

Mebuki Financial Group, Inc.

Financial Results for the Third Quarter of FY2022 (IR Presentation Material)



1 Financial Results for 3Q22 / Forecast for FY2022

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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 Third Quarter of FY 2022 Forecast for FY 2022 (Revised on February 20, 2023)

Results for 3Q22

	Results for 3Q22	YoY Change
Core net business income ^(*1) (Banks' total)	¥64.4bn	+¥1.0bn
Gains/losses on securities ^(*2)	-¥14.7bn	-¥15.0bn
Consolidated net income ^(*3)	¥31.8bn	-¥6.6bn

- Core net business income (banks' total)^(*1), indicating the profitability in core business, maintained an increasing trend and increased by ¥1.0 bn YoY, driven by the increase of fees and commissions from customers and cost reduction.
- On the other hand, consolidated net income decreased by ¥6.6bn YoY to ¥31.8bn, due to gains/losses on securities of -¥14.7bn by sales of foreign and domestic bonds to improve periodic profit in the next fiscal year and onwards, in response to a surge in domestic and foreign currency interest rates.
- Year-end dividends of ¥5.5 in FY22 (annual dividends of ¥11.0 including interim dividends) is scheduled as announced initially.

(*1) Excluding gains /losses on cancellation of investment trusts, forward and option (*2) Including gains /losses on cancellation of investment trusts , forward and option

(*3) Attributable to owners of the parent

Forecast for FY22 (Revised on February 20, 2023)

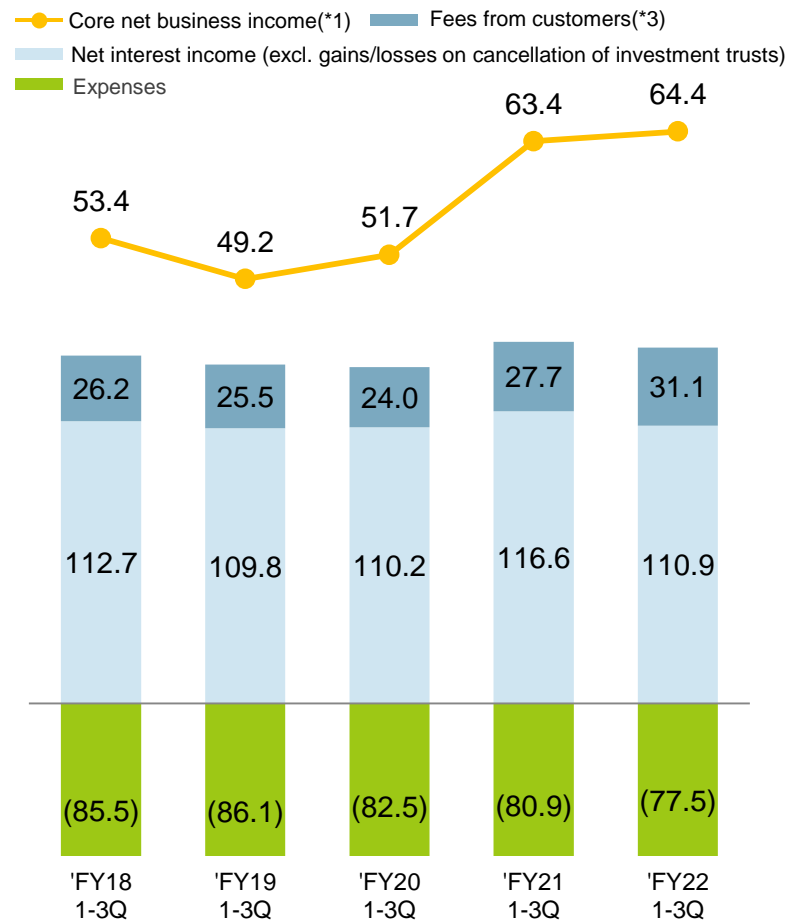
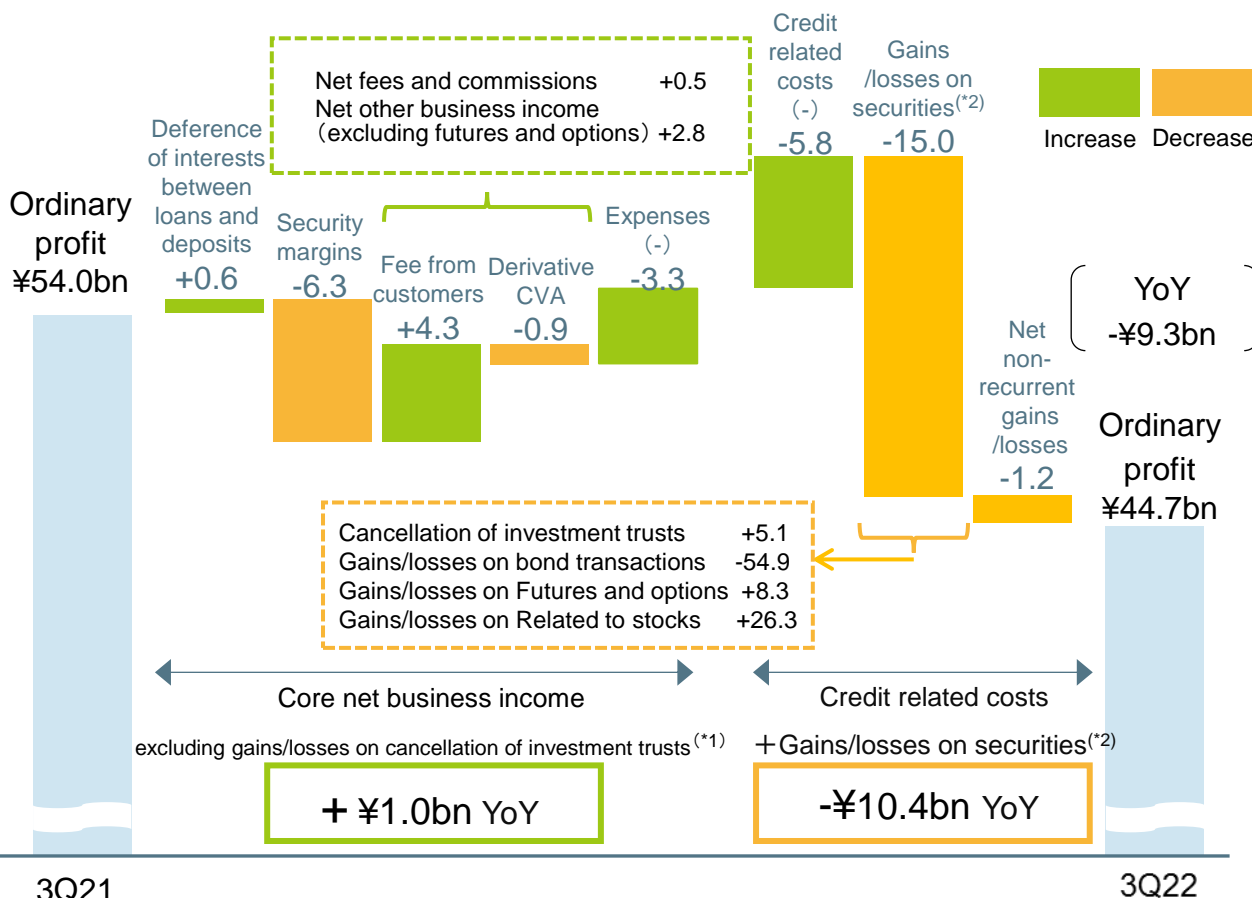
	Forecast for 2022 (Revised)	Compared to previous forecast	YoY
Consolidated ordinary profit	¥43.0bn	-¥22.0bn	-¥21.9bn
Consolidated net income ^(*4)	¥30.0bn	-¥15.0bn	-¥12.9bn

(*4) Attributable to owners of the parent

Core net business income^(*1), indicating the profitability in core business, maintained an increasing trend driven by the increase of fees and commissions from customers and cost reduction, but ordinary profit decreased by ¥9.3 bn YoY due to losses on sales of securities.

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

Change of Core Net Business Income (bank total) (¥bn)



(*1) Excluding Gains/losses on cancellation of investment trusts, futures and options

(*2) Gains/losses on "cancellation of investment trusts + bond transactions + related to stocks + futures and options"

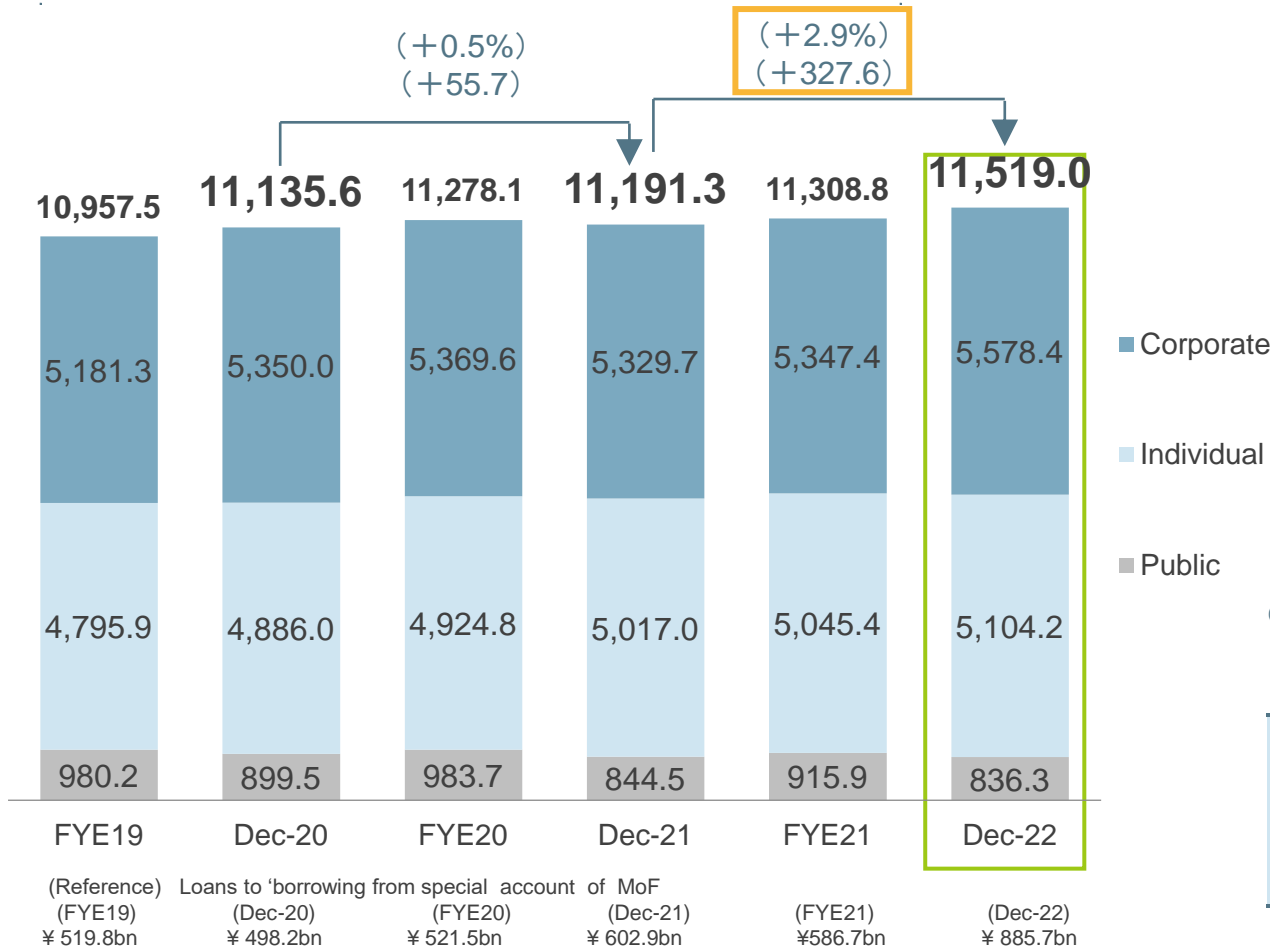
(*3) Net fees and commissions + Net other business income (Income related to derivatives for customers and foreign exchange)

Amount of loans increased by ¥327.6bn YoY (+2.9% annualized).

As a result of proactive support for customers affected by high resources prices and depreciation of yen as well as response to capital investment needs, loans to corporate customers increased significantly (+4.6% annualized).

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

* Not including borrowing from special account of MoF



Year on Year Changes (¥bn)

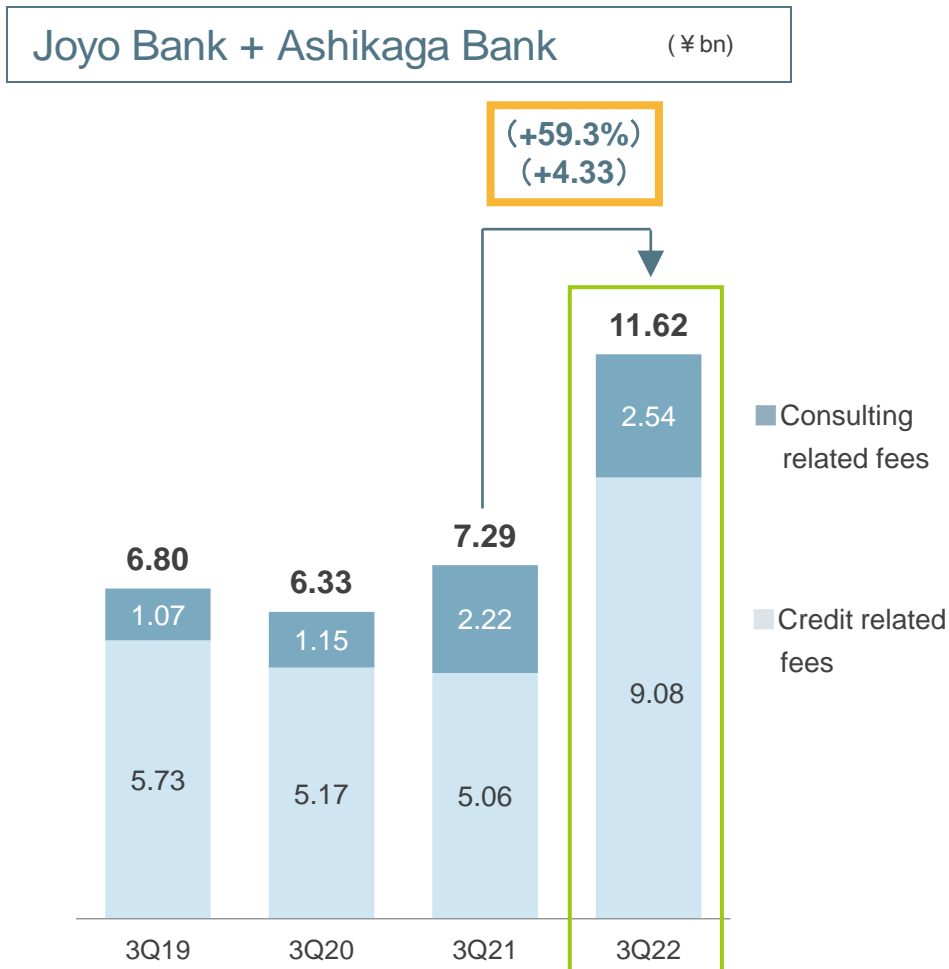
	Dec-20	Dec-21	Dec-22
Total	+209.3 +1.9%	+55.7 +0.5%	+327.6 +2.9%
Corporate	+136.9 +2.6%	△20.2 △0.3%	+248.6 +4.6%
Individual	+116.5 +2.4%	+130.9 +2.6%	+87.2 +1.7%
Public	-44.1 -4.6%	-54.9 -6.1%	-8.2 -0.9%

(Reference) YoY change of year-end (¥bn)

	'22/3E	Dec-22	Compared to '22/3E	Percentage change
Total	11,308.8	11,519.0	+210.2	+2.4%
Corporate	5,347.4	5,578.4	+230.9	+5.7%
Individual	5,045.4	5,104.2	+58.8	+1.5%
Public	915.9	836.3	-79.6	-11.5%

Fees from corporate customers increased by ¥ 4.33 bn YoY (+59.3% annualized).

We have increased derivative transactions to hedge risks in response to fluctuations in the financial markets such as foreign exchange and interest rates, and enhanced support for business matching and business planning for expanding supply chain and digitalization for customers.



< Breakdown of Fees from Corporate customers >

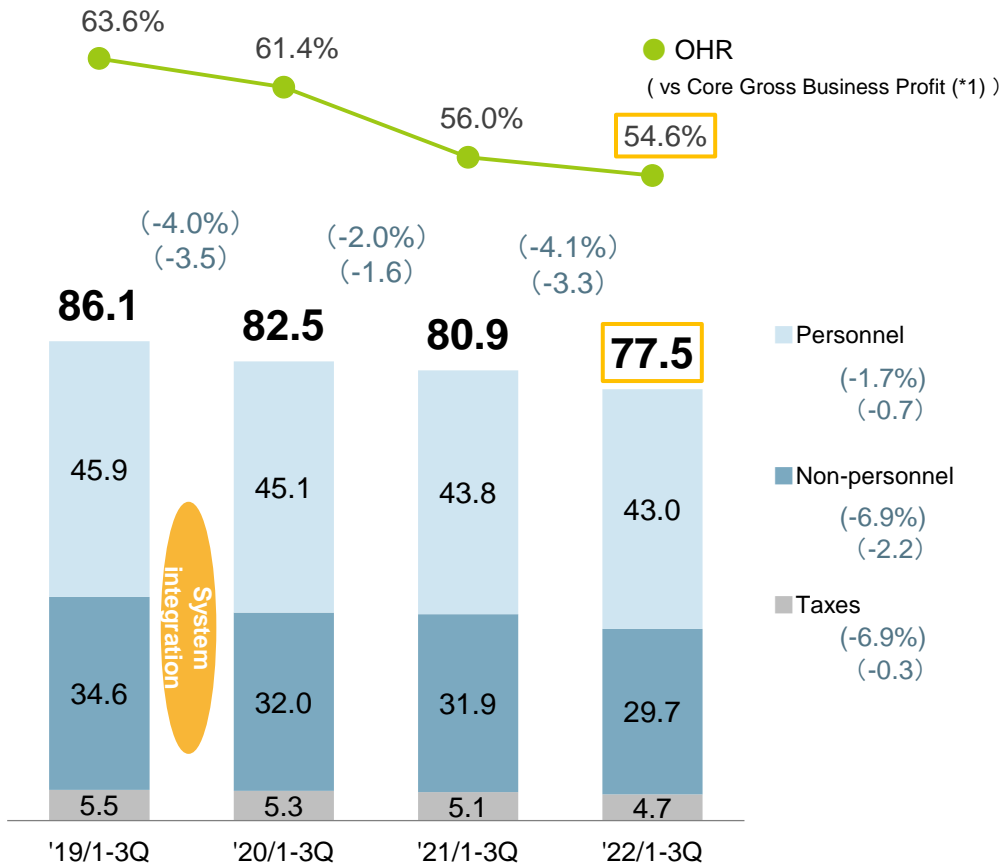
	3Q20	3Q21	3Q22	YoY
Credit related (1)	5.17	5.06	9.08	+4.01
Derivatives	0.56	0.87	4.52	+3.65
Syndicate loans	3.59	3.20	3.61	+0.40
Private placement bonds	1.02	0.98	0.94	-0.04
Consulting related (2)	1.15	2.22	2.54	+0.31
Business Matching	0.49	0.68	0.83	+0.15
Support for business Planning	—	0.52	0.80	+0.27
M&A	0.30	0.52	0.45	-0.07
Executive Insurance	0.28	0.39	0.35	-0.03
Trust · 401K	0.08	0.10	0.09	-0.01
Total (3) ((1)+(2))	6.33	7.29	11.62	+4.33
Credit risk related to derivatives trading ^(*1) (4) (-)	—	-0.01	0.89	+0.90
Total ((3)+(4))	6.33	7.31	10.73	+3.42

(*1) Net amount of CVA and DVA between the end of 3Q22 and FY21 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

Due to ensuring the effects of structural reform in the former medium-term group business plan, total expenses decreased by ¥ 3.3 bn (annualized -4.1%).

OHR (vs Core Gross Business Profit ^(*)), indicator of efficiency, improved to 54.6% (-1.4bp YoY).

