

Mebuki Financial Group, Inc.

# IR Presentation

~Financial Results for FY2023 /

Initiatives for Enhancing Corporate Value~



## 1. Financial Results for FY2023 / Forecast for FY2024

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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 2023 / Forecast for FY 2024

# Highlights

## Results for FY23

		Results for FY23	YoY Change	Compared to forecast
Net income attributable to owners of the parent	(Consolidated )	¥43.3bn	+¥11.1bn	+¥3.3bn
Profit from customer services <sup>*1</sup>		¥47.9bn	+¥3.5bn	-
Securities Income	(Banks' total)	¥24.8bn	-¥12.5bn	-
Credit related costs		¥3.4bn	-¥5.6bn	-
Gains/losses on securities		-¥11.2bn	+¥15.7bn	-
ROE (on shareholders equity basis)	(Consolidated )	4.5%	+1.1%pt	-

- Net income attributable to owners of the parent increased by ¥11.1bn YoY to ¥43.3bn and exceeded forecast of ¥40.0bn by ¥3.3bn.
- Securities income (interest margin) decreased significantly due to an increase in foreign currencies funding cost by the rise in US interest rates. However, profit from customer services, the core business, maintained an increasing trend and credit related costs and gains/losses on securities improved.

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

## Forecast for FY24

		Forecast for FY24	YoY Change
Net income attributable to owners of the parent	(Consolidated )	¥52.0bn	+¥8.6bn
ROE (on shareholders equity basis)		5.3%	+0.8%pt

## Shareholder Returns

- We will increase annual dividends per share to ¥14.0 (+¥2.0 from the previous year).
- We decided to repurchase own shares up to ¥ 10.0bn (maximum amount).
- Total return ratio will be 46.0% (scheduled).  
(Total return amount of ¥23.9bn= Dividends payout of ¥13.9bn+ Share repurchase of ¥10.0bn).

# Main Points of FY23 Financial Results

【Mebuki FG (Consolidated)】				(¥bn)	【Joyo + Ashikaga (Non-consolidated)】				(¥bn)
	FY23 Results	YoY Chg	Compared to forecast			FY23 Results	YoY chg	Compared to forecast	
Gross Business profit	155.4	+37.0	-		Gross business profit	147.9	+35.0	-	
Net interest income	140.8	-8.0	-		Net interest income	142.3	-8.6	-	
(o/w Deference of interests between loans and deposits)	(113.4)	(+5.9)	-		(o/w Gains/losses on cancellation of investment trusts)(1)	(5.2)	(-1.8)	-	
Net fees and commissions	45.4	+2.7	-		Net interest income (excl. Gains/losses on cancellation of investment trusts)	137.0	-6.7	-	
Net trading income	0.5	-1.3	-		(o/w Deference of interests between loans and deposits)(2))	(112.2)	(+5.7)	-	
Net other business income	-31.4	+43.7	-		(o/w Securities Income)	(24.8)	(-12.5)	-	
Expenses	107.6	+0.5	-		Net fees and commissions(3)	36.5	+1.0	-	
Credit related cost	5.5	-5.2	-		Net other business income	-30.9	+42.5	-	
Gains/losses related to stocks	18.6	-25.1	-		(o/w gains/losses on bond transactions) (4)	(-39.2)	(+48.1)	-	
Ordinary profit	63.0	+16.4	+5.5		(o/w gains/losses on futures and options) (5)	(3.9)	(-4.1)	-	
Extraordinary income/losses	-1.1	-0.5	-		(o/w other income related to customers) (6)	(4.3)	(-1.4)	-	
Net income attributable to owners of the parent	43.3	+11.1	+3.3		Expenses(7)	105.2	+1.8	-	
					Net business income (before general allowance for loan losses)	42.7	+33.2	-	
					Core net business income	81.9	-14.9	-	
					(excl. gains/losses on cancellation of investment trusts)	76.6	-13.0	-	
					Core net business income (excl. gains/losses on cancellation of investment trusts and futures and options)	72.7	-8.9	-	
					Net transfer to general allowance for loan losses (8)	-5.8	-5.2	-	
					Net business income	48.5	+38.4	-	
					Net non-recurrent gains/losses	9.9	-25.1	-	
					(o/w Disposal of non-performing loans (9))	(9.3)	(-0.3)	-	
					(o/w Gains/losses related to stocks, etc. (10))	(18.7)	(-26.3)	-	
					Ordinary profit	58.5	+13.3	+3.5	
					Extraordinary income/losses	-1.1	-12.5	-	
					Net income	40.5	-2.9	+2.0	
					Profit from customer services (2)+(3)+(6)-(7)	47.9	+3.5	-	
					Credit related cost (8)+(9)	3.4	-5.6	-	
					Gains/losses on securities (1)+(4)+(5)+(10)	-11.2	+15.7	-	

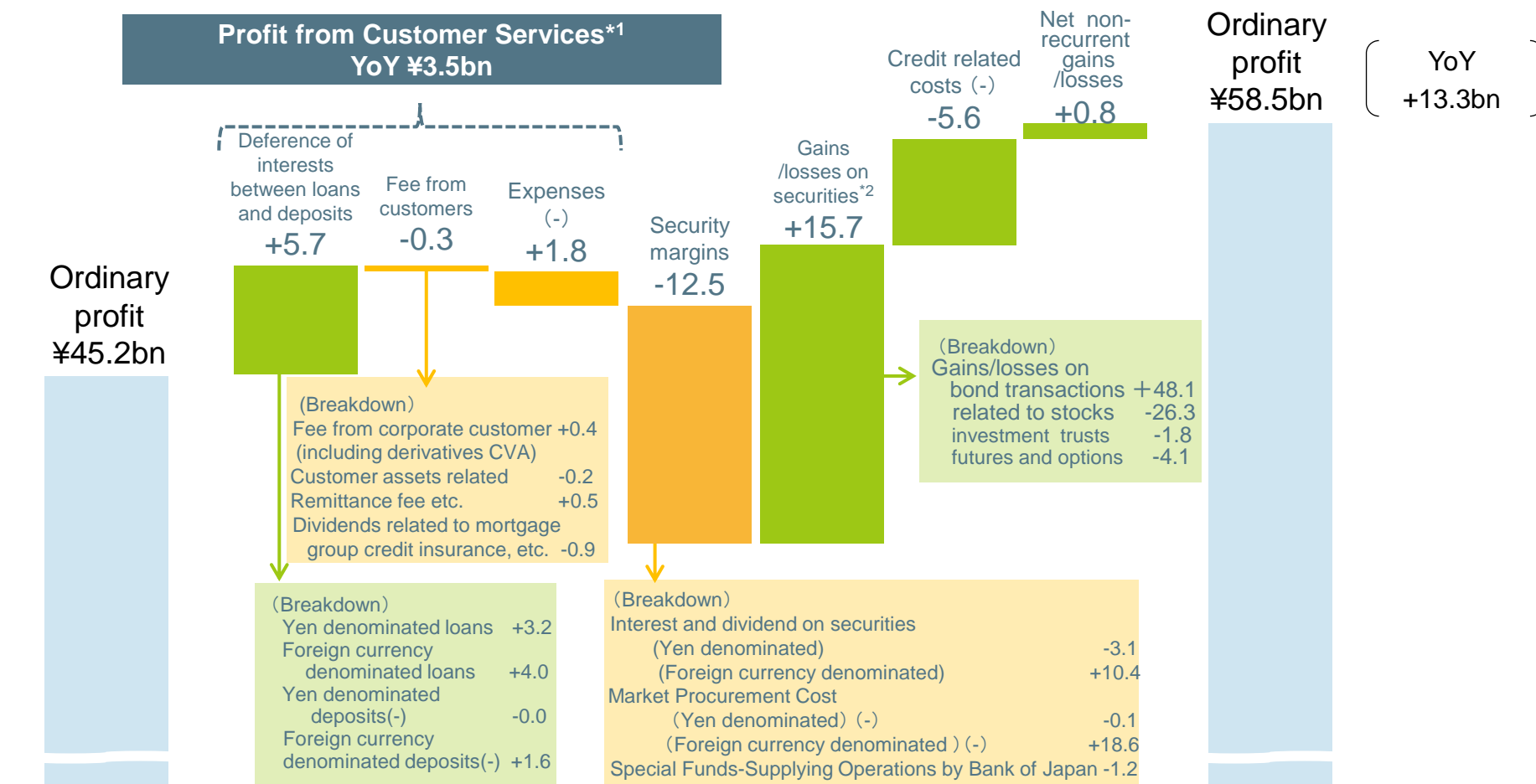
	FY23 Results	YoY
Bank Total Net income (a)	40.5	-2.9
Group Companies Net income (b)	4.9	+0.1
Mebuki Lease	1.1	+0.2
Mebuki Securities	0.4	+0.0
Mebuki Credit Guarantee	2.5	-0.1
Mebuki Card	0.4	-0.0
Total of banking subsidiaries	0.3	+0.0
Consolidation Adjustment*1 (c)	-2.1	+2.1
Net income attributable to owners of the parent (a)+(b)+(c)	43.3	+11.1

# 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) increased significantly, 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)

■ Increase
 ■ Decrease



FY2022

\*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

FY2023

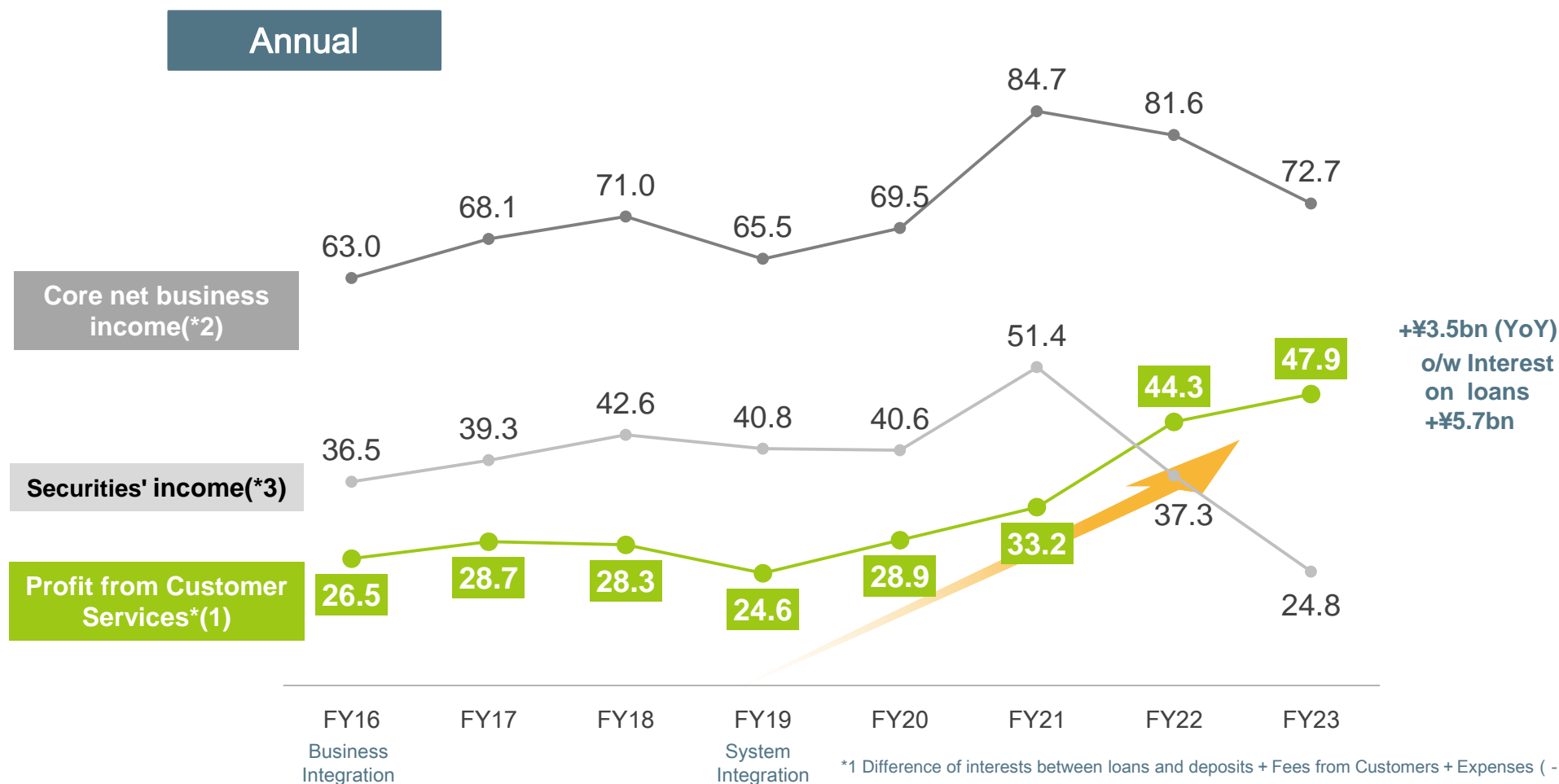
# Growth of Profit from Customer Services

Profit from customer services maintained an increasing trend after bottoming out in FY 2019.

Regarding securities' income (interest margin), the maintenance of our portfolio, mainly in bonds, is expected to be completed soon, and we will increase the balance and expect a reversal in securities' income for FY2024.

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

Annual



\*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

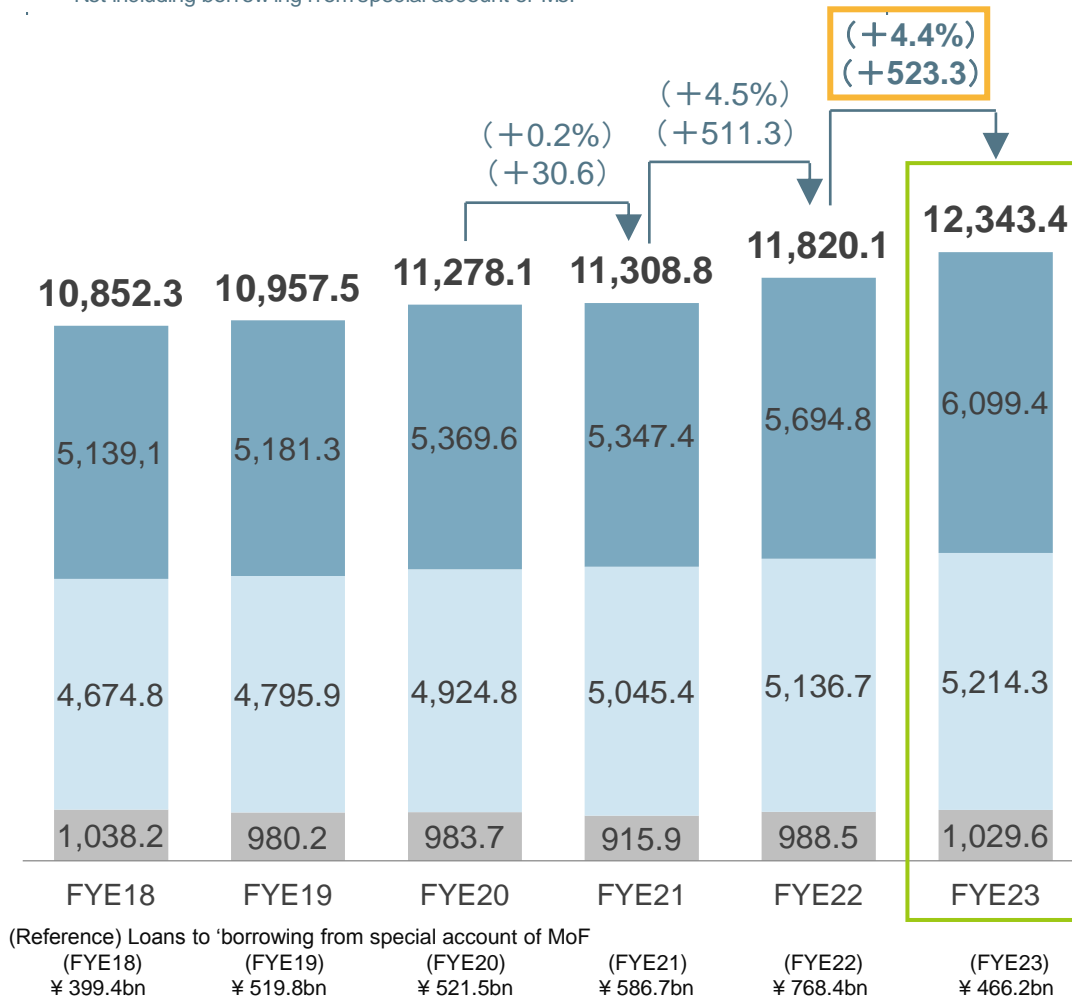
Amount of loans increased by ¥523.3bn YoY.

The growth rate of loans was +4.4% and remained at the 4% level.

Interests between domestic loans and deposits in FY23 turned to an increase for the first time since our business integration.

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

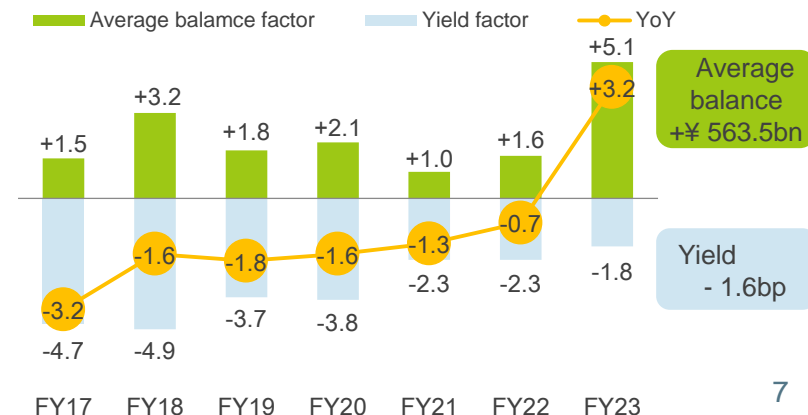
\* Not including borrowing from special account of MoF



## Year on Year Changes (¥bn)

	FYE21	FYE22	FYE23
Total	+30.6 +0.2%	+511.3 +4.5%	+523.3 +4.4%
Corporate	-22.2 -0.4%	+347.4 +6.4%	+404.5 +7.1%
Individual	+120.5 +2.4%	+91.3 +1.8%	+77.5 +1.5%
Public	-67.7 -6.8%	+72.5 +7.9%	+41.1 +4.1%

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

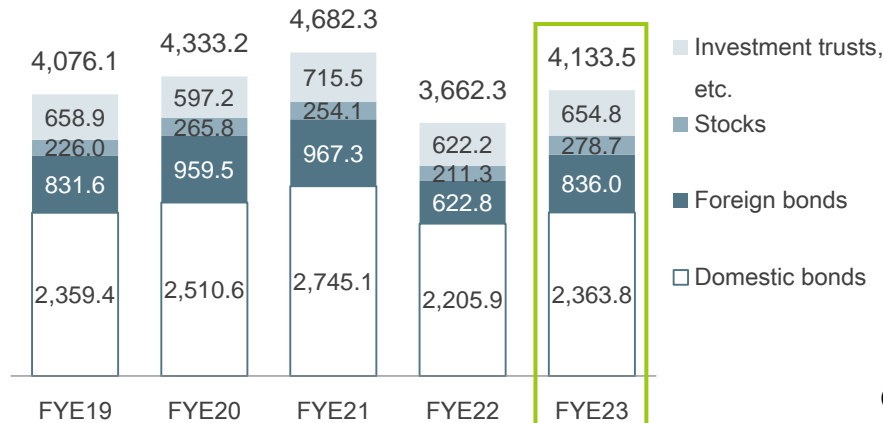




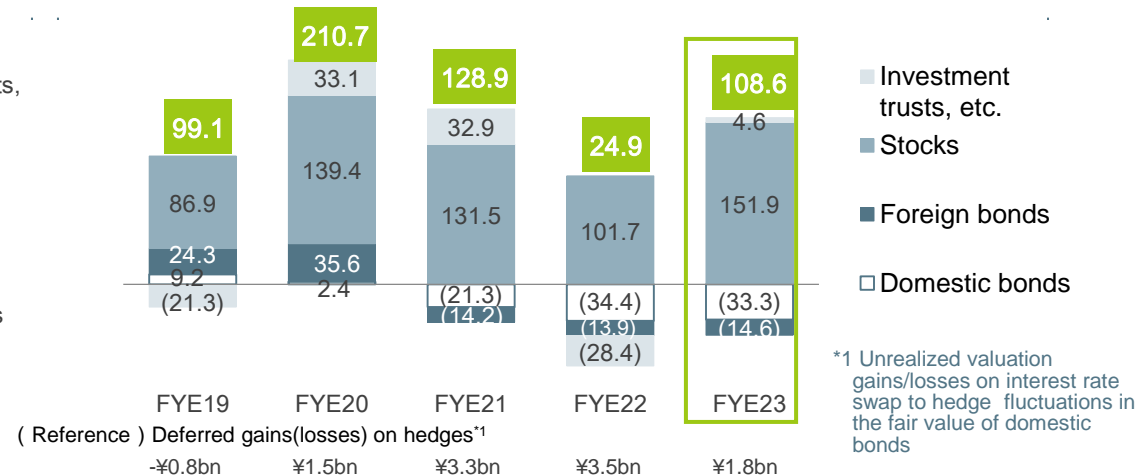
# Securities (1) Portfolio Overall

Taking into consideration domestic and foreign monetary policy and stock markets' conditions, we have continued to restructure our portfolio. We have sold yen and foreign currency denominated fixed bonds, domestic stocks and other securities, resulting in -¥11.2bn loss on securities (improved by ¥15.7bn YoY).

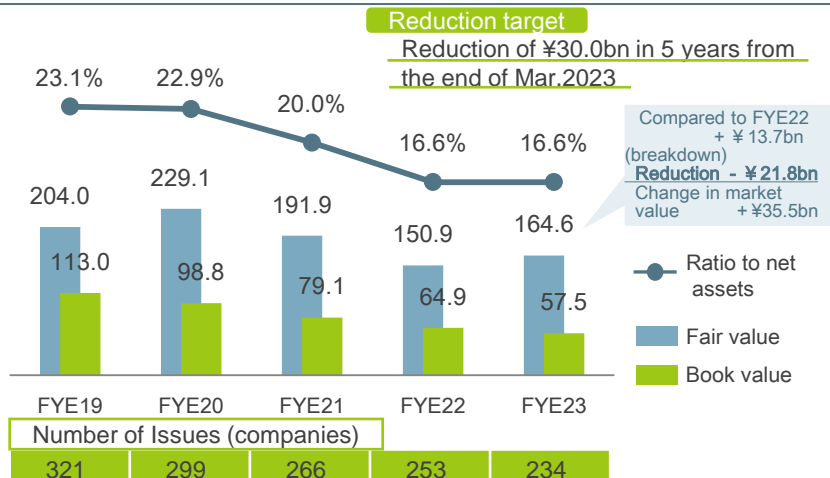
Balance(Carrying amount) (Mebuki FG) (¥bn)



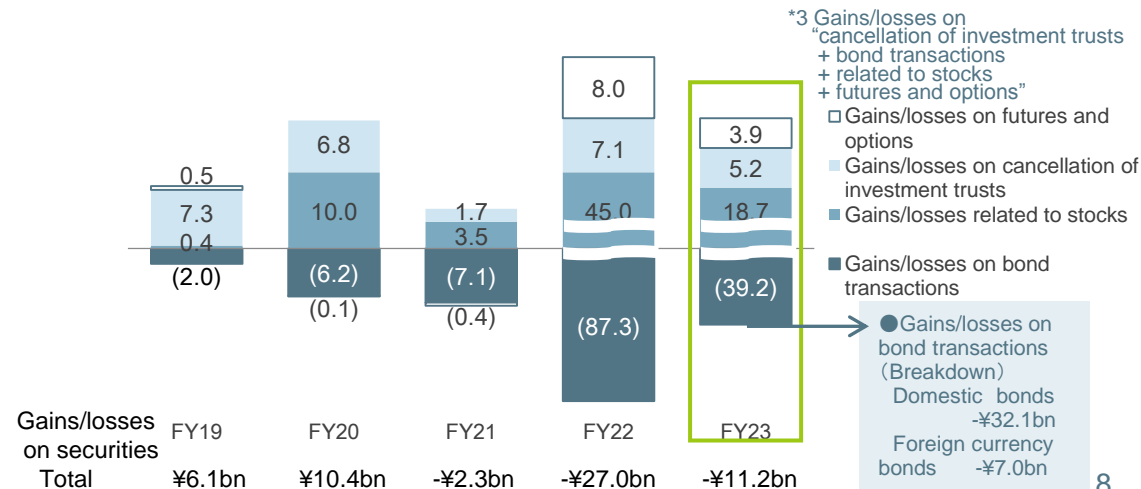
Unrealized valuation gains/losses on available for sales securities (Mebuki FG) (¥bn)



Strategic Shareholdings\*2 (¥bn)



Gains and losses on securities\*3 (bank total) (¥bn)



\*2 Figures are 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

Taking into account the possibility of changes in monetary policy, we restarted to purchase domestic bonds in stages, while keeping the risk amount (BPV) and duration to a certain level. New investments during a period of rising interest rates helped increase the yield.

### Overview of Domestic Bonds<sup>\*1</sup> (Bank Total)

(¥bn)

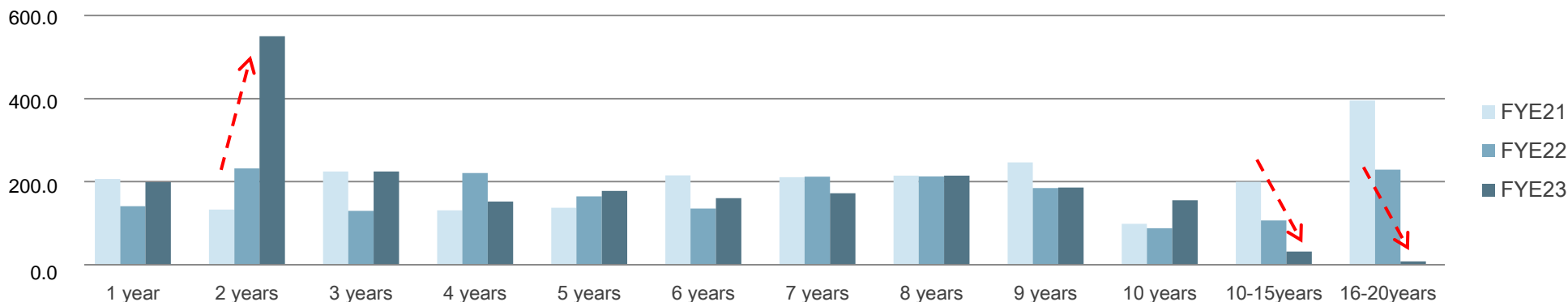
<sup>\*1</sup> Including bear funds and hedged swaps, etc.

	FYE21	FYE22 ①		1H23 (Apr.-Sep.)	2H23 (Oct.-Mar.)	FY23 cumulative		FYE23 ②	Change ② - ①
Balance	2,779.2	2,250.4	Purchase	+approx. 180.0	+approx.680.0	+approx.860.0	Balance	2,412.4	+161.9
Valuation gains/losses	-3.9	-19.4	Sale	-approx. 190.0	-approx.240.0	-approx.430.0	Valuation gains/losses	-26.6	-7.1
Yield	0.43%	0.42%	Redemption	-approx. 105.0	-approx. 160.0	-approx.265.0	Yield	0.45%	+0.02%p
10bpv	-17.6	-11.4	Total	-approx. 115.0	+approx.280.0	+approx.165.0	10bpv	-9.5	+1.9
Duration	7.4 years	5.3 years	Gains/losses on securities (incl. cancellation of investment trust)	-14.8	-17.2	-32.1	Duration	3.9 years	-1.3 years

### Status of Domestic Bond's Ladder<sup>\*2</sup> (Bank Total)

(¥ bn)

<sup>\*2</sup> Excluding asset swaps and private bonds



Investment stance

- Keeping the risk amount (BPV) and duration to a certain level and capturing the opportunity of yield increase by the changes in monetary policy, we will proceed to rebalance our portfolio.

# Securities (3) Foreign Currency Bonds

We proceeded with the sale of U.S. dollar bonds, mainly low-yield fixed-rate bonds. On the other hand, we resumed investing in fixed-rate U.S. dollar denominated bonds at levels that allow us to secure interest margins in medium- to long-term, in addition to purchasing floating-rate bonds, considering the transition to future interest rate reduction phases.

