

Mebuki Financial Group, Inc.

Financial Results for FY2022 (IR Presentation Material)



1 Financial Results for FY2022 / Forecast for FY2023

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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 FY 2022 / Forecast for FY2023

(1) Results for FY22

		Results for FY22	YoY Change	Compared to Revised forecast in Feb.2023
Profit from customer services ^(*1)		¥44.3bn	+¥11.0bn	-
Core net business income ^(*2)	(Banks' total)	¥81.6bn	-¥3.0bn	-
Gains/losses on securities ^(*3)		-¥27.0bn	-¥24.7bn	-
Net income attributable to owners of the parent	(Consolidated)	¥32.1bn	-¥10.7bn	+¥2.1bn

- Profit from customer services^(*1), the core business, increased significantly over the previous year (+¥11.0 bn YoY), driven by the improvement of deference of interests between loans and deposits, the increase of fees and commissions and cost reduction, and was the highest since our business integration in Oct. 2016.
- On the other hand, consolidated net income decreased by ¥10.7bn YoY to ¥32.1bn, due to the decrease of securities income by a surge in foreign currency interest rates, gains/losses on securities^(*3) of - ¥27.0bn by sales of foreign and domestic bonds for risk control and improving periodic profit.

(*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 "Bond transactions + Related to stocks + Cancellation of investment trusts + Futures and options"

(2) Forecast for FY23

		Forecast for FY23	YoY Change
Net income attributable to owners of the parent	(Consolidated)	¥40.0bn	+¥7.8bn

(3) Shareholder Returns in FY23 (scheduled)

- Total return ratio in FY23 will be 53.3% (scheduled).

Annual Dividends Per Share	¥11.0 (scheduled)	(Interim ¥5.5、 Year-end ¥5.5)
Share Acquisition	¥10.0bn (maximum) 35mil shares(maximum)	(Period of purchase : From May 15, 2023 to Sep. 22, 2023)
Total Return Ratio	53.3%	(Calculated based on dividends and share acquisition above)

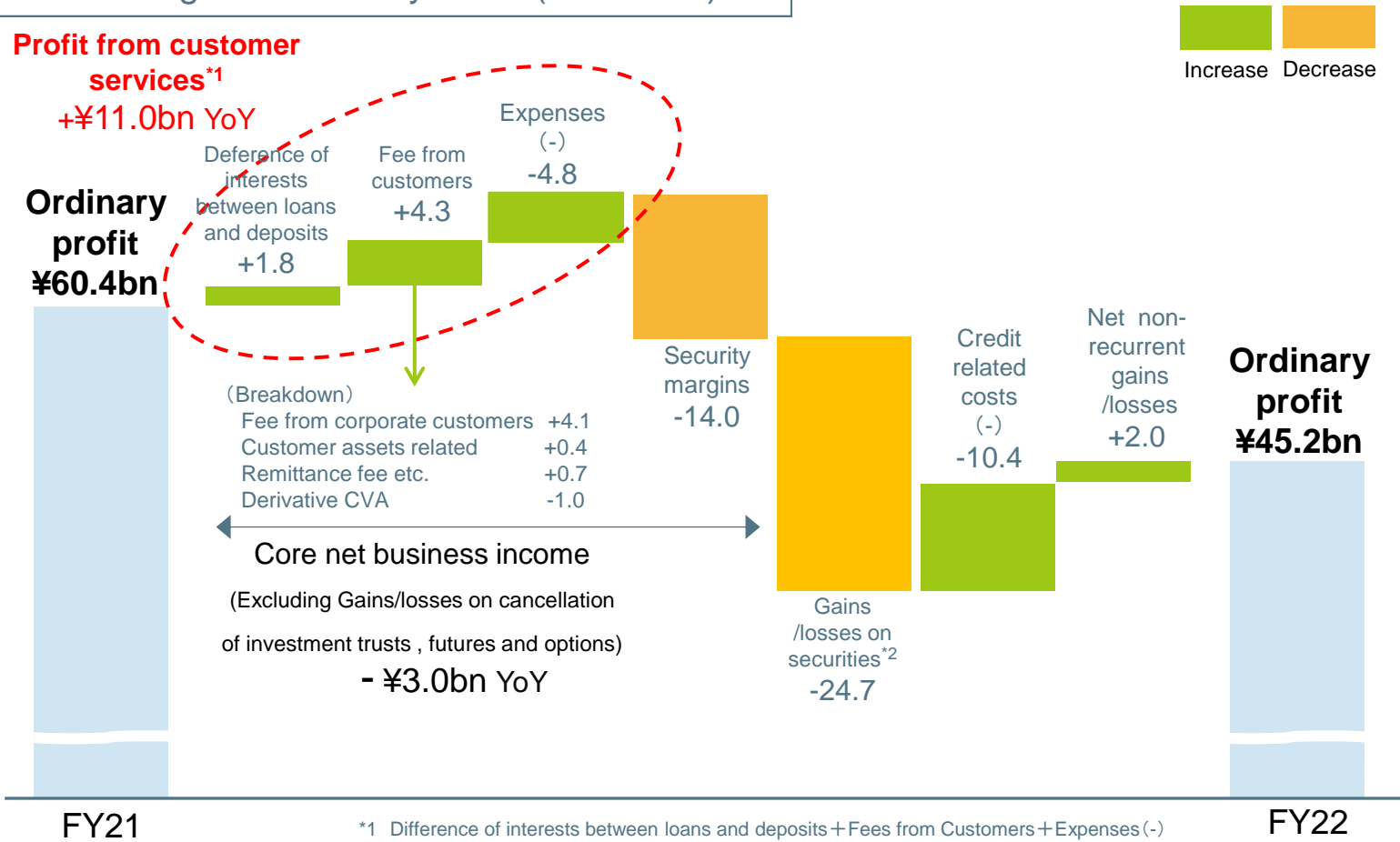
(4) Target for Reducing Strategic Shareholdings

- We have set a target to reduce strategic shareholdings in order to further increase ROE with aim of achieving the sound development of the capital market and management that is conscious of the cost of capital and stock prices.

Reduction Target (based on market value)	¥30.0bn
Implementation Period	Next 5 years (until the end of FY27)

Profit from customer services, the core business, increased significantly over the previous year, driven by the improvement of deference of interests between loans and deposits, the increase of fees and commissions and cost reduction. In addition, credit related costs decreased by ¥10.4bn YoY. But ordinary profit decreased by ¥15.2 bn YoY due to the decrease of securities income and losses on sales of securities.

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



*1 Difference of interests between loans and deposits + Fees from Customers + Expenses (-)

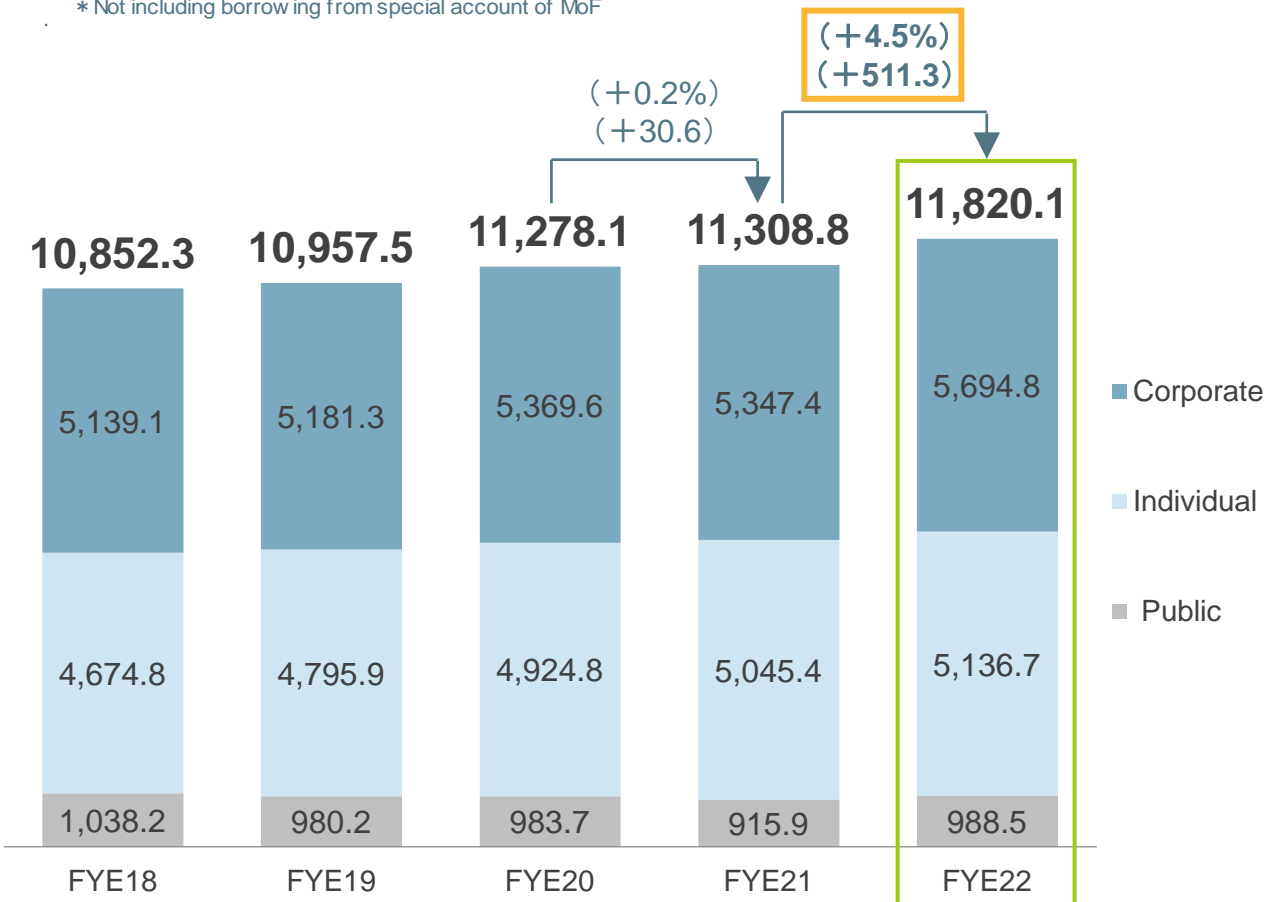
*2 Gains/losses on "Bond transactions + Related to stocks + Cancellation of investment trusts + Futures and options

Amount of loans increased 4.5% annualized (+ ¥511.3bn YoY).

Loans to corporate customers and public sectors, which decreased in previous fiscal year, turned to an increase (Corporate customers : +6.4% annualized, Public sectors : +7.9% annualized).

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

* Not including borrowing from special account of MoF



Year on Year Changes (¥bn)

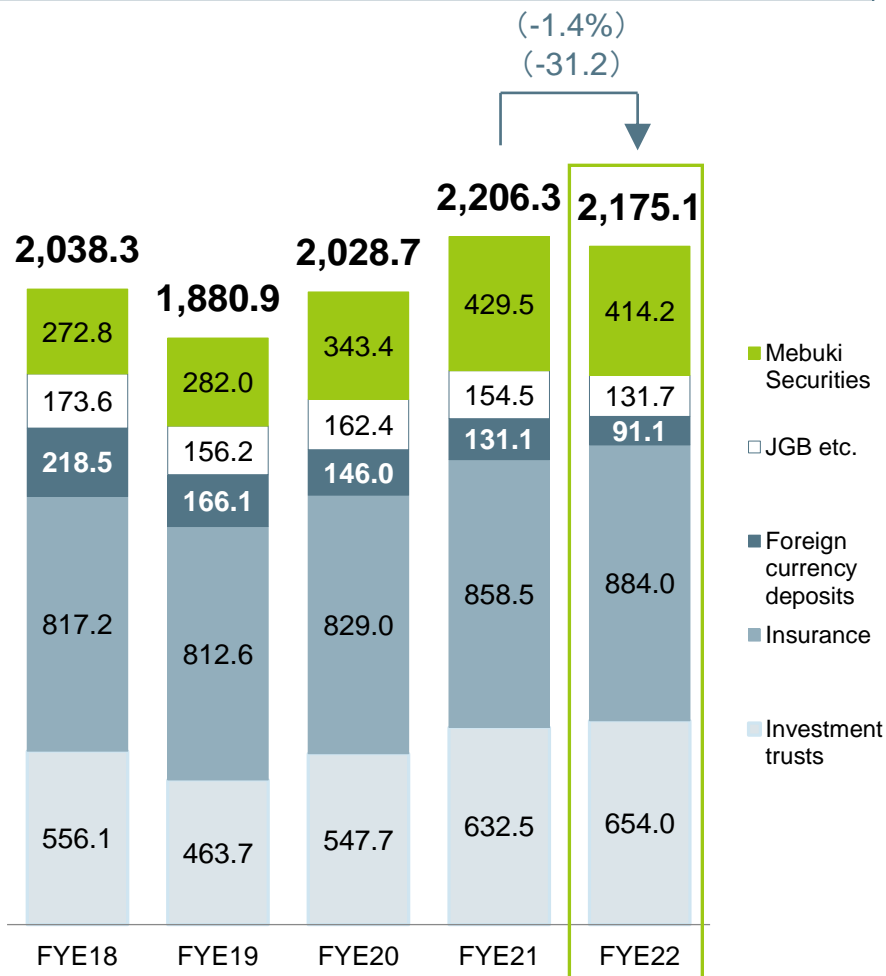
	Mar-21	Mar-22	Mar-23
Total	+320.6 +2.9%	+30.6 +0.2%	+511.3 +4.5%
Corporate	+188.3 +3.6%	-22.2 -0.4%	+347.4 +6.4%
Individual	+128.8 +2.6%	+120.5 +2.4%	+91.3 +1.8%
Public	+3.4 +0.3%	-67.7 -6.8%	+72.5 +7.9%

(Reference) Loans to 'borrowing from special account of MoF'
 (FYE18) ¥399.4bn
 (FYE19) ¥ 519.8bn
 (FYE20) ¥ 521.5bn
 (FYE21) ¥ 586.7bn
 (FYE22) ¥ 768.4bn

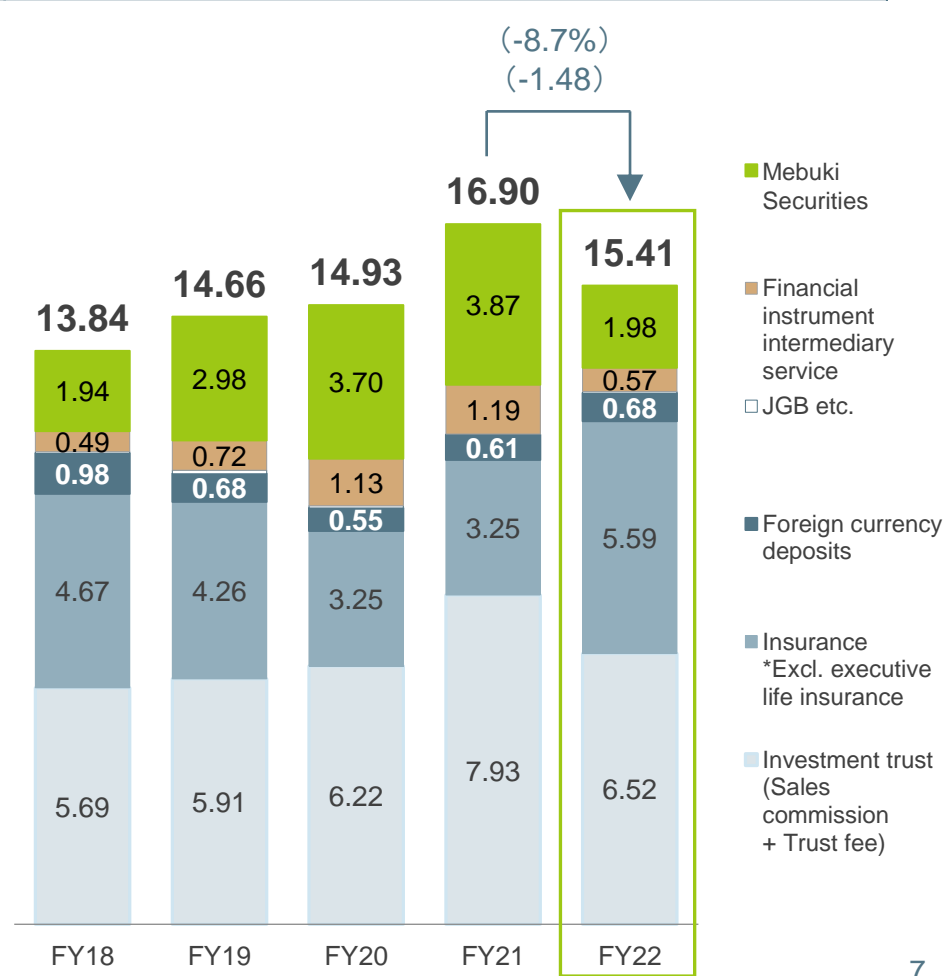
Customer Assets under Custody

Balance of customer assets under custody decreased by ¥ 31.2bn YoY (-1.4% 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) (¥bn)



Commissions (Bank Total + Mebuki Securities) (¥bn)

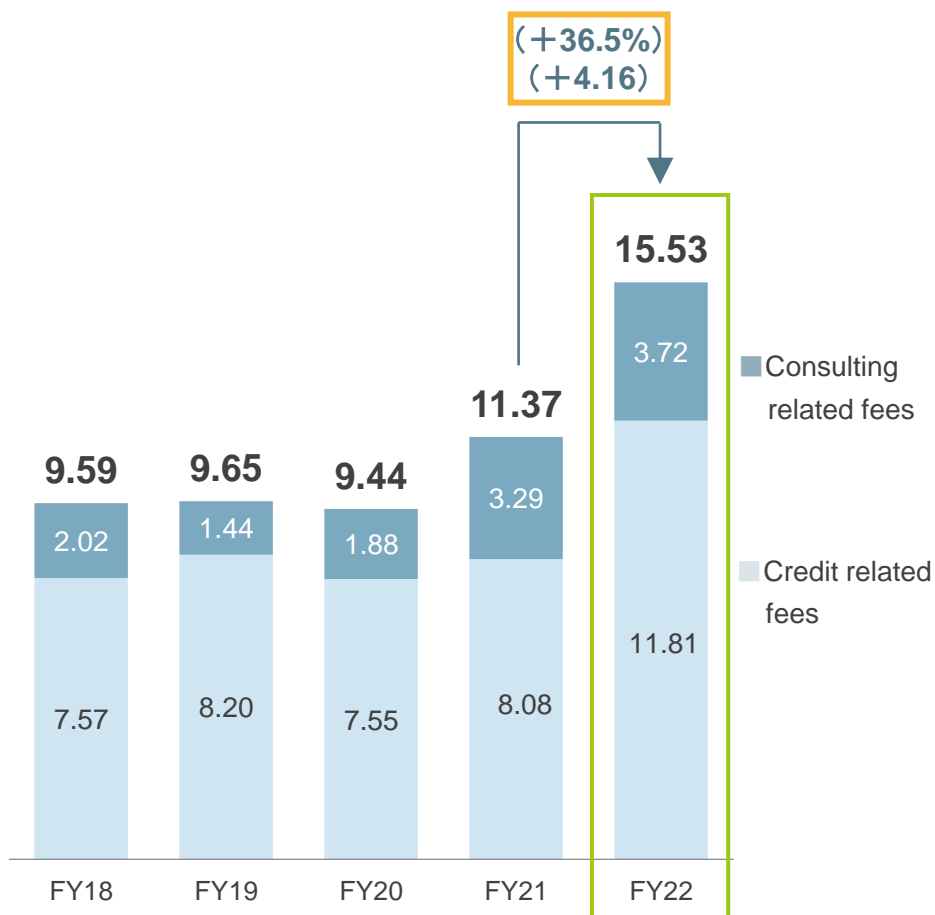


Fees from Corporate Customers (1)

Fees from corporate customers increased by ¥4.1 bn YoY (+36.5% 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.

