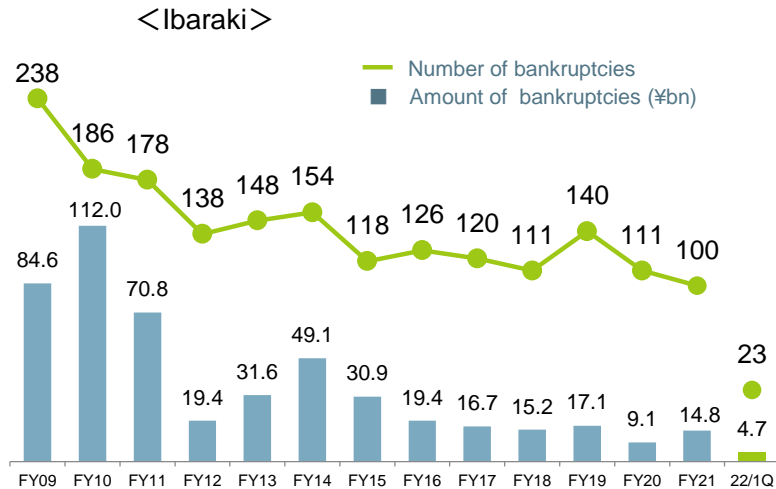
### Non-performing Loans (Financial Revitalization Law -FG consolidated) (¥bn)



### 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



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

## Mebuki FG

(consolidated)

(¥bn)

	Forecast for FY2022	1Q22 Results	Progress
Ordinary Profit	65.0	21.7	33.4%
Net Income <small>(Attributable to owners of the parent)</small>	45.0	15.3	34.1%

## Total of Two Banking Subsidiaries

(¥bn)

	Forecast for FY2022	1Q22 Results	Progress
Ordinary Profit	62.5	20.7	33.1%
Net Income	43.0	14.7	34.2%
(Credit Related Costs)	11.0	0.1	1.6%

## Subsidiary Banks

(Joyo)

(¥bn)

	Forecast for FY2022	1Q22 Results	Progress
Ordinary Profit	38.5	13.7	35.7%
Net Income	26.0	9.8	37.8%

(Ashikaga)

(¥bn)

	Forecast for FY2022	1Q22 Results	Progress
Ordinary Profit	24.0	6.9	29.0%
Net Income	17.0	4.8	28.7%

Although securities margin is expected to decrease by ¥ 13.1bn YoY due to the increase in foreign currency funding costs, the forecast of net income for FY2022 is expected to increase due to the increase in fees and commissions, continued cost reduction and decrease in credit related cost. In 1Q22 and at the present time, our performance is in line with the fiscal plan.

## Breakdown of Forecast for FY2022

【Joyo+Ashikaga】	FY2022	FY2022			FY2021
	1QResults	Forecast	Progress	YoY	Results
Core gross business profit	51.8	181.0	28.6%	-13.1	194.1
Net interest income	42.0	144.0	29.1%	-13.7	157.7
Difference of interests between loans and deposits	25.9	104.0	24.9%	-0.5	104.5
Securities Margin	16.1	40.0	40.2%	-13.1	53.1
Net fees and commissions	9.2	34.5	26.7%	+0.7	33.7
Expenses	26.4	106.0	24.9%	-2.1	108.1
Core net business income	25.3	75.0	33.8%	-11.0	86.0
(Excluding gains/losses on cancellation of investment trusts)	22.6	75.0	30.2%	-9.2	84.2
Gains/losses on securities (*1)	-1.9	0.0	—	+1.8	-1.8
Ordinary profit	20.7	62.5	33.1%	+2.0	60.4
Net income	14.7	43.0	34.2%	+2.9	40.0
Credit Related Cost	0.1	11.0	1.6%	-8.6	19.6
(FG) Net Income attributable to owners of the parent	15.3	45.0	34.1%	+2.0	42.9

(\*1) Gains/losses on bond transactions + gains/losses on stocks + gains /losses on cancellation of investment trusts



## 2. Details of Financial Results for the First Quarter of FY 2022

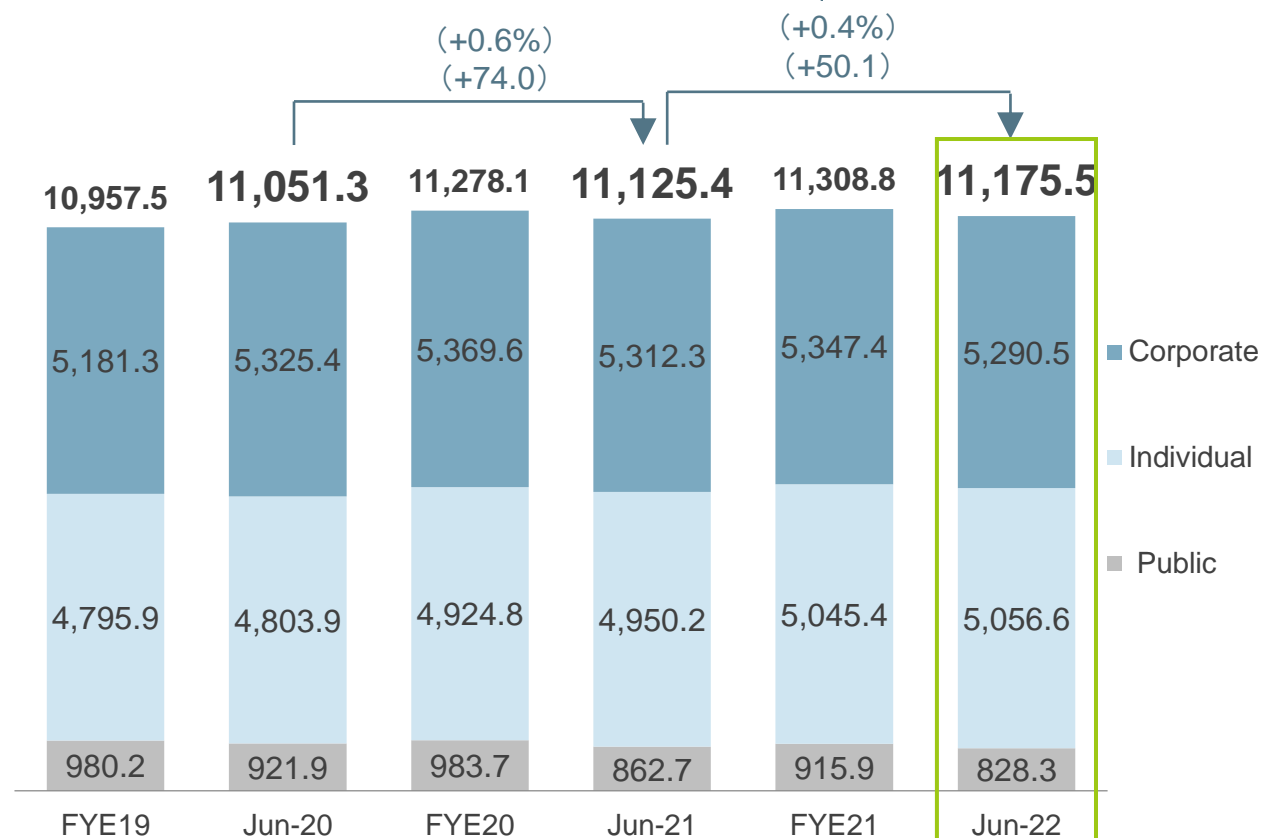
# Loans (1) Term-end Balance

Amount of loans increased by ¥50.1bn YoY (+0.4% annualized).

Loans to individual customers increased due to increase mainly of housing and unsecured loans by ¥106.4bn YoY (+2.1% annualized). Loans to corporate customers decreased due to the peaking out of COVID-19 related financing by ¥21.8bn YoY (-0.4% annualized).

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

\* Not including borrowing from special account of MoF



## Year on Year Changes (¥bn)

	Jun-20	Jun-21	Jun-22
<b>Total</b>	+271.6 +2.5%	+74.0 +0.6%	+50.1 +0.4%
<b>Corporate</b>	+242.3 +4.7%	-13.0 -0.2%	-21.8 -0.4%
<b>Individual</b>	+98.4 +2.0%	+146.2 +3.0%	+106.4 +2.1%
<b>Public</b>	-69.1 -6.9%	-59.1 -6.4%	-34.4 -3.9%

Loans to borrowing from special account of MoF (FYE19) ¥ 519.8bn (Jun-20) ¥ 500.2bn (FYE20) ¥ 521.5bn (Jun-21) ¥ 590.9bn (FYE21) ¥ 586.7bn (Jun-22) ¥ 627.9bn

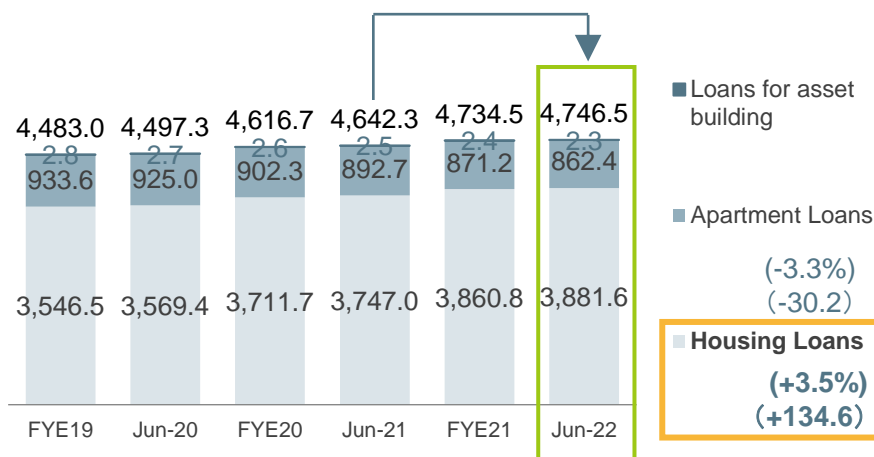
# Loans (2) Corporate / Individual

Loans to individual customers increased driven by housing loans (+¥134.6bn) and car loans (+¥6.7bn).

Loans to corporate customers decreased due to the peaking out of COVID-19 related financing.

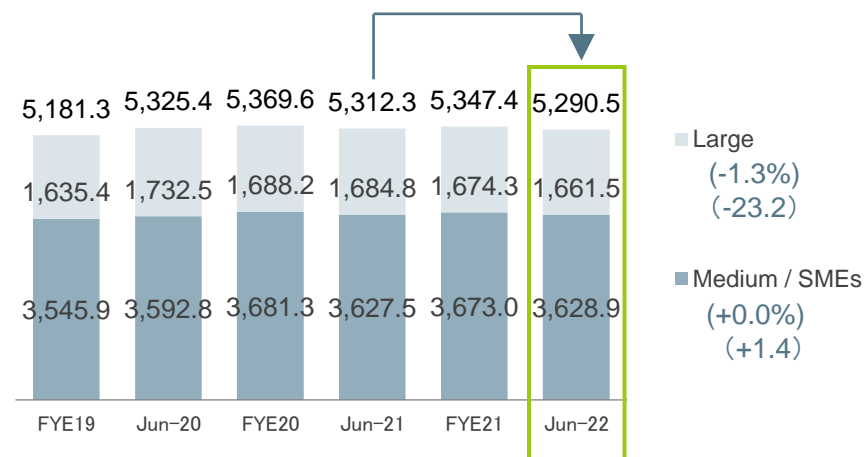
【Individual】Housing Related Loans

(¥ bn)



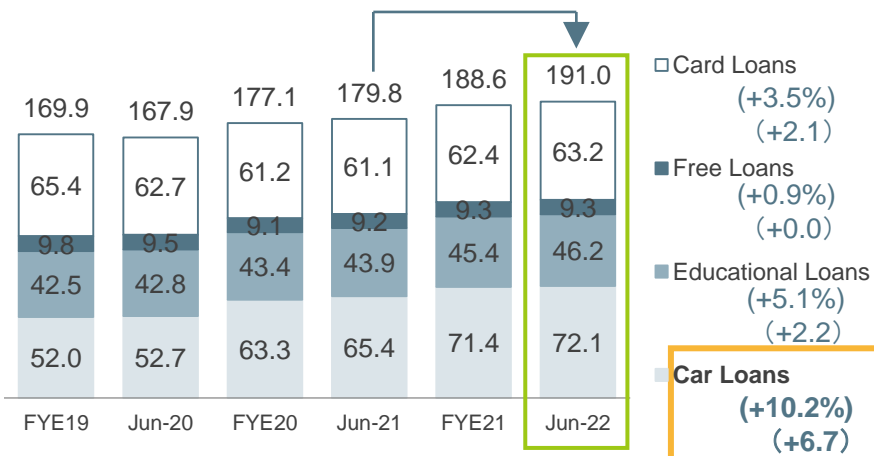
【Corporate】Term-end Balance by Company Size

(¥ bn)



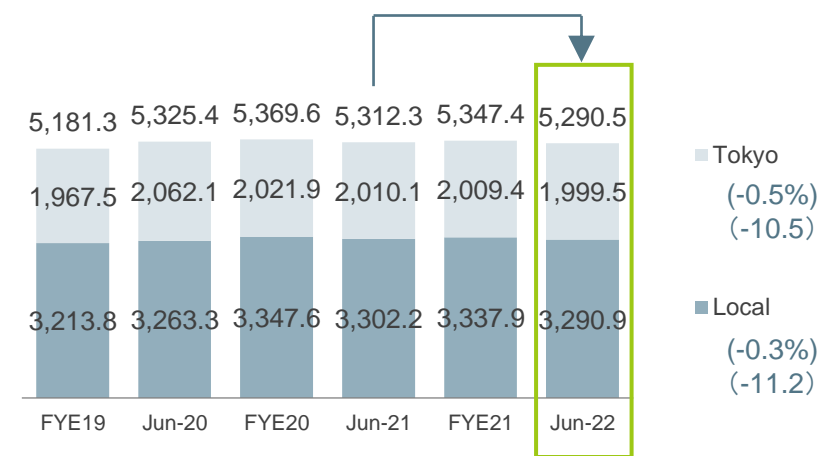
【Individual】Unsecured Loans

(¥ bn)



【Corporate】Term-end Balance by Area

(¥ bn)



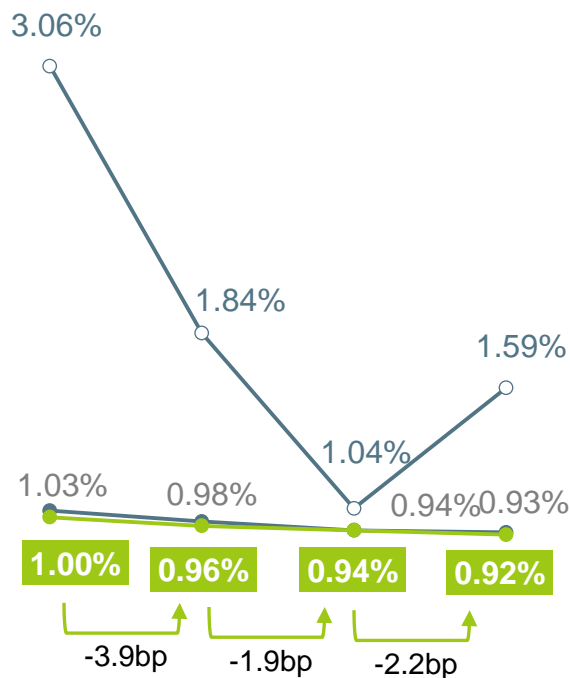
Difference of interests between loans and deposits decreased by ¥0.3bn YoY due to decrease of average yield on domestic loans.

