

Mebuki Financial Group, Inc.

Financial Results for the First Quarter of Fiscal Year 2017, ending March 31, 2018

Stock Exchange Listing: Tokyo (code: 7167)
 URL: <http://www.mebuki-fg.co.jp/>
 Representative: Kazuyoshi Terakado, President
 For Inquiry: Tetsuya Akino, General Manager of Corporate Planning Dept.
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(Japanese yen amounts of less than 1 million or the first decimal place have been rounded down.)

1. Financial Highlights (from April 1, 2017 to June 30, 2017)

(1) Consolidated Operating Results (%: Changes from the corresponding period of the previous fiscal year)

	Ordinary Income		Ordinary Profit		Net Income Attributable to Owners of the Parent	
	¥Million	%	¥Million	%	¥Million	%
First quarter						
Ended June 30, 2017	63,758	—	17,976	—	12,063	—
Ended June 30, 2016	27,647	(3.6)	9,923	(3.6)	6,411	(16.8)

(Note) Comprehensive Income First quarter of FY2017: ¥18,770 million [-%] First quarter of FY2016: ¥5,840 million [-9.7%]

	Net Income per Share	Net Income per Share (Diluted)
First quarter	¥	¥
Ended June 30, 2017	10.24	10.23
Ended June 30, 2016	19.24	—

(Note) Since net income per share does not decrease as a result of dilution, diluted net income per share for the first quarter of previous fiscal year 2016, is not shown.

(2) Consolidated Financial Conditions

	Total Assets	Net Assets	Capital Assets to Total Assets
First quarter	¥Million	¥Million	%
Ended June 30, 2017	16,454,991	874,202	5.3
Fiscal year 2016	16,124,452	863,086	5.3

(Reference) Capital assets First quarter of FY2017: ¥874,058million FY2016: ¥862,892 million

(Note) "Capital assets to total assets" represents ("Net assets"- "Equity warrants"- "Non-controlling interests") / "Total assets" at the end of each period. The ratio above is not the one based on the regulation of Capital Adequacy Ratio.

2. Cash Dividends for Shareholders

	Cash Dividends per Share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
	¥	¥	¥	¥	¥
Fiscal year 2016	—	5.50	—	6.50	12.00
Fiscal year 2017	—	—	—	—	—
Fiscal year 2017 (forecast)	—	5.50	—	5.50	11.00

(Note) 1. Revisions of released cash dividend forecasts : No

2. Year-end dividend for FY2016 includes a commemorative cash dividend ¥ 1.00 per share for the business integration.

3. Consolidated Earnings Forecasts for Fiscal year 2017, ending March 31, 2018

(%: Changes from the corresponding period of the previous fiscal year)

	Ordinary Profit		Net Income Attributable to Owners of the Parent		Net Income per Share
	¥Million	%	¥Million	%	¥
Six months					
Ending Sep. 30, 2017	32,000	-	22,000	-	18.67
Fiscal Year					
Ending March 31, 2018	58,500	11.9	40,000	(74.7)	33.96

(Note) Revisions of released consolidated earnings forecasts : No

*Notes

(1) Material changes in consolidated subsidiaries during the period (changes in specific subsidiaries accompanied by changes in scope of consolidation): No

Included: —

Excluded: —

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements : No

(3) Changes in accounting principles, accounting estimates and restatement

Changes in accounting principles in accordance with changes in accounting standard, etc.: No

Other changes in accounting principles: No

Changes in accounting estimates: No

Restatement: No

(4) Number of issued shares (common stock)

Number of issued shares (including treasury stock):

June 30, 2017	1,179,055,218 shares	March 31, 2017	1,179,055,218 shares
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Number of treasury stock:

June 30, 2017	1,180,830 shares	March 31, 2017	1,303,564 shares
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Average number of shares:

For the nine months ended June 30, 2017	1,177,753,984 shares
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For the nine months ended June 30, 2017	333,250,000 shares
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Statement relating to the status of the quarterly review procedures

This quarterly report is not subject to the quarterly review procedures based on the Financial Instruments and Exchange Law.

Explanation for proper use of forecasts and other notes

The above forecasts are based on the information which is presently available and the certain assumptions which are considered to be reasonable. Actual results may differ from those forecasts depending on various future factors.

Mebuki Financial Group, Inc. (the Company) conducted a share exchange on October 1, 2016 under which the Company became the wholly owing parent company and The Joyo Bank, Ltd. (Joyo) became the wholly owned subsidiary.