Joyo Bank + Ashikaga Bank (¥bn)



< Breakdown of Fees from Corporate customers >

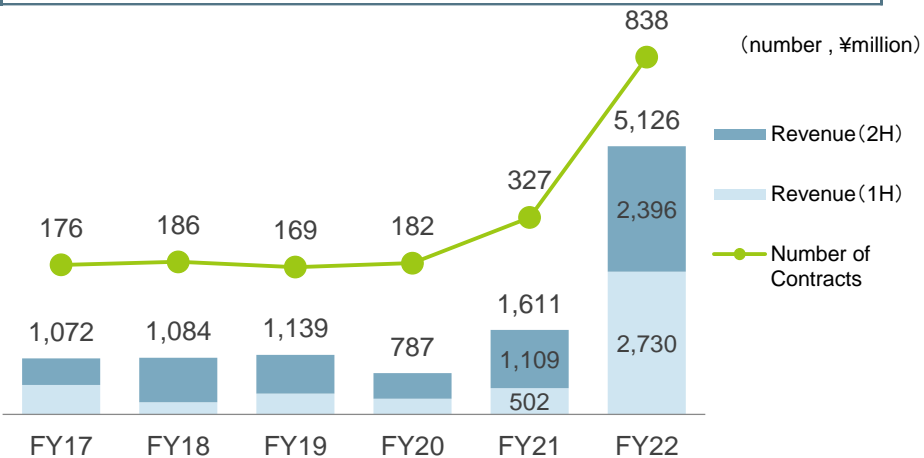
	FY20	FY21	FY22	YoY
Credit related (1)	7.55	8.08	11.81	+3.73
Derivatives	0.78	1.61	5.12	+3.51
Syndicate loans	5.31	4.99	5.37	+0.37
Private placement bonds	1.45	1.48	1.31	-0.16
Consulting related (2)	1.88	3.29	3.72	+0.43
Business Matching	0.72	1.02	1.25	+0.23
Support for business Planning	0.10	0.84	1.22	+0.37
M&A	0.51	0.72	0.64	-0.08
Executive Insurance	0.43	0.55	0.47	-0.08
Trust · 401K	0.11	0.13	0.12	-0.01
Total ((1)+(2))	9.44	11.37	15.53	+4.16

Fees from Corporate Customers (2)

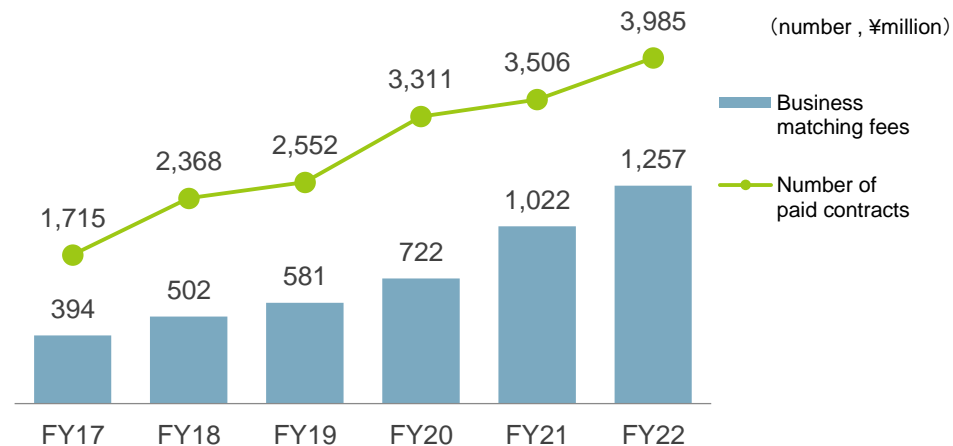
We share management issues with our customers through escorted support in corporation with head office and branches.

We support customer's sustainable growth to provide various solutions including non-financial services.

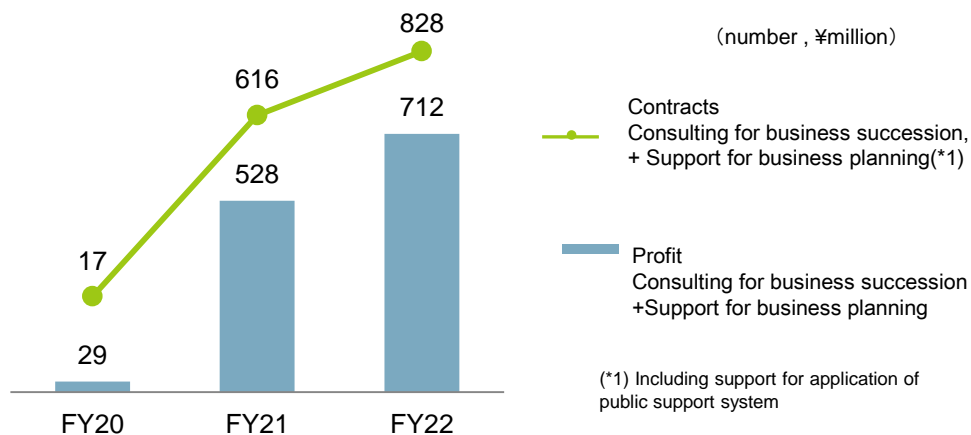
Derivatives



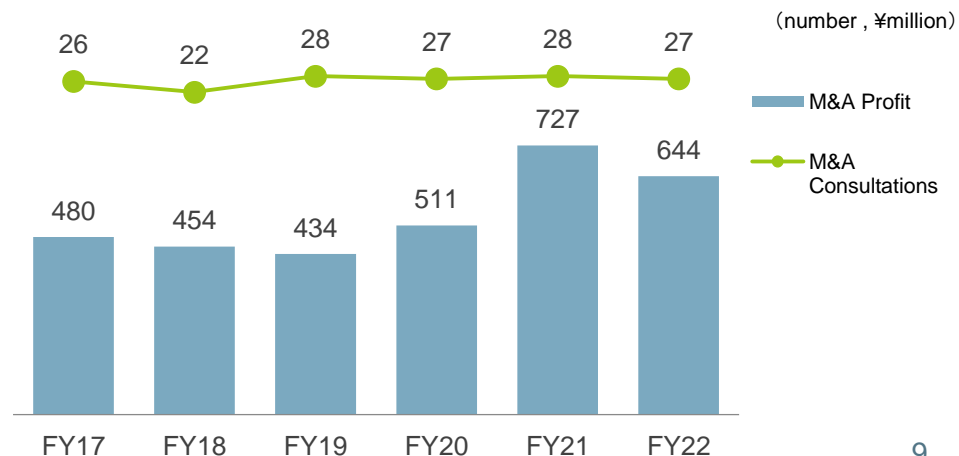
Business Matching



Support for Business Planning / Consulting for Business Succession



M&A Consultations



Gains/losses on securities of - ¥27.0bn were recorded in FY2022.

Taking into consideration the rising of domestic and foreign currency interest rates, we recorded losses on sales of mainly foreign bonds and domestic bonds.

Overview of Securities Operations (Bank Total)

(¥bn)

As of Mar.2022 Balance ①		FY22		Full-year ②	Ratio of sales ②/①
		1H22	2H22		
Yen-denominated bonds 2,779.2	Book Value on sale Profit/ loss	286.0 -12.7*	231.9 -23.5	517.9 -36.2	18.6%
Foreign currency- denominated Bonds 965.1	Book Value on sale Profit/ loss	323.1 -26.0	271.0 -22.1	594.1 -48.2	61.5%
Investment trusts 662.4	Book Value on sale Profit/ loss	75.9 + 4.2	85.5 + 4.5	161.4 + 8.8	24.3%
Stocks 115.7	Book Value on sale Profit/ loss	13.3 + 23.1	12.2 + 17.3	25.5 + 40.4	22.0%
Future / Option -	Book Value on sale	+ 8.5*	-0.5	+ 8.0	-
Total of securities 4,522.2	Book Value on sale Profit/ loss	698.4 -2.8	600.8 -24.2	1,299.2 -27.0	28.7%

* 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 Mar.31, 2023 ②	Change ②-①
Yen-denominated bonds	Balance	2,779.2	2,250.4	-528.7
	Valuation gains/losses	-7.2	-24.9	-17.7
	Yield	0.46%	0.44%	-0.01%p
Foreign currency-denominated bonds	Balance	965.1	612.5	-352.6
	Valuation gains/losses	-12.8	-13.4	-0.6
	Yield	1.96%	4.61%	+2.64%p
Investment trusts	Balance	662.4	610.8	-51.5
	Valuation gains/losses	34.5	-26.7	-61.2
Stocks	Balance	115.7	102.0	-13.6
	Valuation gains/losses	144.6	113.6	-31.0
Future / Option	Valuation gains/losses	3.3	4.6	+1.4
Total of securities (Including Future/ Options)	Balance	4,522.2	3,575.9	-946.3
	Valuation gains/losses	162.2	53.1	-109.0
	(Valuation gains/losses FG Consolidated)*	(132.2)	(29.6)	(-102.5)

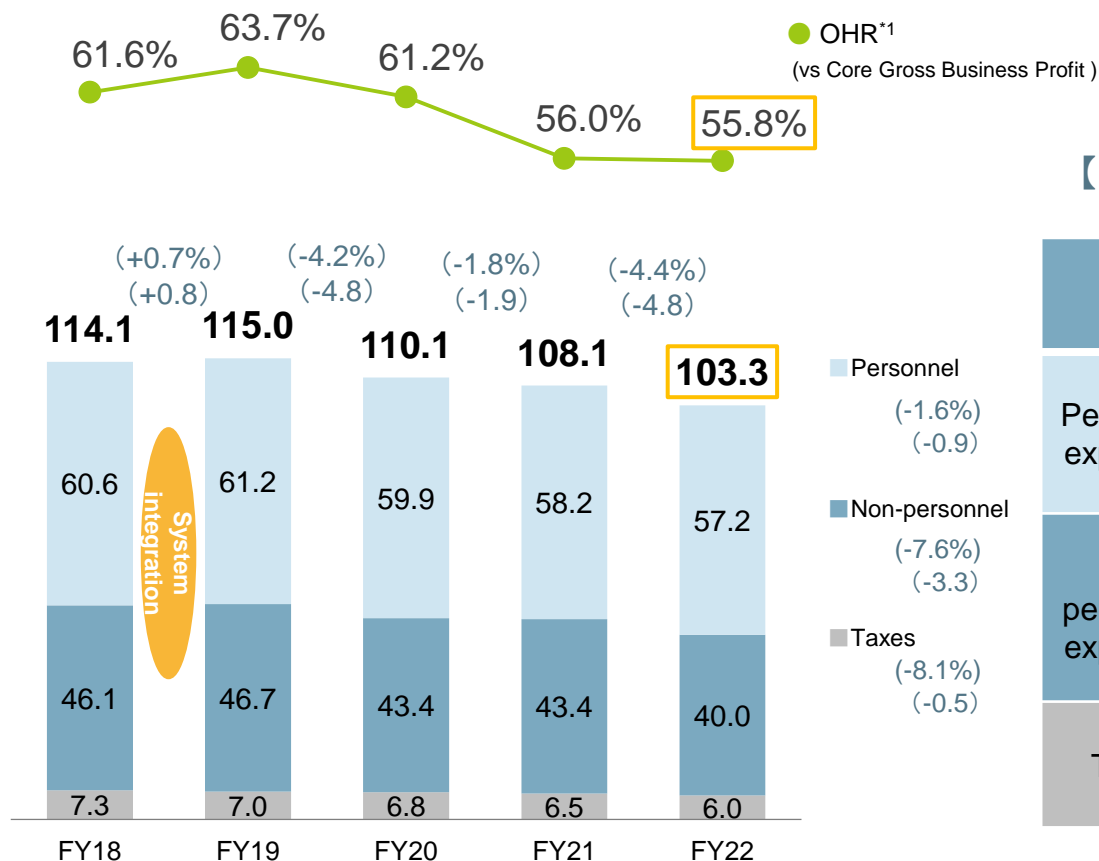
* Available-for-sale securities + Future/Options

Due to ensuring the effects of structural reform in the former medium-term group business plan (from FY2019 to FY2021), total expenses decreased by ¥ 4.8 bn (annualized -4.4%).

Although the top line decreased, OHR ^(*), indicator of efficiency, improved to 55.8%.

Joyo Bank + Ashikaga Bank (¥ bn)

*1 Based on Core Gross Business Profit
(Excluding gains/losses on cancellation of investment trusts and futures and options)



【Factors of Change (¥bn)】

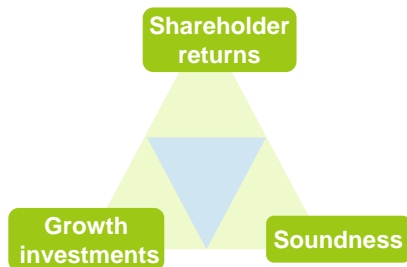
	FY22	YoY	Main factors
Personnel expenses	57.2	-0.9	<ul style="list-style-type: none"> Personnel reduction -0.5 Retirement benefit cost -0.3
Non-personnel expenses	40.0	-3.3	<ul style="list-style-type: none"> Deposit insurance premium -2.2 Reduction of depreciation and rental expense by reviewing branch networks -0.6
Taxes	6.0	-0.5	<ul style="list-style-type: none"> Consumption tax -0.1

We decided to repurchase own shares of up to ¥ 10.0bn (maximum amount) and 35 million shares (maximum number), today on May 12, 2023.

In FY23, total return ratio including dividends will be 53.3% (scheduled).

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

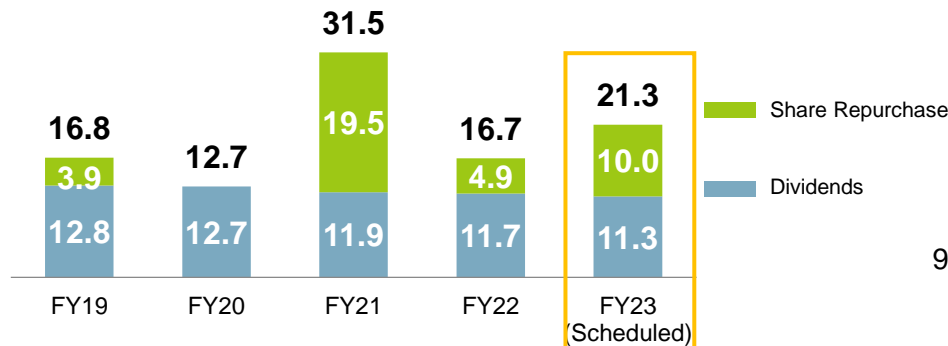
【Amount of purchase】 maximum ¥10 billion

【Number of shares】 maximum 35 million shares
(3.28% of number of issued shares excluding treasury stock)

【Period of purchase】 From May 15, 2023 to Sep. 22, 2023

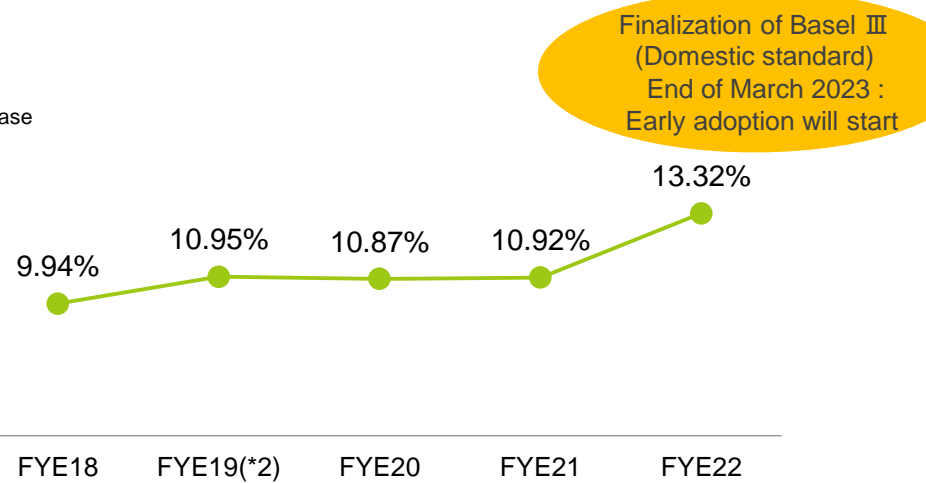
*1 Total Return Ratio = (Total amount of dividends + Total amount of acquisition of own shares) / Net income

Dividends, Shareholder Returns



Annual Dividends	¥11.0	¥11.0	¥11.0	¥11.0	¥11.0 (scheduled)
Payout Ratio	35.3%	34.9%	28.2%	36.7%	28.3%
Total Return Ratio	46.2%	34.9%	73.3%	52.2%	53.3%

Capital Adequacy Ratio (MebukiFG consolidated)



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

Mebuki FG (consolidated)	Forecast for FY2023		FY22 Results
	YoY		
Ordinary Profit	57.5	+10.8	46.6
Net Income attributable to owners of the parent	40.0	+7.8	32.1

(¥bn)

Total of Two Banking Subsidiaries	Forecast for FY2023		FY22 Results
	YoY		
Ordinary Profit	55.0	+9.7	45.2
Net Income ^{*1}	38.5	+6.9	31.5

(¥bn)

*1 Excluding Joyo Bank's dividends receivable of ¥12.0bn from Joyo Credit Guarantee in FY22

Subsidiary Banks (Joyo)	Forecast for FY2023		FY22 Results
	YoY		
Ordinary Profit	36.0	+6.3	29.6
Net Income ^{*1}	25.0	+4.1	20.8

(¥bn)

(Ashikaga)	Forecast for FY2023		FY22 Results
	YoY		
Ordinary Profit	19.0	+3.3	15.6
Net Income	13.5	+2.7	10.7

(¥bn)

The forecast of net consolidated income (attributable to owners of the parent) for FY2023 is ¥40.0bn (+ ¥7.8bn YoY). We will continue the medium- to long-term upward trend in profit from customer services and restructure our securities portfolio to enhance the sustainability of core net business income growth.

