

Mebuki Financial Group, Inc.

IR Presentation

~Financial Results for the Third Quarter of FY2023~



1 Financial Results for 3Q23 / Forecast for FY23

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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 2023 Forecast for FY 2023

Highlights

Results for 3Q23

		Results for 3Q23	YoY Change	Progress
Net income attributable to owners of the parent	(Consolidated)	¥32.3bn	+¥0.5bn	80.9%
Profit from customer services ^{*1}		¥35.7bn	+¥2.7bn	-
Securities Income	(Banks' total)	¥19.2bn	-¥12.3bn	-
Credit related costs		¥1.1bn	-¥3.5bn	-
ROE	【Net assets basis】	4.6%	+0.0%pt	-
	【Shareholders equity basis】	4.9%	+0.0%pt	-

- Net income attributable to owners of the parent was ¥32.3bn. The progress toward the forecast for FY2023 is exceeding 80% and well underway.
- Profit from customer services^{*1}, the core business, maintained an increasing trend. Credit related costs decreased by ¥3.5bn YoY and remained stable.

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

Forecast for FY23 (announced on May 12, 2023)

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

Main Points of 3Q23 Financial Results

【Mebuki FG (Consolidated)】	(¥bn)		
	3Q23 Results	YoY Chg	Progress
Gross Business profit	114.0	11.9	-
Net interest income (o/w Deference of interests between loans and deposits)	107.1 (85.0)	-7.7 (+4.8)	-
Net fees and commissions	33.5	+1.9	-
Net trading income	0.3	-1.2	-
Net other business income	-27.0	19.0	-
Expenses	80.2	-0.2	-
Credit related cost	2.6	-3.4	-
Gains/losses related to stocks	14.0	-14.4	-
Ordinary profit	46.6	+0.9	81.0%
Extraordinary income/losses	-0.4	-0.2	-
Net income attributable to owners of the parent	32.3	+0.5	80.9%

	3Q23	
	Results	YoY
Bank Total Net income (a)	30.3	-1.0
Group Companies Net income (b)	3.7	+0.0
Mebuki Lease	0.8	+0.1
Mebuki Securities	0.3	-0.0
Mebuki Credit Guarantee	2.0	+0.0
Mebuki Card	0.3	-0.0
Total of banking subsidiaries	0.2	+0.0
Consolidation Adjustment ^{*1} (c)	-1.7	+1.5
Net income attributable to owners of the parent (a)+(b)+(c)	32.3	+0.5

*1 Adjustments related to securities, etc.

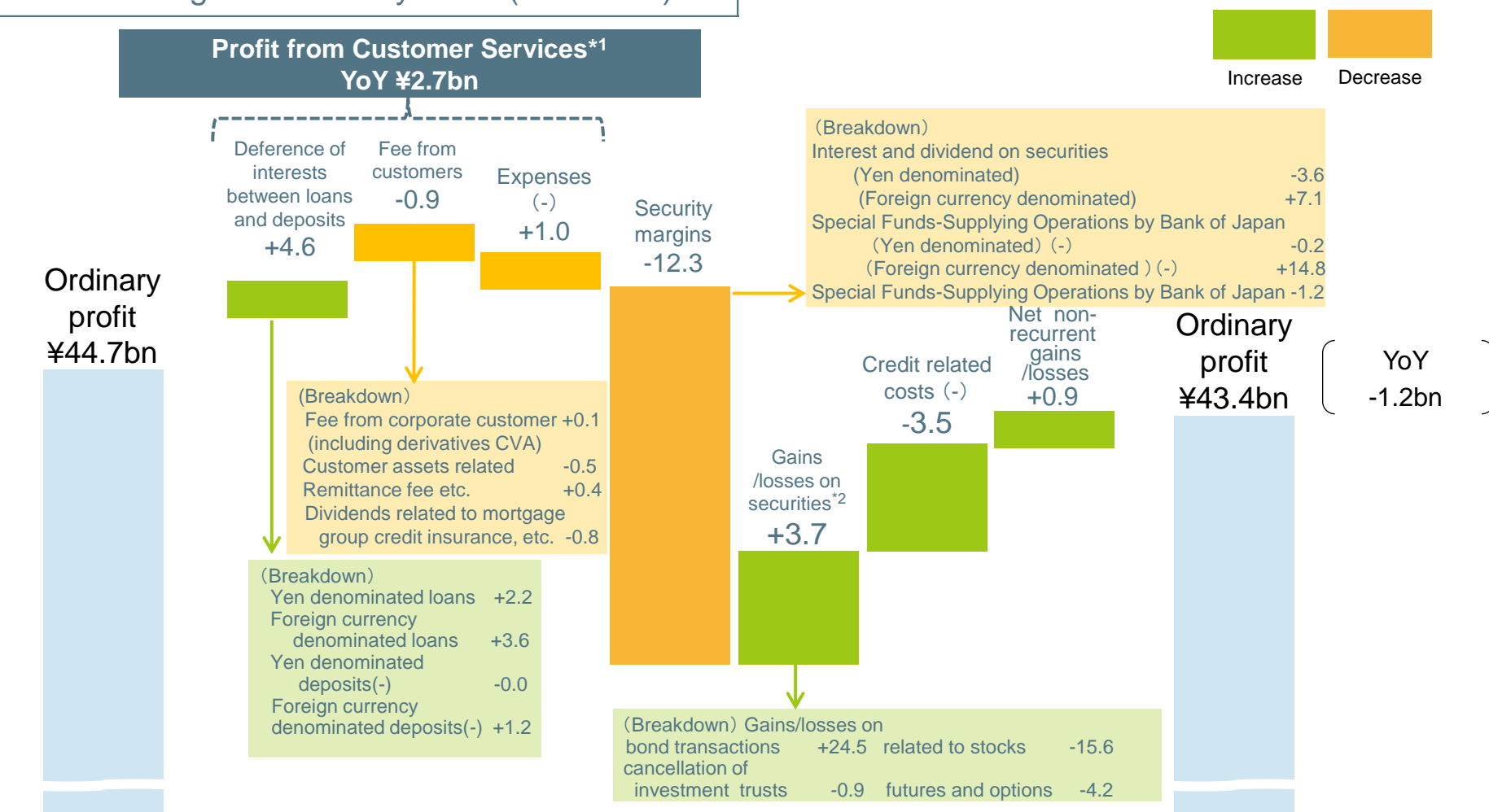
*2 Including Special Funds-Supplying Operations by Bank of Japan

【Joyo + Ashikaga (Non-consolidated)】	(¥bn)		
	3Q23 Results	YoY chg	Progress
Gross business profit	108.4	+10.8	-
Net interest income (o/w Gains/losses on cancellation of investment trusts)(1)	108.2 (4.9)	-8.5 (-0.9)	-
Net interest income (excl. Gains/losses on cancellation of investment trusts)	103.2	-7.6	-
(o/w Deference of interests between loans and deposits(2))	(84.0)	(+4.6)	-
(o/w Securities Income ^{*2})	(19.2)	(-12.3)	-
Net fees and commissions(3)	26.9	+0.7	-
Net other business income (o/w gains/losses on bond transactions) (4)	-26.7 (-33.9)	+18.6 (+24.5)	-
(o/w gains/losses on futures and options) (5)	(3.8)	(-4.2)	-
(o/w other income related to customers) (6)	(3.3)	(-1.6)	-
Expenses(7)	78.5	+1.0	-
Net business income (before general allowance for loan losses)	29.8	+9.8	-
Core net business income (excl. gains/losses on cancellation of investment trusts)	63.8	-14.7	-
Core net business income (excl. gains/losses on cancellation of investment trusts and futures and options)	54.9	-9.5	-
Net transfer to general allowance for loan losses (8)	-	+1.0	-
Net business income	29.8	+8.8	-
Net non-recurrent gains/losses (o/w Disposal of non-performing loans (9))	13.5 (1.1)	-10.1 (-4.6)	-
(o/w Gains/losses related to stocks, etc. (10))	(14.0)	(-15.6)	-
Ordinary profit	43.4	-1.2	78.9%
Extraordinary income/losses	-0.4	-0.2	-
Net income	30.3	-1.0	78.9%
Profit from customer services (2)+(3)+(6)-(7)	35.7	+2.7	-
Credit related cost (8)+(9)	1.1	-3.5	-
Gains/losses on securities (1)+(4)+(5)+(10)	-11.0	+3.7	-

Change of Ordinary Profit (Bank Total non-consolidated)

Although securities income (interest margin) decreased significantly, due to an increase in foreign currencies funding cost, etc., ordinary profit (bank total) was at the same level as the previous year, driven by an increase of profit from customer services and an improvement of credit related costs and gains / losses on sales of securities.

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



3Q22

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

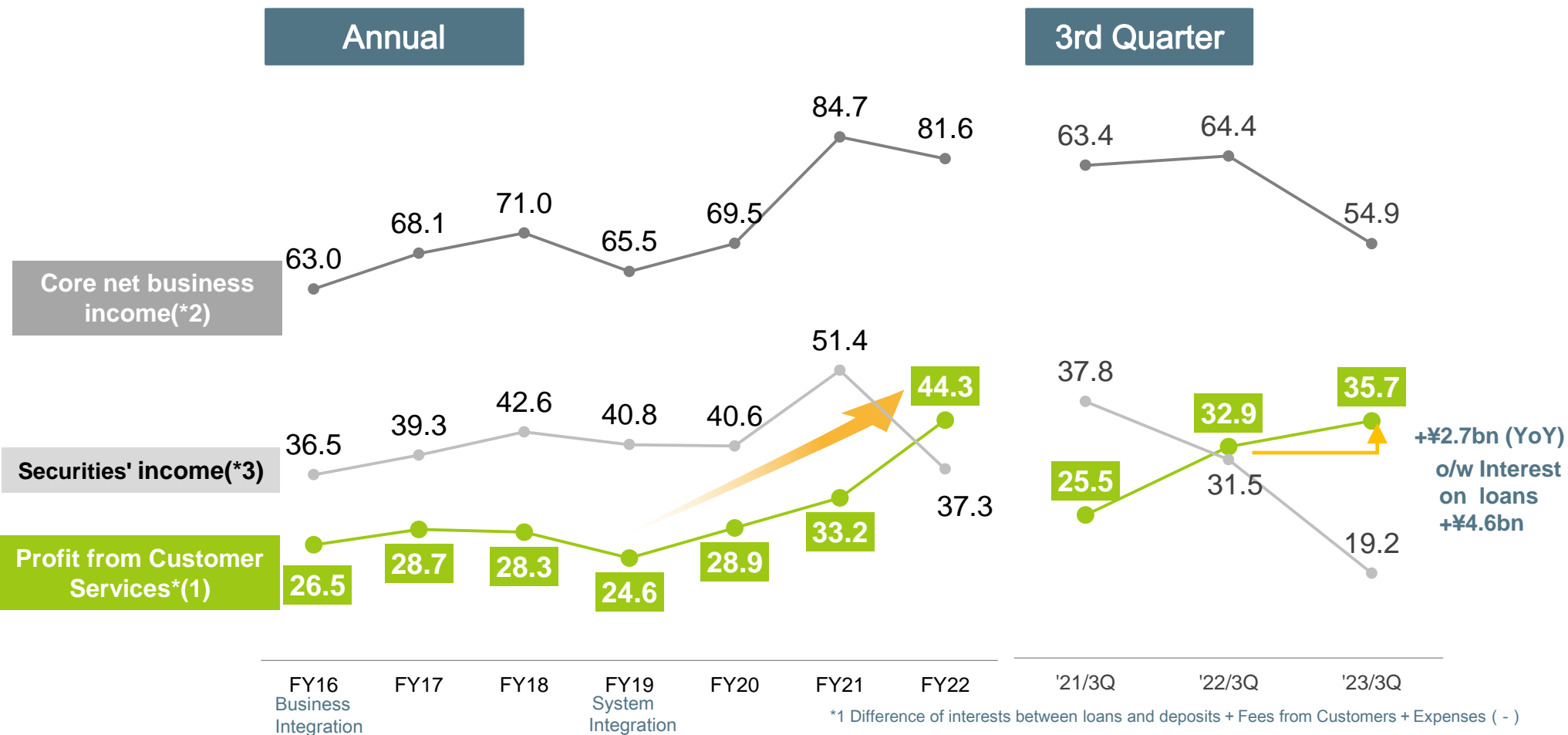
*2 Gains/losses on "Bond transactions + Related to stocks + Cancellation of investment trusts + Futures and options

3Q23

Growth of Profit from Customer Services

Profit from customer services maintained an increasing trend after bottoming out in FY 2019. In the third quarter of FY23, it increased by ¥2.7bn YoY, driven by the increase of deference of interests between yen and foreign currency denominated loans and deposits.

Changes of Profit from customer services, Core net business income and Securities income (¥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 Excluding gains/losses on cancellation of investment trusts

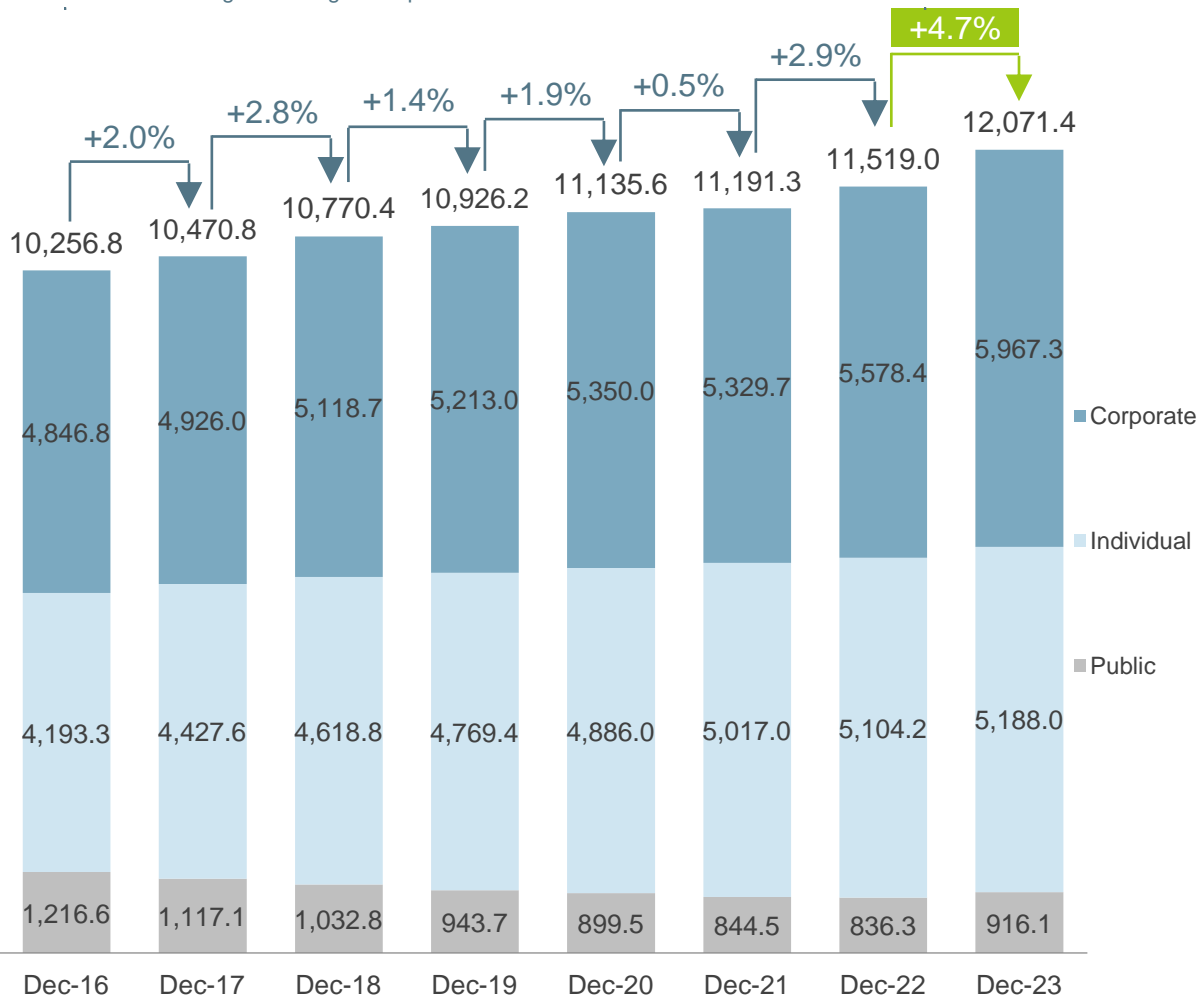
Loans Term-end Balance

Amount of loans increased by ¥552.4bn YoY.

The growth rate of loans was +4.7%, up from +2.9% in the previous year. It was led by loans to corporate and public sectors. Deference of interests between domestic loans and deposits in the third quarter cumulative period turned to increase for the first time since our business integration.