Securities margin (excluding gain on cancellation of investment trusts) increased by ¥1.6bn YoY due to increase of profit dividends from an increase in securities balance and interest rates, despite the increase of foreign currencies funding cost caused by the rise in interest rates.

## 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

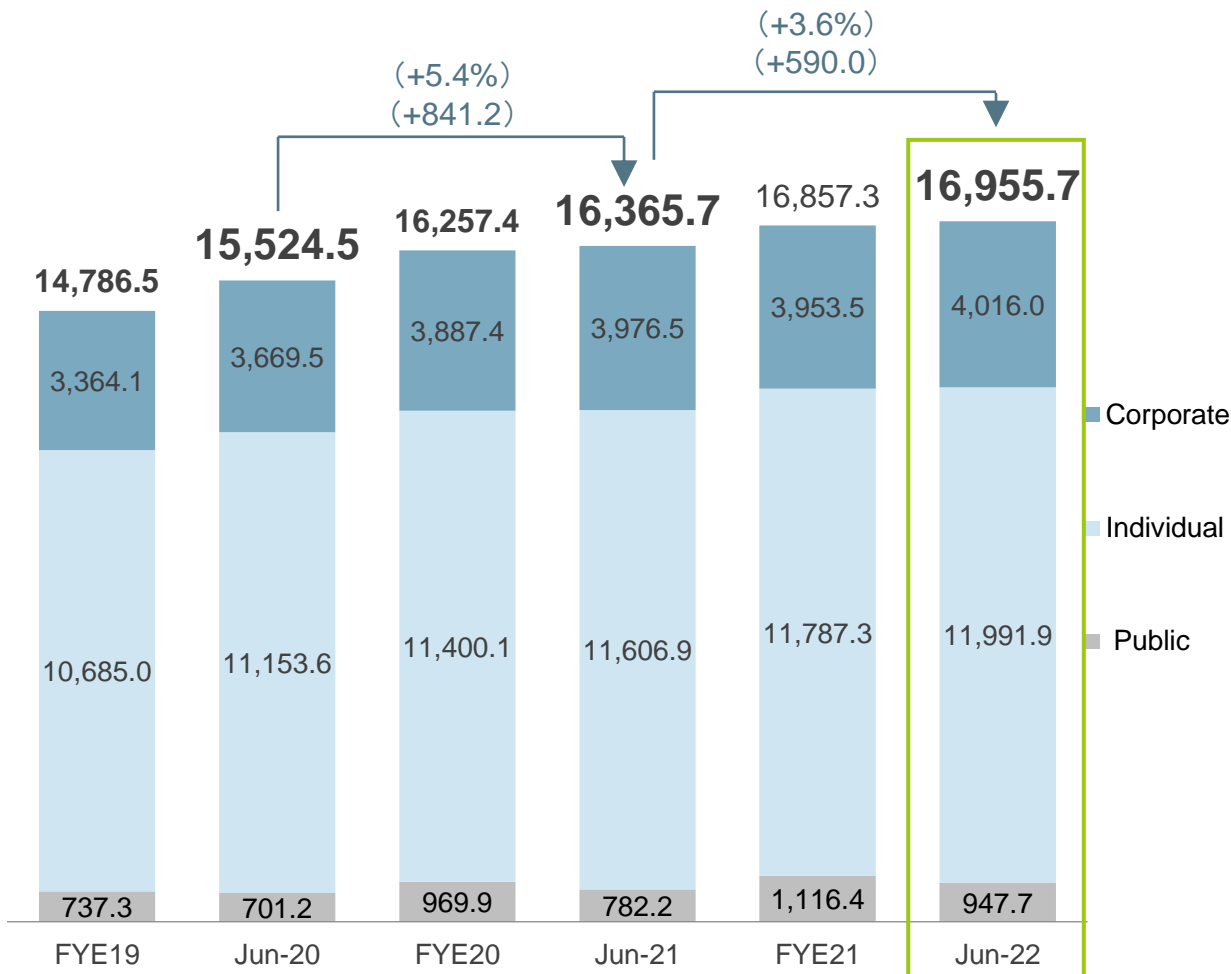
Results	YoY Change (Factor)	YoY Change (Factor)				
		Domestic	Chg. in Factors	Overseas	Chg. in Factors	
Interest on loans and bills discounted	Avg Balance	+0.1	+0.1	(+41.6)	+0.0	(+1.4)
	Yield	-0.3	-0.6	(-2.2bp)	+0.2	(+54.7bp)
<b>26.2</b>		-0.2	-0.5	—	+0.2	—
Interest on deposits (—)		+0.1	-0.0	—	+0.1	—
<b>0.3</b>						
<b>Difference of interests between loans and deposits</b> ①		<b>-0.3</b>	<b>-0.5</b>	—	<b>+0.1</b>	—
<b>25.9</b>						
Interest and dividend on securities	Avg Balance	+1.6	+1.1	(+413.8)	+0.4	(+76.5)
	Yield	+2.6	+2.3	(+27.8bp)	+0.2	(+15.3bp)
<b>16.1</b>		+4.2	+3.4	—	+0.7	—
(o/w gains on cancellation of Investment Trusts)		+2.3	+2.3	—	+0.0	—
<b>2.6</b>						
(excluding gains on cancellation of Investment Trusts)		+1.8	+1.1	—	+0.7	—
<b>13.4</b>						
Market borrowings, etc. (—)		+0.2	-0.7	—	+0.9	—
<b>0.0</b>						
<b>Securities Margin</b> (excluding gains on cancellation of Investment Trusts) ②		<b>+1.6</b>	<b>+1.8</b>	—	<b>-0.1</b>	—
<b>13.4</b>						
<b>Net Interest Income</b> (excluding gains on cancellation of Investment Trusts) ①+②		<b>+1.2</b>	<b>+1.2</b>	—	<b>-0.0</b>	—
<b>39.3</b>						

'19/1Q '20/1Q '21/1Q '22/1Q

Amount of deposits increased by ¥599.0bn YoY (+3.6% annualized).

Deposits from all customers remains in an increasing trend.

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



Year on Year Changes (¥bn)

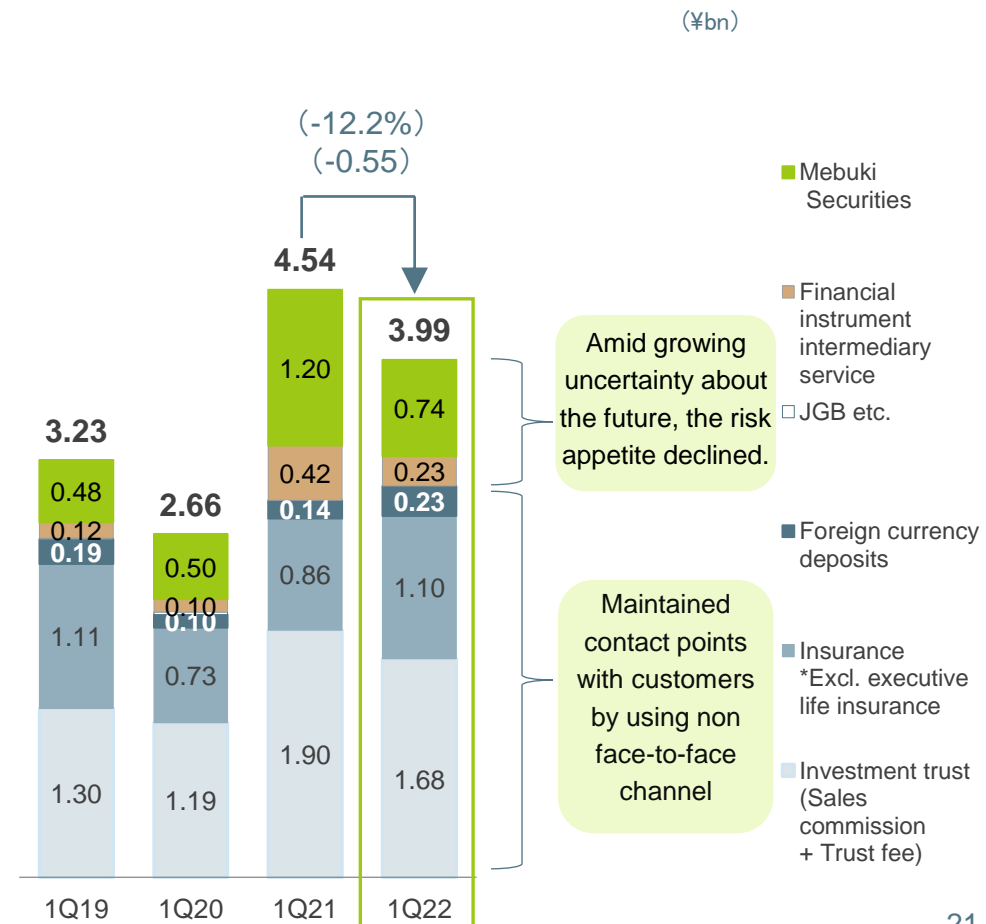
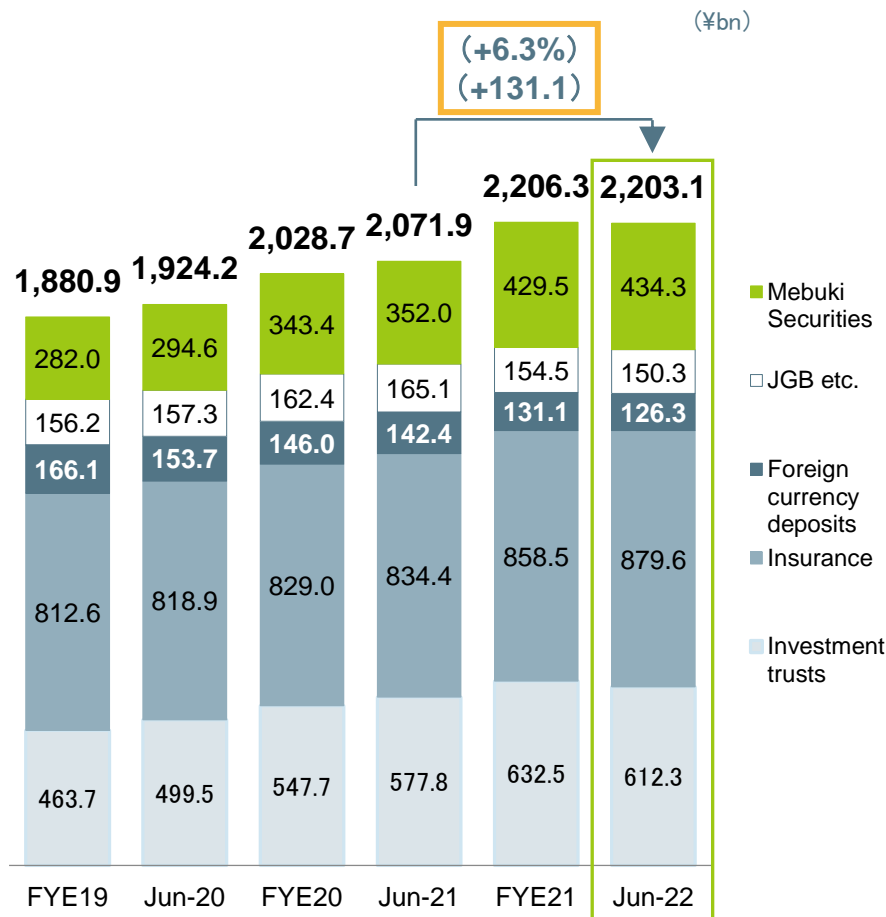
	Jun-20	Jun-21	Jun-22
<b>Total</b>	+1,039.2 +7.1%	+841.2 +5.4%	+590.0 +3.6%
<b>Corporate</b>	+384.1 +11.6%	+306.9 +8.3%	+39.5 +0.9%
<b>Individual</b>	+593.7 +5.6%	+453.3 +4.0%	+384.9 +3.3%
<b>Public</b>	61.4 9.6%	80.9 11.5%	+165.5 +21.1%

# Customer Assets under Custody

Amid growing uncertainty about the future, such as rising European interest rates and geopolitical risk, sales amount and fees related to customer assets under custody decreased YoY mainly in risk appetite products and financial instrument intermediary services. However, the sales amount of and fees from insurance products remained at previous year's level.