Breakdown of Forecast for FY2023

	Forecast for FY23		FY22 Results
		YoY	(¥bn)
【Joyo+Ashikaga】			
Core gross business profit	170.5	-29.7	200.2
Net interest income (Excluding gains/losses on cancellation of investment trusts)	132.5	-11.2	143.7
Difference of interests between loans and deposits	107.5	+1.0	106.4
Securities' income (Excluding gains/losses on cancellation of investment trusts)	25.0	-12.3	37.3
Fees from customers ^{*1}	37.5	-3.7	41.2
(excl. Income related to derivatives)	36.5	+0.4	36.0
Expenses	105.5	+2.1	103.3
Core net business income (Excluding gains/losses on cancellation of investment trusts and futures and options)	65.0	-16.6	81.6
Gains/losses on securities ^{*2}	0.0	+27.0	-27.0
Credit Related Cost	10.0	+0.8	9.1
Ordinary profit	55.0	+9.7	45.2
Net income ^{*3}	38.5	+6.9	31.5
【Mebuki FG Consolidated】			
Profits of Group Companies	4.0	-0.8	4.8
Consolidation adjustment (Adjustments related to securities, etc.)	1.5	-2.7	4.2
Net income attributable to owner of the parent	40.0	+7.8	32.1

*1 Net fees and commissions + Income related to derivatives for customers + foreign exchange

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

*3 Not including dividends receivable of ¥12.0bn from The Joyo Credit Guarantee Co., Ltd. in FY22

【Main Reasons of Year-on-Year Changes】

- (1) Profit from Customers** **-¥4.8bn**
- ① **Difference of interests between loans and deposits** **+¥1.0bn**
- Accumulation of interest due to an increase in the balance of yen-denominated loans, etc.
- ② **Fees from Customers** **-¥3.7bn**
- Drop in income related to FY2022 derivative transactions
 - Continued upward trend in consulting-related fees including core business support
- ③ **Expenses (-)** **+¥2.1bn**
- Execution of investments for future growth such as DX and human resources
(Unification of investment trust systems, establishment of data utilization infrastructure, addition of Banking App functions, etc.)
- (2) Securities Management** **+¥14.7bn**
- ① **Securities' income (margins)** **-¥12.3bn**
- Decrease of balance (-¥500.0bn YoY of average balance)
 - Shrinking interest margin of foreign bonds (-0.7%p YoY)
- ② **Gains/losses on securities** **+¥2.7bn**
- Gains/losses on sales of securities were not budgeted.

【Market Scenario (Assumption for FY23 Forecast)】

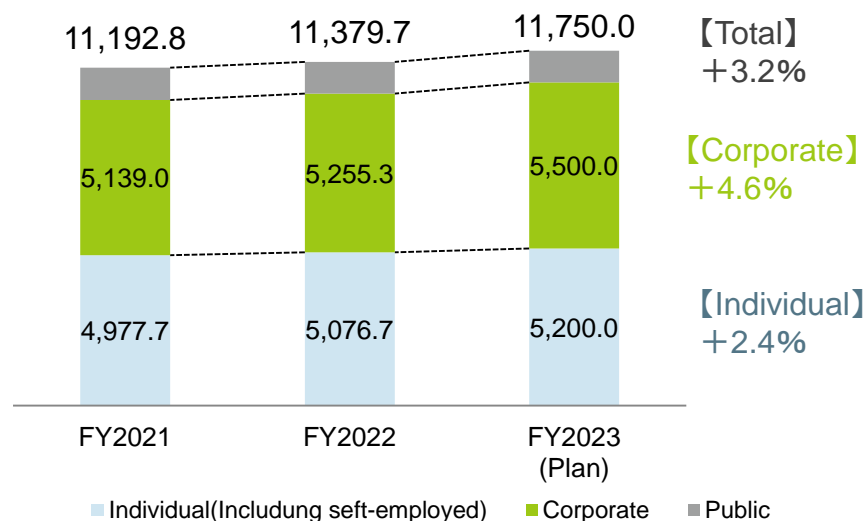
	Policy rate (End of fiscal year)	10 year government bond yield (Annual average)
Japan	- 0.10%	0.60%
U.S.A.	5.00%	3.75%

We plan to expand range of average balance of both corporate loans and individual loans, and to turn around interest on Yen-dominated loans.

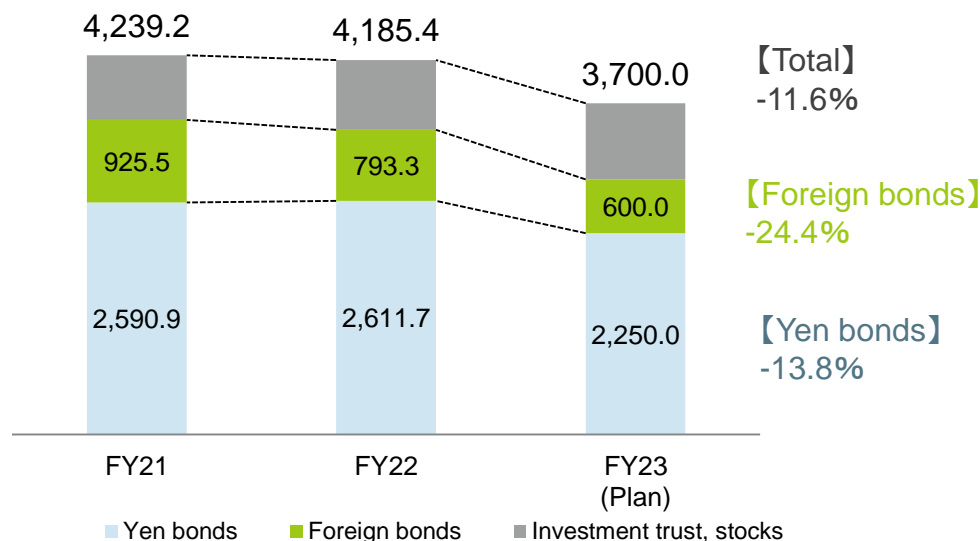
We plan to decrease average balance of securities by ¥500.0bn. Based on a medium- to long-term perspective of domestic and foreign monetary policies and market trends, we promote restructuring a sustainable securities portfolio.

Plan for Average Balance of Loans (¥bn)

*Excluding loans for Government



Plan for Average Balance of Securities (¥bn)



	FY21	FY22	FY23 (Plan)	YoY
Interest on loans	105.3	108.9	111.5	+2.6
Yen-denominated loans	103.2	102.5	103.5	+1.0
o/w Corporate	41.0	40.8	41.5	+0.7
o/w individual	61.4	61.4	61.5	+0.1
Interest on deposits (-)	0.7	2.5	4.0	+1.5
Net interests between loans and deposits	104.5	106.4	107.5	+1.0

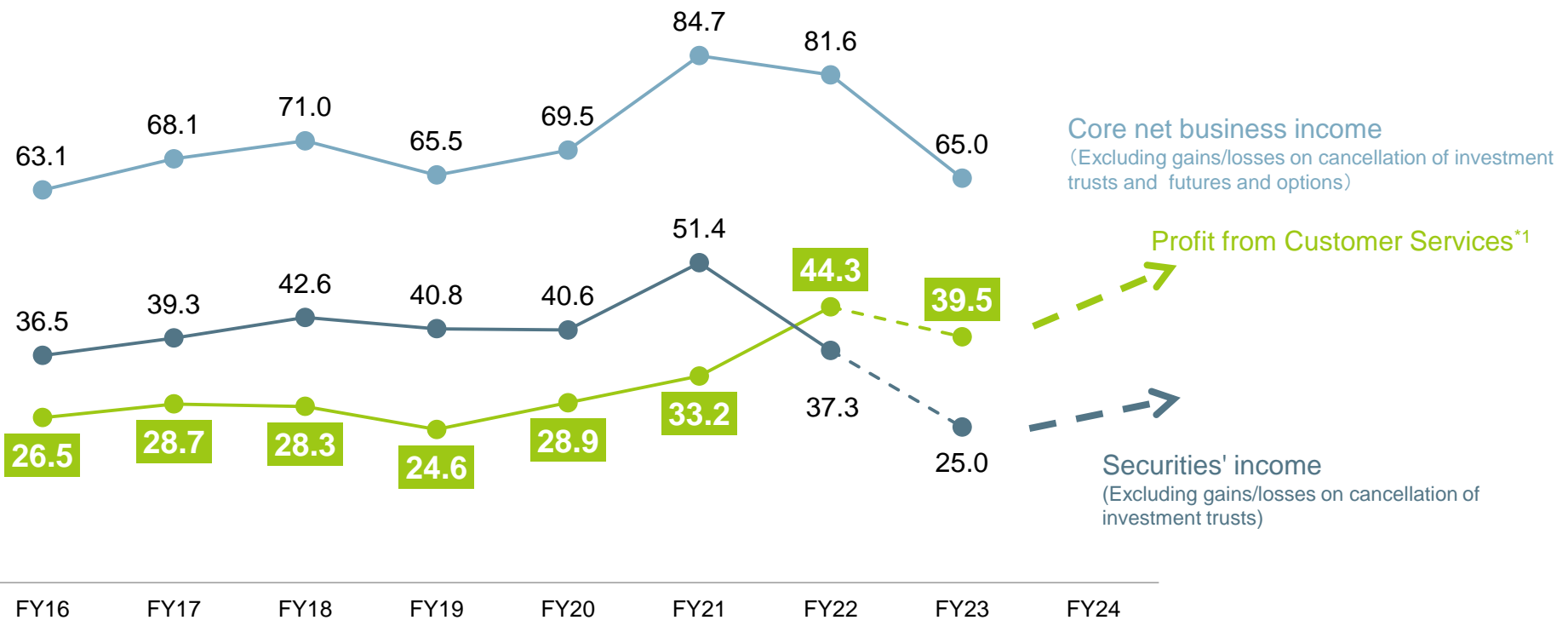
	FY21	FY22	FY23 (Plan)	YoY
Interest and dividends on securities *1	46.9	51.3	50.0	-1.3
o/w Foreign currency-denominated Bonds	17.6	24.3	27.0	+2.7
o/w Yen-denominated bonds	10.3	10.1	8.5	-1.6
Market borrowings, etc. (-)	1.8	18.3	28.0	+9.7
Special Funds-Supplying Operations by Bank of Japan	6.2	4.2	3.0	-1.2
Securities' Income*1	51.4	37.3	25.0	-12.3

*1 Excluding gains on cancellation of Investment Trusts

Profit from customer services^(*1) continued an upward trend after bottoming out in FY2019. In FY2023, it is expected to decline due to a reactionary drop in income related to derivatives for customers, but we will work to strengthen revenues from stock business by increasing loan balance and enhancing consulting function and aim for our sustainable growth.

Regarding securities investment, we will implement to restructure our securities portfolio and improve securities related income.

Changes of Core net business income and Profit from customer services (¥bn)



*1 Difference of interests between loans and deposits + Fees from Customers + Expenses (-)

2. Details of Financial Results for FY2022

Main Points of FY22 Financial Results

Financial Results / Forecast

Details

Medium-term Plan / Sustainability

【Mebuki FG (Consolidated)】	（¥bn）		
	FY22 Results	YoY Chg	Compared to Revised forecast
Gross Business profit	118.3	-76.2	-
Net interest income	148.9	-6.1	-
(o/w Deference of interests between loans and deposits)	(107.4)	(+1.8)	-
Net fees and commissions	42.7	+2.3	-
Net trading income	1.8	-2.6	-
Net other business income	-75.1	-69.8	-
Expenses	107.0	-7.6	-
Credit related cost	10.8	-10.7	-
Gains/losses related to stocks	43.8	+40.3	-
Ordinary profit	46.6	-18.3	+3.6
Extraordinary income/losses	-0.6	+3.5	-
Net income attributable to owners of the parent	32.1	-10.7	+2.1

	FY22 Results	
	Results	YoY
Bank Total Net income (a)	43.5	+3.5
Group Companies Net income (b)	4.8	-1.0
Mebuki Lease	0.9	+0.2
Mebuki Securities	0.3	-1.3
Mebuki Credit Guarantee	1.2	-0.3
Mebuki Card	0.4	+0.2
Total of banking subsidiaries	1.8	+0.0
Consolidation Adjustment (c) ^{*2}	-12.0	-12.0
Consolidation Adjustment (c') ^{*3}	-4.2	-1.2
FG Consolidated net income (a) + (b) + (c) + (c')	32.1	-10.7

*1 Not included Joyo Bank's dividends receivable of ¥12.0bn from Joyo Credit Guarantee

*2 Dividends receivable of ¥12.0bn from Joyo Bank

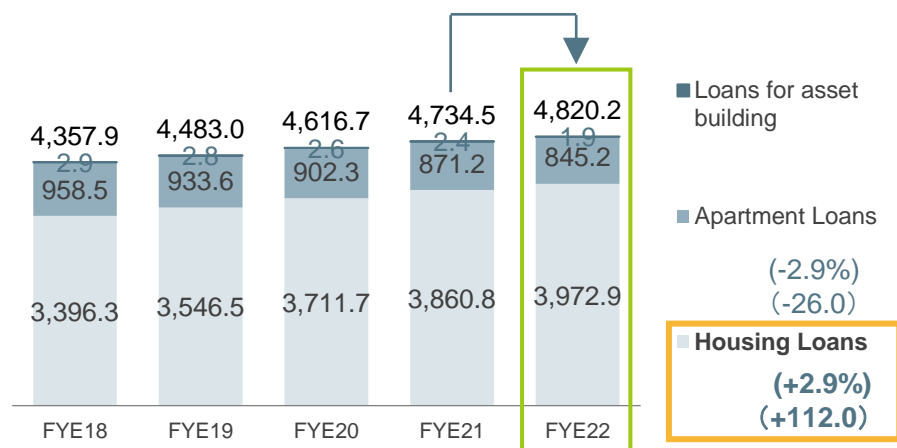
*3 Adjustments related to securities, etc.

【Joyo + Ashikaga (Non-consolidated)】	（¥bn）		
	FY22 Results	YoY chg	Compared to Revised forecast
Gross business profit	112.8	-74.1	-
Net interest income	150.9	-6.8	-
(o/w Gains/losses on cancellation of investment trusts)(1)	(7.1)	(+5.4)	-
Net interest income (excl. Gains/losses on cancellation of investment trusts)	143.7	-12.2	-
(o/w Deference of interests between loans and deposits)(2)	(106.4)	(+1.8)	-
(o/w Securities Income)	(37.3)	(-14.0)	-
Net fees and commissions(3)	35.4	+1.7	-
Net other business income	-73.5	-69.0	-
(o/w gains/losses on bond transactions) (4)	(-87.3)	(-80.1)	-
(o/w gains/losses on futures and options) (5)	(8.0)	(+8.4)	-
(o/w other income related to customers) (6)	(5.7)	(+2.6)	-
Expenses(7)	103.3	-4.8	-
Net business income (before general allowance for loan losses)	9.5	-69.3	-
Core net business income (excl. gains/losses on cancellation of investment trusts)	96.8	+10.8	-
Core net business income (excl. gains/losses on cancellation of investment trusts and futures and options)	81.6	-3.0	-
Net transfer to general allowance for loan losses (8)	-0.6	-2.0	-
Net business income	10.1	-67.3	-
Net non-recurrent gains/losses	35.0	+52.0	-
(o/w Disposal of non-performing loans (9))	(9.7)	(-8.4)	-
(o/w Gains/losses related to stocks, etc. (10))	(45.0)	(+41.5)	-
Ordinary profit	45.2	-15.2	+2.3
Extraordinary income/losses	11.4	+15.6	-
Net income	43.5	+3.5	+1.5
Net income excluding dividends receivable from subsidiaries ^(*)	31.5	-8.4	+1.5
Profit from customer services (2)+(3)+(6)-(7)	44.3	+11.0	-
Credit related cost (8)+(9)	9.1	-10.4	-
Gains/losses on securities (1)+(4)+(5)+(10)	-27.0	-24.7	-

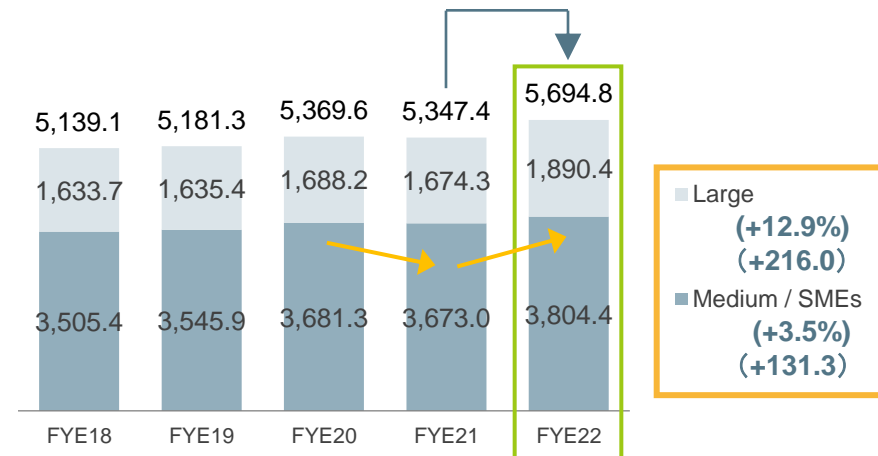
Loans to individual customers remained in an increasing trend in both housing and unsecured loans.

Loans to corporate customers turned to an increase after bottoming out at the end of March 2022, and also loans to both large companies and medium companies / SMEs in both Tokyo and local areas increased.