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

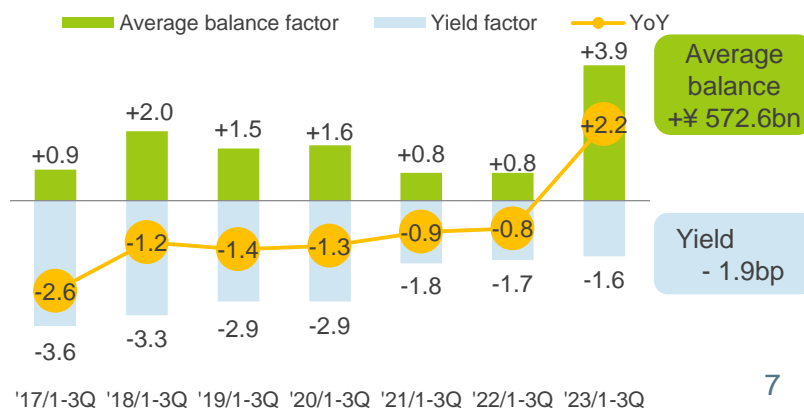
* Not including borrowing from special account of MoF



Year on Year Changes (¥bn)

	Dec-21	Dec-22	Dec-23
Total	+55.7 +0.5%	+327.6 +2.9%	+552.4 +4.7%
Corporate	-20.2 -0.3%	+248.6 +4.6%	+388.8 +6.9%
Individual	+130.9 +2.6%	+87.2 +1.7%	+83.7 +1.6%
Public	-54.9 -6.1%	-8.2 -0.9%	+79.8 +9.5%

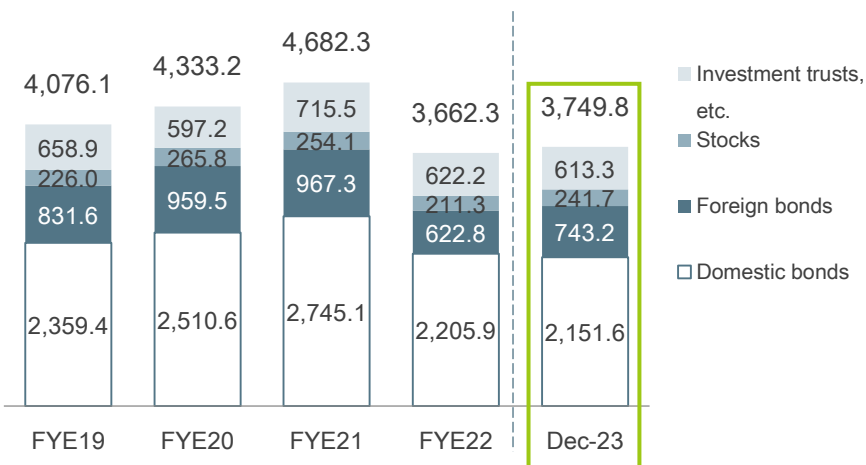
(Reference) YoY changes of interests of domestic loans since the business integration (¥bn)



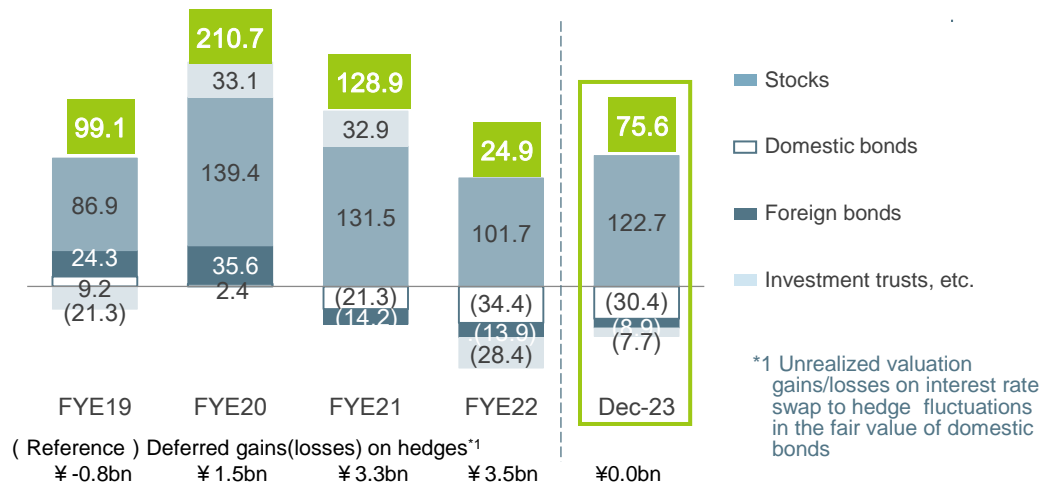
Securities(1) Portfolio Overall

Taking into consideration domestic and foreign monetary policy and stock markets' conditions, we have continued to restructure our portfolio. By the third quarter, we have sold yen and foreign currency denominated fixed bonds, domestic stocks and other securities, resulting in -¥11.0bn loss on securities.

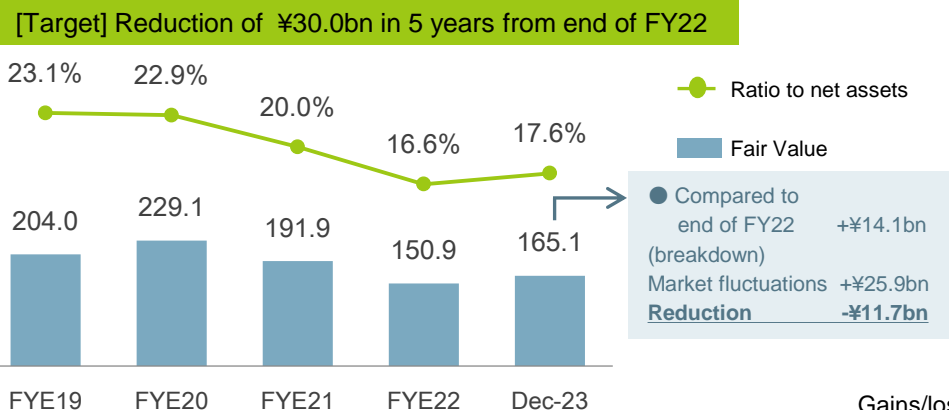
Balance(Carrying amount) (Mebuki FG) (¥bn)



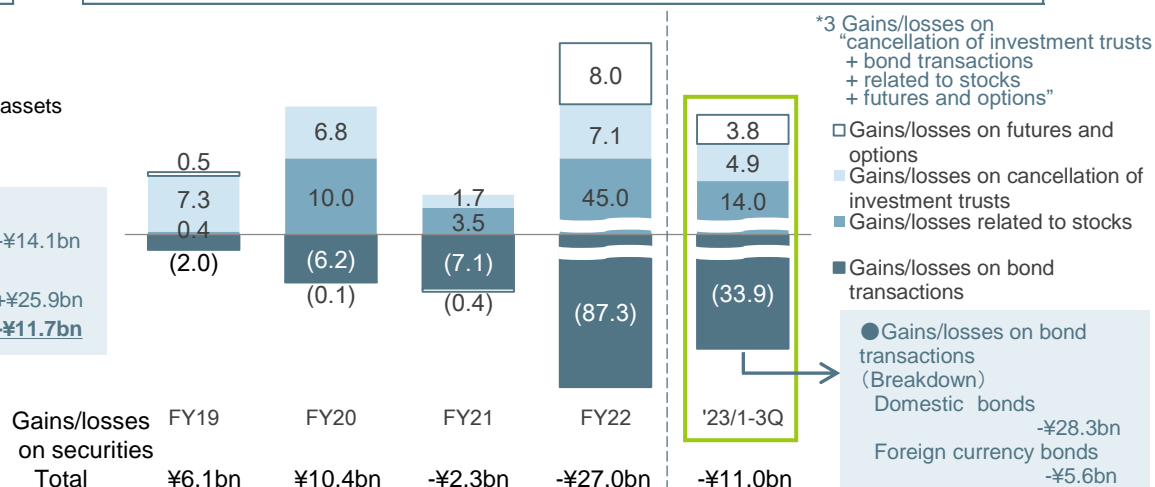
Unrealized valuation gains/losses on available for sales securities (Mebuki FG) (¥bn)



Strategic Shareholdings (Fair Value*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 Joyo Bank, which owns more than two-thirds stocks owned by Mebuki FG and subsidiaries.

Securities(2) Domestic Bonds

We restarted to purchase domestic bonds in stages capturing rising yields by the operational flexibility of YCC while keeping interest risk to a certain level. However, assuming the lifting of negative interest rates, we will continue to operate with a reasonable amount of investment capacity.

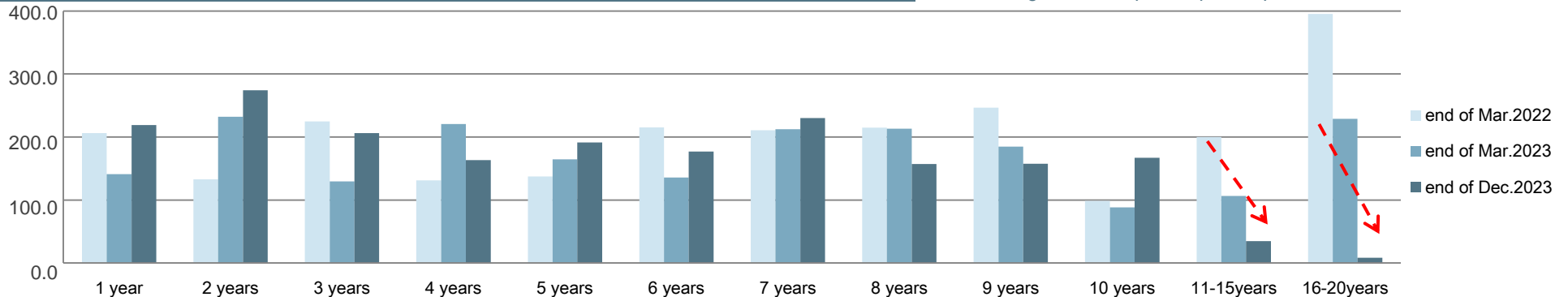
Overview of Domestic Bonds ^{*1} (Bank Total) (¥bn)

*1 Including bear funds and hedged swaps, etc.

	As of end of FY2021	As of end of FY2022 ①		1H FY2023	3Q (10-12) FY2023	1-3Q cumulative		As of end of Dec. 23 ②	Change ②-①
Balance	2,779.2	2,250.4	Purchase	Approx. +180.0	Approx. +240.0	Approx. +420.0	Balance	2,193.7	-56.6
Valuation gains/losses	-3.9	-19.4	Sales	Approx. -190.0	Approx. -120.0	Approx. -310.0	Valuation gains/losses	-22.1	-2.7
Yield	0.43%	0.42%	Redemption	Approx. -105.0	Approx. -60.0	Approx. -165.0	Yield	0.44%	+0.02%p
10bpv	-17.6	-11.4	Total	Approx. -115.0	Approx. +60.0	Approx. -55.0	10bpv	-9.7	+1.7
Duration	7.4 years	5.3 years	Gains /losses on securities (incl. cancellation of investment trusts)	-14.8	-13.5	-28.3	Duration	4.3 years	-0.9years

Status of Domestic Bond's Ladder ^{*2} (Bank Total) (¥bn)

*2 Excluding asset swaps and private placement bonds



Investment Stance

- Capturing rising yields by the operational flexibility of YCC while keeping interest risk to a certain level, we proceed with restoration of securities balance.

Securities(3) Foreign Currency Bonds

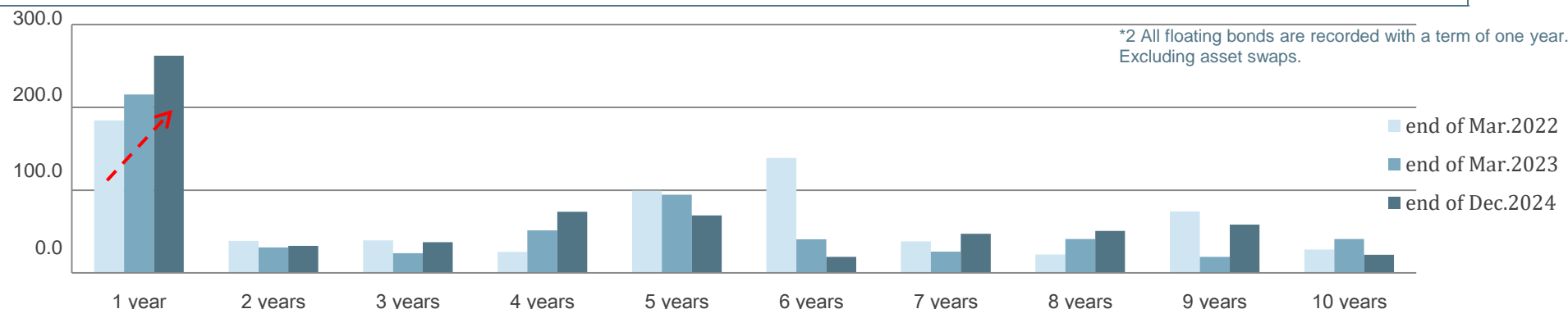
We have completed the sales of U.S.dollar denominated bonds, mainly low-yield fixed bonds, in the first half of the year. On the other hand, in addition to floating bonds, we restarted to invest in fixed bonds at a level that would enable securing interest margins over the medium to long term, looking ahead to the rate cut phase.

Overview of Foreign Currency Bonds (Bank Total, U.S.dollar denominated) (¥bn)

*1 U.S dollar denominated + Australian dollar denominated

	As of end of FY2021	As of end of FY2022 ^①		1H FY2023	3Q(10-12) FY2023	1-3Q cumulative		As of end of Dec. 23 ^②	Change ^{②-①}
Balance	689.1	603.9	Purchase	Approx.+150.0	Approx.+45.0	Approx.+195.0	Balance	723.1	+119.1
Yield	2.39%	4.68%	Sales	Approx. -60.0	—	Approx.-60.0	Yield	5.28%	+0.59%p
Funding cost	0.66%	4.28%	Redemption	Approx.-40.0	Approx.-15.0	Approx.-55.0	Funding cost	5.05%	+0.76%p
Margin	1.73%	0.39%	Total	Approx.+50.0	Approx.+30.0	Approx.+80.0	Margin	0.22%	-0.16%p
10bpv	-2.6	-1.9	Exchange rate factors			Approx.+40.0	10bpv	-2.1	-0.1
Duration	3.8 years	3.2 years	Gains /losses on securities (Foreign bonds total*1)	-4.9 (-5.6)	±0 (±0)	-4.9 (-5.6)	Duration	2.8 years	-0.4years

Status of Foreign Currency Bond's Ladder(Bank Total, U.S.dollar denominated*²) (¥bn)



Investment Stance

- While securing interest margins on floating bonds, we will also invest in fixed bonds based on a medium- to long-term perspective.

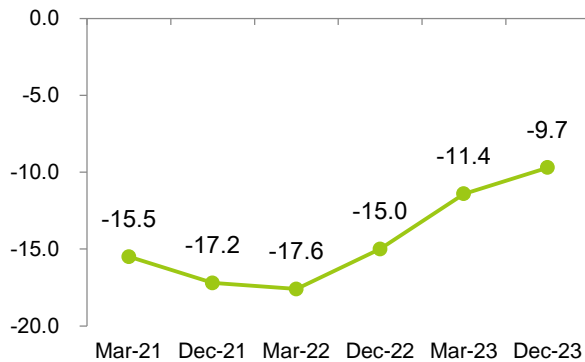
Securities(4) Controlling Interest Rates Risk

Regarding yen denominated bonds, we have controlled interest rate risk considering a possibility of change in monetary policy. In the future, we will make a full-scale investment when the interest rate rises.

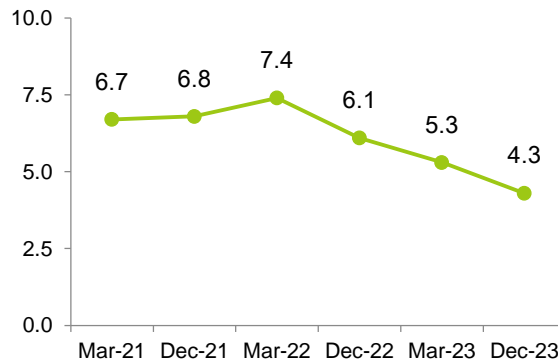
For foreign bonds, while also assuming that the U.S. will enter a phase of interest rate cuts, we have resumed investment in stages (raise Yields).