Joyo Bank + Ashikaga Bank (¥ bn)



< Factors of Change >

	3Q22	YoY	Main factors
Personnel expenses	43.0	-0.7	<ul style="list-style-type: none"> Personnel reduction -0.4 Retirement benefit cost -0.2
Non-personnel expenses	29.7	-2.2	<ul style="list-style-type: none"> Deposit insurance premium -1.7 Reduction of depreciation and rental expense by reviewing branch networks -0.5
Taxes	4.7	-0.3	<ul style="list-style-type: none"> Consumption tax -0.1

(*) Excluding gains /losses on cancellation of investment trusts, futures and options

Cumulative gains/losses on securities of - ¥14.7bn was recorded through the third quarter of FY2022. In the fourth quarter, we expect additional sales of foreign bonds, domestic bonds and strategic shareholdings (scale of loss on sales : about - ¥10.0bn). For the full year, we expect to record gains/losses on securities of about - ¥25.0bn.

Overview of Securities Operations (Bank Total)

(¥bn)

As of Mar.2022 Balance ^①		1H22 Results	3Q22 Results (Oct-Dec)	Cumulative 9 months	4Q22 Forecast (Jan.-Mar)	FY2022 Forecast ^②	Ratio of Sales ^{②/①}
Yen-dominated bonds 2,779.2	Book Value on sale Profit/ loss	286.0 -12.7*	39.5 -3.3	325.5 -16.1	186.0 -20.0	511.5 -36.5	18.4%
Foreign currency-dominated Bonds 965.1	Book Value on sale Profit/ loss	323.1 -26.1	159.7 -15.1	482.8 -41.2	106.0 -6.0	588.5 -47.5	60.9%
Investment trusts 662.4	Book Value on sale Profit/ loss	79.2 +4.3	68.2 +4.9	147.4 +9.1	15.5 +0.1	163.0 +9.5	24.6%
Stocks 115.7	Book Value on sale Profit/ loss	13.4 +23.2	0.9 +2.1	14.3 +25.3	12.5 +16.0	27.0 +41.5	23.3%
Future / Option -	Book Value on sale	+8.6*	-0.4	+8.1	-0.1	+8.0	-
Total of securities 4,522.2	Book Value on sale Profit/ loss	701.7 -2.8	268.3 -11.9	970.0 -14.7	320.0 -10.0	1,290.0 -25.0	28.5%

* Figures include ¥8.1bn of losses on bond transactions due to cancellation of asset swaps. Net gains/losses on bond transactions excluding asset swaps is -¥2.8bn.

Taking into consideration the rising of domestic and foreign currency interest rates, we started replacing our portfolio and preceded the sales of securities, mainly in foreign and domestic bonds.

By considering market trends, we will purchase foreign and domestic bonds and continue to restructure our portfolio.

Securities Portfolio (Bank Total)

(¥bn)

		As of Mar.31, 2022 ①	As of Dec.31,2022	Forecast for FYE22 ②	Change ②-①
Yen-dominated bonds	Balance	2,779.2	2,489.0	2,265.6	-513.6
	Valuation gains/losses	-7.2	-70.3	-51.1	-43.8
	Yield	0.46%	0.43%	0.43%	-0.02%p
Foreign currency- dominated bonds	Balance	965.1	651.0	588.5	-376.5
	Valuation gains/losses	-12.8	-27.2	-18.3	-5.5
	Yield	1.96%	3.87%	4.42%	+2.46%p
Investment trusts	Balance	662.4	629.1	612.7	-49.6
	Valuation gains/losses	34.5	-27.0	-27.4	-61.9
Stocks	Balance	115.7	112.9	103.8	-11.8
	Valuation gains/losses	144.6	117.8	101.6	-43.0
Future / Option	Valuation gains/losses	3.3	8.6	8.6	+5.3
Total of securities (Including Future/ Option)	Balance	4,522.2	3,882.0	3,570.7	-951.4
	Valuation gains/losses	163.9	1.9	13.3	-150.5
	(Valuation gains/losses FG Consolidated)*	(132.2)	(-23.2)	(-13.2)	(-145.4)

* Available-for-sale

Mebuki FG announced that it has revised the net consolidated income (attributable to owners of the parent) for FY2022 to ¥30.0bn, because we expect to record gains/losses on securities of - ¥25.0bn to restructure our securities portfolio for improving periodic profit in the next fiscal year and onwards, in response to a surge in domestic and foreign currency interest rates.

Breakdown of Forecast for FY2022 (Revised on Feb.20,2023)

【Joyo+Ashikaga】	Previous Forecasts	Revised Forecasts		FY2021 Results	
	(May.2022)	(Feb.2023)	Revised Amount		YoY
				(¥bn)	
Core gross business profit	181.0	196.0	+15.0	+1.8	194.1
Net interest income <small>(Excluding gains/losses on cancellation of investment trusts)</small>	144.0	141.5	-2.5	-14.5	156.0
Difference of interests between loans and deposits	104.0	105.5	+1.5	+0.9	104.5
Securities' income <small>(Excluding gains/losses on cancellation of investment trusts)</small>	40.0	36.5	-3.5	-14.9	51.4
Profit from customers	36.5	39.0	+2.5	+2.1	36.9
Expenses	106.0	104.0	-2.0	-4.1	108.1
Core net business income	75.0	92.5	+17.5	+6.4	86.0
<small>(Excluding gains/losses on cancellation of investment trusts and futures and options)</small>	74.5	77.5	+3.0	-7.2	84.7
Gains/losses on securities ^(*1)	0.0	(25.0)	-25.0	-22.6	(2.3)
Credit Related Cost	11.0	9.0	-2.0	-10.6	19.6
Ordinary profit	62.5	42.9	-19.6	-17.5	60.4
Net income ^(*2)	43.0	30.0	-13.0	-10.0	40.0
【Mebuki FG Consolidated】					
Profits of Group Companies	4.5	4.0	-0.5	-1.9	5.9
Consolidation adjustment <small>(Adjustments related to securities, etc.)</small>	(2.5)	(4.0)	-1.5	-1.0	(3.0)
(FG) Net income attributable to owner of the parent	45.0	30.0	-15.0	-12.9	42.9

【Main Revision】 (¥bn)

① Profit from Customers +6.0

- Difference of interests between loans and deposits +1.5
- Net fee and commissions +2.5
- Expenses (-) -2.0

② Credit Related Costs (-) -2.0

③ Securities -28.5

- Securities' income -3.5
- Gains/losses on securities -25.0

④ Group Companies -0.5

- Mebuki Securities -0.5

(*1) Gains/losses on "cancellation of investment trusts +bond transactions + related to stocks + futures and options"

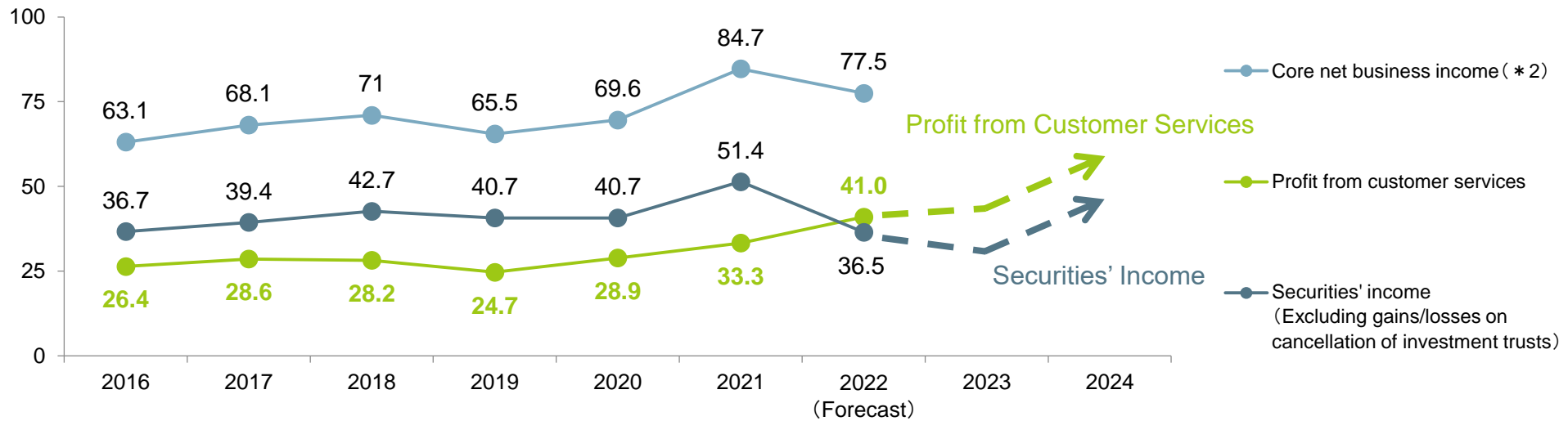
(*2) Gains/losses on "cancellation of investment trusts +bond transactions + related to stocks + futures and options"

(*3) Not included dividends receivable of ¥12.0bn (recognized on extraordinary income/losses) from The Joyo Credit Guarantee Co., Ltd. ,which is resolved at the meeting of the board of directors held on January 30, 2023 to transfer credit 10 guarantee companies within its group

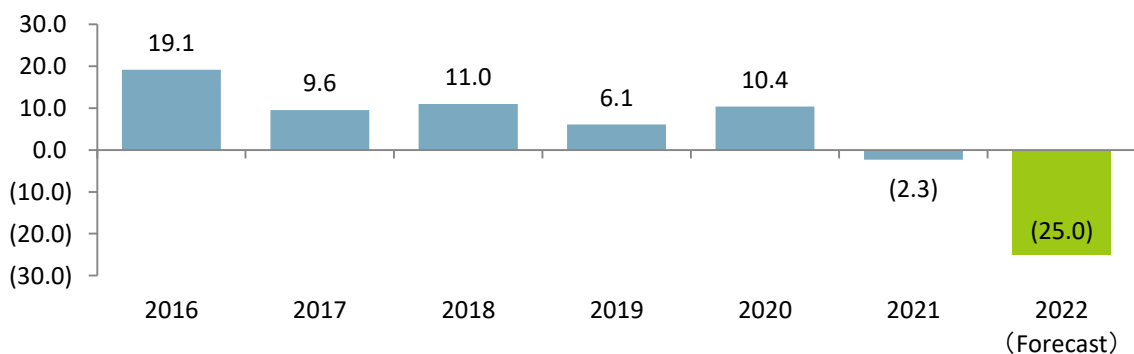
Profit from customer services^(*1) is expected to continue an upward trend in both interest on loans and fees and commissions.

Although securities' income is expected to decrease due to reducing the balance and shrinking spreads of foreign bonds, we will work to raise net core business income through the improvement of securities related income by restructuring our portfolio.

Core net business income^(*2) • Profit from customer services • Securities' income (¥bn)



Gains/losses on securities^(*3) (¥bn)



(*1) Difference of interests between loans and deposits + Fees from Customers + Expenses (-)
 (*2) Excluding gains/losses on cancellation of investment trusts and futures and options
 (*3) Gains/losses on securities
 = Gains/losses on "cancellation of investment trusts + bond transactions + related to stocks + futures and options"

2. Details of Financial Results for the Third Quarter of FY

(¥bn)

Mebuki FG (Consolidated)

	3Q22 Results	YoY Chg
Gross Business profit	102.1	-44.9
Net interest income	114.9	-0.4
(o/w Deference of interests between loans and deposits)	(-80.1)	(+0.6)
Net fees and commissions	31.5	+0.9
Net trading income	1.6	-1.8
Net other business income	-46.0	-43.7
Expenses	80.5	-2.5
Credit related cost	6.0	-5.4
Gains/losses related to stocks	28.5	+25.0
Ordinary profit	45.6	-12.4
Extraordinary income/losses	-0.2	+3.3
Net income ^(*)	31.8	-6.6

【Breakdown of Net income】

Bank Total Net income	31.4	-4.3
Group Companies Net income	3.6	-1.2
Mebuki Lease	0.7	+0.1
Mebuki Securities	0.3	-1.0
Mebuki Credit Guarantee	0.9	-0.3
Mebuki Card	0.3	+0.1
Total of banking subsidiaries	1.2	-0.1
Consolidation Adjustmen ^{t(*)2}	-3.3	-1.0
FG Consolidated net income ^{(*)1}	31.8	-6.6

(*)1 Attributable to owners of the parent

(*)2 Adjustments related to securities, etc.

【Joyo + Ashikaga (Non-consolidated)】

	3Q22 Results	YoY chg
Gross business profit	97.5	-43.6
Net interest income	116.7	-0.5
(o/w Gains/losses on cancellation of investment trusts)(1)	(-5.8)	(+5.1)
Net interest income	110.9	-5.7
(excl. Gains/losses on cancellation of investment		
(o/w Deference of interests between loans and deposits)	(-79.3)	(0.6)
(o/w Securities Income)	(-31.5)	(-6.3)
Net fees and commissions	26.2	+0.5
Net other business income	-45.4	-43.6
(o/w gains/losses on bond transactions) (2)	(-58.5)	(-54.9)
(o/w gains/losses on futures and options) (3)	(8.1)	+8.3
(o/w other income related to customers) ^{(*)3}	(4.9)	+2.8
Expenses	77.5	-3.3
Net business income	19.9	-40.3
(before general allowance for loan losses)		
Core net business income	78.5	+14.5
(excl. gains/losses on cancellation of investment trusts)	72.6	+9.4
(excl. ^{(*)4})	64.4	+1.0
Net transfer to general allowance for loan losses (a)	-1.0	-1.7
Net business income	21.0	-38.6
Net non-recurrent gains/losses	23.7	+29.2
(o/w Disposal of non-performing loans (b))	(5.7)	-4.1
(o/w Gains/losses related to stocks, etc. (4))	(29.7)	+26.3
Ordinary profit	44.7	-9.3
Extraordinary income/losses	-0.1	+3.4
Net income	31.4	-4.3

Credit related cost (a)+(b) 4.7 -5.8

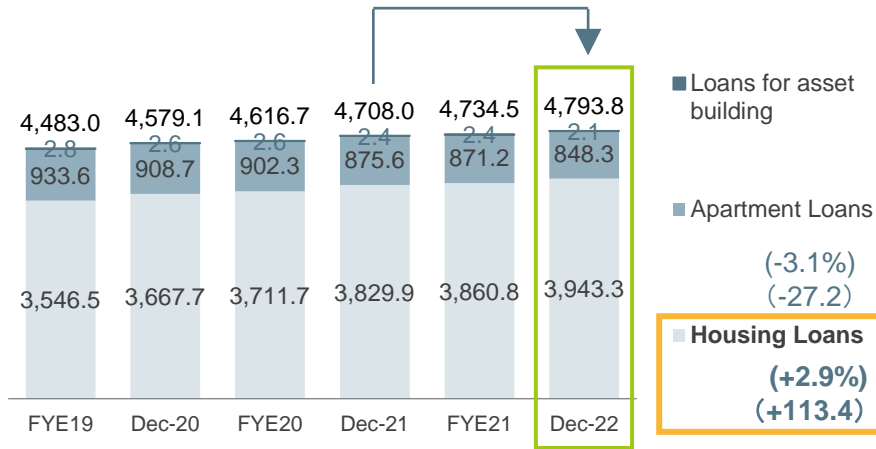
Gains/losses on securities (1)+(2)+(3)+(4) -14.7 -15.0

(*)3 Income related to derivatives for customers and foreign exchange

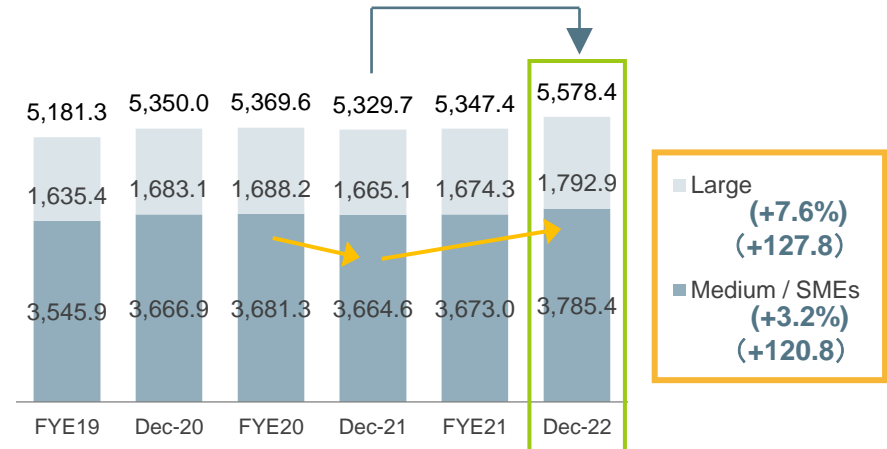
(*)4 Excl. gains/losses on cancellation of investment trusts, futures and options

Loans to individual customers remained in an increasing trend in both housing and unsecured loans. Loans to corporate customers continued to increase after bottoming out at the end of December 2021, and also loans to both local customers and medium companies / SMEs increased in this third quarter compared to the end of March, 2022.

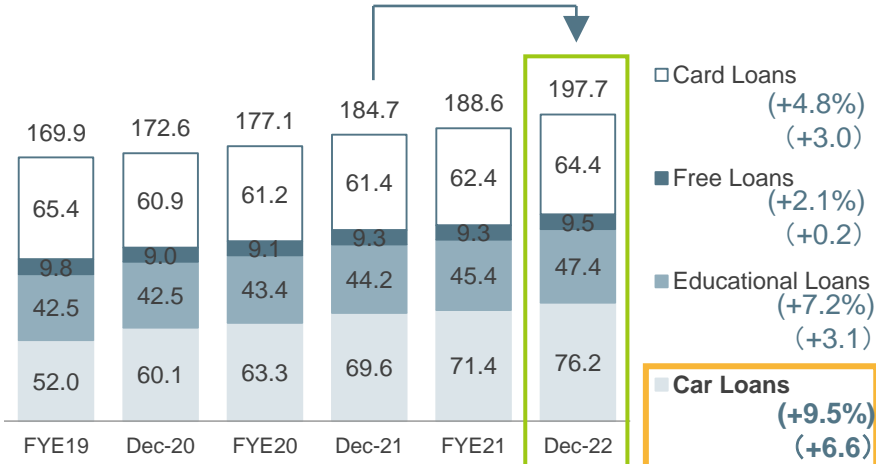
【Individual】Housing Related Loans (¥ bn)



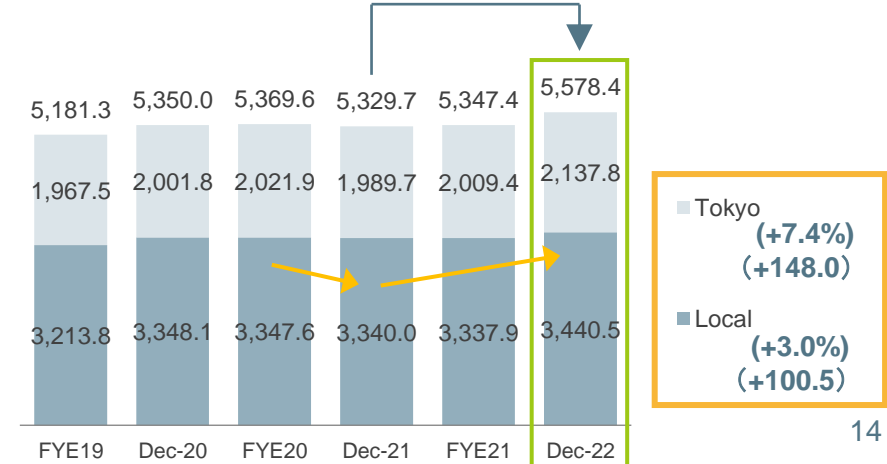
【Corporate】Term-end Balance by Company Size (¥ bn)



【Individual】Unsecured Loans (¥ bn)

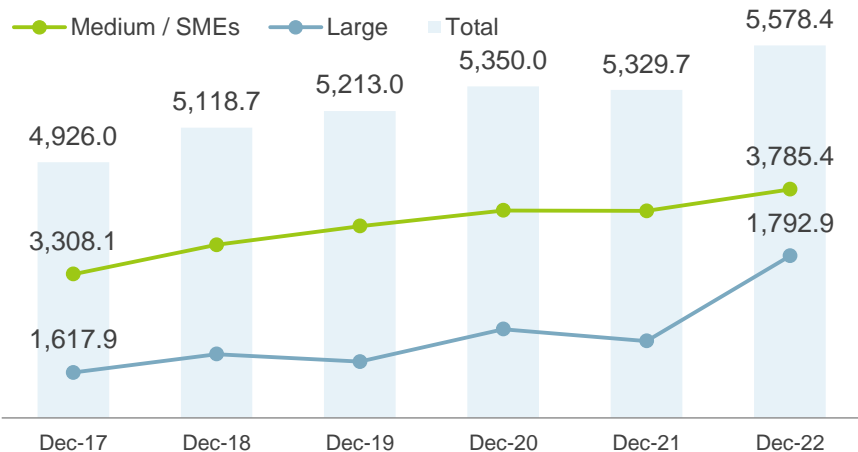


【Corporate】Term-end Balance by Area (¥ bn)

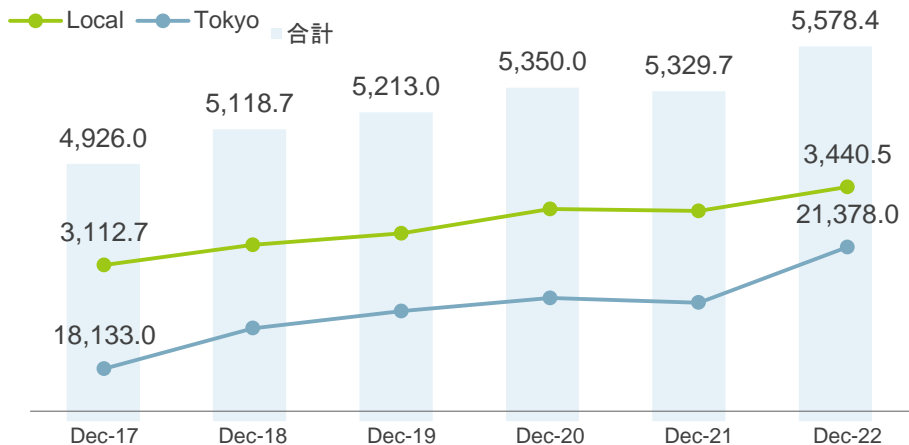


Since business integration in 2016, corporate loans continue to increase regardless of corporate size or area. Recently, we acquired demand for operating capital due to a recovering demand for equipment financing and high resource prices.