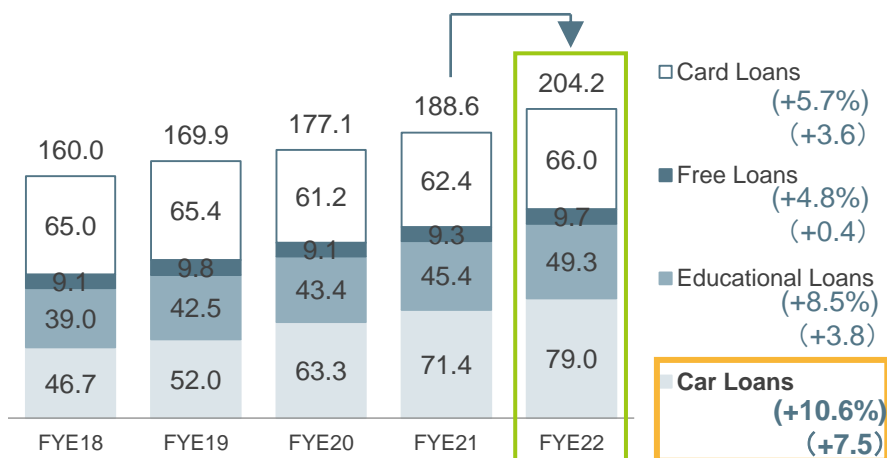
【Individual】Housing Related Loans (¥ bn)



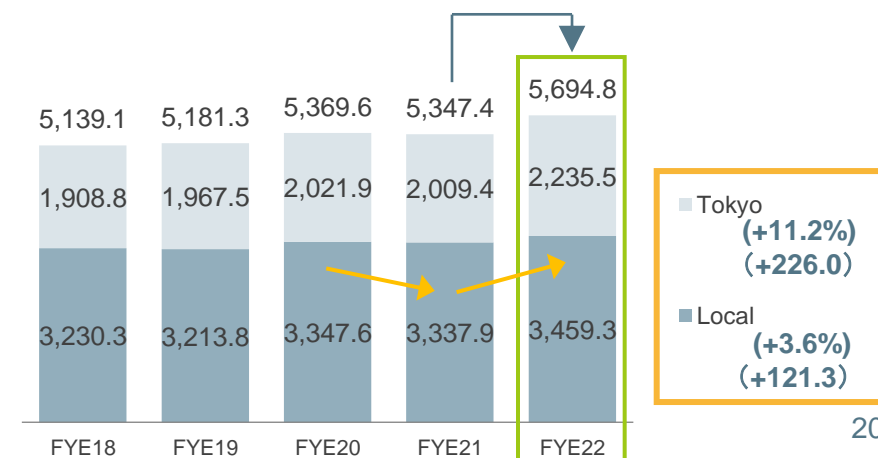
【Corporate】Term-end Balance by Company Size (¥ bn)



【Individual】Unsecured Loans (¥ bn)



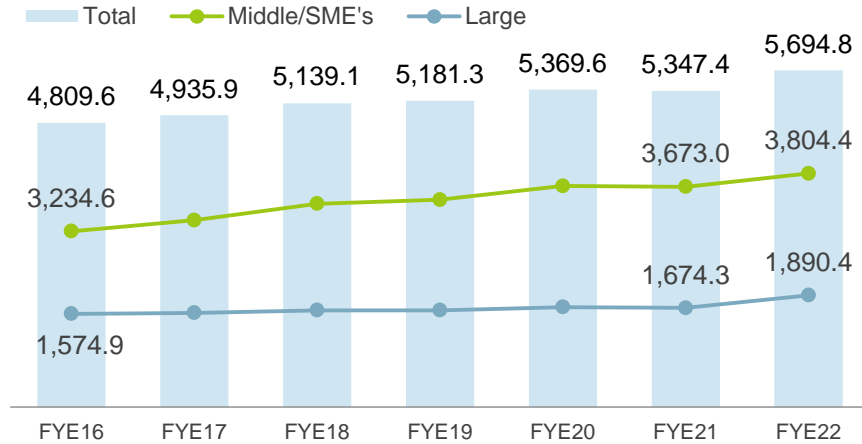
【Corporate】Term-end Balance by Area (¥ bn)



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.

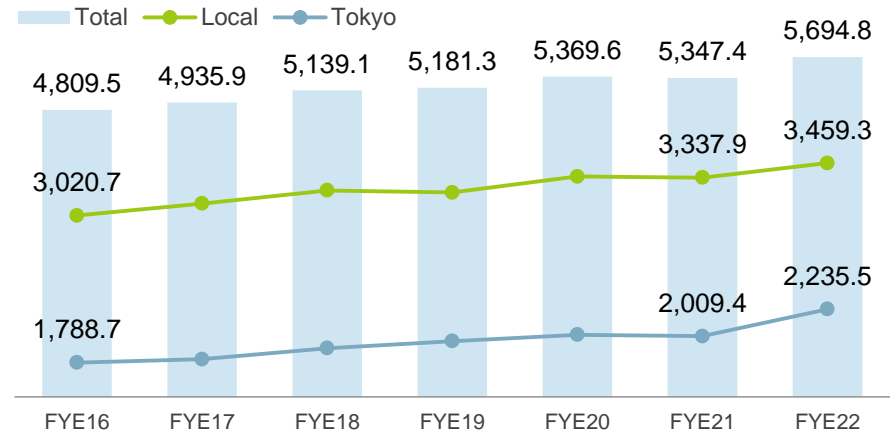
Change of Balance by Corporate Size

(¥bn)



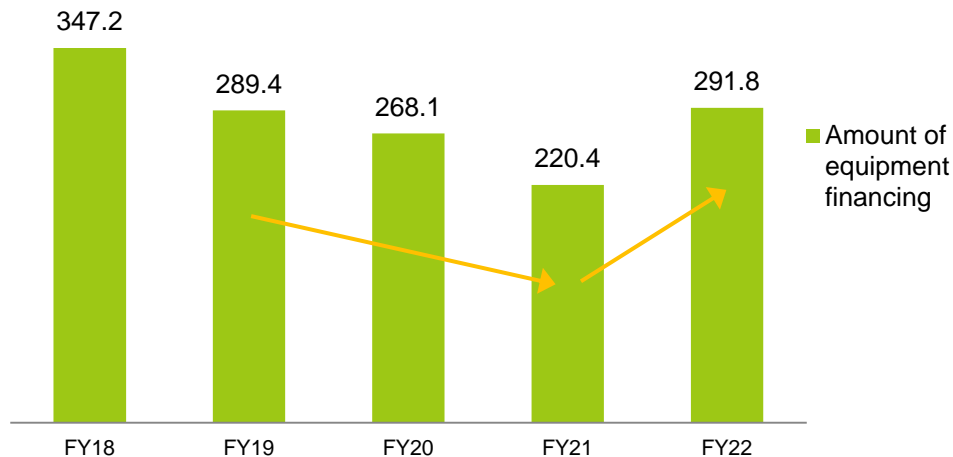
Change of Balance by Geographic Area

(¥bn)



Amount of Equipment Financing

(¥bn)



(*1) Excluding housing loans and apartment loans

Top 5 industries by Increase in loans

(¥bn)

	Amount of increase/decrease(YoY) (Annual change ratio)			Balance FYE22
	FYE22	FYE21	FYE20	
Financial and insurance services	+74.3 (+18.4%)	-25.4 (-5.9%)	+29.4 (+7.3%)	476.2
Wholesale / Retail services	+69.4 (+7.0%)	-4.0 (-0.4%)	-29.1 (-2.8%)	1,060.4
Manufacturing	+69.0 (+5.8%)	-48.1 (-3.9%)	+52.0 (+4.4%)	1,253.0
Real estate / Goods rental and	+58.7 (+3.2%)	+21.2 (+1.1%)	-24.1 (-1.3%)	1,867.0
Electricity, gas and water	+29.2 (+10.1%)	+17.9 (+6.6%)	+36.6 (+15.7%)	317.0

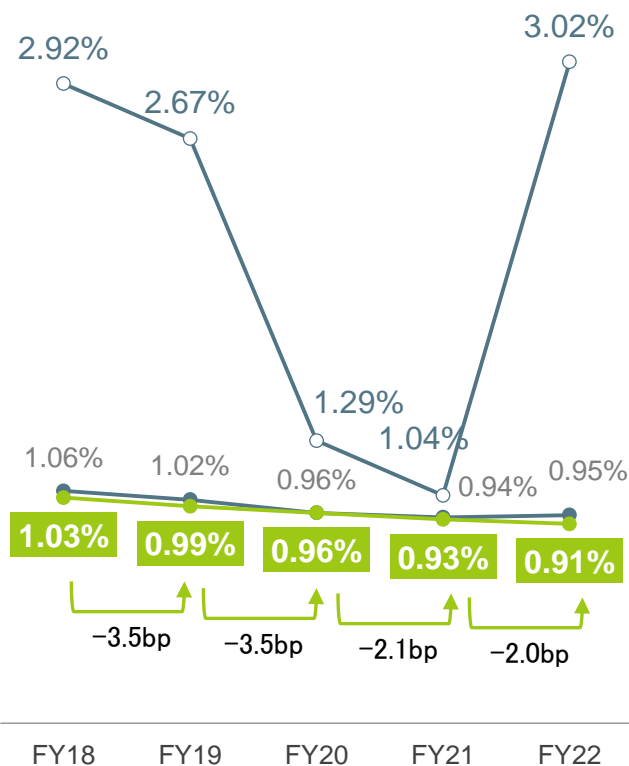
Difference of interests between loans and deposits reversed to an increase by ¥1.8bn YoY due to higher yields on loans denominated in foreign currencies.

Securities' income (excluding gain on cancellation of investment trusts) decreased by ¥ 14.0bn YoY due to the increase of funding cost. As a result, net interest income decreased by ¥12.2bn YoY, but we aim to improve it by increasing the balance of loans and restructuring our securities portfolio.

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

(Domestic and Overseas)

* Not including borrowing from special account of MoF



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

* Not including borrowing from special account of MoF

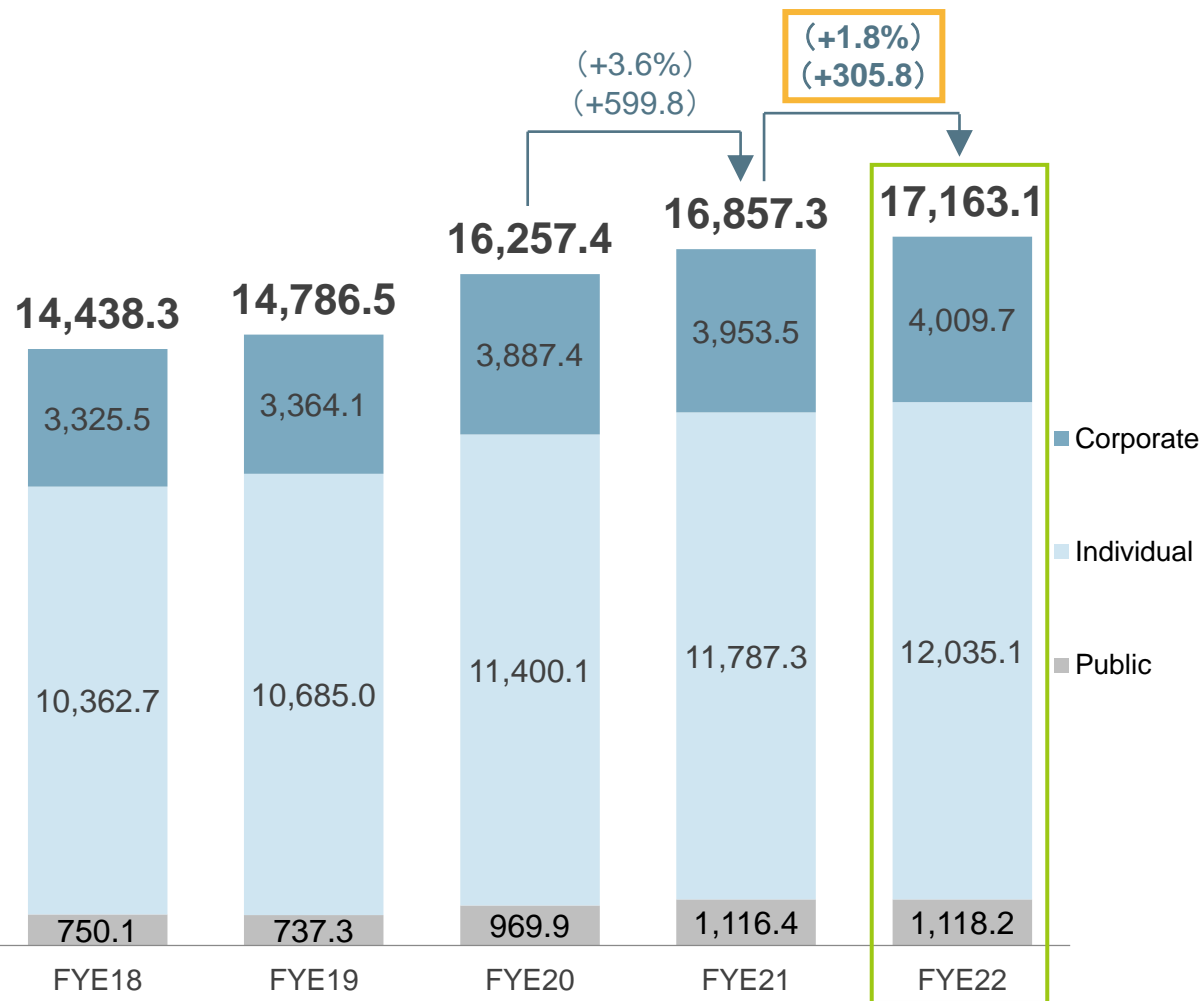
* Figures in parentheses are changes on a year on year basis

	Results	YoY Change (Factor)			
		Domestic	Chg. in Factors	Overseas	Chg. in Factors
Interest on loans and bills discounted	Avg Balance	+1.8	+1.6 (+178.8)	+0.1	(+8.0)
	Yield	+1.7	-2.3 (-2.1bp)	+4.1	(+198.3bp)
	108.9	+3.6	-0.7	-	+4.3
Interest on deposits (-)	2.5	+1.7	+0.0	-	+1.6
Difference of interests between loans and deposits ①	106.4	+1.8	-0.7	-	+2.6
Interest and dividend on securities	Avg Balance	-1.3	+0.3 (+30.7)	-1.7	(-98.2)
	Yield	+11.1	+3.0 (+9.4bp)	+8.1	(+98.3bp)
	58.5	+9.8	+3.4	-	+6.3
(o/w gains on cancellation of Investment Trusts)	7.1	+5.4	+5.4	-	±0
(excluding gains on cancellation of Investment Trusts)	51.3	+4.4	-1.9	-	+6.3
Market borrowings, etc. (-) (*1)	18.3	-16.5	+0.6	-	+15.9
Securities' Income (excluding gains on cancellation of Investment Trusts) ②	33.0	-12.1	-2.5	-	-9.5
Special Funds-Supplying Operations by Bank of Japan ③	4.2	-1.9	-1.9	-	±0
Net Interest Income (excluding gains on cancellation of Investment Trusts) ①+②+③	143.7	-12.2	-5.2	-	-6.9

Balance of deposits from all sectors increased by ¥305.8bn YoY (+1.8% annualized).

The impact of the COVID-19 pandemic has calmed down and the growth rates of deposits from all sectors shrunk.

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



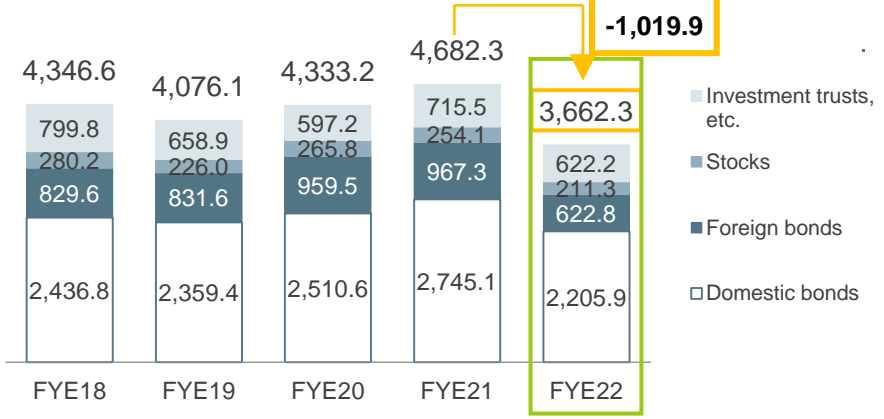
Year on Year Changes (¥bn)

	21-Mar	22-Mar	23-Mar
Total	+1,470.9 +9.9%	+599.8 +3.6%	+305.8 +1.8%
Corporate	+523.2 +15.5%	+66.1 +1.7%	+56.1 +1.4%
Individual	+715.0 +6.6%	+387.2 +3.3%	+247.8 +2.1%
Public	+232.6 +31.5%	+146.5 +15.1%	+1.7 +0.1%

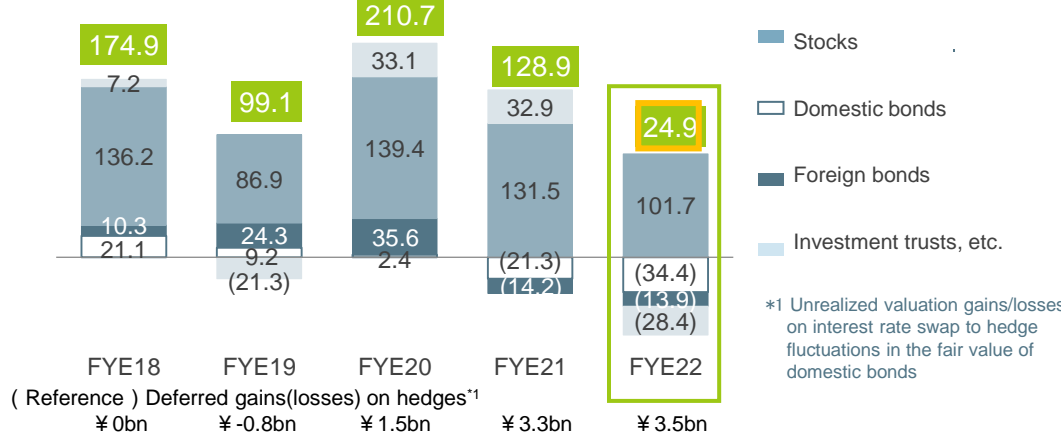
In response to a surge in domestic and foreign currency interest rates, we have sold mainly foreign and domestic bonds for risk control and improving periodic profit and the balance of securities decreased by more than one trillion yen. As a result, we recorded -¥27.0bn of gains/losses on sales of securities.

We have set a target and promote to reduce strategic shareholdings.