Balance (Bank Total + Mebuki Securities)

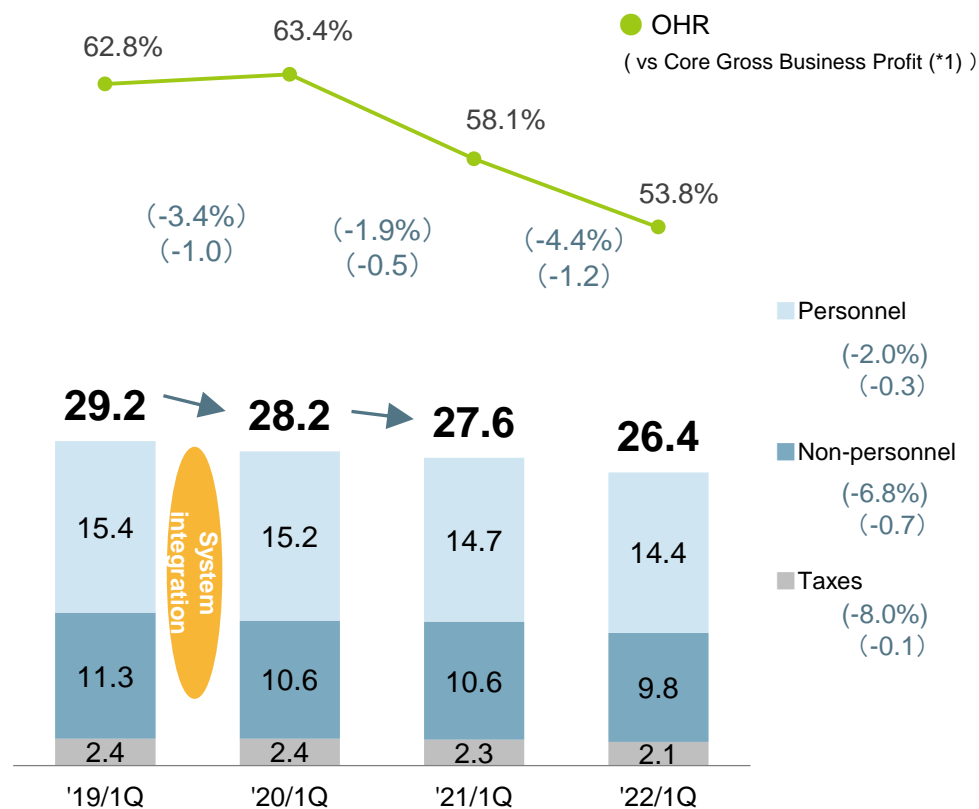
Commissions (Bank Total + Mebuki Securities)



Due to ensuring the effects of structural reform in the former medium-term group business plan, total expenses decreased by ¥ 1.2 bn (annualized -4.4%), mainly in non-personnel and personnel expenses.

OHR (vs Core Gross Business Profit <sup>(\*)</sup>), indicator of efficiency, improved to 53% range.

Joyo Bank + Ashikaga Bank (¥ bn)



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

### < Factors of Change >

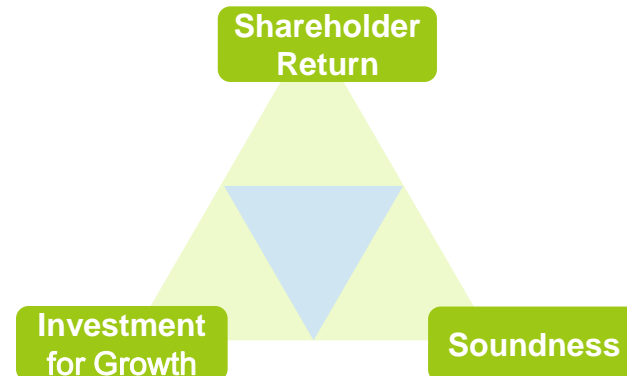
	1Q22	YoY	Main factors
Personnel expenses	14.4	-0.3	<ul style="list-style-type: none"> <li>● Personnel reduction -0.2 (Improvement of productivity by the progression of structural reform in response to natural attrition)</li> <li>● Retirement benefit cost -0.1</li> </ul>
Non-personnel expenses	9.8	-0.7	<ul style="list-style-type: none"> <li>● Deposit insurance premium -0.5</li> <li>● Reduction of depreciation and rental expense by reviewing branch networks -0.2</li> </ul>
Taxes	2.1	-0.1	<ul style="list-style-type: none"> <li>● Consumption tax, fixed assets tax -0.1</li> </ul>

Annual dividends of ¥11.0 (interim dividends of ¥5.5 and year-end year dividends of ¥5.5) in FY22 is scheduled.

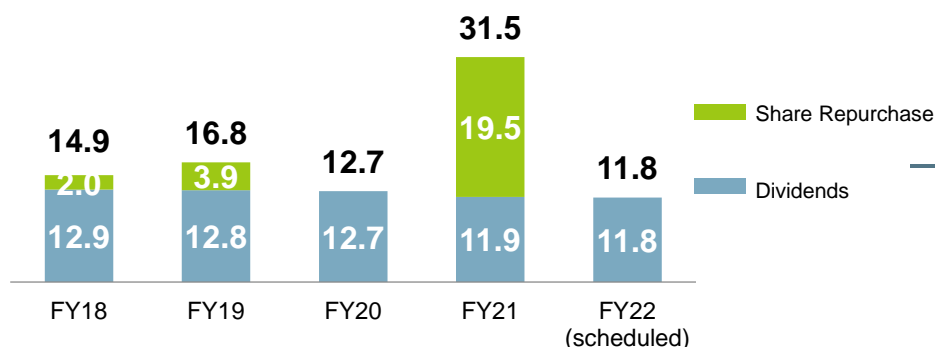
## Shareholder Returns Policy

- We will target a Total Return Ratio<sup>(\*1)</sup> 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.

(\*1) 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 <sup>(*2)</sup>	10.95%	12.22%	9.45%
FYE20	10.87%	12.18%	9.51%
FYE21	10.92%	12.34%	9.81%
Jun-22	11.23%	12.61%	10.18%

(\*2) As of March.31,2020, Ashikaga Bank started to calculate risk-weighted asset according to foundation internal rating-based approach (FIRB)



## 3 . Initiatives for Sustainability

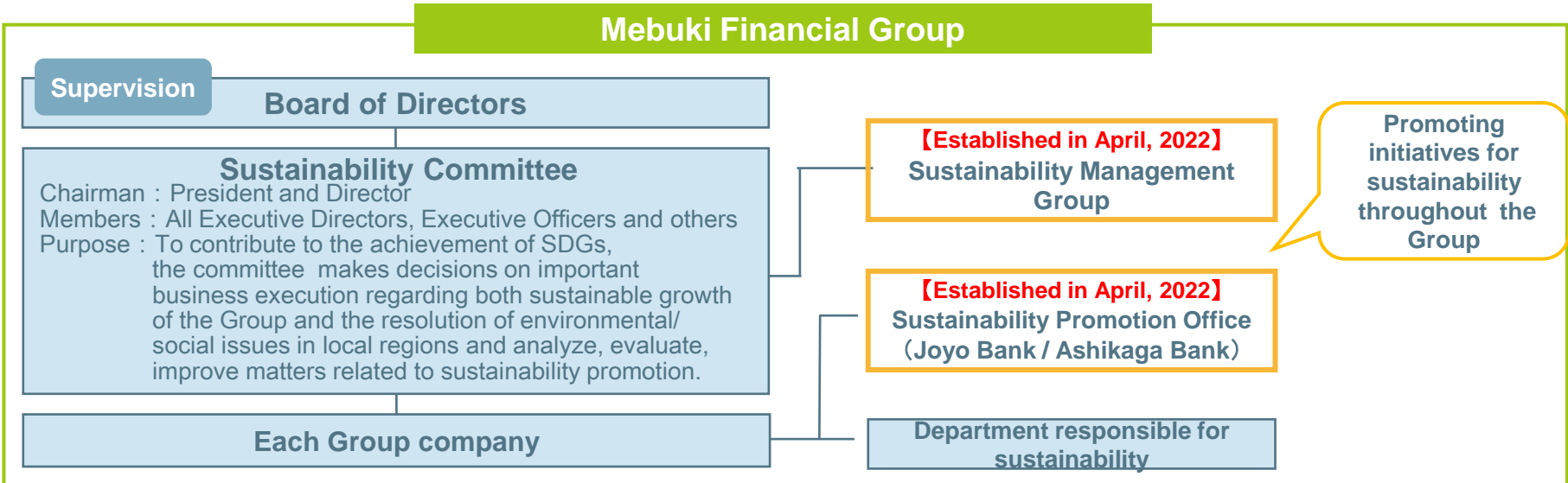
Mebuki Financial Group has formulated the Group Sustainability Policy in order to reinforce further initiatives for the achievement of our long-term vision, in conjunction with the start of the 3rd Medium-Term Group Business Plan. In addition, we have formulated independent policies to clarify policies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



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

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

Through providing sustainable finance, we proactively support our customers' initiatives towards realizing a sustainable environment and society. Concerning investments and loans to particular sectors that could cause negative impact on the environment and society, we have established the Environmentally and Socially Friendly Investments and Loans Policy and have sought to reduce and prevent their impact on the environment and society.

## Sustainable Finance

### Definition of "Sustainable Finance"

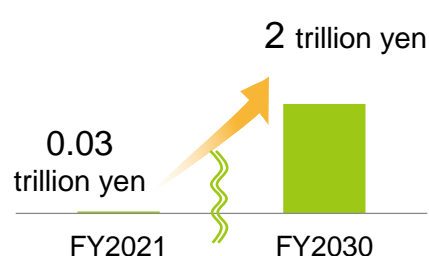
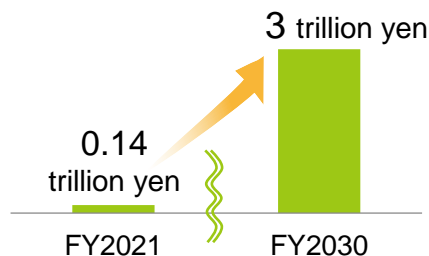
**"Finance to support customers' activities aiming to realize a sustainable society through solving environmental and social issues",** as referenced in related external standards (the Green Loan Principles, the Green Bond Principles, the Social Bond Principles, etc.)

### 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**



## Loans Policy to Particular Sectors

- Since March 2021 when we established the investments and loans policy, we have not engaged in investments and loans in conflict with the policy.

Sector	Investments and Loans Policy	Monitoring in FY2021
Coal-fired power generation business	In principle, we do not engage in investments and loans for newly established coal-fired power plants. (However, exceptions may be considered after taking into account the background or characteristics of each project such as its overall power generation efficiency, its impacts on the environment and local communities, etc., based on international guidelines.	We did not engage in investments and loans for newly established coal-fired power plants in FY2021. We will reduce the outstanding balance *1) to zero in FY2039.
Deforestation businesses	Investment decisions for deforestation operations will be made after careful consideration of the status of their acquisition of international certifications (FSC or PEFC), environmental considerations, and their conflicts with local communities.	We did not engage in investments and loans for deforestation businesses.
Palm oil plantation development business	Investment decisions for palm oil plantation development will be made after careful consideration of the status of their acquisition of an international certification (RSPO), environmental considerations, and their conflicts with local communities.	We did not engage in investments and loans for palm oil plantation development businesses.
Cluster munitions manufacturing business	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.	We did not engage in investments and loans for cluster munitions manufacturing businesses.
Human rights violations, forced labor, etc.	We prohibit investments and loans for businesses that violate the principles of international human rights standards*6 such as child labor and forced labor.	We did not engage in investments and loans for businesses that violate the principles of international human rights standards such as human rights violations and forced labor.

\*1 The balance of existing investments and loans include only the projects in which the business operators had adopted the best technology available for the scale of power generation of each project (BAT: Best Available Technology) when the investments were made.

As a partner to our customers, we will expand various products and services which promote customers' proactive participation in SDGs' initiatives. Also, as a bank, we aim to make a leading and active contribution.



## Support for Corporate Customers' Initiatives

### Recognition / Promotion

#### SDGs Initiatives Supporting Seminar

- ✓ We promote our customers' understanding and participation in SDGs

#### SDGs Simple Evaluation (\*1)

- ✓ Utilizing an original checklist, we simply evaluate the progress of SDGs by corporate customers in their business operations.

(\*1) Utilized together with loan or "SDGs Declaration Support Service".

#### SDGs Evaluation/Consulting Service

- ✓ We provide more detailed evaluation, various services for solution and consulting support.

#### SDGs Declaration Support Service

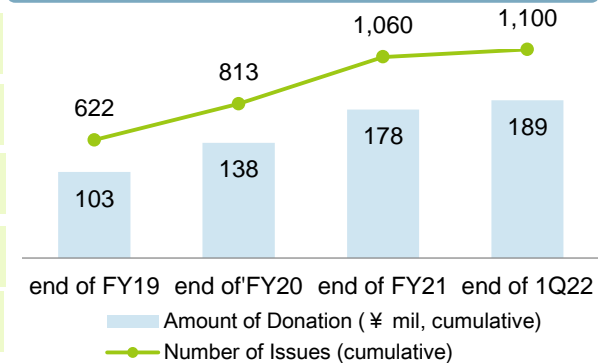
- ✓ We support to develop customer's "SDGs Declaration" and promote both inside and outside of the company.

### Practice / Transmission

#### ESG Finance

Main products	Business capital	Sustainability Linked Loan
		Positive Impact Finance
		DX Support Loan
	Green Project	Green Loan
		Green Bond

#### Private Place Bonds with Donation Scheme



## Support for Individual Customers' Initiatives

### Support contributing to SDGs through Providing Financial Products

- ✓ Handling ESG funds donated to SDGs-related businesses in Ibaraki and Tochigi Prefectures.
- ✓ Handling carbon-free-related (decarbonization-related) equity funds.

### Loan Products related to Environment Conservation

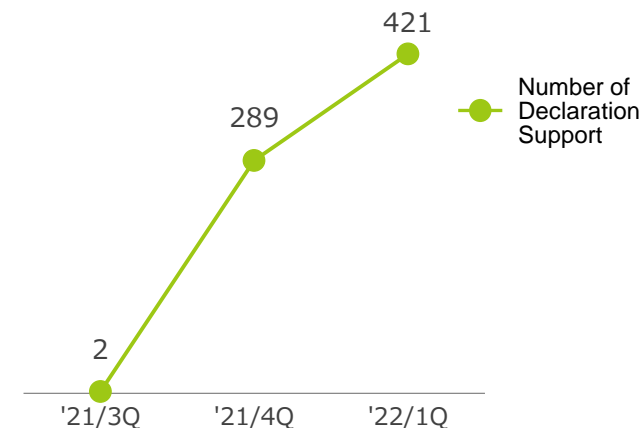
**Joyo Bank** Eco-reform Loan ( Soden Style )

**Ashikaga Bank** Reform Loan ( Related to solar power generation system with favorable interest rates )

### Promoting ZEH housing loans

- ✓ Cash-back service for the users of ZEH housing loans.