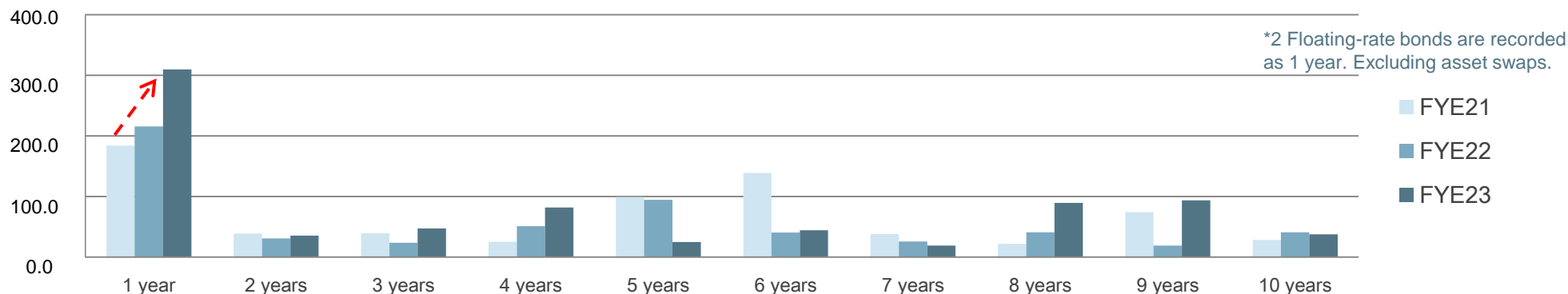
## Overview of Foreign Currency Bonds (Bank Total / USD Bonds)

(¥ bn)

	FYE21	FYE22①		1H23 (Apr.-Sep.)	2H23 (Oct.-Mar.)	FY23 cumulative		FYE23 ②	Change ② - ①
Balance	689.1	603.9	Purchase	+approx. 150.0	+approx. 140.0	+approx. 290.0	Balance	820.9	+216.9
Yield	2.39%	4.68%	Sale	-approx. 60.0	-approx. 30.0	-approx. 90.0	Yield	5.41%	+0.72%p
Funding cost	0.66%	4.28%	Redemption	-approx. 40.0	-approx. 30.0	-approx. 70.0	Funding cost	5.03%	+0.74%p
Interest margin	1.73%	0.39%	Total	+approx. 50.0	+approx. 80.0	+approx. 130.0	Interest margin	0.37%	-0.02%p
10bpv	-2.6	-1.9	Foreign exchange factor			+approx. 90.0	10bpv	-2.4	-0.4
Duration	3.8 years	3.2 years	Gains/losses on securities (Foreign Bonds Total*1)	-4.9 (-5.6)	-1.3 (-1.4)	-6.3 (-7.0)	Duration	3.0 years	-0.1 year

## Status of Foreign Currency Bond's Ladder\*2 (Bank Total / USD Bonds)

(¥ bn)



Investment stance

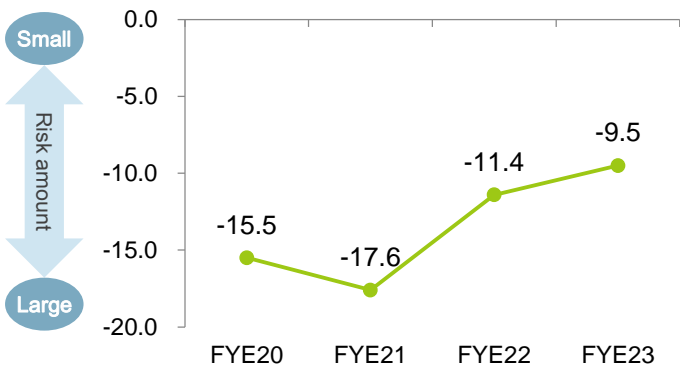
- We will secure interest margins through investing in floating-rate bonds, while also investing in fixed-rate bonds based on a medium- to long-term perspective.

# Securities (4) Controlling interest rates risk

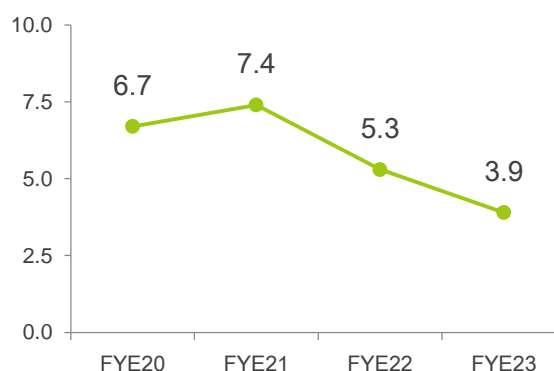
While controlling the risk amount (BPV) and duration of both yen-denominated bonds and foreign bonds, we have made new investments during a period of rising interest rates, which helped increase the yield.

## Yen-denominated Bonds<sup>\*1</sup> (banks' total)

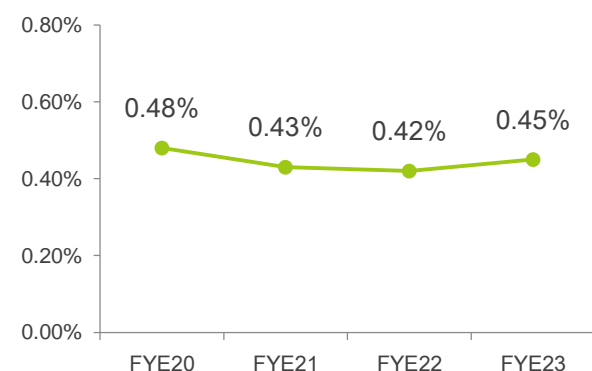
### Risk amount (10bpv)<sup>\*2</sup> (¥bn)



### Duration<sup>\*3</sup> (year)

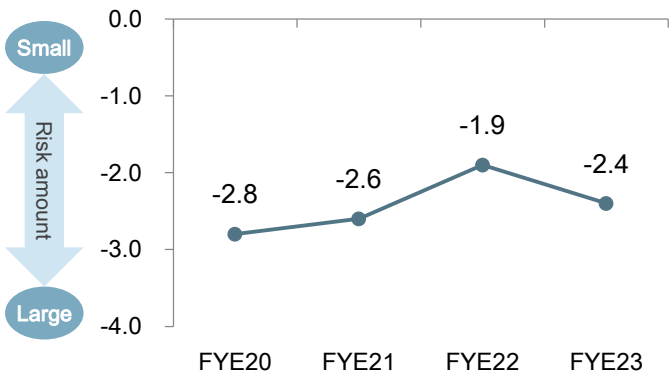


### Yield (%)

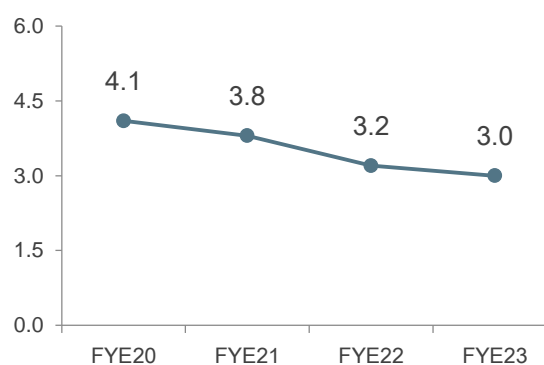


## Foreign Bonds<sup>\*1</sup> (banks' total / USD-denominated)

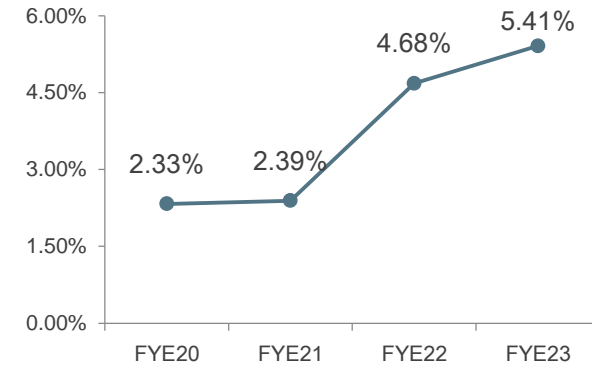
### Risk amount (10bpv)<sup>\*2</sup> (¥bn)



### Duration<sup>\*3</sup> (year)



### Yield (Total of fixed and floating bonds: %)



<sup>\*1</sup> After considering hedging by bear funds and swaps

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

<sup>\*3</sup> Average remaining period for principal in bonds investment

# Forecast for FY2024 (1)

## Mebuki FG

(consolidated)

	Forecast for FY2024		FY2023 Results
		YoY	(¥bn)
Ordinary Profit	75.0	+11.9	63.0
Net Income (Attributable to owners of the parent)	52.0	+8.6	43.3

## Total of Two Banking Subsidiaries

	Forecast for FY2024		FY2023 Results
		YoY	(¥bn)
Ordinary Profit	69.0	+10.4	58.5
Net Income	48.0	+7.4	40.5

## Subsidiary Banks

(Joyo)

	Forecast for FY2024		FY2023 Results
		YoY	(¥bn)
Ordinary Profit	46.0	+7.9	38.0
Net Income	32.0	+5.6	26.3

(Ashikaga)

	Forecast for FY2024		FY2023 Results
		YoY	(¥bn)
Ordinary Profit	23.0	+2.4	20.5
Net Income	16.0	+1.7	14.2

# Forecast for FY2024 (2)

## Breakdown of Forecast for FY2024

	(¥ bn)		
	Forecast for FY24	YoY	FY23 Results
<b>【Joyo+Ashikaga】</b>			
Core gross business profit	177.5	-9.6	187.1
Net interest income (excl. gains/losses on cancellation of investment trusts)	139.0	+1.9	137.0
Difference of interests between loans and deposit (o/w Interests on yen-denominated loans)	111.5	-0.7	112.2
	109.5	+3.7	105.7
Securities' income (excl.gains/losses on cancellation of investment trusts)	27.5	+2.6	24.8
Fees from customers <sup>*1</sup>	38.5	-2.3	40.8
Expenses	107.0	+1.7	105.2
Core net business income <sup>*2</sup>	70.0	-2.7	72.7
Gains/losses on securities <sup>*3</sup>	5.5	+16.7	-11.2
Credit Related Cost	8.0	+4.5	3.4
Ordinary profit	69.0	+10.4	58.5
Net income	48.0	+7.4	40.5
<b>【Mebuki FG Consolidated】</b>			
Profits of Group Companies	5.0	+0.0	4.9
Consolidation adjustment (Adjustments related to securities,etc.)	-1.0	+1.1	-2.1
Net income attributable to owner of the parent	52.0	+8.6	43.3
ROE (on shareholders equity basis )	5.3%	+0.8%	4.5%

\*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"

## Market Outlook for FY2024

【 Japan 】 No revision of the policy rate. (The revision is expected to occur from FY2025 onwards.)

【 U.S.A 】 We expect 2 to 3 interest rate cuts (with a range of 50 to 75 basis points).

	Policy rate (End of fiscal year)	10 year government bond yield (Annual average)
Japan	From 0.00 to 0.10%	From 0.70 to 1.50%
U.S.A.	From 4.50 to 5.00%	From 3.70 to 4.70%

## Main Reasons of YoY Change

### ① Difference of interests between loans and deposits +¥3.7bn

- Average balance : Increase by ¥400.0bn (+3.3% annualized)
- Yield : Reversal compared to the previous year

### ② Securities' income

(excl. gains/losses on cancellation of investment trusts) +¥2.6bn

- Average balance : Increase by ¥550.0bn (+15% annualized)

### ③ Fees from Customers -¥2.3bn

- Drop in income related to FX derivative transactions and increase in loan payment guarantee fees, etc.

### ④ Expenses (-) +¥1.7bn

- Increase in human capital related investment and personnel expenses such as salary, etc.

### ⑤ Gains / losses on securities +¥16.7bn

- Drop in losses from sales on yen-denominated and foreign bonds

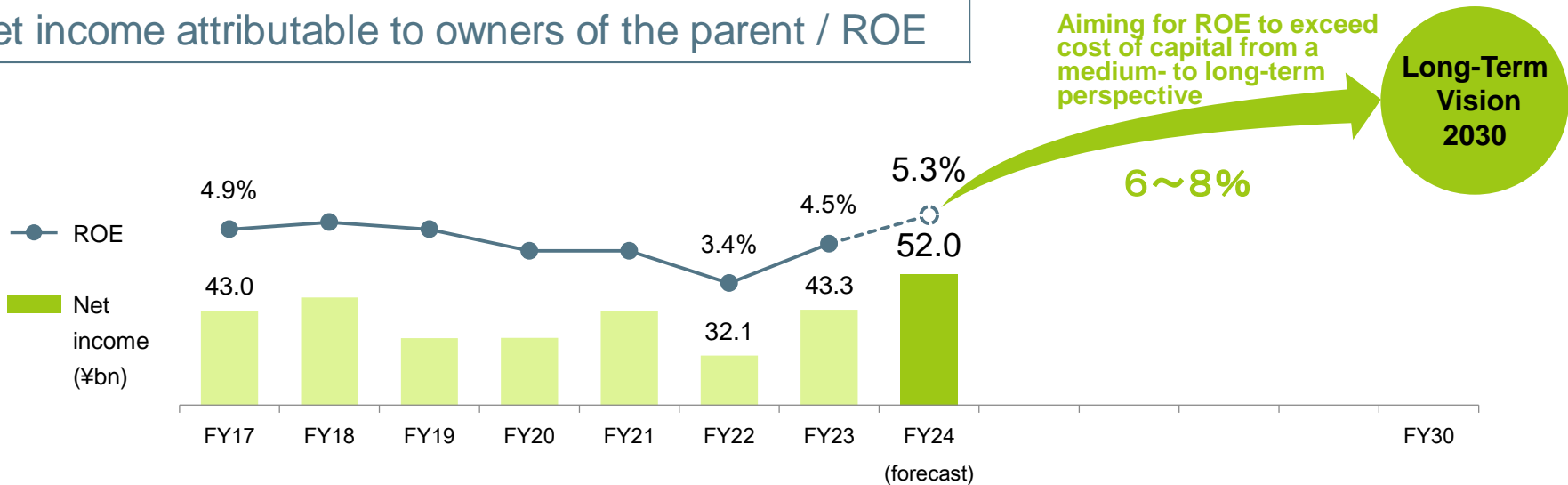
### ⑥ Credit related costs(-) +¥4.5bn

- Drop in reversal of - ¥5.8bn in general allowance for loan losses of the previous year.

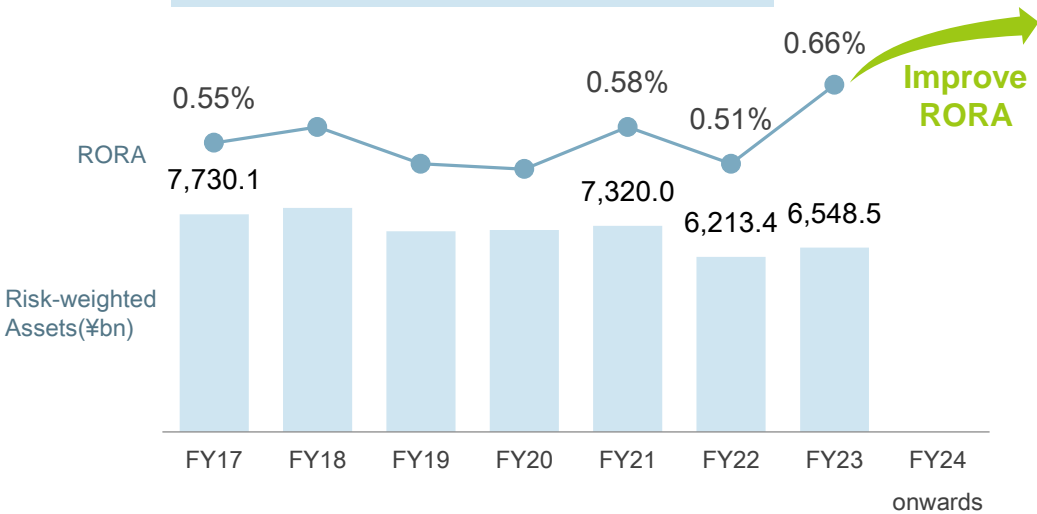
# Forecast for FY2024 (3)

The forecast of net consolidated income attributable to owners of the parent for FY2024 is ¥ 52.0bn.  
 We are planning to achieve an ROE of around 5.3%.  
 We will aim for ROE to exceed the level of cost of capital (6-8%) from a medium- to long-term perspective.

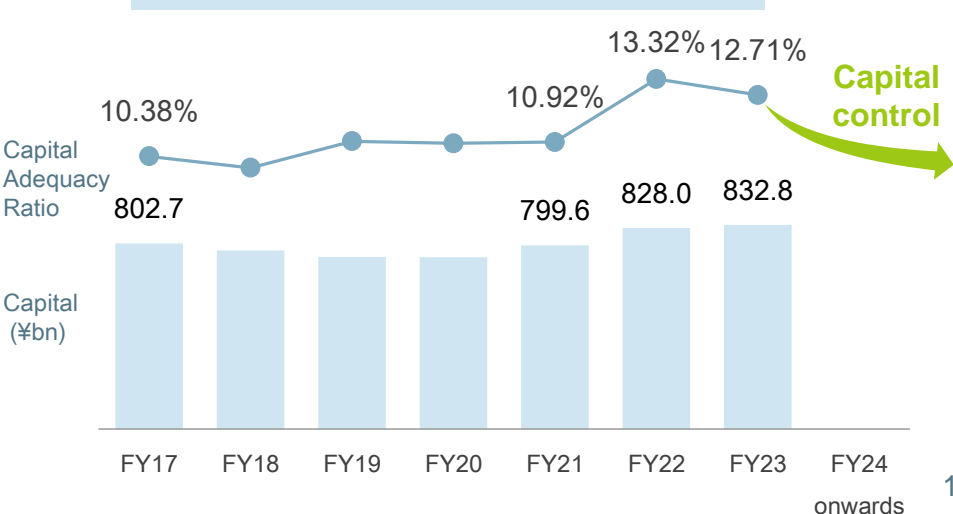
Net income attributable to owners of the parent / ROE



RORA / Risk-weighted Assets (¥bn)



Capital Adequacy Ratio / Capital (¥bn)



# Impact of domestic interest rates rising

If the policy rate rise to 0.5% and there is progress in loan replacement, it is expected to increase in net interest income by over ¥40.0 bn and a positive effect on ROE in the high 2% range.

## Impact on net interest income (Simulation)

### Yen denominated Balance Sheet

(As of Mar. 2024)

① Balance Sheet		(trillion yen)	
Item	Balance	Item	Balance
Loans	12.6	Deposits	17.8
Short-term prime-rate linked	(5.5)	Liquid	(13.9)
Market-rate linked	(2.1)	Fixed-term	(3.9)
For MoF	(0.5)	Borrowing from BoJ	1.9
Fixed rate	(4.6)	Market borrowing	0.5
Securities	3.2	<b>Total Liabilities</b>	<b>20.2</b>
Bonds	(2.4)		
Investment trust / Stocks, etc.	(0.7)		
Others	4.3		
Deposits with BOJ	(4.2)		
<b>Total Assets</b>	<b>20.2</b>		

\* The average remaining maturity of fixed-rate loans is 4.5 years.

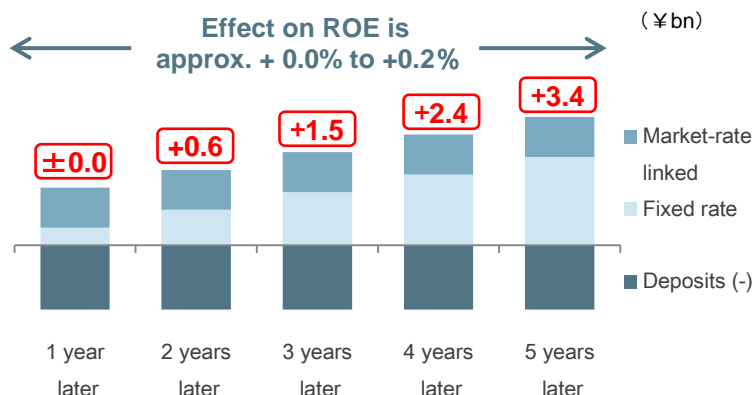
### ② Composition of Assets by Interest type (trillion yen)

Total Assets	Balance	Ratio
Floating rate	12.3	61%
Fixed rate	7.0	35%
Others (Investment trust, etc.)	0.7	3%

Loans	Balance	Ratio
Floating rate	8.1	64%
Fixed rate	4.6	36%

### Interest rate Scenario (1) ~ Planned level of FY2024 ~



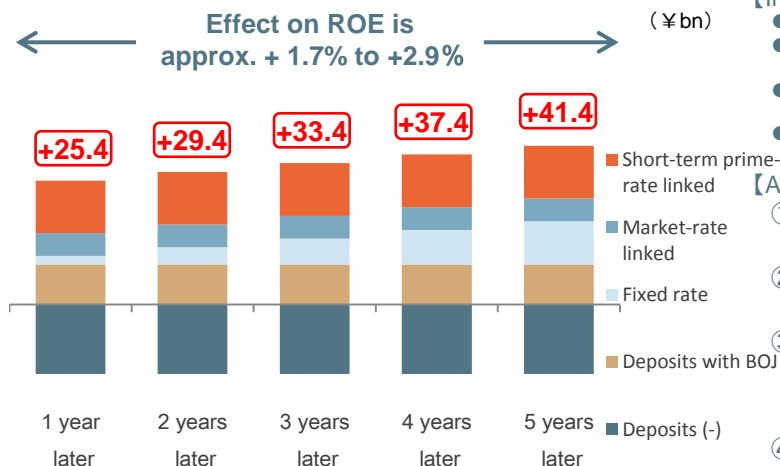
#### 【Interest rate scenario】

- Policy rate is 0.00%
- Following the lifting of negative interest rates, TIBOR increases by 0.10%.
- There is no increase in the short-term prime rate.
- 5-year swap rate (base rate for fixed-rate loans) is around 0.3%.

#### 【Assumption】

- ① Balance of assets and liabilities will stay the same as the portfolio as of end of Mar.2024.
- ② Fixed-rate loans (mainly for businesses) of 1 trillion yen will mature annually and be executed at the 5-year swap rate of the due date. The pass-through rate is set at 70%.
- ③ Deposit rate is set at 0.02% (with the pass-through rate of 20%).

### Interest rate Scenario (2) ~ Policy rate rise to 0.50% ~



#### 【Interest rate scenario】

- Policy rate is 0.50%
- Following the interest rate increase, TIBOR rises by 0.40%.
- Short-term prime rate is set 2.475% (+0.50%).
- 5-year swap rate (base rate for fixed-rate loans) is around 0.7%.

#### 【Assumption】

- ① Balance of assets and liabilities will stay the same as the portfolio as of end of Mar.2024.
- ② The pass-through rate for housing loans to the short-term prime-rate is set at 100%. For businesses, at 70%.
- ③ Fixed-rate loans (mainly for businesses) of 1 trillion yen will mature annually and be executed at the 5-year swap rate of the due date. The pass-through rate is set at 70%.
- ④ Interest paid on deposits with BOJ is deducted for the cost of market funding.
- ⑤ Deposit rate is set at 0.20% (with the pass-through rate of 40%).



## 2. Initiatives for Enhancing Corporate Value

# Initiatives for Enhancing Corporate Value (1)

Based on “Long-Term Vision 2030”, “Third Medium-Term Group Business Plan” and “Group Sustainability Policy”, we will enhance to “raise ROE”, “lower the cost of capital” and “raise expected growth rate” and aim to “**improve PBR = enhance corporate value**”.

## Long-Term Vision 2030

【Vision】 A Value Creation Group Working Together with Local Communities

【Targeted Level】 Consolidated Fee Income Ratio : 50% or more Consolidated Ordinary Profit: ¥100 bn or more

### Materiality

### 3rd Medium-Term Group Business Plan

### Expected Effect / Creating Value

### Improve PBR

(Economy)  
Revitalization of the regional economy and local communities

(Environment)  
Response to climate change and environmental conservation

(DX)  
Promotion of digitalization

(Aging society)  
Response to aging society

(Diversity)  
Promotion of diversity

(Governance)  
Advanced corporate governance of Mebuki FG

#### 【 Basic Strategy 1 】

Pursue a business model to support local communities

Innovating traditional banking

Deepening comprehensive financial services

Challenges to expand business areas

Diversification of securities Management / investments and financing

#### 【 Basic Strategy 2 】

Build a sustainable management base

Promoting DX

Enhancing group management

#### 【 Basic Strategy 3 】

Develop human resources and promote active participation

Developing and securing human resources who can create value

Implementing diversity / Initiatives for job satisfaction

Improve RORA

Control financial leverage

ESG-related initiatives

#### Creating Economic Value

- Increase in loans to local customers / market investments and financing
- Increase in consolidated fee income
- Expand customer base and customer assets under custody, etc.

#### 【Long-term KPI for Sustainability】

Sustainable finance (FY2021~FY2030)  
Cumulated total of “3 trillion yen”

Our business growth by regional revitalization  
Regional revitalization through our core business

#### Creating Social Value

- Revitalize regional industries
- Contribute to achieve sustainable local communities
- Contribute to realize safe, secure and prosperous life
- Promote diversity
- Improve employee engagement
- Improve social reputation (ESG-related evaluation), etc.

#### 【Long-term KPI for Sustainability】

CO2 emissions reduction of the group  
Target for FY2030 : Net zero

Improve return on capital

(ROE)

Raise expected growth rate

(Expected growth rate)

Maintain and enhance a sustainable management base

(Cost of Capital)

⇒ See next page for specific measures.

# Initiatives for Enhancing Corporate Value (2)

Based on the Third Medium-Term Group Business Plan, we will aim to “Improve return on capital”, “raise expected growth rate” and “maintain and enhance a sustainable management base” by realizing expected effect (value creation) through taking the following specific measures.