Based on the Accounting Standard for Business Combinations, this share exchange is a reverse acquisition wherein the Company is considered to be the acquired company and Joyo to be the acquiring company.

Since there is no continuity of financial statements from the prior fiscal year to the first quarterly period, the year-on-year changes are not disclosed.

Accordingly, consolidated financial results for the first quarter of fiscal year 2016 (from April 1, 2016 to June 30, 2016) are shown by the presentation method before the share exchange.

Financial Results for the First Quarter of Fiscal Year 2017, Ending March 31, 2018

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Quarterly Consolidated Financial Information

1. Quarterly Consolidated Balance Sheet

Item	(Japanese)	(Millions of yen)	
		As of Mar. 31, 2017	As of Jun. 30, 2017
Assets	(資産の部)		
Cash and due from banks	現金預け金	1,393,762	1,776,928
Call loans and bills bought	コールローン及び買入手形	5,160	20,345
Monetary claims bought	買入金銭債権	15,952	14,834
Trading assets	特定取引資産	7,226	7,478
Securities	有価証券	4,190,681	4,147,139
Loans and bills discounted	貸出金	10,244,730	10,179,016
Foreign exchanges	外国為替	7,222	9,095
Lease receivable and investments in lease	リース債権及びリース投資資産	48,366	50,144
Other assets	その他資産	120,249	158,306
Tangible fixed assets	有形固定資産	117,732	116,799
Intangible fixed assets	無形固定資産	12,414	12,367
Asset for retirement benefits	退職給付に係る資産	12,275	13,005
Deferred tax assets	繰延税金資産	1,609	1,566
Customers' liabilities for acceptances and guarantees	支払承諾見返	25,916	25,296
Allowance for loan losses	貸倒引当金	(78,840)	(77,324)
Reserve for devaluation of investment securities	投資損失引当金	(9)	(9)
Total Assets	資産の部合計	16,124,452	16,454,991
Liabilities	(負債の部)		
Deposits	預金	13,507,047	13,675,579
Negotiable certificates of deposit	譲渡性預金	284,705	350,128
Call money and bills sold	コールマネー及び売渡手形	303,312	234,394
Payables under repurchase agreements	売現先勘定	-	20,348
Payables under securities lending transactions	債券貸借取引受入担保金	167,640	320,405
Trading liabilities	特定取引負債	511	508
Borrowed money	借入金	735,593	728,963
Foreign Exchanges	外国為替	757	592
Bonds	社債	5,000	5,000
Bonds with warrant attached	新株予約権付社債	33,657	33,591
Due to trust account	信託勘定借	13	2
Other liabilities	その他負債	140,446	126,187
Provision for directors' bonuses	役員賞与引当金	111	0
Liability for retirement benefits	退職給付に係る負債	8,896	8,310
Provision for directors' retirement benefits	役員退職慰労引当金	51	44
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	3,480	3,414
Provision for contingent loss	偶発損失引当金	1,548	1,496
Provision for point card certificates	ポイント引当金	294	276
Provision for loss on interest repayment	利息返還損失引当金	12	12
Reserves under special laws	特別法上の引当金	2	2
Deferred tax liabilities	繰延税金負債	31,410	35,323
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	9,454	9,447
Negative goodwill	負ののれん	1,501	1,461
Acceptances and guarantees	支払承諾	25,916	25,296
Total liabilities	負債の部合計	15,261,366	15,580,789
Net Assets	(純資産の部)		
Capital stock	資本金	117,495	117,495
Capital surplus	資本剰余金	148,490	148,540
Retained earnings	利益剰余金	461,631	465,980
Treasury stock	自己株式	(6)	(6)
Total shareholders' equity	株主資本合計	727,610	732,009
Unrealized gains on available-for-sale securities	その他有価証券評価差額金	128,545	134,581
Deferred gains (losses) on hedges	繰延ヘッジ損益	(674)	(515)
Land revaluation surplus	土地再評価差額金	12,844	12,903
Defined retirement benefit plans	退職給付に係る調整累計額	(5,433)	(4,920)
Total accumulated other comprehensive income	その他の包括利益累計額合計	135,282	142,049
Equity warrants	新株予約権	193	143
Total net assets	純資産の部合計	863,086	874,202
Total liabilities and net assets	負債及び純資産の部合計	16,124,452	16,454,991

(Note) Figures are rounded down to the nearest million.

2. Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(1) Quarterly Consolidated Statement of Income

(Millions of yen)

Item	(Japanese)	For the 3 months ended Jun.30,2016	For the 3 months ended Jun.30,2017
Ordinary income	経常収益	27,647	63,758
Interest income	資金運用収益	19,115	40,752
Interest on loans and bills discounts	(うち貸出金利息)	13,441	28,442
Interest and dividends on securities	(うち有価証券利息配当金)	5,536	12,004
Trust fees	信託報酬	-	11
Fees and commissions	役務取引等収益	4,938	11,559
Trading income	特定取引収益	-	684
Other ordinary income	その他業務収益	982	1,283
Other income	その他経常収益	2,611	9,467
Ordinary expenses	経常費用	17,723	45,782
Interest expenses	資金調達費用	993	3,266
Interest on deposits	(うち預金利息)	325	675
Fees and commissions payments	役務取引等費用	1,646	2,268
Other business expenses	その他業務費用	307	696
General and administrative expenses	営業経費	13,914	30,588
Other operating expenses	その他経常費用	861	8,962
Ordinary profit	経常利益	9,923	17,976
Extraordinary income	特別利益	-	0
Gains on disposal of non-current assets	固定資産処分益	-	0
Extraordinary losses	特別損失	11	604
Losses on disposal of fixed assets	固定資産処分損失	11	49
Impairment loss	減損損失	-	555
Income before income taxes	税金等調整前四半期純利益	9,912	17,371
Income taxes-current	法人税、住民税及び事業税	1,763	4,371
Income taxes-deferred	法人税等調整額	1,736	937
Total income taxes	法人税等合計	3,500	5,308
Net income	四半期純利益	6,411	12,063
Net income attributable to owners of the parent	親会社株主に帰属する四半期純利益	6,411	12,063

(Note) Figures are rounded down to the nearest million.

(2) Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

Item	(Japanese)	For the 3 months ended Jun.30,2016	For the 3 months ended Jun.30,2017
Net income	四半期純利益	6,411	12,063
Other comprehensive income	その他の包括利益	Δ571	6,707
Unrealized gains on available-for-sale securities	その他有価証券評価差額金	Δ4,521	6,035
Deferred gains (losses) on hedges	繰延ヘッジ損益	3,946	158
Defined retirement benefit plan	退職給付に係る調整額	4	513
Comprehensive income	四半期包括利益	5,840	18,770
	(内訳)		
Comprehensive income attributable to owners of the parent	親会社株主に係る四半期包括利益	5,840	18,770
Comprehensive income attributable to non-controlling interests	非支配株主に係る四半期包括利益	-	-

3. Note for the Assumption of Going Concern

Not applicable.

4. Note for Material Changes in Shareholders' Equity

Not applicable.

[Reference] Quarterly Non-consolidated Financial Information of the main consolidated subsidiaries

1. Quarterly Non-consolidated Financial Information of The Jyoy Bank, Ltd.

(1) Financial Highlights (from April 1, 2017 to June 30, 2017)

Non-consolidated Operating Results

(%: Changes from the corresponding period of the previous fiscal year)

	Ordinary Income		Ordinary Profit		Net Income	
	¥Million	%	¥Million	%	¥Million	%
First quarter						
Ended June 30, 2017	33,874	(4.6)	11,459	(1.9)	7,778	(4.5)
Ended June 30, 2016	35,538	(5.0)	11,689	(12.6)	8,152	(13.6)

Non-consolidated Financial Conditions

	Total Assets	Net Assets	Capital Assets to Total Assets
First quarter	¥Million	¥Million	%
Ended June 30, 2017	9,888,367	598,638	6.0
Fiscal year 2016	9,697,024	593,283	6.1

(Reference) Capital assets First quarter of FY2017: ¥598,638 million FY2016: ¥593,283 million

(Note) "Capital assets to total assets" represents ("Net assets"- "Equity warrants") / "Total assets" at the end of each period.

The ratio above is not the one based on the regulation of Capital Adequacy Ratio.

(2) Non-consolidated Balance Sheet (The Joyo Bank, Ltd.)