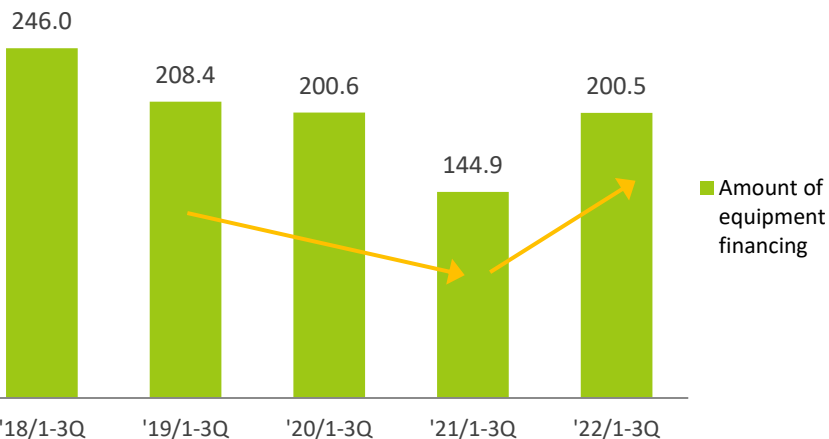
Change of Balance by Corporate Size (¥bn)



Change of Balance by Geographic Area (¥bn)



Amount of Equipment Financing (*1) (¥bn)



(*1) Excluding housing loans and apartment loans

Top 5 industries by Increase in loans (¥bn)

	Change Ratio (annual)			Balance Dec-22
	Dec-22	Dec-21	Dec-20	
Wholesale / Retail services	+65.2 (+7.3%)	-38.7 (-4.1%)	+81.7 (+9.1%)	1,183.8
Manufacturing	+63.5 (+8.5%)	+17.3 (+2.3%)	-4.7 (-0.6%)	991.0
Real estate / Goods rental and leasing	+44.0 (+3.9%)	-8.0 (-0.7%)	-22.2 (-1.9%)	1,483.5
Construction	+27.8 (+9.1%)	-33.2 (-10.3%)	-14.0 (-4.6%)	401.8
Financial and insurance services	+22.2 (+8.3%)	-13.5 (-4.9%)	+17.6 (+7.0%)	353.3

Average Yield of Loans / Net Interest Income

Forecast

Financial Results

Medium-term Plan / Sustainability

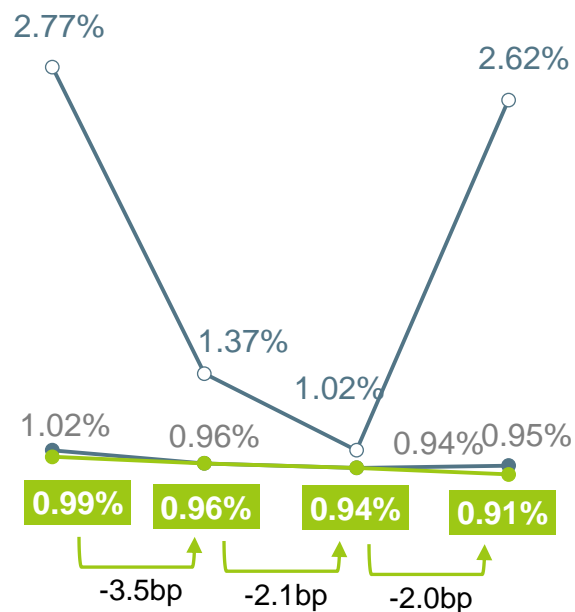
Difference of interests between loans and deposits reversed to an increase by ¥0.6bn YoY due to higher yields on loans denominated in foreign currencies.

Securities' income (excluding gain on cancellation of investment trusts) decreased by ¥ 6.3bn YoY due to the increase of funding cost. As a result, net interest income decreased by ¥5.7bn YoY, but we aim to improve it by selling and replacing foreign and domestic bonds.

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

(Domestic and Overseas)

* Not including borrowing from special account of MoF



【Overseas】

【Domestic】
+
【Overseas】

【Domestic】

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

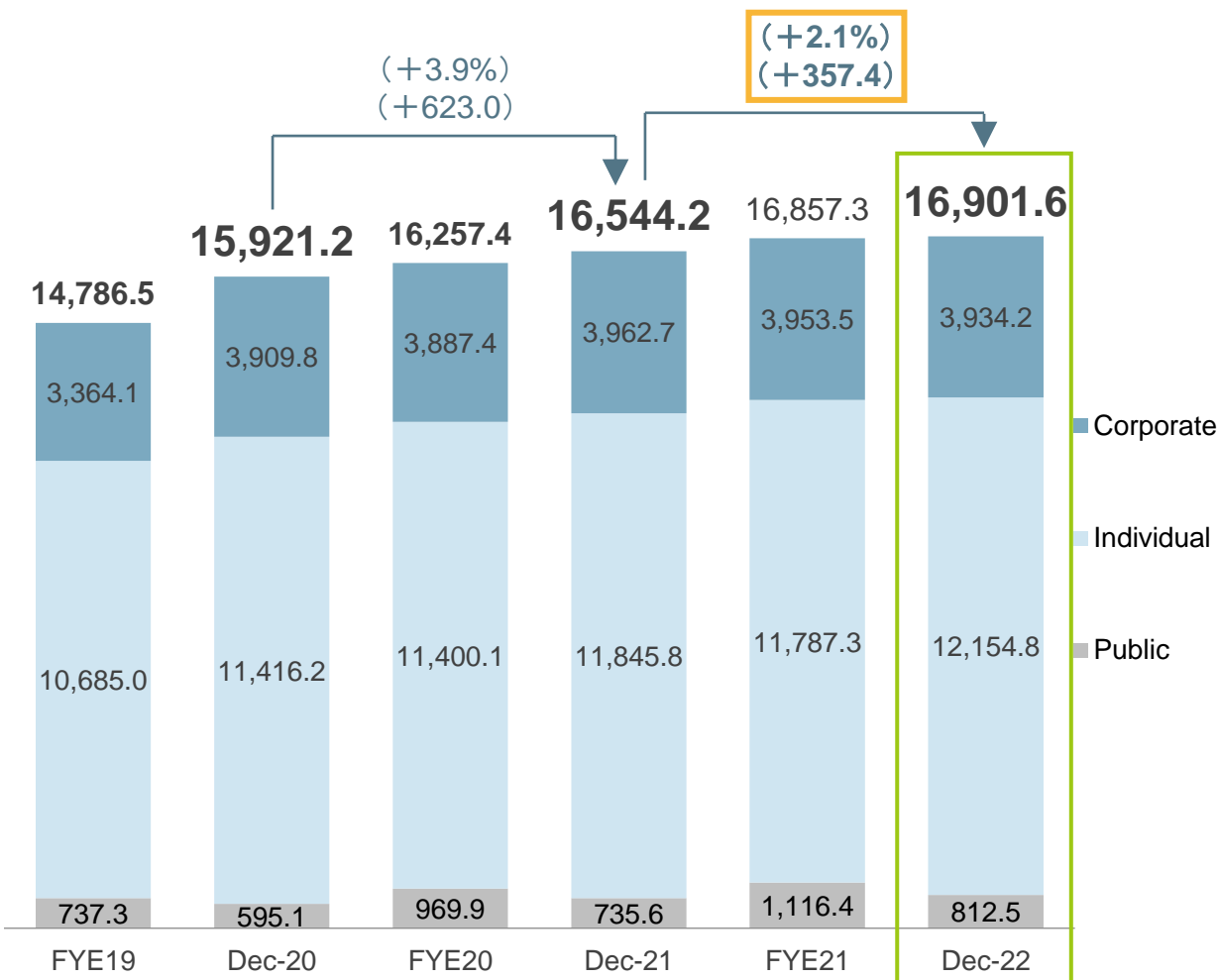
	Results	YoY Change (Factor)				
		Domestic	Chg. in Factors	Overseas	Chg. in Factors	
Interest on loans and bills discounted	Avg Balance	+0.9	+0.8	(+116.8)	+0.1	(+10.4)
	Yield	+0.8	-1.7	(-2.0bp)	+2.5	(+160.0bp)
	81.1	+1.8	-0.8	-	+2.6	-
Interest on deposits (-)	1.7	+1.1	+0.0	-	+1.1	-
Difference of interests between loans and deposits ①	79.3	+0.6	-0.9	-	+1.5	-
Interest and dividend on securities	Avg Balance	+1.4	+1.4	(+180.5)	+0.0	(-32.0)
	Yield	+8.3	+3.7	(+15.2bp)	+4.5	(+73.8bp)
	45.6	+9.7	+5.2	-	+4.5	-
(o/w gains on cancellation of Investment Trusts)	5.8	+5.1	+5.1	-	±0	-
(excluding gains on cancellation of Investment Trusts)	39.7	+4.6	+0.0	-	+4.5	-
Market borrowings, etc. (-) (*1)	8.1	+10.9	+0.9	-	+10.0	-
Securities' Income (excluding gains on cancellation of Investment Trusts) ②	31.5	-6.3	-0.8	-	-5.4	-
Net Interest Income (excluding gains on cancellation of Investment Trusts) ①+②	110.9	-5.7	-1.7	-	-3.9	-

(*1) Including remuneration from "Special Deposit Facility" by Bank of Japan

'19/1-3Q '20/1-3Q '21/1-3Q '22/1-3Q

Balance of deposits from individual customers and public sectors increased by ¥357.4bn YoY (+2.1% annualized). The impact of the COVID-19 pandemic has calmed down and the growth rates of deposits from individual customers and public sectors have slowed, and deposits from corporate customers decreased YoY.

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



Year on Year Changes (¥bn)

	Dec-20	Dec-21	Dec-22
Total	+1,240.5 +8.4%	+623.0 +3.9%	+357.4 +2.1%
Corporate	+543.0 +16.1%	+52.9 +1.3%	-28.4 -0.7%
Individual	+652.4 +6.0%	+429.6 +3.7%	+308.9 +2.6%
Public	+45.0 +8.1%	+140.4 +23.5%	+76.9 +10.4%

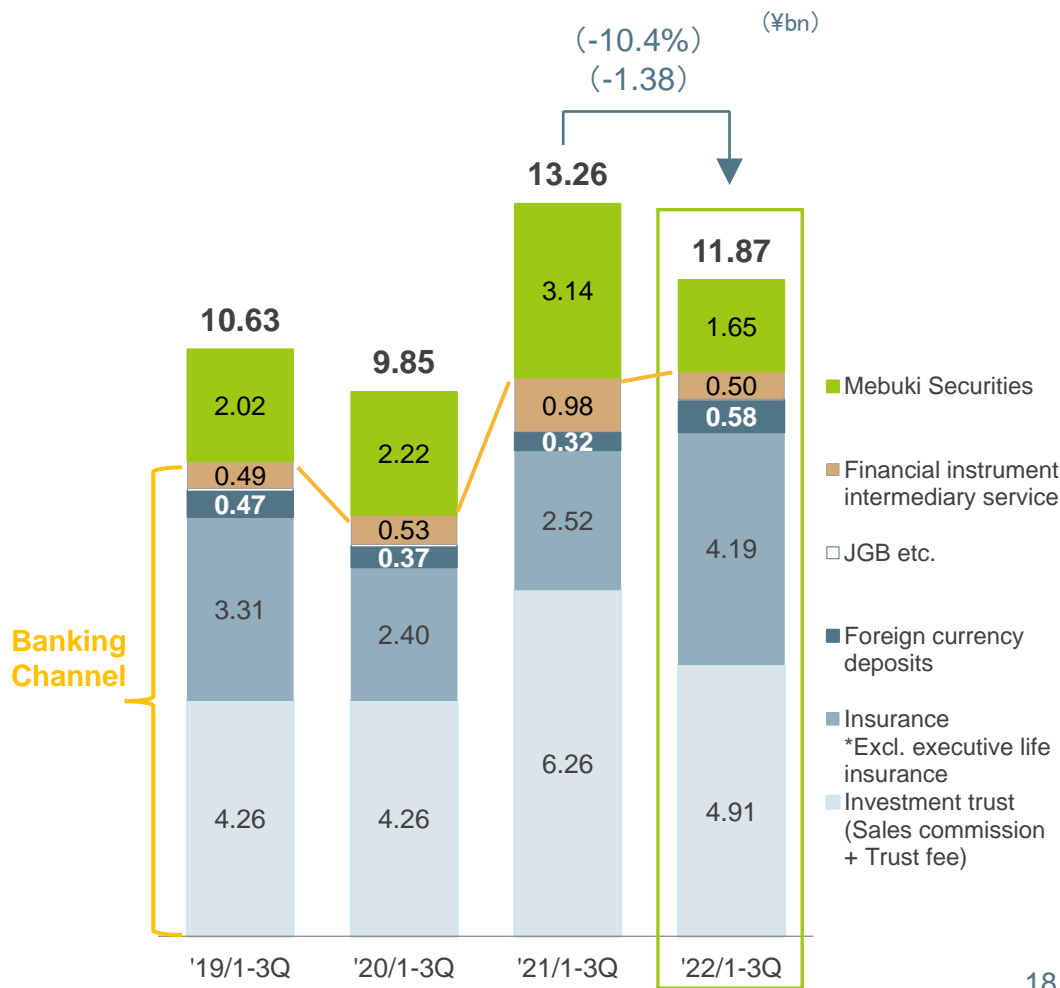
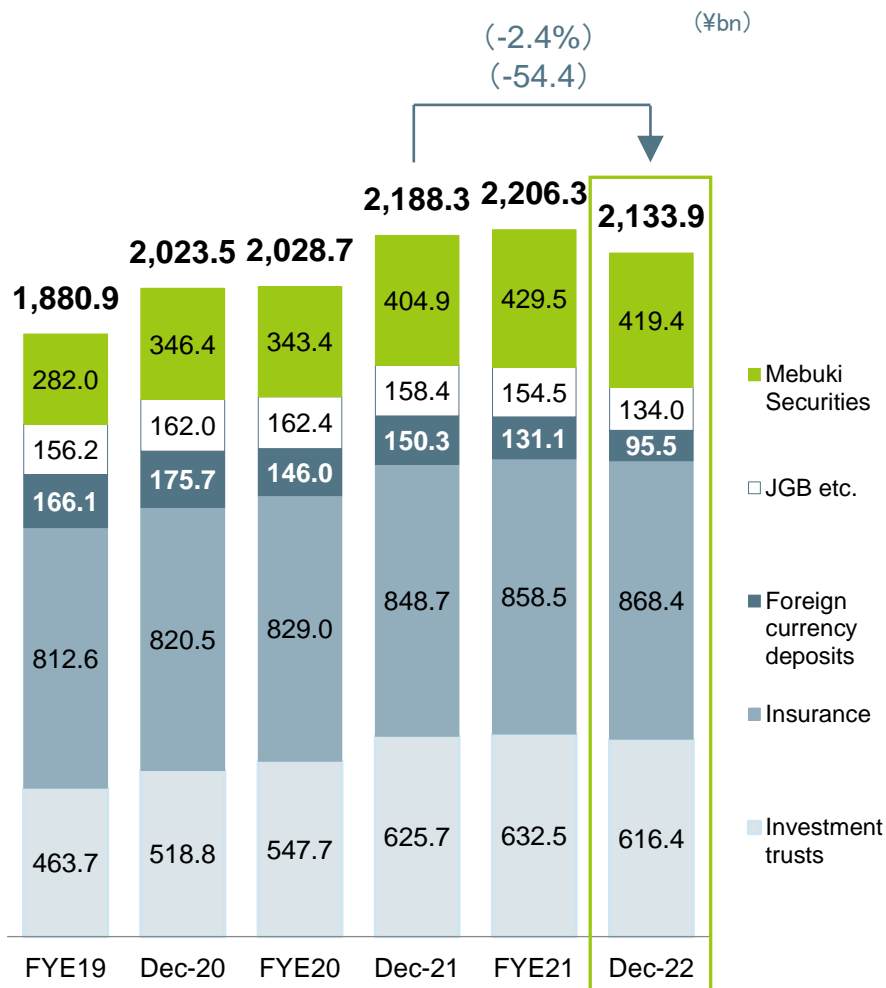
Customer Assets under Custody

Balance of customer assets under custody decreased by ¥ 54.4bn YoY (-2.4% annualized) due to the decrease of foreign currency deposits and JGB, etc.

Related commissions through the banking channel remained in an increasing trend due to proposals of insurance products that meet customers' needs.

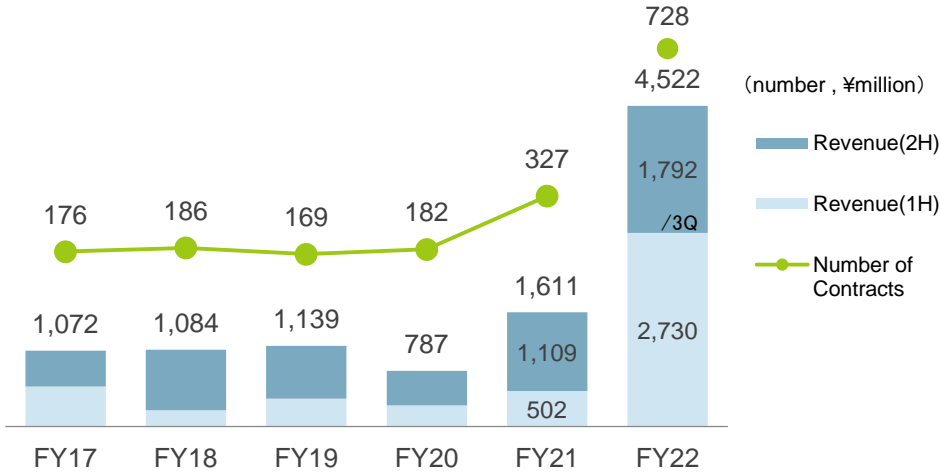
Balance (Bank Total + Mebuki Securities)

Commissions (Bank Total + Mebuki Securities)

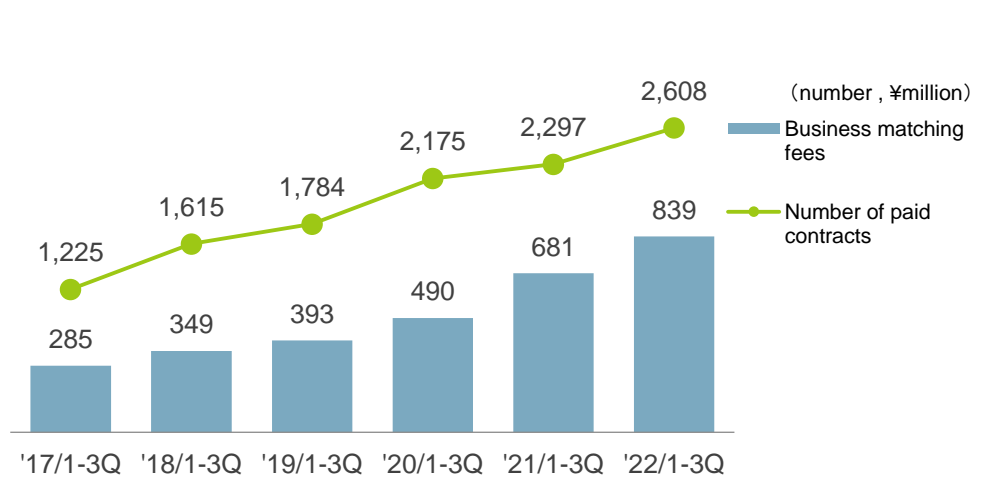


We share management issues with our customers through escorted support in corporation with head office and branches. We support customer's sustainable growth to provide various solutions including non-financial services.