## 3rd Medium-Term Group Business Plan 【 Development of Specific Measures】

### Strengthening core business in local regions

- Providing core business support, enhancing business succession
- Life-plan consulting services including non-financial area
- Improving convenience by expansion of digital transactions / non-face-to-face channel
- SDGs support, strengthening sustainable finance

P.19- 23

### Strengthening market investments / financing

- Strengthening efforts in structured finance
- Restructuring securities portfolio

P.24

### Investments / Expenses

- Promoting DX, strategic investments in new business areas
- Improving productivity by digitalization and business Innovation
- Diverse value creation by promoting human resources management

P.25- 29

### Capital management

- Appropriate risk taking by ensuring an appropriate level of capital adequacy ratio
- Enhancing shareholder returns
- Reducing strategic shareholdings (reduction of ¥30.0 bn by end of FY2027)

P.30

### Environment

- Responding to decarbonization / climate change-related risks in our group
- Supporting for decarbonization / environmental conservation in local regions

P.31- 32

### Society

- Promoting regional industries, responding to changes in industrial structure
- Dealing with aging of business owners, lack of human resources, securing local employment
- Improving QOL of elderly and family members by responding to an aging society
- Enhancing financial literacy in local regions

P.33- 34

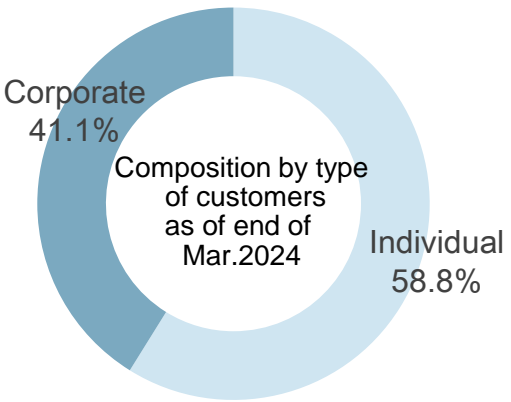
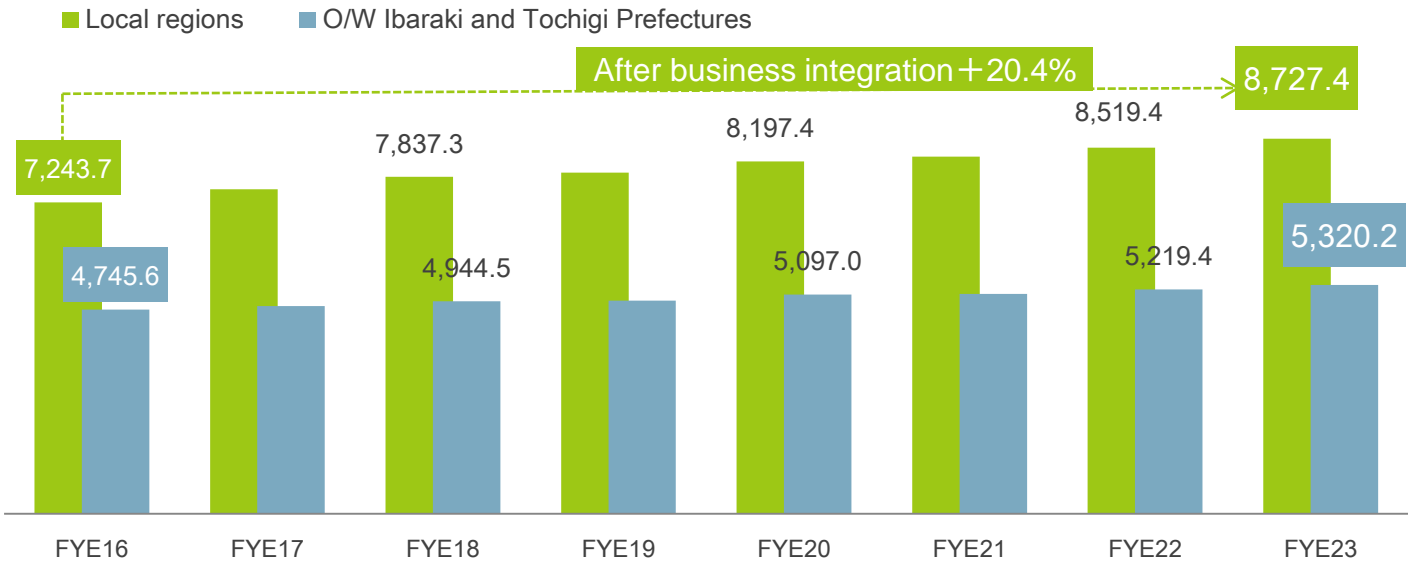
### Governance

- Strengthening and enhancing our corporate governance
- Mitigating information asymmetry by enhancing dialogue with stakeholders

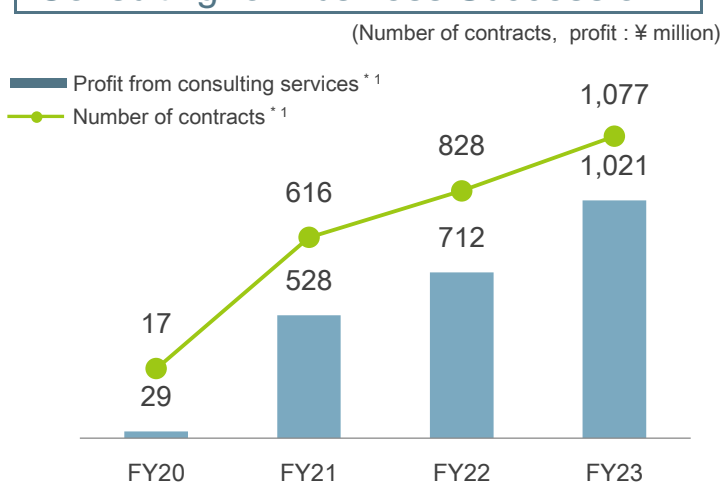
P.35

# 【Core Business in Local Regions】 Core business support / Business succession

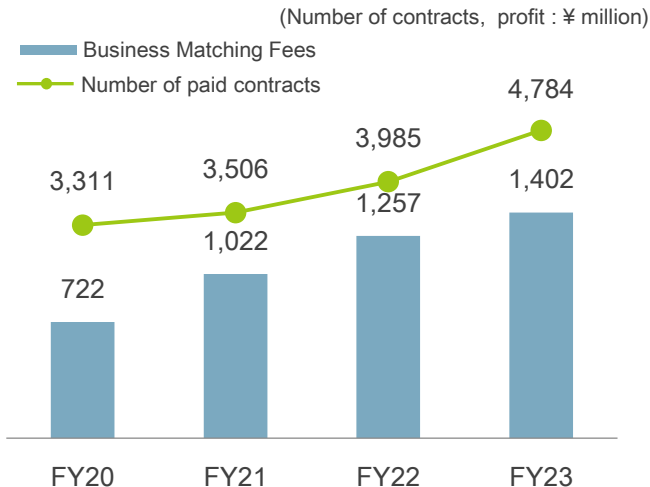
Loans in Local Regions (Bank total) (¥bn)



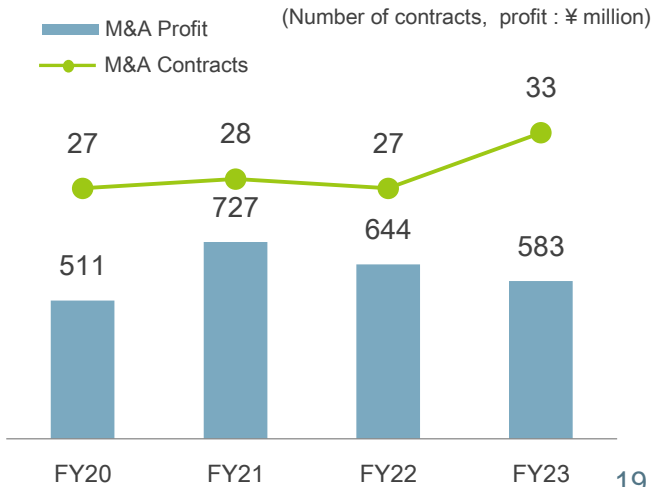
Support for Business Planning / Consulting for Business Succession



Business Matching



M&A Consultations



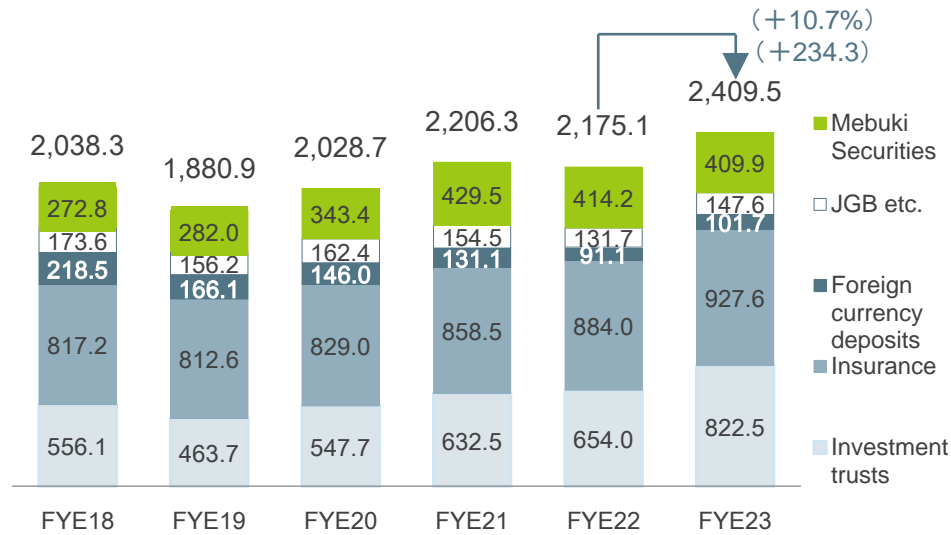
(\*)1 Total of support for business planning, application of public support system, and business succession consulting

# 【Core Business in Local Regions】

## Life-plan consulting services

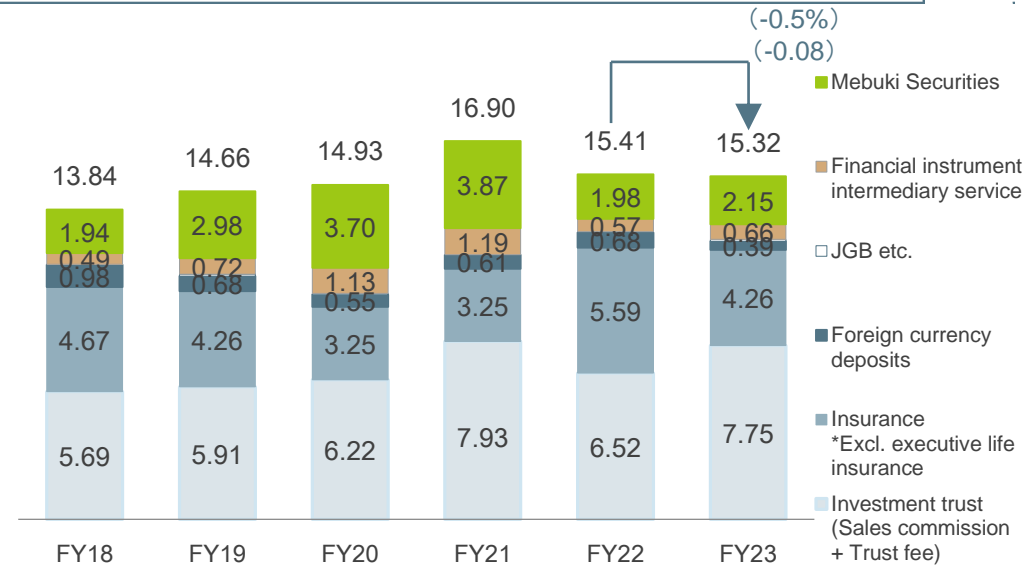
Customer Assets under custody  
Balance (Bank Total + Mebuki Securities) (¥bn)

(¥bn)

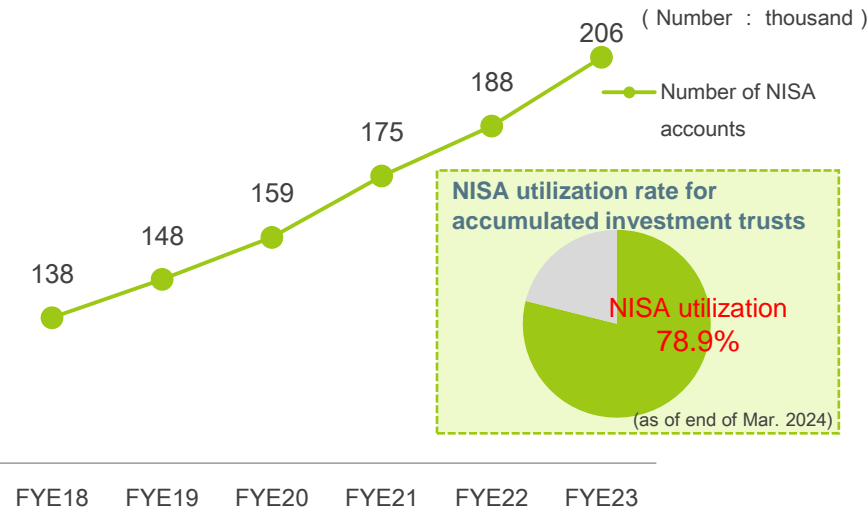


Commissions (Bank Total + Mebuki Securities) (¥bn)

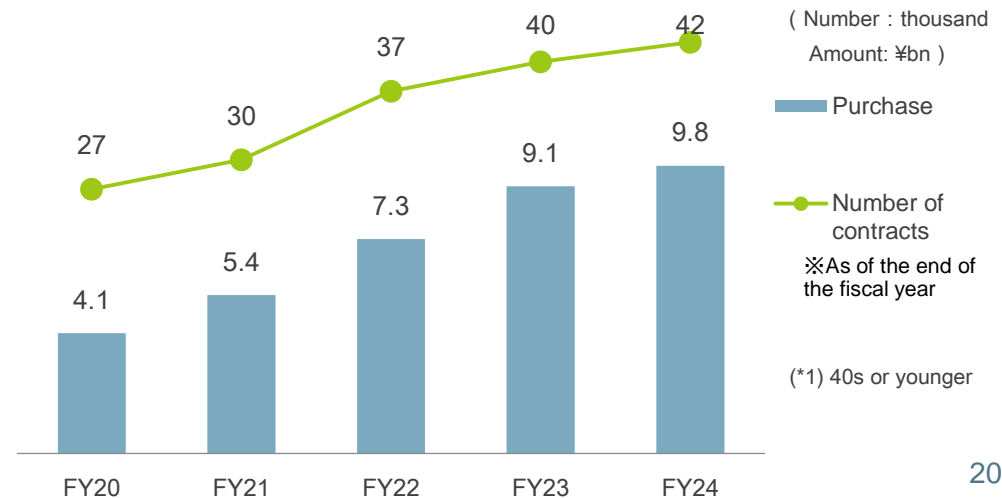
(¥bn)



Number of NISA accounts (Bank Total)



Purchase of Accumulated Investment Trusts  
by working-age customers\*<sup>1</sup> (Bank Total)



# 【Core Business in Local Regions】

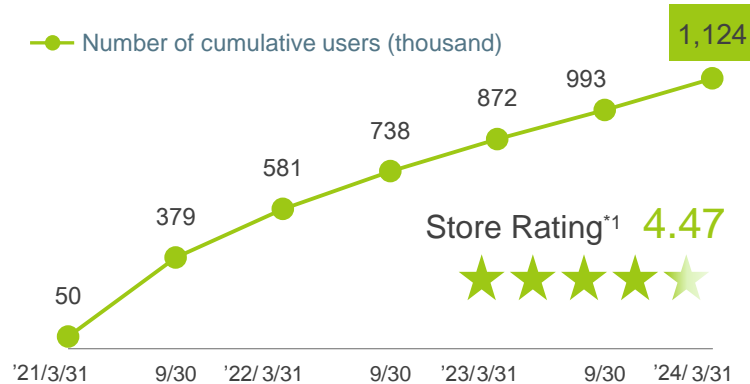
## Improving convenience by expansion of digital transactions / non-face-to-face

### Banking App

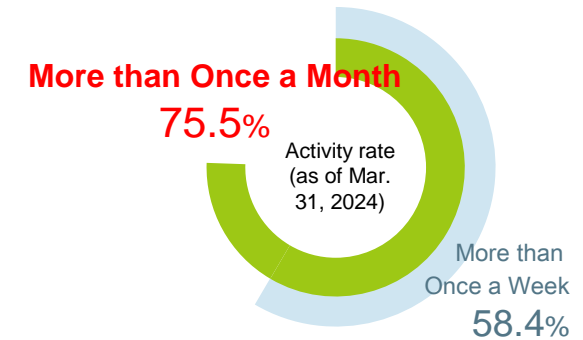
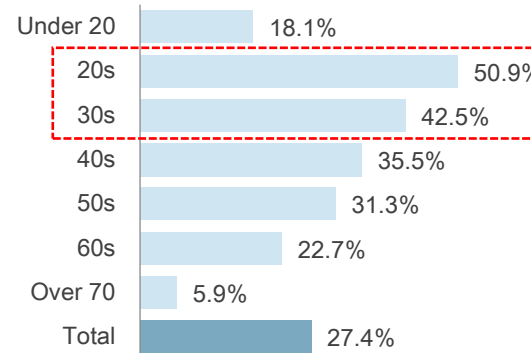
- The number of cumulative App users ( "Joyo Banking App" and "Ashikaga Bank App") exceeded 1 million.

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

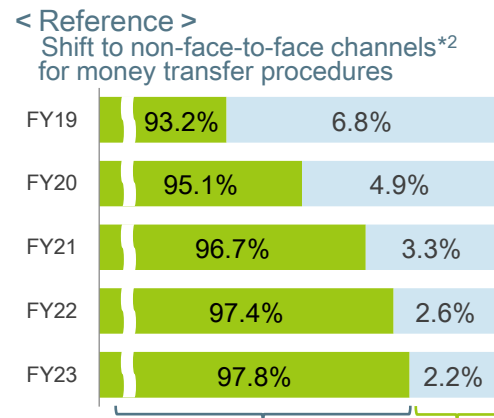
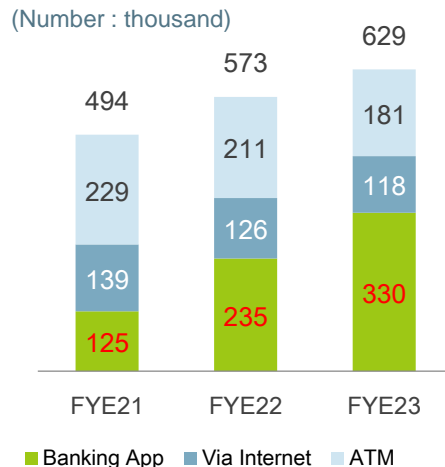
- Used by about 70% of customers more than once a month, due to the functionality suitable for everyday use and UI/UX.



\*1 Average of "Joyo Banking App and "Ashikaga Banking App" ratings on the Apple Store and Google Play ( as of May 2024)



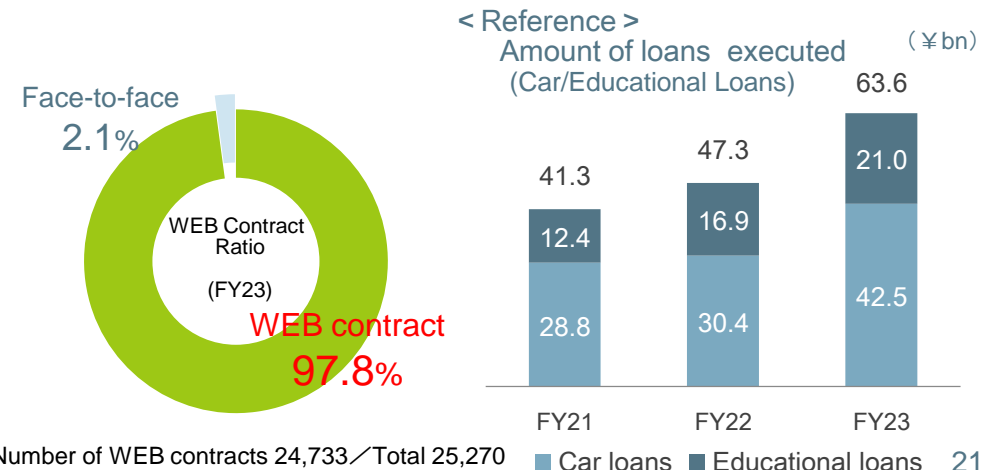
### Number of transfers by non-face-to-face channel (Individual customers)



By non-face-to-face channel At counter

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

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



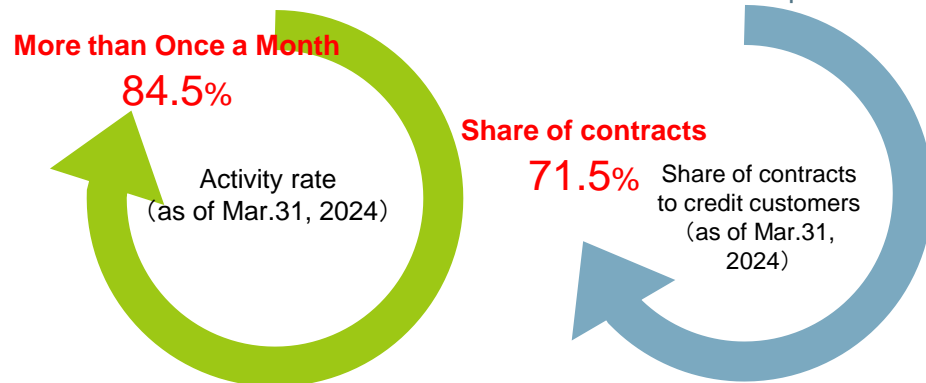
Number of WEB contracts 24,733 / Total 25,270

# 【Core Business in Local Regions】

## Improving convenience by expansion of digital transactions / non-face-to-face

### Corporate Internet Banking Services

- Number of service users (as of Mar. 31, '24) : 65,935 companies



### Corporate Portal Site

- Providing DX support services for SME's "Mikatano Series", portal site services for businesses "Ashigin BizLink"

Main function	Centralized managing multiple accounts and their deposit and withdrawal details	Cumulative users <b>15,723</b> companies (bank total, as of end of March 2024)
	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	<div>Customers</div> <ul style="list-style-type: none"> <li>Improved efficiency of accounting work</li> <li>Paperless operations</li> </ul>	Utilizing for sophisticated sales business such as marketing and forecasting funding needs
	<div>Our group</div> <ul style="list-style-type: none"> <li>Accumulation of transaction data</li> </ul>	

### Digital Contract Services (Business, Housing, Apartment Loans)

#### Effect of digital contract

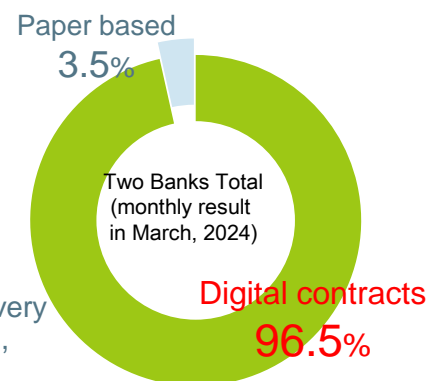
#### <Customers>

- ✓ 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

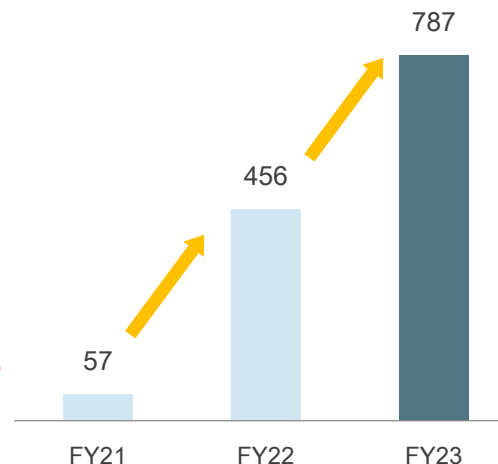
- Digital Contracts Ratio (Business\*1 and Housing Loans)  
\*1 Business loans: New certificate loans + Changes of conditions



### Digitalization Support through Business Matching

#### System Introduction Cases

- ◆ Sales management and production management
- ◆ Human resources and attendance management
- ◆ Compliance with legal changes such as the Invoice System



■ Number of business matching contracts in the IT and digitalization fields



# 【Core Business in Local Regions】

# SDGs support / Strengthening sustainable finance

## Support for Corporate Customers' Initiatives



● 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.)

Sustainable Finance  
(from FY2021 to FY2030, Cumulative)

Target 3.0 trillion yen

O/W  
Environmental field  
2.0 trillion yen

Results through FY23

1,157.4 billion yen (progress 38.5%)

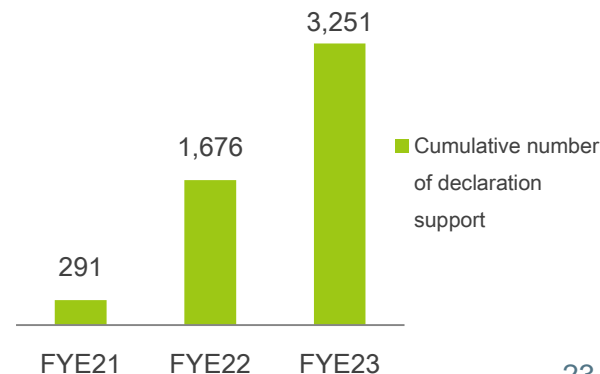
O/W Environmental field

756.9 billion yen (progress 37.8%)

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



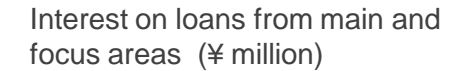
Supporting customers’ external PR  
by setting up dedicated pages on the  
websites of two subsidiary banks





## Strengthening efforts in structured finance

( ¥ bn)



\*1 Interest on loans increased significantly due to foreign exchange factors, which increased the base rate for foreign currency denominated loans, such as those for ships and aircraft.

24

# 【Investments / Expenses】

## Promoting DX / Strategic investments in new business areas

### IT Investments (3rd Medium-Term Group Business Plan Period)

#### Plan

Total IT investments  
(3-year cumulative) **¥15.0bn**

O/W New Digitalization  
**¥7.0bn**

#### Achievement / Outlook

New investment amount for  
digitalization(cumulative,¥bn)

**¥7.0bn**

0.8

2.8

FY22

FY23

FY24

#### 【Main measures】

- Unifying the investment trust system
- Enhancing Banking App functionalities
- Establishing a data utilization infrastructure
- Introducing marketing tools
- Automating internal operations related to loan applications

### Roadmap for DX

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

### DX Personnel Development

	FYE23	Target	Compared to the target
DX Personnel	662 people	400 people ( ~ FYE24 )	+262 people
DX Basis Personnel	3,924 people	3,000 people ( ~ FYE23 )	+924 people

### DX Certified Business Operator



Mebuki Financial Group  
Certified in Nov. 2022

Joyo Bank / Ashikaga Bank  
Certified in Jan. 2024

## Challenges to Expand Business Areas

### Approach to New Business

High need for initiatives as a regional issue

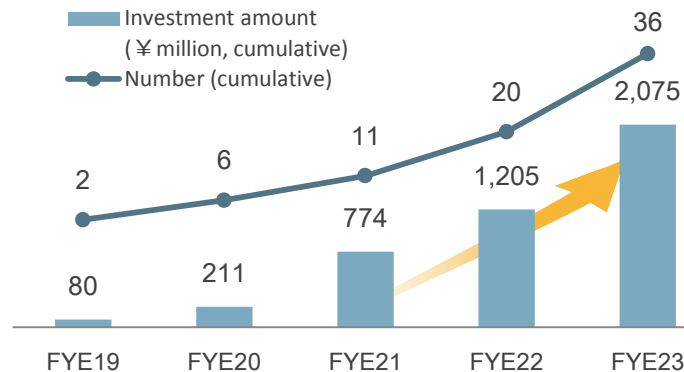
+

Affinity with our group's strengths

+

Use of strategic investments, alliances, etc.

### Investments in start-up companies



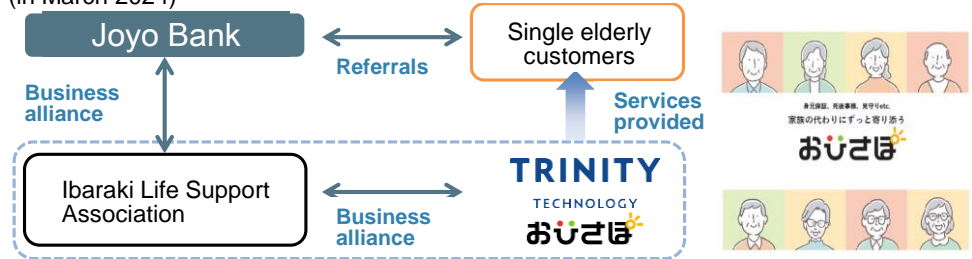
\* Only investments in venture companies through funds managed by specialized investment subsidiaries (JCP / WCP)

### Collaboration with Investee Companies

#### Providing family trust services for elderly households utilizing digital technology

Based on the business alliance with the Ibaraki Life Support Association, Joyo Bank started to introduce the services "OHISAPO" provided by Trinity Technology Co., Ltd., a CVC fund investee. (in November 2023)

The Bank started co-hosting regular "Support Seminar for the Age of 100 Years". (in March 2024)



#### Solving customers' and regional issues through promoting DX and ICT in local regions

WCP has acquired 100% of the shares of *Caters Inc.* (Headquarters: Utsunomiya City), with the aim of providing stable business succession support. (in Nov.2023)

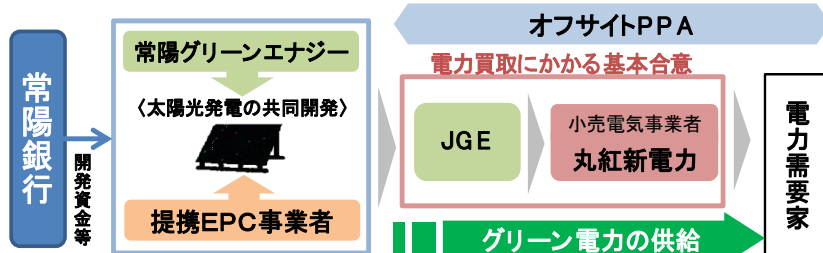
We will leverage the system development capabilities and digital technologies possessed by *Cater, Inc.* and collaborate with them to promote the enhancing of regional customer sales force, productivity improvement, and other initiatives related to DX and ICT. In addition, we aim to create synergistic effects.



## Joyo Green Energy Co., Ltd.

### Renewable Energy Generation / Supply Business

We started collaboration with Home Village INC and Marubeni Power Retail Corporation for off-site PPA<sup>\*1</sup>. (in September 2023)

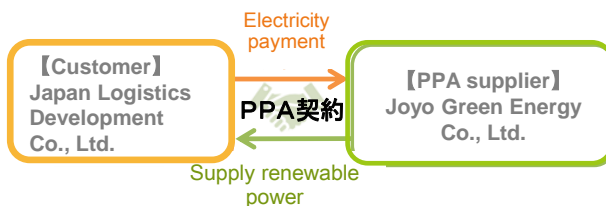


<sup>\*1</sup> Green power is supplied to consumers through the power transmission and distribution network from remote solar power generation facilities installed by solar power generation companies.

Signed a PPA contract with *Japan Logistics Development Co., Ltd.*, becoming the first private sector company to do so. (in Jan. 2024)



Solar panels have been installed on the roof of the Tsuchiura branch office.

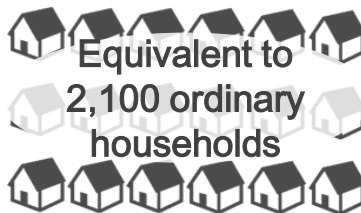


We have promoted to acquire solar power generation facilities to expand generation and supply capacity.

Acquired approx. **7MW** of solar power generation (as of Mar. 2024)



※An example of investment



## Colletochi, Ltd.

### Local Trading Company

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 in Tochigi Prefecture



### Businesses

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

### Example of Initiatives

- Started sales of local products to nation-wide hotel chain and local inns.
- Started business with major retail chain with approximately 130 stores mainly in the Tokyo metropolitan area.
- Supported the commercialization of *Mashiko-yaki* chopstick rests featuring the Shinkansen bullet train. (obtaining licenses, creating packaging, etc.)
- Entrusted to undertake a new product development project by the local government.