Yen-denominated Bonds*¹ (banks' total)

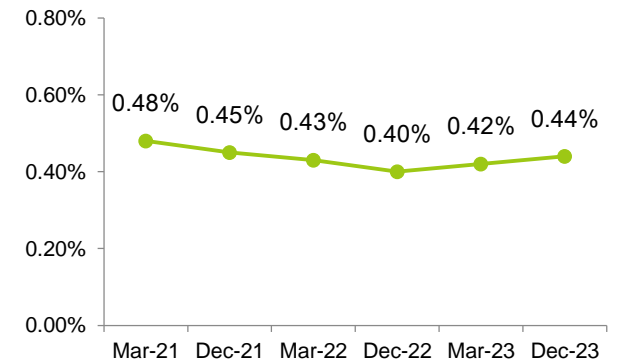
10bpv*² (¥bn)



Duration*³ (year)

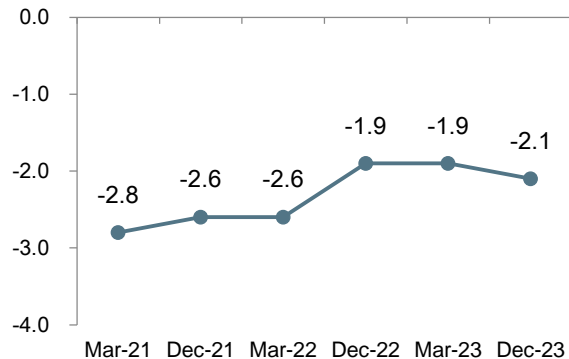


Yield (%)

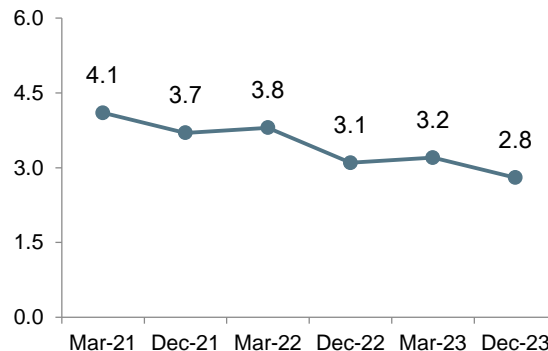


Foreign Bonds*¹ (banks' total / USD-denominated)

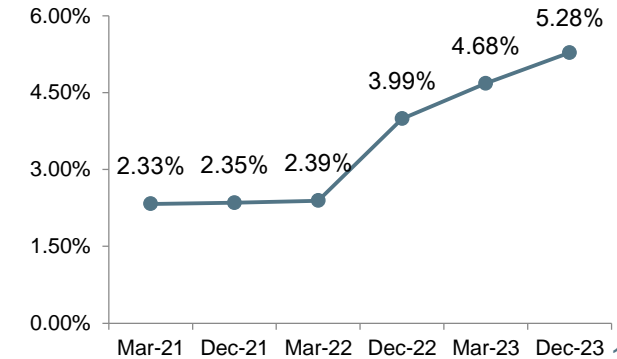
10bpv*² (¥bn)



Duration*³ (year)



Yield (Total of fixed and floating bonds: %)



*1 After considering hedging by bear funds and swaps

*2 Decrease in the present value when assuming interest rates rise by 10bp (0.10%) for all periods

*3 Average remaining period for principal in bonds investment

Forecast for FY2023 (1)

Mebuki FG (consolidated)				(¥bn)
	Forecast for FY2023	3Q23 Results	Progress	
Ordinary Profit	57.5	46.6	81.0%	
Net Income (Attributable to owners of the parent)	40.0	32.3	80.9%	

Total of Two Banking Subsidiaries				(¥bn)
	Forecast for FY2023	3Q23 Results	Progress	
Ordinary Profit	55.0	43.4	78.9%	
Net Income	38.5	30.3	78.9%	
(Credit Related Costs)	10.0	1.1	11.3%	

Subsidiary Banks (Joyo)				(¥bn)
	Forecast for FY2023	3Q23 Results	Progress	
Ordinary Profit	36.0	27.8	77.3%	
Net Income	25.0	19.5	78.2%	

(Ashikaga)				(¥bn)
	Forecast for FY2023	3Q23 Results	Progress	
Ordinary Profit	19.0	15.5	81.9%	
Net Income	13.5	10.8	80.0%	

Forecast for FY2023 (2)

Breakdown of Forecast for FY2023

	Forecast		3Q23	
	for FY23	YoY	Results	Progress
【Joyo+Ashikaga】				
Core gross business profit	170.5	-29.7	142.3	83.5%
Net interest income (Excluding gains/losses on cancellation of investment trusts)	132.5	-11.2	103.2	77.9%
Difference of interests between loans and deposit	107.5	+1.0	84.0	78.1%
Securities' income (Excluding gains/losses on cancellation of investment trusts)	25.0	-12.3	19.2	76.8%
Fees from customers *1	37.5	-3.7	30.2	80.7%
(excl. Income related to derivatives)	36.5	+0.4	28.1	77.1%
Expenses	105.5	+2.1	78.5	74.4%
Core net business income *2	65.0	-16.6	54.9	84.5%
Gains/losses on securities *3	0.0	+27.0	-11.0	-
Credit Related Cost	10.0	+0.8	1.1	11.3%
Ordinary profit	55.0	+9.7	43.4	78.9%
Net income *4	38.5	+6.9	30.3	78.9%

【Mebuki FG Consolidated】

Profits of Group Companies	4.0	-0.8	3.7	93.8%
Consolidation adjustment (Adjustments related to securities, etc.)	-2.5	+1.7	-1.7	70.3%
Net income attributable to owner of the parent	40.0	+7.8	32.3	80.9%

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

*2 Excluding gains/losses on cancellation of investment trusts and futures and options

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

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

Perspective at the end of 3Q23

- Full-year forecasts remain unchanged since the uncertainty about financial policy, geopolitical risks, etc., has not been dispelled.
- While we will control the plan of credit related costs (within ¥10.0bn), loss on sales of securities will be recognized.

【Market Scenario】

(Assumption for FY23 Forecast as of May, 2023)

	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%

Impact of Domestic Interest Rates Rising

Changes in monetary policy are expected to have a positive effect on interest on loans at a reasonable level. As for domestic bonds, we have secured the investment capacity. A certain level of increase in interest income will be expected by re-investment when the interest rate rises.

Impact on net interest income (estimation)

Assets side

(Yen denominated / As of Dec. 2023)

Loans 12.6 trillion (63%)	Floating rate 8.0 trillion (40%)	Short-term prime rate 5.5 trillion
		Market interest rate 1.9 trillion
		For MoF 0.7 trillion
		Fixed rate 4.5 trillion (23%)
Securities 2.9 trillion (14%)	Yen-dominated bonds 2.2 trillion (11%)	Maturity (within 5 years) 1.2 trillion
		Maturity (5-10 years) 1.1 trillion
		Maturity (over 10 years) 0.4 trillion
		Investment loans /stocks 0.7 trillion
Others 4.6 trillion (23%)	Deposits with BOJ 4.5 trillion (23%)	-

Total Assets
20.1 trillion

① Interest on yen denominated loans

(annual・¥bn)

(Level of policy interest rate)	Negative interest rate lifted (0.00%)	Zero interest rate lifted (0.10%)
Total of interest on loans (contribute to ROE)	+3.0 (+0.35%)	+6.5 (+0.76%)
Interest on floating loans	+2.0	+4.0
Market-linked rate	(+2.0)	(+4.0)
Short-term prime rate	(0)	(0)
Interest on fixed loans	+1.0	+2.5

② Interest and dividends on yen denominated bonds

- Through risk control to date, we have secured over ¥500 billion in investment capacity, and will restart to invest yen denominated bonds in the event of rising interest rate.

③ Interest paid on yen denominated deposits

- Interest rates on 5-year and 10-year time deposits increased in November 2023. Recently, there has been no new inflow or other movement of deposits.
- Interest rates on liquid deposits will be determined comprehensively, also taking into account policy rates and market interest rates.

Liabilities side

(Yen denominated / As of Dec. 2023)

Deposits 17.6 trillion (87%)	Floating rate 15.5 trillion (77%)	Liquid 13.3 trillion
		Fixed-term (less than 1 year) 1.7 trillion
		Negotiable 0.4 trillion
		Fixed rate (Term deposits) 2.1 trillion (11%)
Market borrowing 0.6 trillion (3%)	Short-term borrowing 0.6 trillion (3%)	Fixed-term (1-less than 5 years) 2.1 trillion
		Fixed-term (over 5 years) 0.1 trillion
Others 1.9 trillion (9%)	Borrowing from BoJ 1.9 trillion (9%)	-

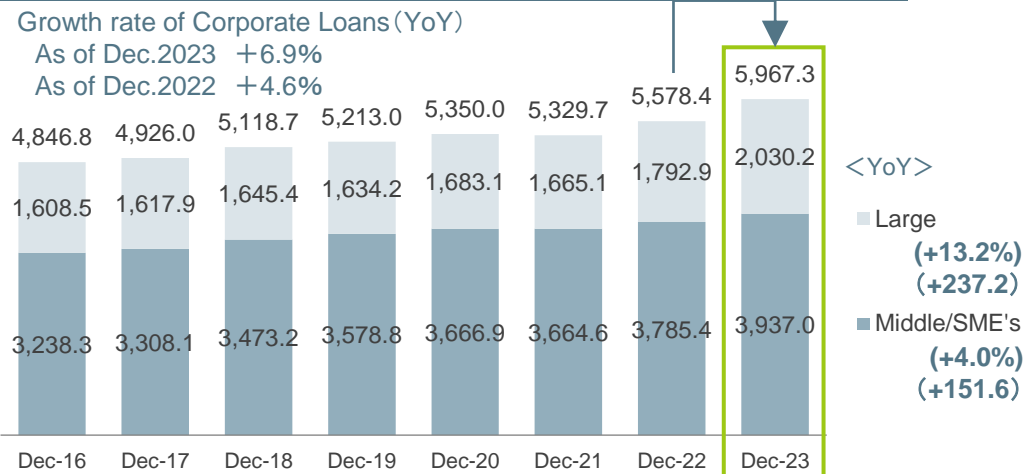
Total liabilities
20.1 trillion

2. Details of Financial Results for the Third Quarter of FY 2023

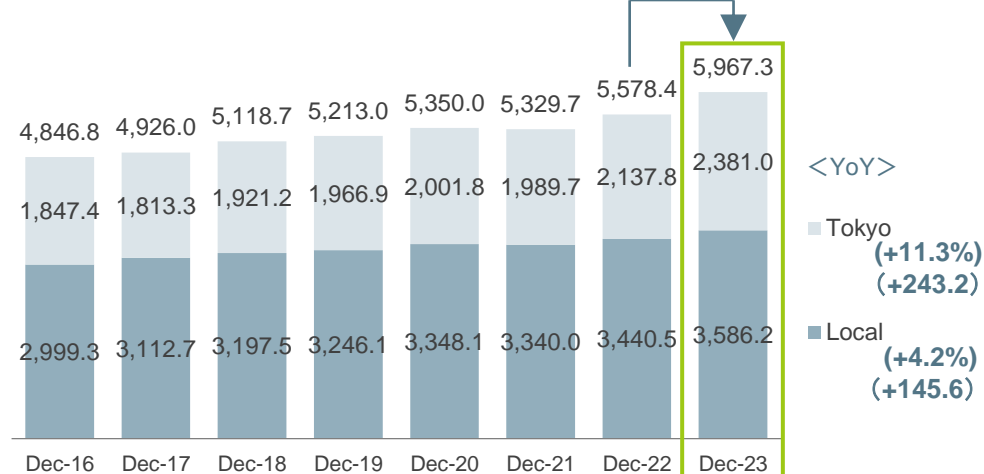
Loans (1) Corporate Loans

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.

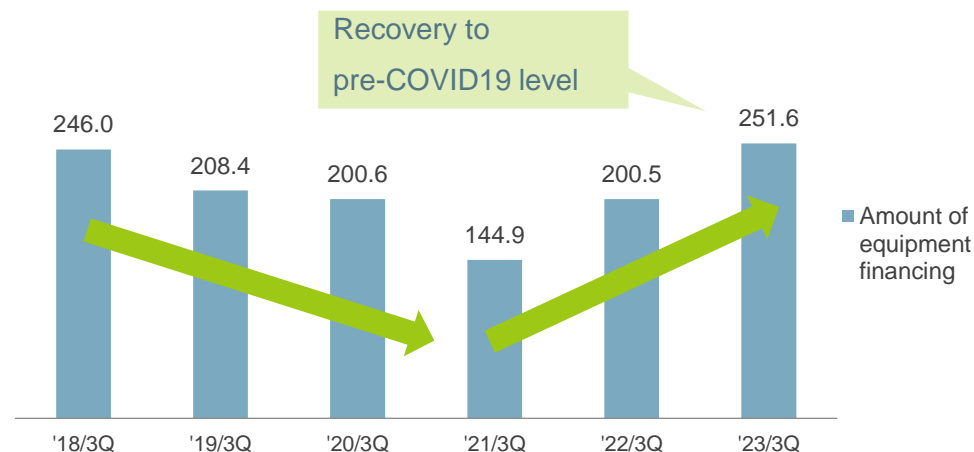
Change of Balance by Corporate Size (¥bn)



Change of Balance by Geographic Area (¥bn)



Amount of Equipment Financing*1 (¥bn)



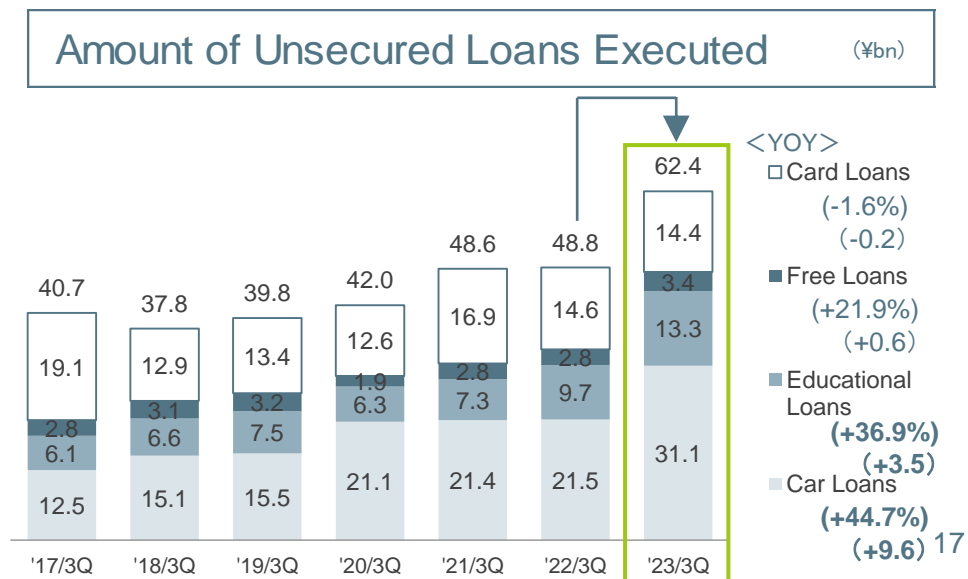
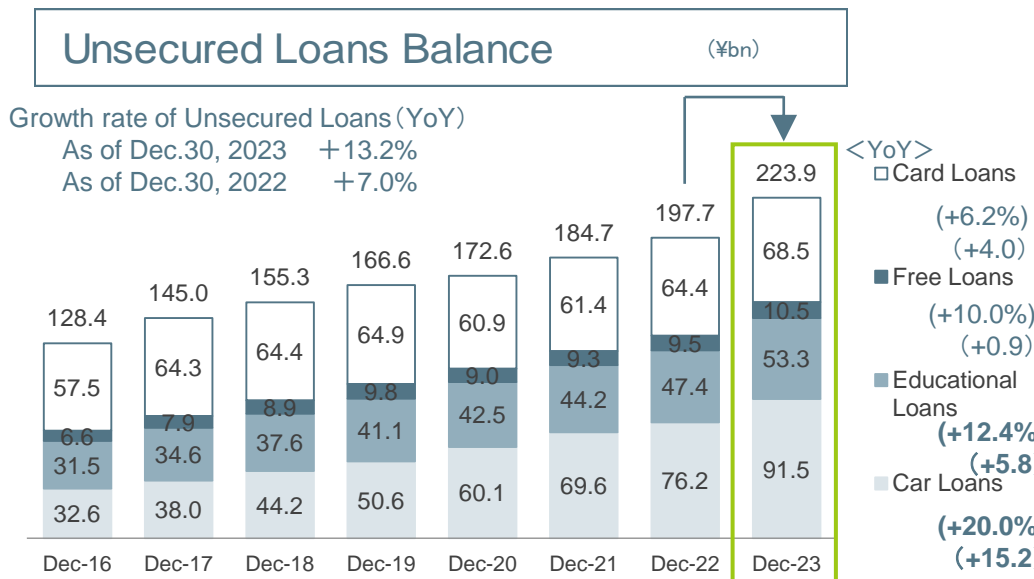
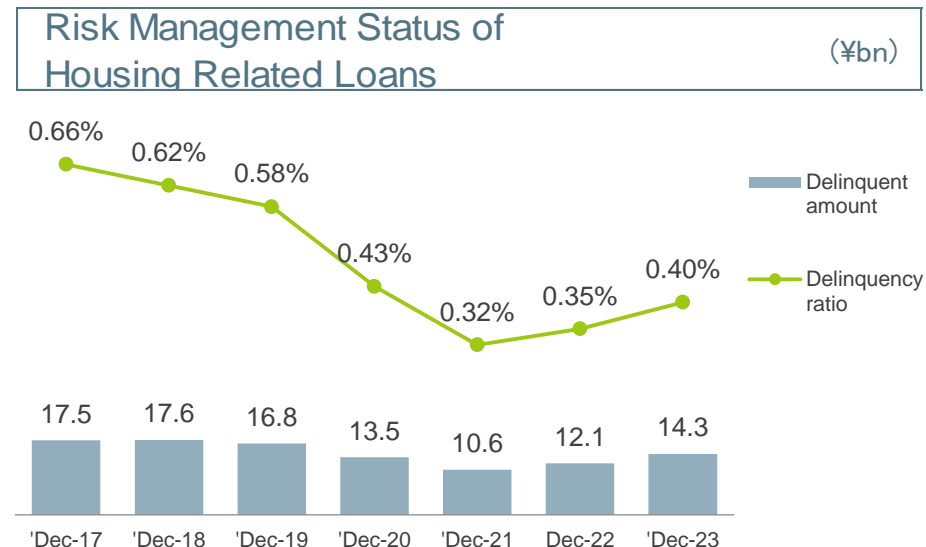
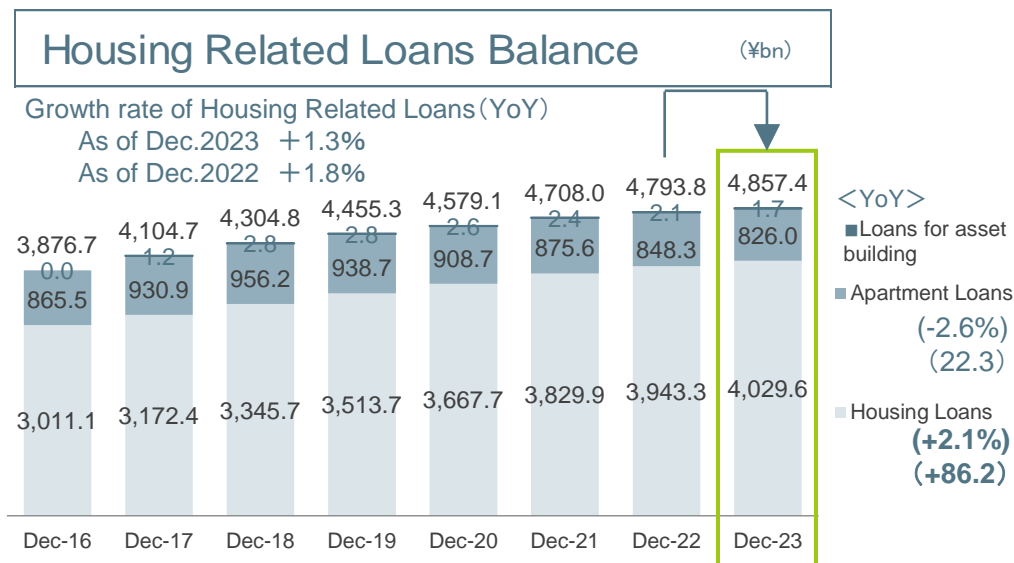
Top 5 industries by Increase in loans (¥bn)

	Amount of increase/decrease (YoY) (Annual change ratio)			Balance Dec-23
	Dec-23	Dec-22	Dec-21	
Financial and insurance	+120.3 (+28.0%)	+35.5 (+9.0%)	+10.2 (+2.7%)	549.9
Manufacturing	+47.0 (+3.8%)	+55.7 (+4.7%)	-68.3 (-5.4%)	1,296.0
Real estate	+45.9 (+3.0%)	+47.9 (+3.2%)	-19.6 (-1.3%)	1,573.4
Wholesale / Retail services	+40.3 (+3.8%)	+42.2 (+4.2%)	-7.2 (-0.7%)	1,094.8
Electricity, gas and water	+30.3 (+10.1%)	+14.8 (+5.2%)	+20.2 (+7.6%)	330.6

Loans (2) Loans to Individual Customers

Housing loans maintained increase trend with its delinquency ratio at a low level.