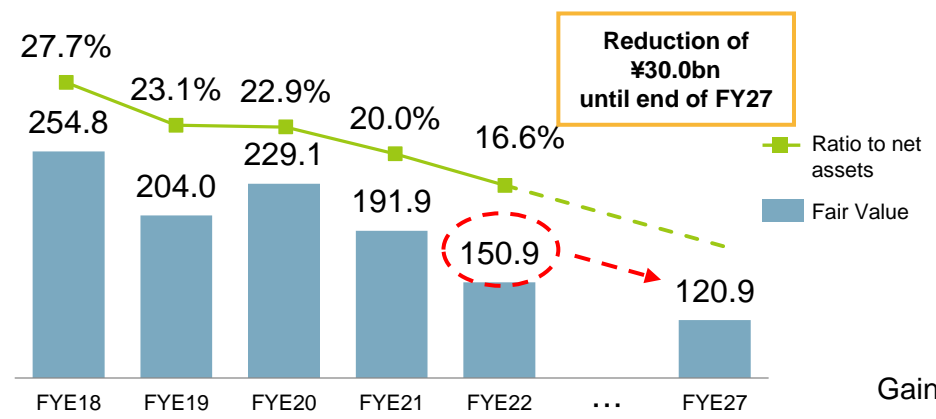
Balance(Carrying amount) (Mebuki FG)



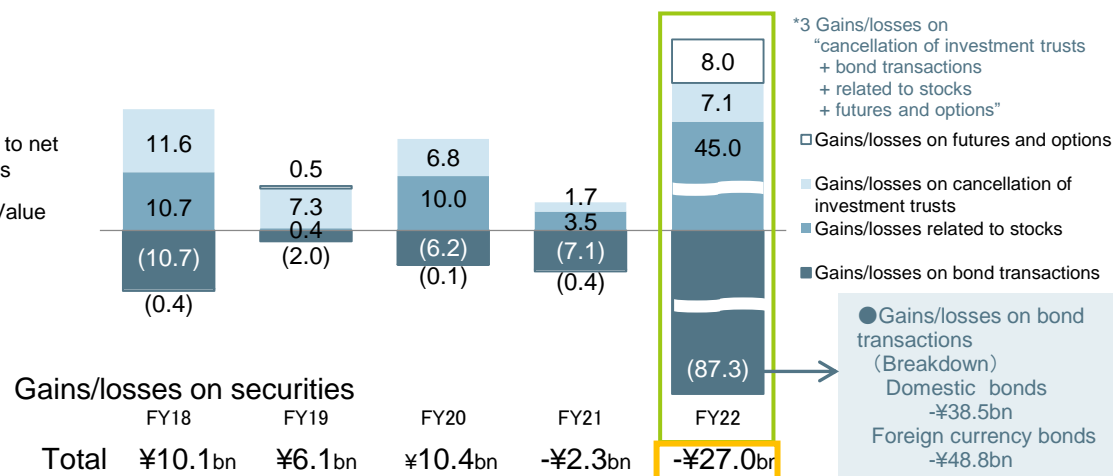
Unrealized valuation gains/losses on available for sales securities (Mebuki FG)



Balance of Strategic Shareholdings^(*2) (¥bn)



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



*2 Figures are fair value of strategic shareholdings (including listed or non-listed stocks) held by Jojo Bank, which owns more than two-thirds stocks owned by Mebuki FG and subsidiaries.

*3 Gains/losses on "cancellation of investment trusts + bond transactions + related to stocks + futures and options"
 ● Gains/losses on bond transactions (Breakdown)
 Domestic bonds -¥38.5bn
 Foreign currency bonds -¥48.8bn

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, 2022 ^①	As of Mar.31, 2023 ^②	Change ②-①	
USD-denominated	Balance	701.2	603.9	-97.3	
	Valuation gains/losses	-10.6	-12.7	-2.0	
Fixed bonds	Balance	547.7	399.1	-148.6	
	Valuation gains/losses	-9.6	-10.9	-1.2	
Floating bonds	Balance	153.5	204.7	+51.2	
	Valuation gains/losses	-1.0	-1.8	-0.7	
Euro denominated (Fixed bonds)	Balance	249.0	0.0	-249.0	
	Valuation gains/losses	-0.8	0.0	+0.8	
Other currency (Fixed bonds)	Balance	14.8	8.6	-6.1	
	Valuation gains/losses	-1.2	-0.7	+0.4	
Total of foreign currency bonds		965.1	612.5	-352.6	
		Valuation gains/losses	-12.8	-13.4	-0.6
USD-denominated foreign currency bonds	Ratio of floating bonds	21.8%	33.9%	+12.0%p	
	10bpv	-¥2.8bn	-¥1.7bn	+¥1.0bn	
	Duration	3.8years	3.0years	-0.7years	
	Yield	2.38%	4.64%	+2.26%p	
	Procurement Costs	0.63%	4.26%	+3.62%p	
	Interest margin	1.74%	0.37%	-1.36%p	
USD-denominated loans (Floating)	Balance	148.3	148.9	+0.6	
	Yield	1.60%	5.77%	+4.17%p	
Total of USD Assets*1 (Bonds + Loans)	Balance	849.5	752.8	-96.6	
	Yield	2.24%	4.86%	+2.62%	
	Ratio of floating rate	35.5%	46.9%	+11.4%	

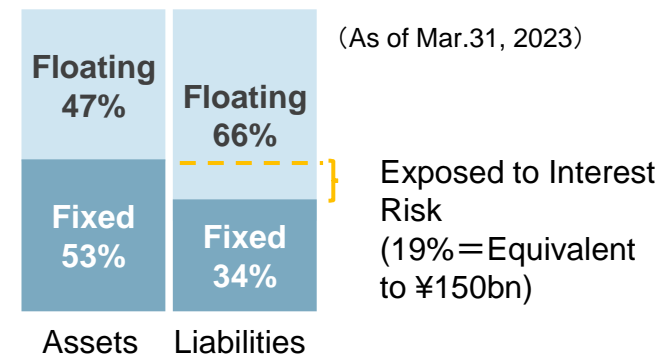
【Status of US Dollar Funding】

(¥bn)

		As of Mar.31, 2023 (Ratio)	
Deposit	Balance	88.4	(11.1%)
	Yield	3.00%	
Market Procurement (Floating)	Balance	436.1	(55.0%)
	Yield	5.10%	
Market Procurement (Fixed)	Balance	267.2	(33.7%)
	Yield	3.02%	
Total of Procurement*2		791.6	(100.0%)
		Balance	4.17%
		Yield	

【Composition of Interests on US Dollar Balance Sheets】

(As of Mar.31, 2023)



*1 Excluding short-term assets and interest rate swaps

*2 Excluding interest rate swaps

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)

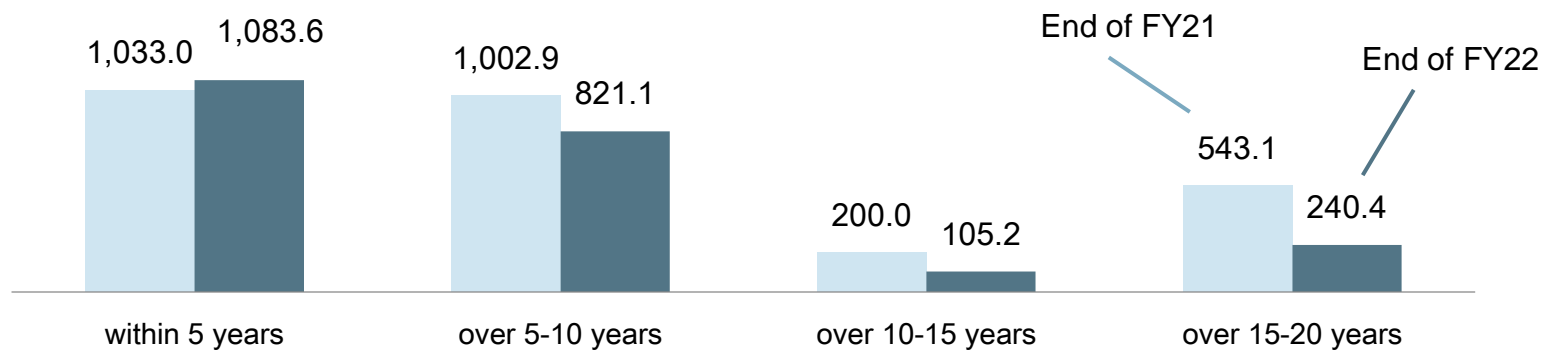
(¥ bn)

		As of Mar.31, 2022 ^①	As of Mar.31, 2023 ^②	Change ②-①
Total of Domestic Bonds	Balance	2,779.2	2,250.4	-528.7
	Valuation gains/losses	-7.2	-24.9	-17.7
	Yield	0.46%	0.44%	-0.01%p
	10bpv *	-¥21.1bn	-¥11.8bn	+¥9.2bn
	Duration	7.5years	6.2years	-1.3years

* Including bear funds and hedged swaps, etc.

Status of Domestic Bond's Ladder (Bank Total)

(¥ bn)

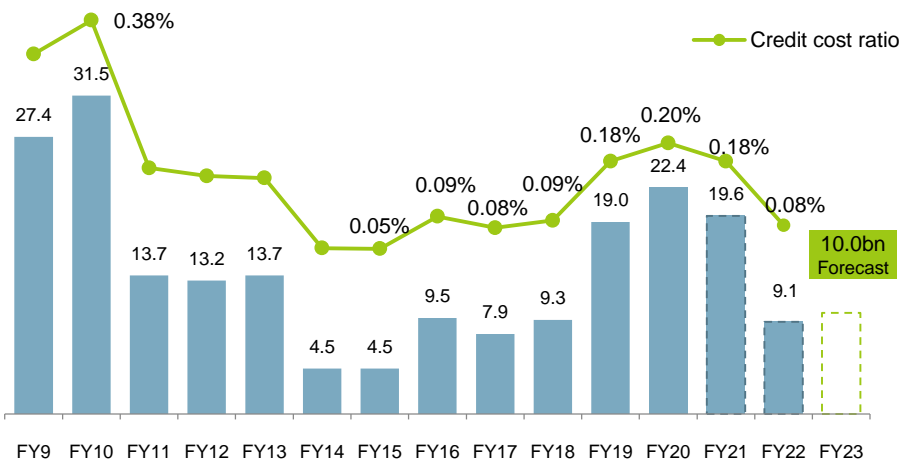


Credit related costs in FY22 were ¥9.1bn (- ¥10.4bn YoY) and continued to calm down. We will closely follow the impact of high resources prices and depreciation of yen, etc., and continue to support our customers.

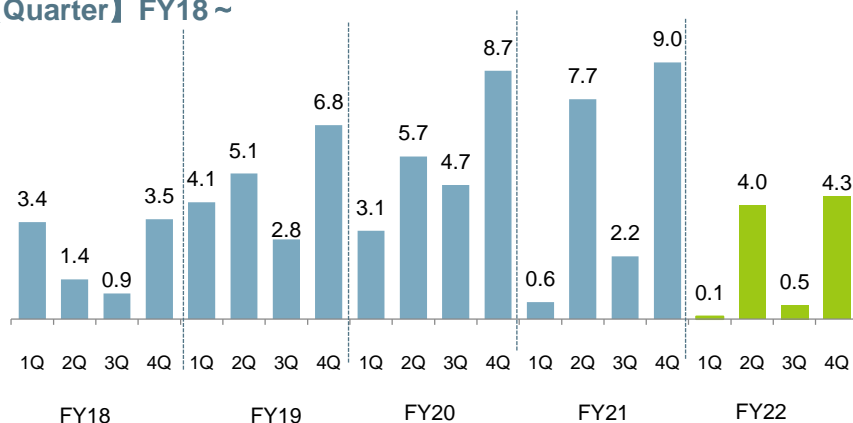
Change of Credit Related Costs (¥bn)

(¥bn)

【Annual】FY09 ~



【Quarter】FY18 ~



Breakdown on Credit Related Costs (¥bn)

(¥bn)

	FY21	FY22	YoY
Credit Related Costs	19.6	9.1	-10.4
Net transfer to general allowance for loan losses	1.4	-0.6	-2.0
Disposal of non-performing loans	18.1	9.7	-8.4
Write off of loans	4.0	3.0	-9
Transfer to specific allowance for loan losses	16.3	7.9	-8.3
Transfer to provision for contingent losses	0.6	0.2	-0.3
Reversal of allowance for loan losses(-)	-	-	-
Recoveries of written-off claims(-)	3.3	2.1	-1.1
Other	0.5	0.6	+0.1

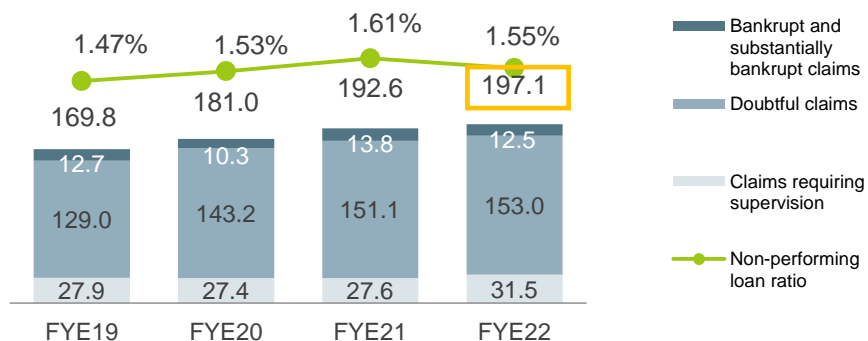
Change of terms and conditions of loans due to COVID-19 (Cumulative total until Mar. 2023)

								Cumulative Total	The ratio of total customers
		~1H20	2H20	1H21	2H21	1H22	2H22		
Business loans	Customers	1,307	629	558	362	293	210	3,359	Around 6.0%
	Contracts	4,099	3,288	4,151	3,355	3,751	3,244	21,888	
Housing loans	Customers	433	189	190	140	80	72	1,104	Around 0.5%
	Contracts	477	252	256	194	127	117	1,423	

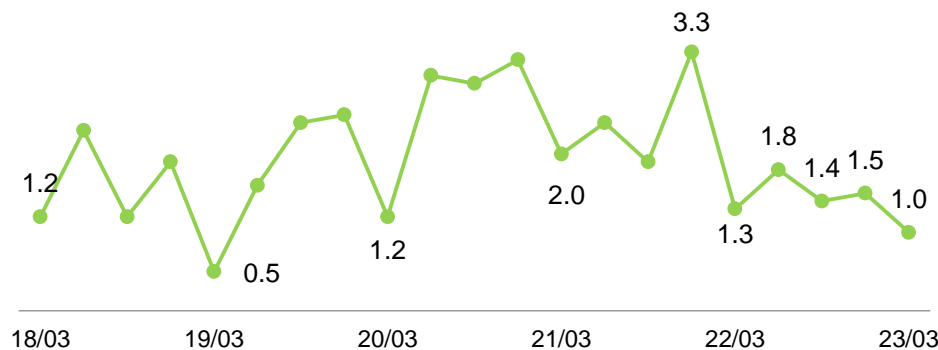
Non-performing loans based on financial revitalization law ratio to total amount of loans fell by 0.06%pt.

As of Mar.31, 2023, amount of delinquent loans to businesses was ¥1.0bn and remained stable.

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



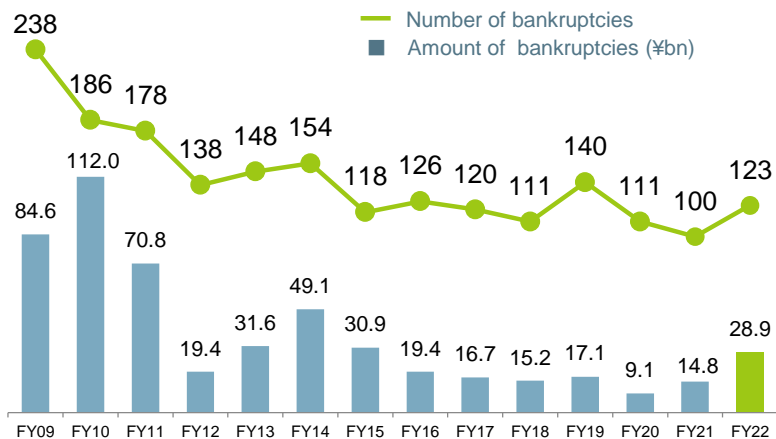
Status of Delinquent Loans to Businesses (¥bn)



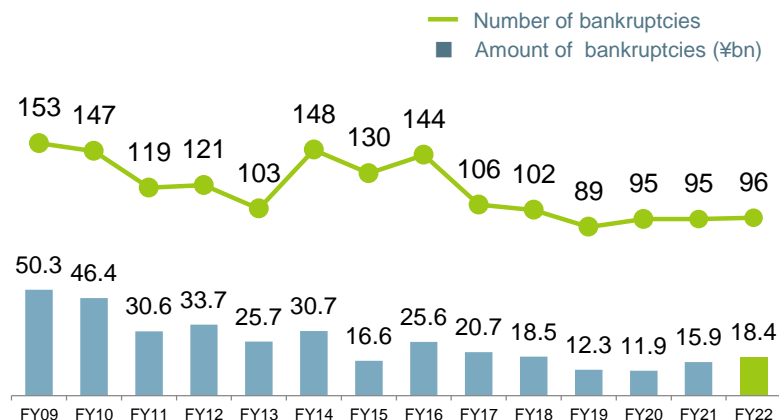
[Reference] Status of Bankruptcy

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

<Ibaraki>



<Tochigi(*1)>



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

3. The Third Medium-Term Business Plan Progress Topics

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

Joyo Green Energy Co., Ltd. : We continue to expand electric power acquisition business and start new businesses such as PPA, etc.

Colletochi, Ltd. : We will promote to disseminate and monetize attractive local content and lead to resolve local social issues as our “core business”.

Joyo Green Energy Co., Ltd.

< Renewable energy generation / supply business >

- We have promoted to acquire solar power generation facilities to expand generation and supply capacity.

Acquired **5MW** of solar power generation (as of May 2023)



※Image of investment



- PPA projects to promote renewable energy with additionality.

Started to supply power to Yachiyo Town in Ibaraki Pref. by PPA*



(*) Power Purchase Agreement. An agreement to supply electricity generated by a specific power generation facility to a customer who wishes to purchase electricity.

< Sale of J-Credits >

- Subscriptions for all 630 tons of planned J-credit sales in Ibaraki Prefecture have been completed.

< Initiation of Public-Private Partnership >

- Joyo Bank and Joyo Green Energy have signed a public-private partnership agreement with Kasama City in Ibaraki Pref., which has announced its “Zero Carbon City Declaration”*1, with the aim of achieving early regional decarbonization.

(*1) Declaration of continuous efforts to reduce CO2 emissions to effectively zero by 2050

Colletochi, Ltd.

- 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



Businesses

- Sales of Local Products
- New product development support
- Managing EC Site, etc.