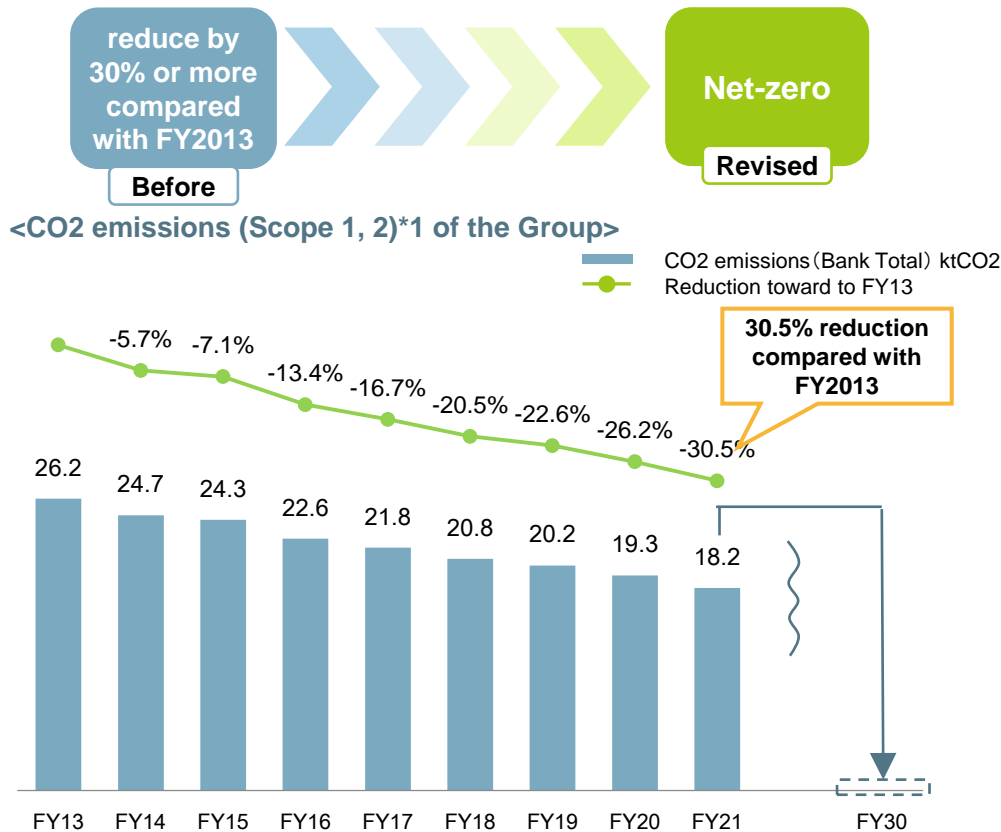
## Support for Planning SDGs Declaration (Nov. 2021 ~)



In March 2021, we declared support for the TCFD Recommendations and strengthened our response to climate change. Revising the target for CO2 emissions reduction in FY2030 to "Net-zero" in March 2022, we accelerate to realize a decarbonized society and contribute to regional sustainable growth. Since July 2022, two subsidiary banks have started using electricity generated from renewable energy sources at their large-scale business locations, including head offices. (CO2 emission reduction effect by the switching is about -24% compared to FY2021.)

## CO2 Emissions Reduction

- We have set the target for CO2 emission reduction in FY2030 to **"Net-zero"**.

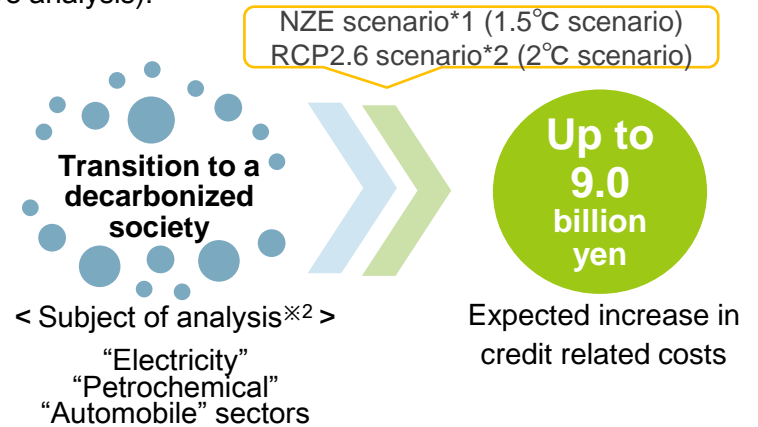


## Scenario Analysis

- Here is the overview of the scenario analysis in FY2021(extract from quantitative analysis).

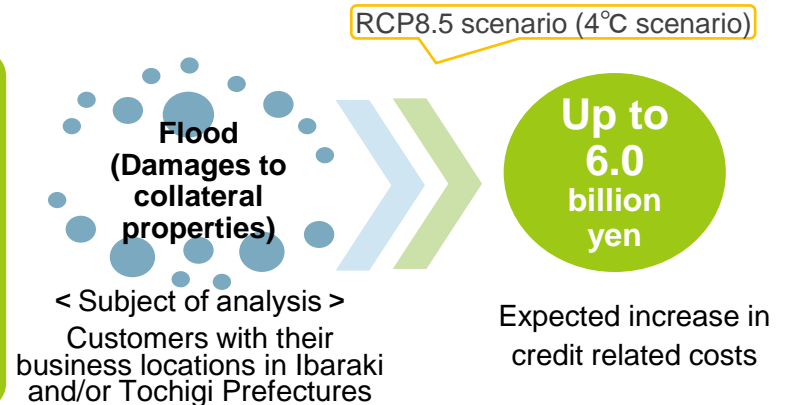
Transition risks

until 2050



Physical risks

until 2050



\* 1 Total CO2 emissions of Scope 1 + Scope 2 of two subsidiary banks calculated based on the reporting standards stipulated in the Energy Efficiency Act.

\* 2 The Oil, Gas, and Coal sectors, which are included in carbon-related assets, have been excluded from the scope of this analysis, as the Group's exposure to these sectors is limited (accounting for only about 0.6% of the total amount of credit as of March 31, 2022).

## The Group Roadmap for "Net-zero" CO2 emission

FY	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	
Policy / Targets	<p><b>【March 2021】</b></p> <ul style="list-style-type: none"> <li>Declared support for the TCFD Recommendations (March 2021)</li> <li>Setting the target for CO2 emissions reduction (reduce 30% or more compared with FY2013)</li> </ul> <p><b>【April 2022】</b></p> <ul style="list-style-type: none"> <li>Established Group Sustainability Policy, Group Environmental Policy, etc.</li> <li><b>Revised the target to "Net-zero" in FY2030</b></li> <li>Setting the target for providing sustainable finance...FY21 ~ FY30 cumulative total : 3 trillion yen</li> <li>Declared support for the GX League Basic Concept (o/w environmental field: 2 trillion yen)</li> </ul>											
	<p style="text-align: right;"><b>CO2 emission reduction to "Net-zero"</b></p>											
Scope1	Gasoline	Decarbonization of company cars (gasoline cars ⇒ switching to environmentally friendly cars)									Complete all cars	
	A Type Heavy Oil / Gas	Energy -saving emergency power generation										
Scope2	Electric Power	Continuing to reduce energy consumption(leaving work early, adjusting the temperature for air conditioning systems)										
		Energy -saving air conditioning systems									Complete all systems	
		Switching to LED lighting		Complete all sites								
		Introduction of renewable energy									Utilization	
		Introduction of renewable energy in large-scale offices			Introduction of renewable energy in each branch office of subsidiary banks							
		Considering the installation of solar power generation system / PPA / Green energy power generation business									~ Execution	
Offsets	Research and study on carbon offsets and reduction measures based on technology trends ~ Execution											
	Trial of J-Credit										Full-scale utilization of J-Credit	
	Various initiatives through supporting GX League											
Others	Enhancing engagement with our customers ~ Support for customers' efforts seeking decarbonization ~											
	Continued tree-planting activities ("Joyo Furusato no Mori", "Ashigin Forest" )											

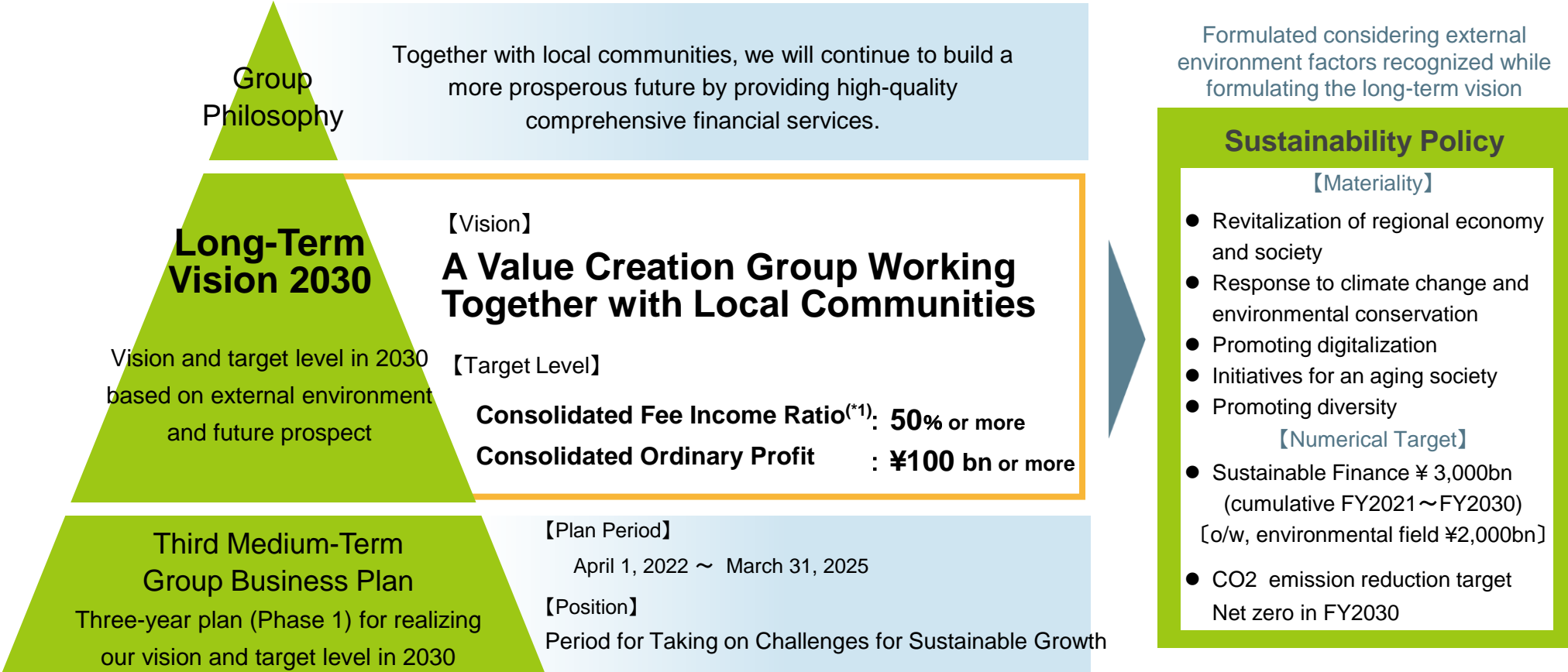


(Appendix)

## Progress of the Third Medium-Term Group Business Plan

# Formulation of 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<sup>\*2</sup> ÷ Income from customers<sup>\*3</sup>

(\*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

# 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.

**Strengthen core business / Develop new business areas by leveraging our strengths**

## 【New Business Areas】

### Take on the challenge to solve regional issues, going beyond the conventional framework

- We will contribute to realize sustainable local communities by taking on challenges to solve regional issues going beyond the conventional framework.
- We will return the expertise obtained through our initiatives in new businesses to core business, which will lead to the growth of our Group and local communities.

Cultivating  
new  
customers

## 【Comprehensive Financial Services Area】

### Strengthen our consulting and group functions and contribute to solve more customers' issues

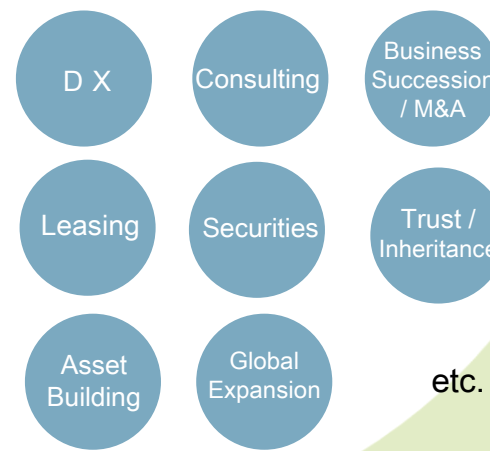
- We will expand the range of services to solve financial issues by strengthening consulting and group companies' functions.
- We will contribute to solve diverse financial issues of more customers by collaborating with our group companies and external institutions.

Deepening  
relationships  
with existing  
customers

## 【Traditional Banking Services Area】

### Change the way of providing services and increase their value

- We will realize thorough efficiency and services that continue to be selected by customers, through digitalization and business innovation.
- We will increase added value by providing integrated financial services together with new business areas, and maintain and expand our customer base.