The annualized growth rate of unsecured loans increased significantly from +7% range to +13% range.



Average Yield of Loans / Net Interest Income

Difference of interests between loans and deposits increased significantly in both yen and foreign currency denominated loans by 4.6bn YoY.

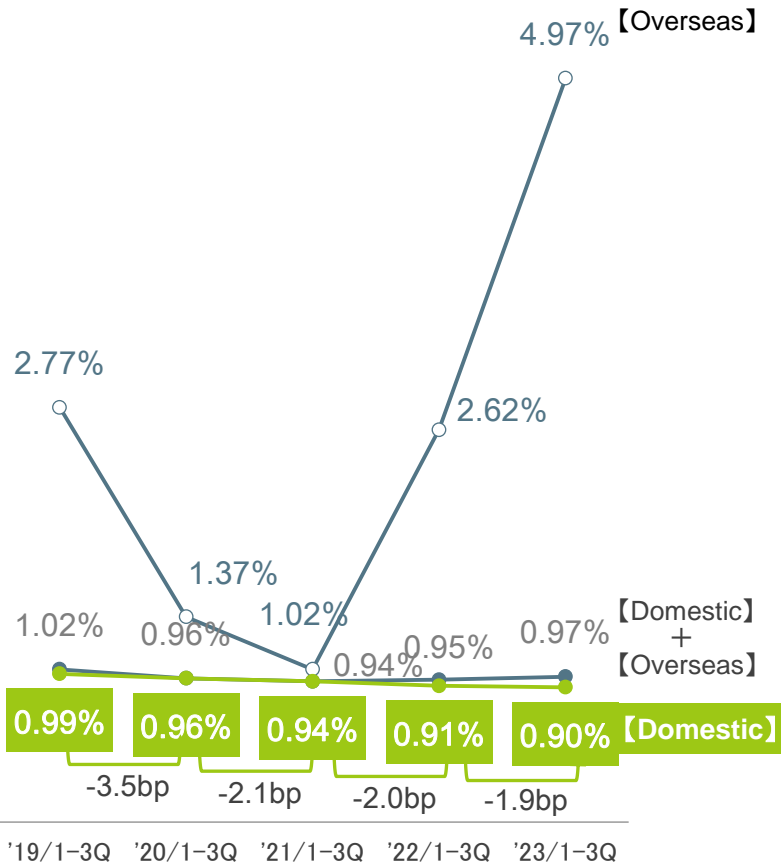
Securities' income (excluding gain on cancellation of investment trusts) decreased by ¥11.1bn YoY due to the increase of costs such as market borrowings.

We will continuously enhance net interest income 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

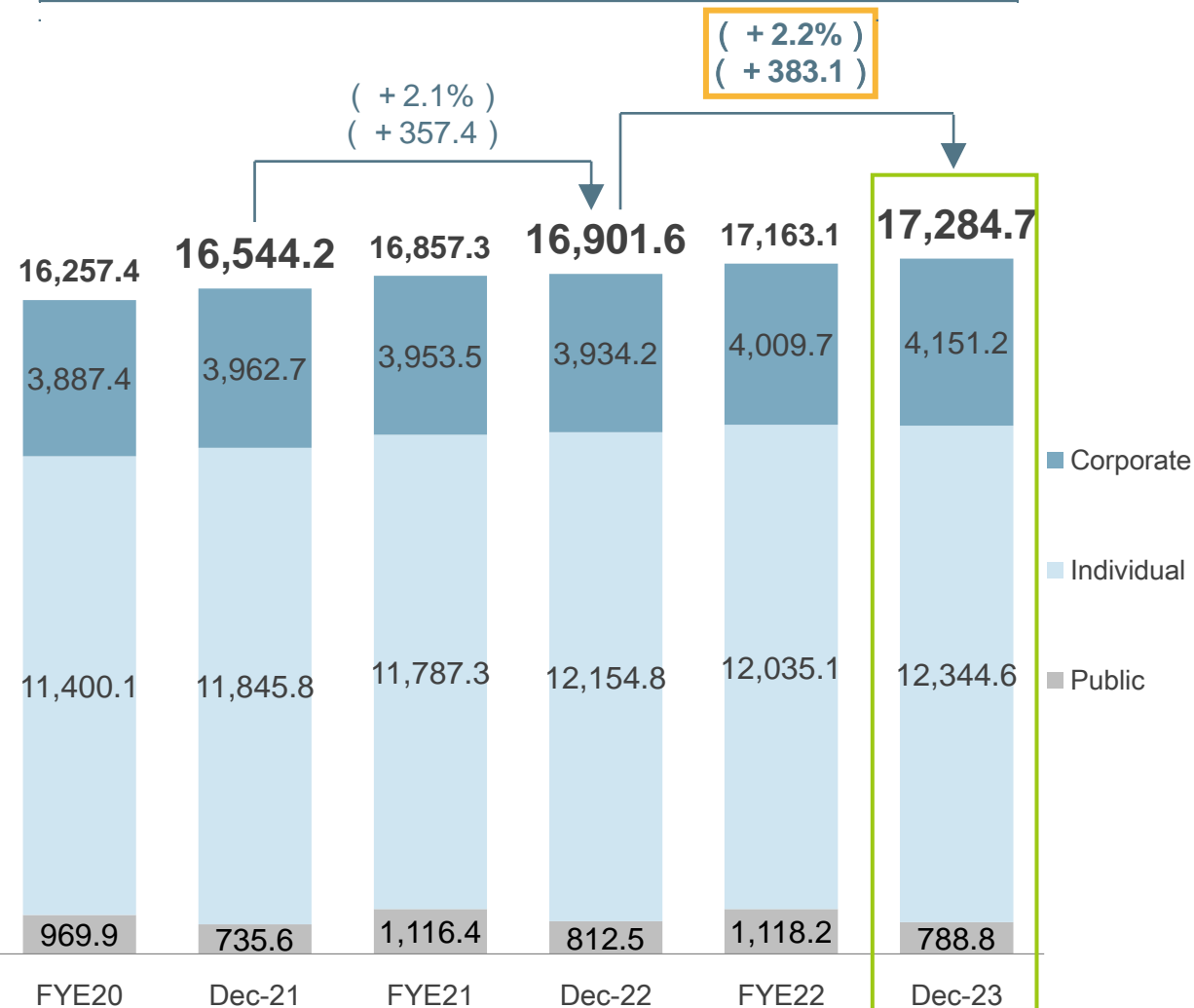
Results	YoY Change (Factor)	YoY Change			
		Domestic	Chg. in Factors	Overseas	Chg. in Factors
Interest on loans and bills discounted	Avg Balance	+3.7	+3.9 (+572.6)	-0.1	(-5.5)
	Yield	+2.1	-1.6 (-1.9bp)	+3.7	(+235.2bp)
	86.9	+5.8	+2.2	-	+3.6
Interest on deposits (-)		+1.1	-0.0	-	+1.2
Difference of interests between loans and deposits ①	84.0	+4.6	+2.3	-	+2.3
Interest and dividend on securities	Avg Balance	-8.5	-4.7 (-591.1)	-3.7	(-142.4)
	Yield	+11.1	+0.2 (+1.0bp)	+10.9	(+176.1bp)
	48.2	+2.6	-4.5	-	+7.1
(o/w gains on cancellation of Investment Trusts)	4.9	-0.9	-0.9	-	±0
(excluding gains on cancellation of Investment Trusts)	43.2	+3.5	-3.6	-	+7.1
Market borrowings, etc. (-)	26.3	+14.6	-0.2	-	+14.8
Securities' Income (excluding gains on cancellation of Investment Trusts) ②	16.9	-11.1	-3.4	-	-7.6
Special Funds-Supplying Operations by Bank of Japan ③	2.2	-1.2	-1.2	-	±0
Net Interest Income (excluding gains on cancellation of Investment Trusts) ①+②	103.2	-7.6	-2.3	-	-5.3

Deposits Term-end Balance

Balance of deposits from all sectors increased by ¥383.1bn YoY (+2.2% annualized).

The impact of the COVID-19 pandemic has calmed down and the growth rate of deposits is decreasing.

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



Year on Year Changes (¥bn)

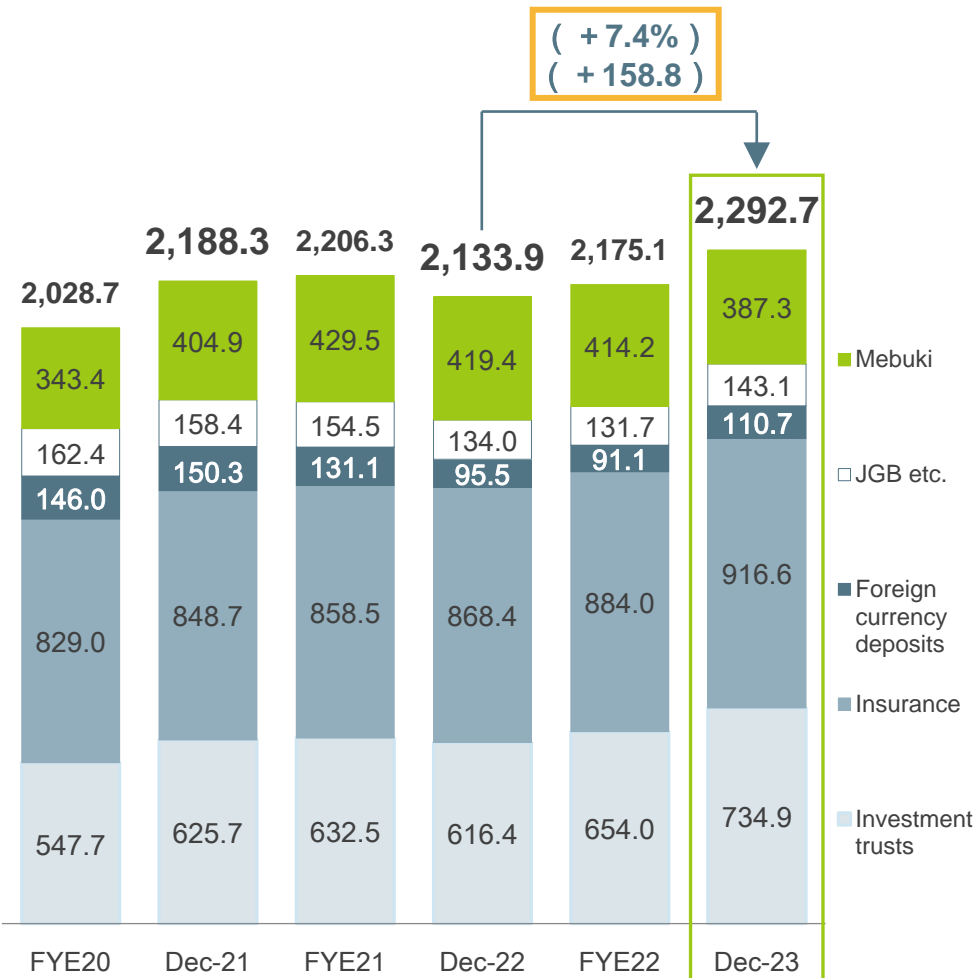
	21-Dec	22-Dec	23-Dec
Total	+623.0 +3.9%	+357.4 +2.1%	+383.1 +2.2%
Corporate	+52.9 +1.3%	-28.4 -0.7%	+216.9 +5.5%
Individual	+429.6 +3.7%	+308.9 +2.6%	+189.8 +1.5%
Public	+140.4 +23.5%	+76.9 +10.4%	-23.7 -2.9%

Customer Assets under Custody

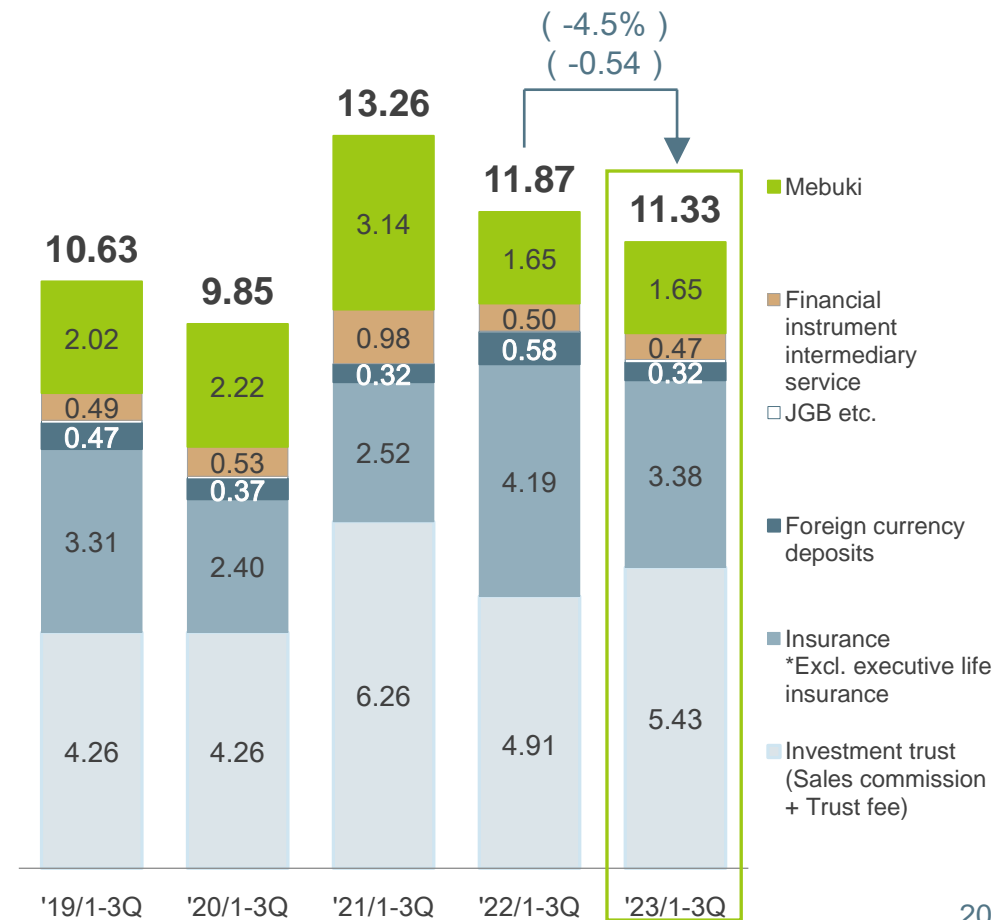
Balance of customer assets under custody increased by ¥158.8bn YoY (+7.4% annualized) due to the increase mainly in investment trusts and insurance.

Related commissions remained at the same level of the previous year.