(Millions of yen)

Item	(Japanese)	As of Mar. 31, 2017	As of Jun. 30, 2017
Assets	(資産の部)		
Cash and due from banks	現金預け金	754,116	952,800
Call loans and bills bought	コールローン	3,365	16,996
Monetary claims bought	買入金銭債権	8,161	7,793
Trading assets	特定取引資産	4,060	4,151
Securities	有価証券	2,793,575	2,739,914
Loans and bills discounted	貸出金	5,967,030	5,981,961
Foreign exchanges	外国為替	2,826	3,700
Other assets	その他資産	48,076	66,562
Tangible fixed assets	有形固定資産	85,854	84,777
Intangible fixed assets	無形固定資産	9,531	9,358
Asset for retirement benefits	前払年金費用	7,231	7,109
Customers' liabilities for acceptances and guarantees	支払承諾見返	47,620	47,319
Allowance for loan losses	貸倒引当金	(34,416)	(34,069)
Reserve for devaluation of investment securities	投資損失引当金	(9)	(9)
Total Assets	資産の部合計	9,697,024	9,888,367
Liabilities	(負債の部)		
Deposits	預金	8,240,398	8,357,569
Negotiable certificates of deposit	譲渡性預金	56,252	138,338
Call money and bills sold	コールマネー	61,337	55,694
Payables under repurchase agreements	売現先勘定	-	20,348
Payables under securities lending transactions	債券貸借取引受入担保金	135,417	120,184
Trading liabilities	特定取引負債	511	508
Borrowed money	借入金	436,978	430,226
Foreign Exchanges	外国為替	501	358
Bonds	社債	5,000	5,000
Due to trust account	信託勘定借	13	2
Other liabilities	その他負債	63,079	54,981
Income tax payable	(未払法人税等)	1,635	827
Lease obligations	(リース債務)	3,248	2,947
Other liabilities	(その他の負債)	58,195	51,207
Provision for directors' bonuses	役員賞与引当金	48	-
Liability for retirement benefits	退職給付引当金	8,415	8,438
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	2,585	2,550
Provision for point card certificates	ポイント引当金	106	108
Provision for contingent loss	偶発損失引当金	1,038	985
Deferred tax liabilities	繰延税金負債	35,662	38,346
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	8,774	8,768
Acceptances and guarantees	支払承諾	47,620	47,319
Total liabilities	負債の部合計	9,103,740	9,289,729

					(Millions of yen)	
Item	(Japanese)	As of Mar. 31, 2017	As of Jun. 30, 2017			
Net assets	(純資産の部)					
Capital stock	資 本 金	85,113	85,113			
Capital surplus	資 本 剰 余 金	58,574	58,574			
Legal capital surplus	資 本 準 備 金	58,574	58,574			
Retained earnings	利 益 剰 余 金	308,341	310,281			
Legal retained earnings	利 益 準 備 金	55,317	55,317			
Other retained earnings	そ の 他 利 益 剰 余 金	253,024	254,964			
Reserve for advanced depreciation of non-current assets	(固 定 資 産 圧 縮 積 立 金)	887	882			
Reserve for special account of advanced depreciation of non-current assets	(固 定 資 産 圧 縮 特 別 勘 定 積 立 金)	13	13			
General Reserve	(別 途 積 立 金)	222,432	222,432			
Retained earnings brought forward	(繰 越 利 益 剰 余 金)	29,692	31,636			
Total shareholders' equity	株 主 資 本 合 計	452,028	453,968			
Unrealized gains on available-for-sale securities	そ の 他 有 価 証 券 評 価 差 額 金	130,542	133,778			
Deferred gains (losses) on hedges	繰 延 ヘ ッ ジ 損 益	(574)	(455)			
Land revaluation surplus	土 地 再 評 価 差 額 金	11,287	11,345			
Total valuation and translation adjustments	評 価 ・ 換 算 差 額 等 合 計	141,254	144,669			
Total net assets	純 資 産 の 部 合 計	593,283	598,638			
Total liabilities and net assets	負 債 及 び 純 資 産 の 部 合 計	9,697,024	9,888,367			

(3)Non-Consolidated Statement of Income (The Joyo Bank, Ltd.)