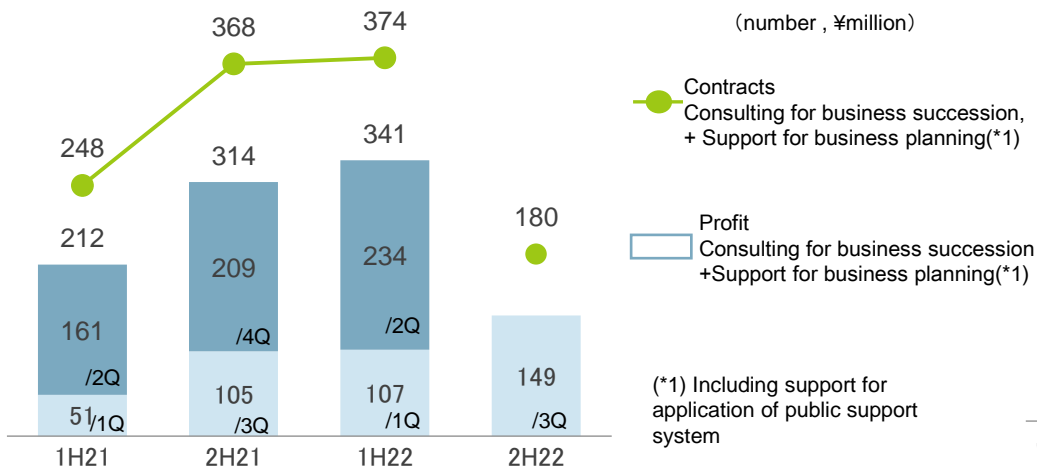
Derivatives



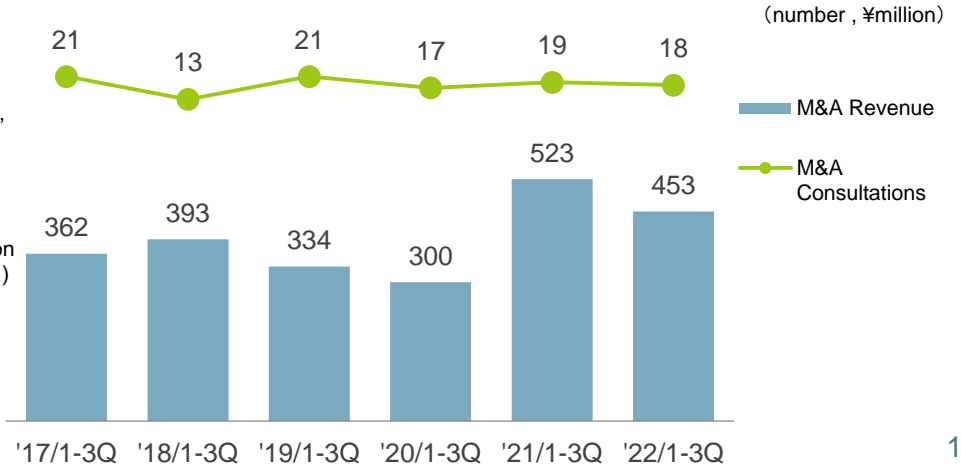
Business Matching



Support for Business Planning / Consulting for Business Succession



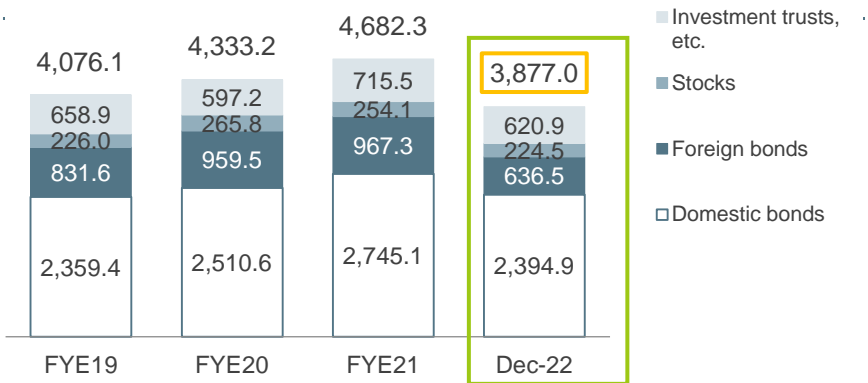
M&A Consultations



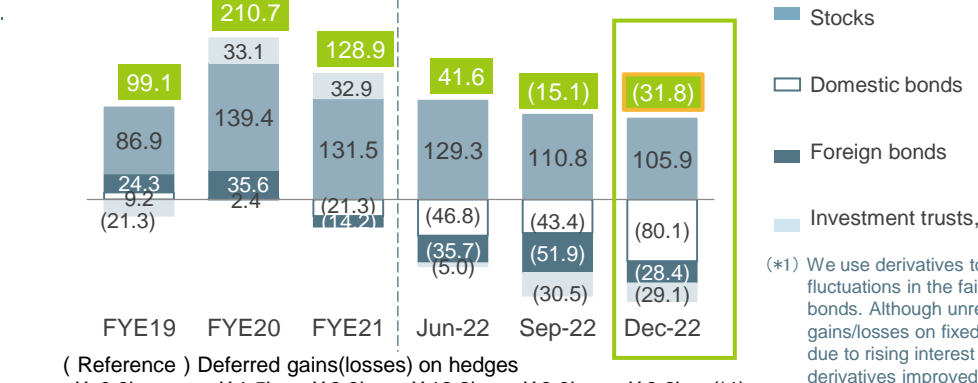
(*1) Including support for application of public support system

In response to a surge in domestic and foreign currency interest rates, additional sales of foreign and domestic bonds were made in the third quarter. As a result, cumulative gains/losses on sales of securities^(*) amounted to -¥14.7bn. We will implement appropriate measures to improve periodic profit in the next fiscal year and onwards, looking ahead to domestic and foreign currency interest rate trends.

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

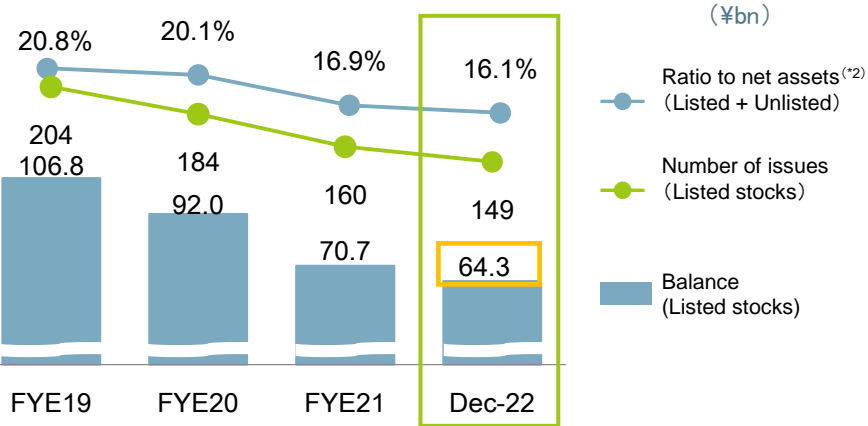


Unrealized valuation gains/losses on available for sales securities (Mebuki FG) (¥bn)



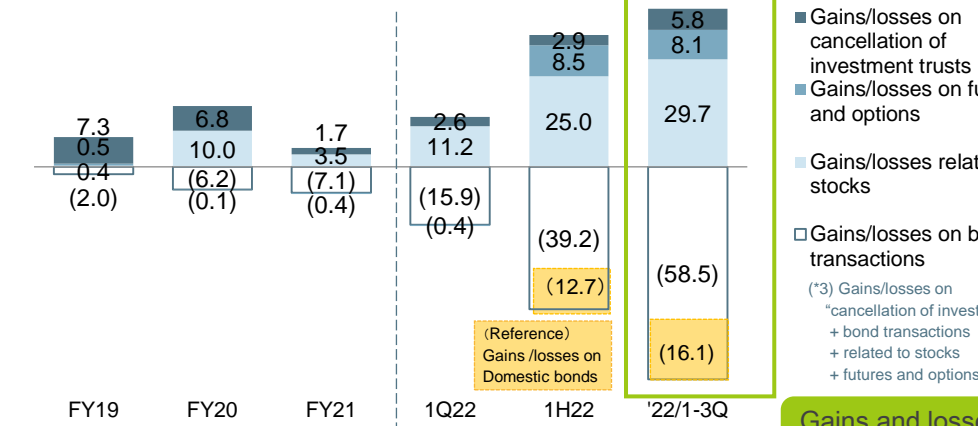
(*1) We use derivatives to hedge fluctuations in the fair value of Domestic bonds. Although unrealized valuation gains/losses on fixed bonds decreased due to rising interest rate, that on derivatives improved.

Strategic Shareholdings



(*2) The ratio of balance sheet amounts of strategic shareholdings to consolidated net assets (based on Securities Report)

Gains and losses on securities^(*) (Bank Total) (¥bn)



(*3) Gains/losses on "cancellation of investment trusts + bond transactions + related to stocks + futures and options"

Gains and losses on sales

Taking into consideration the rising of policy interest rates in Europe and U.S., we reduced the balance of fixed bonds and increased floating bonds denominated in U.S. dollars.

As a result, we secured interest income by improving the gross yield of U.S. dollar bonds to the mid 4% range. In addition, we enhanced to improve quantity of risk (bpv) and shorten the duration, and also strengthened its resistance to rising interest rates.

Overview of Foreign Currency Bonds (Bank Total)

(¥bn)

		As of Mar.31, 2022①	As of Dec.31, 2022	Forecast for FYE22②	Change ②-①
USD-dominated	Balance	701.2	639.7	579.8	-121.4
	Valuation gains/losses	-10.6	-26.3	-173	-6.6
Fixed bonds	Balance	547.7	449.4	386.2	-161.4
	Valuation gains/losses	-9.6	-24.3	-16.4	-6.7
Floating bonds	Balance	153.5	190.2	193.6	+40.0
	Valuation gains/losses	-1.0	-19	-0.9	+0.1
Euro dominated (Fixed bonds)	Balance	249.0	2.6	0.0	-249.0
	Valuation gains/losses	-0.8	-0.0	±0.0	+0.8
Other currency (Fixed bonds)	Balance	14.8	8.6	8.7	-6.1
	Valuation gains/losses	-1.2	-1.0	-1.0	+0.2
Total of foreign currency bonds	Balance	965.1	651.0	588.5	-376.5
	Valuation gains/losses	-12.8	-27.2	-18.3	-5.5
USD-dominated foreign currency bonds	Ratio of floating bonds	21.8%	29.7%	33.3%	+11.5%p
	10bpv	-¥2.8bn	-¥2.0bn	-¥1.8bn	+¥0.9bn
	Duration	3.8years	3.1years	3.1years	-0.6years
	Yield	2.38%	3.97%	4.47%	+2.08%p
	Procurement Costs	0.63%	3.77%	4.19%	+3.55%p
Interest margin		1.74%	0.18%	0.27%	-1.46%p
USD-dominated loans (Floating)	Balance	148.3	147.1	(147.1)	—
	Yield	1.60%	5.23%	(5.23%)	—
Total of USD Assets (Bonds+Loans)	Balance	849.5	786.8	726.9	-122.6
	Yield	2.24%	4.20%	4.62%	+2.38%
	Ratio of floating rate	35.5%	42.8%	46.8%	+11.3%

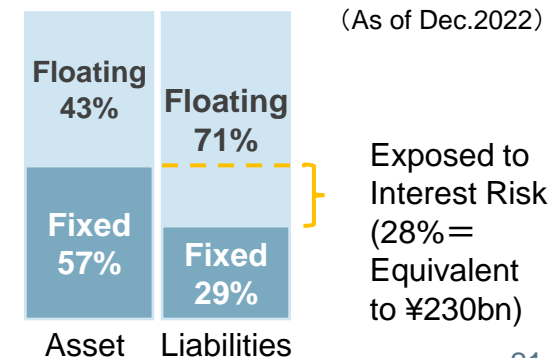
【Status of US Dollar Funding】

(¥bn)

		As of Dec.31, 2022 (Ratio)	
Deposit	Balance	99.9	(11.9%)
	Yield	2.55%	
Market Procurement (Floating)	Balance	494.4	(59.2%)
	Yield	4.44%	
Market Procurement (Fixed)	Balance	239.6	(28.7%)
	Yield	2.69%	
Total of Procurement	Balance	833.8	(100.0%)
	Yield	3.77%	

【Composition of Interests on US Dollar Balance Sheets】

(As of Dec.2022)



Risk amount of domestic bonds is restrained in light of speculation of domestic monetary policy change, etc. In addition to the sale of cash bonds, we will continue to manage our portfolio to ensure investment capacity when interest rates rise through the use of bear funds, etc.

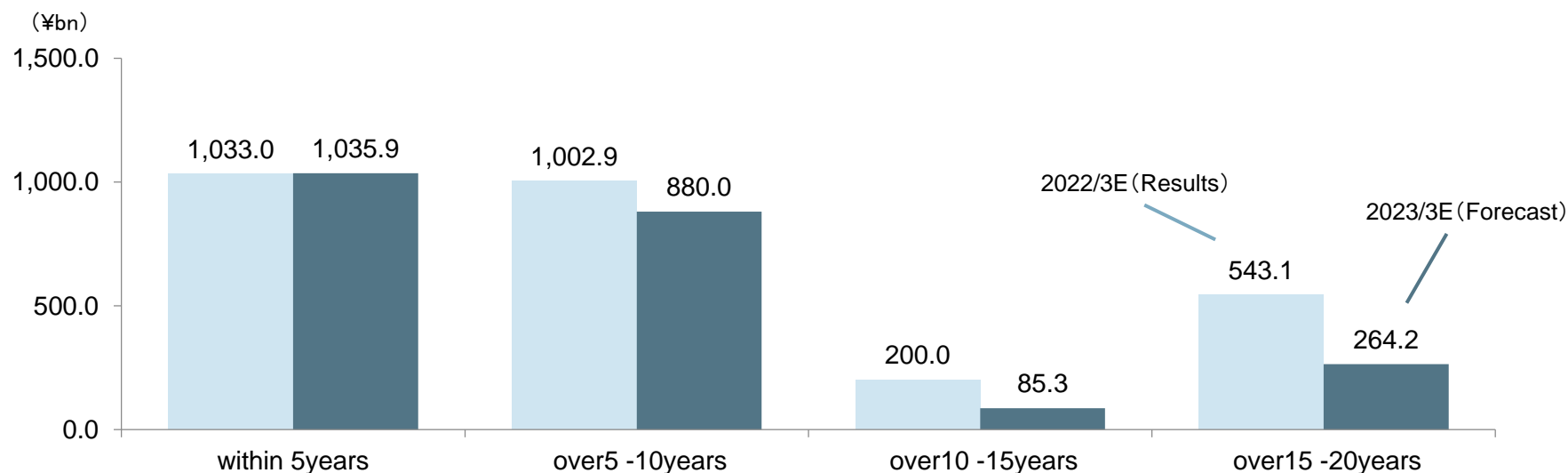
Overview of Domestic Bonds (Bank Total)

(¥bn)

		As of Mar.31, 2022 ^①	As of Dec.31, 2022	Forecast for FYE22 ^②	Change ^{②-①}
Total of Domestic Bonds	Balance	2,779.2	2,489.0	2,265.6	-513.6
	Valuation gains/losses	-21.2	-70.3	-51.1	-29.8
	Yield	0.46%	0.43%	0.43%	-0.02%p
	10bpv *	-¥21.1bn	-¥15.0bn	-¥11.8bn	+¥9.3bn
	Duration	7.5years	6.8years	6.2years	-1.2years

* Including Bear funds and Swaps

Status of Domestic Bond's Ladder (Bank Total)



Impact of Rising Yen Interest Rate

Considering possible change in interest rate policy, we will reduce interest rate risk amount of domestic bonds (2.4 trillion yen) by half during this fiscal year .

On the other hand, interest income on floating-rate loans (6.9 trillion yen) is expected to move toward improvement in the medium to long term.

Yen-denominated Assets (as of Dec.31, 2022)

Loans 12.2 trillion yen	Floating rate 6.9 trillion yen (57%)
	Fixed rate 4.3 trillion yen (35%)
	To MOF
Securities 3.2 trillion yen	
Deposits with Bank of Japan 4.2 trillion yen	
Others (Short term operations, etc.)	

Total Assets 19.9 trillion yen

Floating rate loans	
Base rate	Balance (composition)
Short term prime lending rate (General/Housing loans)	5.3 trillion yen (76%)
Market rate (TIBOR, etc.)	1.6 trillion yen (23%)

Fixed rate loans	
Maturity	Balance (composition)
Less than 1 year	0.7 (17%)
More than 1 year to 3 years	1.1 (28%)
More than 3 years to 5 years	1.0 (24%)
Over 5 years	1.3 (31%)

Interest on Loans Simulation

	1 year after (removal of YCC)	2 years after (lifting of negative interest rate)	3 years after (policy rate 0.1%)
Interests on floating rate loans	¥ + 0.0 bn	¥ + 2.5 bn	¥ + 6.0 bn

Balance/Risk Amount of Domestic Bonds

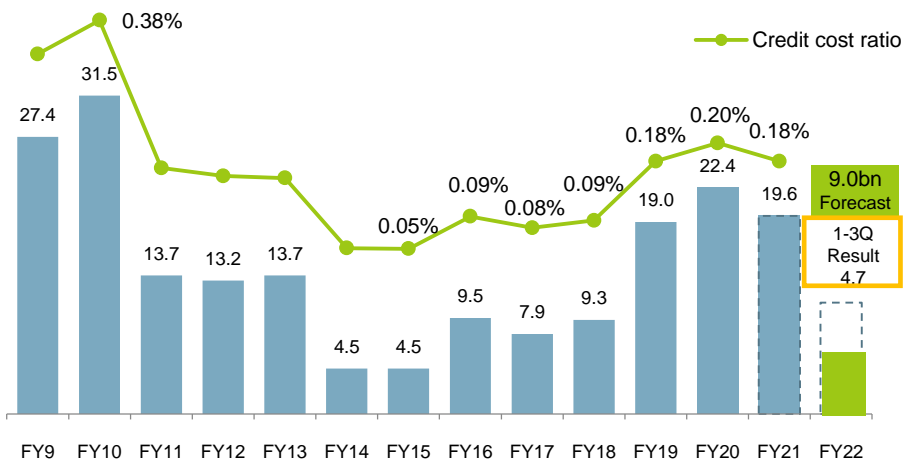
	End of Mar.2022 ①	End of Dec. 2022	End of Mar. 2023 ②	Change ②-①
Balance	2,779.2	2,489.0	2,265.6	-513.6
Interest rate risk amount (10bpv)	-21.1	-15.0	-11.8	+9.3

Since number of corporate bankruptcies was stable, amount of credit related costs decreased by ¥5.8bn YoY. However, we will closely follow the situation of the spread of COVID-19, high resources prices and depreciation of yen, etc., and continue to support our customers.