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



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

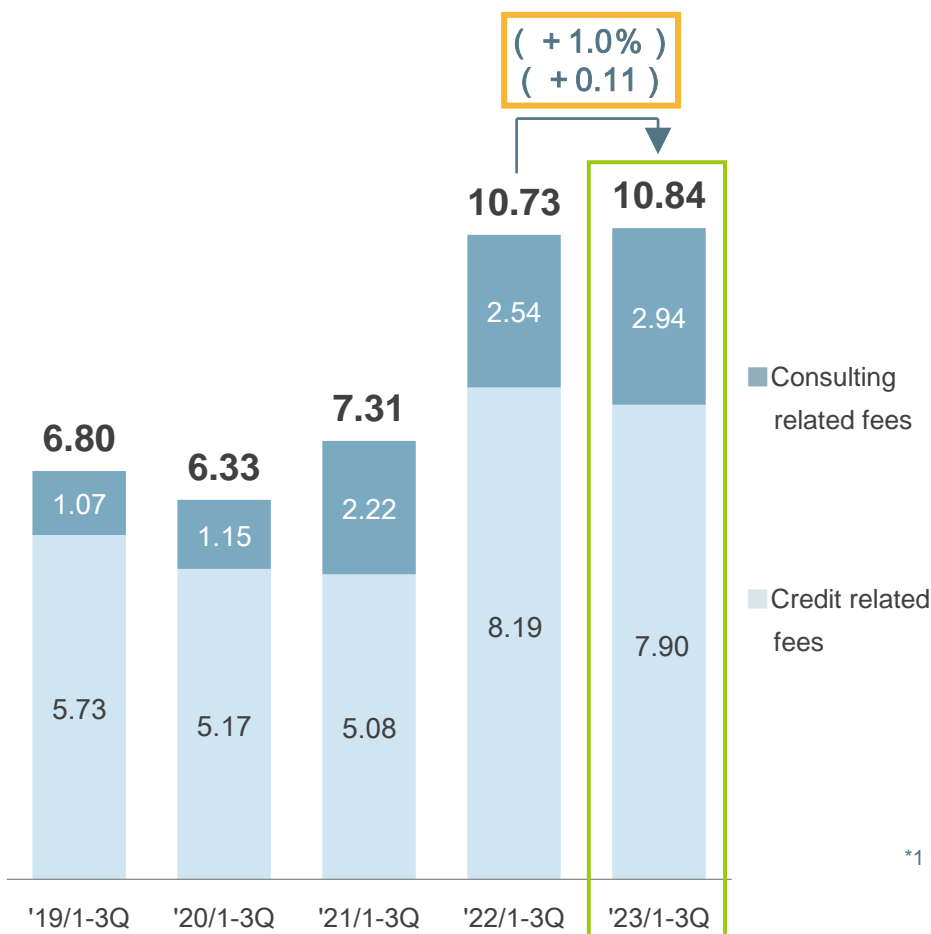


Fees from Corporate Customers (1)

Fees from corporate customers increased by ¥0.1bn YoY to ¥10.8bn, due to the increase of origination fees of syndicated loans and business planning support fees.

We will continue to provide business support services through consulting proposals.

Joyo Bank + Ashikaga Bank (¥bn)



< Breakdown of Fees from Corporate Customers >

	FY21 1-3Q	FY22 1-3Q	FY23 1-3Q	YoY
Credit related (1)	5.06	9.08	7.59	-1.49
Derivatives	0.87	4.52	2.12	-2.40
Syndicate loans	3.20	3.61	4.57	+0.96
Private placement bonds	0.98	0.94	0.88	-0.05
Consulting related (2)	2.22	2.54	2.94	+0.40
Business Matching	0.68	0.83	0.96	+0.12
Support for business planning	0.52	0.80	1.22	+0.42
M&A	0.52	0.45	0.32	-0.12
Executive Insurance	0.39	0.35	0.33	-0.02
Trust · 401K	0.10	0.09	0.10	+0.00
Sub total (3) ((1)+(2))	7.29	11.62	10.53	-1.09
Credit risk in derivative transactions*1 (-) (4)	-0.01	0.89	-0.31	-1.20
Total (3) +(4)	7.31	10.73	10.84	+0.11

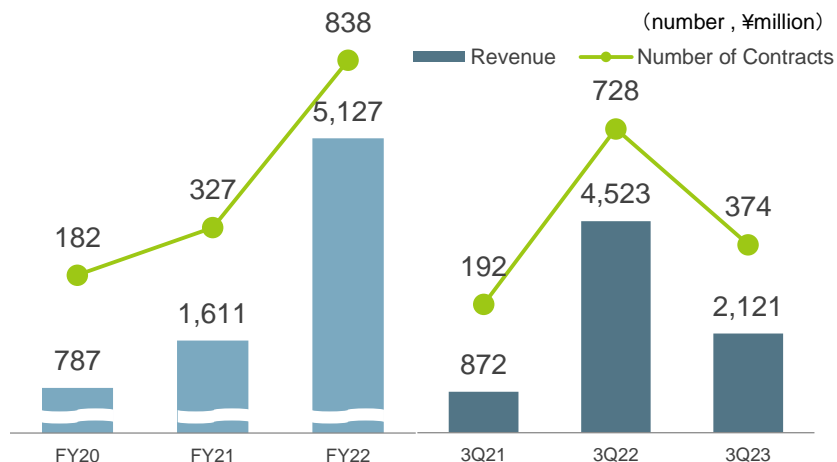
*1 Difference between CVA and DVA at the each end of the previous period and the third quarter.
 CVA(Credit Valuation Adjustment) reflects the credit risk of counterparties in derivative transactions in the market value.
 DVA(Debt Valuation Adjustment) reflects the credit risk of our two banking subsidiaries in the market value. 21

Fees from Corporate Customers (2)

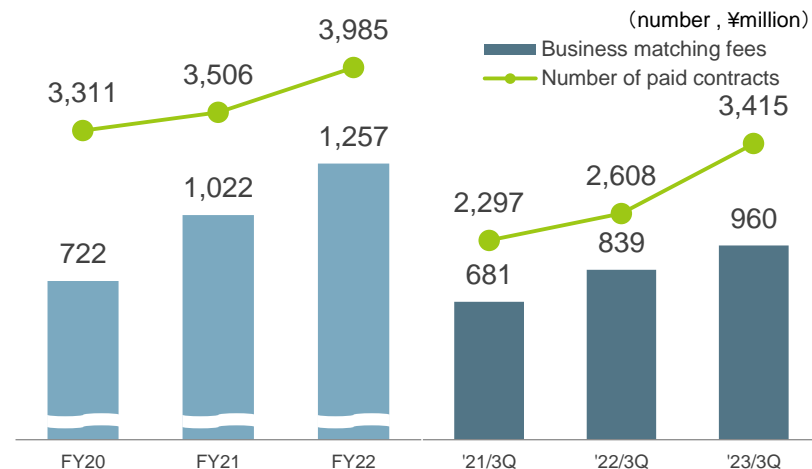
We share management issues with our customers through escorted support in corporation with head office and branches.

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

Derivatives

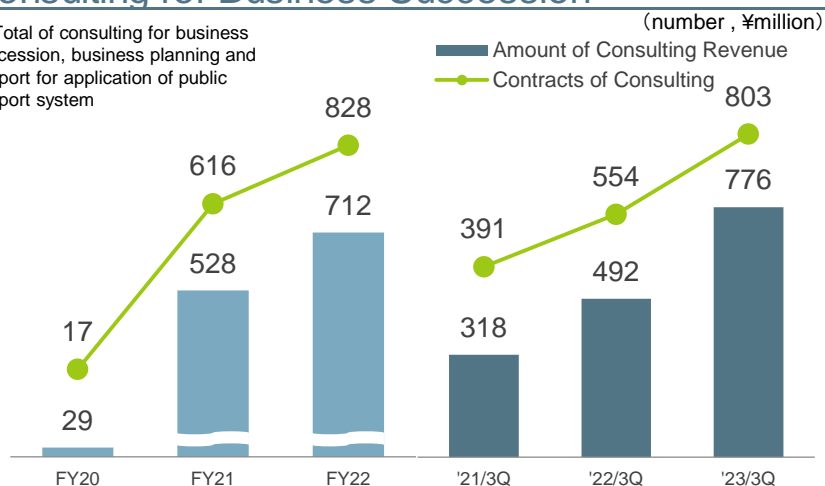


Business Matching

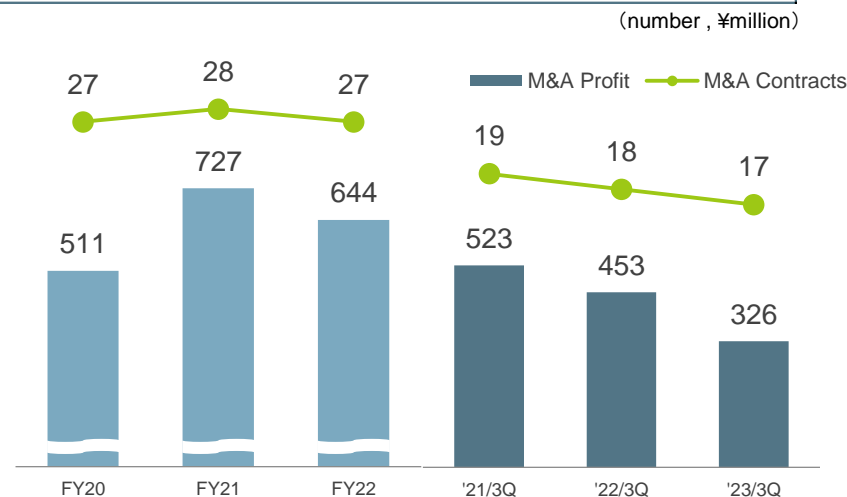


Support for Business Planning / Consulting for Business Succession*1

*1 Total of consulting for business succession, business planning and support for application of public support system



M&A Consultations

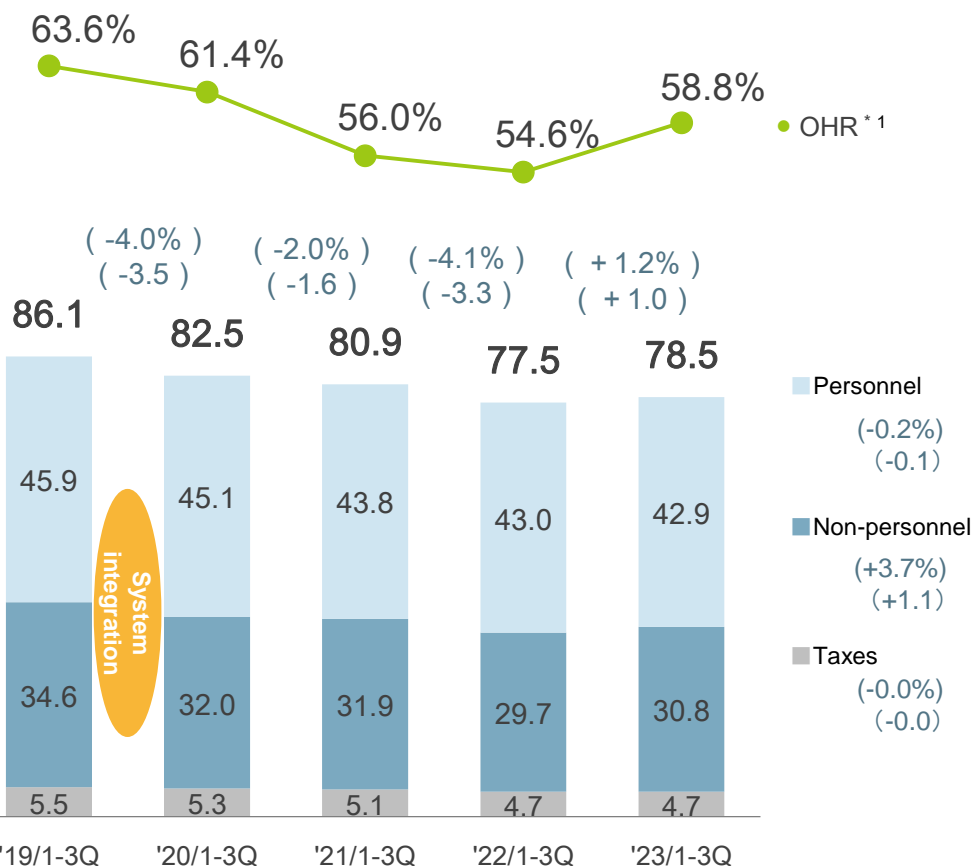


Expenses / OHR

We strengthened positive investments such as human capital- and DX-related investments, while at the same time continuing to reduce existing costs (natural decrease in number of employees, etc.) and controlling total expenses.

OHR, indicator of efficiency, remains in 50.0% range.

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)】

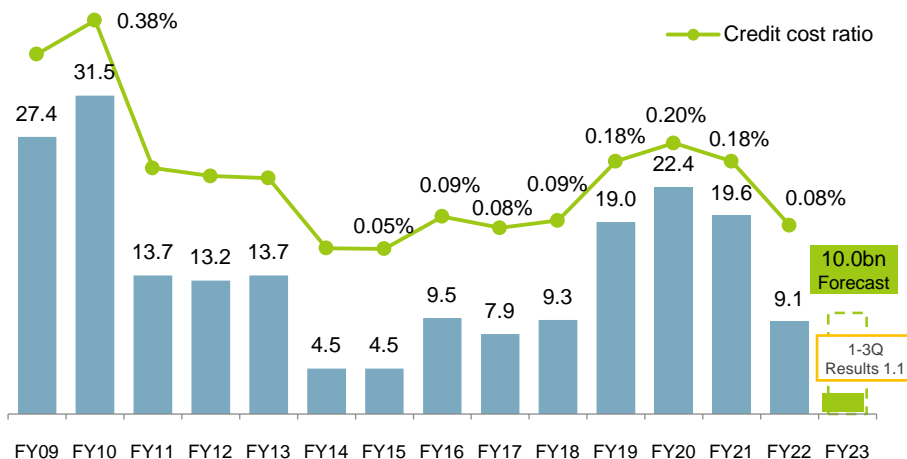
	FY23 1-3Q	YoY	Main factors
Personnel expenses	42.9	-0.1	<ul style="list-style-type: none"> ● Increase in salary and starting salary +0.4 ● Personnel reduction ,etc. -0.4
Non-personnel expenses	30.8	+ 1.1	<ul style="list-style-type: none"> ● DX related investments +0.3 (Investment trusts management system, marketing tool usage fees, etc.) ● Responding to new banknote +0.2
Taxes	4.7	-0.0	—

Credit Related Costs

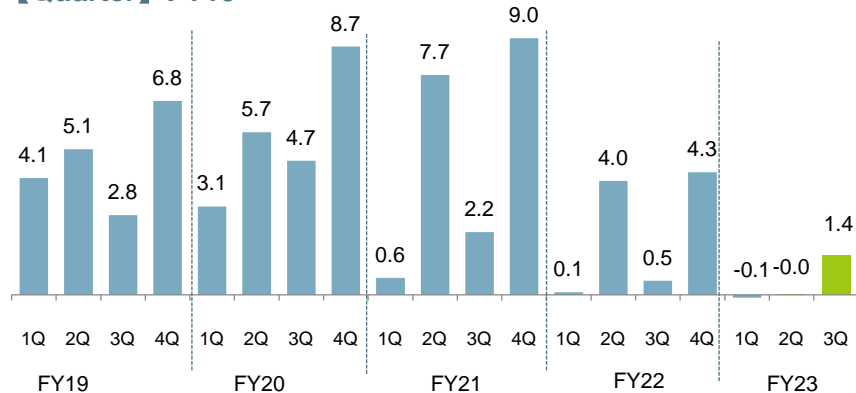
Credit related costs improved by ¥3.5bn (YoY) to ¥1.1bn, due to a reversal of -¥4.8bn in general allowance for loan losses. Repayments from loan borrowers based on the COVID-19 Special Loan Program have been made in accordance with their initial terms, and there are no circumstances under which credit costs would increase.