○ Example of Initiatives (Product sales to hotel chains)

First national expansion for the company

Issues of the Hotel

- ✓ Collaborate with local companies for new location in Tochigi Prefecture
- ✓ Strengthen sales of goods to guests (food and beverage)
- ✓ Information on the best local products
- ✓ Ensuring continued access to information

Initiatives



- ✓ Promote the attractiveness of products through guided tours of production sites and product tastings
- ✓ Negotiations led to the adoption of three products, including aged cheese

Additional proposal



- ✓ Continued proposals after transactions began
- ✓ “Herbal tea” adopted at 13 of 25 locations
- ⇒ May expand to all locations



Business Expansion Utilizing Strategic Investments and Collaboration (with startup companies)

Co-creation Program : We selected 3 business ideas for the two themes, “Carbon neutrality” and “Responding to an aging society”.

Collaboration with CVC fund investees : In addition to starting new collaborations, we have taken various initiatives to further strengthen them.

Startup Co-creation Program 2022

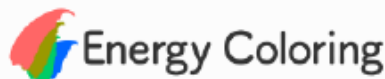
< Outline of the Program > December 2022 ~ April 2023

- 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” and selected 3 business ideas to advance to business collaborations as follows.

Presentations held on collaboration ideas



In the future, we will proceed with demonstration tests and business collaborations in cooperation with the following 3 companies.



“Visualization service for electric power applications using AI current meter”
~ Considering collaboration on energy conservation consulting services starting from visualization of power usage.



“Inheritance digital support services”
~ Considering collaboration on providing a broad menu of inheritance procedures for customers and on improving the efficiency and sophistication of inheritance procedures at banks.



“Integrated monitoring application service for elderly family members”
~ Considering collaboration on joint development of an integrated monitoring app for the elderly and services for the app users.

New Collaboration with CVC Fund Investees, etc.

< New collaboration with CVC fund investees / selected companies by the co-creation program > ※(release date)

- Mebuki Securities, Ltd. will also start to provide “Smart Family Trust**” through a business alliance with Trinity Technology Co., Ltd. as a CVC fund investee. (2/28/2023)
(*1) “Smart Family Trust” is family trust service using a specified app.
“Family trust” is a registered trademark of the Association for the Promotion of Family Trust.
- We started to provide on-line inheritance proceeding services, “Souzoku.com property” “Souzoku.com deposits” in cooperation with AGE technologies, selected by co-creation program. (4/12/2023)

< Initiatives for strengthening collaboration with startup companies >

- Efforts to revitalize collaboration with CVC fund investees < Study session >
 - Held a study session on “the possibility of expanding business opportunities through the use of digital securities” with Digital Securities Preparatory Co., Ltd.
 - Held an online seminar on “streamlining expense reimbursement operations for SMEs”.
- Designation as a designated financial institution for the “Debt Guarantee Program for Private Loans to Deep Tech Venture Companies” * ~ Enhanced menu for collaboration with startup companies.



(*) On May 12, 2023, Jojo bank was designated by the program that allows deep tech venture companies whose business plans have been approved by the Ministry of Economy, Trade and Industry (METI) to use debt guarantees from the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN, when they receive loans from private financial institutions designated by the Minister of METI.

Business Expansion with Business Collaboration

Penetration of Initiatives within the Organization / Human Resource Development

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

Initiatives for HR Development : In the new business creation training program, employees have learned how to commercialize new business ideas.

Business Collaboration

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

りょうもう
地域活性化

partnership



【Effect of collaboration】

- Cumulative 376 times of Information exchange among two banks' staff (branch offices, head office)
- Loan execution of ¥59.4bn to 107 companies (two banks total) maintaining appropriate competitive relationships.
- 1 Investment execution of ¥0.15bn through their investment subsidiaries (two banks total)
- In Jan. 2023, joint seminar "ASEAN Automotive seminar" held.

(*) 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.2021.
- By providing a wide range of specialized functions of Ashikaga Bank, we aim to help more local customers solve their issues and realize a sustainable regional society.
- 26 workshops for credit unions/credit associations staff and 4 seminars for customers were held.

New Business Creation Training Program



Sony Startup Acceleration Program



Program utilizing Sony Group's expertise(*)

< Outline of the Program > November 2022 ~ March 2023

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 :

- Training to turn ideas into business
⇒ 50 participants including publicly invited participants

~ Comments from participated employees ~

- ☑ It was a very hard training, but I learned a lot.
- ☑ It helped me develop the logical thinking needed for a new business, and I would like to use it in dialogue with our customers.
- ☑ I learned about business development in a systematic way, and I would like to use it to generate ideas within the bank.

(*) 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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)”.



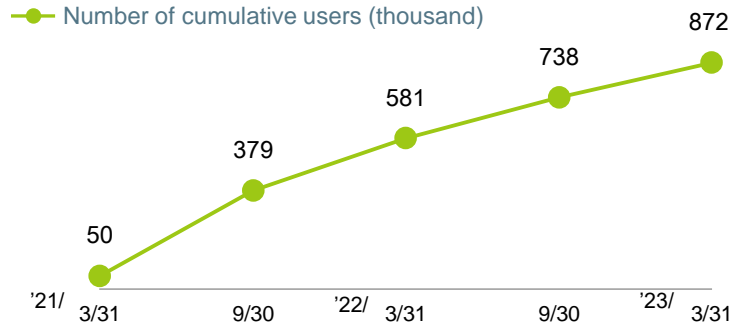
(*1) The DX Certification System is a national certification system for businesses that meet the basic requirements of the Digital Governance Code established by the Ministry of Economy, Trade and Industry.

Digital Channel for Individual Customers

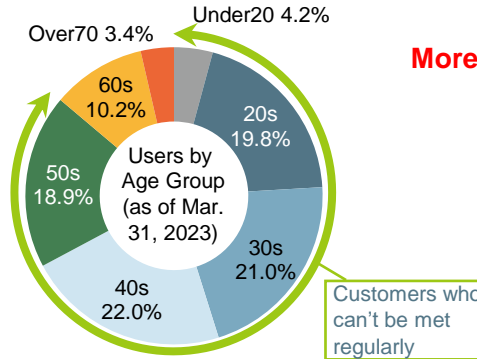
We will increase the value of the customer experience by enhancing the convenience of digital channels, including the Banking App, and the expertise of real channels.

Banking App

- The number of cumulative App users ("Joyo Banking App" and "Ashikaga Bank App") exceeded 870 thousand.

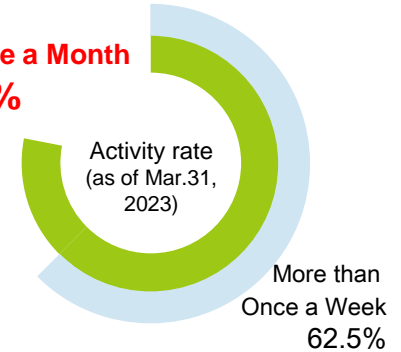


- The objective of the introduction, "Ensuring points of contact with customers", is being achieved steadily even for generations who can't be met regularly.

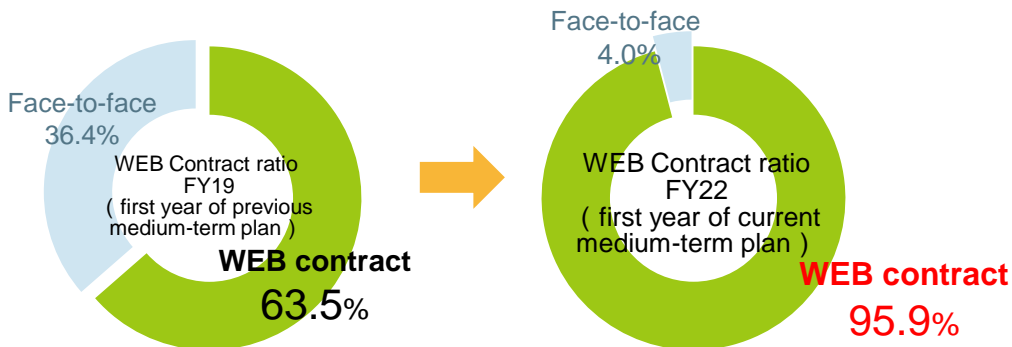


- Used by about 80% of customers more than once a month.
- It is permeating as a main banking channel.

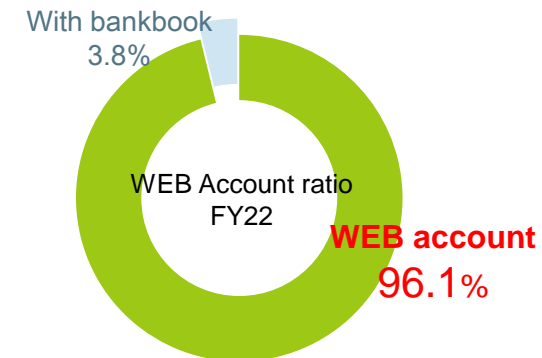
More than Once a Month
78.0%



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



Bankbook-less Account (WEB account ratio)



Number of WEB contracts 9,592 / Total 15,088 Number of WEB contracts 18,855 / Total 19,661

Number of WEB accounts 89,784 / Total 93,348

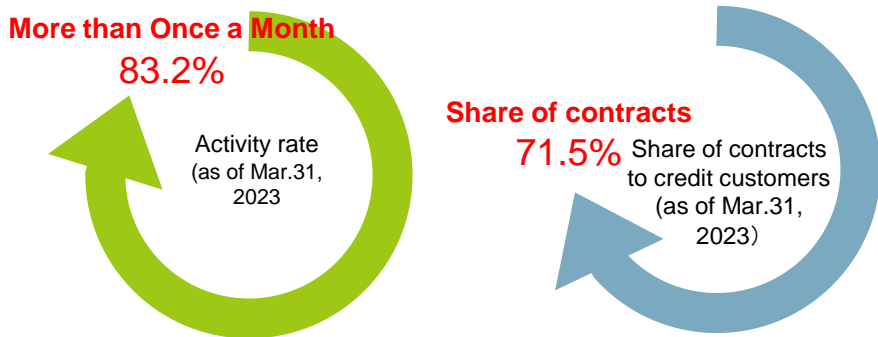
Digital Channel for Corporate Customers

We 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 Mar.31, '23) : **64,626** 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.
 - Checking account balances and deposits/withdrawals, other service for various applications to support businesses
 - Plan to add linkage to other bank accounts, function of qualified invoicing, etc. (scheduled in Aug. 2023)

Digital Contract Services (Business, Housing, Apartment Loans)

- Effect of digital contract

<Customers>

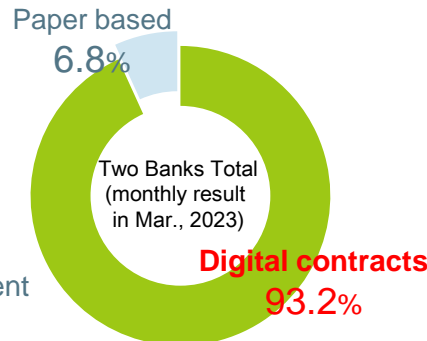
- ✓ No need to sign or stamp the contract
- ✓ No revenue stamps required
- ✓ Possible to contract via the internet by PC, tablet and Smartphone

<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)

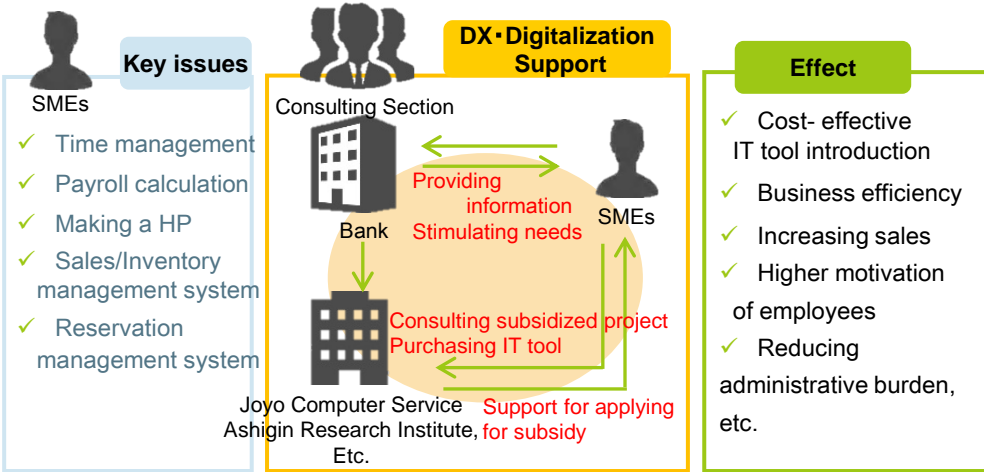


※Screen image of contract completion

Support for Customers' DX

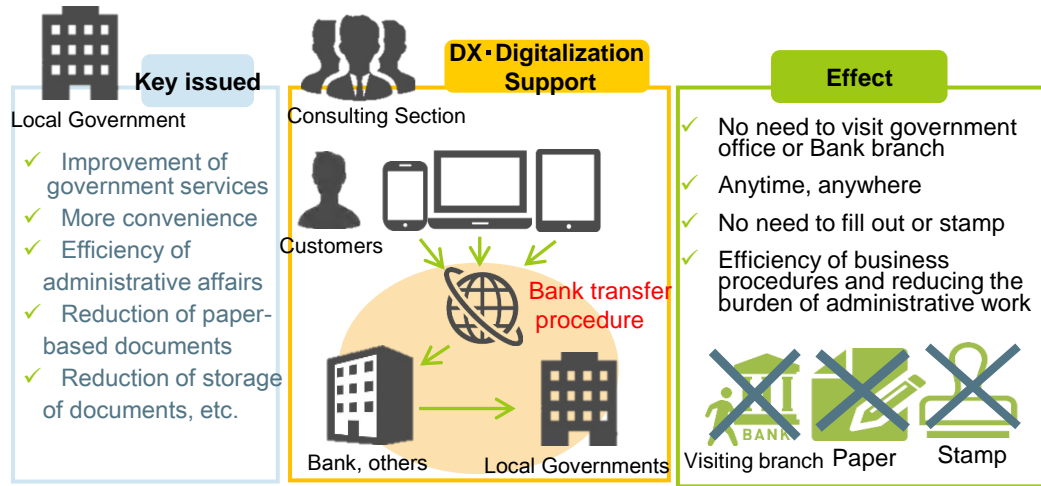
Support for SMEs' Digitalization (Utilizing IT Introduction Subsidy)

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



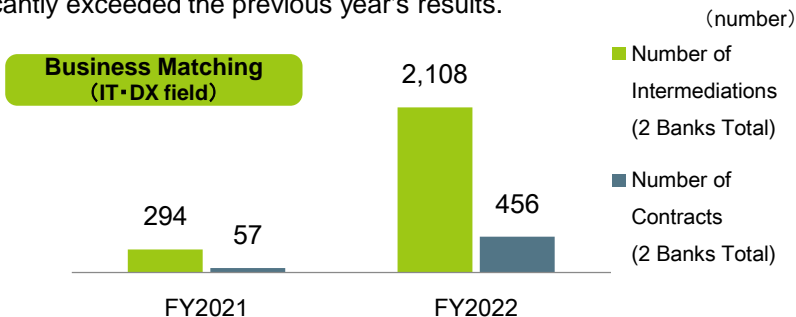
Support for Digitalization of Local Governments

● 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 both the number of intermediations and the number of contracts significantly exceeded the previous year's results.



Consulting support tools to elicit customers issues and needs

● Consulting support tool "Bisikul" 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 :
174 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 : 3,402 companies
(two banks total)

Digitalization / Innovation in Traditional Banking Business

We have accelerated the development of various applications through a business partnership with a local IT company, "Digital Serve Co., Ltd."

We have sold the developed applications to other financial institutions (regional banks), too.

Applications for OTC bank employees

Digitalization of over-the-counter operations
~ Simplify procedures/ Streamline paperwork ~

① Local taxes QR App*1

② My Number Acceptance App

③ Account transfer Request App

- *1 ● Local taxes App (started in April 2023)
➢ The data of collection information in the QR code, a unified local tax code, is read by a smartphone for business use, and subsequent paperwork is digitized.

~ Developed 10 Apps ~



Applications for customers

Development of Apps for Customers
~ Combining gerontology knowledge with digital technology ~

④ Information succession service "Anshin(safe) Note"*2

⑤ Smile Navigation



- *2 ● Information succession service "Anshin(safe) Note" (introduced Mar. 2022)
➢ Services to manage and succeed financial information for end-of-life planning, etc.
➢ First regional financial institution to handle similar services.

Applications for sales staff

Digitalization of sales staffs operations / Strengthening sales function
~ Ensure customer contact and meeting time by using digital means ~

⑥ App for digital receipts*3

⑦ App for management of sales staff visits to customers*4

⑧ Business support App (Camera App)

⑨ App for management of company cars

⑩ Asset under custody sales support App



- *3 ● App for digital receipts (introduced in Nov. 2019)
➢ Utilize image data and customer electric signatures to keep evidence of entrusted documents.
➢ In April 2020, obtained a patent.
➢ Other regional banks have adopted this app, too.

- *4 ● App for management of sales staff visits to customers (introduced in Nov. 2019)
➢ Visualize sales staff visits to customers using GPS function of the business smartphone and automatically generate some daily reports.

Developing DX Personnel

We have developed human resources to meet the potential IT and digital needs of our customers.

The number of *both "DX Personnel" and "DX Basis Personnel"* was achieved ahead of target in the 3rd medium-term business plan.

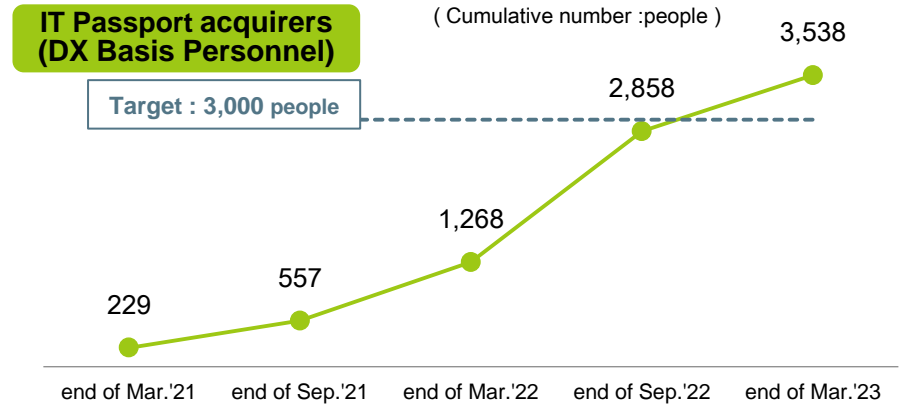
DX Personnel

- "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.



- 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.