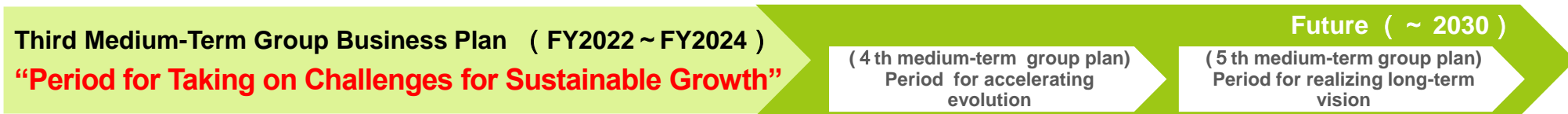


Expanding  
business  
areas

**Return the expertise cultivated in new business areas to core business**

# Position 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

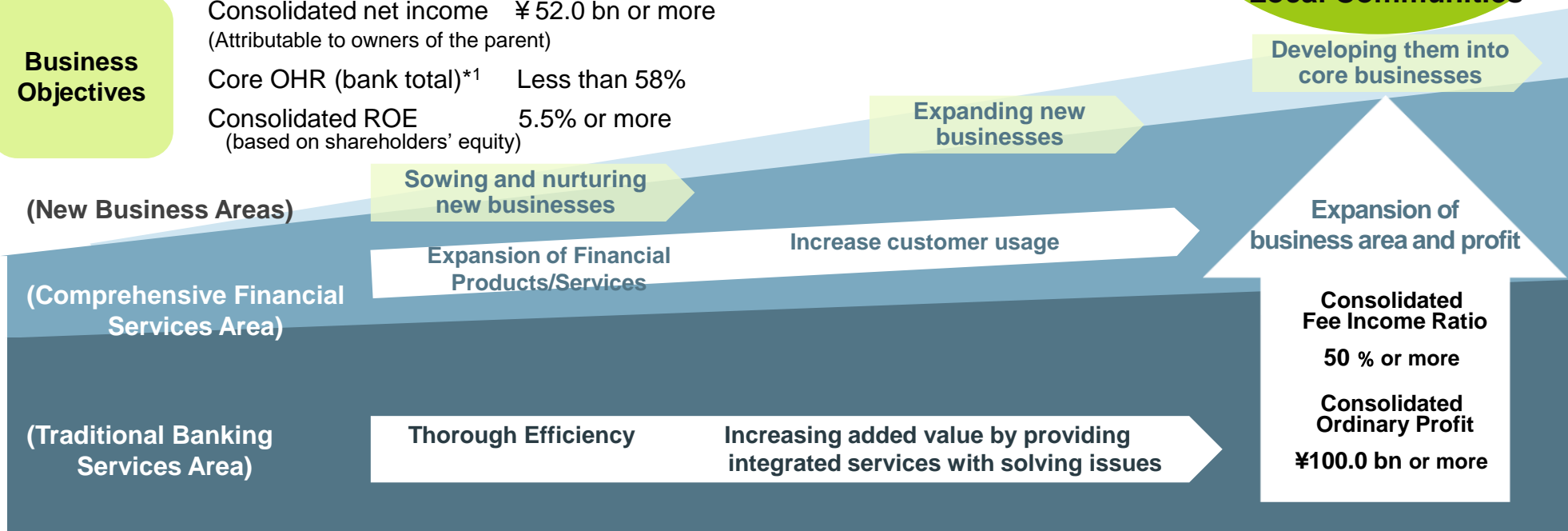
## Business Objectives

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

# Basic Strategies

- 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.

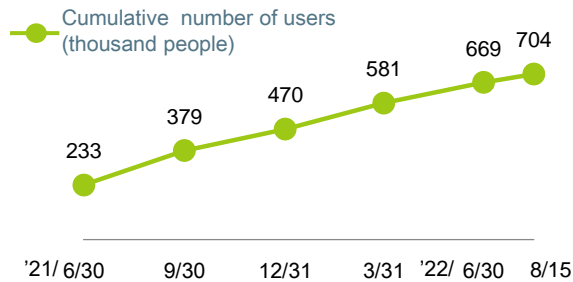
	Basic Strategy 1 Pursue a business model to support local communities	Basic Strategy 2 Build a sustainable management base	Basic Strategy 3 Develop human resources and promote active participation	
New Business Areas	<p>【Specific Strategy 1-3】▶▶▶▶▶ <b>P 40</b>  <b>Challenges to expand business areas</b></p> <ul style="list-style-type: none"> <li>● Provide value beyond the conventional framework utilizing the strengths of our Group and investments</li> </ul>	<p>【Specific Strategy 2-1】  <b>Promoting DX</b>  ▶▶▶▶▶ <b>P 41</b></p> <ul style="list-style-type: none"> <li>● Provide new services by utilizing digital technology and data, increase the added value of conventional services</li> </ul>	<p>【Specific Strategy 2-2】  <b>Enhancing group management</b></p> <ul style="list-style-type: none"> <li>● Organizational development related to DX and sustainability</li> <li>● Business management response to expansion of business areas</li> </ul>	<p><b>Developing and securing human resources who can create value</b></p> <ul style="list-style-type: none"> <li>● Trainee dispatch About <b>120 people</b> (3 year cumulative)</li> <li>● Developing employees' digital skills DX personnel <b>400 people</b> (end of Mar.2025) Basis of DX personnel <b>3,000 people</b> (end of Mar.2025) * Expected at the end of Mar. 2022 : 1,000 people</li> </ul>
Comprehensive Financial Services Area	<p>【Specific Strategy 1-2】▶▶▶▶▶ <b>P 38~39</b>  <b>Deepening comprehensive financial services</b></p> <ul style="list-style-type: none"> <li>● Strengthen consulting and group functions and contribute to solve more customers' issues</li> </ul>	<ul style="list-style-type: none"> <li>● Accumulate, analyze and utilize data obtained through digital channel and face-to-face channel</li> </ul>	<p>Shifting human resources to focus area:  <b>200 people</b>  (3 year cumulative)  New digitalization investments  <b>¥7.0 bn</b>  (3 year cumulative)</p>	<p><b>Implementing diversity / Initiatives for job satisfaction</b></p> <ul style="list-style-type: none"> <li>● Expanding working opportunities for female employees  Female employees ratio of positions equivalent to assistant manager or higher <b>35% or more</b> (end of Mar.2025) * Expected at the end of Mar. 2022 : 31%</li> </ul>
Traditional Banking Services Area	<p>【Specific Strategy 1-1】▶▶▶▶▶ <b>P 37</b>  <b>Innovating traditional banking services</b></p> <ul style="list-style-type: none"> <li>● Enhance customers' convenience utilizing digital technology and non-face-to-face services</li> <li>● Increase the value of services by strengthening consulting function and providing integrated services for solving issues</li> </ul>	<ul style="list-style-type: none"> <li>● Accelerate business innovation</li> <li>● Expand non-face-to-face and remote procedures</li> </ul>	<p>↑</p> <p>● Generating management resources by promoting DX etc.  Reducing and reviewing business operations  About <b>580 people</b>  (3 year cumulative)  Cost reduction  <b>¥3.0 bn</b> (compared to FY21, the final year of 2nd medium-term plan)</p>	<p>▶▶▶▶▶ <b>P 42</b></p>

# Specific Strategy 1-1 Innovating traditional banking services

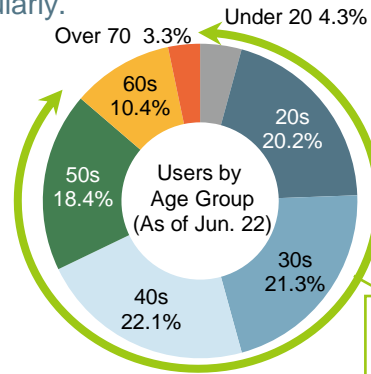
With the improvement of convenience through the digital channel including banking app and enhancing expertise of real channel, we will provide better experience value to our customers.

## Number of Users/ Users by Age Group/ Activity Rate

- The number of cumulative App users ("Joyo Banking App" and "Ashikaga Bank App") exceeded 700 thousand.

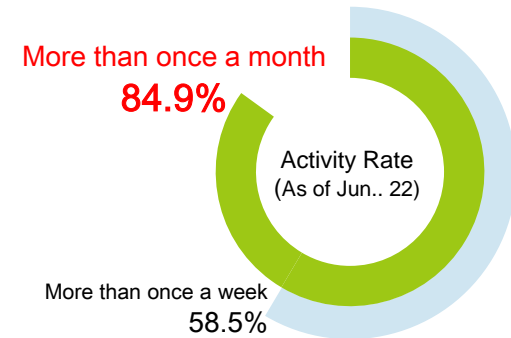


- The objective of the introduction, "Ensuring points of contact with customers", is being achieved steadily even for generations who can't be met regularly.



Customers who can't be met regularly

- Used by nearly 80% of customers more than once a month.
- It is permeating as a main banking channel.



## Digital Loan Contract (Housing Loans)

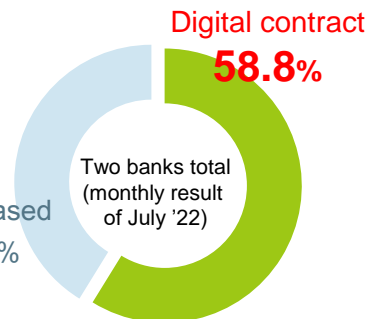
- Effect of digital contract

### < Customers >

- ✓ No need to sign or write
- ✓ No need to stamp
- ✓ Possible to confirm details of contract via the internet



Paper-based 41.2%



\*We also introduced digital contract for business and apartment loans,.

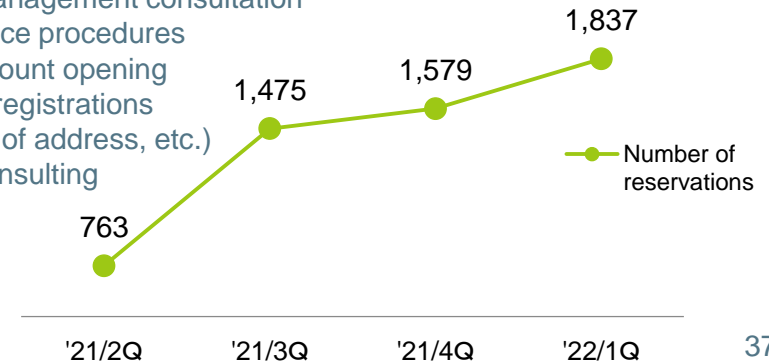
### < Banks >

- ✓ Reduce stamp discrepancy
- ✓ Burden reduction related to document delivery
- ✓ Improving efficiency of document checking, No document storage

## Branch Visit Reservation Service

- Procedures available through the reservation service

- ✓ Asset management consultation
- ✓ Inheritance procedures
- ✓ New account opening
- ✓ Various registrations (Change of address, etc.)
- ✓ Other consulting



# Specific Strategy 1-2 Deepening comprehensive financial services ①

We reorganized sales systems and strengthened collaboration among group companies for enhancement of consulting services.

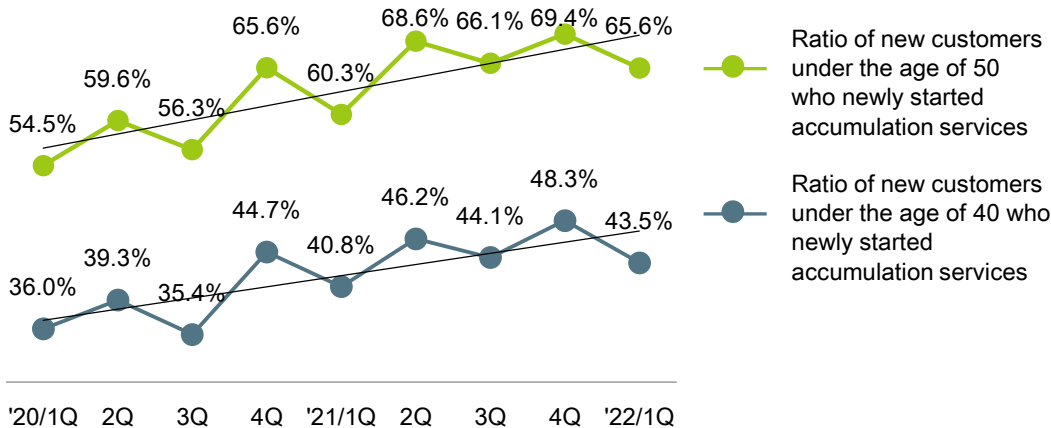
We meet asset building/management needs by strengthening consulting services that begin with customer's life planning counselling.

## Development of Consulting Services

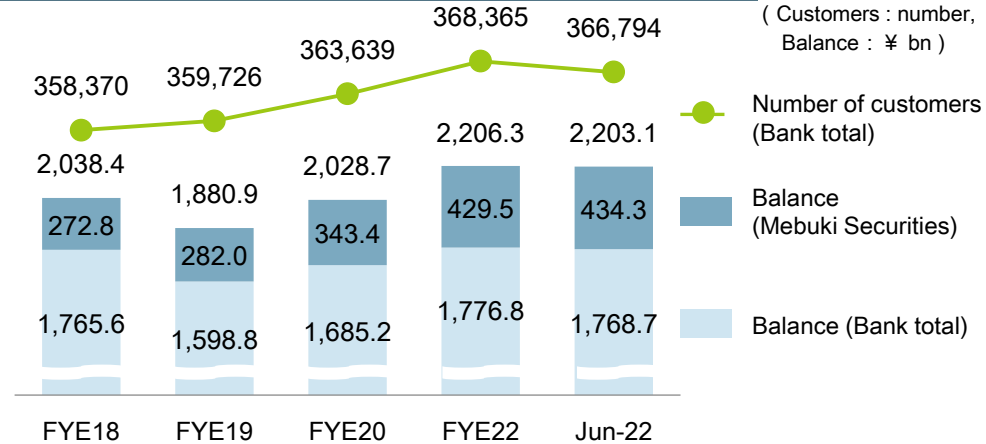
- ✓ Introduce local life plan advisor system (Sep. 2019 ~\*1)
- ✓ Reinforce non face-to-face sales using online seminars and video content (FY2020~)
- ✓ New establishment of the Block Retail Business Division and the Private Banking Office (Oct. 2020 ~\*2)
- ✓ Enhance collaboration among Banks and Mebuki Securities regarding customer information (Oct. 2020 ~)
- ✓ Establishment of Ashigin Money Design for ensuring trading opportunities with young people (Jul.2021 ~\*2)