Change of Credit Related Costs (¥bn)

【Annual】FY09~



【Quarter】FY19~



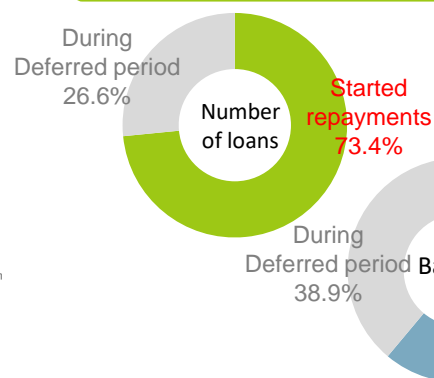
Breakdown on Credit Related Costs (¥bn)

	FY22 1-3Q	FY23 1-3Q	YoY
Credit Related Costs	4.7	1.1	-3.5
Net transfer to general allowance for loan losses	△1.0	(-4.8)	+1.0
Disposal of non-performing loans	5.7	1.1	-4.6
Write off of loans	2.1	2.1	-0.0
Transfer to specific allowance for loan losses	4.5	(4.4)	-4.5
Transfer to provision for contingent losses	0.1	-0.0	-0.2
Reversal of allowance for loan losses(-)	-	0.3	+0.3
Recoveries of written-off claims(-)	1.6	1.2	-0.4
Other	0.5	0.6	+0.1

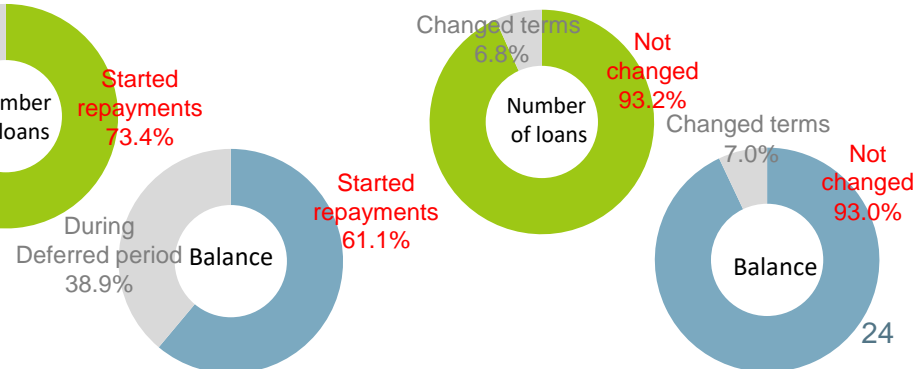
Status of Repayments of Loans based on the COVID-19 Special Loan Program (as of Dec. 30, 2023)

Balance of Loans by the Program (Bank total) 10,314 loans / ¥163.5bn

Status of Contractual Repayments



Status of Changes of Terms

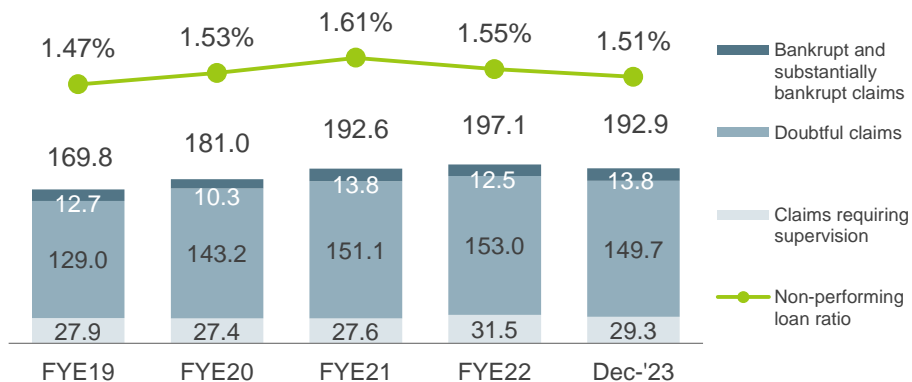


Status of Non-performing Loans and Delinquent Loans

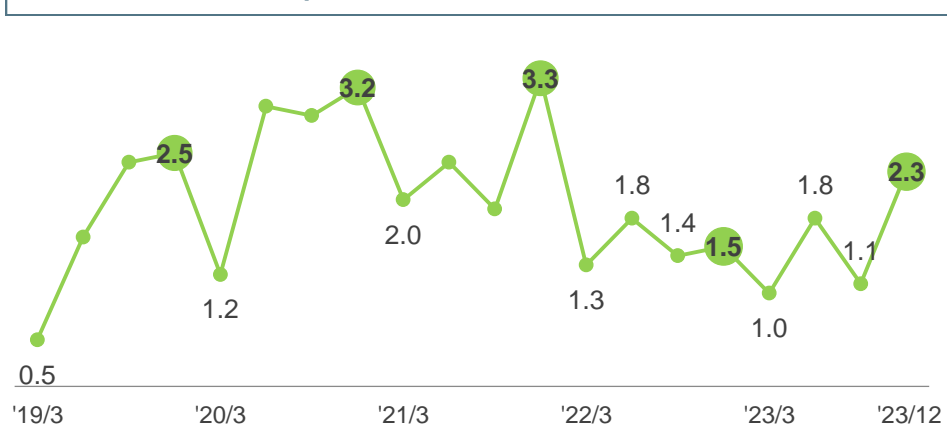
Non-performing loans based on financial revitalization law ratio to total amount of loans declined by 0.04% point from the end of previous fiscal year.

The number of bankruptcies increased in both Ibaraki and Tochigi Prefectures, while the total amount of liabilities of bankrupt companies decreased.

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

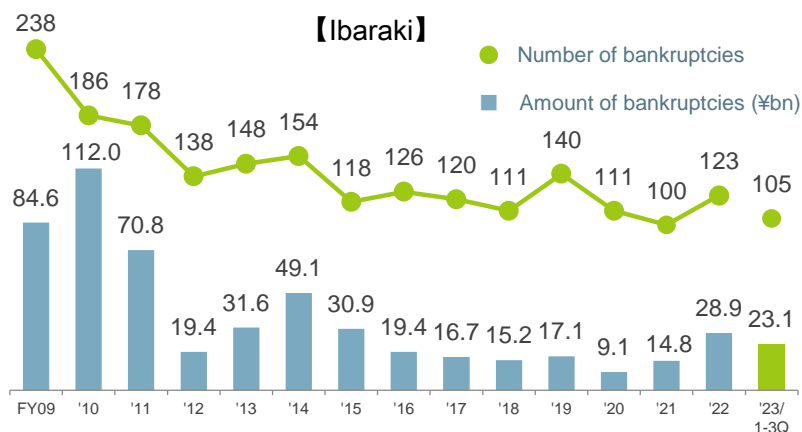


Status of Delinquent Loans to Businesses (¥bn)

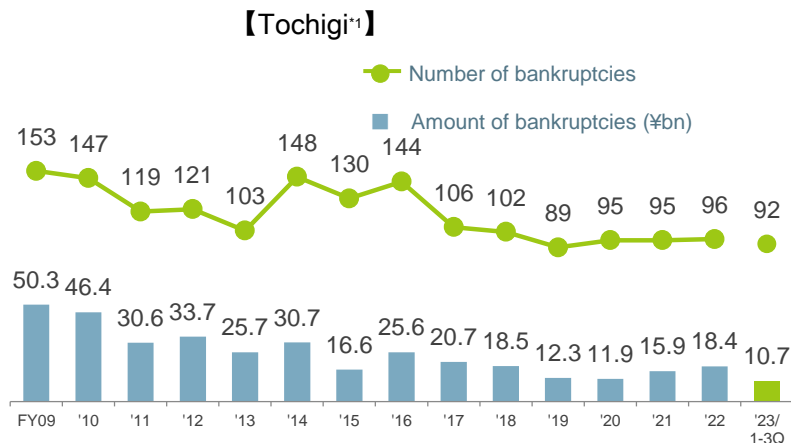


【Reference】Status of Bankruptcy

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



(Number/Amount)
3Q21 (Apr-Dec) 72/ ¥8.5bn
3Q22 (Apr-Dec) 93/ ¥25.1bn
3Q23 (Apr-Dec) 105/ ¥23.1bn



(Number/Amount)
3Q21 (Apr-Dec) 72/ ¥14.5bn
3Q22 (Apr-Dec) 75/ ¥15.3bn
3Q23 (Apr-Dec) 92/ ¥10.7bn

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

Shareholder Return / Capital Adequacy Ratio

Last November, we revised shareholder return policy, changing the target of total return ratio from “30% or more” to “40% or more”.

We cancelled 72 million treasury shares (6.61% of number of issued shares) on February 20, 2024.

Shareholder Return Policy (Revised in Nov. 2023)

We will **target a Total Return Ratio^(*) of 40% 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.

<Target level>

Total return ratio
30% or more



Total return ratio
40% or more

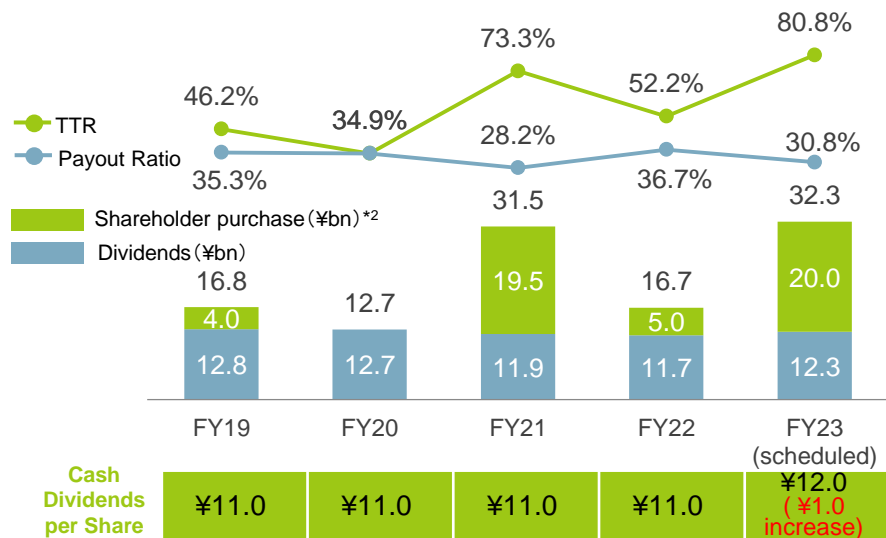
Growth
investments

Shareholder
returns

Soundness

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

Dividends, Shareholder Returns



*2 Figures are rounded to the nearest 100 million yen.

Cancellation of Treasury Shares (Decided in Jan. 2024)

【Type of shares to be cancelled】 Common shares

【Total number of shares to be cancelled】

72,000,000 shares

(Equivalent to 6.61% of the issued shares before cancellation)

【Date of cancellation】

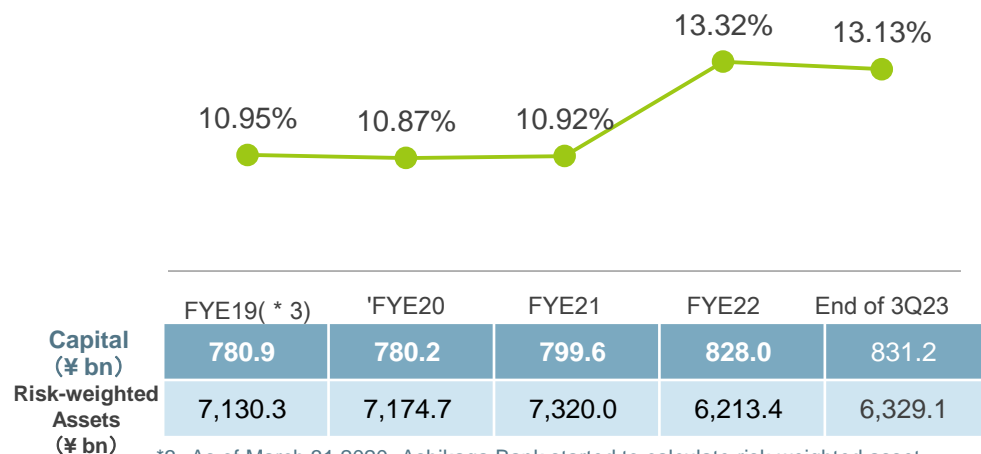
February 20, 2024

<Reference>

Total number of issued shares after cancellation

1,017,055,218 shares (including treasury shares)

Capital Adequacy Ratio (Mebuki FG consolidated)



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

3. Progress Topics of the Third Medium-Term Business Plan

【Progress Topics ①】 Challenges to Expand Business Areas

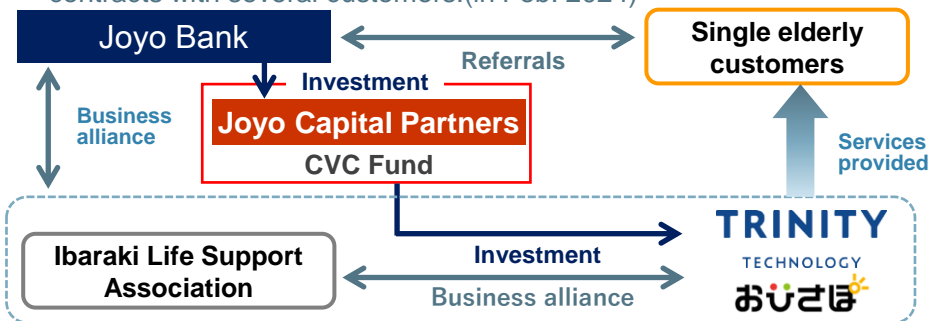
We started to provide new asset management and succession services through the investment by our subsidiaries specializing in investment. In addition, we have made progress in our efforts to solve local problems such as support for business succession through the acquisition of 100% shares of a local company.

The Joyo Capital Partners Co., Ltd.

Collaboration with Investee Companies

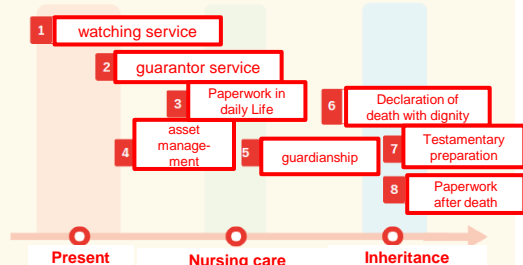
Providing asset management and succession services for elderly customers

- Based on the business alliance with Trinity Technology Co., Ltd. that provides asset management and succession services for the elderly, and a local association, we started to introduce “OHISAPO” a voluntary guardianship service that includes a package of watching service and asset management function, etc. for the single elderly customers. (in Nov. 2023)
- Since the start of this alliance, we have captured asset management/succession needs of single elderly customers and have already signed contracts with several customers.(in Feb. 2024)



身元保証、資産管理、見守りetc.
家族の代わりにずっと寄り添う

おひさほ
“OHISAPO” service



Wing Capital Partners, Ltd.

Support for Business Succession

Objectives and Synergies

- We acquired 100% shares of Caters Inc.(head office, Utsunomiya) for the purpose of supporting stable business succession. (in Nov. 2023)
- Collaborating with the company and leveraging its system development capabilities and digital technology, we will work to strengthen the sales force, improve productivity and ICT of local customers, as well as create synergies.



Overview of investee company

- Trade Name Caters Inc.
- Established 2004
- Business
WEB System Development, Web design, E-commerce site production, etc.
- Features
Develop and provide tailor-made cloud-based business systems, and work on DX in the region

【Progress Topics ②】 Promoting DX (For Individual Customers)

Banking App is permeating as a main banking channel for individual customers. In the future, we aim to utilize data generated from customer contact points to enhance marketing sophistication and consulting functions.

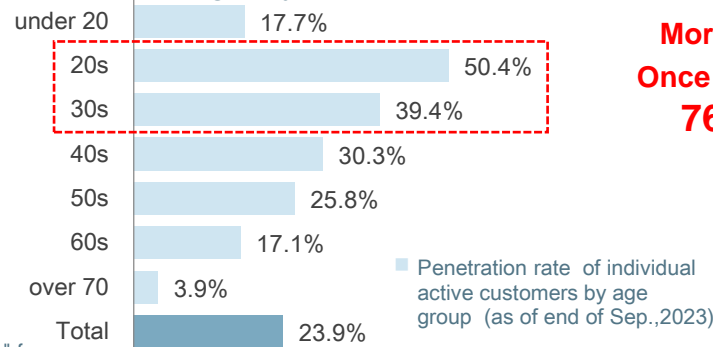
Banking App

- The number of cumulative App users ("Joyo Banking App" and "Ashikaga Bank App") exceeded 1 million.

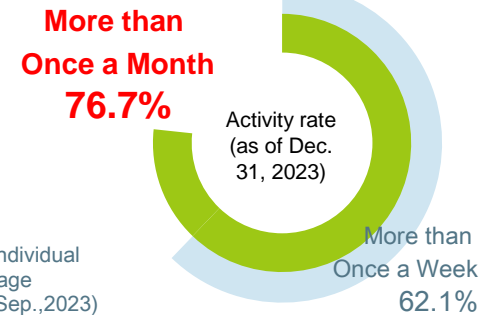


*1 The "average of the ratings in App Store" and "average of the ratings in Google Play" for Joyo Banking App and Ashikaga Bank App were added and divided by 2. (as of October 2023)

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

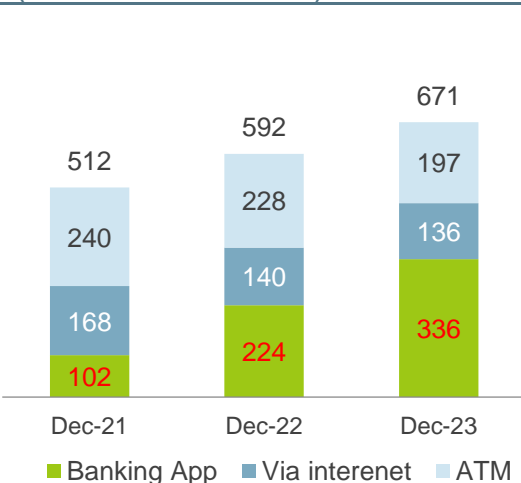


- Used by over 70% of customers more than once a month, due to the suitable functions for daily use and UI / UX.