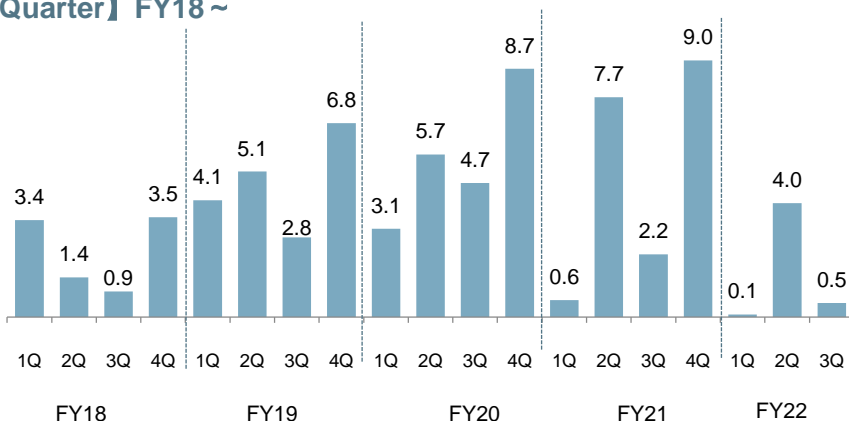
Change of Credit Related Costs (¥bn)

(¥bn)

【Annual】FY09~



【Quarter】FY18~



Breakdown on Credit Related Costs (¥bn)

(¥bn)

	3Q21	3Q22	YoY
Credit Related Costs	10.5	4.7	-5.8
Net transfer to general allowance for loan losses	0.6	-1.0	-1.7
Disposal of non-performing loans	9.9	5.7	-4.1
Write off of loans	3.2	2.1	-1.0
Transfer to specific allowance for loan losses	8.5	4.5	-4.0
Transfer to provision for contingent losses	0.2	0.1	-0.0
Reversal of allowance for loan losses(-)	-	-	-
Recoveries of written-off claims(-)	2.7	1.6	-1.0
Other	0.5	0.5	+0.0

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

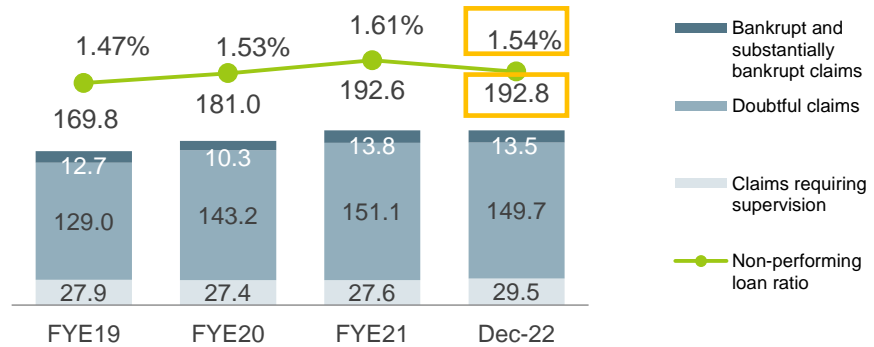
								Cumulative Total	The ratio of total customers
		~1H20	2H20	1H21	2H21	1H22	FY22 Oct.-Dec.		
Business loans	Customers	1,307	629	558	362	293	115	3,264	Around
	Contracts	4,099	3,288	4,151	3,355	3,751	1,704	20,348	5.9%
Housing loans	Customers	433	189	190	140	80	38	1,070	Around
	Contracts	477	252	256	194	127	64	1,370	0.5%

Non-performing loans based on financial revitalization law ratio to total amount of loans fell by 0.07%pt.

As of Dec.31, 2022, amount of delinquent loans to businesses was ¥1.5bn and remained stable.

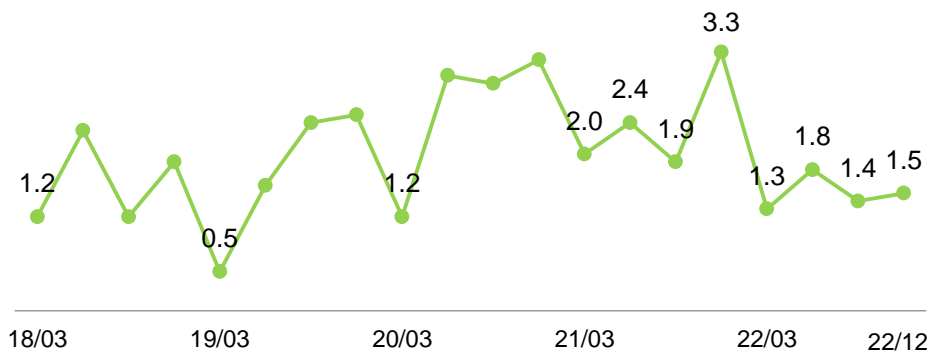
Non-performing Loans

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



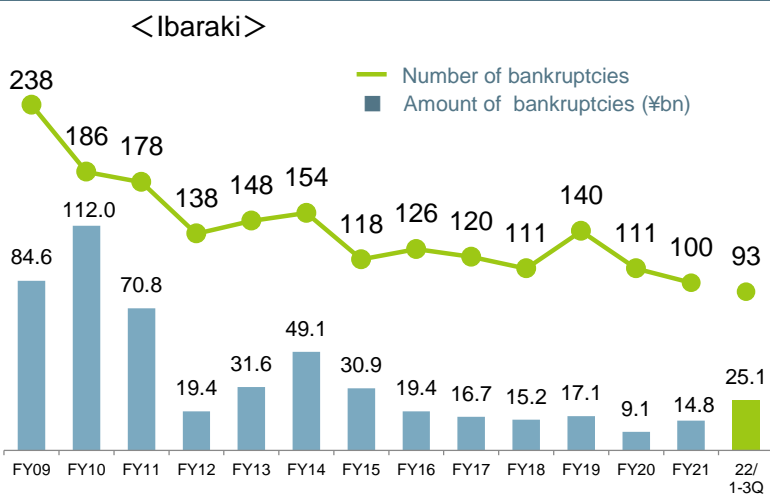
Status of Delinquent Loans to Businesses

(¥bn)

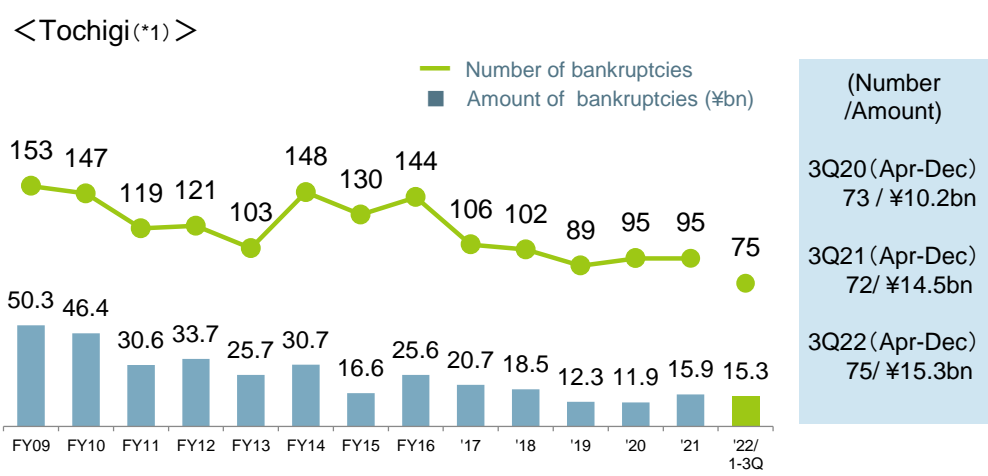


[Reference] Status of Bankruptcy

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



(Number/Amount)
 3Q20 (Apr-Dec) 79/ ¥6.8bn
 3Q21 (Apr-Dec) 72/ ¥8.5bn
 3Q22 (Apr-Dec) 93/ ¥25.1bn



(Number/Amount)
 3Q20 (Apr-Dec) 73/ ¥10.2bn
 3Q21 (Apr-Dec) 72/ ¥14.5bn
 3Q22 (Apr-Dec) 75/ ¥15.3bn

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

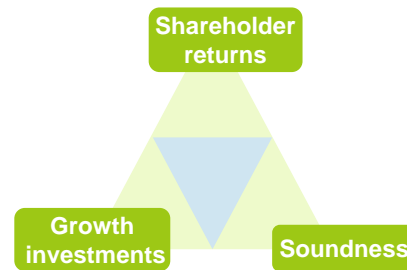
Shareholder Returns / Capital Adequacy Ratio

Annual dividends of ¥11.0 (interim dividends of ¥5.5 and year-end dividends of ¥5.5) in FY22 is scheduled as announced in May 2022.

We have already acquired own shares (16 million shares, ¥4.99bn) as released in Nov. 2022.

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.

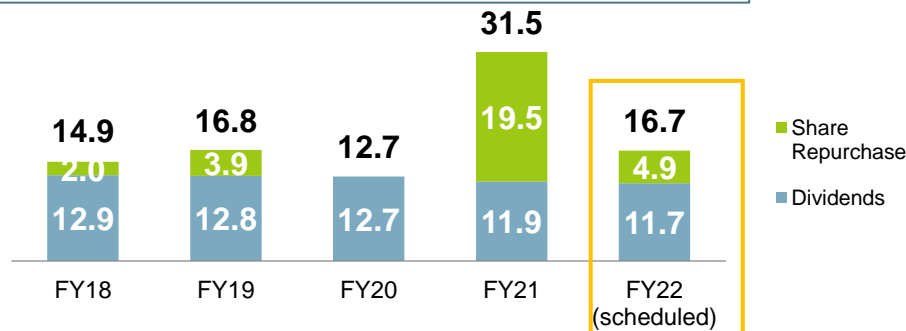


Share Acquisition

【Purpose】	In order to enhance shareholder returns and improve capital efficiency
【Number of shares】	16,015,000 shares
【Amount of purchase】	¥4,999,980,700
【Period of purchase】	From Nov. 14, 2022 to Feb. 15, 2023

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

Dividends, Shareholder Returns



	FY18	FY19	FY20	FY21	FY22 (scheduled)
Annual Dividends	¥11.0	¥11.0	¥11.0	¥11.0	¥11.0 (scheduled)
Payout Ratio	27.8%	35.3%	34.9%	28.2%	39.3% ^(*)
Total Return Ratio	32.3%	46.2%	34.9%	73.3%	55.9% ^(*)

(*2) Figures are calculated based on revised forecasts (consolidated net income of ¥30.0bn).

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%
Dec-22	11.49%	12.79%	10.60%

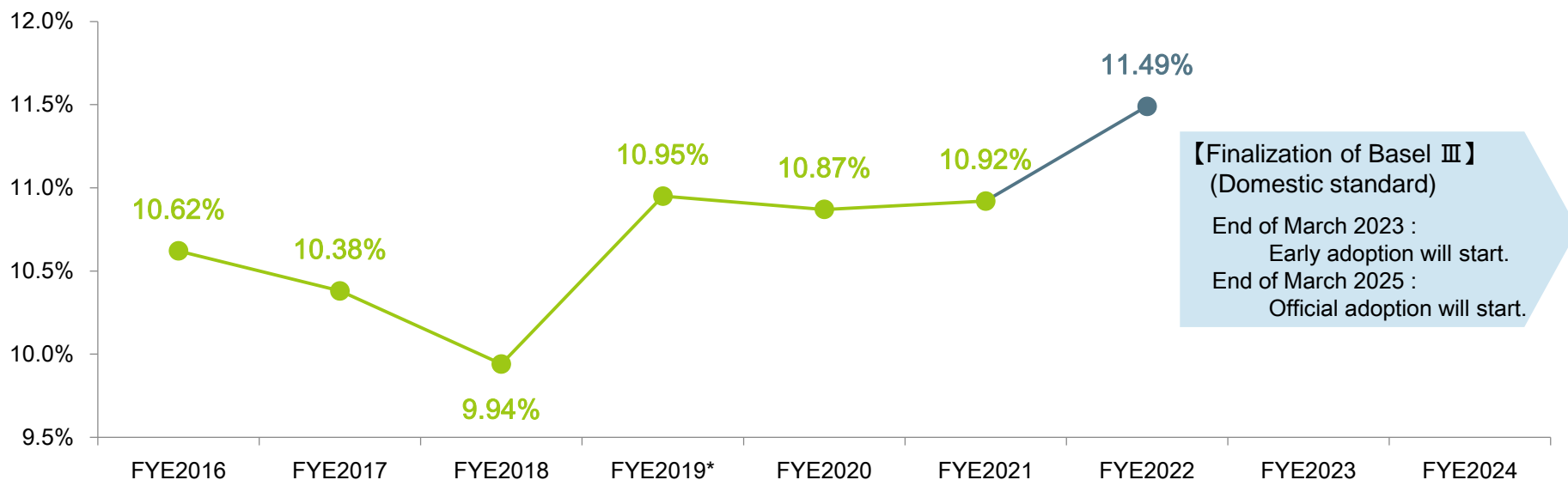
(*3) As of March.31.2020, Ashikaga Bank started to calculate risk-weighted asset according to foundation internal rating-based approach (FIRB)

Change of Capital Adequacy Ratio

The capital adequacy ratio raised due to the increase of profits and the control of risk-weighted assets mainly in securities.

In addition to increasing earnings by accumulating risk-weighted assets such as loans and securities, we will conduct capital management with a view to achieving an appropriate capital adequacy ratio, etc. after finalization of Basel III.

Mebuki FG Consolidated Capital Adequacy Ratio



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

(¥bn)

		FYE2016	FYE2017	FYE2018	FYE2019	FYE2020	FYE2021 ①	End of Dec.2022 ②	Change ②-①
Mebuki FG Consolidated basis	Equity capital	789.0	802.7	791.5	780.9	780.2	799.6	824.1	+ 24.4
	Risk-weighted assets	7,422.8	7,730.1	7,955.7	7,130.3	7,174.7	7,320.0	7,171.6	-148.4

Mebuki FG (consolidated)	Forecast for FY2022 (Revised)			FY21 Results
	Compared to previous forecast		YoY	
Ordinary Profit	43.0	-22.0	-21.9	64.9
Net Income ^(*1)	30.0	-15.0	-12.9	42.9

(¥bn)

Total of Two Banking Subsidiaries	Forecast for FY2022 (Revised)			FY21 Results
	Compared to previous forecast		YoY	
Ordinary Profit	42.9	-19.6	-17.5	60.4
Net Income ^(*2)	30.0	-13.0	-10.0	40.0
Net Income ^(*3)	42.0	-1.0	+1.9	

(¥bn)

Subsidiary Banks (Joyo)	Forecast for FY2022 (Revised)			FY21 Results
	Compared to previous forecast		YoY	
Ordinary Profit	28.5	-10.0	-9.4	37.9
Net Income ^(*2)	20.0	-6.0	-4.6	24.6
Net Income ^(*3)	32.0	+6.0	+7.3	

(¥bn)

(Ashikaga)	Forecast for FY2022 (Revised)			FY21 Results
	Compared to previous forecast		YoY	
Ordinary Profit	14.4	-9.6	-8.1	22.5
Net Income	10.0	-7.0	-5.4	15.4

(¥bn)

(*1) Attributable to owners of the parent

(*2) Net income doesn't include dividends receivable of ¥12.0bn (recognized on extraordinary income/losses) from The Joyo Credit Guarantee Co., Ltd., which is resolved at the meeting of the board of directors held on January 30, 2023 to transfer credit guarantee companies within its group.

(*3) Net income includes dividends receivable above mentioned (recognized on extraordinary income/losses). Since this is removed from consolidated financial statements, there is no effect on consolidated net income of Mebuki FG.

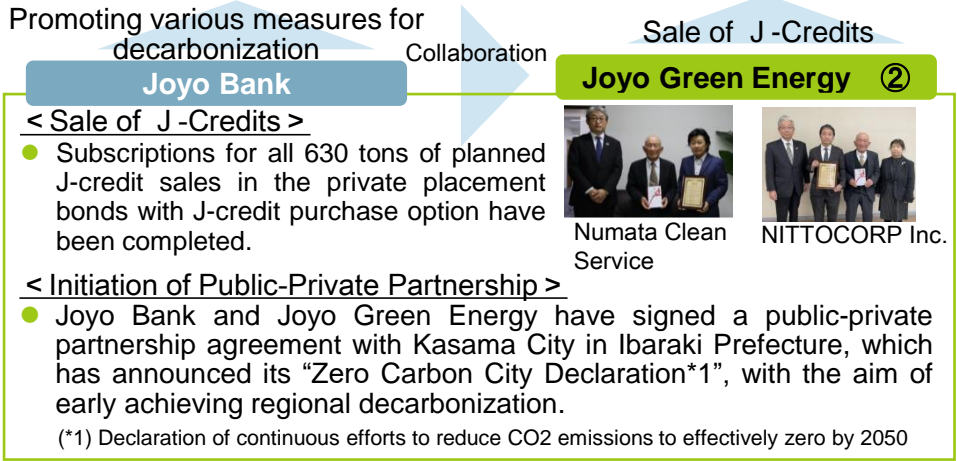
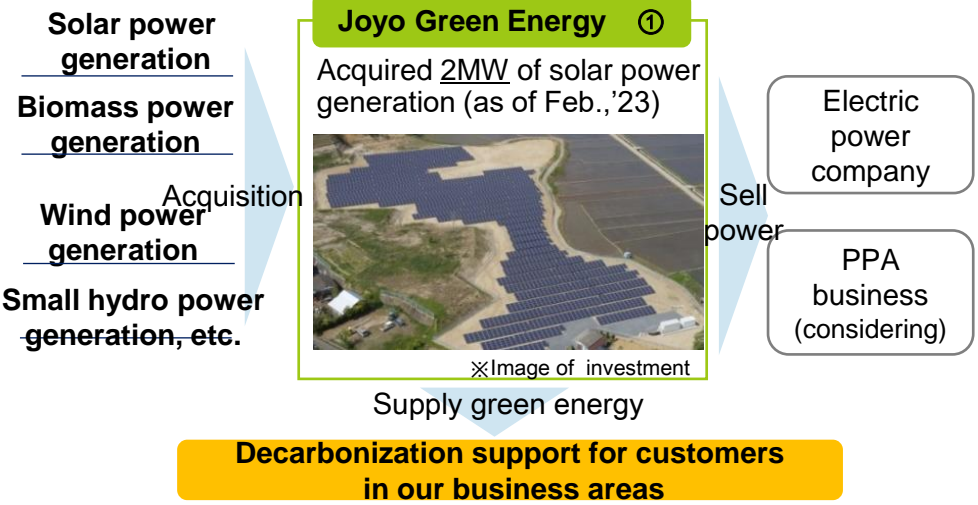
3. The Third Medium-Term Business Plan Progress Topics

Developing New Business Areas / Customers Leveraging Our Group's Strength

Joyo Green Energy Co., Ltd. : In electric power acquisition business, the acquisition of power supply has been accumulating and completed the sale of all J-Credits handled.

Colletochi, Ltd. : Started to disseminate and monetize attractive local content and take initiatives to resolve local social issues.

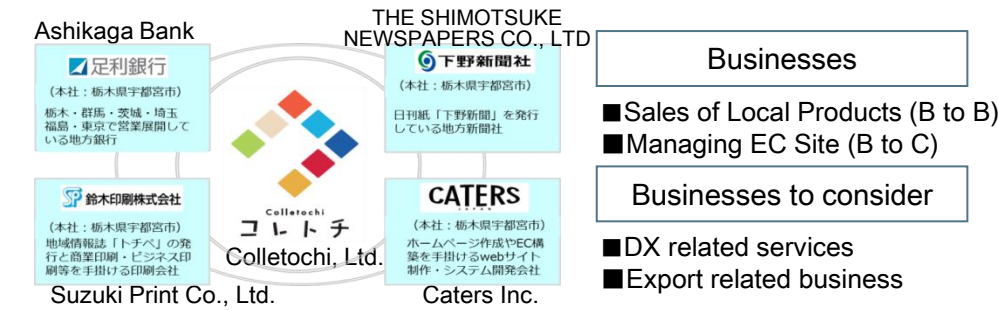
Joyo Green Energy Co., Ltd.



Colletochi, Ltd.