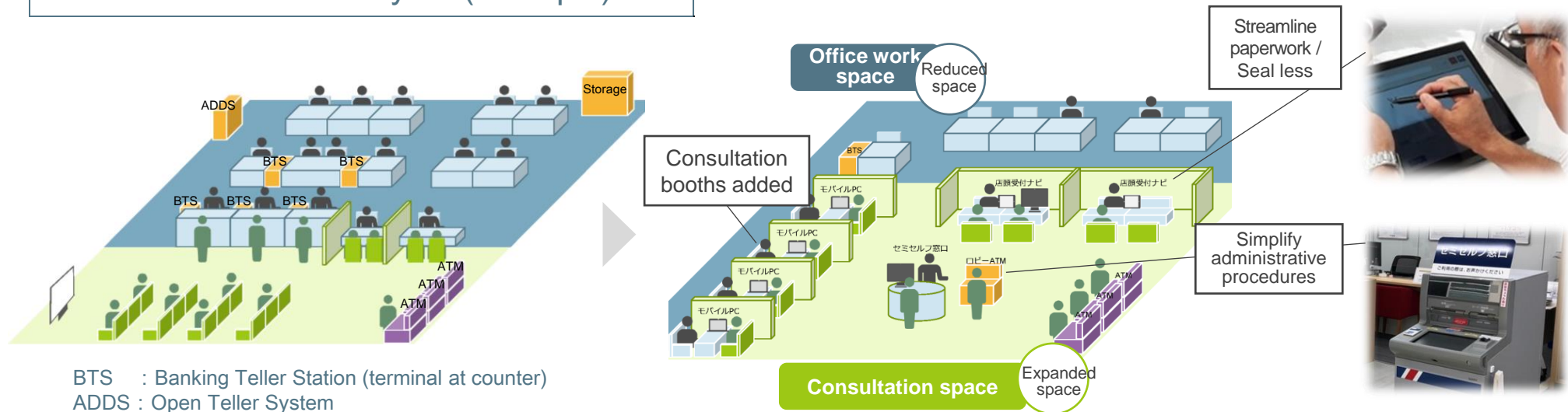
### Entry in Electric Power Business

- We entered the electric power business as part of our efforts to revitalize local regions through support of its core business. (in September 2023)
- We will promote local production and local consumption of renewable energy and strongly support the efforts for decarbonization in local regions.

# 【Investments / Expenses】

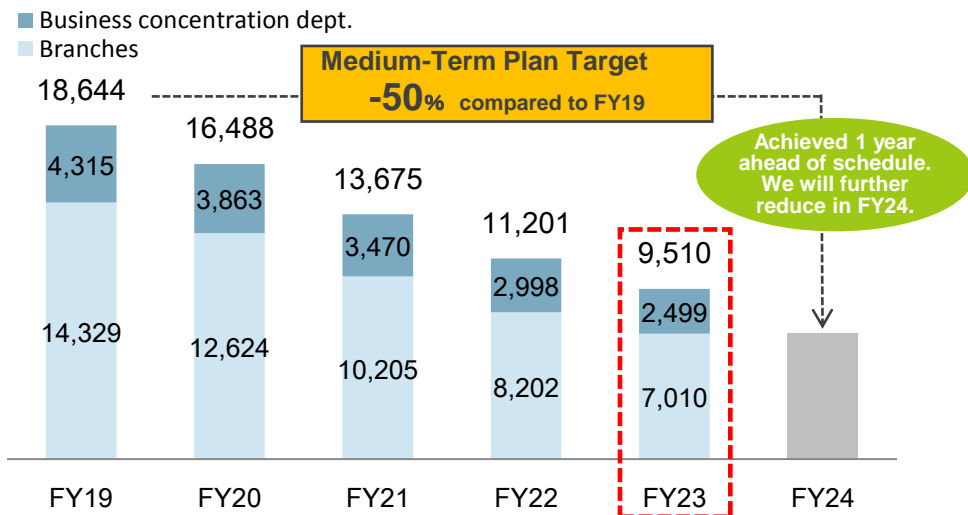
## Improving productivity by digitalization and business innovation

### Streamlined Branch Layout (example)



### Progress of Operational Efficiency in Branches

(Average volume (time) of operation per day (each fiscal year) : hours )



### Reallocation of Staff

#### 3 Year Plan ( to March 2025)

##### Free-up -580people

- BPR and digitization of branch operations
- Use of digital technology in back-office operations
- Shift of personnel to consulting field through optimized personnel allocation, etc.

##### Invest +200people

- Enhancing consulting function, new business area
- Strengthening DX, Data utilization
- Strengthening securities investment, structured finance

**net -380people**

#### 2 years cumulative achievement (as of Mar.31 2024)

**Freed-up -410people**

##### Invested

**+170people**  
 (Consulting / new business area +130people)

**net -240people**

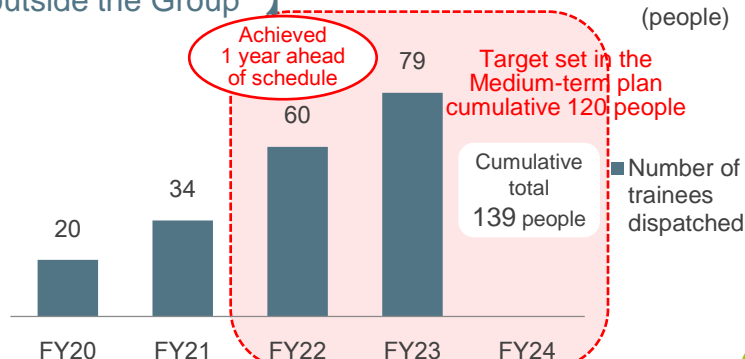


# 【Investments / Expenses】

# Diverse value creation by promoting human resources management

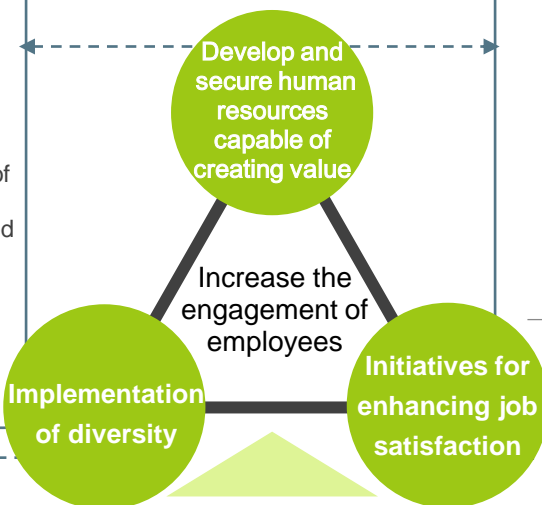
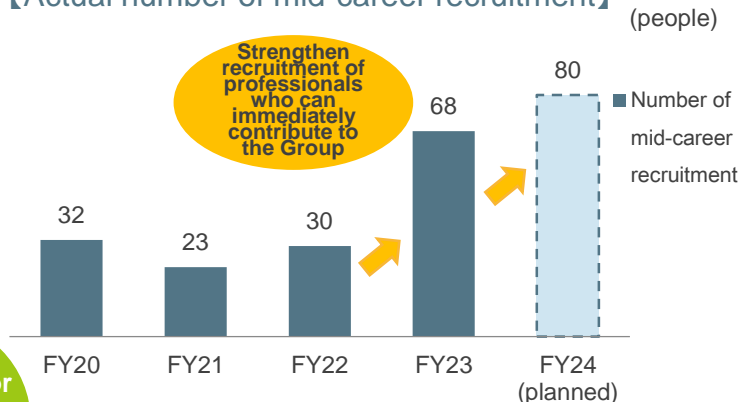
## Initiatives for Human Resources Management

### 【Actual number of trainees dispatched to inside and outside the Group\*1】

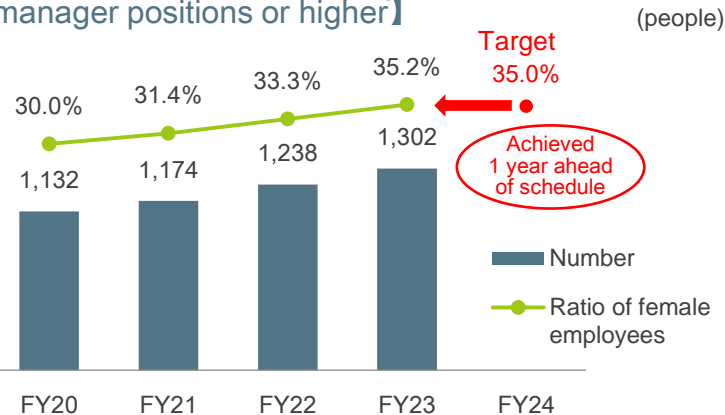


\*1 Trainees dispatched for more than one month for the purpose of human resource development

### 【Actual number of mid-career recruitment】



### 【Actual ratio of female employees in assistant manager positions or higher】



### 【External evaluation】

The Group was awarded the 3rd level "Eruboshi" certification as a general employer that conforms with the standards under the Act on the Promotion of Female Participation and Career Advancement in the Workplace.

"Platinum Kurumin" certification was granted as a company that provides superior support for childcare to its employees based on the Act on Advancement of Measures to Support Raising Next-Generation Children.

"The Group was recognized as an outstanding organization under the 2024 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category)."

健康経営優良法人  
Health and productivity

### 【Development of a pleasant and attractive working environment】

<b>Flextime work system</b> Enabling employees more flexible work styles	<b>Working from home</b> Realizing efficient work styles
<b>Childcare leave at birth system</b> Encouraging male employees to take childcare leave.	<b>Fertility treatment leave system</b> Newly established system (for two years at maximum)
<b>Second job system</b> 53 people used the system (as of Mar.2024)	<b>Work in casual clothes</b> Introduced in the head offices of two subsidiary banks

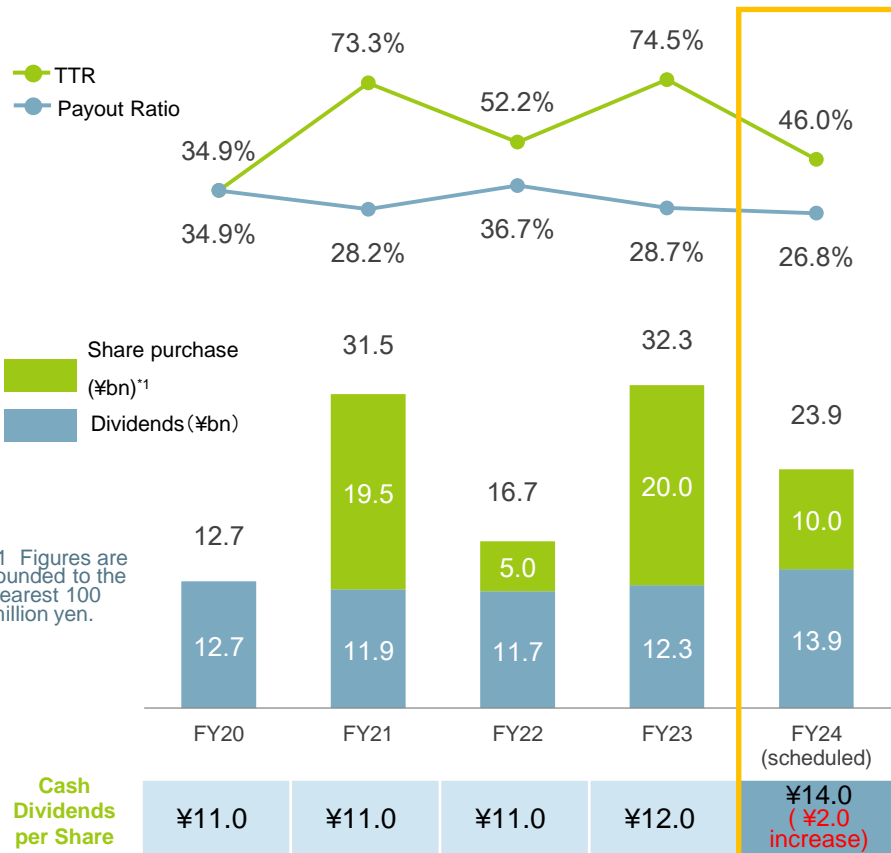
# 【Capital Management】

## Capital adequacy ratio / Enhancing shareholder returns / Reducing strategic shareholdings

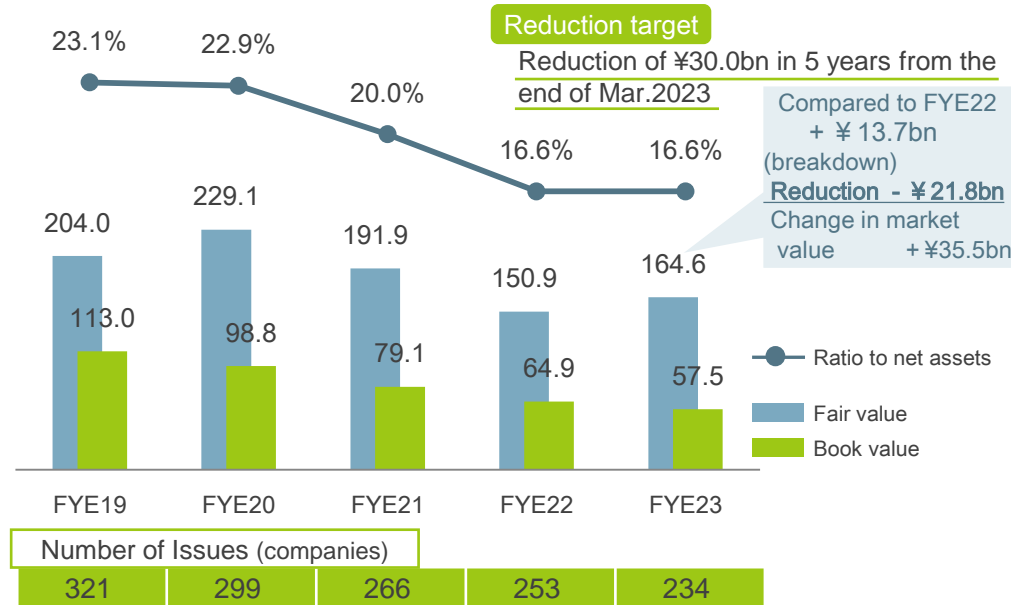
### Dividends, Shareholder Returns

#### Shareholder Returns Policy

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.

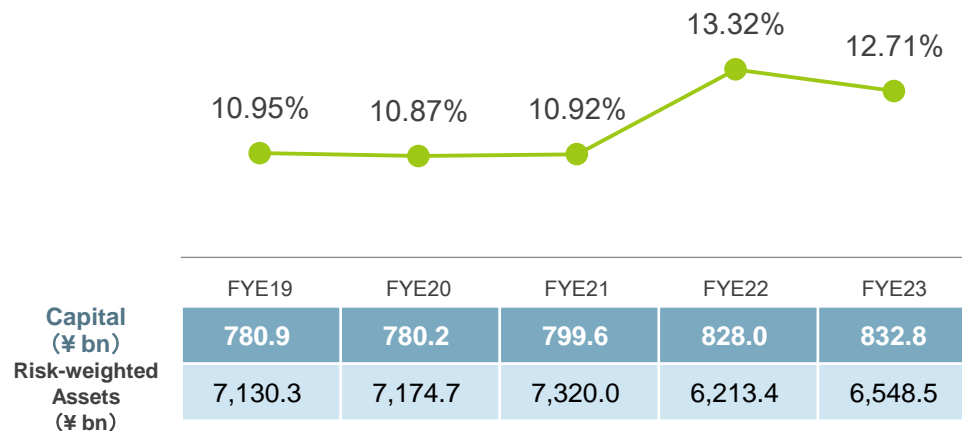


### Strategic Shareholdings\*2 (¥bn)



\*2 Figures are 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.

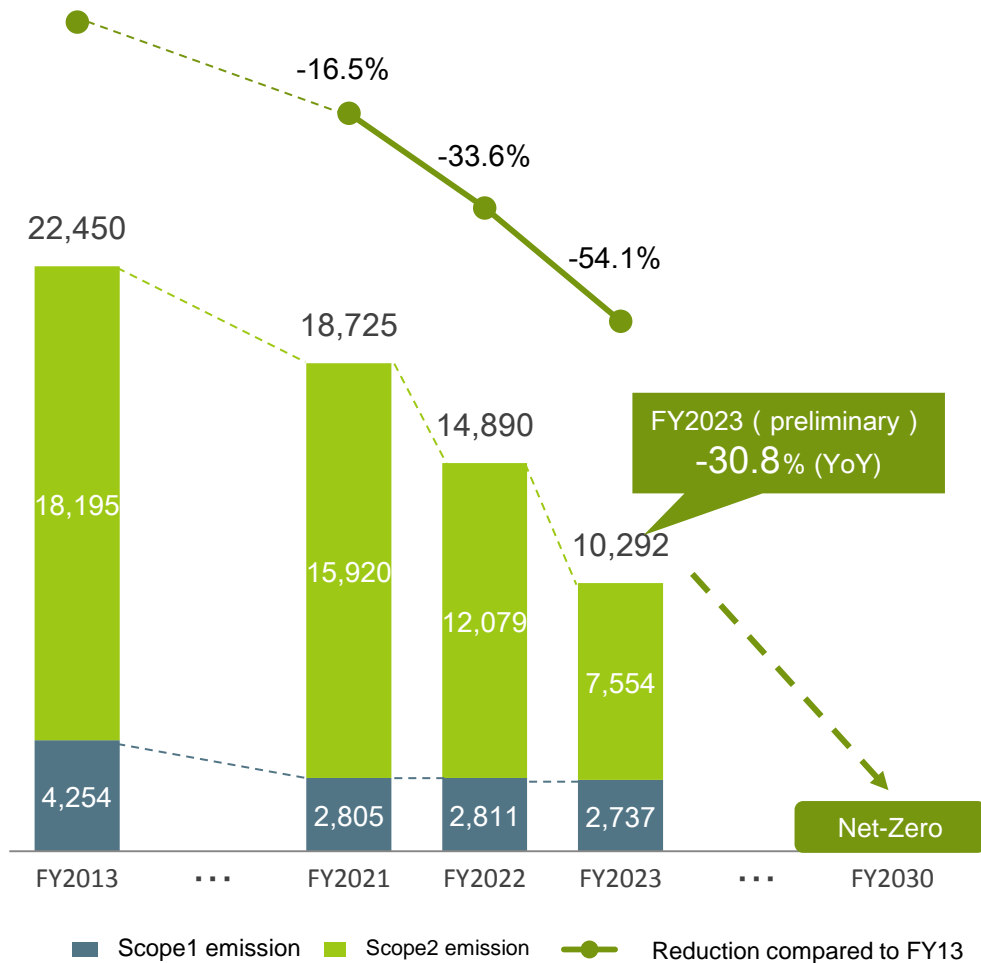
### Capital Adequacy Ratio (Mebuki FG consolidated)



# 【ESG】 Initiatives for Creating Social Value (Environment)

## CO2 Emissions Reduction (Scope 1, 2)\*<sup>1</sup>

(t-CO2)



\* 1 From FY2022, total CO2 emissions of Scope 1 + Scope 2 for the entire company, including all group companies in addition to two subsidiary banks are counted and calculated using adjusted emission factor.

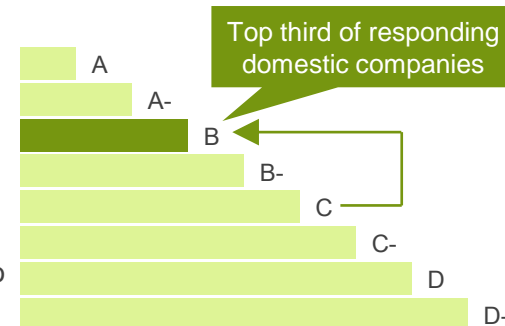
## Endorsement / Participation in Initiatives



- Our primary business areas, Ibaraki and Tochigi Prefectures, have rich and diverse natural environments, including wetlands designated under the Ramsar Convention such as the lake "Hinuma", "Watarase Reservoir" and "Oku-Nikko."
- Our group is committed to working together with local communities, customers and other stakeholders to conserve natural capital and biodiversity. We strive to contribute towards achieving a nature-positive approach.



- In FY2023, we have been certified with a **"B" rating**, surpassing the previous year's performance, for our efforts in disclosing information related to CO2 emissions and climate change mitigation.



- We actively participate in initiatives to accelerate efforts related to sustainability, including response to climate change.



- Sustainability Data Standardization Consortium (SDSC)
- Endorsed the "Keidanren Biodiversity Declaration and Action Guidelines."



# 【ESG】 Initiatives for Creating Social Value (Environment)

## CO2 Emissions including Supply Chain

(t-CO2)

	FY2022	FY2023 (preliminary)	
			(composition)
Scope1	2,811	2,737	0.01%
Scope2	12,079	7,554	0.04%
Scope3 Category 1~14	21,742	29,009	0.15%
Scope3 Category15 (Investments and loans)	20,498,197	19,337,643	99.80%
Total	20,534,829	19,376,945	100.00%

Accelerating our efforts  
towards reducing emissions in  
Category 15 of Scope 3

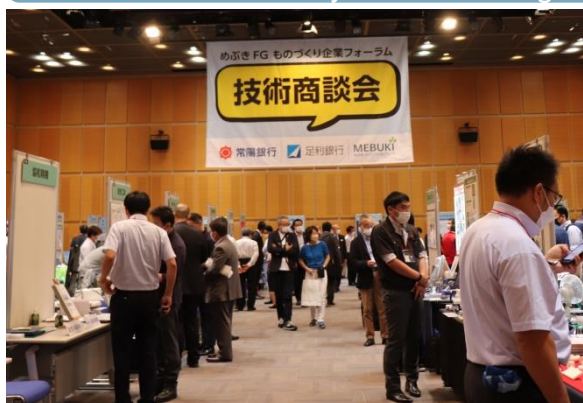
Carbon  
Neutral

FY	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	...	...	FY39	...	...	FY50
Scope3 Category 15	Enhancing initiatives for decarbonization													
	Investments and loans for coal-fired power generation businesses “Zero”													
Engagement with our customers	Promoting sustainable finance (FY2030 target : ¥3 trillion (O/W environmental field ¥2 trillion))									Promoting sustainable finance				
	Prompting to support for planning SDGs Declaration , Organizing SDGs／Decarbonization forum													
	CO2 emission visualization support / Carbon management consulting services													
	Introduction of companies handling virtually CO2-free electricity / Promoting PPA / Support for sales and purchase of J-Credit													

# 【ESG】 Initiatives for Creating Social Value (Society)

## Manufacturing Business Forum

Providing participants an opportunity to have business conferences that may lead to finding new business partners



### Outline

- Appointments to have business meetings  
Providing effective opportunities for business negotiations through utilizing “technical proposals” (booklets that summarize companies' distinctive technologies and products).
- Panel exhibition business meetings
- Special seminars

## Mebuki Business Award



Call for and award innovative and creative business plans in the regions



After that...

- Making technical propositions
- Expanding sales channels
- Providing financial support using funds, etc.

Providing various types of support to commercialize their award-winning plans

## Mebuki Food Exhibition

Providing participants an opportunity to promote their products at exhibition booth and have individual business meetings with buyers



<Business meeting at exhibition booth>



<Individual business meetings with buyers>

Support for food-related business companies to expand their sales channels / suppliers and to encourage interactions among participants.

Initiatives to support food-related business companies in expanding their sales channels abroad

### Concept

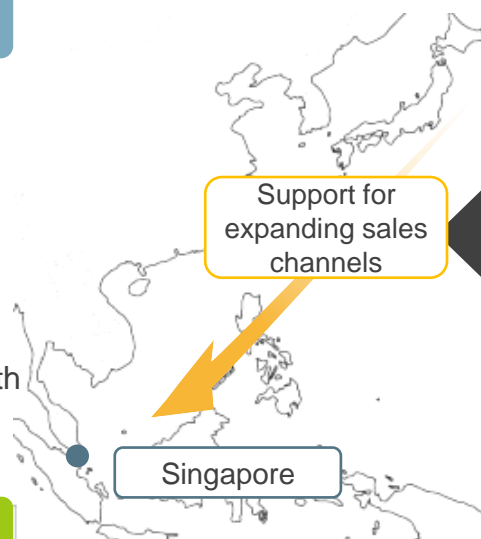
To allow the participating companies in Ibaraki Pref. to collect “real local voices” and to provide them an opportunity to use the voices for their future expansion of sales channels

### Main measures

- Business conference where participants met local buyers
- Tasting event where general consumers were invited
- Live commerce event

### Partners

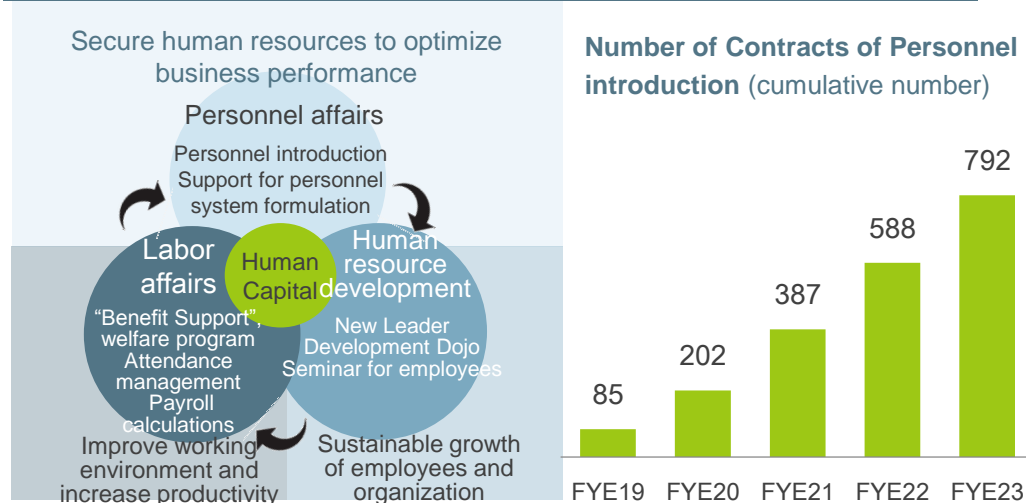
Ibaraki Global Business Promotion Council (secretariat: Ibaraki Prefecture and others)



Support for expanding sales channels

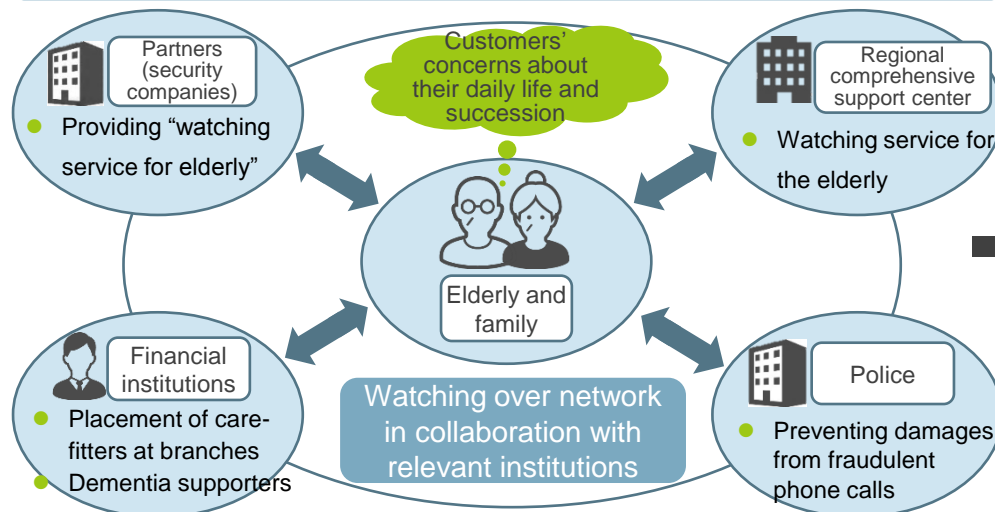
# 【ESG】 Initiatives for Creating Social Value (Society)

## Initiatives for human resources management / lack of human resources



## Improving QOL of elderly and family members

### Support for living environment by strengthening collaboration with external institutions



## Enhancing financial literacy in local regions

### Holding Financial Lectures for Students (from elementary to high school) and Seminars for Working People



<Delivered financial lecture to high school students>

#### Financial lectures

We have provided lectures on finance for social education for children in local communities.

#### Seminars for working people

We have supported for stable asset building of regional customers through workplace seminars and online "asset management seminars".

### One-Stop Services by Specialized Staff

#### <Smileful Partner>



We have enhanced the placement of specialized staff who responds to concerns of elderly customers and their families.