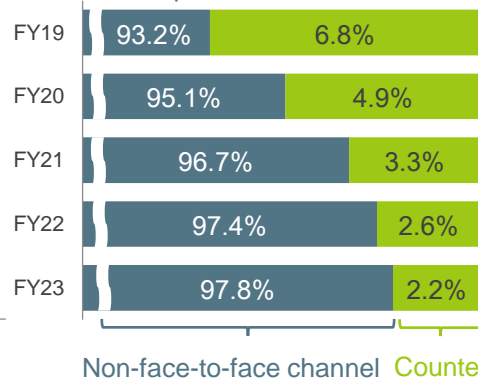


Number of transfers by non-face-to-face channel (Individual customers)

(Number: thousand)

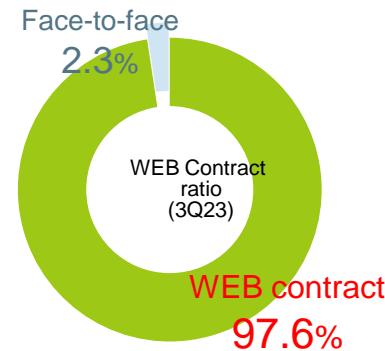


< Reference >
Shift to non-face-to-face channels*2 for transfer procedures



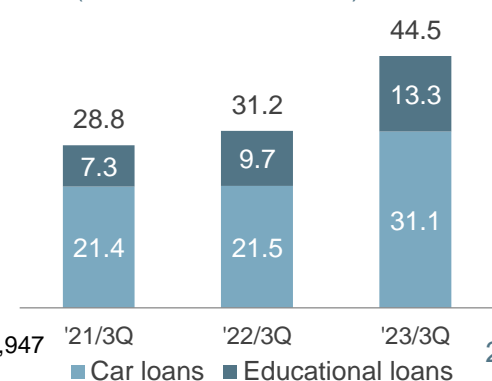
*2 ATM+Via internet (Individual/Corporate)+Banking App

Online(WEB) Contract of Car/Educational Loans



Number of WEB contracts 17,519 / Total 17,947

< Reference >
Amount of loans executed (Car/Educational Loans) (¥bn)

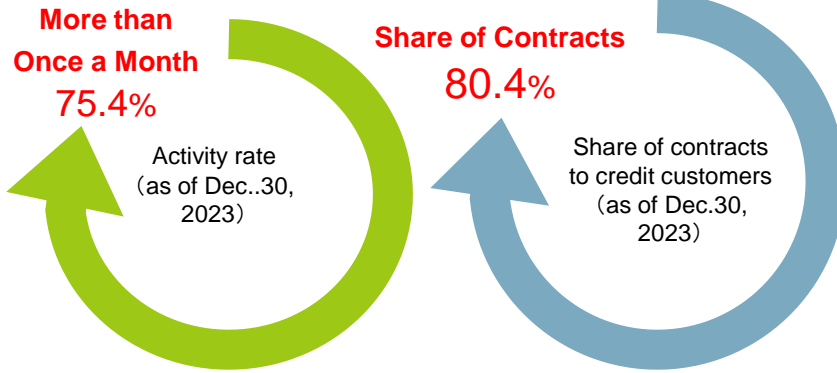


【Progress Topics ②】 Promoting DX (For Corporate Customers)

In addition to the Company (certified in Nov.2022), the two subsidiary banks were also certified as a "DX Certified Business Operator" (in Jan.2024) based on the DX Certification System established by the Ministry of Economy, Trade and Industry. We return our know-how on DX promotion to local regions and customers as DX consulting services.

Corporate Internet Banking Services

- Number of service users (as of Dec.30, '23) : **65,522** companies



Corporate Portal Site

- Joyo Bank provides DX support services for SME's "Mikatano Series".
- Ashikaga Bank provides portal site services for businesses "Ashigin BizLink".

Main function	Centralized managing multiple accounts and their deposit and withdrawal details	Cumulative users 13,878 companies (bank total as of Dec.30,2023)						
	Managing work time and attendance, business communication, etc.							
	Billing and Preservation System for Invoice System and Law on Book and Record Keeping through Electronic Methods							
Merit	<table border="0"> <tr> <td>Customers</td> <td> <ul style="list-style-type: none"> ● Improved efficiency of accounting work ● Paperless operations </td> <td></td> </tr> <tr> <td>Our group</td> <td> <ul style="list-style-type: none"> ● Accumulation of transaction data </td> <td></td> </tr> </table>	Customers	<ul style="list-style-type: none"> ● Improved efficiency of accounting work ● Paperless operations 		Our group	<ul style="list-style-type: none"> ● Accumulation of transaction data 		Utilizing for sophisticated sales business such as marketing and forecasting funding needs
	Customers	<ul style="list-style-type: none"> ● Improved efficiency of accounting work ● Paperless operations 						
Our group	<ul style="list-style-type: none"> ● Accumulation of transaction data 							

Digital Contract Services (Business, Housing, Apartment Loans)

- Effect of digital contract

<Customers>

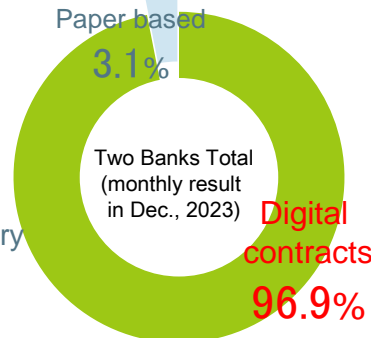
- ✓ No need to sign or stamp the contract
- ✓ No revenue stamps required
- ✓ Possible to contract via the internet by PC, tablet and Smartphone

<Banks>

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

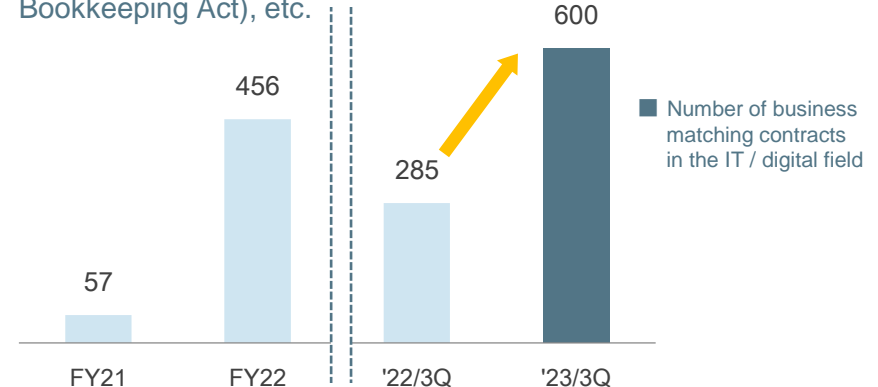
- Digital Contracts Ratio (Business*1 and Housing Loans)

※ Business loans: New certificate loans + Changes of conditions



DX Support through Business Matching

- Expanding needs for back-office efficiency systems for personnel and labor management, time and attendance management, and compliance with legal revisions (invoice system, Electronic Bookkeeping Act), etc.



【Progress Topics ③】 Initiatives for Sustainability

In addition to decarbonization, we started to take initiatives for natural capital and biodiversity by participating in the TNFD Forum (in Jan.2024).

And we were recognized by CDP survey on climate change (FY2023) with " B " rating (+2 notches from the previous year).

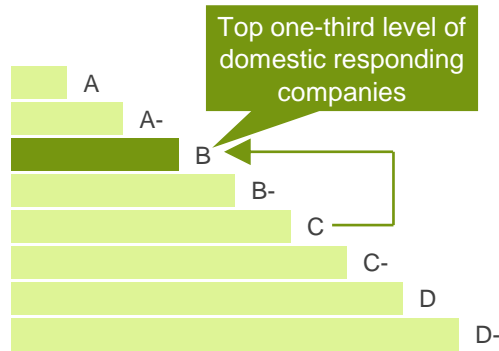
Endorsement and participation in initiatives



- Our main business areas, Ibaraki and Tochigi Prefectures, are rich and diverse in nature, including Ramsar Convention wetlands such as Hinuma, Watarase Yusuichi and Oku-Nikko wetlands.
- Our Group will work together with stakeholders such as local communities and customers to conserve natural capital and biodiversity, and contribute to the realization of Nature Positive.



- We were recognized with **"B" rating, 2 notches above** the previous year' (FY2023) regarding information disclosure on CO2 emissions and initiatives for response to climate change.



- For accelerating sustainability initiatives including response to climate change, we are taking efforts to actively participate in other initiatives.



- Sustainability Data Standardization Consortium
- Endorsement of "Keidanren Declaration for Biodiversity and Guideline"

Sustainable Finance

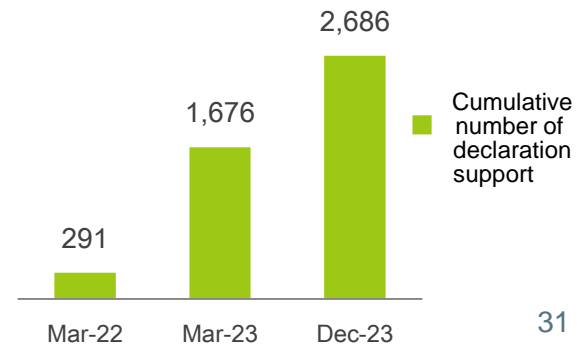
Definition of Sustainable Finance

"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 3Q23	(Reference)	
			Compared to end of FY22	Progress
Sustainable Finance	¥3 trillion	¥975.6bn	+¥360.2bn	32.5%
O/W Environmental field	¥2 trillion	¥610.8bn	+¥262.9bn	30.5%

Support for Planning SDGs Declaration (Nov. 2021 ~)

Supporting customers' external PR by setting up dedicated pages on the websites of two subsidiary banks



【Data】 Breakdown of Banking subsidiaries

【Data】 Breakdown of Banking subsidiaries

(1) P/L for 3Q23

(¥ b n)

	J+A	YoY	Joyo	YoY	Ashikaga	YoY
Gross business profit	108.4	+10.8	58.2	+13.8	50.1	-3.0
(Core Gross business profit)	142.3	-13.6	81.9	-13.1	60.4	-0.5
Net interest income	108.2	-8.5	64.9	-3.2	43.3	-5.2
o/w Gains/losses on Cancellation of Investment trusts	4.9	-0.9	3.9	+0.2	0.9	-1.1
Net fees and commissions	26.9	+0.7	14.6	-0.6	12.2	+1.3
Net other business income and Net trading income	-26.7	+18.6	-21.3	+17.7	-5.4	+0.9
(o/w gains/losses on bond transactions)	-33.9	+24.5	-23.6	+27.0	-10.2	-2.4
Expenses	78.5	+1.0	44.0	+0.7	34.5	+0.2
o/w Personnel expenses	42.9	-0.1	24.3	+0.0	18.6	-0.1
o/w Non-personnel expenses	30.8	+1.1	16.9	+0.6	13.8	+0.4
Net business income (before general allowance for loan losses)	29.8	+9.8	14.2	+13.1	15.5	-3.2
Core net business income	63.8	-14.7	37.9	-13.8	25.8	-0.8
Core net Business Income						
(exclu. Gains/losses on Cancellation of Investment trusts)	58.8	-13.7	33.9	-14.0	24.8	+0.3
(exclu. Gains/losses on "Cancellation of investment trusts", "Futures" and "Options")	54.9	-9.5	34.1	-5.7	20.8	-3.7
Net transfer to general allowance for loan losses (a)	—	+1.0	—	+0.3	-0.8	-0.1
Net business income	29.8	+8.8	14.2	+12.7	16.4	-3.0
Net non-recurrent gains/losses	13.5	-10.1	13.6	-11.6	-0.8	+0.7
o/w Disposal of non-performing loans (b)	1.1	-4.6	-0.2	-3.3	2.2	-0.3
o/w Gains/losses related to stocks, etc.	14.0	-15.6	12.4	-16.1	1.6	+0.4
Ordinary profit	43.4	-1.2	27.8	+1.0	15.5	-2.3
Extraordinary income/losses	(0.4)	-0.2	(0.4)	-0.3	0.0	+0.0
Net income	30.3	-1.0	19.5	+0.6	10.8	-1.6
Profit from customer services * 1	35.7	+2.7	21.7	+1.7	13.9	+0.9
Credit related costs (a)+(b)	1.1	-3.5	-0.2	-3.0	1.4	-0.5

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

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

		FY19	FY20	FY21	FY22	3Q23	YoY	3Q22
J+A	Domestics	0.99%	0.96%	0.93%	0.91%	0.90%	-0.01%	0.91%
	Overseas	2.67%	1.29%	1.04%	3.02%	4.97%	2.35%	2.62%
	Total	1.02%	0.96%	0.94%	0.95%	0.97%	0.02%	0.95%
Joyo	Domestics	0.97%	0.93%	0.91%	0.90%	0.88%	-0.01%	0.90%
	Overseas	2.69%	1.30%	1.05%	3.11%	5.16%	2.47%	2.69%
	Total	1.01%	0.94%	0.92%	0.96%	1.00%	0.04%	0.95%
Ashikaga	Domestics	1.02%	0.99%	0.96%	0.93%	0.92%	-0.02%	0.94%
	Overseas	2.48%	1.19%	0.98%	2.23%	3.19%	1.19%	2.00%
	Total	1.03%	0.99%	0.96%	0.94%	0.92%	-0.01%	0.94%

【Data】 Breakdown of Banking subsidiaries

(3) Loans Term-end Balance

		(¥ b n)						
		FYE19	FYE20	FYE21	FYE22	Dec-23	YoY	Dec-22
J+A	Individual	4,795.9	4,924.8	5,045.4	5,136.7	5,188.0	+83.7	5,104.2
	Corporate	5,181.3	5,369.6	5,347.4	5,694.8	5,967.3	+388.8	5,578.4
	Public	980.2	983.7	915.9	988.5	916.1	+79.8	836.3
	Total	10,957.5	11,278.1	11,308.8	11,820.1	12,071.4	+552.4	11,519.0
Joyo	Individual	2,624.6	2,687.7	2,740.2	2,786.4	2,806.2	+36.6	2,769.6
	Corporate	3,002.6	3,103.0	3,091.3	3,313.1	3,503.8	+250.9	3,252.9
	Public	612.8	562.7	498.1	548.8	585.6	+79.6	506.0
Total	6,240.1	6,353.6	6,329.7	6,648.4	6,895.8	+367.2	6,528.6	
Ashikaga	Individual	2,171.3	2,237.0	2,305.1	2,350.3	2,381.7	+47.0	2,334.6
	Corporate	2,178.6	2,266.5	2,256.0	2,381.6	2,463.4	+137.9	2,325.4
	Public	367.4	420.9	417.8	439.6	330.4	+0.2	330.2
	Total	4,717.3	4,924.5	4,979.0	5,171.6	5,175.6	+185.2	4,990.3

* Not including borrowing from special account of MoF

Foreign Currency Denominated Loans		(¥ b n)						
		FYE19	FYE20	FYE21	FYE22	Dec-23	YoY	Dec-22
J+A		164.2	162.6	150.6	151.0	144.3	-5.0	149.3
Joyo		146.8	150.0	139.5	140.4	136.1	-1.6	137.8
Ashikaga		17.3	12.6	11.0	10.5	8.1	-3.3	11.4

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

		(¥ b n)						
		FYE19	FYE20	FYE21	FYE22	Dec-23	YoY	Dec-22
J+A	Housing Loans	3,546.5	3,711.7	3,860.8	3,972.9	4,029.6	+86.2	3,943.3
	Apartment Loans	933.6	902.3	871.2	845.2	826.0	-22.3	848.3
	Asset building loans	2.8	2.6	2.4	1.9	1.7	-0.3	2.1
	Total	4,483.0	4,616.7	4,734.5	4,820.2	4,857.4	+63.5	4,793.8
Joyo	Housing Loans	1,719.5	1,809.7	1,889.9	1,955.2	1,986.2	+47.8	1,938.3
	Apartment Loans	748.6	722.8	694.2	672.8	655.7	-19.4	675.2
	Asset building loans	2.8	2.6	2.4	1.9	1.7	-0.3	2.1
	Total	2,471.1	2,535.1	2,586.5	2,630.0	2,643.6	+27.9	2,615.7
Ashikaga	Housing Loans	1,826.9	1,902.0	1,970.9	2,017.6	2,043.4	+38.4	2,004.9
	Apartment Loans	185.0	179.5	177.0	172.4	170.3	-2.8	173.1
	Asset building loans	-	-	-	-	-	-	-
	Total	2,011.9	2,081.5	2,147.9	2,190.1	2,213.7	+35.6	2,178.0

(5) Unsecured Loans Term-end Balance

		(¥ b n)						
		FYE19	FYE20	FYE21	FYE22	Dec-23	YoY	Dec-22
J+A	Car Loans	52.0	63.3	71.4	79.0	91.5	+15.2	76.2
	Educational Loans	42.5	43.4	45.4	49.3	53.3	+5.8	47.4
	Free Loans	9.8	9.1	9.3	9.7	10.5	+0.9	9.5
	Card Loans	65.4	61.2	62.4	66.0	68.5	+4.0	64.4
	Total	169.9	177.1	188.6	204.2	223.9	+26.1	197.7
Joyo	Car Loans	35.2	45.4	50.6	53.2	57.8	+5.1	52.7
	Educational Loans	34.0	34.3	35.5	38.1	40.5	+3.6	36.8
	Free Loans	3.5	3.6	3.8	4.1	4.3	+0.3	4.0
	Card Loans	26.0	23.7	24.8	26.7	27.7	+1.8	25.9
Total	98.8	107.1	114.8	122.2	130.4	+10.8	119.5	
Ashikaga	Car Loans	16.8	17.8	20.8	25.8	33.6	+10.1	23.5
	Educational Loans	8.5	9.1	9.9	11.2	12.7	+2.2	10.5
	Free Loans	6.2	5.4	5.5	5.6	6.2	+0.6	5.5
	Card Loans	39.4	37.5	37.5	39.2	40.8	+2.2	38.5
	Total	71.0	70.0	73.8	82.0	93.4	+15.2	78.2

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

		(¥ b n)						
		FYE19	FYE20	FYE21	FYE22	Dec-23	YoY	Dec-22
J+A	Large	1,635.4	1,688.2	1,674.3	1,890.4	2,030.2	+237.2	1,792.9
	Medium/SMEs	3,545.9	3,681.3	3,673.0	3,804.4	3,937.0	+151.6	3,785.4
	Total	5,181.3	5,369.6	5,347.4	5,694.8	5,967.3	+388.8	5,578.4
Joyo	Large	1,165.1	1,220.6	1,206.9	1,338.7	1,429.9	+140.8	1,289.1
	Medium/SMEs	1,837.4	1,882.3	1,884.3	1,974.3	2,073.9	+110.0	1,963.8
	Total	3,002.6	3,103.0	3,091.3	3,313.1	3,503.8	+250.9	3,252.9
Ashikaga	Large	470.2	467.6	467.3	551.6	600.3	+96.4	503.8
	Medium/SMEs	1,708.4	1,798.9	1,788.7	1,830.0	1,863.1	+41.5	1,821.5
Total	2,178.6	2,266.5	2,256.0	2,381.6	2,463.4	+137.9	2,325.4	