\*1 Joyo Bank \*2 Ashikaga Bank

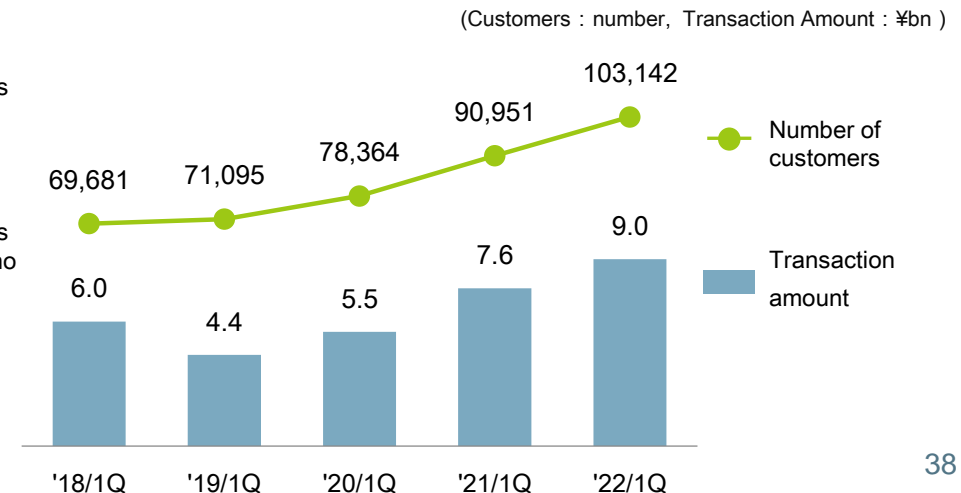
## Growing Needs for Asset Management by young and asset-building demographic



## Customer Assets under Custody



## Accumulation Service (Bank total)



# Specific Strategy 1-2 Deepening comprehensive financial services ②

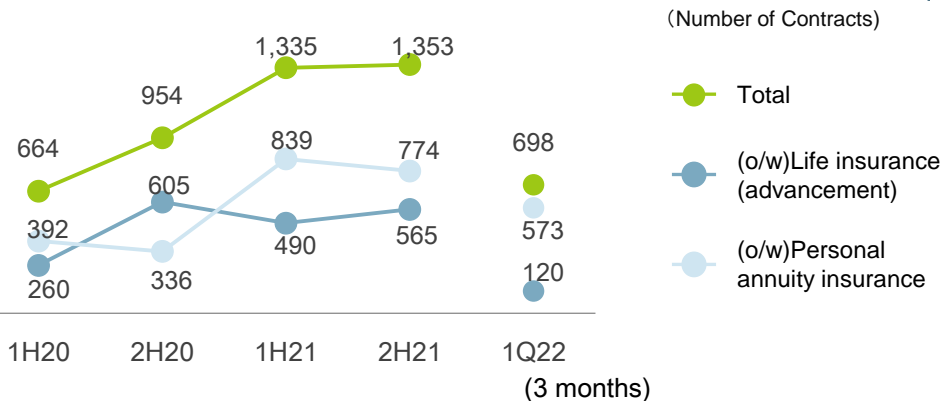
We have enhanced our system to provide various services related to gerontology in response to an aging society. We will enhance various services related to asset management /succession as well as improvement /maintenance of quality of life for customers and provide one-stop support by professional staff responding to concerns of the elderly and their families.

## System Development for an Aging Society

- ✓ Establishment of a holiday consulting desk “Holiday Wealth Salon” (Sep. 2019 ~ \*1)
- ✓ Placement of specialized staff for the elderly “Smileful Partner” (Apr. 2020~ \*2)
- ✓ Development and introduction of customer proposal tool “Smile Navigation” (Apr. 2021 ~ \*2)
- ✓ Packaging of “Living Support Services for Elderly and Families” (Dec. 2021~ \*1)
- ✓ Introduction of information succession service “Anshin(safe Note)” (Mar. 2022~ \*2)

\*1 Ashikaga Bank \*2 Joyo Bank

## Contract Number of Asset Succession/Asset Management Related Products (Two Banks' Total)



## Expansion of Services

**● Asset Management**

- ✓ Guardianship support deposit
- ✓ Family trust
- ✓ Personal annuity insurance
- ✓ Asset succession planning
- ✓ Leaseback of real estate
- ✓ Small-lot real estate
- ✓ Reverse mortgage housing loan

**● Asset Succession**

- ✓ Testamentary trust
- ✓ Testamentary substitute trust
- ✓ Life insurance (with beneficiary)
- ✓ Life insurance (advancement)

**● Non-financial Services**

- ✓ Watching service
- ✓ Housekeeping service
- ✓ Family tree preparation
- ✓ End-of-life consultation
- ✓ Information succession
- ✓ Group travel arranging
- ✓ Introducing nursing home
- ✓ Administrative delegation before / after death

**Asset Transfer** → **Lifetime** → **Decline in cognitive function and judgement** → **After-death**

**● Asset Management (incl. real estate)**

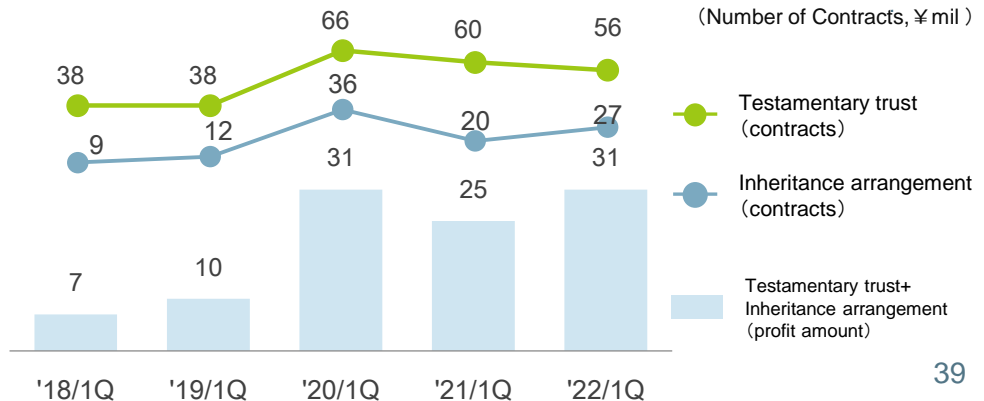
- ✓ Inherited property management
- ✓ Execution of will
- ✓ Property management (sales, rental, etc.)

**● After-death Arrangement**

- ✓ Belongings arrangement
- ✓ Funeral related services

## Inheritance Related Service

(Contracts /Amount of Two Banks' Total)





# Specific Strategy 1-3 Challenges to expand business areas

With the authorization to make an advanced banking service company of other industries under the banking act, we established new companies, "Joyo Green Energy Co., Ltd" in July 2022 and "Colletochi, Ltd" in August 2022. Taking advantage of the Group's strengths and alliances with external organizations, we will provide new services to solve customers' issues in areas that could not be addressed with conventional services.

## Joyo Green Energy Co., Ltd.

### < Renewable Energy Power Acquisition and Generation Businesses >



### < Other Derived Businesses >

- ✓ Promoting introduction of solar energy self-consumption system ( solar panel, storage battery )
- ✓ Corporate PPA \*1
- ✓ J-Credit sales
- ✓ CO2 measurement / visualization service
- ✓ Maintenance of power supply facilities ( validating feasibility )
- ✓ Promotion of shift to renewable energy power use by Joyo Bank's group companies \* 2

\*1 A system for installing solar panels on one's own grounds and roofs (onsite) or adjacent(offsite) and supplying renewable energy power through retail power generation companies

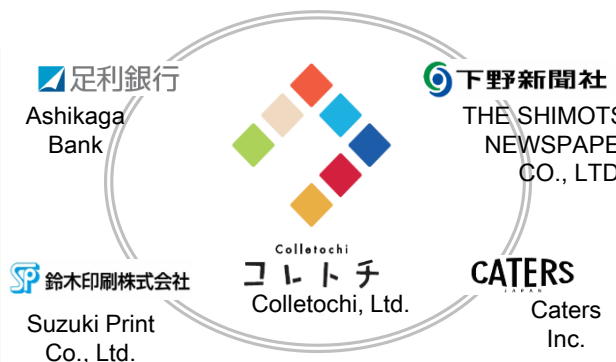
\*2 Transition of part of used power supply In Joyo Bank group to renewable energy power supply by installation of solar power generation facilities on their unused land

## Colletochi, Ltd. (Regional Trading Company)

### < Supporting sales expansion of excellent local products, goods, and services >

#### Colletochi, Ltd.

- ✓ Established on Aug. 2, 2022
- ✓ Joint investment company (cooperation with 3 regional companies)  
THE SHIMOTSUKE NEWSPAPERS CO., LTD,  
Suzuki Print Co., Ltd., and Caters Inc
- ✓ The company will focus on communicating essential values, such as the desire of the people involved and their unique stories, and lead to promote local attractions.



### < Main Businesses >

- ✓ Sales of local products ( mainly in B to B )
- ✓ EC operations ( mainly in B to C )
- ✓ Support for new product development

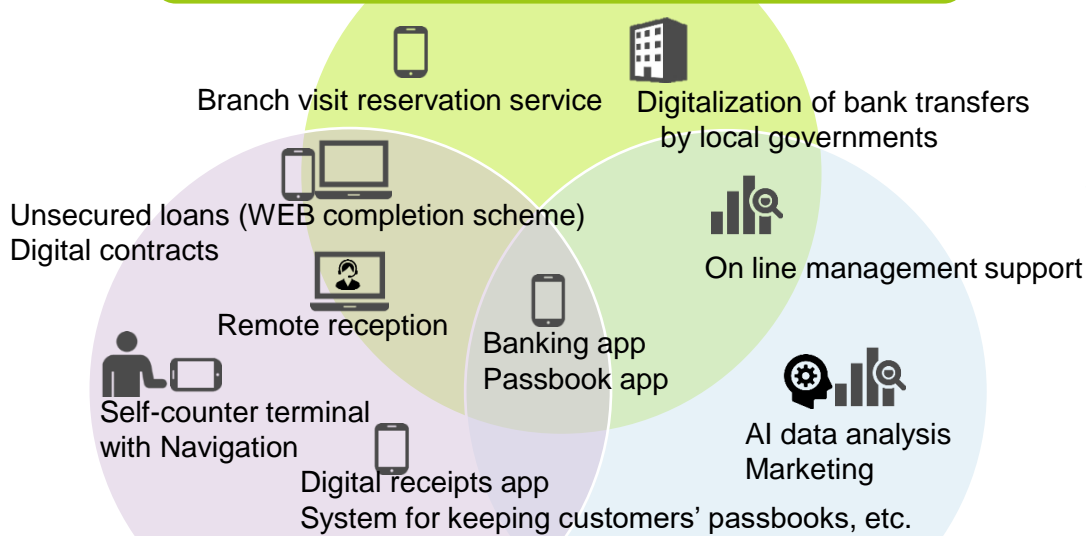
### < Businesses to be considered >

- ✓ DX related services
- ✓ Export related businesses
- ✓ Consumption of experience related businesses

# Specific Strategy 2-1 Promoting DX

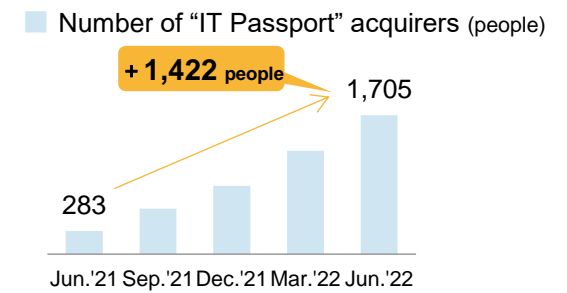
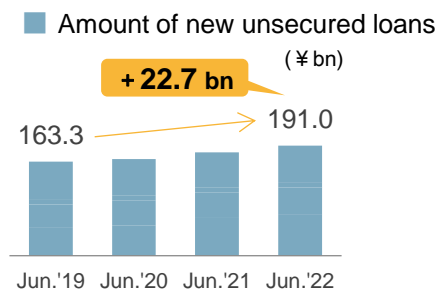
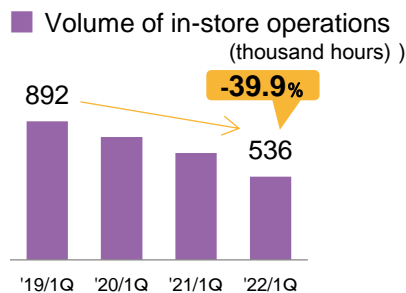
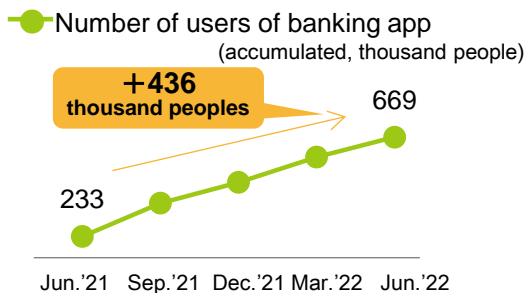
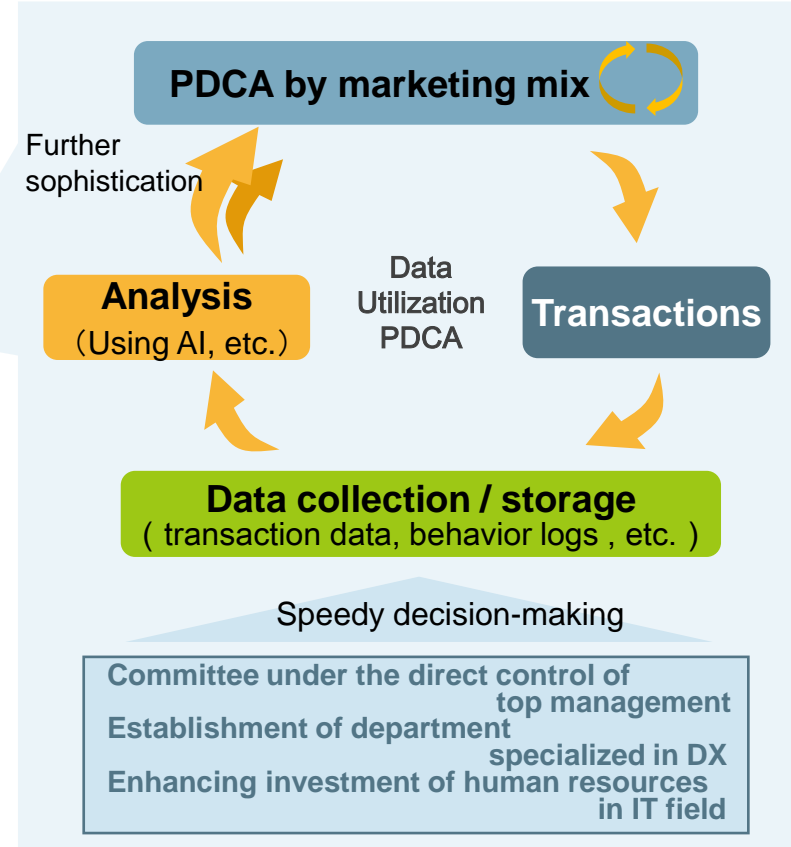
Efficiency advanced by elimination of business operations through the enhancement of CX from the provision of new services designed to support digitalization and the digitalization of business process. Further, we will increase the scope of data utilization to create new value and strengthen our management structure.