#### <Holiday Wealth Salon>



An appointment-only salon providing inheritance consulting services that are available only on Saturdays and Sundays in which specialized staff supports customers in an easy-to-understand and careful manner.

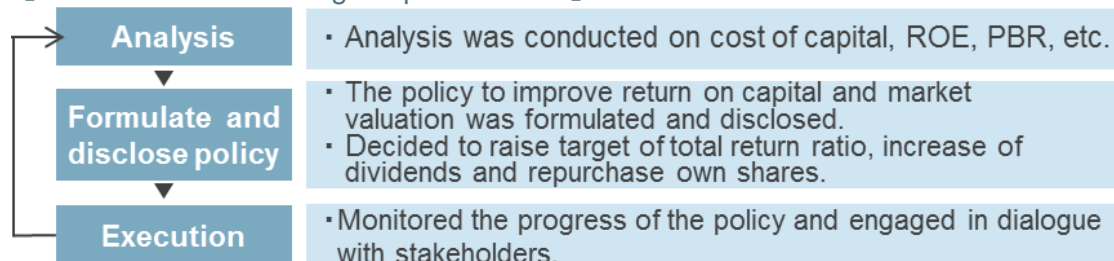
Enhance and maintain customers' quality of life (QOL)

# 【ESG】 Initiatives for Creating Social Value (Governance)

## Strengthening Corporate Governance

- Our Group's management takes initiative in analyzing the current situation, formulating policies and promoting initiatives to achieve sustainable growth and increase corporate value over the medium to long term .
- We actively utilize the opinions of independent outside directors and dialogue with shareholders to realize the value enhancement expected by various stakeholder.

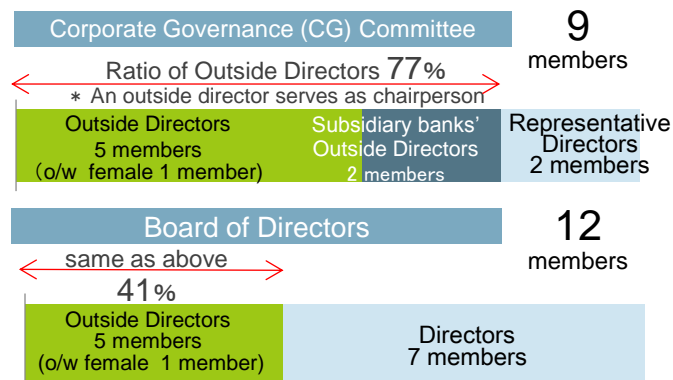
### 【Initiatives for Enhancing Corporate Value】



## Dialogue with Shareholders and Investors

Dialogue partners	Dialogue meeting	Primary participants	FY2021	FY2022	FY2023
Individual investors and individual shareholders	Corporate information sessions	Director in charge of Corporate Planning	86 participants	144 participants for 1 session	525 participants for 2 sessions
Institutional investors and analysts in Japan	Large meetings	Representative Director (President, Executive Vice President)	172 participants for 2 sessions	232 participants for 2 sessions	234 participants for 2 sessions
	Small meetings	Representative Director (President, Executive Vice President)	28 participants for 2 sessions	39 participants for 2 sessions	44 participants for 2 sessions
	Theme-based meetings	Representative Director (President, Executive Vice President), Outside Director (Attend meetings according to the theme)	—	21 participants for 1 session	15 participants for 2 sessions
	One-on-One meetings	General Manager in charge of Corporate Planning Department, Senior Manager, IR staff	52 companies	50 companies	62 companies
	Total		200 participants, 52 companies	292 participants, 50 companies	293 participants, 62 companies
Foreign investors and foreign shareholders	On-site visit	Representative Director (President, Executive Vice President)	—	—	3 companies for 1 session
	Domestic conferences	Director in charge of Corporate Planning	—	5 companies for 1 session	—
	One-on-One meetings	General Manager in charge of Corporate Planning Department, Senior Manager, IR staff	7 companies	10 companies	13 companies
	Total		7 companies	15 companies	16 companies

\* Large meetings: Twice a year (May and November), Small meetings: Twice a year (August and February), One-on-one meetings: Quarterly



## 【Reference】 Details of Financial Results for FY2023



# Loans (1) Corporate Loans

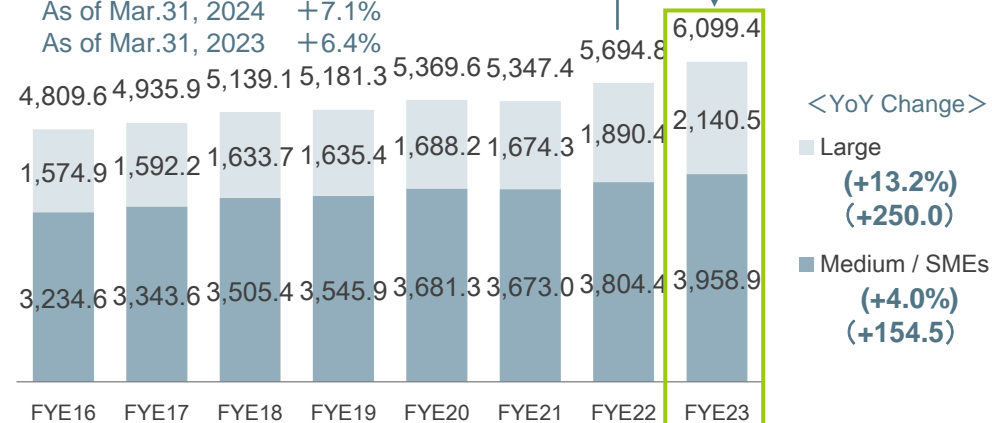
Since business integration in 2016, corporate loans continue to increase regardless of corporate size or area. Recently, we acquired demand for operating capital due to a recovering demand for equipment financing and high resource prices.

## Change of Balance by Corporate Size (¥bn)

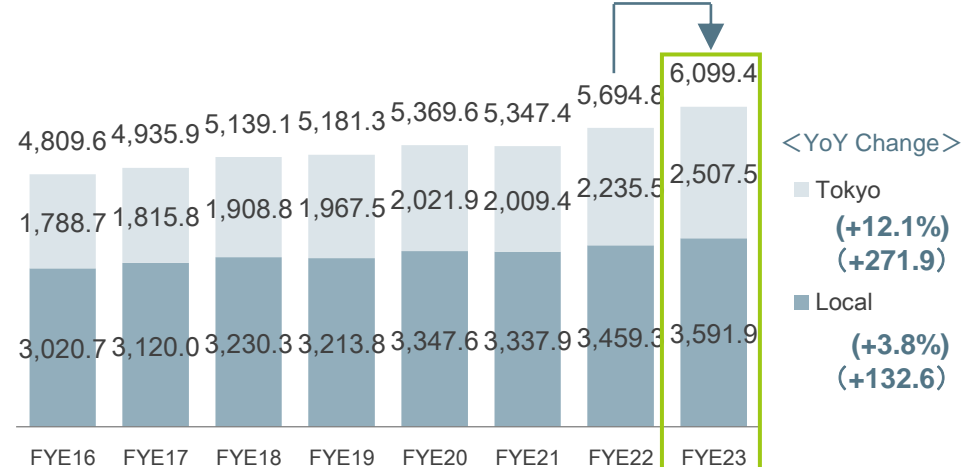
Growth rate of Corporate Loans (YoY)

As of Mar.31, 2024 +7.1%

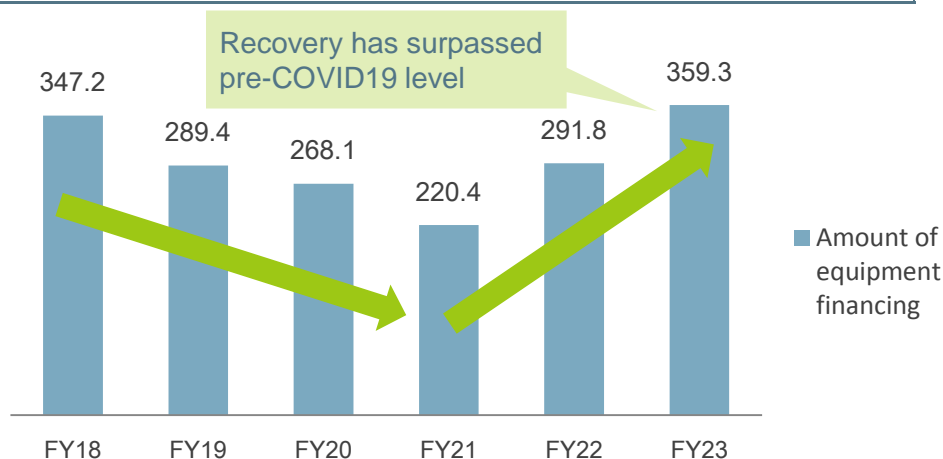
As of Mar.31, 2023 +6.4%



## Change of Balance by Geographic Area (¥bn)



## Amount of Equipment Financing<sup>\*1</sup> (¥bn)



\*1 Excluding housing loans and apartment loans

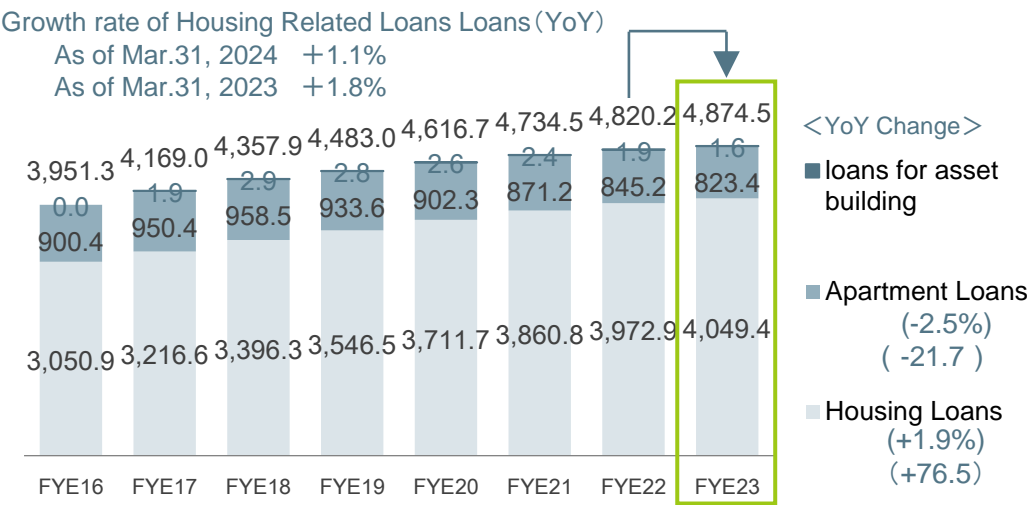
## Top 5 industries by Increase in loans (¥bn)

	Amount of increase/decrease(YoY) (Annual change ratio)				Balance FYE23
	FYE23	FYE22	FYE21		
Financial and insurance	+116.8 (+24.5%)	+74.4 (+18.5%)	-25.5 (-6.0%)		593.0
Manufacturing	+59.5 (+3.9%)	+53.7 (+3.6%)	-4.1 (-0.3%)		1,596.7
Electricity, gas and water	+46.1 (+3.7%)	+69.1 (+5.8%)	-48.2 (-3.9%)		1,299.0
Wholesale / Retail services	+37.1 (+11.3%)	+5.0 (+1.5%)	+25.4 (+8.5%)		366.8
Real estate	+28.8 (+2.7%)	+69.4 (+7.0%)	-4.0 (-0.4%)		1,089.2

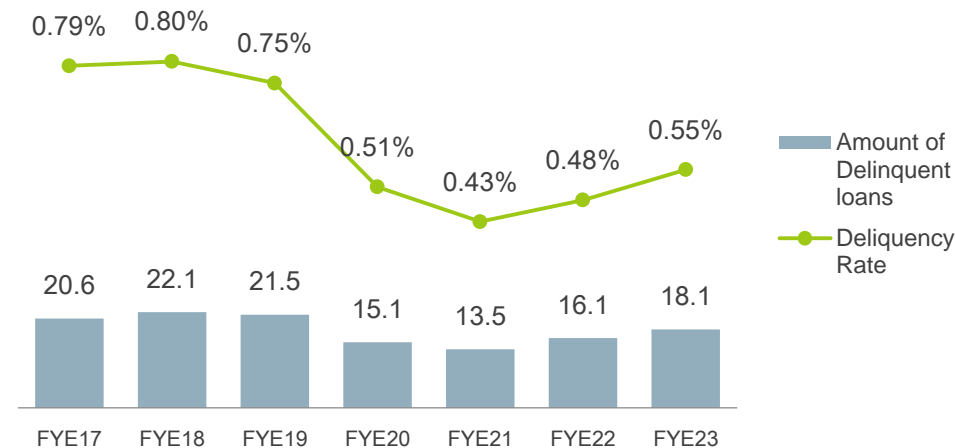
# Loans (2) Individual Loans

Loans to individual customers maintained increase trend both in housing related loans and in unsecured loans. In particular, the growth rate of unsecured loans has significantly increased from +8% to +13% (annualized).

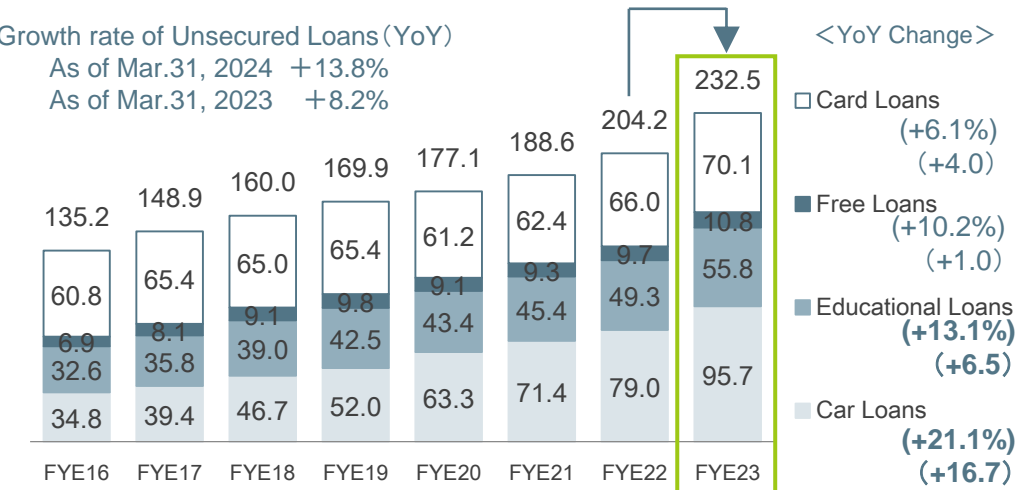
Housing Related Loans (¥bn)



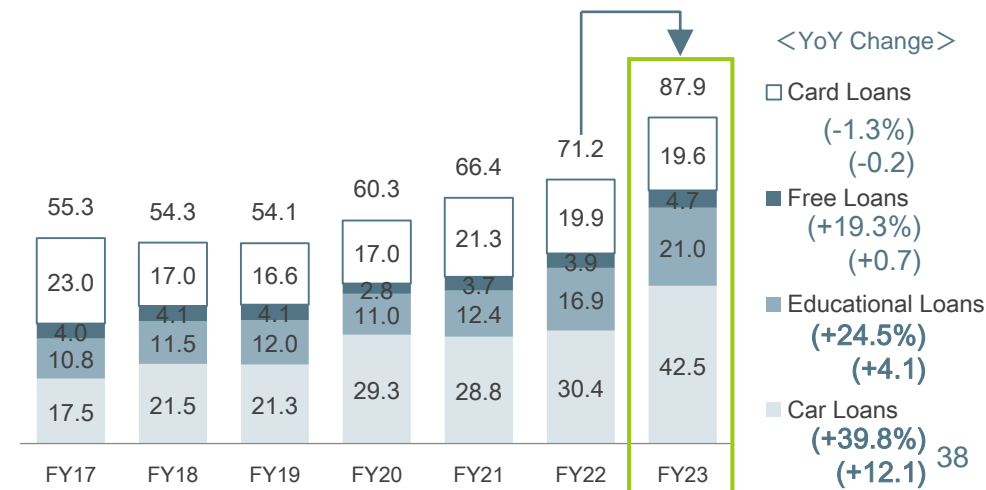
Delinquency Status of Housing Related Loans (¥bn)



Unsecured Loans (¥bn)



Amount of Unsecured Loans Executed (¥bn)



# 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 ¥5.7bn YoY.

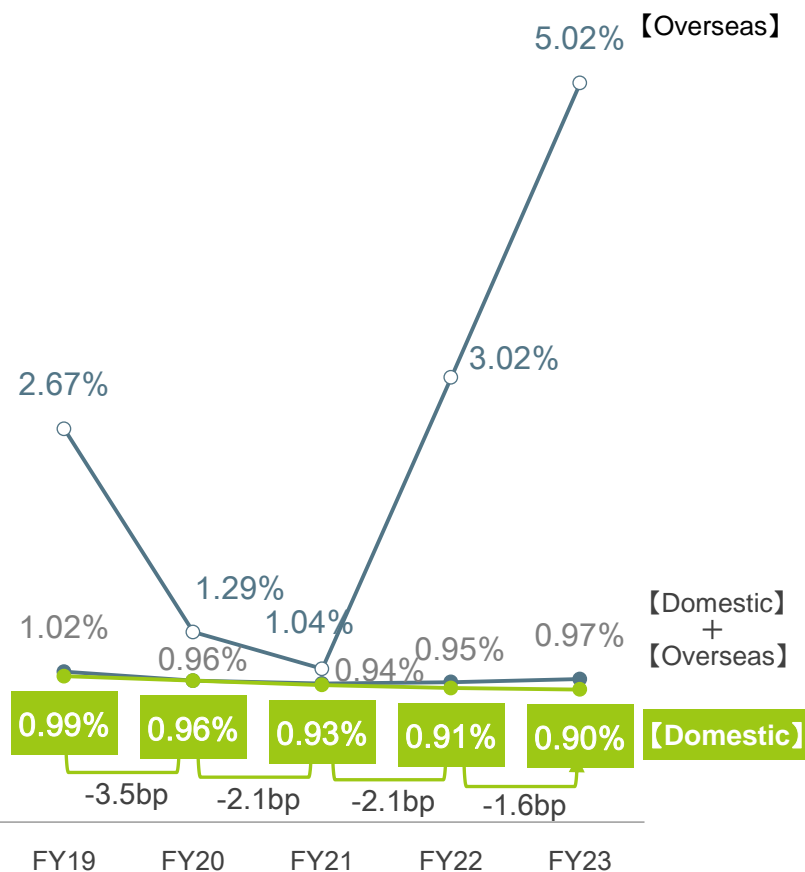
Securities' income (excluding gain on cancellation of investment trusts) decreased by ¥11.2bn YoY due to the increase of costs such as market borrowings.

We will continuously enhance net interest income by increasing the balance of loans and restructuring our securities portfolio.

## Average Yield on Loans(Joyo+Ashikaga)

### (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

\* 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	116.3	Avg Balance	+4.9	+5.1	(+563.5)	-0.1	(-3.1)
		Yield	+2.3	-1.8	(-1.6bp)	+4.2	(+199.1bp)
			+7.3	+3.2	—	+4.0	—
Interest on deposits (—)	4.0		+1.5	+0.0	—	+1.6	—
Difference of interests between loans and deposits ①	112.2		+5.7	+3.3	—	+2.4	—
Interest and dividend on securities	63.9	Avg Balance	-6.8	-4.5	(-450.5)	-2.3	(-62.9)
		Yield	+12.2	-0.5	(-1.5bp)	+12.7	(+157.3bp)
			+5.3	-5.0	—	+10.4	—
(o/w gains on cancellation of Investment Trusts)	5.2		-1.8	-1.8	—	±0	—
(excluding gains on cancellation of Investment Trusts)	58.6		+7.2	-3.1	—	+10.4	—
Market borrowings, etc. (—)	36.8		+18.5	-0.1	—	+18.6	—
Securities' Income (excluding gains on cancellation of Investment Trusts) ②	21.7		-11.2	-3.0	—	-8.2	—
Special Funds-Supplying Operations by Bank of Japan ③	3.0		-1.2	-1.2	—	±0	—
Securities' Income* <sup>1</sup> ②+③=④	24.8		-12.5	-4.2	—	-8.2	—
Net Interest Income (excluding gains on cancellation of Investment Trusts) ①+④	137.0		-6.7	-0.9	—	-5.7	—

\*1 Excl. gains on cancellation of Investment Trusts, and incl. Special Funds-Supplying Operations by Bank of Japan.

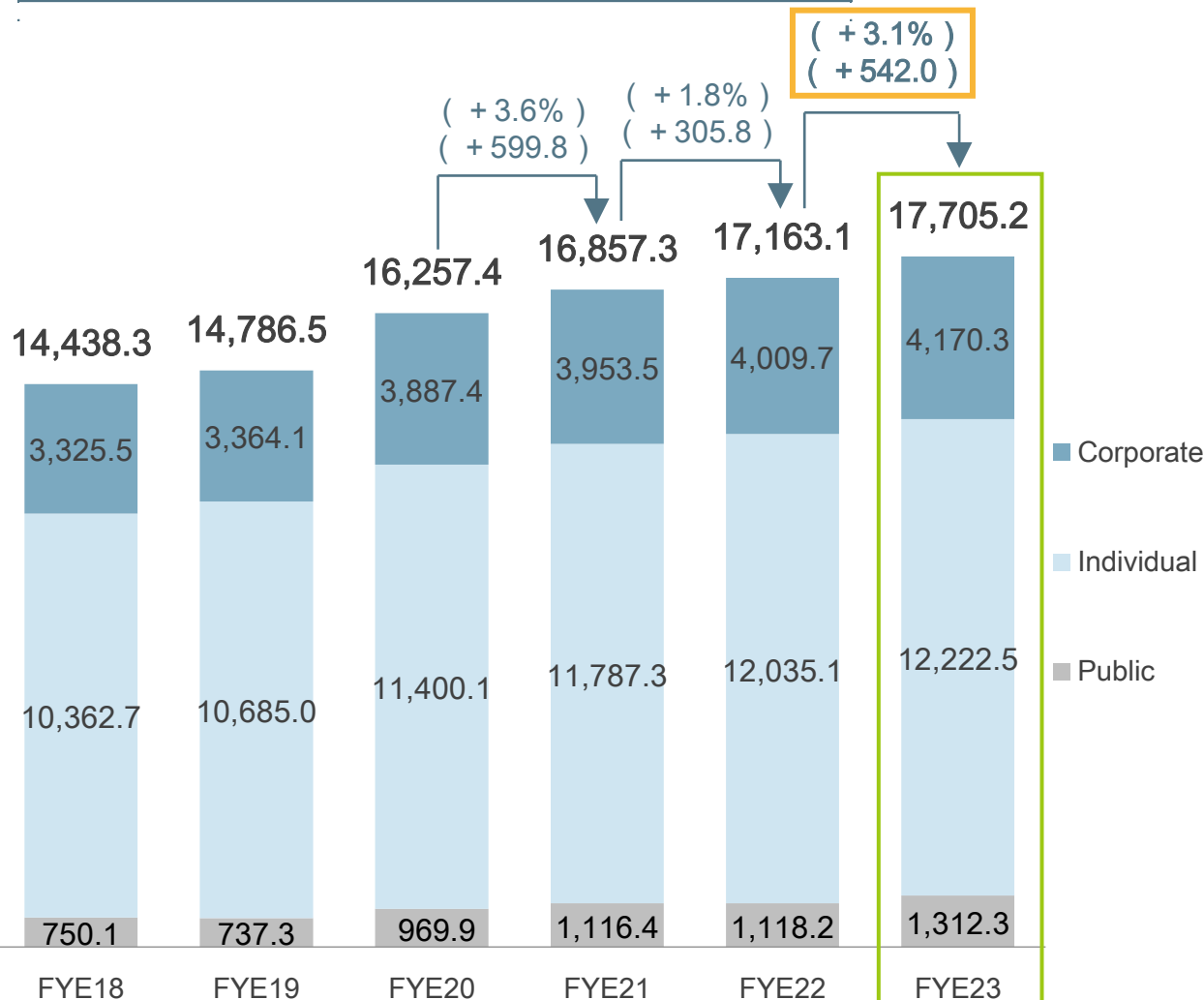


# Deposits Term-end Balance

Balance of deposits increased by ¥542.0bn YoY (+3.1% annualized).

Deposits from all sectors such as corporate, individual and public, have maintained an increasing trend.

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



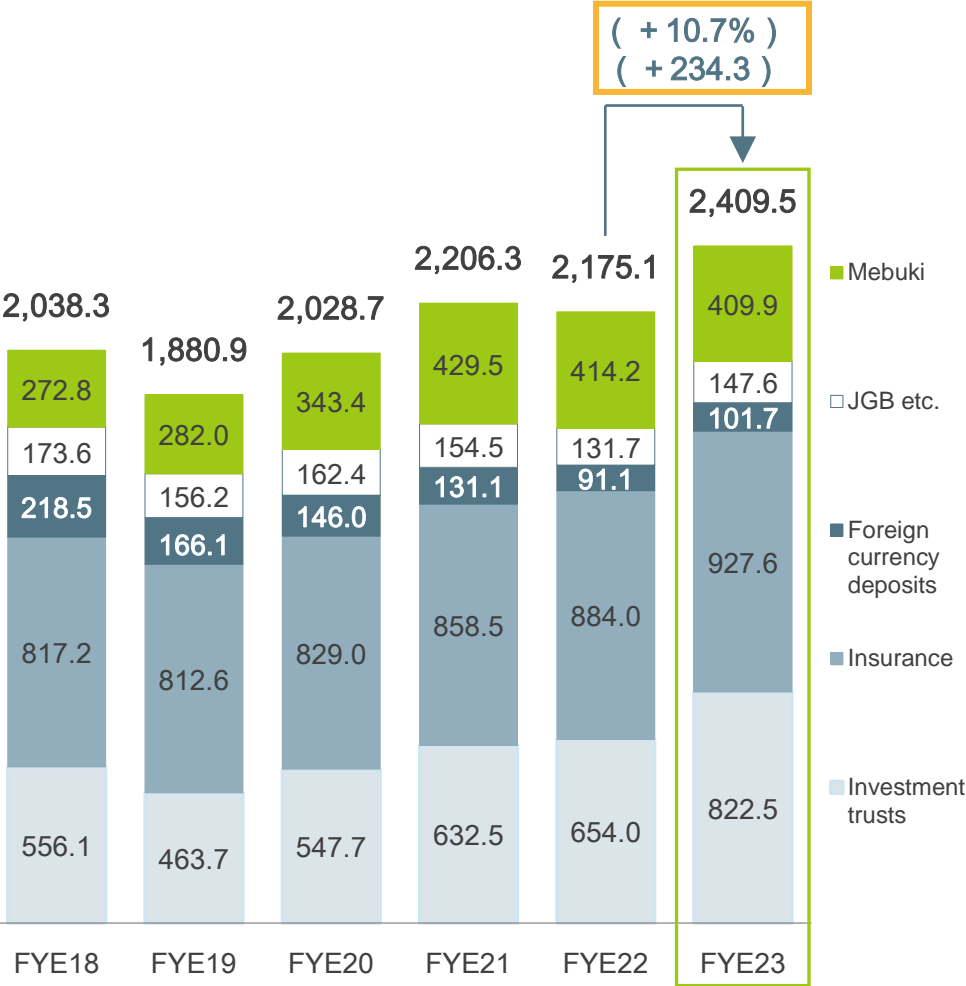
Year on Year Changes (¥bn)

	FYE21	FYE22	FYE23
Total	+599.8 +3.6%	+305.8 +1.8%	+542.0 +3.1%
Corporate	+66.1 +1.7%	+56.1 +1.4%	+160.5 +4.0%
Individual	+387.2 +3.3%	+247.8 +2.1%	+187.4 +1.5%
Public	+146.5 +15.1%	+1.7 +0.1%	+194.0 +17.3%

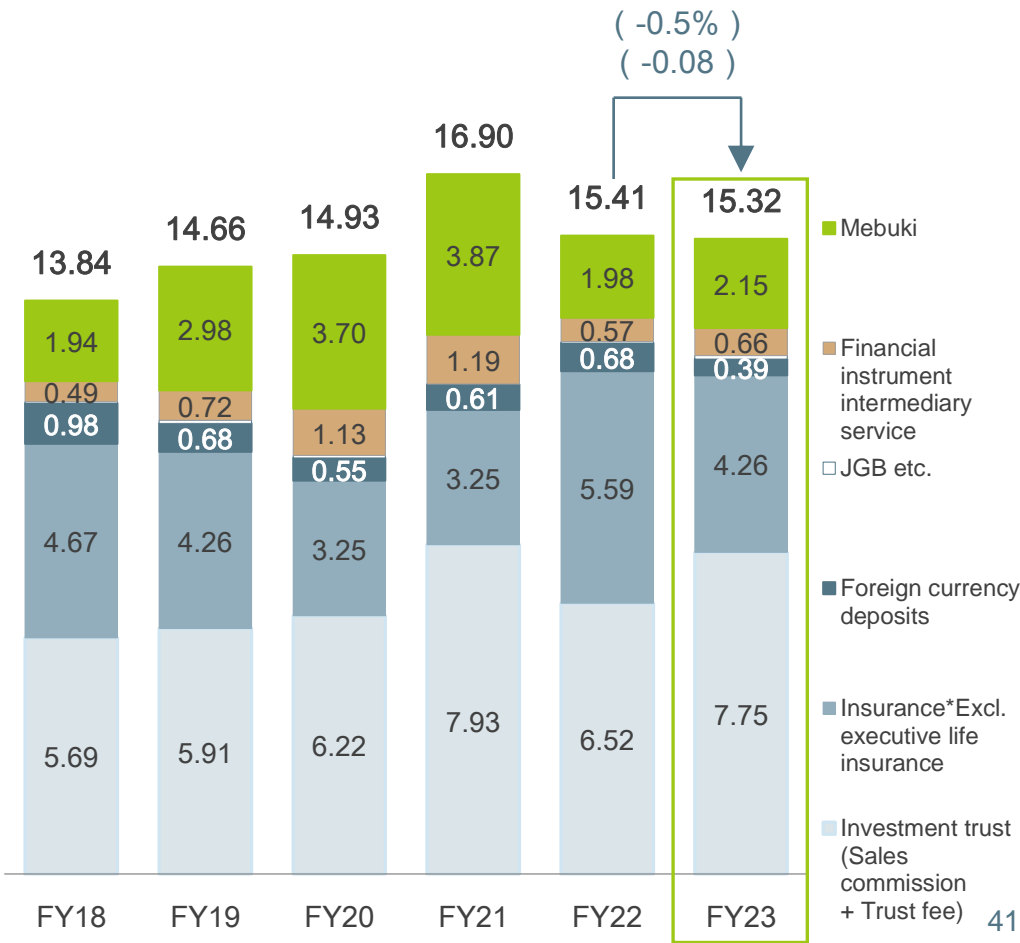
# Customer Assets under Custody

Balance of customer assets under custody increased by ¥ 234.3bn YoY (+10.7% annualized) due to the increase mainly in investment trusts due to high stock market prices and the expansion of NISA. Related commissions remained at the same level of the previous year.