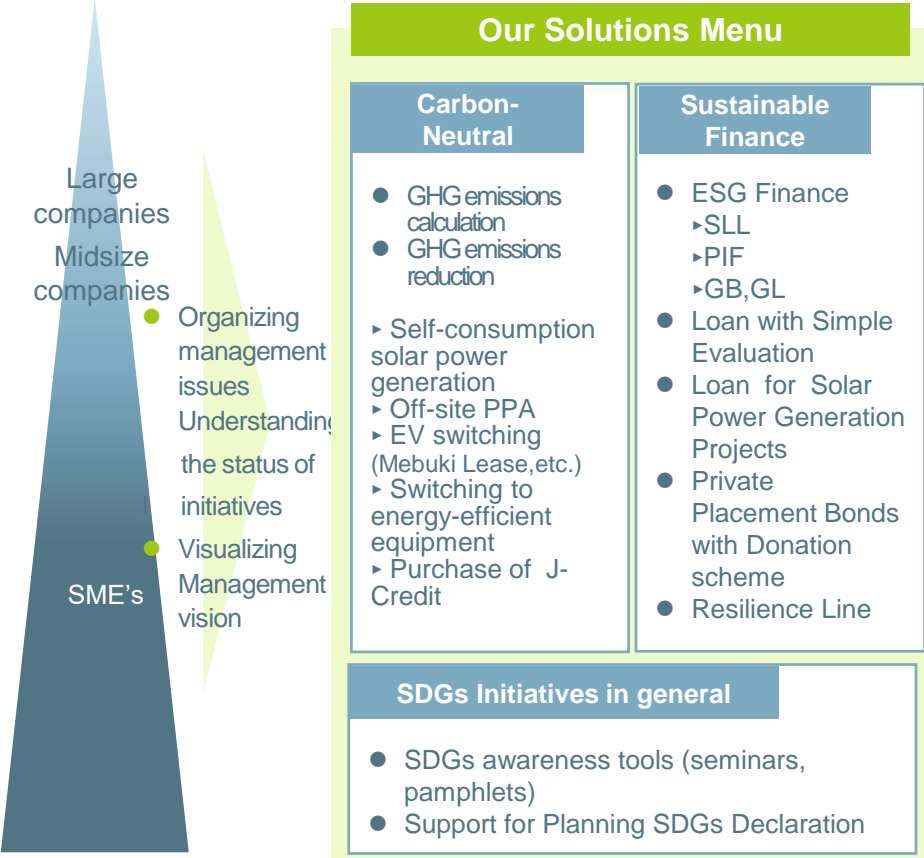
Developing personnel	End of FY21	End of FY22	Target	Compared to the target
DX Personnel	114 people	551 people	400 people (~FY24)	+ 151 people
DX Basis Personnel	1,268 people	3,538 people	3,000 people (~FY23)	+538 people

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



Large companies
Midsize companies
SME's

- Organizing management issues
- Understanding the status of initiatives
- Visualizing Management vision

- Prioritize the approach
- Climate change Resources problem, etc.
- Human rights issues, Labor issues, etc.
- Corporate governance, etc.

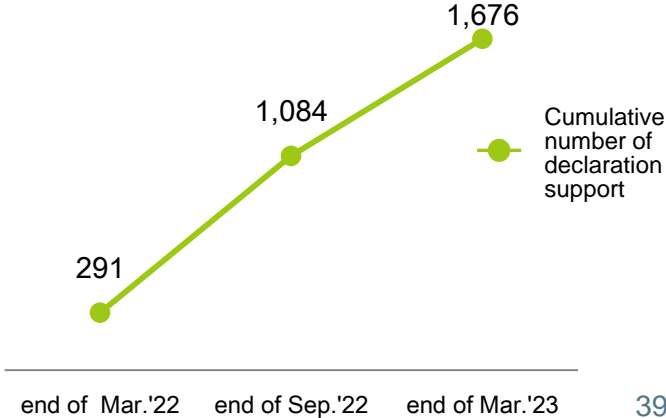
Sustainable Finance

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 FY2022	(Reference)	
			Compared to end of FY21	Progress
Sustainable Finance	¥3 trillion	¥615.4 bn	+¥461.8bn	20.5%
O/W Environmental field	¥2 trillion	¥347.9 bn	+¥303.5bn	17.3%

Support for Planning SDGs Declaration (Nov. 2021 ~)



Initiatives for Sustainability / Decarbonization

To achieve the target for CO2 emissions reduction in FY2030 to "Net-zero", we steadily promote energy-saving and resource-saving initiatives for decarbonization, such as switching to renewable energy sources at 7 business locations, including head offices of two subsidiary banks.

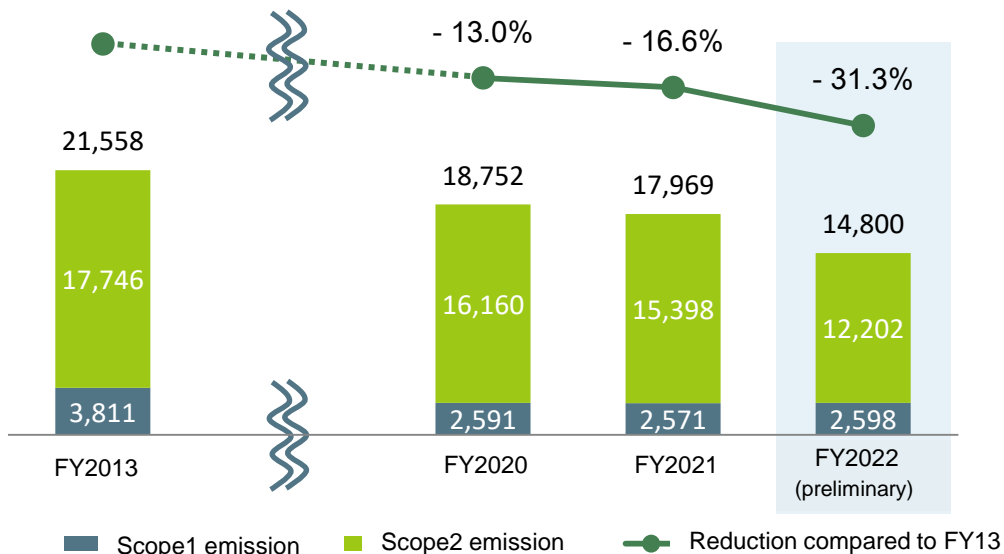
CO2 Emissions Reduction

● Target for CO2 emission reduction in FY2030 : **"Net-zero"**.

<CO2 emissions (Scope 1, 2)*1 of the Group (Bank Total) >

✓ Introduction of renewable energy

Subject: 7 locations incl. head offices of two subsidiary banks
 CO2 emission reduction effect (estimated): 6,003 t-CO2 per year *2
 ※Equivalent to about 32% of FY21 emissions

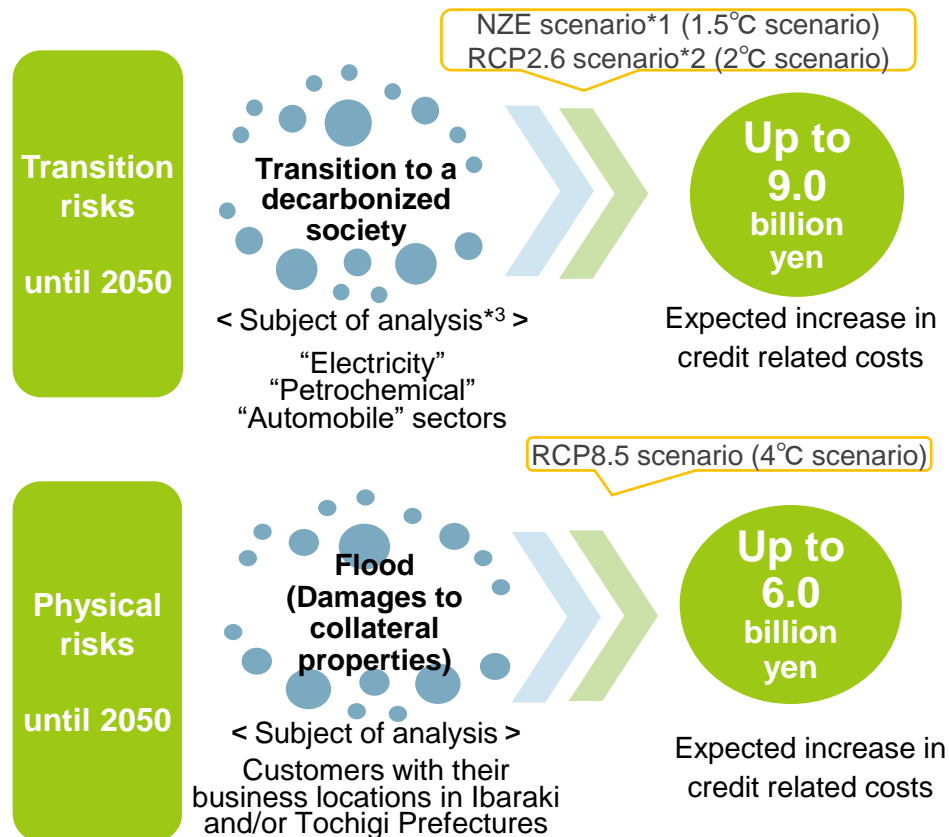


* 1 Total CO2 emissions of Scope 1 + Scope 2 of two subsidiary banks calculated based on the reporting standards stipulated in the Energy Efficiency Act. And from this time, emissions are calculated using adjusted emission factor.

* 2 Calculated based on the adjusted emission factors for FY2020 and FY2021 by TEPCO Energy Partner, Incorporated.

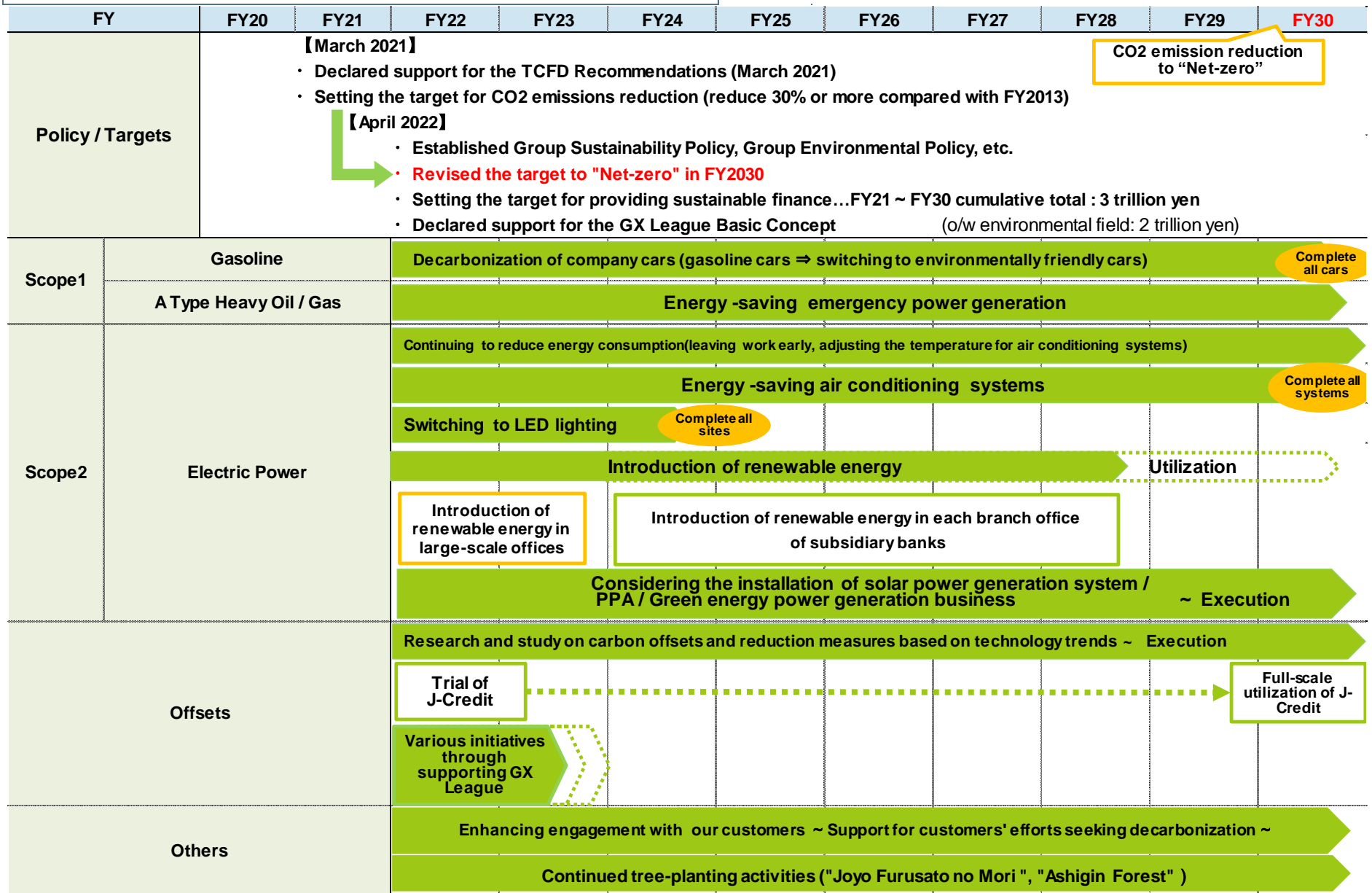
Scenario Analysis

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



* 3 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



Financial Data for FY2022

【Data】 Breakdown of Banking subsidiaries

(1) P/L for FY22

(￥ b n)

	J+A	YoY	Joyo	YoY	Ashikaga	YoY
Gross business profit	112.8	-74.1	48.4	-58.4	64.3	-15.6
(Core Gross business profit)	200.2	+6.0	121.0	+9.2	79.1	-3.2
Net interest income	150.9	-6.8	88.7	-1.9	62.2	-4.8
o/w Gains/losses on Cancellation of Investment trusts	7.1	+5.4	5.0	+3.2	2.1	+2.1
Net fees and commissions	35.4	+1.7	20.1	+0.9	15.3	+0.7
Net other business income and Net trading income	-73.5	-69.0	-60.4	-57.3	-13.1	-11.6
(o/w gains/losses on bond transactions)	-87.3	-80.1	-72.6	-67.7	-14.7	-12.4
Expenses	103.3	-4.8	57.6	-2.8	45.6	-1.9
o/w Personnel expenses	57.2	-0.9	32.2	-0.4	24.9	-0.4
o/w Non-personnel expenses	40.0	-3.3	22.0	-2.1	18.0	-1.2
Net business income (before general allowance for loan losses)	9.5	-69.3	-9.1	-55.5	18.7	-13.7
Core net business income	96.8	+10.8	63.4	+12.1	33.4	-1.3
Core net Business Income						
(exclu. Gains/losses on Cancellation of Investment trusts)	89.6	+5.4	58.3	+8.8	31.2	-3.4
(exclu. Gains/losses on "Cancellation of investment trusts", "Futures" and "Options")	81.6	-3.0	50.3	+0.3	31.2	-3.4
Net transfer to general allowance for loan losses (a)	-0.6	-2.0	-0.6	-0.9	0.0	-1.1
Net business income	10.1	-67.3	-8.5	-54.6	18.7	-12.6
Net non-recurrent gains/losses	35.0	+52.0	38.1	+46.3	-3.1	+5.6
o/w Disposal of non-performing loans (b)	9.7	-8.4	5.6	-3.8	4.0	-4.6
o/w Gains/losses related to stocks, etc.	45.0	+41.5	43.9	+40.3	1.1	+1.1
Ordinary profit	45.2	-15.2	29.6	-8.3	15.6	-6.9
Extraordinary income/losses	11.4	+15.6	11.5	+15.1	(0.1)	+0.4
Net income	43.5	+3.5	32.8	+8.2	10.7	-4.6
Credit related costs (a)+(b)	9.1	-10.4	5.0	-4.7	4.0	-5.7

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

	FY18	FY19	FY20	FY21	FY22	YoY	
J+A	Domestics	1.03%	0.99%	0.96%	0.93%	0.91%	-0.02%
	Overseas	2.92%	2.67%	1.29%	1.04%	3.02%	1.98%
	Total	1.06%	1.02%	0.96%	0.94%	0.95%	0.01%
Joyo	Domestics	1.00%	0.97%	0.93%	0.91%	0.90%	-0.01%
	Overseas	2.95%	2.69%	1.30%	1.05%	3.11%	2.06%
	Total	1.04%	1.01%	0.94%	0.92%	0.96%	0.04%
Ashikaga	Domestics	1.07%	1.02%	0.99%	0.96%	0.93%	-0.02%
	Overseas	2.67%	2.48%	1.19%	0.98%	2.23%	1.25%
	Total	1.08%	1.03%	0.99%	0.96%	0.94%	-0.02%

【Data】 Breakdown of Banking subsidiaries

(3) Loans Term-end Balance (¥ b n)

		FYE18	FYE19	FYE20	FYE21	FYE22	YoY
J+A	Individual	4,674.8	4,795.9	4,924.8	5,045.4	5,136.7	+91.3
	Corporate	5,139.1	5,181.3	5,369.6	5,347.4	5,694.8	+347.4
	Public	1,038.2	980.2	983.7	915.9	988.5	+72.5
	Total	10,852.3	10,957.5	11,278.1	11,308.8	11,820.1	+511.3
Joyo	Individual	2,570.2	2,624.6	2,687.7	2,740.2	2,786.4	+46.1
	Corporate	2,974.3	3,002.6	3,103.0	3,091.3	3,313.1	+221.8
	Public	650.7	612.8	562.7	498.1	548.8	+50.7
	Total	6,195.3	6,240.1	6,353.6	6,329.7	6,648.4	+318.6
Ashikaga	Individual	2,104.6	2,171.3	2,237.0	2,305.1	2,350.3	+45.1
	Corporate	2,164.8	2,178.6	2,266.5	2,256.0	2,381.6	+125.6
	Public	387.5	367.4	420.9	417.8	439.6	+21.8
	Total	4,657.0	4,717.3	4,924.5	4,979.0	5,171.6	+192.6

* Not including borrowing f*Excluding borrowing from special account of MoF

Foreign Currency Denominated Loans

		FYE18	FYE19	FYE20	FYE21	FYE22	YoY
J+A		145.8	164.2	162.6	150.6	151.0	+0.4
Joyo		126.8	146.8	150.0	139.5	140.4	+0.8
Ashikaga		19.0	17.3	12.6	11.0	10.5	-0.4