- On Aug. 2, 2022, Ashikaga Bank established a local trading company "Colletochi, Ltd." through joint investment with three local companies, as a company to contribute to the advancement of banking business, to engage in dissemination and monetization of attractive local content as its core business.

Combining the management resources of four companies



Example of Initiatives (Product sales to hotel chains : B to B)



Business Expansion Utilizing Strategic Investments and Collaboration

Strategic Investments : Strengthening collaboration with startups companies such as CVC fund investees, etc., have achieved results.

Business Collaboration : We have demonstrated the effectiveness through collaboration with regional financial institutions ("Ryomo Area Revitalization Partnership", etc.)

Strategic Investments

TRINITY

(Investment execution in May 2022)

TECHNOLOGY

- Trinity Technology Co., Ltd. ("TT") is a startup company with a background as a judicial scrivener, has strength in the area of family trusts(*1).
 - Mebuki Securities, Ltd. will also start to provide "Smart Family Trust" with a business alliance with "TT", allowing families to easily manage trust assets with an app.
- (*1) "Family trust" is a registered trademark of the Association for the Promotion of Family Trust and a scheme to avoid the risk of frozen assets and evenly cover the division of inheritance by concluding a trust agreement by the family members and transferring the right to manage assets to the children's generation while the parents' generation is still healthy, and also covering the division of the estate after inheritance.

デジタル証券準備株式会社 (Investment execution in Oct. 2022) Digital Securities Preparatory Co., Ltd.

- As the first step in our collaboration with Digital Securities Preparatory Co., Ltd. ("DS"), which is preparing a real estate STO business(*2) with the aim of providing next-generation financial products, we provided non-recourse loans to professional real estate STO funds (chart on the right).
- We will diversify funding menu for businesses such as asset securitization and aim to provide new small financial instruments for the digital generation.

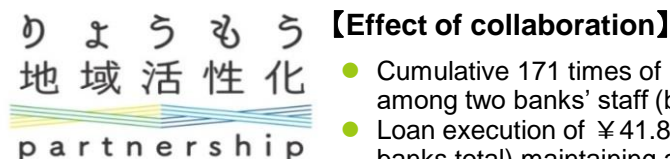
New residential for rent (trust beneficiary rights)



(*2) Real estate STO are digital securities whose underlying assets are real estate and related rights, and are attracting attention as a next-generation financial product that differs from conventional real estate securitized products.

Business Collaboration

Ryomo Area Revitalization Partnership (business collaboration with The Gunma Bank, Ltd.)



【Effect of collaboration】

- Cumulative 171 times of Information exchange among two banks' staff (branch offices, head office)
- Loan execution of ¥41.8bn to 61 companies (two banks total) maintaining appropriate competitive relationships.
- 1 Investment execution of ¥0.15bn through their investment subsidiaries (two banks total)
- Joint seminar "Kita-kanto Region PPP/PFI seminar" held twice by 3 banks (Joyo, Ashikaga and Gunma) (Above, as of Sep. 2022)
- In Jan. 2023, joint seminar "ASEAN Automotive seminar" held.

(*1) A framework for the purpose of industrial revitalization, problem solution and improving services in overlapping service areas of Ashikaga BK and Gunma BK, mainly in Ryomo area.

By combining the resources and know-how of two banks and seamlessly offering them to customers, we will continue to contribute to the revitalization of the area by promoting initiatives to solve regional issues, such as support for decarbonization, support for EV measures in the automotive industry, and business succession.

Tochimaruru Cooperation Agreement (collaboration with credit unions and credit associations in Tochigi Pref.)

Details of Collaboration	HR introduction	Business planning support	Testamentary trusts/ Estate planning
	M&A/Business succession	Subsidy application support	

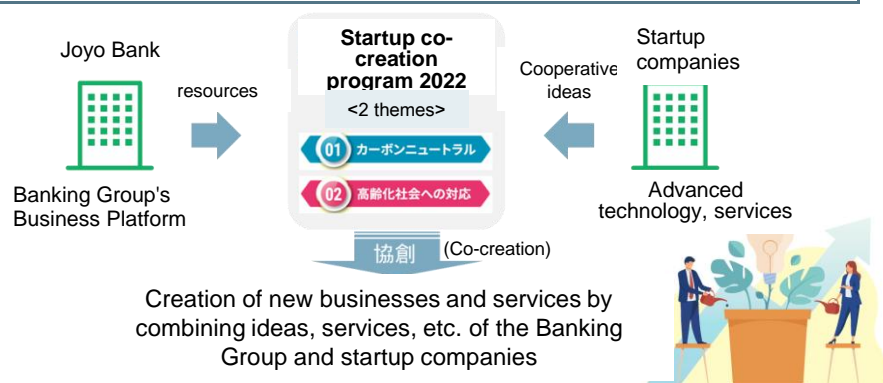
- Ashikaga Bank signed cooperation agreement with 6 credit unions and 2 credit associations in Nov.2022.
- The specialized functions of Ashikaga Bank are available to more local customers, allowing them to take advantage of the highly specialized services.
- 22 workshops for credit unions/credit associations staff and 4 seminars for customers were held, and in December 2022, "Manufacturing Business Conference" was held jointly.

Penetration of Initiatives within the Organization / Human Resource Development

Business co-creation program : We are seeking ideas for co-creation on two themes, "Carbon neutrality" and "Responding to an aging society".

Employees training program : In the ongoing new business creation training program, employees are learning how to commercialize new business ideas.

Startup Co-creation Program 2022



< Outline of the Program > December 2022 ~

- This program is an open innovation initiative for startup companies and others to create new businesses by soliciting business ideas and collaborative partners based on themes that our Group expect to address.
- We received entries from 39 startup companies for the two themes, "Carbon neutrality" and "Responding to an aging society".
- Currently, we are in the process of selecting business ideas that will advance to demonstration tests and business collaborations.

Theme 1 : "Carbon neutrality"

- Business ideas to increase awareness of climate change risks among local businesses and lead to a shift toward decarbonized business activities with lower environmental impacts throughout the local regions.

Theme 2 : "Responding to an aging society"

- Business ideas to support "safe, secure, and prosperous living" for the elderly and their families and to realize sustainable local communities.

New Business Creation Training Program



< Outline of the Program > November 2022 ~

Purpose :

- Fostering human resource development for new business creation
- Fostering organizational culture of new business creation
- Improving skill of dialogue with customers

Participants :

- Employees of Jojo Bank and Ashikaga Bank



< Training scene >

Details of Program :

- Improved understanding of new businesses through seminars ⇒ carried out
- New business creating through Idea-thons ⇒ carried out
- Training to turn ideas into business ⇒ currently being held
⇒ Currently, a training program is underway for 50 employees to experience business model building based on new business ideas in non-financial areas such as the utilization of vacant houses and advertising business.

(*) This program is implemented with the support "Sony Startup Acceleration program"("SSAP") provided by Sony Group, which supports startup creation and business operations.

(*) "Sony Startup Acceleration Program" : <https://sony-startup-acceleration-program.com/>

Our Vision

Strengthening DX Infrastructure

- ▶ Develop a digitally connected environment
- ▶ Utilize / transform digital skills and mindsets

Support customers' and local DX

- ▶ Return knowledge and open networks

Our Vision

The “DX” will free customers, employees and staff from hassles (business innovation / digital channel) and provide easy access to information that will inspire them to take a next action (data utilization), so that people can continue to provide new value to the local communities through activities that are unique to them.

Roadmap for DX

	Main Initiatives	What we aim for (To-Be)
Digitalization / Innovation in Traditional Banking Business	<ul style="list-style-type: none"> ○Development of paperless, seal-less, fax-less measures ○Group-wide BPR, efficiency improvement of loan operation ○Renovation of branch office system 	<p>Most operations will be digitized, freeing from complicated paperwork. Bank staff can focus on productive tasks that only humans can perform and AI and other technologies are being used to enhance and personalize business operations.</p>
Improvement of Digital Channels / Expansion of Contact Points with Customers	<ul style="list-style-type: none"> ○Promoting Banking app, portal for corporate customers and digital contracts ○Increased digitization penetration (percentage of digital channel usage) ○Digitization of identity authentication using eKYC 	<p>Customers can securely access various transactions and procedures anytime, anywhere through a high UX digital channel. These channels are in daily use by many customers and have broad penetration among various segments of customers.</p>
Strengthening Data Utilization	<ul style="list-style-type: none"> ○Rebuilding database infrastructure ○Cloud computing of main business channels ○Implementation / Utilization of MA (Market Automation) 	<p>Various data is collected, aggregated, and accumulated in the DB, and data necessary for business management, planning, sales promotion, etc. can be utilized universally. This provides users with new insights and values.</p>
Enhanced DX Infrastructure	<ul style="list-style-type: none"> ○Developing DX personnel ○Loosely coupled configuration of main system infrastructure, shift to cloud computing ○Expansion of mobile PC and smartphone users for business use 	<p>A large number of DX personnel have been trained, and their skills are regularly brushed up on. A main system infrastructure flexible enough to cope with changes in the external environment and highly secure enough to support the diversification of working environment.</p>
DX Support / Collaboration with Customers and Local Regions	<ul style="list-style-type: none"> ○Practice of DX consulting sales for customers ○Expanding collaboration / alliances with DX service providers ○Information gathering and providing financial function for regional DX 	<p>To enhance DX support, we are ready to promote DX consulting in collaboration with group companies, business matching partners and external advanced companies. We also provide appropriate financial functions for regional DX projects.</p>

DX Certified Business Operator

- In November, 2022, we were certified as “DX Certified Business Operators (*1)”.

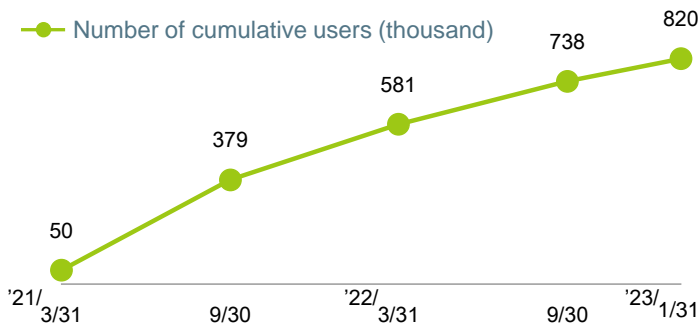


(*1) The DX Certification System is a national certification system for businesses that meet the basic requirements of the Digital Governance Code established by the Ministry of Economy, Trade and Industry.

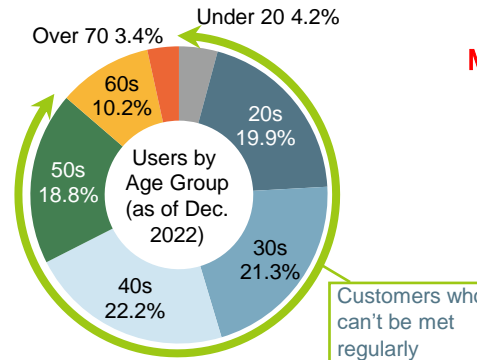
We will increase the value of the customer experience by enhancing the convenience of digital channels, including the Banking App, and the expertise of real channels.

Banking App

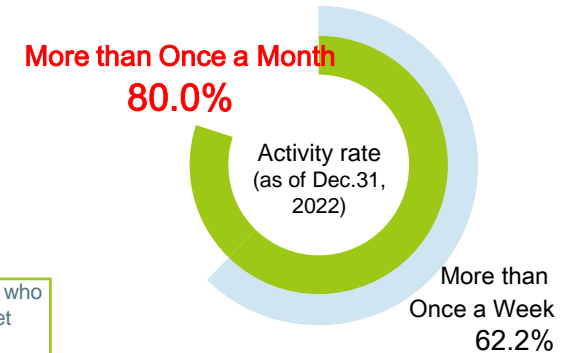
- The number of cumulative App users ("Joyo Banking App" and "Ashikaga Bank App") exceeded 820 thousand.



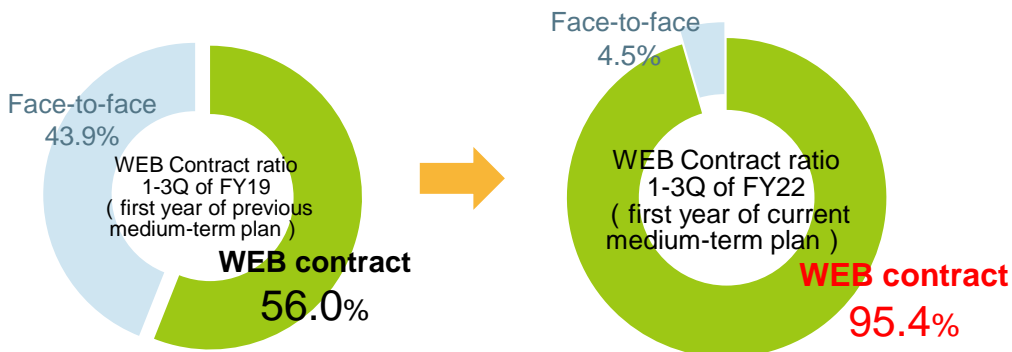
- The objective of the introduction, "Ensuring points of contact with customers", is being achieved steadily even for generations who can't be met regularly.



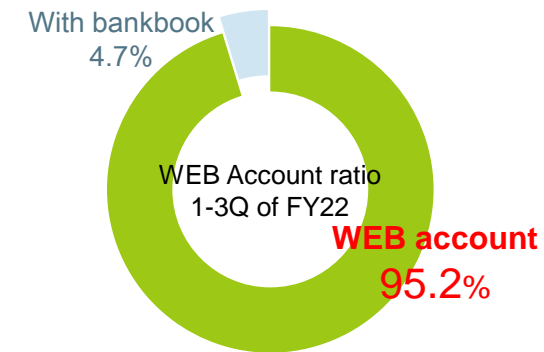
- Used by 80% of customers more than once a month.
- It is permeating as a main banking channel.



Online(WEB) Contract of Car/Educational Loans (Banks total)



Bankbook-less Account (WEB account ratio)



Number of WEB contracts 6,110 / Total 10,907 Number of WEB contracts 12,835 / Total 13,441

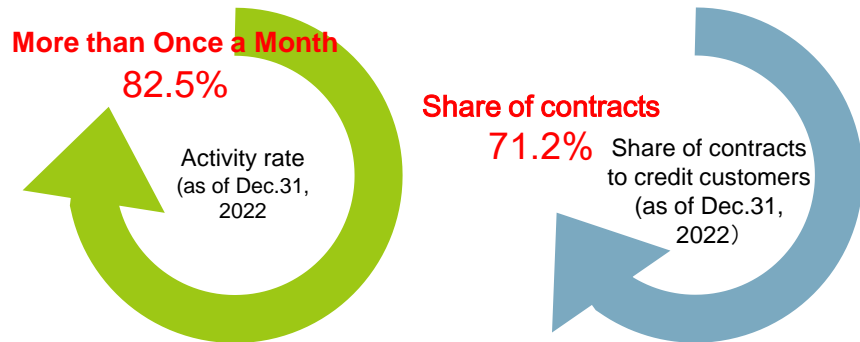
Number of WEB accounts 60,077 / Total 63,063

Digital Channel for Corporate Customers

We started to provide a corporate portal site as a tool to assist local businesses in improving operational efficiency. Through the provision of services that enable the digitization of internal business operations, we will lead to the DX in the entire region.

Corporate Internet Banking Services

- Number of service users (as of Dec.31, '22) : **63,665** companies



Corporate Portal Site

- Joyo Bank started to provide DX support services for SME's "Mikatano Series".
 - "Joyo Bank Mikatano Cash Management" to manage multiple accounts.
 - "Joyo Bank Mikatano Works" to manage work time and attendance.



(Started in Oct., 2022)

- Ashikaga Bank started to provide portal site services for businesses "Ashigin BizLink" in Dec., 2022.
 - In addition to checking account balances and deposits/withdrawals, it provides a one-stop web-based service for various applications and electronic browsing services to support businesses.

Digital Contract Services (Business, Housing, Apartment Loans)

- Effect of digital contract

<Customers>

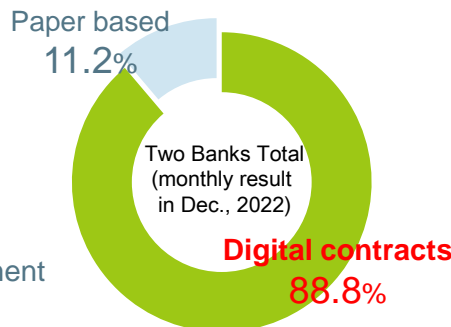
- ✓ No need to sign or stamp the contract
- ✓ No revenue stamps required
- ✓ Possible to contract via the internet by PC, tablet and Smartphone

<Banks>

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



- Digital Contracts Ratio (Business and Housing Loans)

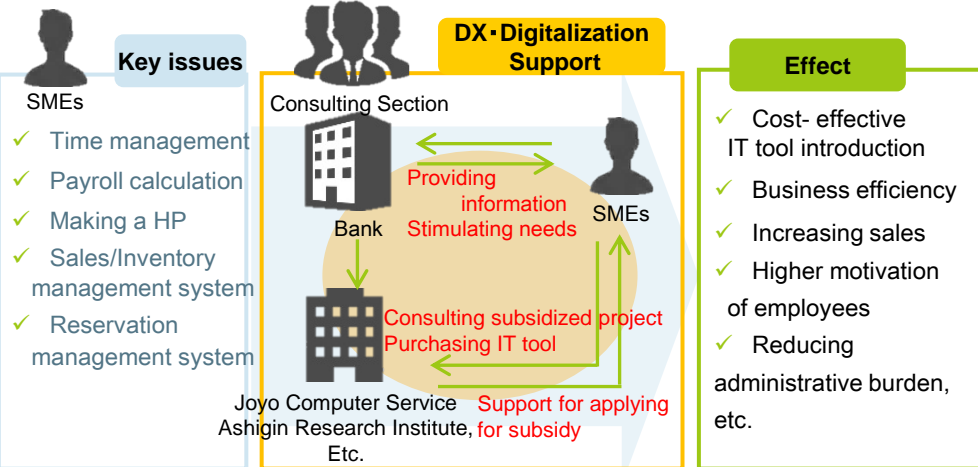


※Screen image of contract completion

Support for Customers' DX

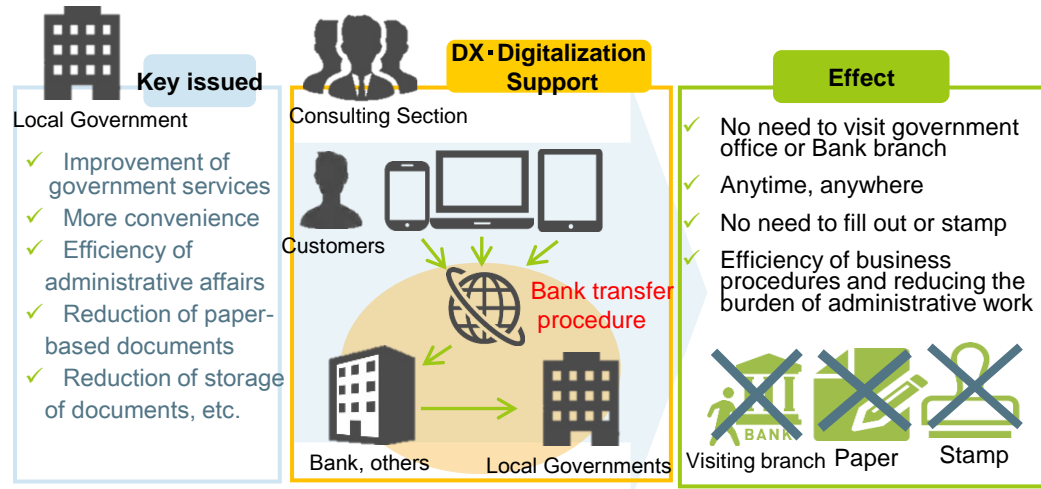
Support for SMEs' Digitalization (Utilizing IT Introduction Subsidy)

- We are supporting SMEs' digitalization by utilizing "IT Introduction Subsidy" in collaboration with group companies.