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



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



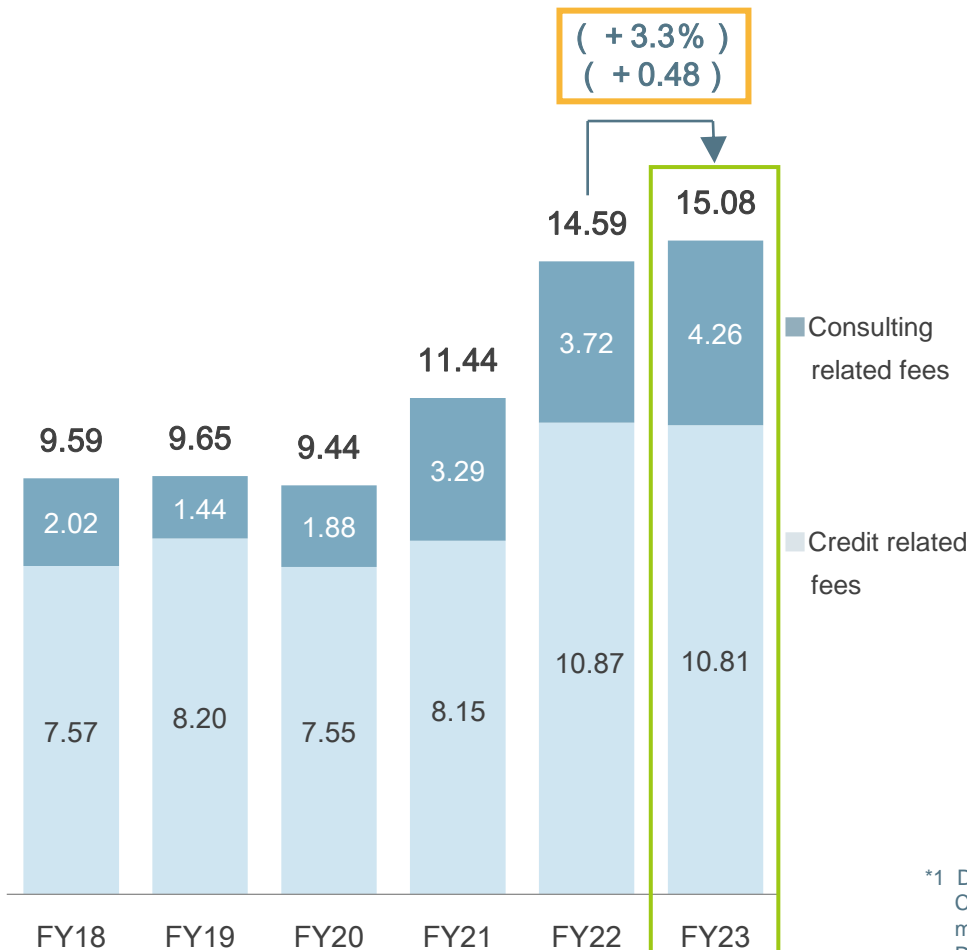
# Fees from Corporate Customers

Fees from corporate customers increased by ¥0.4bn YoY to ¥15.0bn, 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	FY22	FY23	YoY
<b>Credit related (1)</b>	<b>8.08</b>	<b>11.81</b>	<b>10.10</b>	<b>-1.71</b>
Derivatives	1.61	5.12	2.41	-2.71
Syndicate loans	4.99	5.37	6.41	+1.04
Private placement bonds	1.48	1.31	1.27	-0.04
<b>Consulting related (2)</b>	<b>3.29</b>	<b>3.72</b>	<b>4.26</b>	<b>+0.54</b>
Business Matching	1.02	1.25	1.40	+0.14
Support for business planning	0.84	1.22	1.67	+0.44
M&A	0.72	0.64	0.58	-0.05
Executive Insurance	0.55	0.47	0.46	-0.00
Trust・401K	0.13	0.12	0.13	+0.01
<b>Sub total (3) ((1)+(2))</b>	<b>11.37</b>	<b>15.53</b>	<b>14.36</b>	<b>-1.16</b>
Credit risk in derivative transactions*1 ( - ) (4)	-0.06	0.94	-0.71	-1.65
<b>Total (3) +(4)</b>	<b>11.44</b>	<b>14.59</b>	<b>15.08</b>	<b>+0.48</b>

\*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.

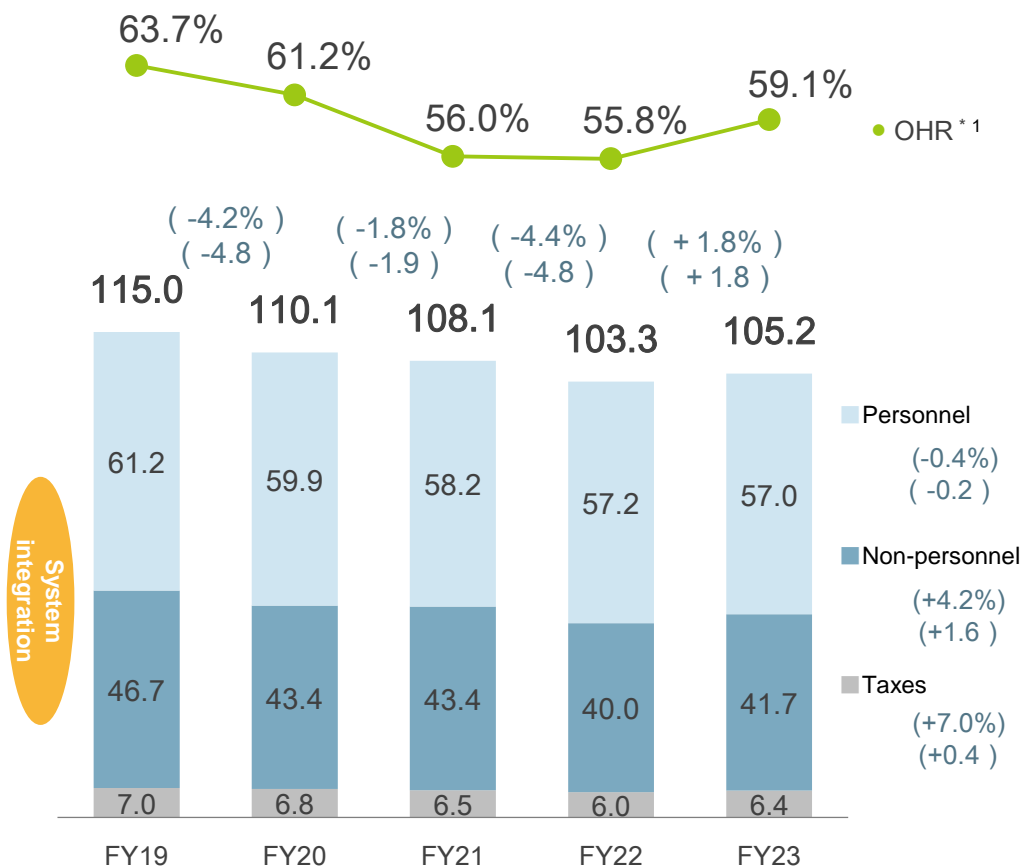
DVA(Debt Valuation Adjustment) reflects the credit risk of our two banking subsidiaries in the market value. 42

# Expenses / OHR

While continuing to reduce existing costs, we have strengthened positive investments such as human capital- and DX-related investments. As a result, total expenses increased by ¥1.8bn(YoY). While controlling OHR in the 50% range, we aim to achieve an increase in topline through new investments and drive cost reduction through DX and efficiency measures.

## Joyo Bank + Ashikaga Bank

(¥bn)



## 【Factors of Change (¥bn)】

	FY23	YoY	Main factors
Personnel expenses	57.0	-0.2	<ul style="list-style-type: none"> <li>● Increase in salary and starting salary +0.9</li> <li>● Personnel reduction, etc. -0.9</li> </ul>
Non-personnel expenses	41.7	+ 1.6	<ul style="list-style-type: none"> <li>● DX related investments (Investment trusts management system, marketing tool usage fees, etc.) +0.2</li> <li>● Responding to new banknote / equipment replacement +0.8</li> </ul>
Taxes	6.4	+ 0.4	<ul style="list-style-type: none"> <li>● Size-based business tax + 0.3</li> </ul>

\*1 Based on Core Gross Business Profit

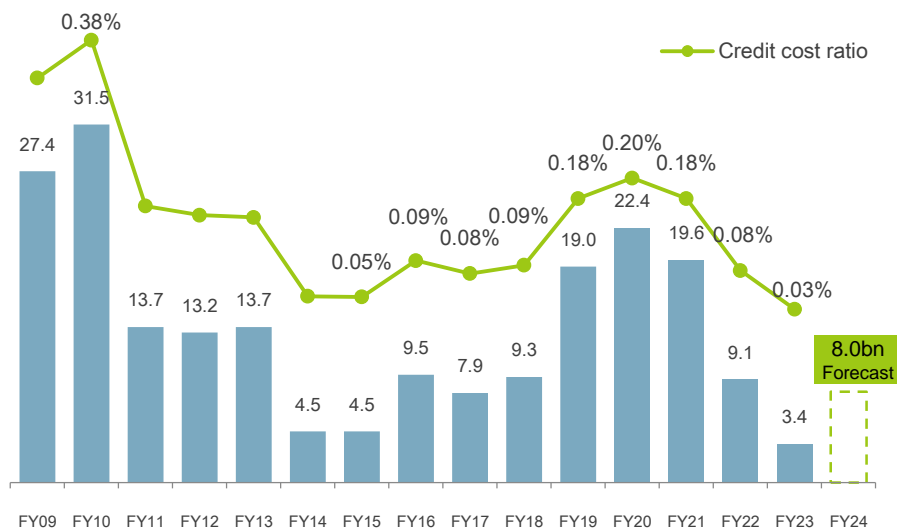
(Excluding gains/losses on cancellation of investment trusts and futures and options)

# Credit Related Costs

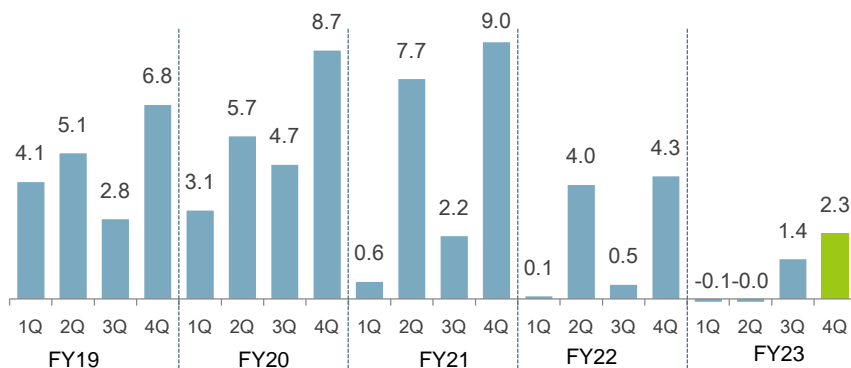
Credit related costs improved by ¥5.6bn (YoY) to ¥3.4bn, due to a reversal of - ¥5.8bn in general allowance for loan losses. Repayments from loan borrowers based on the COVID-19 Special Loan Program have been made in accordance with their initial terms, and there are no circumstances under which credit costs would increase.

## Change of Credit Related Costs (¥bn)

【Annual】 FY09 ~



【Quarter】 FY19 ~



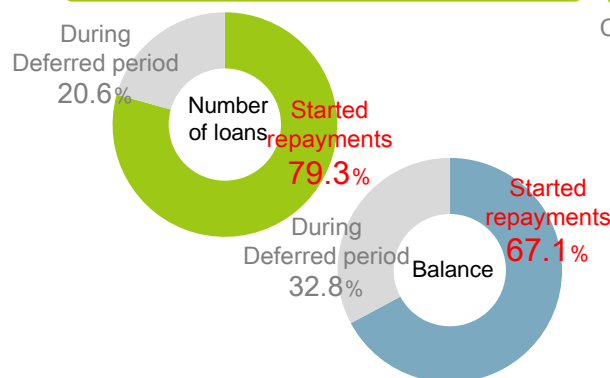
## Breakdown on Credit Related Costs (¥bn)

	FY22	FY23	YoY
Credit Related Costs	9.1	3.4	-5.6
Net transfer to general allowance for loan losses	-0.6	-5.8	-5.2
Disposal of non-performing loans	9.7	9.3	-0.3
Write off of loans	3.0	3.5	+0.5
Transfer to specific allowance for loan losses	7.9	6.4	-1.5
Transfer to provision for contingent losses	0.2	0.0	-0.1
Reversal of allowance for loan losses(-)	-	-	-
Recoveries of written-off claims(-)	2.1	1.5	-0.6
Other	0.6	0.7	+0.1

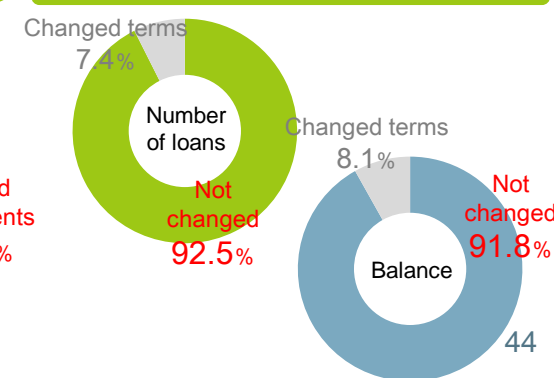
Status of Repayments of Loans based on the COVID-19 Special Loan Program ( as of March 31, 2024)

Balance of Loans by the Program (Bank total) 9,838 loans / ¥146.2bn

### Status of Contractual Repayments



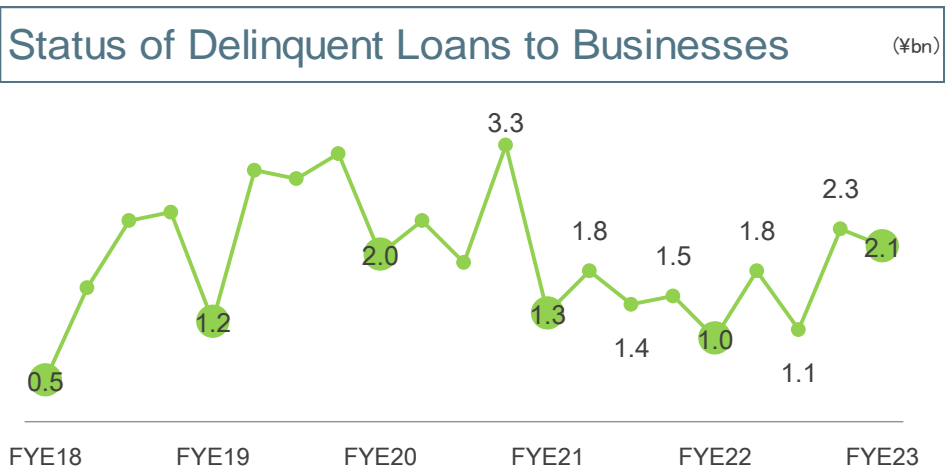
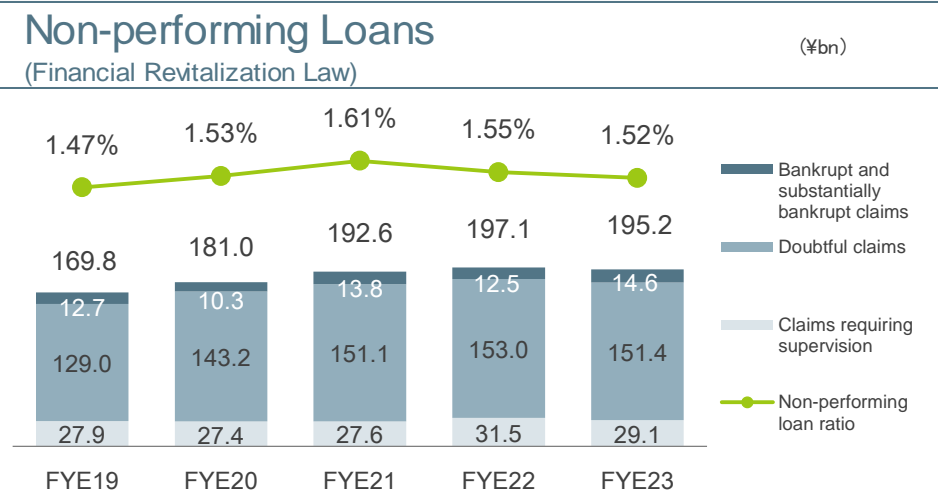
### Status of Changes of Terms



# Status of Non-performing Loans and Delinquent Loans

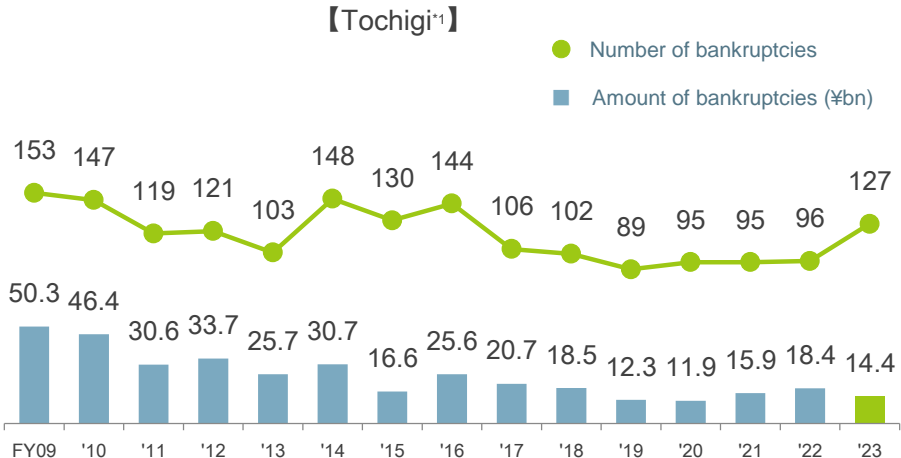
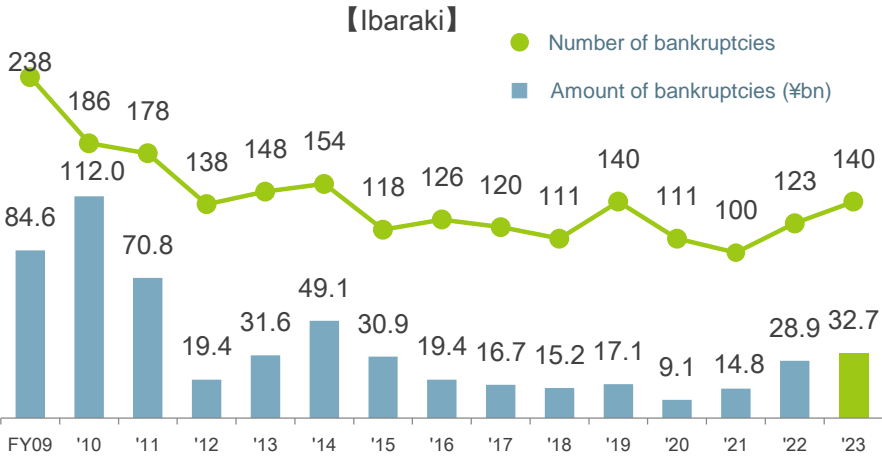
Non-performing loans based on financial revitalization law ratio to total amount of loans declined by 0.03% point from the end of previous fiscal year.

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



## 【Reference】Status of Bankruptcy

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



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

## 【Reference】 Basic Data of Ibaraki and Tochigi Prefectures

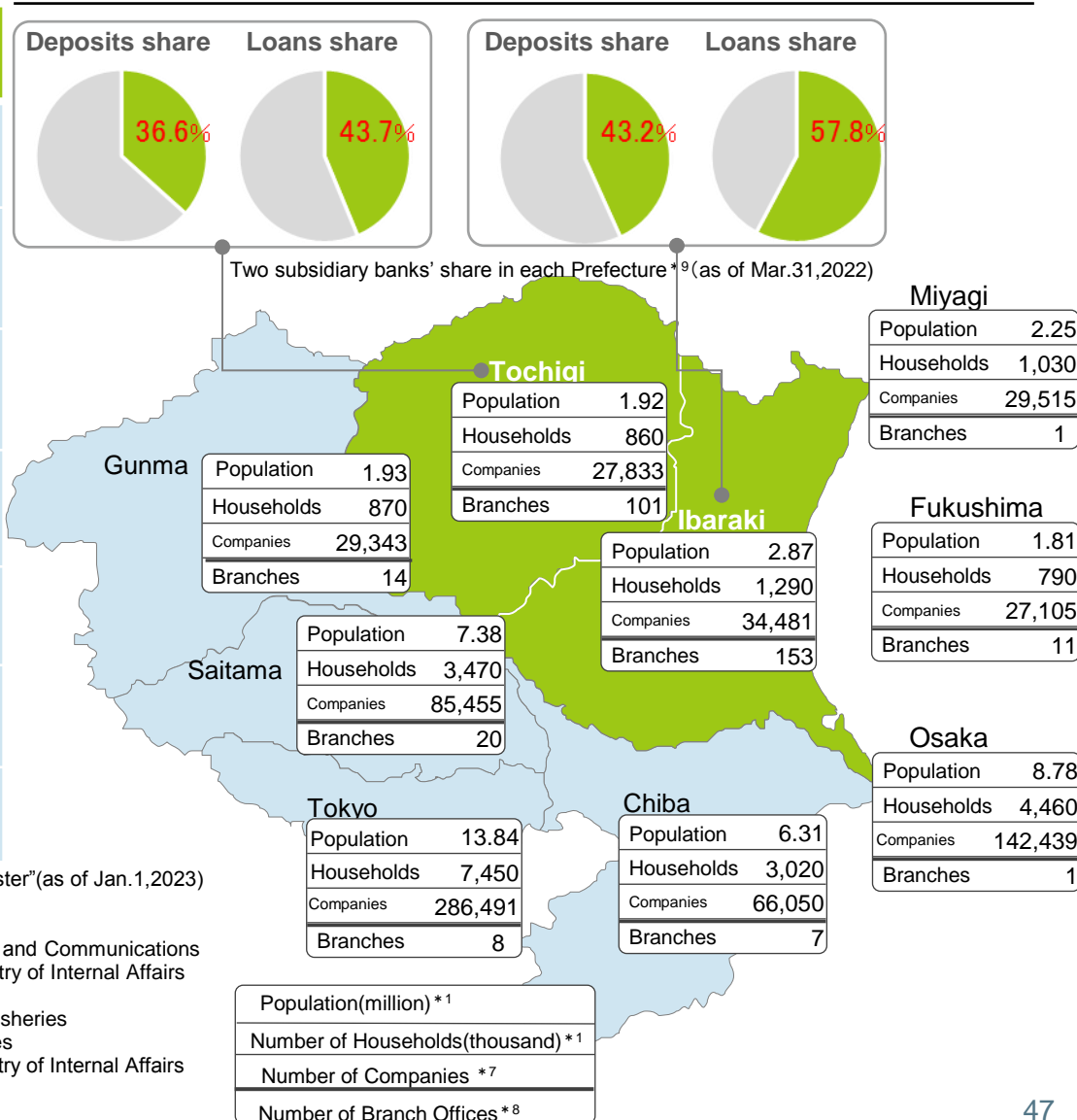


# 【Data】Main Business Areas of Mebuki FG

## Economic Data of Ibaraki and Tochigi Prefectures

Dominant share in Ibaraki and Tochigi Prefectures, our core market, with the metropolitan area nearby

	Ibaraki Prefecture		Tochigi Prefecture	
Population * 1	2.87 million people	11th In the nation	1.92 million people	19th In the nation
Nominal prefectural gross product * 2	14.0 trillion yen	11th	9.2 trillion yen	16th
Prefectural income per capita * 2	3.24 million yen	10th	3.35 million yen	4th
Number of business establishments * 3	128 thousand establishments	13th	93 thousand establishments	21th
Manufactured goods shipped * 4	12.1 trillion yen	7th	8.2 trillion yen	12th
Agricultural output * 5	426.3 billion yen	3rd	269.3 billion yen	9th
Catch * 6	299 thousand tons	2nd	-	-



\* 1 "Statics of population, demographics and number of and households based on the basic register" (as of Jan.1,2023) by Statistics Bureau, Ministry of Internal Affairs and Communications  
 \* 2 "Prefectural Accounts" by the Cabinet Office(2019)"  
 \* 3 "2019 Economic Census for Business Frame" by Statistics Bureau, Ministry of Internal Affairs and Communications  
 \* 4 "2021 Economic Census for Business Frame" (business activities) by Statistics Bureau, Ministry of Internal Affairs and Communications  
 \* 5 "2021 Agricultural Production Income Statistics" by the Ministry of Agriculture, Forestry and Fisheries  
 \* 6 "2021 Fisheries Production Income Statistics" by Ministry of Agriculture, Forestry and Fisheries  
 \* 7 "2021 Economic Census for Business Frame" (business activities) by Statistics Bureau, Ministry of Internal Affairs and Communications  
 \* 8 As of March 31, 2024  
 \* 9 Partially processed from "Financial Journal Nov.2023."