## Intended Purpose ① Improving customer services



## Intended Purpose ② Business efficiency

## Intended Purpose ③ Utilizing data

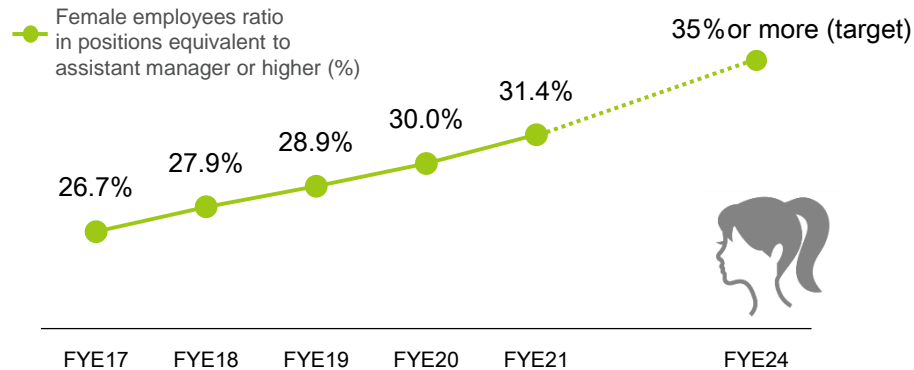


# Implementation of Diversity / Initiatives for Enhancing Job Satisfaction

We introduced new personnel system so that our employees are able to equitably build their careers irrespective of their age, gender, etc. We will create an environment where both men and women are able to balance working and family-life, and further enhance their work-life balance.

## Promoting active workplace with diverse human resources

- We are proactively promoting highly motivated and capable female employees to higher managerial positions.



## Support for Improving Employees' Career and Skills

<b>Vision</b>	A system to properly compensate active employees in enhancing areas regardless of age and/or gender		
<b>Aim</b>	<ul style="list-style-type: none"> <li>✓ Early promotion of younger employees to higher position</li> </ul>	<ul style="list-style-type: none"> <li>✓ Treatment according to value of operations</li> </ul>	<ul style="list-style-type: none"> <li>✓ Developing a working environment where employees can work easily</li> </ul>
<b>Main Revision</b>	<ul style="list-style-type: none"> <li>✓ Abolishing general career course and integrating into career-track course</li> <li>✓ Removal of the number of years requirement for promotion to higher position</li> <li>✓ Aggregation of qualifications</li> </ul>	<ul style="list-style-type: none"> <li>✓ Development of compensation system according to difficulty and contribution</li> <li>✓ Introduction of annual salary system</li> <li>✓ Review of compensation system for senior employees</li> </ul>	<ul style="list-style-type: none"> <li>✓ Introduction of work-at-home (mobile working)</li> <li>✓ Review of flexible work</li> <li>✓ Expansion of allowance s (for away from home, child care support, etc.)</li> </ul>

## Providing a Pleasant Working Environment

- We are establishing systems and working environments that allow employees to work continuously in line with their life stages, such as raising children or nursing care of family.



Flexible work system



Working at home



Conducting seminars for employees returning to the workplace from childcare leave



Shortened work hour system (nursing care)



Shortened work hour system (childcare)



Special paid holidays reserve system (fertility treatment, regular-hospital visits, etc.)

## External Evaluation



“Eruboshi “certification (3rd-level) as a company that provides superior support for women’s advancement



“Platinum Kurumin” certification as a childcare support company granted by the Ministry of Health, Labor and Welfare



Recognized as an organization under the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large enterprise category)

# Financial Data for 1Q22

## 【Data】 Breakdown of Banking subsidiaries

### ( 1 ) P/L for 1Q22

	( ¥ b n )					
	J+A	YoY	Joyo	YoY	Ashikaga	YoY
Gross business profit	35.8	-11.7	16.4	-11.4	19.4	-0.2
(Core Gross business profit)	51.8	+3.9	30.5	+2.3	21.3	+1.5
Net interest income	42.0	+3.6	24.1	+1.9	17.8	+1.6
o/w Gains/losses on Cancellation of Private Offering Investment Trusts	2.6	+2.3	1.4	+1.0	1.2	+1.2
Net fees and commissions	9.2	+0.1	5.9	+0.2	3.2	-0.0
Net other business income and Net trading income	-15.3	-15.5	-13.6	-13.7	-1.6	-1.7
(o/w gains/losses on bond transactions)	-15.9	-15.6	-14.0	-13.8	-1.8	-1.8
Expenses	26.4	-1.2	14.7	-0.7	11.6	-0.5
o/w Personnel expenses	14.4	-0.3	8.1	-0.1	6.2	-0.1
o/w Non-personnel expenses	9.8	-0.7	5.4	-0.4	4.4	-0.2
Net business income (before general allowance for loan losses)	9.4	-10.4	1.6	-10.7	7.7	+0.2
Core net business income	25.3	+5.1	15.7	+3.0	9.6	+2.0
Core net Business Income	22.6	+2.7	14.3	+1.9	8.3	+0.8
( exclu. Gains/losses on Cancellation of Investment Trusts )						
Net transfer to general allowance for loan losses (a)	—	-0.0	—	-0.0	-0.1	-0.1
Net business income	9.4	-10.4	1.6	-10.6	7.9	+0.4
Net non-recurrent gains/losses	11.2	+6.0	12.1	+6.7	-1.0	-0.8
o/w Disposal of non-performing loans (b)	0.1	-0.3	-0.3	+0.0	0.6	-0.2
o/w Gains/losses related to stocks, etc	11.2	+5.8	11.6	+6.8	-0.3	-1.0
Ordinary profit	20.7	-4.3	13.7	-3.9	6.9	-0.4
Extraordinary income/losses	0.1	+0.0	0.0	+0.0	0.0	+0.0
Net income	14.7	-3.0	9.8	-2.7	4.8	-0.2
Credit related costs (a)+(b)	0.1	-0.4	-0.3	-0.0	0.4	-0.4

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

	FY19	FY20	FY21	1Q22	YoY	1Q21
J+A	Domestics	0.99%	0.96%	0.93%	0.92%	0.94%
	Overseas	2.67%	1.29%	1.04%	1.59%	1.04%
	Total	1.02%	0.96%	0.94%	0.93%	0.94%
Joyo	Domestics	0.97%	0.93%	0.91%	0.90%	0.92%
	Overseas	2.69%	1.30%	1.05%	1.62%	1.04%
	Total	1.01%	0.94%	0.92%	0.93%	0.92%
Ashikaga	Domestics	1.02%	0.99%	0.96%	0.94%	0.97%
	Overseas	2.48%	1.19%	0.98%	1.31%	0.99%
	Total	1.03%	0.99%	0.96%	0.94%	0.97%

## 【Data】 Breakdown of Banking subsidiaries

( 3 ) Loans Term-end Balance ( ¥ b n )

		FYE19	FYE20	FYE21	Jun-22	YoY	Jun-21
J+A	Individual	4,795.9	4,924.8	5,045.4	5,056.6	+106.4	4,950.2
	Corporate	5,181.3	5,369.6	5,347.4	5,290.5	-21.8	5,312.3
	Public	980.2	983.7	915.9	828.3	-34.4	862.7
	Total	10,957.5	11,278.1	11,308.8	11,175.5	+50.1	11,125.4
Joyo	Individual	2,624.6	2,687.7	2,740.2	2,744.3	+47.4	2,696.8
	Corporate	3,002.6	3,103.0	3,091.3	3,067.6	-12.3	3,079.9
	Public	612.8	562.7	498.1	485.0	-59.4	544.4
	Total	6,240.1	6,353.6	6,329.7	6,296.9	-24.3	6,321.3
Ashikaga	Individual	2,171.3	2,237.0	2,305.1	2,312.3	+58.9	2,253.3
	Corporate	2,178.6	2,266.5	2,256.0	2,222.9	-9.4	2,232.4
	Public	367.4	420.9	417.8	343.3	+24.9	318.3
	Total	4,717.3	4,924.5	4,979.0	4,878.5	+74.4	4,804.0

Foreign Currency Denominated Loans ( ¥ b n )

		FYE19	FYE20	FYE21	Jun-22	YoY	Jun-21
J+A		164.2	162.6	150.6	162.2	+0.4	161.8
Joyo		146.8	150.0	139.5	149.4	+0.2	149.2
Ashikaga		17.3	12.6	11.0	12.7	+0.1	12.6

( 4 ) Loans Individual Housing Related Loans Term-end Balance ( ¥ b n )

		FYE19	FYE20	FYE20	Jun-22	YoY	Jun-21
J+A	Housing Loans	3,546.5	3,711.7	3,860.8	3,881.6	+134.6	3,747.0
	Apartment Loans	933.6	902.3	871.2	862.4	-30.2	892.7
	Asset building loans	2.8	2.6	2.4	2.3	-0.1	2.5
	Total	4,483.0	4,616.7	4,734.5	4,746.5	+104.1	4,642.3
Joyo	Housing Loans	1,719.5	1,809.7	1,889.9	1,901.7	+74.4	1,827.2
	Apartment Loans	748.6	722.8	694.2	686.9	-28.3	715.3
	Asset building loans	2.8	2.6	2.4	2.3	-0.1	2.5
	Total	2,471.1	2,535.1	2,586.5	2,591.0	+45.8	2,545.1
Ashikaga	Housing Loans	1,826.9	1,902.0	1,970.9	1,979.9	+60.1	1,919.7
	Apartment Loans	185.0	179.5	177.0	175.4	-1.9	177.3
	Asset building loans	-	-	-	-	-	-
	Total	2,011.9	2,081.5	2,147.9	2,155.4	+58.2	2,097.1

( 5 ) Unsecured Loans Term-end Balance ( ¥ b n )

		FYE19	FYE20	FYE21	Jun-22	YoY	Jun-21
J+A	Car Loans	52.0	63.3	71.4	72.1	+6.7	65.4
	Educational Loans	42.5	43.4	45.4	46.2	+2.2	43.9
	Free Loans	9.8	9.1	9.3	9.3	+0.0	9.2
	Card Loans	65.4	61.2	62.4	63.2	+2.1	61.1
	Total	169.9	177.1	188.6	191.0	+11.2	179.8
Joyo	Car Loans	35.2	45.4	50.6	51.0	+4.1	46.9
	Educational Loans	34.0	34.3	35.5	36.1	+1.5	34.6
	Free Loans	3.5	3.6	3.8	3.8	+0.1	3.7
	Card Loans	26.0	23.7	24.8	25.2	+1.7	23.4
	Total	98.8	107.1	114.8	116.2	+7.5	108.7
Ashikaga	Car Loans	16.8	17.8	20.8	21.1	+2.5	18.5
	Educational Loans	8.5	9.1	9.9	10.1	+0.7	9.3
	Free Loans	6.2	5.4	5.5	5.4	-0.0	5.5
	Card Loans	39.4	37.5	37.5	38.0	+0.4	37.6
	Total	71.0	70.0	73.8	74.7	+3.6	71.0

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

		FYE19	FYE20	FYE21	Jun-22	YoY	Jun-21
J+A	Large	1,635.4	1,688.2	1,674.3	1,661.5	-23.2	1,684.8
	Medium/SMEs	3,545.9	3,681.3	3,673.0	3,628.9	+1.4	3,627.5
	Total	5,181.3	5,369.6	5,347.4	5,290.5	-21.8	5,312.3
Joyo	Large	1,165.1	1,220.6	1,206.9	1,210.5	-10.4	1,221.0
	Medium/SMEs	1,837.4	1,882.3	1,884.3	1,857.0	-1.8	1,858.9
	Total	3,002.6	3,103.0	3,091.3	3,067.6	-12.3	3,079.9
Ashikaga	Large	470.2	467.6	467.3	451.0	-12.7	463.7
	Medium/SMEs	1,708.4	1,798.9	1,788.7	1,771.9	+3.2	1,768.6
	Total	2,178.6	2,266.5	2,256.0	2,222.9	-9.4	2,232.4

( 7 ) Loans Corporate Term-end Balance by Area ( ¥ b n )

		FYE19	FYE20	FYE21	Jun-22	YoY	Jun-21
J+A	Tokyo	1,967.5	2,021.9	2,009.4	1,999.5	-10.5	2,010.1
	Local	3,213.8	3,347.6	3,337.9	3,290.9	-11.2	3,302.2
	Total	5,181.3	5,369.6	5,347.4	5,290.5	-21.8	5,312.3
Joyo	Tokyo	1,422.6	1,484.1	1,468.9	1,475.7	-2.9	1,478.6
	Local	1,579.9	1,618.9	1,622.4	1,591.8	-9.3	1,601.2
	Total	3,002.6	3,103.0	3,091.3	3,067.6	-12.3	3,079.9
Ashikaga	Tokyo	544.8	537.8	540.5	523.8	-7.6	531.4
	Local	1,633.8	1,728.7	1,715.5	1,699.0	-1.8	1,700.9
	Total	2,178.6	2,266.5	2,256.0	2,222.9	-9.4	2,232.4

## 【Data】 Breakdown of Banking subsidiaries

( 8 ) Deposits Term-end Balance ( ¥ b n )