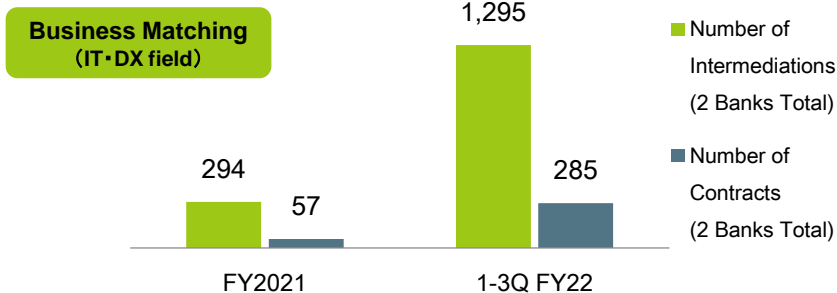
Support for Digitalization of Local Governments

- We are providing service via the internet for payment of tax and public utilities.



Digitalization Support through Business Matching

- Demand for core systems such as sales management and production management, as well as back-office efficiency improvement systems, is high and has already exceeded last year's results.



Consulting support tools to elicit customers issues and needs

- Consulting support tool "Biskul" was introduced at both banks to efficiently propose IT vendors and other commercial products to meet customer needs.

問題解決プラットフォーム



Problem solution platform "Bisikul"

DX businesses listed for business matching :
89 companies (two banks total)

- Both banks are currently developing web-based service "Big Advance" that allows for nationwide business matching, creation of company websites, and employee benefit services



Number of users : 3,411 companies (two banks total)

Developing DX Personnel

We will develop human resources to meet the potential IT and digital needs of our customers.

(Target :3,000 people by the end of FY2023)

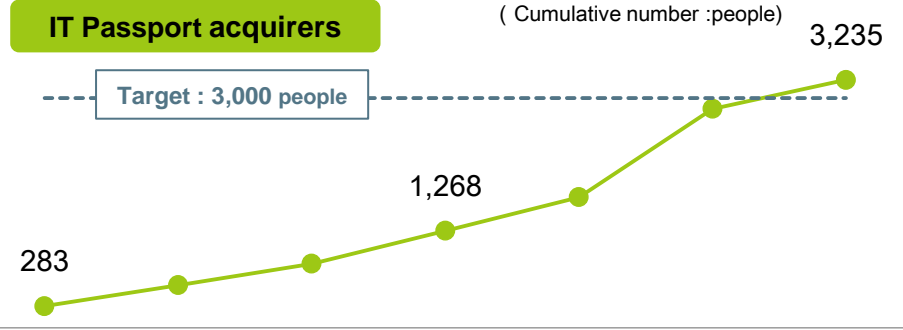
The number of IT Passport acquirers as the basis personnel reached 3,235 people (as of Dec.31, 2022) , one year and three months ahead of the target.

DX Personnel

- “DX Personnel” is defined as head office staff who plan and drive new business creation and business innovation using digital technology, and personnel who can provide DX support to customers. We aim to train more than 400 such personnel during the medium-term plan (~FY2024).
- In order to promote DX throughout the group, we will work to improve the digital literacy of all employees and increase DX basis personnel to 3,000 by the end of FY2023.

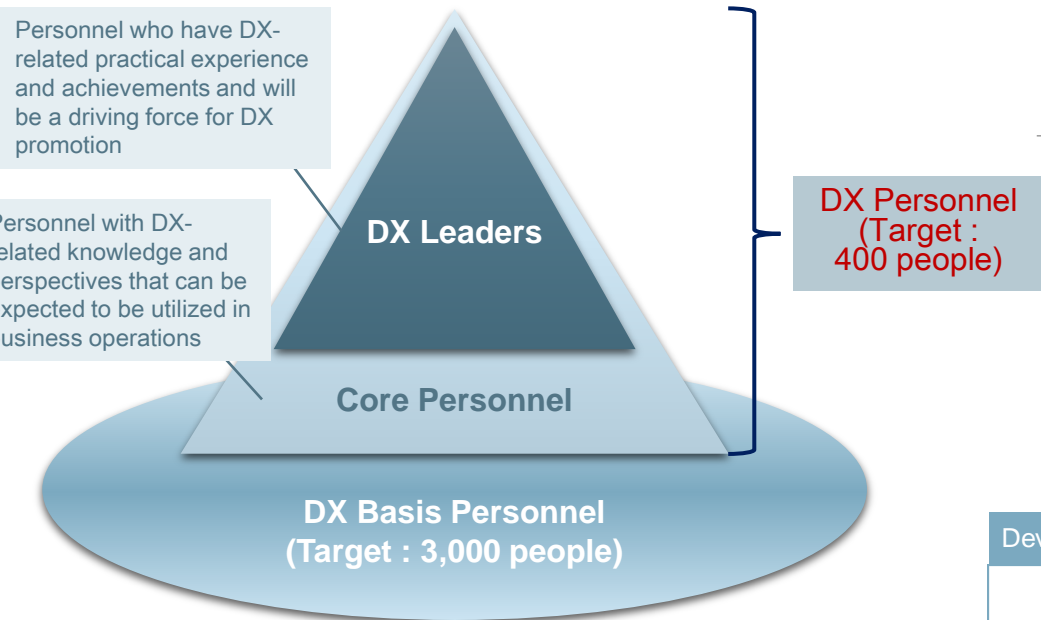
Status of DX Personnel Development Initiatives

- We recommend IT Passport as an essential qualification to improve digital literacy.



Period	end of Jun.'21	end of Sep.'21	end of Dec.'21	end of Mar.'22	end of Jun.'22	end of Sep.'22	end of Dec.'22
IT Passport acquirers	283	~500	~800	1,268	~2,000	~2,800	3,235

- Outline of initiatives for personnel development
 - ✓ Dispatch of trainees to digital companies to absorb cutting-edge know-how
 - ✓ Open recruitment to digital-related departments for the purpose of finding internal talent
 - ✓ Various training programs such as IT coordinators, data science and low code development
 - ✓ Recommendation to obtain digital-related qualifications and provision of continuous learning environment.



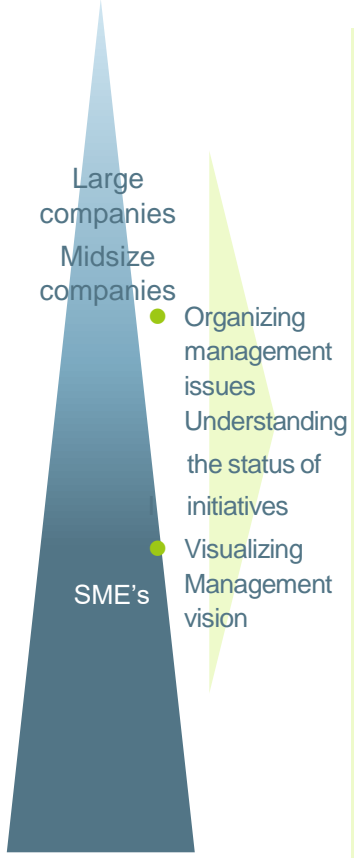
Developing personnel	End of FY21	End of 3Q22	Target	Progress
DX Personnel	114 people	350 people	400 people (~ FY2024)	87.5%
DX Basis Personnel	1,268 people	3,235 people	3,000 people (~'FY2023)	107.8%

Initiatives for Sustainability / Decarbonization

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

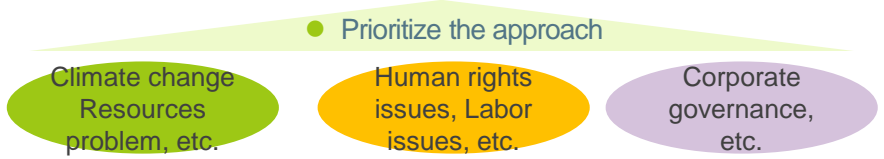


Our Solutions Menu

Carbon-Neutral	Sustainable Finance
<ul style="list-style-type: none"> GHG emissions reduction <ul style="list-style-type: none"> Self-consumption solar power generation Off-site PPA (Joyo Green Energy) EV switching (Mebuki Lease, etc.) Purchase of J-Credit GHG emissions calculation <ul style="list-style-type: none"> Our Group (with WasteBox) Introduction to BM partners 	<ul style="list-style-type: none"> ESG Finance <ul style="list-style-type: none"> SLL PIF GB, GL SDGs Initiatives Support Loan Loan with Simple Evaluation DX Support Loan Private Placement Bonds with Donation scheme ResilienceLine

SDGs Initiatives in general

- SDGs awareness tools (seminars, pamphlets)
- Support for Planning SDGs Declaration



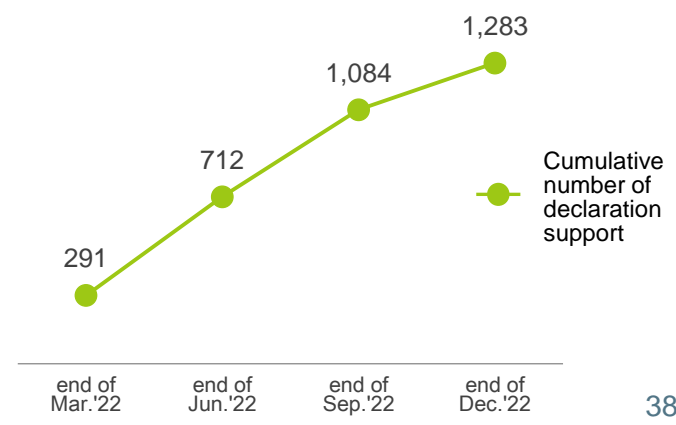
Sustainable Finance

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.)

	FY2030 Target	Results through 3QFY22	(Reference)	
			Compared to end of FY21	Progress
Sustainable Finance	¥3 trillion	¥442.4 bn	+¥288.9bn	14.7%
O/W Environmental field	¥2 trillion	¥231.8 bn	+¥187.5bn	11.5%

Support for Planning SDGs Declaration (Nov. 2021 ~)



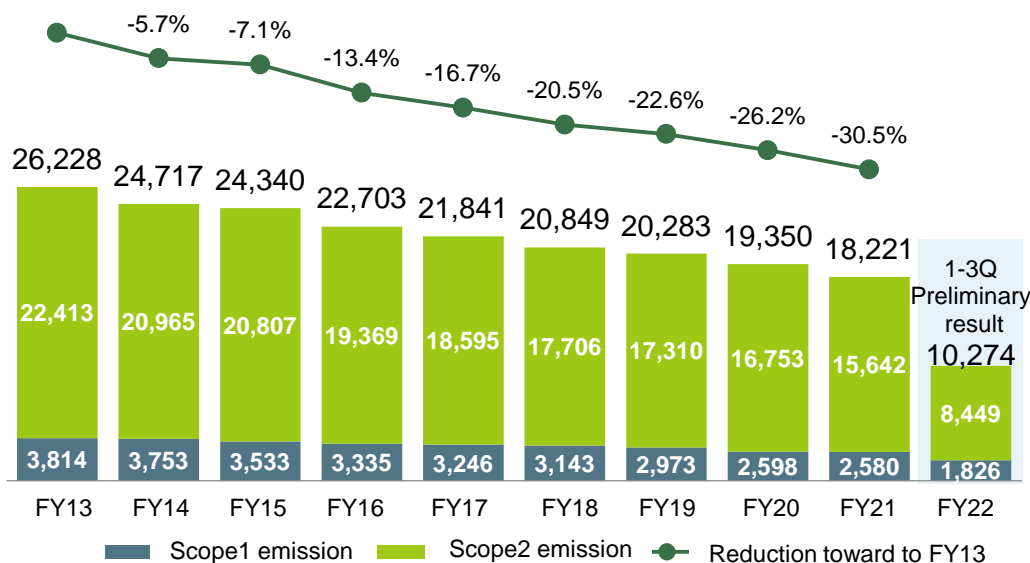
Initiatives for Sustainability / Decarbonization

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

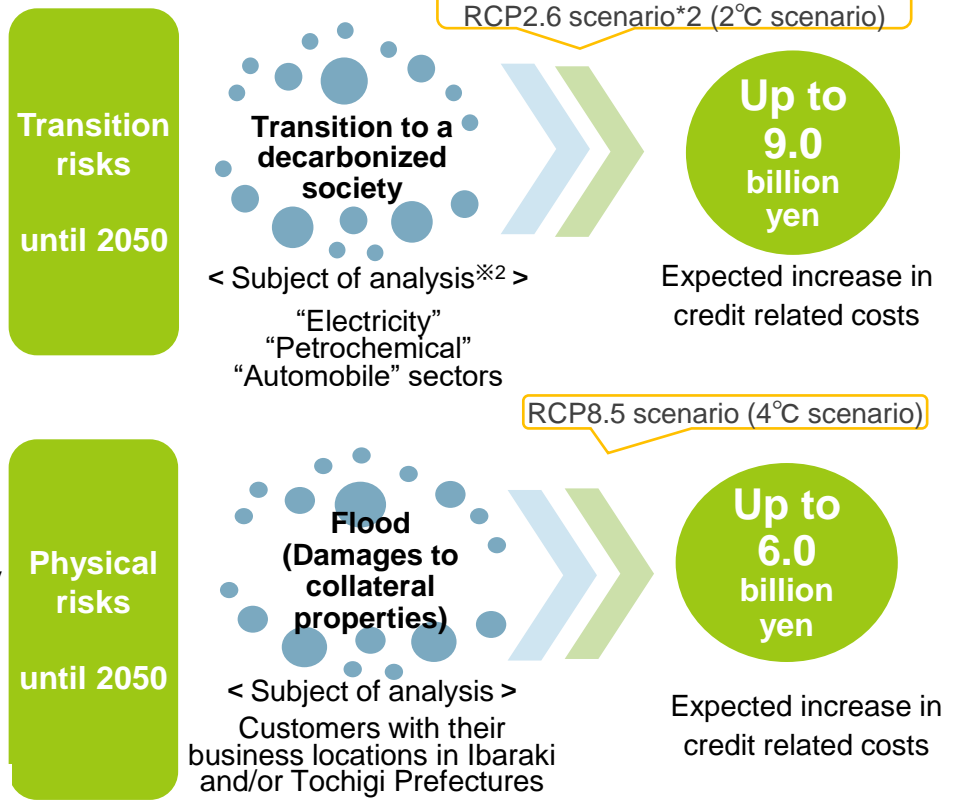
- Target for CO2 emission reduction in FY2030 : **"Net-zero"**.
- <CO2 emissions (Scope 1, 2)*1 of the Group (Bank Total) >
- ✓ Introduction of renewable energy (July 2022)
 Subject : 5 locations incl. head offices of Jojo Bank and Ashikaga Bank
 CO2 emission reduction effect (estimated) : 4,293 t-CO2 per year
 ※Equivalent to 24% of FY21 emissions

CO2 emission (Bank total)	1-3Q FY22 (preliminary base)	YoY
	10,274 t-CO2	- 20.6%



Scenario Analysis

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



* 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>【March 2021】</p> <ul style="list-style-type: none"> Declared support for the TCFD Recommendations (March 2021) Setting the target for CO2 emissions reduction (reduce 30% or more compared with FY2013) <p>【April 2022】</p> <ul style="list-style-type: none"> Established Group Sustainability Policy, Group Environmental Policy, etc. Revised the target to "Net-zero" in FY2030 Setting the target for providing sustainable finance...FY21 ~ FY30 cumulative total : 3 trillion yen Declared support for the GX League Basic Concept (o/w environmental field: 2 trillion yen) 											
	<p style="text-align: right;">CO2 emission reduction to "Net-zero"</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			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											
Others	Enhancing engagement with our customers ~ Support for customers' efforts seeking decarbonization ~											
	Continued tree-planting activities ("Joyo Furusato no Mori", "Ashigin Forest")											

【Financial Data for 3Q22】

【Data】 Breakdown of Banking subsidiaries

(1) P/L for 3 Q22

(¥ b n)

	J+A	YoY	Joyo	YoY	Ashikaga	YoY
Gross business profit	97.5	-43.6	44.3	-35.9	53.1	-7.7
(Core Gross business profit)	156.0	+11.2	95.0	+11.6	61.0	-0.3
Net interest income	116.7	-0.5	68.1	+0.9	48.5	-1.5
o/w Gains/losses on Cancellation of Investment trusts	5.8	+5.1	3.7	+2.9	2.1	+2.1
Net fees and commissions	26.2	+0.5	15.3	+0.4	10.8	+0.0
Net other business income and Net trading income	-45.4	-43.6	-39.1	-37.3	-6.3	-6.2
(o/w gains/losses on bond transactions)	-58.5	-54.9	-50.6	-47.6	-7.8	-7.3
Expenses	77.5	-3.3	43.2	-2.1	34.2	-1.2
o/w Personnel expenses	43.0	-0.7	24.2	-0.3	18.7	-0.4
o/w Non-personnel expenses	29.7	-2.2	16.3	-1.5	13.4	-0.6
Net business income (before general allowance for loan losses)	19.9	-40.3	1.0	-33.8	18.8	-6.4
Core net business income	78.5	+14.5	51.7	+13.7	26.7	+0.8
Core net Business Income						
(exclu. Gains/losses on Cancellation of Investment trusts)	72.6	+9.4	48.0	+10.7	24.5	-1.3
(exclu. Gains/losses on "Cancellation of investment trusts", "Futures" and "Options")	64.4	+1.0	39.9	+2.3	24.5	-1.3
Net transfer to general allowance for loan losses (a)	-1.0	-1.7	-0.3	-0.2	-0.6	-1.4
Net business income	21.0	-38.6	1.4	-33.5	19.5	-5.0
Net non-recurrent gains/losses	23.7	+29.2	25.2	+26.2	-1.5	+2.9
o/w Disposal of non-performing loans (b)	5.7	-4.1	3.1	-1.9	2.6	-2.1
o/w Gains/losses related to stocks, etc.	29.7	+26.3	28.6	+25.3	1.1	+0.9
Ordinary profit	44.7	-9.3	26.7	-7.3	17.9	-2.0
Extraordinary income/losses	(0.1)	+3.4	(0.1)	+3.4	(0.0)	+0.0
Net income	31.4	-4.3	18.9	-2.8	12.4	-1.5
Credit related costs (a)+(b)	4.7	-5.8	2.7	-2.2	1.9	-3.6

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

	FY19	FY20	FY21	3Q22	YoY	3Q21
J+A	Domestics	0.99%	0.96%	0.93%	0.91%	-0.02%
	Overseas	2.67%	1.29%	1.04%	2.62%	1.60%
	Total	1.02%	0.96%	0.94%	0.95%	0.01%
Joyo	Domestics	0.97%	0.93%	0.91%	0.90%	-0.01%
	Overseas	2.69%	1.30%	1.05%	2.69%	1.66%
	Total	1.01%	0.94%	0.92%	0.95%	0.03%
Ashikaga	Domestics	1.02%	0.99%	0.96%	0.94%	-0.02%
	Overseas	2.48%	1.19%	0.98%	2.00%	1.04%
	Total	1.03%	0.99%	0.96%	0.94%	-0.02%

【Data】 Breakdown of Banking subsidiaries

(3) Loans Term-end Balance

(¥ b n)

		FYE19	FYE20	FYE21	Dec-22	YoY	Dec-21
J+A	Individual	4,795.9	4,924.8	5,045.4	5,104.2	+87.2	5,017.0
	Corporate	5,181.3	5,369.6	5,347.4	5,578.4	+248.6	5,329.7
	Public	980.2	983.7	915.9	836.3	-8.2	844.5
	Total	10,957.5	11,278.1	11,308.8	11,519.0	+327.6	11,191.3
Joyo	Individual	2,624.6	2,687.7	2,740.2	2,769.6	+44.1	2,725.4
	Corporate	3,002.6	3,103.0	3,091.3	3,252.9	+175.9	3,077.0
	Public	612.8	562.7	498.1	506.0	-11.5	517.6
Total	6,240.1	6,353.6	6,329.7	6,528.6	+208.4	6,320.1	
Ashikaga	Individual	2,171.3	2,237.0	2,305.1	2,334.6	+43.1	2,291.5
	Corporate	2,178.6	2,266.5	2,256.0	2,325.4	+72.7	2,252.7
	Public	367.4	420.9	417.8	330.2	+3.3	326.9
Total	4,717.3	4,924.5	4,979.0	4,990.3	+119.2	4,871.1	

* Not including borrowing from special account of MoF

Foreign Currency Denominated Loans

(¥ b n)

		FYE19	FYE20	FYE21	Dec-22	YoY	Dec-21
J+A		164.2	162.6	150.6	149.3	-6.9	156.3
Joyo		146.8	150.0	139.5	137.8	-7.6	145.4
Ashikaga		17.3	12.6	11.0	11.4	+0.6	10.8