# 【Data】 New Factory Locations in Ibaraki and Tochigi Prefectures

## Tochigi Prefecture

35 (7<sup>th</sup> in the nation)

45ha (11<sup>th</sup> in the nation)

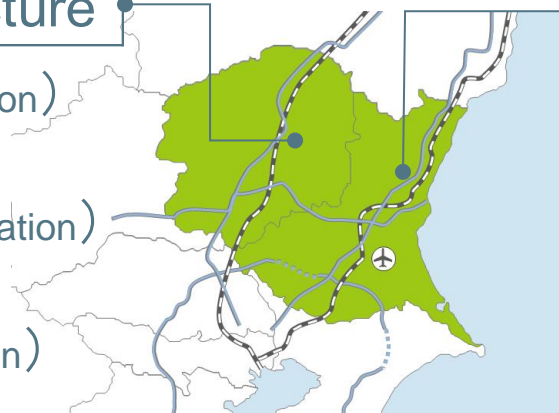
15 (4<sup>th</sup> in the nation)

## Ibaraki Prefecture

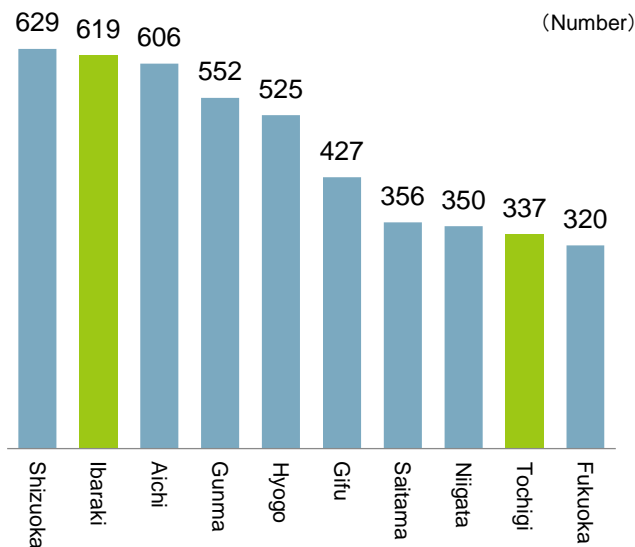
60 (2<sup>nd</sup> in the nation)

115ha (1<sup>st</sup> in the nation)

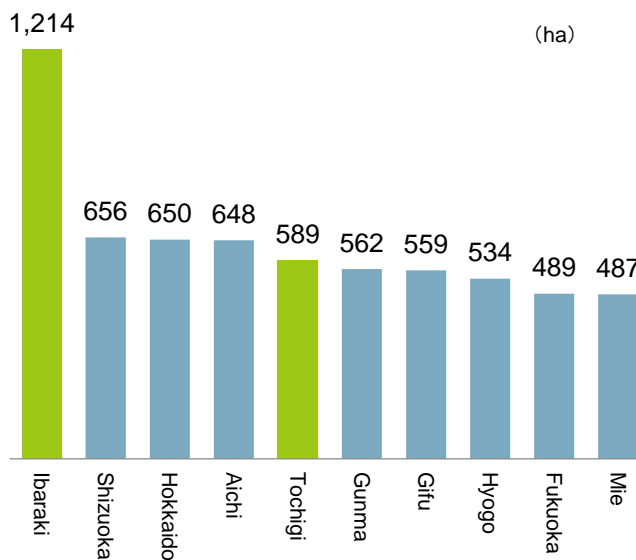
40 (1<sup>st</sup> in the nation)



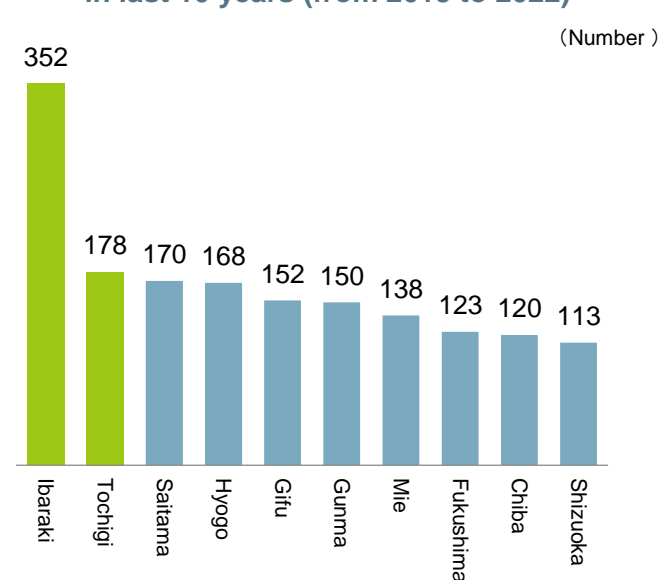
Number of new factory locations  
in last 10 years (from 2013 to 2022)



Area of new factory locations  
in last 10 years (from 2013 to 2022)



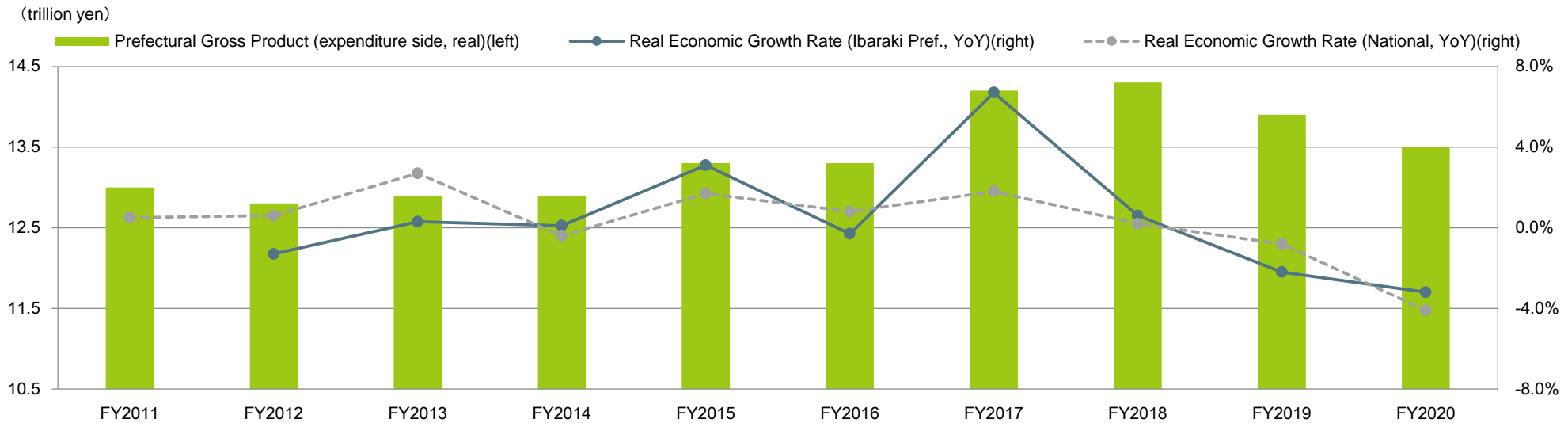
Number of new factory locations  
by companies outside the Prefecture  
in last 10 years (from 2013 to 2022)



( Source ) "Survey of Factory Location Trends (2022)" by Ministry of Economy, Trade and Industry

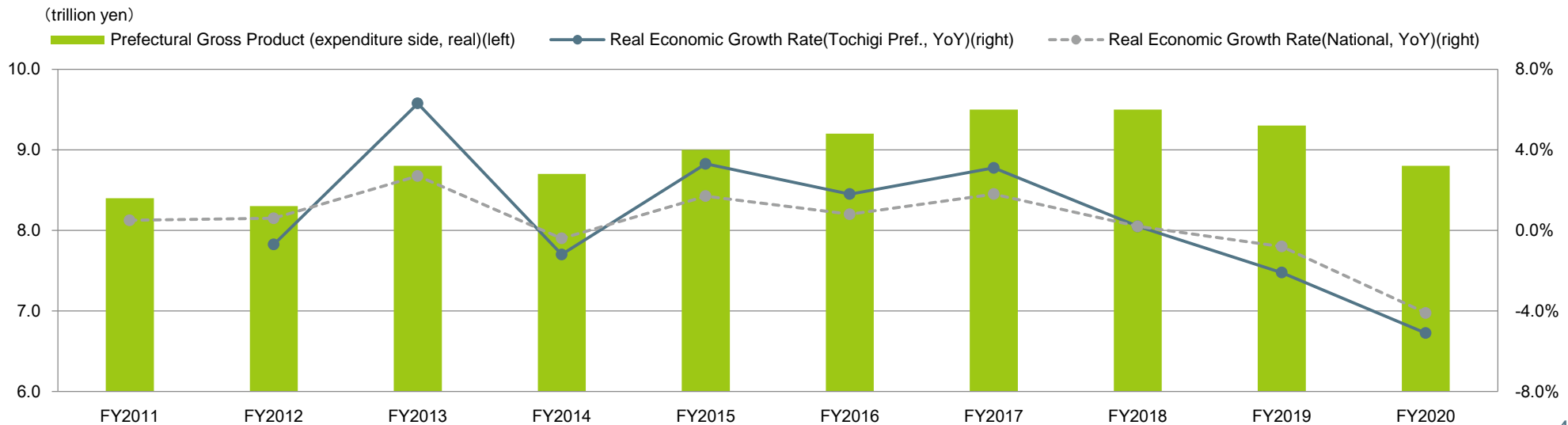
# 【Data】 Gross Prefectural Product and Real Economic Growth Rate

## Ibaraki Prefectural Gross Product and Real Economic Growth Rate



(Source) "Prefectural Accounts of Ibaraki in FY2020" by Statistics Division of Ibaraki Prefecture, "National Accounts of Japan (GDP)" by Economic and Social Research Institute of Cabinet Office

## Tochigi Prefectural Gross Product and Real Economic Growth Rate

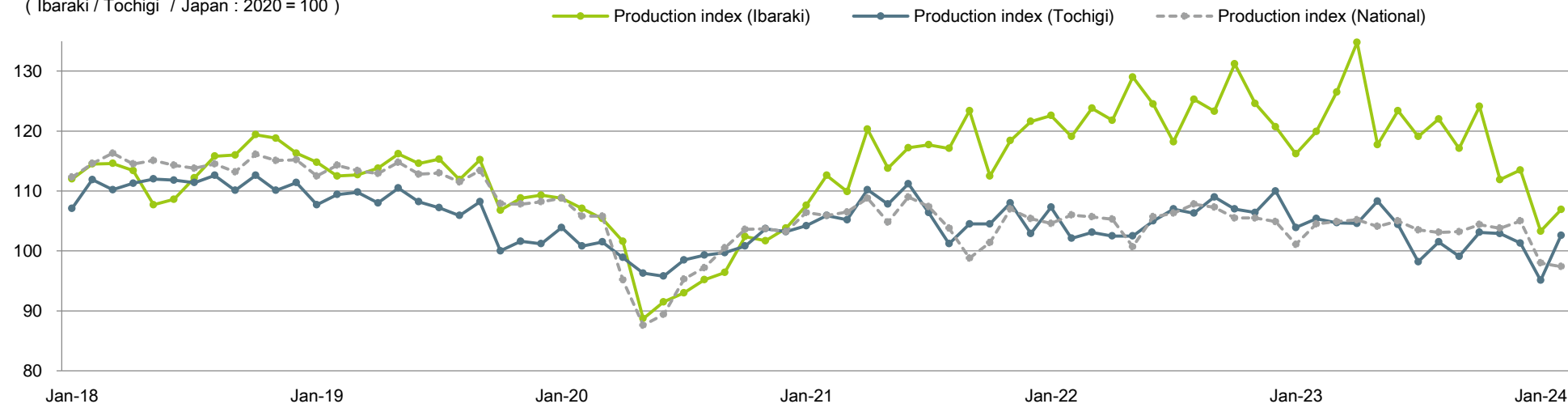


(Source) "Prefectural Accounts of Ibaraki in FY2020" by Statistics Division of Tochigi Prefecture, "National Accounts of Japan (GDP)" by Economic and Social Research Institute of Cabinet Office

# 【Data】 Product-related Indicators and Public Investments

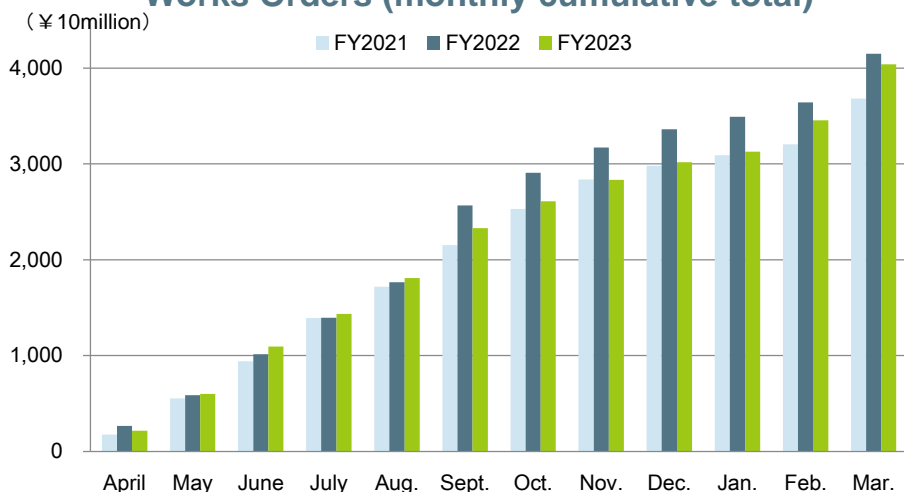
## Industrial Production Index of Ibaraki and Tochigi Prefectures (seasonally adjusted)

( Ibaraki / Tochigi / Japan : 2020 = 100 )



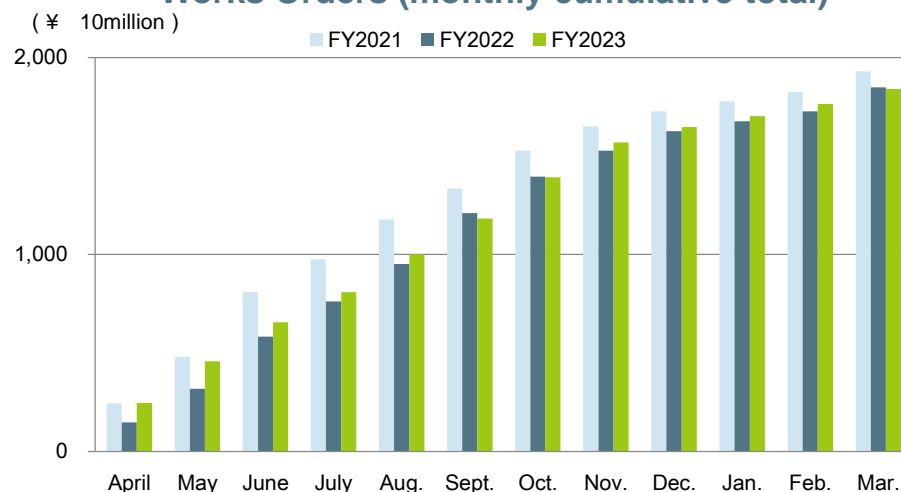
(Source) "Prefectural Industrial Production Index" by Ibaraki Prefecture and Tochigi Prefecture, "Industrial Production Index" by Ministry of Economy, Trade and Industry

## Ibaraki Pref. Contracted Value of Public Works Orders (monthly cumulative total)



(Source) By the Company based on the statistics on guarantees handled by client / by plant location of East Japan Construction Surety Co., Ltd.

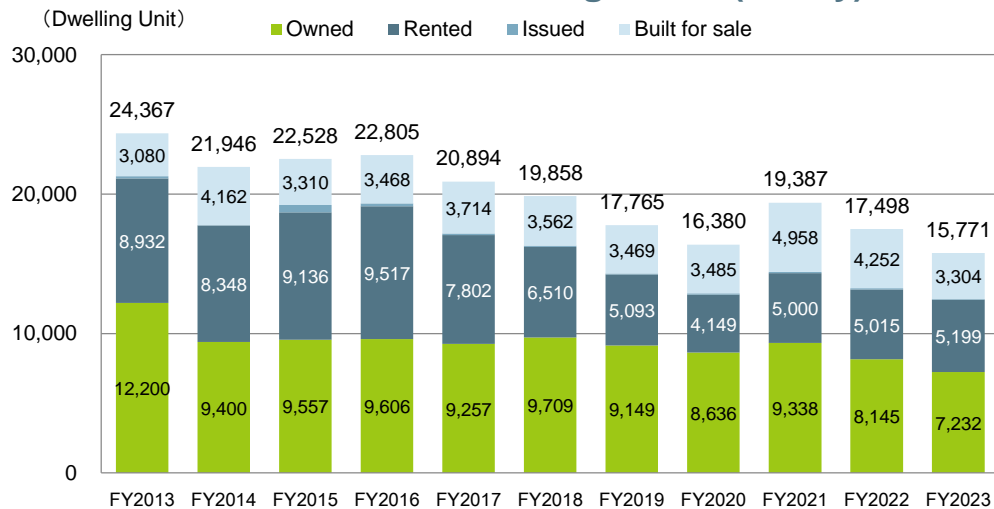
## Tochigi Pref. Contracted Value of Public Works Orders (monthly cumulative total)



(Source) By the Company based on the statistics on advance payment of public works of East Japan Construction Surety Co., Ltd.

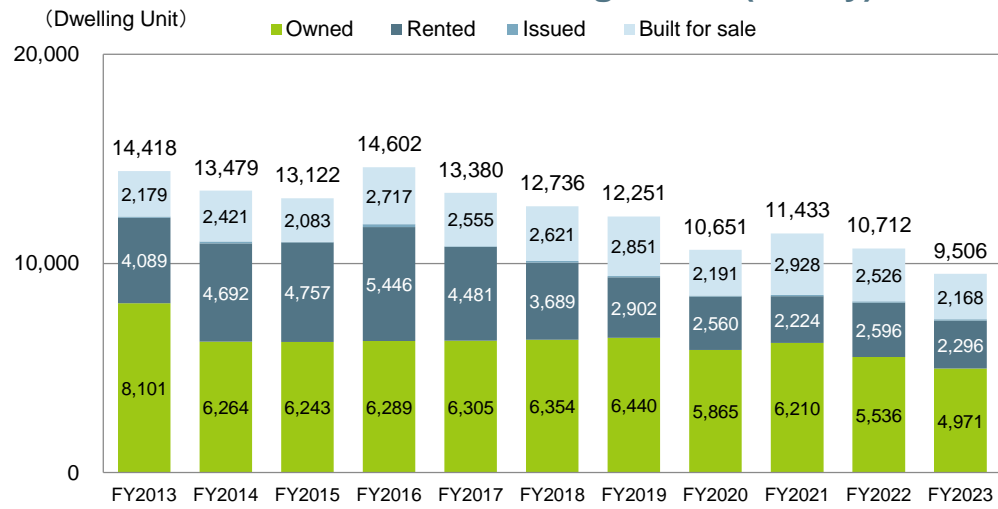
# 【Data】 Housing Starts

## Ibaraki Pref. Number of New Housing Starts (Yearly)



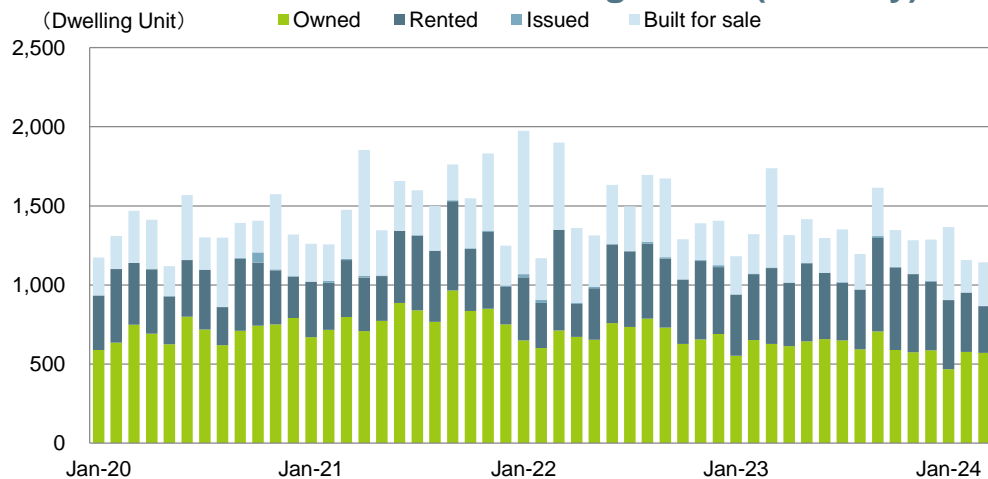
(Source) "Statics of Housing Starts" by Ministry of Land, Infrastructure, Transport and Tourism

## Tochigi Pref. Number of New Housing Starts (Yearly)



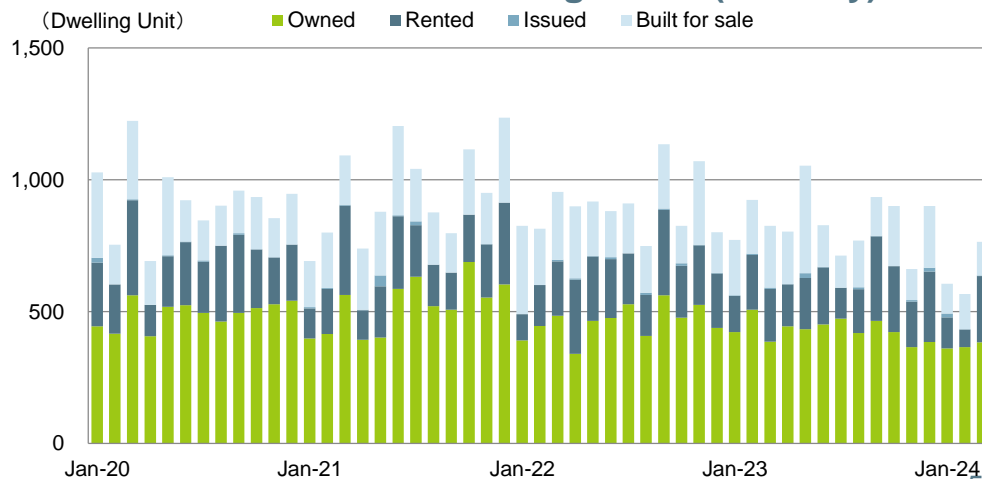
(Source) "Statics of Housing Starts" by Ministry of Land, Infrastructure, Transport and Tourism

## Ibaraki Pref. Number of New Housing Starts (Monthly)



(Source) "Statics of Housing Starts" by Ministry of Land, Infrastructure, Transport and Tourism

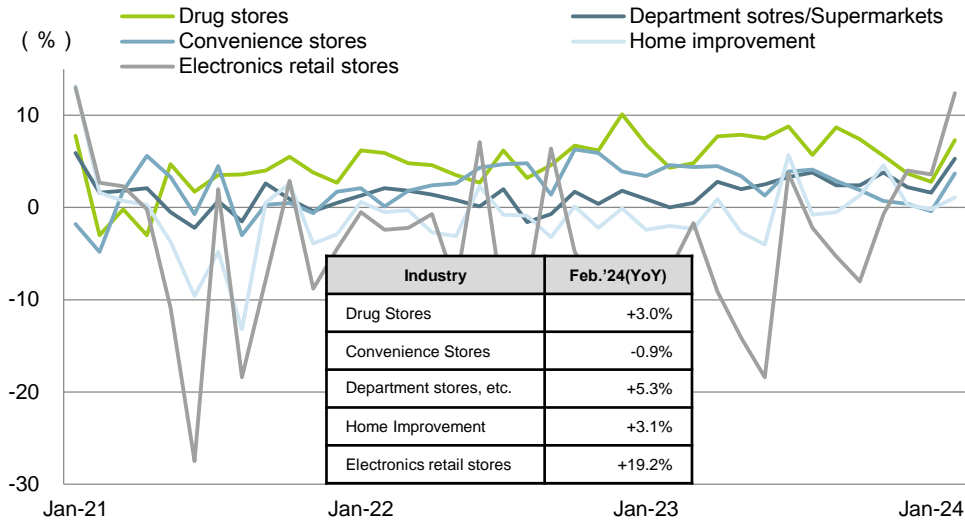
## Tochigi Pref. Number of New Housing Starts (Monthly)



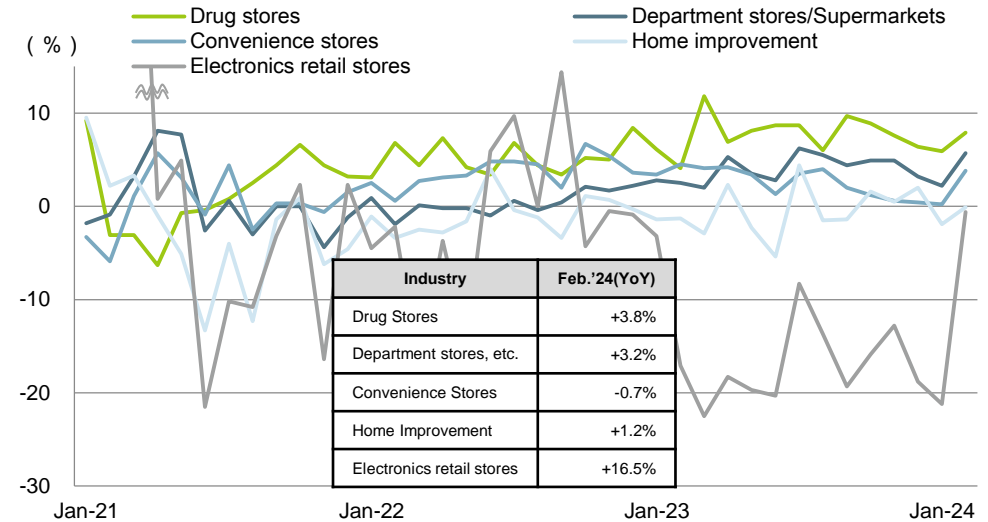
(Source) "Statics of Housing Starts" by Ministry of Land, Infrastructure, Transport and Tourism

# 【Data】Indicators related to Private Consumption

## Ibaraki Pref. Monthly Retail Sales (YoY)

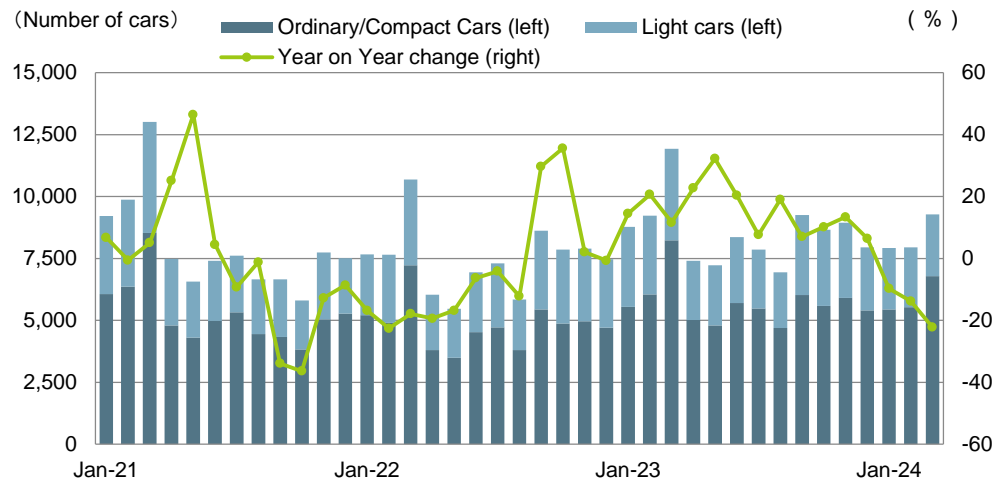


## Tochigi Pref. Monthly Retail Sales (YoY)



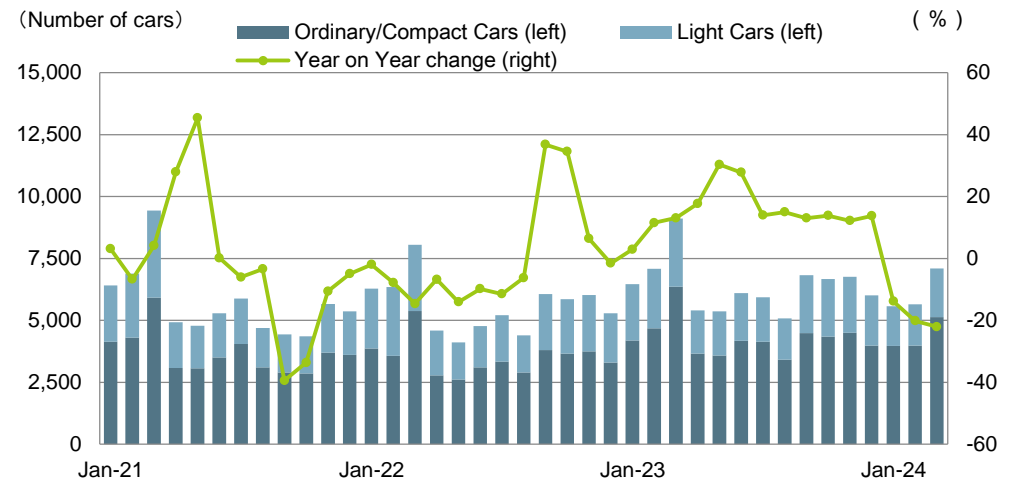
( Source ) "Survey of Commerce" by Ministry of Economy, Trade and Industry

## Ibaraki Pref. Number of New Passenger car Registration (monthly)



( Source ) Monthly report by Automobile Dealers Association of Ibaraki Prefecture

## Tochigi Pref. Number of New Passenger car Registration (monthly)



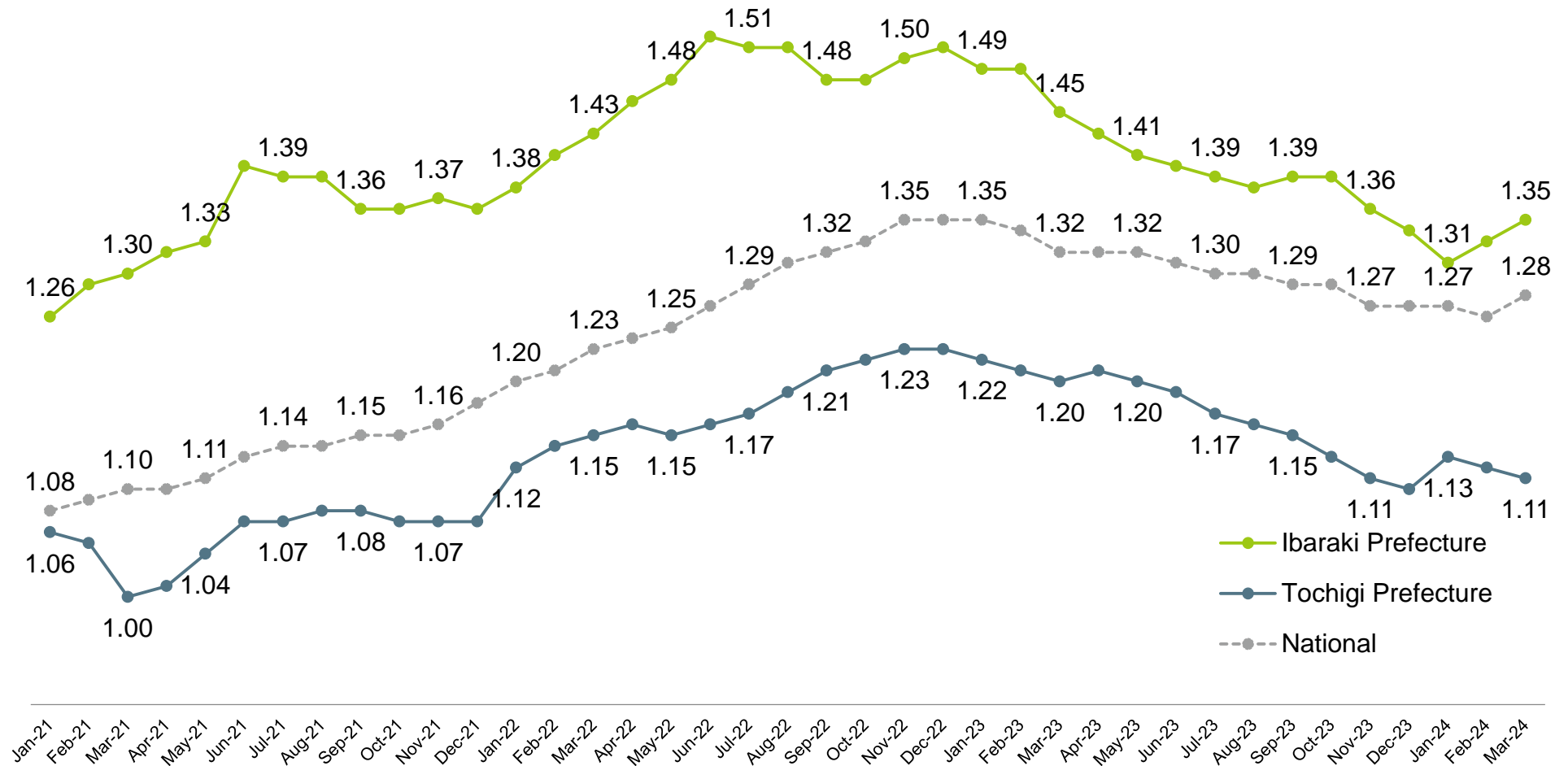
( Source ) Monthly report by Automobile Dealers Association of Tochigi Prefecture and Japan Light Motor Vehicle and Motorcycle Association

# 【Data】 Employment-related Indicators

## Jobs-to-applicants Ratio (seasonally adjusted)

※including part timers

(Unit::times)



※The data prior to Dec. 2023 has been revised based on the new seasonal index at the time of the Jan. 2024 release.