(7) Loans Corporate Term-end Balance by Area

		(¥ b n)						
		FYE19	FYE20	FYE21	FYE22	Dec-23	YoY	Dec-22
J+A	Tokyo	1,967.5	2,021.9	2,009.4	2,235.5	2,381.0	+243.2	2,137.8
	Local	3,213.8	3,347.6	3,337.9	3,459.3	3,586.2	+145.6	3,440.5
	Total	5,181.3	5,369.6	5,347.4	5,694.8	5,967.3	+388.8	5,578.4
Joyo	Tokyo	1,422.6	1,484.1	1,468.9	1,603.1	1,706.7	+151.3	1,555.4
	Local	1,579.9	1,618.9	1,622.4	1,709.9	1,797.1	+99.5	1,697.5
	Total	3,002.6	3,103.0	3,091.3	3,313.1	3,503.8	+250.9	3,252.9
Ashikaga	Tokyo	544.8	537.8	540.5	632.3	674.2	+91.9	582.3
	Local	1,633.8	1,728.7	1,715.5	1,749.3	1,789.1	+46.0	1,743.0
	Total	2,178.6	2,266.5	2,256.0	2,381.6	2,463.4	+137.9	2,325.4

【Data】 Breakdown of Banking subsidiaries

(8) Deposits Term-end Balance		(¥ b n)						
		FYE19	FYE20	FYE21	FYE22	Dec-23	YoY	Dec-22
J+A	Individual	10,685.0	11,400.1	11,787.3	12,035.1	12,344.6	+189.8	12,154.8
	Corporate	3,364.1	3,887.4	3,953.5	4,009.7	4,151.2	+216.9	3,934.2
	Public	737.3	969.9	1,116.4	1,118.2	788.8	-23.7	812.5
	Total	14,786.5	16,257.4	16,857.3	17,163.1	17,284.7	+383.1	16,901.6
Joyo	Individual	6,633.6	7,053.1	7,272.7	7,412.6	7,587.7	+109.7	7,478.0
	Corporate	1,880.3	2,136.5	2,180.4	2,226.1	2,309.4	+147.5	2,161.9
	Public	459.2	515.8	600.7	612.5	498.0	-9.9	507.9
	Total	8,973.1	9,705.5	10,053.9	10,251.2	10,395.3	+247.3	10,147.9
Ashikaga	Individual	4,051.4	4,346.9	4,514.5	4,622.5	4,756.8	+80.0	4,676.8
	Corporate	1,483.8	1,750.8	1,773.1	1,783.5	1,841.7	+69.4	1,772.3
	Public	278.1	454.1	515.7	505.7	290.7	-13.7	304.5
	Total	5,813.4	6,551.9	6,803.3	6,911.8	6,889.4	+135.7	6,753.7

Foreign Currency Deposit		(¥ b n)						
		FYE19	FYE20	FYE21	FYE22	Dec-23	YoY	Dec-22
J+A		219.7	180.0	168.2	96.5	110.6	+2.3	108.3
Joyo		176.4	151.9	139.6	76.1	95.0	+9.0	86.0
Ashikaga		43.2	28.0	28.5	20.3	15.6	-6.7	22.3

(9) Customer Assets under Custody Balance		(¥ b n)						
		FYE19	FYE20	FYE21	FYE22	Dec-23	YoY	Dec-22
Group total	Investment trusts	463.7	547.7	632.5	654.0	734.9	+118.4	616.4
	Insurance	812.6	829.0	858.5	884.0	916.6	+48.1	868.4
	Foreign currency deposits	166.1	146.0	131.1	91.1	110.7	+15.2	95.5
	JGB etc.	156.2	162.4	154.5	131.7	143.1	+9.1	134.0
	Mebuki Securities	282.0	343.4	429.5	414.2	387.3	-32.1	419.4
	Total	1,880.9	2,028.7	2,206.3	2,175.1	2,292.7	+158.8	2,133.9
Joyo	Investment trusts	214.7	249.8	302.6	318.7	347.0	+46.5	300.4
	Insurance	471.9	488.5	511.5	519.7	526.8	+14.4	512.4
	Foreign currency deposits	122.9	117.9	102.6	70.7	95.1	+22.8	72.3
	JGB etc.	104.1	108.2	102.7	88.4	96.5	+4.3	92.1
	Total	913.8	964.6	1,019.4	997.7	1,065.6	+88.2	977.3
Ashikaga	Investment trusts	249.0	297.8	329.8	335.2	387.9	+71.8	316.0
	Insurance	340.6	340.5	347.0	364.3	389.7	+33.6	356.0
	Foreign currency deposits	43.2	28.0	28.5	20.3	15.6	-7.6	23.2
	JGB etc.	52.1	54.2	51.7	43.2	46.5	+4.7	41.8
	Total	685.0	720.6	757.3	763.1	839.8	+102.6	737.1

(10) Customer Assets under Custody Commissions		(¥ b n)						
		FY19	FY20	FY21	FY22	3Q23	YoY	3Q22
Group Total	Investment trusts(*1)	5.91	6.22	7.93	6.52	5.43	+0.51	4.91
	Insurance(*2)	4.26	3.25	3.25	5.59	3.38	-0.80	4.19
	Foreign currency deposits	0.68	0.55	0.61	0.68	0.32	-0.25	0.58
	JGB etc.	0.08	0.06	0.01	0.04	0.06	+0.03	0.02
	Financial instrument intermediary service	0.72	1.13	1.19	0.57	0.47	-0.03	0.50
Joyo	Mebuki Securities	2.98	3.70	3.87	1.98	1.65	-0.00	1.65
	Total	14.66	14.93	16.90	15.41	11.33	-0.54	11.87
	Investment trusts(*1)	2.83	2.93	4.10	3.32	2.54	+0.09	2.45
	Insurance(*2)	2.61	2.06	2.00	3.53	1.86	-0.80	2.67
	Foreign currency deposits	0.50	0.39	0.39	0.39	0.22	-0.10	0.33
Ashikaga	JGB etc.	0.05	0.05	0.01	0.02	0.04	+0.02	0.01
	Financial instrument intermediary service	0.43	0.75	0.89	0.46	0.43	+0.02	0.40
	Total	6.44	6.20	7.41	7.74	5.11	-0.76	5.88
	Investment trusts(*1)	3.08	3.29	3.83	3.20	2.88	+0.42	2.46
	Insurance(*2)	1.64	1.18	1.25	2.06	1.52	+0.00	1.52
Ashikaga	Foreign currency deposits	0.18	0.15	0.22	0.28	0.10	-0.14	0.25
	JGB etc.	0.02	0.01	0.00	0.01	0.01	+0.00	0.00
	Financial instrument intermediary service	0.29	0.38	0.29	0.10	0.03	-0.05	0.09
	Total	5.22	5.02	5.61	5.68	4.56	+0.22	4.33

* 1 : Sales commission+ Trust fee

* 2 : Excl. executive life insurance

(11) Fees from Corporate Customers		(¥ b n)						
		FY19	FY20	FY21	FY22	3Q23	YoY	3Q22
J+A	Credit Related*1	8.20	7.55	8.15	10.87	7.90	-0.29	8.19
	Consulting Related	1.44	1.88	3.29	3.72	2.94	+0.40	2.54
	total	9.65	9.44	11.44	14.59	10.84	+0.11	10.73
Joyo	Credit Related*1	4.24	4.03	4.71	6.70	4.69	-0.31	5.01
	Consulting Related	0.80	1.18	2.14	2.02	1.61	+0.25	1.36
	total	5.05	5.21	6.86	8.73	6.30	-0.06	6.37
Ashikaga	Credit Related*1	3.95	3.52	3.43	4.17	3.20	+0.02	3.18
	Consulting Related	0.64	0.70	1.14	1.69	1.33	+0.14	1.18
	total	4.60	4.22	4.57	5.86	4.54	+0.17	4.36

*1 Incl. derivative CVA

【Data】 Breakdown of Banking subsidiaries

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

		FYE19	FYE20	FYE21	FYE22	Dec-23	YoY
Mebuki FG (Consolidated)	Domestic bonds	2,359.4	2,510.6	2,745.1	2,205.9	2,151.6	-54.2
	Foreign bonds	831.6	959.5	967.3	622.8	743.2	+120.3
	Stocks	226.0	265.8	254.1	211.3	241.7	+30.3
	Investment trusts, etc.	658.9	597.2	715.5	622.2	613.3	-8.9
	Total	4,076.1	4,333.2	4,682.3	3,662.3	3,749.8	+87.5
Joyo	Domestic bonds	1,746.7	1,822.0	2,002.5	1,438.8	1,487.7	+48.8
	Foreign bonds	505.3	595.5	597.9	319.1	395.1	+76.0
	Stocks	197.2	233.1	226.8	183.8	211.6	+27.7
	Investment trusts, etc.	388.1	373.9	439.9	401.3	388.1	-13.2
	Total	2,837.4	3,024.6	3,267.3	2,343.1	2,482.6	+139.5
Ashikaga	Domestic bonds	600.3	679.1	734.1	758.0	655.1	-102.9
	Foreign bonds	326.3	364.0	369.3	303.7	348.0	+44.3
	Stocks	64.2	39.1	33.6	34.4	35.9	+1.5
	Investment trusts, etc.	266.7	219.1	271.5	216.5	220.9	+4.3
	Total	1,257.5	1,301.5	1,408.8	1,312.7	1,260.0	-52.6

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

		FYE19	FYE20	FYE21	FYE22	Dec-23	YoY
Mebuki FG (Consolidated)	Stocks	9.2	2.4	-21.3	-34.4	-30.4	+4.0
	Domestic bonds	24.3	35.6	-14.2	-13.9	-8.9	+4.9
	Investment trusts, etc.	86.9	139.4	131.5	101.7	122.7	+20.9
	Foreign bonds	-21.3	33.1	32.9	-28.4	-7.7	+20.7
	Total	99.1	210.7	128.9	24.9	75.6	+50.6
Joyo	Stocks	9.0	3.0	-16.3	-19.2	-18.1	+1.0
	Domestic bonds	12.8	15.0	-12.8	-5.7	-3.3	+2.4
	Investment trusts, etc.	85.1	127.5	123.6	91.5	109.7	+18.1
	Foreign bonds	-8.3	26.0	27.4	-15.2	-2.9	+12.3
	Total	98.7	171.7	122.0	51.2	85.3	+34.0
Ashikaga	Stocks	11.5	8.5	1.9	-10.1	-8.5	+1.6
	Domestic bonds	13.8	22.4	-0.1	-8.0	-5.6	+2.3
	Investment trusts, etc.	20.8	25.0	21.0	22.1	24.7	+2.6
	Foreign bonds	-10.6	8.5	6.7	-11.8	-3.4	+8.3
	Total	35.6	64.5	29.7	-7.8	7.1	+15.0

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

		FY19	FY20	FY21	FY22	3Q23	YoY	3Q22
J+A	Stocks	-2.0	-6.2	-7.1	-87.3	-33.9	+24.5	-58.5
	Domestic bonds	0.4	10.0	3.5	45.0	14.0	-15.6	29.7
	Investment trusts, etc.	7.3	6.8	1.7	7.1	4.9	-0.9	5.8
	Total	5.6	10.6	-1.8	-35.1	-14.8	+7.9	-22.8
	Joyo	Stocks	-0.9	-3.9	-4.8	-72.6	-23.6	+27.0
Domestic bonds	0.6	9.1	3.5	43.9	12.4	-16.1	28.6	
Investment trusts, etc.	5.2	4.9	1.7	5.0	3.9	+0.2	3.7	
Total	4.8	10.1	0.4	-23.6	-7.2	+11.1	-18.3	
Ashikaga	Stocks	-1.1	-2.3	-2.2	-14.7	-10.2	-2.4	-7.8
	Domestic bonds	-0.1	0.9	0.0	1.1	1.6	+0.4	1.1
	Investment trusts, etc.	2.0	1.9	0.0	2.1	0.9	-1.1	2.1
	Total	0.8	0.4	-2.3	-11.4	-7.6	-3.1	-4.5

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

		Currency	Interest rate type	Securities type	FYE21	FYE22	Dec-23	YoY	3Q23 gains/losses
Total	U.S. dollar	Fixed	Government, Government-guaranteed bonds, etc	1,844	750	1,197	+447	-34	
			Corporate bonds, etc	2,691	2,392	2,061	-330		
		Floating	CLO/Government-guaranteed bonds, etc	1,095	1,386	1,839	+452		
	Sub Total			5,631	4,529	5,098	+569		
	Euro	Fixed	Government, Government-guaranteed bonds, etc	1,815	0	0	±0		0
AUD Yen ⁽¹⁾		Fixed	Corporate bonds, etc	161	96	49	-46	-7	
			Corporate bonds, etc	28.1	24.0	24.2	+0.1	0.0	
		U.S. dollar	Fixed	Government, Government-guaranteed bonds, etc	1,389	544	883	+339	-18
			Floating	CLO/Government-guaranteed bonds, etc	1,095	1,386	1,481	+95	
Sub Total			3,050	2,197	2,611	+413			
Euro	Fixed	Government, Government-guaranteed bonds, etc	1,429	0	0	±0	0		
	AUD Yen ⁽¹⁾	Fixed	Corporate bonds, etc	161	96	49	-46	-7	
			Corporate bonds, etc	27.2	23.1	23.3	+0.1	0.0	
		U.S. dollar	Fixed	Government, Government-guaranteed bonds, etc	454	205	313	+107	-16
			Floating	CLO/Government-guaranteed bonds, etc	2,126	2,125	1,816	-309	
Sub Total			2,581	2,331	2,487	+155			
Euro	Fixed	Government, Government-guaranteed bonds, etc	385	0	0	±0	0		
		Corporate bonds, etc	0	0	0	±0	0		
	AUD Yen ⁽¹⁾	Fixed	Corporate bonds, etc	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 (Fair Value) (¥ b n)

		FYE19	FYE20	FYE21	FYE22	Dec-23	YoY
J+A	Balance	239.1	268.4	225.2	184.8	200.6	15.7
Joyo	Balance	204.0	229.1	191.9	150.9	165.1	14.1
Ashikaga	Balance	35.1	39.3	33.3	33.9	35.5	1.5

(17) Expenses (¥ b n)

		FY19	FY20	FY21	FY22	3Q23	YoY	3Q22
J+A	Personnel	61.2	59.9	58.2	57.2	42.9	-0.1	43.0
	Non-Personnel	46.7	43.4	43.4	40.0	30.8	+1.1	29.7
	Taxes	7.0	6.8	6.5	6.0	4.7	-0.0	4.7
	Total	115.0	110.1	108.1	103.3	78.5	+1.0	77.5
Joyo	Personnel	33.5	33.2	32.7	32.2	24.3	+0.0	24.2
	Non-Personnel	26.8	24.7	24.1	22.0	16.9	+0.6	16.3
	Taxes	3.8	3.7	3.6	3.3	2.7	+0.0	2.6
Total	64.2	61.7	60.5	57.6	44.0	+0.7	43.2	
Ashikaga	Personnel	27.6	26.6	25.4	24.9	18.6	-0.1	18.7
	Non-Personnel	19.9	18.6	19.2	18.0	13.8	+0.4	13.4
	Taxes	3.1	3.0	2.9	2.6	2.0	-0.0	2.1
	Total	50.7	48.4	47.6	45.6	34.5	+0.2	34.2

(18) Credit related cost (¥ b n)

		FY19	FY20	FY21	FY22	3 Q23	YoY	3 Q22
J+A		19.0	22.4	19.6	9.1	1.1	-3.5	4.7
Joyo		10.1	12.0	9.8	5.0	-0.2	-3.0	2.7
Ashikaga		8.8	10.3	9.7	4.0	1.4	-0.5	1.9

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

		FYE19	FYE20	FYE21	FYE22	Dec-23	YoY
J+A	Bankrupt claims	12.7	10.3	13.8	12.5	13.8	+1.2
	Doubtful claims	129.0	143.2	151.1	153.0	149.7	-3.2
	Claims requiring monitoring (Loans past due 3 month or more)	27.9	27.4	27.6	31.5	29.3	-2.1
	(Restructured loans)	-	0.1	0.0	0.2	0.0	-0.1
	Total	169.8	181.0	192.6	197.1	192.9	-4.1
Joyo	Bankrupt claims	5.7	5.5	5.4	5.1	4.9	-0.2
	Doubtful claims	69.9	78.0	86.5	84.8	83.3	-1.5
	Claims requiring monitoring (Loans past due 3 month or more)	12.5	13.0	13.3	12.1	9.0	-3.0
	(Restructured loans)	-	0.0	0.0	0.0	0.0	-0.0
	Total	88.2	96.7	105.2	102.1	97.3	-4.8
Ashikaga	Bankrupt claims	5.8	4.0	7.7	6.7	8.2	+1.5
	Doubtful claims	59.0	65.0	64.6	68.1	66.4	-1.6
	Claims requiring monitoring (Loans past due 3 month or more)	15.4	14.4	14.2	19.4	20.3	+0.9
	(Restructured loans)	-	0.0	0.0	0.1	0.0	-0.0
	Total	80.2	83.5	86.7	94.2	95.0	+0.8

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

		FYE19	FYE20	FYE21	FYE22	Dec-23	YoY	Dec-22
J+A		1.2	2.0	1.3	1.0	2.3	+0.8	1.5
Joyo		0.3	0.0	0.8	0.7	1.9	+0.6	1.2
Ashikaga		0.9	2.0	0.5	0.2	0.4	+0.1	0.2

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