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

(¥ b n)

		FYE19	FYE20	FYE20	Dec-22	YoY	Dec-21
J+A	Housing Loans	3,546.5	3,711.7	3,860.8	3,943.3	+113.4	3,829.9
	Apartment Loans	933.6	902.3	871.2	848.3	-27.2	875.6
	Asset building loans	2.8	2.6	2.4	2.1	-0.3	2.4
	Total	4,483.0	4,616.7	4,734.5	4,793.8	+85.8	4,708.0
Joyo	Housing Loans	1,719.5	1,809.7	1,889.9	1,938.3	+66.4	1,871.9
	Apartment Loans	748.6	722.8	694.2	675.2	-23.1	698.4
	Asset building loans	2.8	2.6	2.4	2.1	-0.3	2.4
Total	2,471.1	2,535.1	2,586.5	2,615.7	+42.9	2,572.8	
Ashikaga	Housing Loans	1,826.9	1,902.0	1,970.9	2,004.9	+46.9	1,957.9
	Apartment Loans	185.0	179.5	177.0	173.1	-4.0	177.2
	Asset building loans	-	-	-	-	-	-
Total	2,011.9	2,081.5	2,147.9	2,178.0	+42.8	2,135.1	

(5) Unsecured Loans Term-end Balance

(¥ b n)

		FYE19	FYE20	FYE21	Dec-22	YoY	Dec-21
J+A	Car Loans	52.0	63.3	71.4	76.2	+6.6	69.6
	Educational Loans	42.5	43.4	45.4	47.4	+3.1	44.2
	Free Loans	9.8	9.1	9.3	9.5	+0.2	9.3
	Card Loans	65.4	61.2	62.4	64.4	+3.0	61.4
Total	169.9	177.1	188.6	197.7	+13.0	184.7	
Joyo	Car Loans	35.2	45.4	50.6	52.7	+2.7	49.9
	Educational Loans	34.0	34.3	35.5	36.8	+2.2	34.6
	Free Loans	3.5	3.6	3.8	4.0	+0.1	3.8
	Card Loans	26.0	23.7	24.8	25.9	+1.8	24.0
Total	98.8	107.1	114.8	119.5	+6.9	112.5	
Ashikaga	Car Loans	16.8	17.8	20.8	23.5	+3.8	19.6
	Educational Loans	8.5	9.1	9.9	10.5	+0.9	9.5
	Free Loans	6.2	5.4	5.5	5.5	+0.0	5.5
	Card Loans	39.4	37.5	37.5	38.5	+1.1	37.4
Total	71.0	70.0	73.8	78.2	+6.0	72.1	

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

(¥ b n)

		FYE19	FYE20	FYE21	Dec-22	YoY	Dec-21
J+A	Large	1,635.4	1,688.2	1,674.3	1,792.9	+127.8	1,665.1
	Medium/SMEs	3,545.9	3,681.3	3,673.0	3,785.4	+120.8	3,664.6
	Total	5,181.3	5,369.6	5,347.4	5,578.4	+248.6	5,329.7
Joyo	Large	1,165.1	1,220.6	1,206.9	1,289.1	+79.7	1,209.4
	Medium/SMEs	1,837.4	1,882.3	1,884.3	1,963.8	+96.2	1,867.6
	Total	3,002.6	3,103.0	3,091.3	3,252.9	+175.9	3,077.0
Ashikaga	Large	470.2	467.6	467.3	503.8	+48.0	455.7
	Medium/SMEs	1,708.4	1,798.9	1,788.7	1,821.5	+24.6	1,796.9
	Total	2,178.6	2,266.5	2,256.0	2,325.4	+72.7	2,252.7

(7) Loans Corporate Term-end Balance by Area

(¥ b n)

		FYE19	FYE20	FYE21	Dec-22	YoY	Dec-21
J+A	Tokyo	1,967.5	2,021.9	2,009.4	2,137.8	+148.0	1,989.7
	Local	3,213.8	3,347.6	3,337.9	3,440.5	+100.5	3,340.0
	Total	5,181.3	5,369.6	5,347.4	5,578.4	+248.6	5,329.7
Joyo	Tokyo	1,422.6	1,484.1	1,468.9	1,555.4	+94.8	1,460.6
	Local	1,579.9	1,618.9	1,622.4	1,697.5	+81.0	1,616.4
	Total	3,002.6	3,103.0	3,091.3	3,252.9	+175.9	3,077.0
Ashikaga	Tokyo	544.8	537.8	540.5	582.3	+53.2	529.1
	Local	1,633.8	1,728.7	1,715.5	1,743.0	+19.4	1,723.5
	Total	2,178.6	2,266.5	2,256.0	2,325.4	+72.7	2,252.7

【Data】 Breakdown of Banking subsidiaries

(8) Deposits Term-end Balance

(¥ b n)

		FYE19	FYE20	FYE21	Dec-22	YoY	Dec-21
J+A	Individual	10,685.0	11,400.1	11,787.3	12,154.8	+308.9	11,845.8
	Corporate	3,364.1	3,887.4	3,953.5	3,934.2	-28.4	3,962.7
	Public	737.3	969.9	1,116.4	812.5	+76.9	735.6
	Total	14,786.5	16,257.4	16,857.3	16,901.6	+357.4	16,544.2
Joyo	Individual	6,633.6	7,053.1	7,272.7	7,478.0	+167.0	7,311.0
	Corporate	1,880.3	2,136.5	2,180.4	2,161.9	+15.9	2,146.0
	Public	459.2	515.8	600.7	507.9	+35.8	472.1
	Total	8,973.1	9,705.5	10,053.9	10,147.9	+218.7	9,929.1
Ashikaga	Individual	4,051.4	4,346.9	4,514.5	4,676.8	+141.9	4,534.8
	Corporate	1,483.8	1,750.8	1,773.1	1,772.3	-44.3	1,816.7
	Public	278.1	454.1	515.7	304.5	+41.1	263.4
	Total	5,813.4	6,551.9	6,803.3	6,753.7	+138.6	6,615.0

Foreign Currency Deposit

(¥ b n)

		FYE19	FYE20	FYE21	Dec-22	YoY	Dec-21
J+A		219.7	180.0	168.2	108.3	-84.9	193.3
Joyo		176.4	151.9	139.6	86.0	-74.1	160.1
Ashikaga		43.2	28.0	28.5	22.3	-10.8	33.1

(9) Customer Assets under Custody Balance

(¥ b n)

		FYE19	FYE20	FYE20	Dec-22	YoY	Dec-21
Group total	Investment trusts	463.7	547.7	632.5	616.4	-9.2	625.7
	Insurance	812.6	829.0	858.5	868.4	+19.6	848.7
	Foreign currency deposits	166.1	146.0	131.1	95.5	-54.8	150.3
	JGB etc.	156.2	162.4	154.5	134.0	-24.4	158.4
	Mebuki Securities	282.0	343.4	429.5	419.4	+14.4	404.9
	Total	1,880.9	2,028.7	2,206.3	2,133.9	-54.4	2,188.3
	Joyo	Investment trusts	214.7	249.8	302.6	300.4	+1.6
Insurance		471.9	488.5	511.5	512.4	+11.5	500.8
Foreign currency deposits		122.9	117.9	102.6	72.3	-44.8	117.1
JGB etc.		104.1	108.2	102.7	92.1	-13.1	105.3
Total		913.8	964.6	1,019.4	977.3	-44.8	1,022.2
Ashikaga	Investment trusts	249.0	297.8	329.8	316.0	-10.8	326.8
	Insurance	340.6	340.5	347.0	356.0	+8.1	347.9
	Foreign currency deposits	43.2	28.0	28.5	23.2	-9.9	33.1
	JGB etc.	52.1	54.2	51.7	41.8	-11.3	53.1
	Total	685.0	720.6		737.1	-24.0	761.1

(10) Customer Assets under Custody Commissions

(¥ b n)

		FY19	FY20	FY21	3 Q22	YoY	3 Q21
Group Total	Investment trusts(*1)	5.91	6.22	7.93	4.91	-1.34	6.26
	Insurance(*2)	4.26	3.25	3.25	4.19	+1.66	2.52
	Foreign currency deposits	0.68	0.55	0.61	0.58	+0.25	0.32
	JGB etc.	0.08	0.06	0.01	0.02	+0.00	0.01
	Total	0.72	1.13	1.19	0.50	-0.48	0.98
Joyo	Financial instrument intermediary service	2.98	3.70	3.87	1.65	-1.49	3.14
	Mebuki Securities	14.66	14.93	16.90	11.87	-1.38	13.26
	Total	14.66	14.93	16.90	11.87	-1.38	13.26
	Investment trusts(*1)	2.83	2.93	4.10	2.45	-0.76	3.21
	Insurance(*2)	2.61	2.06	2.00	2.67	+1.15	1.51
Ashikaga	Foreign currency deposits	0.50	0.39	0.39	0.33	+0.15	0.17
	JGB etc.	0.05	0.05	0.01	0.01	+0.00	0.01
	Financial instrument intermediary service	0.43	0.75	0.89	0.40	-0.33	0.74
	Total	6.44	6.20	7.41	5.88	+0.22	5.66
	Total	3.08	3.29	3.83	2.46	-0.58	3.04
Ashikaga	Insurance(*2)	1.64	1.18	1.25	1.52	+0.51	1.00
	Foreign currency deposits	0.18	0.15	0.22	0.25	+0.09	0.15
	JGB etc.	0.02	0.01	0.00	0.00	+0.00	0.00
	Financial instrument intermediary service	0.29	0.38	0.29	0.09	-0.14	0.24
	Total	5.22	5.02	5.61	4.33	-0.11	4.45

* 1 : Sales commission+ Trust fee

* 2 : Excl. executive life insurance

(11) Fees from Corporate Customers

(¥ b n)

		FY19	FY20	FY21	3Q22	YoY	3Q21
J+A	Credit Related	8.20	7.55	8.08	9.08	+4.01	5.06
	Consulting Related	1.44	1.88	3.29	2.54	+0.31	2.22
	total	9.65	9.44	11.37	11.62	+4.32	7.29
Joyo	Credit Related	4.24	4.03	4.70	5.75	+2.80	2.95
	Consulting Related	0.80	1.18	2.14	1.36	-0.14	1.50
	total	5.05	5.21	6.84	7.11	+2.65	4.45
Ashikaga	Credit Related	3.95	3.52	3.38	3.32	+1.21	2.11
	Consulting Related	0.64	0.70	1.14	1.18	+0.45	0.72
	total	4.60	4.22	4.52	4.51	+1.67	2.83

【Data】 Breakdown of Banking subsidiaries

(12) Securities Balance(Balance Sheet Amount) (¥ b n)

		FYE19	FYE20	FYE21	Dec-22	YoY
Mebuki FG (Consolidated)	Domestic bonds	2,359.4	2,510.6	2,745.1	2,394.9	-350.1
	Foreign bonds	831.6	959.5	967.3	636.5	-330.8
	Stocks	226.0	265.8	254.1	224.5	-29.6
	Investment trusts, etc.	658.9	597.2	715.5	620.9	-94.5
	Total	4,076.1	4,333.2	4,682.3	3,877.0	-805.2
Joyo	Domestic bonds	1,746.7	1,822.0	2,002.5	1,632.1	-370.4
	Foreign bonds	505.3	595.5	597.9	283.3	-314.6
	Stocks	197.2	233.1	226.8	198.1	-28.7
	Investment trusts, etc.	388.1	373.9	439.9	397.2	-42.7
	Total	2,837.4	3,024.6	3,267.3	2,510.8	-756.5
Ashikaga	Domestic bonds	600.3	679.1	734.1	754.1	+19.9
	Foreign bonds	326.3	364.0	369.3	353.2	-16.1
	Stocks	64.2	39.1	33.6	33.0	-0.6
	Investment trusts, etc.	266.7	219.1	271.5	219.5	-51.9
	Total	1,257.5	1,301.5	1,408.8	1,359.9	-48.8

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

		FYE19	FYE20	FYE21	Dec-22	YoY
Mebuki FG (Consolidated)	Stocks	9.2	2.4	-21.3	-80.1	-58.8
	Domestic bonds	24.3	35.6	-14.2	-28.4	-14.1
	Investment trusts, etc.	86.9	139.4	131.5	105.9	-25.6
	Foreign bonds	-21.3	33.1	32.9	-29.1	-62.1
	Total	99.1	210.7	128.9	-31.8	-160.7
Joyo	Stocks	9.0	3.0	-16.3	-54.4	-38.1
	Domestic bonds	12.8	15.0	-12.8	-9.0	+3.7
	Investment trusts, etc.	85.1	127.5	123.6	97.0	-26.5
	Foreign bonds	-8.3	26.0	27.4	-14.5	-42.0
	Total	98.7	171.7	122.0	18.9	-103.0
Ashikaga	Stocks	11.5	8.5	1.9	-20.2	-22.2
	Domestic bonds	13.8	22.4	-0.1	-18.6	-18.5
	Investment trusts, etc.	20.8	25.0	21.0	20.7	-0.3
	Foreign bonds	-10.6	8.5	6.7	-13.2	-20.0
	Total	35.6	64.5	29.7	-31.3	-61.0

(14) Gains/Losses on Securities (¥ b n)

		FY19	FY20	FY21	3Q22	YoY	3Q21
J+A	Stocks	-2.0	-6.2	-7.1	-58.5	-54.9	-3.6
	Domestic bonds	0.4	10.0	3.5	29.7	+26.3	3.4
	Investment trusts, etc.	7.3	6.8	1.7	5.8	+5.1	0.7
	Total	5.6	10.6	-1.8	-22.8	-23.4	0.6
Joyo	Stocks	-0.9	-3.9	-4.8	-50.6	-47.6	-3.0
	Domestic bonds	0.6	9.1	3.5	28.6	+25.3	3.2
	Investment trusts, etc.	5.2	4.9	1.7	3.7	+2.9	0.7
	Total	4.8	10.1	0.4	-18.3	-19.2	0.9
Ashikaga	Stocks	-1.1	-2.3	-2.2	-7.8	-7.3	-0.5
	Domestic bonds	-0.1	0.9	0.0	1.1	+0.9	0.1
	Investment trusts, etc.	2.0	1.9	0.0	2.1	+2.1	0.0
	Total	0.8	0.4	-2.3	-4.5	-4.1	-0.3

(15) Foreign Bonds

(\$million, €million, million of Australia dollars, ¥bn)

		Currency	Interest rate type	Securities type	FYE21	Sep-22	Dec-22	YoY	3Q22 gains/losses
Total	U.S. dollar	Fixed	Government, Government-guaranteed bonds, etc	1,844	1,177	786	-1,058	-193	
			Corporate bonds, etc	2,691	2,909	2,653	-38		
	Floating	CLO/Government-guaranteed bonds, etc	1,095	1,245	1,284	+189			
		Sub Total	5,631	5,333	4,724	-906			
Joyo	Euro	Fixed	Government, Government-guaranteed bonds, etc	1,815	480	10	-1,805	-107	
			Corporate bonds, etc	161	96	96	-65	-10	
	AUD	Fixed	Corporate bonds, etc	28.1	28.1	28.1	±0.0	0.0	
			Sub Total	3,050	2,503	1,925	-1,124	-88	
	U.S. dollar	Fixed	Government, Government-guaranteed bonds, etc	1,389	645	354	-1,035	-167	
			Corporate bonds, etc	564	612	286	-278	-10	
Floating	CLO/Government-guaranteed bonds, etc	1,095	1,245	1,284	+189	0.0			
	Sub Total	3,050	2,503	1,925	-1,124	-88			
Ashikaga	Euro	Fixed	Government, Government-guaranteed bonds, etc	1,429	455	10	-1,419	-88	
			Corporate bonds, etc	161	96	96	-65	-10	
	AUD	Fixed	Corporate bonds, etc	27.2	27.2	27.2	±0.0	0.0	
			Sub Total	2,581	2,829	2,798	+217	-26	
	U.S. dollar	Fixed	Government, Government-guaranteed bonds, etc	454	532	431	-22	-26	
			Corporate bonds, etc	2,126	2,297	2,367	+240	±0	
Floating	CLO/Government-guaranteed bonds, etc	0	0	0	±0	±0			
	Sub Total	2,581	2,829	2,798	+217	-19			
Euro	Fixed	Government, Government-guaranteed bonds, etc	385	25	0	-385	±0		
		Corporate bonds, etc	0	0	0	±0	±0		
AUD	Fixed	Corporate bonds, etc	0.9	0.9	0.9	±0.0	0.0		
		Sub Total	0.9	0.9	0.9	±0.0	0.0		

(*1) All Yen denominated foreign bonds are regarded as fixed bonds.

【Data】 Breakdown of Banking subsidiaries

(16) Strategic shareholdings (Balance) (¥ b n)

		FYE19	FYE20	FYE21	Dec-22	YoY	
J+A	Balance	114.0	98.5	76.9	70.7	-6.2	
Joyo	Balance	99.7	84.7	64.7	58.9	-5.8	
Ashikaga	Balance	14.3	13.8	12.2	11.8	-0.3	

(17) Expenses (¥ b n)

		FY19	FY20	FY21	3Q22	YoY	3Q21
J+A	Personnel	61.2	59.9	58.2	43.0	-0.7	43.8
	Non-Personnel	46.7	43.4	43.4	29.7	-2.2	31.9
	Taxes	7.0	6.8	6.5	4.7	-0.3	5.1
	Total	115.0	110.1	108.1	77.5	-3.3	80.9
Joyo	Personnel	33.5	33.2	32.7	24.2	-0.3	24.6
	Non-Personnel	26.8	24.7	24.1	16.3	-1.5	17.8
	Taxes	3.8	3.7	3.6	2.6	-0.2	2.8
	Total	64.2	61.7	60.5	43.2	-2.1	45.3
Ashikaga	Personnel	27.6	26.6	25.4	18.7	-0.4	19.2
	Non-Personnel	19.9	18.6	19.2	13.4	-0.6	14.0
	Taxes	3.1	3.0	2.9	2.1	-0.1	2.2
	Total	50.7	48.4	47.6	34.2	-1.2	35.5

(18) Credit related cost (¥ b n)

		FY19	FY20	FY21	3Q22	YoY	3Q21
J+A		19.0	22.4	19.6	4.7	-5.8	10.5
Joyo		10.1	12.0	9.8	2.7	-2.2	4.9
Ashikaga		8.8	10.3	9.7	1.9	-3.6	5.6

(19) Disclosed Claims under the Financial Revitalization Law (¥ b n)

		FYE19	FYE20	FYE21	Dec-22	YoY	
J+A	Bankrupt claims	12.7	10.3	13.8	13.5	-0.2	
	Doubtful claims	129.0	143.2	151.1	149.7	-1.4	
	Claims requiring monitoring	27.9	27.4	27.6	29.5	+1.9	
	(Loans past due 3 month or more)	-	0.1	0.0	0.2	+0.1	
	(Restructured loans)	-	27.3	27.5	29.2	+1.7	
	Total	169.8	181.0	192.6	192.8	+0.2	
Joyo	Bankrupt claims	5.7	5.5	5.4	5.0	-0.3	
	Doubtful claims	69.9	78.0	86.5	81.4	-5.0	
	Claims requiring monitoring	12.5	13.0	13.3	13.1	-0.1	
	(Loans past due 3 month or more)	-	0.0	0.0	0.1	+0.0	
	(Restructured loans)	-	13.0	13.2	13.0	-0.1	
	Total	88.2	96.7	105.2	99.7	-5.5	
Ashikaga	Bankrupt claims	5.8	4.0	7.7	7.9	+0.1	
	Doubtful claims	59.0	65.0	64.6	68.2	+3.6	
	Claims requiring monitoring	15.4	14.4	14.2	16.3	+2.0	
	(Loans past due 3 month or more)	-	0.0	0.0	0.1	+0.0	
	(Restructured loans)	-	14.3	14.2	16.1	+1.9	
	Total	80.2	83.5	86.7	92.5	+5.8	

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

		FYE19	FYE20	FYE21	Dec-22	YoY	Dec-21
J+A		1.2	2.0	1.3	1.5	-1.7	3.3
Joyo		0.3	0.0	0.8	1.2	-0.5	1.8
Ashikaga		0.9	2.0	0.5	0.2	-1.1	1.4

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