(Source) "General Employment Placement Situation" by Ministry of Health, Labor and Welfare's



## 【Data】 Breakdown of Banking subsidiaries

## 【Data】 Breakdown of Banking subsidiaries

( 1 ) P/L for FY23

( ¥ b n )

	J+A	YoY	Joyo	YoY	Ashikaga	YoY
Gross business profit	147.9	+35.0	79.2	+30.7	68.7	+4.3
(Core Gross business profit)	187.1	-13.0	107.2	-13.8	79.9	+0.8
Net interest income	142.3	-8.6	84.7	-4.0	57.6	-4.5
o/w Gains/losses on Cancellation of Investment trusts	5.2	-1.8	4.2	-0.7	1.0	-1.1
Net fees and commissions	36.5	+1.0	19.3	-0.8	17.2	+1.9
Net other business income and Net trading income	-30.9	+42.5	-24.7	+35.6	-6.1	+6.9
(o/w gains/losses on bond transactions)	-39.2	+48.1	-27.9	+44.6	-11.2	+3.4
Expenses	105.2	+1.8	58.5	+0.9	46.6	+0.9
o/w Personnel expenses	57.0	-0.2	32.1	-0.1	24.8	-0.1
o/w Non-personnel expenses	41.7	+1.6	22.7	+0.7	19.0	+0.9
Net business income (before general allowance for loan losses)	42.7	+33.2	20.6	+29.8	22.0	+3.3
Core net business income	81.9	-14.9	48.6	-14.8	33.3	-0.1
Core net Business Income						
( exclu. Gains/losses on Cancellation of Investment trusts )	76.6	-13.0	44.3	-14.0	32.2	+0.9
( exclu. Gains/losses on "Cancellation of investment trusts", "Futures" and "Options" )	72.7	-8.9	44.5	-5.8	28.2	-3.0
Net transfer to general allowance for loan losses (a)	-5.8	-5.2	-4.2	-3.6	-1.6	-1.6
Net business income	48.5	+38.4	24.8	+33.4	23.7	+4.9
Net non-recurrent gains/losses	9.9	-25.1	13.1	-25.0	-3.1	-0.0
o/w Disposal of non-performing loans (b)	9.3	-0.3	4.8	-0.8	4.4	+0.4
o/w Gains/losses related to stocks, etc.	18.7	-26.3	16.9	-26.9	1.7	+0.5
Ordinary profit	58.5	+13.3	38.0	+8.4	20.5	+4.9
Extraordinary income/losses	(1.1)	-12.5	(1.0)	-12.5	(0.0)	+0.0
Net income	40.5	-2.9	26.3	-6.4	14.2	+3.4
Profit from customer services *1	47.9	+3.5	28.9	+2.2	18.9	+1.2
Credit related costs (a)+(b)	3.4	-5.6	0.6	-4.4	2.8	-1.2

\*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	FY23	YoY
J+A	Domestics	0.99%	0.96%	0.93%	0.91%	0.90%	-0.01%
	Overseas	2.67%	1.29%	1.04%	3.02%	5.02%	1.99%
	Total	1.02%	0.96%	0.94%	0.95%	0.97%	0.01%
Joyo	Domestics	0.97%	0.93%	0.91%	0.90%	0.88%	-0.01%
	Overseas	2.69%	1.30%	1.05%	3.11%	5.21%	2.09%
	Total	1.01%	0.94%	0.92%	0.96%	1.00%	0.03%
Ashikaga	Domestics	1.02%	0.99%	0.96%	0.93%	0.92%	-0.01%
	Overseas	2.48%	1.19%	0.98%	2.23%	3.17%	0.94%
	Total	1.03%	0.99%	0.96%	0.94%	0.93%	-0.01%

## 【Data】 Breakdown of Banking subsidiaries

( 3 ) Loans Term-end Balance

( ￥ b n )

		FYE19	FYE20	FYE21	FYE22	FYE23	YoY
J+A	Individual	4,795.9	4,924.8	5,045.4	5,136.7	5,214.3	+77.5
	Corporate	5,181.3	5,369.6	5,347.4	5,694.8	6,099.4	+404.5
	Public	980.2	983.7	915.9	988.5	1,029.6	+41.1
	Total	10,957.5	11,278.1	11,308.8	11,820.1	12,343.4	+523.3
Joyo	Individual	2,624.6	2,687.7	2,740.2	2,786.4	2,823.7	+37.3
	Corporate	3,002.6	3,103.0	3,091.3	3,313.1	3,566.2	+253.0
	Public	612.8	562.7	498.1	548.8	591.5	+42.7
	Total	6,240.1	6,353.6	6,329.7	6,648.4	6,981.6	+333.1
Ashikaga	Individual	2,171.3	2,237.0	2,305.1	2,350.3	2,390.5	+40.1
	Corporate	2,178.6	2,266.5	2,256.0	2,381.6	2,533.2	+151.5
	Public	367.4	420.9	417.8	439.6	438.0	-1.5
	Total	4,717.3	4,924.5	4,979.0	5,171.6	5,361.8	+190.1

### Foreign Currency Denominated Loans

		FYE19	FYE20	FYE21	FYE22	FYE23	YoY
J+A		164.2	162.6	150.6	151.0	153.4	+2.4
Joyo		146.8	150.0	139.5	140.4	145.7	+5.3
Ashikaga		17.3	12.6	11.0	10.5	7.6	-2.8

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

( ￥ b n )

		FYE19	FYE20	FYE21	FYE22	FYE23	YoY
J+A	Housing Loans	3,546.5	3,711.7	3,860.8	3,972.9	4,049.4	+76.5
	Apartment Loans	933.6	902.3	871.2	845.2	823.4	-21.7
	Asset building loans	2.8	2.6	2.4	1.9	1.6	-0.3
	Total	4,483.0	4,616.7	4,734.5	4,820.2	4,874.5	+54.3
Joyo	Housing Loans	1,719.5	1,809.7	1,889.9	1,955.2	2,001.6	+46.3
	Apartment Loans	748.6	722.8	694.2	672.8	653.3	-19.4
	Asset building loans	2.8	2.6	2.4	1.9	1.6	-0.3
	Total	2,471.1	2,535.1	2,586.5	2,630.0	2,656.6	+26.5
Ashikaga	Housing Loans	1,826.9	1,902.0	1,970.9	2,017.6	2,047.8	+30.1
	Apartment Loans	185.0	179.5	177.0	172.4	170.1	-2.3
	Asset building loans	-	-	-	-	-	-
	Total	2,011.9	2,081.5	2,147.9	2,190.1	2,217.9	+27.8

( 5 ) Unsecured Loans Term-end Balance

( ￥ b n )

		FYE19	FYE20	FYE21	FYE22	FYE23	YoY
J+A	Car Loans	52.0	63.3	71.4	79.0	95.7	+16.7
	Educational Loans	42.5	43.4	45.4	49.3	55.8	+6.5
	Free Loans	9.8	9.1	9.3	9.7	10.8	+1.0
	Card Loans	65.4	61.2	62.4	66.0	70.1	+4.0
	Total	169.9	177.1	188.6	204.2	232.5	+28.3
Joyo	Car Loans	35.2	45.4	50.6	53.2	59.4	+6.2
	Educational Loans	34.0	34.3	35.5	38.1	41.9	+3.8
	Free Loans	3.5	3.6	3.8	4.1	4.3	+0.2
	Card Loans	26.0	23.7	24.8	26.7	28.4	+1.7
	Total	98.8	107.1	114.8	122.2	134.2	+12.0
Ashikaga	Car Loans	16.8	17.8	20.8	25.8	36.2	+10.4
	Educational Loans	8.5	9.1	9.9	11.2	13.9	+2.6
	Free Loans	6.2	5.4	5.5	5.6	6.4	+0.7
	Card Loans	39.4	37.5	37.5	39.2	41.6	+2.3
	Total	71.0	70.0	73.8	82.0	98.3	+16.3

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

( ￥ b n )

		FYE19	FYE20	FYE21	FYE22	FYE23	YoY
J+A	Large	1,635.4	1,688.2	1,674.3	1,890.4	2,140.5	+250.0
	Medium/SMEs	3,545.9	3,681.3	3,673.0	3,804.4	3,958.9	+154.5
	Total	5,181.3	5,369.6	5,347.4	5,694.8	6,099.4	+404.5
Joyo	Large	1,165.1	1,220.6	1,206.9	1,338.7	1,475.8	+137.0
	Medium/SMEs	1,837.4	1,882.3	1,884.3	1,974.3	2,090.4	+116.0
	Total	3,002.6	3,103.0	3,091.3	3,313.1	3,566.2	+253.0
Ashikaga	Large	470.2	467.6	467.3	551.6	664.7	+113.0
	Medium/SMEs	1,708.4	1,798.9	1,788.7	1,830.0	1,868.5	+38.4
	Total	2,178.6	2,266.5	2,256.0	2,381.6	2,533.2	+151.5

( 7 ) Loans Corporate Term-end Balance by Area

( ￥ b n )

		FYE19	FYE20	FYE21	FYE22	FYE23	YoY
J+A	Tokyo	1,967.5	2,021.9	2,009.4	2,235.5	2,507.5	+271.9
	Local	3,213.8	3,347.6	3,337.9	3,459.3	3,591.9	+132.6
	Total	5,181.3	5,369.6	5,347.4	5,694.8	6,099.4	+404.5
Joyo	Tokyo	1,422.6	1,484.1	1,468.9	1,603.1	1,760.2	+157.0
	Local	1,579.9	1,618.9	1,622.4	1,709.9	1,806.0	+96.0
	Total	3,002.6	3,103.0	3,091.3	3,313.1	3,566.2	+253.0
Ashikaga	Tokyo	544.8	537.8	540.5	632.3	747.2	+114.9
	Local	1,633.8	1,728.7	1,715.5	1,749.3	1,785.9	+36.5
	Total	2,178.6	2,266.5	2,256.0	2,381.6	2,533.2	+151.5

## 【Data】 Breakdown of Banking subsidiaries

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

		FYE19	FYE20	FYE21	FYE22	FYE23	YoY
J+A	Individual	10,685.0	11,400.1	11,787.3	12,035.1	12,222.5	+187.4
	Corporate	3,364.1	3,887.4	3,953.5	4,009.7	4,170.3	+160.5
	Public	737.3	969.9	1,116.4	1,118.2	1,312.3	+194.0
	Total	14,786.5	16,257.4	16,857.3	17,163.1	17,705.2	+542.0
Joyo	Individual	6,633.6	7,053.1	7,272.7	7,412.6	7,514.1	+101.5
	Corporate	1,880.3	2,136.5	2,180.4	2,226.1	2,348.2	+122.1
	Public	459.2	515.8	600.7	612.5	757.0	+144.5
	Total	8,973.1	9,705.5	10,053.9	10,251.2	10,619.5	+368.2
Ashikaga	Individual	4,051.4	4,346.9	4,514.5	4,622.5	4,708.3	+85.8
	Corporate	1,483.8	1,750.8	1,773.1	1,783.5	1,822.0	+38.4
	Public	278.1	454.1	515.7	505.7	555.3	+49.5
	Total	5,813.4	6,551.9	6,803.3	6,911.8	7,085.7	+173.8

### Foreign Currency Deposit

		FYE19	FYE20	FYE21	FYE22	FYE23	YoY
J+A		219.7	180.0	168.2	96.5	102.4	+5.8
Joyo		176.4	151.9	139.6	76.1	85.5	+9.3
Ashikaga		43.2	28.0	28.5	20.3	16.8	-3.4

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

		FYE19	FYE20	FYE21	FYE22	FYE23	YoY
Group total	Investment trusts	463.7	547.7	632.5	654.0	822.5	+168.5
	Insurance	812.6	829.0	858.5	884.0	927.6	+43.6
	Foreign currency deposits	166.1	146.0	131.1	91.1	101.7	+10.5
	JGB etc.	156.2	162.4	154.5	131.7	147.6	+15.9
	Mebuki Securities	282.0	343.4	429.5	414.2	409.9	-4.2
	Total	1,880.9	2,028.7	2,206.3	2,175.1	2,409.5	+234.3
Joyo	Investment trusts	214.7	249.8	302.6	318.7	391.2	+72.4
	Insurance	471.9	488.5	511.5	519.7	527.7	+8.0
	Foreign currency deposits	122.9	117.9	102.6	70.7	84.8	+14.0
	JGB etc.	104.1	108.2	102.7	88.4	101.6	+13.1
	Total	913.8	964.6	1,019.4	997.7	1,105.5	+107.7
Ashikaga	Investment trusts	249.0	297.8	329.8	335.2	431.3	+96.0
	Insurance	340.6	340.5	347.0	364.3	399.8	+35.5
	Foreign currency deposits	43.2	28.0	28.5	20.3	16.8	-3.4
	JGB etc.	52.1	54.2	51.7	43.2	45.9	+2.7
	Total	685.0	720.6	757.3	763.1	894.0	+130.9

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

		FY19	FY20	FY21	FY22	FY23	YoY
Group Total	Investment trusts(*1)	5.91	6.22	7.93	6.52	7.75	+1.22
	Insurance(*2)	4.26	3.25	3.25	5.59	4.26	-1.33
	Foreign currency deposits	0.68	0.55	0.61	0.68	0.39	-0.28
	JGB etc.	0.08	0.06	0.01	0.04	0.09	+0.04
	Financial instrument intermediary service	0.72	1.13	1.19	0.57	0.66	+0.08
	Mebuki Securities	2.98	3.70	3.87	1.98	2.15	+0.17
	Total	14.66	14.93	16.90	15.41	15.32	-0.08
Joyo	Investment trusts(*1)	2.83	2.93	4.10	3.32	3.69	+0.37
	Insurance(*2)	2.61	2.06	2.00	3.53	2.22	-1.30
	Foreign currency deposits	0.50	0.39	0.39	0.39	0.26	-0.13
	JGB etc.	0.05	0.05	0.01	0.02	0.07	+0.04
	Financial instrument intermediary service	0.43	0.75	0.89	0.46	0.61	+0.15
	Total	6.44	6.20	7.41	7.74	6.86	-0.87
Ashikaga	Investment trusts(*1)	3.08	3.29	3.83	3.20	4.06	+0.85
	Insurance(*2)	1.64	1.18	1.25	2.06	2.04	-0.02
	Foreign currency deposits	0.18	0.15	0.22	0.28	0.13	-0.15
	JGB etc.	0.02	0.01	0.00	0.01	0.02	+0.00
	Financial instrument intermediary service	0.29	0.38	0.29	0.10	0.04	-0.06
	Total	5.22	5.02	5.61	5.68	6.30	+0.61

\*1 : Sales commission+ Trust fee

\*2 : Excl. executive life insurance

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

		FY19	FY20	FY21	FY22	FY23	YoY
J+A	Credit Related(*1)	8.20	7.55	8.15	10.87	10.81	-0.05
	Consulting Related	1.44	1.88	3.29	3.72	4.26	+0.54
	total	9.65	9.44	11.44	14.59	15.08	+0.48
Joyo	Credit Related(*1)	4.24	4.03	4.71	6.70	6.28	-0.42
	Consulting Related	0.80	1.18	2.14	2.02	2.31	+0.28
	total	5.05	5.21	6.86	8.73	8.59	-0.13
Ashikaga	Credit Related(*1)	3.95	3.52	3.43	4.17	4.53	+0.36
	Consulting Related	0.64	0.70	1.14	1.69	1.94	+0.25
	total	4.60	4.22	4.57	5.86	6.48	+0.61

\*1: Incl. derivative CVA

# 【Data】 Breakdown of Banking subsidiaries

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

		FYE19	FYE20	FYE21	FYE22	FYE23	YoY
Mebuki FG (Consolidated)	Domestic bonds	2,359.4	2,510.6	2,745.1	2,205.9	2,363.8	+157.9
	Foreign bonds	831.6	959.5	967.3	622.8	836.0	+213.1
	Stocks	226.0	265.8	254.1	211.3	278.7	+67.4
	Investment trusts,etc.	658.9	597.2	715.5	622.2	654.8	+32.6
	Total	4,076.1	4,333.2	4,682.3	3,662.3	4,133.5	+471.2
Joyo	Domestic bonds	1,746.7	1,822.0	2,002.5	1,438.8	1,588.8	+150.0
	Foreign bonds	505.3	595.5	597.9	319.1	455.7	+136.5
	Stocks	197.2	233.1	226.8	183.8	243.4	+59.5
	Investment trusts,etc.	388.1	373.9	439.9	401.3	418.7	+17.4
	Total	2,837.4	3,024.6	3,267.3	2,343.1	2,706.8	+363.6
Ashikaga	Domestic bonds	600.3	679.1	734.1	758.0	766.5	+8.4
	Foreign bonds	326.3	364.0	369.3	303.7	380.3	+76.5
	Stocks	64.2	39.1	33.6	34.4	41.1	+6.6
	Investment trusts,etc.	266.7	219.1	271.5	216.5	231.8	+15.2
	Total	1,257.5	1,301.5	1,408.8	1,312.7	1,419.7	+107.0

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

		FYE19	FYE20	FYE21	FYE22	FYE23	YoY
Mebuki FG (Consolidated)	Stocks	9.2	2.4	-21.3	-34.4	-33.3	+1.0
	Domestic bonds	24.3	35.6	-14.2	-13.9	-14.6	-0.7
	Investment trusts,etc.	86.9	139.4	131.5	101.7	151.9	+50.2
	Foreign bonds	-21.3	33.1	32.9	-28.4	4.6	+33.1
	Total	99.1	210.7	128.9	24.9	108.6	+83.6
Joyo	Stocks	9.0	3.0	-16.3	-19.2	-19.5	-0.3
	Domestic bonds	12.8	15.0	-12.8	-5.7	-5.5	+0.2
	Investment trusts,etc.	85.1	127.5	123.6	91.5	133.7	+42.1
	Foreign bonds	-8.3	26.0	27.4	-15.2	3.5	+18.8
	Total	98.7	171.7	122.0	51.2	112.2	+60.9
Ashikaga	Stocks	11.5	8.5	1.9	-10.1	-10.3	-0.2
	Domestic bonds	13.8	22.4	-0.1	-8.0	-9.0	-1.0
	Investment trusts,etc.	20.8	25.0	21.0	22.1	29.9	+7.8
	Foreign bonds	-10.6	8.5	6.7	-11.8	2.4	+14.2
	Total	35.6	64.5	29.7	-7.8	12.9	+20.8

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

		FY20	FY21	FY21	FY22	FY23	YoY
J+A	Stocks	-2.0	-6.2	-7.1	-87.3	-39.2	+48.1
	Domestic bonds	0.4	10.0	3.5	45.0	18.7	-26.3
	Investment trusts,etc.	7.3	6.8	1.7	7.1	5.2	-1.8
	Total	5.6	10.6	-1.8	-35.1	-15.2	+19.9
Joyo	Stocks	-0.9	-3.9	-4.8	-72.6	-27.9	+44.6
	Domestic bonds	0.6	9.1	3.5	43.9	16.9	-26.9
	Investment trusts,etc.	5.2	4.9	1.7	5.0	4.2	-0.7
	Total	4.8	10.1	0.4	-23.6	-6.7	+16.9
Ashikaga	Stocks	-1.1	-2.3	-2.2	-14.7	-11.2	+3.4
	Domestic bonds	-0.1	0.9	0.0	1.1	1.7	+0.5
	Investment trusts,etc.	2.0	1.9	0.0	2.1	1.0	-1.1
	Total	0.8	0.4	-2.3	-11.4	-8.4	+2.9

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

	Currency	Interest rate type	Securities type	FYE21	FYE22	FYE23	YoY	FY23 gains/ losses
Total	U.S. dollar	Fixed	Government, Government-guaranteed bonds, etc	1,844	750	1,528	+777	(41)
			Corporate bonds, etc	2,691	2,392	1,910	-481	
		Floating	CLO/Government-guaranteed bonds, etc	1,095	1,386	1,982	+596	
	Sub Total			5,631	4,529	5,422	+892	
	Euro	Fixed	Government, Government-guaranteed bonds, etc	1,815	0	0	±0	0
Joyo	AUD	Fixed	Corporate bonds, etc	161	96	30	-66	(8)
	Yen <sup>(*)</sup>	Fixed	Corporate bonds, etc	28.1	24.0	26.7	+2.6	0
	U.S. dollar	Fixed	Government, Government-guaranteed bonds, etc	1,389	544	1,071	+526	(20)
			Corporate bonds, etc	564	266	239	-26	
		Floating	CLO/Government-guaranteed bonds, etc	1,095	1,386	1,544	+158	
	Sub Total			3,050	2,197	2,856	+658	
	Euro	Fixed	Government, Government-guaranteed bonds, etc	1,429	0	0	±0	0
	AUD	Fixed	Corporate bonds, etc	161	96	30	-66	(8)
	Yen <sup>(*)</sup>	Fixed	Corporate bonds, etc	27.2	23.1	25.8	+2.6	0
Ashikaga	U.S. dollar	Fixed	Government, Government-guaranteed bonds, etc	454	205	456	+251	(21)
			Corporate bonds, etc	2,126	2,125	1,671	-454	
		Floating	CLO/Government-guaranteed bonds, etc	0	0	437	+437	
	Sub Total			2,581	2,331	2,565	+234	
	Euro	Fixed	Government, Government-guaranteed bonds, etc	385	0	0	±0	0
	AUD	Fixed	Corporate bonds, etc	0	0	0	±0	0
	Yen <sup>(*)</sup>	Fixed	Corporate bonds, etc	0.9	0.9	0.9	±0.0	0

\*1 : All Yen denominated foreign bonds are regarded as fixed bonds.

## 【Data】 Breakdown of Banking subsidiaries

( 16 ) Strategic shareholdings (Balance)							( ¥ b n )
		FYE19	FYE20	FYE21	FYE22	FYE23	YoY
J+A	Balance	239.1	268.4	225.2	184.8	205.3	20.4
Joyo	Balance	204.0	229.1	191.9	150.9	164.6	13.7
Ashikaga	Balance	35.1	39.3	33.3	33.9	40.6	6.6

(17) Expenses								( ¥ b n )
		FY19	FY20	FY21	FY22	FY23	YoY	
J+A	Personnel	61.2	59.9	58.2	57.2	57.0	-0.2	
	Non-Personnel	46.7	43.4	43.4	40.0	41.7	+1.6	
	Taxes	7.0	6.8	6.5	6.0	6.4	+0.4	
	Total	115.0	110.1	108.1	103.3	105.2	+1.8	
Joyo	Personnel	33.5	33.2	32.7	32.2	32.1	-0.1	
	Non-Personnel	26.8	24.7	24.1	22.0	22.7	+0.7	
	Taxes	3.8	3.7	3.6	3.3	3.7	+0.3	
	Total	64.2	61.7	60.5	57.6	58.5	+0.9	
Ashikaga	Personnel	27.6	26.6	25.4	24.9	24.8	-0.1	
	Non-Personnel	19.9	18.6	19.2	18.0	19.0	+0.9	
	Taxes	3.1	3.0	2.9	2.6	2.7	+0.0	
	Total	50.7	48.4	47.6	45.6	46.6	+0.9	

( 18 ) Credit related cost								( ¥ bn )
		FY19	FY20	FY21	FY22	FY23	YoY	
J+A		19.0	22.4	19.6	9.1	3.4	-5.6	
Joyo		10.1	12.0	9.8	5.0	0.6	-4.4	
Ashikaga		8.8	10.3	9.7	4.0	2.8	-1.2	

( 19 ) Disclosed Claims under the Financial Revitalization Law							( ¥ b n )
		FYE19	FYE20	FYE21	FYE22	FYE23	YoY
J+A	Bankrupt claims	12.7	10.3	13.8	12.5	14.6	+2.0
	Doubtful claims	129.0	143.2	151.1	153.0	151.4	-1.5
	Claims requiring monitoring	27.9	27.4	27.6	31.5	29.1	-2.4
	(Loans past due 3 month or more)	-	0.1	0.0	0.2	0.1	-0.1
	(Restructured loans)	-	27.3	27.5	31.3	28.9	-2.3
	Total	169.8	181.0	192.6	197.1	195.2	-1.8
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	82.6	-2.1
	Claims requiring monitoring	12.5	13.0	13.3	12.1	9.7	-2.3
	(Loans past due 3 month or more)	-	0.0	0.0	0.0	0.0	-0.0
	(Restructured loans)	-	13.0	13.2	12.0	9.6	-2.3
	Total	88.2	96.7	105.2	102.1	97.3	-4.8
Ashikaga	Bankrupt claims	5.8	4.0	7.7	6.7	9.2	+2.4
	Doubtful claims	59.0	65.0	64.6	68.1	68.7	+0.6
	Claims requiring monitoring	15.4	14.4	14.2	19.4	19.3	-0.0
	(Loans past due 3 month or more)	-	0.0	0.0	0.1	0.0	-0.0
	(Restructured loans)	-	14.3	14.2	19.2	19.3	+0.0
	Total	80.2	83.5	86.7	94.2	97.3	+3.1

( 20 ) Non-accrual delinquent loans ( to Business ) (1 month or more)							( ¥ bn )
		FYE19	FYE20	FYE21	FYE22	FYE23	YoY
J+A		1.2	2.0	1.3	1.0	2.1	+1.0
Joyo		0.3	0.0	0.8	0.7	1.6	+0.9
Ashikaga		0.9	2.0	0.5	0.2	0.4	+0.1

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