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

		FYE18	FYE19	FYE20	FYE21	FYE22	YoY
J+A	Housing Loans	3,396.3	3,546.5	3,711.7	3,860.8	3,972.9	+112.0
	Apartment Loans	958.5	933.6	902.3	871.2	845.2	-26.0
	Asset building loans	2.9	2.8	2.6	2.4	1.9	-0.4
	Total	4,357.9	4,483.0	4,616.7	4,734.5	4,820.2	+85.6
Joyo	Housing Loans	1,640.6	1,719.5	1,809.7	1,889.9	1,955.2	+65.2
	Apartment Loans	769.1	748.6	722.8	694.2	672.8	-21.3
	Asset building loans	2.9	2.8	2.6	2.4	1.9	-0.4
	Total	2,412.7	2,471.1	2,535.1	2,586.5	2,630.0	+43.4
Ashikaga	Housing Loans	1,755.7	1,826.9	1,902.0	1,970.9	2,017.6	+46.7
	Apartment Loans	189.3	185.0	179.5	177.0	172.4	-4.6
	Asset building loans	-	-	-	-	-	-
	Total	1,945.1	2,011.9	2,081.5	2,147.9	2,190.1	+42.1

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

		FYE18	FYE19	FYE20	FYE21	FYE22	YoY
J+A	Car Loans	46.7	52.0	63.3	71.4	79.0	+7.5
	Educational Loans	39.0	42.5	43.4	45.4	49.3	+3.8
	Free Loans	9.1	9.8	9.1	9.3	9.7	+0.4
	Card Loans	65.0	65.4	61.2	62.4	66.0	+3.6
	Total	160.0	169.9	177.1	188.6	204.2	+15.5
Joyo	Car Loans	32.2	35.2	45.4	50.6	53.2	+2.5
	Educational Loans	31.9	34.0	34.3	35.5	38.1	+2.5
	Free Loans	2.2	3.5	3.6	3.8	4.1	+0.2
	Card Loans	26.5	26.0	23.7	24.8	26.7	+1.9
	Total	93.0	98.8	107.1	114.8	122.2	+7.3
Ashikaga	Car Loans	14.5	16.8	17.8	20.8	25.8	+5.0
	Educational Loans	7.0	8.5	9.1	9.9	11.2	+1.3
	Free Loans	6.8	6.2	5.4	5.5	5.6	+0.1
	Card Loans	38.4	39.4	37.5	37.5	39.2	+1.6
	Total	66.9	71.0	70.0	73.8	82.0	+8.1

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

		FYE18	FYE19	FYE20	FYE21	FYE22	YoY
J+A	Large	1,633.7	1,635.4	1,688.2	1,674.3	1,890.4	+216.0
	Medium/SMEs	3,505.4	3,545.9	3,681.3	3,673.0	3,804.4	+131.3
	Total	5,139.1	5,181.3	5,369.6	5,347.4	5,694.8	+347.4
Joyo	Large	1,159.1	1,165.1	1,220.6	1,206.9	1,338.7	+131.8
	Medium/SMEs	1,815.1	1,837.4	1,882.3	1,884.3	1,974.3	+90.0
	Total	2,974.3	3,002.6	3,103.0	3,091.3	3,313.1	+221.8
Ashikaga	Large	474.5	470.2	467.6	467.3	551.6	+84.2
	Medium/SMEs	1,690.2	1,708.4	1,798.9	1,788.7	1,830.0	+41.3
	Total	2,164.8	2,178.6	2,266.5	2,256.0	2,381.6	+125.6

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

		FYE18	FYE19	FYE20	FYE21	FYE22	YoY
J+A	Tokyo	1,908.8	1,967.5	2,021.9	2,009.4	2,235.5	+226.0
	Local	3,230.3	3,213.8	3,347.6	3,337.9	3,459.3	+121.3
	Total	5,139.1	5,181.3	5,369.6	5,347.4	5,694.8	+347.4
Joyo	Tokyo	1,378.3	1,422.6	1,484.1	1,468.9	1,603.1	+134.2
	Local	1,596.0	1,579.9	1,618.9	1,622.4	1,709.9	+87.5
	Total	2,974.3	3,002.6	3,103.0	3,091.3	3,313.1	+221.8
Ashikaga	Tokyo	530.5	544.8	537.8	540.5	632.3	+91.8
	Local	1,634.2	1,633.8	1,728.7	1,715.5	1,749.3	+33.7
	Total	2,164.8	2,178.6	2,266.5	2,256.0	2,381.6	+125.6

【Data】 Breakdown of Banking subsidiaries

(8) Deposits Term-end Balance		(¥ b n)					
		FYE18	FYE19	FYE20	FYE21	FYE22	YoY
J+A	Individual	10,362.7	10,685.0	11,400.1	11,787.3	12,035.1	+247.8
	Corporate	3,325.5	3,364.1	3,887.4	3,953.5	4,009.7	+56.1
	Public	750.1	737.3	969.9	1,116.4	1,118.2	+1.7
	Total	14,438.3	14,786.5	16,257.4	16,857.3	17,163.1	+305.8
Joyo	Individual	6,440.1	6,633.6	7,053.1	7,272.7	7,412.6	+139.8
	Corporate	1,835.4	1,880.3	2,136.5	2,180.4	2,226.1	+45.7
	Public	453.6	459.2	515.8	600.7	612.5	+11.7
	Total	8,729.1	8,973.1	9,705.5	10,053.9	10,251.2	+197.3
Ashikaga	Individual	3,922.5	4,051.4	4,346.9	4,514.5	4,622.5	+107.9
	Corporate	1,490.1	1,483.8	1,750.8	1,773.1	1,783.5	+10.4
	Public	296.5	278.1	454.1	515.7	505.7	-9.9
	Total	5,709.2	5,813.4	6,551.9	6,803.3	6,911.8	+108.5
Foreign Currency Deposit							
		FYE18	FYE19	FYE20	FYE21	FYE22	YoY
J+A		306.0	219.7	180.0	168.2	96.5	-71.6
Joyo		222.6	176.4	151.9	139.6	76.1	-63.5
Ashikaga		83.3	43.2	28.0	28.5	20.3	-8.1
(9) Customer Assets under Custody Balance		(¥ b n)					
		FYE18	FYE19	FYE20	FYE21	FYE22	YoY
Group total	Investment trusts	556.1	463.7	547.7	632.5	654.0	+21.4
	Insurance	817.2	812.6	829.0	858.5	884.0	+25.4
	Foreign currency deposits	218.5	166.1	146.0	131.1	91.1	-40.0
	JGB etc.	173.6	156.2	162.4	154.5	131.7	-22.7
	Mebuki Securities	272.8	282.0	343.4	429.5	414.2	-15.3
	Total	2,038.3	1,880.9	2,028.7	2,206.3	2,175.1	-31.2
Joyo	Investment trusts	263.3	214.7	249.8	302.6	318.7	+16.1
	Insurance	465.6	471.9	488.5	511.5	519.7	+8.1
	Foreign currency deposits	135.5	122.9	117.9	102.6	70.7	-31.8
	JGB etc.	118.5	104.1	108.2	102.7	88.4	-14.2
	Total	983.1	913.8	964.6	1,019.4	997.7	-21.7
Ashikaga	Investment trusts	292.8	249.0	297.8	329.8	335.2	+5.3
	Insurance	351.5	340.6	340.5	347.0	364.3	+17.2
	Foreign currency deposits	82.9	43.2	28.0	28.5	20.3	-8.1
	JGB etc.	55.0	52.1	54.2	51.7	43.2	-8.5
	Total	782.4	685.0	720.6	757.3	763.1	+5.8

(10) Customer Assets under Custody Commissions		(¥ b n)					
		FYE18	FYE19	FYE20	FYE21	FYE22	YoY
Group Total	Investment trusts(*1)	5.69	5.91	6.22	7.93	6.52	-1.41
	Insurance(*2)	4.67	4.26	3.25	3.25	5.59	+2.34
	Foreign currency deposits	0.98	0.68	0.55	0.61	0.68	+0.07
	JGB etc.	0.04	0.08	0.06	0.01	0.04	+0.02
	Financial instrument intermediary service	0.49	0.72	1.13	1.19	0.57	-0.61
Joyo	Mebuki Securities	1.94	2.98	3.70	3.87	1.98	-1.89
	Total	13.84	14.66	14.93	16.90	15.41	-1.48
	Investment trusts(*1)	2.63	2.83	2.93	4.10	3.32	-0.78
	Insurance(*2)	2.12	2.61	2.06	2.00	3.53	+1.52
	Foreign currency deposits	0.70	0.50	0.39	0.39	0.39	+0.00
Ashikaga	JGB etc.	0.03	0.05	0.05	0.01	0.02	+0.01
	Financial instrument intermediary service	0.27	0.43	0.75	0.89	0.46	-0.42
	Total	5.77	6.44	6.20	7.41	7.74	+0.33
	Investment trusts(*1)	3.06	3.08	3.29	3.83	3.20	-0.62
	Insurance(*2)	2.55	1.64	1.18	1.25	2.06	+0.81
Ashikaga	Foreign currency deposits	0.28	0.18	0.15	0.22	0.28	+0.06
	JGB etc.	0.00	0.02	0.01	0.00	0.01	+0.00
	Financial instrument intermediary service	0.22	0.29	0.38	0.29	0.10	-0.18
	Total	6.12	5.22	5.02	5.61	5.68	+0.07

* 1 : Sales commission+ Trust fee

* 2 : Excl. executive life insurance

(11) Fees from Corporate Customers		(¥ b n)					
		FY18	FY19	FY20	FY21	FY22	YoY
J+A	Credit Related	7.57	8.20	7.55	8.08	11.81	+3.73
	Consulting Related	2.02	1.44	1.88	3.29	3.72	+0.43
	total	9.59	9.65	9.44	11.37	15.53	+4.16
Joyo	Credit Related	4.14	4.24	4.03	4.70	7.32	+2.62
	Consulting Related	1.14	0.80	1.18	2.14	2.02	-0.11
	total	5.28	5.05	5.21	6.84	9.35	+2.51
Ashikaga	Credit Related	3.42	3.95	3.52	3.38	4.48	+1.10
	Consulting Related	0.88	0.64	0.70	1.14	1.69	+0.54
	total	4.30	4.60	4.22	4.52	6.17	+1.65

【Data】 Breakdown of Banking subsidiaries

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

		FYE18	FYE19	FYE20	FYE21	FYE22	YoY
Mebuki FG (Consolidated)	Domestic bonds	2,436.8	2,359.4	2,510.6	2,745.1	2,205.9	-539.2
	Foreign bonds	829.6	831.6	959.5	967.3	622.8	-344.5
	Stocks	280.2	226.0	265.8	254.1	211.3	-42.8
	Investment trusts, etc.	799.8	658.9	597.2	715.5	622.2	-93.3
	Total	4,346.6	4,076.1	4,333.2	4,682.3	3,662.3	-1,019.9
Joyo	Domestic bonds	1,812.4	1,746.7	1,822.0	2,002.5	1,438.8	-563.7
	Foreign bonds	513.2	505.3	595.5	597.9	319.1	-278.8
	Stocks	243.4	197.2	233.1	226.8	183.8	-42.9
	Investment trusts, etc.	456.7	388.1	373.9	439.9	401.3	-38.6
	Total	3,025.9	2,837.4	3,024.6	3,267.3	2,343.1	-924.1
Ashikaga	Domestic bonds	610.9	600.3	679.1	734.1	758.0	+23.8
	Foreign bonds	316.3	326.3	364.0	369.3	303.7	-65.6
	Stocks	72.4	64.2	39.1	33.6	34.4	+0.7
	Investment trusts, etc.	338.7	266.7	219.1	271.5	216.5	-55.0
	Total	1,338.4	1,257.5	1,301.5	1,408.8	1,312.7	-96.0

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

		FYE18	FYE19	FYE20	FYE21	FYE22	YoY
Mebuki FG (Consolidated)	Stocks	21.1	9.2	2.4	-21.3	-34.4	-13.1
	Domestic bonds	10.3	24.3	35.6	-14.2	-13.9	+0.3
	Investment trusts, etc.	136.2	86.9	139.4	131.5	101.7	-29.8
	Foreign bonds	7.2	-21.3	33.1	32.9	-28.4	-61.4
	Total	174.9	99.1	210.7	128.9	24.9	-103.9
Joyo	Stocks	19.3	9.0	3.0	-16.3	-19.2	-2.9
	Domestic bonds	10.4	12.8	15.0	-12.8	-5.7	+7.0
	Investment trusts, etc.	128.0	85.1	127.5	123.6	91.5	-32.1
	Foreign bonds	12.6	-8.3	26.0	27.4	-15.2	-42.7
	Total	170.5	98.7	171.7	122.0	51.2	-70.7
Ashikaga	Stocks	15.7	11.5	8.5	1.9	-10.1	-12.1
	Domestic bonds	2.8	13.8	22.4	-0.1	-8.0	-7.9
	Investment trusts, etc.	28.4	20.8	25.0	21.0	22.1	+1.0
	Foreign bonds	-2.3	-10.6	8.5	6.7	-11.8	-18.5
	Total	44.6	35.6	64.5	29.7	-7.8	-37.6

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

		FY18	FY19	FY20	FY21	FY22	YoY
J+A	Stocks	-10.7	-2.0	-6.2	-7.1	-87.3	-80.1
	Domestic bonds	10.7	0.4	10.0	3.5	45.0	+41.5
	Investment trusts, etc.	11.6	7.3	6.8	1.7	7.1	+5.4
	Total	11.6	5.6	10.6	-1.8	-35.1	-33.2
Joyo	Stocks	-7.3	-0.9	-3.9	-4.8	-72.6	-67.7
	Domestic bonds	12.4	0.6	9.1	3.5	43.9	+40.3
	Investment trusts, etc.	1.6	5.2	4.9	1.7	5.0	+3.2
Total	6.7	4.8	10.1	0.4	-23.6	-24.1	
Ashikaga	Stocks	-3.3	-1.1	-2.3	-2.2	-14.7	-12.4
	Domestic bonds	-1.7	-0.1	0.9	0.0	1.1	+1.1
	Investment trusts, etc.	9.9	2.0	1.9	0.0	2.1	+2.1
Total	4.8	0.8	0.4	-2.3	-11.4	-9.1	

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

		Currency	Interest rate type	Securities type	FYE21	FYE22	YoY	FY22 gains/losses
Total	U.S. dollar	Fixed	Government, Government-guaranteed bonds, etc		1,844	750	-1,093	-245
			Corporate bonds, etc		2,691	2,392	-299	
			CLO/Government-guaranteed bonds, etc		1,095	1,386	+291	
	Sub Total		5,631	4,529	-1,101			
	Joyo	Euro	Fixed	Government, Government-guaranteed bonds, etc		1,815	0	-1,815
Corporate bonds, etc				161	96	-65	-10	
Yen ^(*)		Fixed	Corporate bonds, etc		28.1	24.0	-4.0	0.0
			Sub Total		3,050	2,197	-852	
Ashikaga	U.S. dollar	Fixed	Government, Government-guaranteed bonds, etc		1,389	544	-845	-70
			Corporate bonds, etc		564	266	-298	
			CLO/Government-guaranteed bonds, etc		1,095	1,386	+291	
	Sub Total		3,050	2,197	-852			
	Euro	Fixed	Government, Government-guaranteed bonds, etc		1,429	0	-1,429	-85
Corporate bonds, etc			161	96	-65	-10		
Yen ^(*)	Fixed	Corporate bonds, etc		27.2	23.1	-4.0	0.0	
		Sub Total		2,581	2,331	-249		
Ashikaga	Euro	Fixed	Government, Government-guaranteed bonds, etc		385	0	-385	-18
			Corporate bonds, etc		0	0	±0	±0
	Yen ^(*)	Fixed	Corporate bonds, etc		0.9	0.9	±0.0	0.0
			Sub Total		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 (Fair Value) (¥ b n)

		FYE18	FYE19	FYE20	FYE21	FYE22	YoY
J+A	Balance	298.7	239.1	268.4	225.2	184.8	-40.3
Joyo	Balance	254.8	204.0	229.1	191.9	150.9	-40.9
Ashikaga	Balance	43.9	35.1	39.3	33.3	33.9	0.6

(17) Expenses (¥ b n)

		FY18	FY19	FY20	FY21	FY22	YoY
J+A	Personnel	61.2	61.2	59.9	58.2	57.2	-0.9
	Non-Personnel	46.7	46.7	43.4	43.4	40.0	-3.3
	Taxes	7.0	7.0	6.8	6.5	6.0	-0.5
	Total	115.0	115.0	110.1	108.1	103.3	-4.8
Joyo	Personnel	33.5	33.5	33.2	32.7	32.2	-0.4
	Non-Personnel	26.8	26.8	24.7	24.1	22.0	-2.1
	Taxes	3.8	3.8	3.7	3.6	3.3	-0.2
Ashikaga	Total	64.2	64.2	61.7	60.5	57.6	-2.8
	Personnel	27.6	27.6	26.6	25.4	24.9	-0.4
	Non-Personnel	19.9	19.9	18.6	19.2	18.0	-1.2
	Taxes	3.1	3.1	3.0	2.9	2.6	-0.2
	Total	50.7	50.7	48.4	47.6	45.6	-1.9

(18) Credit related cost (¥ bn)

		FY18	FY19	FY20	FY21	FY22	YoY
J+A		9.3	19.0	22.4	19.6	9.1	-10.4
Joyo		4.2	10.1	12.0	9.8	5.0	-4.7
Ashikaga		5.0	8.8	10.3	9.7	4.0	-5.7

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

		FYE18	FYE19	FYE20	FYE21	FYE22	YoY
J+A	Bankrupt claims	15.9	12.7	10.3	13.8	12.5	-1.2
	Doubtful claims	125.1	129.0	143.2	151.1	153.0	+1.8
	Claims requiring monitoring (Loans past due 3 month or more)	32.2	27.9	27.4	27.6	31.5	+3.9
	(Restructured loans)	-	-	0.1	0.0	0.2	+0.1
	Total	173.3	169.8	181.0	192.6	197.1	+4.4
Joyo	Bankrupt claims	6.1	5.7	5.5	5.4	5.1	-0.2
	Doubtful claims	66.4	69.9	78.0	86.5	84.8	-1.6
	Claims requiring monitoring (Loans past due 3 month or more)	17.5	12.5	13.0	13.3	12.1	-1.2
	(Restructured loans)	-	-	0.0	0.0	0.0	+0.0
	Total	90.2	88.2	96.7	105.2	102.1	-3.1
Ashikaga	Bankrupt claims	8.7	5.8	4.0	7.7	6.7	-1.0
	Doubtful claims	58.5	59.0	65.0	64.6	68.1	+3.4
	Claims requiring monitoring (Loans past due 3 month or more)	14.7	15.4	14.4	14.2	19.4	+5.1
	(Restructured loans)	-	-	0.0	0.0	0.1	+0.0
	Total	81.9	80.2	83.5	86.7	94.2	+7.5

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

		FYE18	FYE19	FYE20	FYE21	FYE22	YoY
J+A		0.5	1.2	2.0	1.3	1.0	-0.2
Joyo		0.3	0.3	0.0	0.8	0.7	-0.0
Ashikaga		0.2	0.9	2.0	0.5	0.2	-0.2

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