		FYE19	FYE20	FYE21	Jun-22	YoY	Jun-21
J+A	Individual	10,685.0	11,400.1	11,787.3	11,991.9	+384.9	11,606.9
	Corporate	3,364.1	3,887.4	3,953.5	4,016.0	+39.5	3,976.5
	Public	737.3	969.9	1,116.4	947.7	+165.5	782.2
	Total	14,786.5	16,257.4	16,857.3	16,955.7	+590.0	16,365.7
Joyo	Individual	6,633.6	7,053.1	7,272.7	7,393.7	+217.3	7,176.3
	Corporate	1,880.3	2,136.5	2,180.4	2,207.4	+41.9	2,165.4
	Public	459.2	515.8	600.7	590.1	+107.9	482.2
	Total	8,973.1	9,705.5	10,053.9	10,191.3	+367.2	9,824.0
Ashikaga	Individual	4,051.4	4,346.9	4,514.5	4,598.1	+167.5	4,430.5
	Corporate	1,483.8	1,750.8	1,773.1	1,808.6	-2.3	1,811.0
	Public	278.1	454.1	515.7	357.5	+57.5	300.0
	Total	5,813.4	6,551.9	6,803.3	6,764.4	+222.7	6,541.7

Foreign Currency Deposit ( ¥ b n )

		FYE19	FYE20	FYE21	Jun-22	YoY	Jun-21
J+A		219.7	180.0	168.2	164.5	-18.9	183.4
Joyo		176.4	151.9	139.6	140.3	-14.0	154.3
Ashikaga		43.2	28.0	28.5	24.1	-4.8	29.0

( 9 ) Customer Assets under Custody Balance ( ¥ b n )

		FYE19	FYE20	FYE20	Jun-22	YoY	Jun-21
Group total	Investment trusts	463.7	547.7	632.5	612.3	+34.5	577.8
	Insurance	812.6	829.0	858.5	879.6	+45.2	834.4
	Foreign currency deposits	166.1	146.0	131.1	126.3	-16.1	142.4
	JGB etc.	156.2	162.4	154.5	150.3	-14.7	165.1
	Mebuki Securities	282.0	343.4	429.5	434.3	+82.2	352.0
	Total	1,880.9	2,028.7	2,206.3	2,203.1	+131.1	2,071.9
Joyo	Investment trusts	214.7	249.8	302.6	294.9	+24.5	270.4
	Insurance	471.9	488.5	511.5	519.2	+26.5	492.6
	Foreign currency deposits	122.9	117.9	102.6	102.1	-11.2	113.4
	JGB etc.	104.1	108.2	102.7	99.8	-10.8	110.6
Total	913.8	964.6	1,019.4	1,016.1	+29.0	987.1	
Ashikaga	Investment trusts	249.0	297.8	329.8	317.4	+9.9	307.4
	Insurance	340.6	340.5	347.0	360.4	+18.6	341.8
	Foreign currency deposits	43.2	28.0	28.5	24.1	-4.8	29.0
	JGB etc.	52.1	54.2	51.7	50.5	-3.9	54.4
Total	685.0	720.6	757.3	752.5	+19.8	732.7	

( 10 ) Customer Assets under Custody Commissions ( ¥ b n )

		FYE19	FYE20	FYE21	Jun-22	YoY	Jun-21
Group Total	Investment trusts(*1)	5.91	6.22	7.93	1.68	-0.22	1.90
	Insurance(*2)	4.26	3.25	3.25	1.10	+0.23	0.86
	Foreign currency deposits	0.68	0.55	0.61	0.23	+0.08	0.14
	JGB etc.	0.08	0.06	0.01	0.00	+0.00	0.00
	Financial instrument intermediary service	0.72	1.13	1.19	0.23	-0.18	0.42
	Total	14.66	14.93	16.90	3.99	-0.55	4.54
Joyo	Investment trusts(*1)	2.83	2.93	4.10	0.82	-0.16	0.98
	Insurance(*2)	2.61	2.06	2.00	0.68	+0.17	0.51
	Foreign currency deposits	0.50	0.39	0.39	0.13	+0.03	0.10
	JGB etc.	0.05	0.05	0.01	0.00	+0.00	0.00
	Financial instrument intermediary service	0.43	0.75	0.89	0.18	-0.12	0.31
	Total	6.44	6.20	7.41	1.83	-0.07	1.91
Ashikaga	Investment trusts(*1)	3.08	3.29	3.83	0.85	-0.06	0.92
	Insurance(*2)	1.64	1.18	1.25	0.41	+0.05	0.35
	Foreign currency deposits	0.18	0.15	0.22	0.09	+0.05	0.04
	JGB etc.	0.02	0.01	0.00	0.00	+0.00	0.00
	Financial instrument intermediary service	0.29	0.38	0.29	0.04	-0.05	0.10
	Total	5.22	5.02	5.61	1.41	-0.01	1.43

\* 1 : Sales commission+ Trust fee

( 11 ) Fees from Corporate Customers ( ¥ b n )

		FY19	FY20	FY20	1Q22	YoY	1Q21
J+A	Credit Related	8.20	7.55	8.08	3.00	+1.75	1.25
	Consulting Related	1.44	1.88	3.29	0.70	+0.22	0.47
	total	9.65	9.44	11.37	3.71	+1.98	1.72
Joyo	Credit Related	4.24	4.03	4.70	1.97	+1.28	0.68
	Consulting Related	0.80	1.18	2.14	0.44	+0.13	0.31
	total	5.05	5.21	6.84	2.41	+1.42	0.99
Ashikaga	Credit Related	3.95	3.52	3.38	1.03	+0.46	0.56
	Consulting Related	0.64	0.70	1.14	0.25	+0.09	0.15
	total	4.60	4.22	4.52	1.29	+0.56	0.72

## 【Data】 Breakdown of Banking subsidiaries

		FYE19	FYE20	FYE21	Jun-22	YoY
Mebuki FG (Consolidated)	Domestic bonds	2,359.4	2,510.6	2,745.1	2,810.3	+65.2
	Foreign bonds	831.6	959.5	967.3	906.8	-60.4
	Stocks	226.0	265.8	254.1	250.9	-3.2
	Investment trusts, etc.	658.9	597.2	715.5	667.9	-47.6
	Total	4,076.1	4,333.2	4,682.3	4,636.1	-46.1
Joyo	Domestic bonds	1,746.7	1,822.0	2,002.5	2,028.9	+26.3
	Foreign bonds	505.3	595.5	597.9	524.4	-73.4
	Stocks	197.2	233.1	226.8	221.1	-5.6
	Investment trusts, etc.	388.1	373.9	439.9	426.1	-13.7
	Total	2,837.4	3,024.6	3,267.3	3,200.7	-66.5
Ashikaga	Domestic bonds	600.3	679.1	734.1	773.2	+39.0
	Foreign bonds	326.3	364.0	369.3	382.3	+13.0
	Stocks	64.2	39.1	33.6	36.1	+2.4
	Investment trusts, etc.	266.7	219.1	271.5	237.6	-33.8
	Total	1,257.5	1,301.5	1,408.8	1,429.4	+20.6

		FYE19	FYE20	FYE21	Jun-22	YoY
Mebuki FG (Consolidated)	Stocks	86.9	139.4	131.5	129.3	-2.1
	Domestic bonds	9.2	2.4	-21.3	-46.8	-25.5
	Investment trusts, etc.	-21.3	33.1	32.9	-5.0	-38.0
	Foreign bonds	24.3	35.6	-14.2	-35.7	-21.5
	Total	99.1	210.7	128.9	41.6	-87.2
Joyo	Stocks	85.1	127.5	123.6	118.9	-4.7
	Domestic bonds	9.0	3.0	-16.3	-37.0	-20.7
	Investment trusts, etc.	-8.3	26.0	27.4	4.5	-22.9
	Foreign bonds	12.8	15.0	-12.8	-21.4	-8.5
	Total	98.7	171.7	122.0	65.0	-56.9
Ashikaga	Stocks	20.8	25.0	21.0	23.5	+2.4
	Domestic bonds	11.5	8.5	1.9	-3.3	-5.3
	Investment trusts, etc.	-10.6	8.5	6.7	-8.2	-15.0
	Foreign bonds	13.8	22.4	-0.1	-13.0	-12.9
	Total	35.6	64.5	29.7	-1.1	-30.9

		FY19	FY20	FY21	1Q22	YoY	1Q21
J+A	Stocks	-2.0	-6.2	-7.1	-15.9	-15.6	-0.2
	Domestic bonds	0.4	10.0	3.5	11.2	+5.8	5.4
	Investment trusts, etc.	7.3	6.8	1.7	2.6	+2.3	0.3
	Total	5.6	10.6	-1.8	-1.9	-7.4	5.5
Joyo	Stocks	-0.9	-3.9	-4.8	-14.0	-13.8	-0.1
	Domestic bonds	0.6	9.1	3.5	11.6	+6.8	4.7
	Investment trusts, etc.	5.2	4.9	1.7	1.4	+1.0	0.3
Ashikaga	Stocks	-1.1	-2.3	-2.2	-1.8	-1.8	-0.0
	Domestic bonds	-0.1	0.9	-0.0	-0.3	-1.0	0.7
	Investment trusts, etc.	2.0	1.9	0.0	1.2	+1.2	0.0
Total		0.8	0.4	-2.3	-0.9	-1.6	0.6

		Interest rate type	Securities type	FYE21	Jun-22	YoY	1Q22 Gains/losses
J+A	U.S. dollar	Fixed	Government, Government-guaranteed bonds, etc	225.6	146.6	-79.0	-13.8
			Corporate bonds, etc	329.4	369.2	+39.7	
		Floating	CLO/Government-guaranteed bonds, etc	134.0	159.9	+25.8	
	Sub Total			689.1	675.7	-13.3	
	Euro	Fixed	Government, Government-guaranteed bonds, etc	248.1	225.4	-22.7	
Joyo	U.S. dollar	Fixed	Government, Government-guaranteed bonds, etc	170.1	80.5	-89.5	-13.1
			Corporate bonds, etc	69.1	70.8	+1.6	
	Floating	CLO/Government-guaranteed bonds, etc	134.0	159.9	+25.8		
	Sub Total			373.2	311.2	-61.9	
	Euro	Fixed	Government, Government-guaranteed bonds, etc	195.4	195.3	-0.0	
Ashikaga	U.S. dollar	Fixed	Government, Government-guaranteed bonds, etc	55.5	66.1	+10.5	-0.6
			Corporate bonds, etc	260.2	298.4	+38.1	
	Floating	CLO/Government-guaranteed bonds, etc	0.0	0.0	±0.0		
	Sub Total			315.8	364.5	+48.6	
	Euro	Fixed	Government, Government-guaranteed bonds, etc	52.7	30.0	-22.6	
Others	Fixed	Corporate bonds, etc	42.9	40.1	-2.8	-0.3	
		Total	980.3	941.3	-38.9	-16.4	
	Total	Fixed	Corporate bonds, etc	0.9	0.9	±0.0	0.0
Total				369.5	395.4	+25.9	-2.0



## 【Data】 Breakdown of Banking subsidiaries

( 16 ) Strategic shareholdings (Balance) ( ¥ bn )

		FYE19	FYE20	FYE21	Jun-22	YoY
J+A	Balance	114.0	98.5	76.9	76.8	-0.1
Joyo	Balance	99.7	84.7	64.7	64.5	-0.1
Ashikaga	Balance	14.3	13.8	12.2	12.2	-0.0

(17) Expenses ( ¥ bn )

		FY19	FY20	FY21	1Q22	YoY	1Q21
J+A	Personnel	61.2	59.9	58.2	14.4	-0.3	14.7
	Non-Personnel	46.7	43.4	43.4	9.8	-0.7	10.6
	Taxes	7.0	6.8	6.5	2.1	-0.1	2.3
	Total	115.0	110.1	108.1	26.4	-1.2	27.6
Joyo	Personnel	33.5	33.2	32.7	8.1	-0.1	8.2
	Non-Personnel	26.8	24.7	24.1	5.4	-0.4	5.9
	Taxes	3.8	3.7	3.6	1.2	-0.1	1.3
	Total	64.2	61.7	60.5	14.7	-0.7	15.4
Ashikaga	Personnel	27.6	26.6	25.4	6.2	-0.1	6.4
	Non-Personnel	19.9	18.6	19.2	4.4	-0.2	4.7
	Taxes	3.1	3.0	2.9	0.9	-0.0	0.9
	Total	50.7	48.4	47.6	11.6	-0.5	12.1

( 18 ) Credit related cost ( ¥ bn )

		FY19	FY20	FY21	1Q22	YoY	1Q21
J+A		19.0	22.4	19.6	0.1	-0.4	0.6
Joyo		10.1	12.0	9.8	-0.3	-0.0	-0.2
Ashikaga		8.8	10.3	9.7	0.4	-0.4	0.9

( 19 ) Disclosed Claims under the Financial Revitalization Law ( ¥ bn )

		FYE19	FYE20	FYE21	Jun-22	YoY
J+A	Bankrupt claims	12.7	10.3	13.8	14.0	+0.2
	Doubtful claims	129.0	143.2	151.1	147.1	-4.0
	Claims requiring monitoring	27.9	27.4	27.6	26.5	-1.0
	(Loans past due 3 month or more)	-	0.1	0.0	0.0	+0.0
	(Restructured loans)	-	27.3	27.5	26.4	-1.0
	Total	169.8	181.0	192.6	187.7	-4.8
Joyo	Bankrupt claims	5.7	5.5	5.4	5.5	+0.0
	Doubtful claims	69.9	78.0	86.5	82.2	-4.2
	Claims requiring monitoring	12.5	13.0	13.3	12.3	-0.9
	(Loans past due 3 month or more)	-	0.0	0.0	0.0	+0.0
	(Restructured loans)	-	13.0	13.2	12.2	-0.9
	Total	88.2	96.7	105.2	100.1	-5.1
Ashikaga	Bankrupt claims	5.8	4.0	7.7	8.0	+0.2
	Doubtful claims	59.0	65.0	64.6	64.8	+0.1
	Claims requiring monitoring	15.4	14.4	14.2	14.1	-0.0
	(Loans past due 3 month or more)	-	0.0	0.0	0.0	-0.0
	(Restructured loans)	-	14.3	14.2	14.1	-0.0
	Total	80.2	83.5	86.7	87.1	+0.3

( 20 ) Non-accrual delinquent loans ( to Business ) ( 1 month or more ) ( ¥ bn )

		FYE19	FYE20	FYE21	Jun-22	YoY	Jun-21
J+A		1.2	2.0	1.3	1.8	-0.6	2.4
Joyo		0.3	0.0	0.8	1.4	+0.5	0.8
Ashikaga		0.9	2.0	0.5	0.4	-1.2	1.6

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