					(Millions of yen)	
Item	(Japanese)	For the 3 months ended Jun.30,2016	For the 3 months ended Jun.30,2017			
Ordinary income	経 常 収 益	35,538	33,874			
Interest income	資 金 運 用 収 益	23,864	23,879			
Interest on loans and bills discounts	(うち 貸 出 金 利 息)	16,051	15,833			
Interest and dividends on securities	(うち 有 価 証 券 利 息 配 当 金)	7,631	7,877			
Trust fees	信 託 報 酬	11	11			
Fees and commissions	役 務 取 引 等 収 益	5,491	5,857			
Trading income	特 定 取 引 収 益	69	186			
Other ordinary income	そ の 他 業 務 収 益	3,269	1,073			
Other income	そ の 他 経 常 収 益	2,831	2,865			
Ordinary expenses	経 常 費 用	23,849	22,415			
Interest expenses	資 金 調 達 費 用	1,710	1,954			
Interest on deposits	(うち 預 金 利 息)	485	452			
Fees and commissions payments	役 務 取 引 等 費 用	786	840			
Other business expenses	そ の 他 業 務 費 用	57	679			
General and administrative expenses	営 業 経 費	18,752	17,759			
Other operating expenses	そ の 他 経 常 費 用	2,541	1,180			
Ordinary profit	経 常 利 益	11,689	11,459			
Extraordinary income	特 別 利 益	1	-			
Extraordinary losses	特 別 損 失	158	405			
Income before income taxes	税 引 前 四 半 期 純 利 益	11,531	11,053			
Income taxes-current	法 人 税、住 民 税 及 び 事 業 税	3,215	2,108			
Income taxes-deferred	法 人 税 等 調 整 額	163	1,166			
Total income taxes	法 人 税 等 合 計	3,379	3,275			
Net income	四 半 期 純 利 益	8,152	7,778			

2. Quarterly Non-consolidated Financial Information of The Ashikaga Bank, Ltd.

(1) Financial Highlights (from April 1, 2017 to June 30, 2017)

Non-consolidated Operating Results

(%: Changes from the corresponding period of the previous fiscal year)

	Ordinary Income		Ordinary Profit		Net Income	
	¥Million	%	¥Million	%	¥Million	%
First quarter						
Ended June 31, 2017	24,932	(4.7)	9,885	(9.3)	6,826	(9.3)
Ended June 31, 2016	26,177	(6.1)	10,909	(9.9)	7,533	(20.4)

Non-consolidated Financial Conditions

	Total Assets	Net Assets	Capital Assets to Total Assets
First quarter	¥Million	¥Million	%
Ended June 31, 2017	6,616,149	319,414	4.8
Fiscal year 2016	6,477,729	317,494	4.9

(Reference) Capital assets First quarter of FY2017: ¥319,414 million FY2016: ¥317,494 million

(Note) "Capital assets to total assets" represents ("Net assets"-"Equity warrants") / "Total assets" at the end of each period.

The ratio above is not the one based on the regulation of Capital Adequacy Ratio.

(2) Non-consolidated Balance Sheet (The Ashikaga Bank, Ltd.)

(Millions of yen)

Item	(Japanese)	As of Mar. 31, 2017	As of Jun. 30, 2017
Assets	(資産の部)		
Cash and due from banks	現金預け金	639,631	823,914
Call loans and bills bought	コールローン	1,795	3,349
Monetary claims bought	買入金銭債権	7,791	7,040
Trading account securities	商品有価証券	3,166	3,326
Securities	有価証券	1,417,158	1,426,416
Loans and bills discounted	貸出金	4,348,447	4,271,302
Foreign exchanges	外国為替	4,396	5,395
Other assets	その他資産	32,106	51,614
Tangible fixed assets	有形固定資産	25,872	25,869
Intangible fixed assets	無形固定資産	2,370	2,518
Asset for retirement benefits	前払年金費用	15,323	16,030
Deferred tax Assets	繰延税金資産	2,461	1,570
Customers' liabilities for acceptances and guarantees	支払承諾見返	11,953	11,569
Allowance for loan losses	貸倒引当金	(34,746)	(33,768)
Total Assets	資産の部合計	6,477,729	6,616,149
Liabilities	(負債の部)		
Deposits	預金	5,332,582	5,384,009
Negotiable certificates of deposit	譲渡性預金	289,303	273,640
Call money and bills sold	コールマネー	241,975	178,700
Payables under securities lending transactions	債券貸借取引受入担保金	32,222	200,220
Borrowed money	借入金	220,047	220,699
Foreign Exchanges	外国為替	256	234
Other liabilities	その他負債	30,324	26,193
Income tax payable	(未払法人税等)	1,602	770
Lease obligations	(リース債務)	11	10
Other liabilities	(その他の負債)	28,709	25,412
Provision for directors' bonuses	役員賞与引当金	53	—
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	895	864
Provision for contingent loss	偶発損失引当金	509	510
Provision for point card certificates	ポイント引当金	111	93
Acceptances and guarantees	支払承諾	11,953	11,569
Total liabilities	負債の部合計	6,160,235	6,296,735
Net assets	(純資産の部)		
Capital stock	資本金	135,000	135,000
Retained earnings	利益剰余金	145,333	147,410
Legal retained earnings	利益準備金	20,107	21,057
Other retained earnings	その他利益剰余金	125,225	126,352
Retained earnings brought forward	(繰越利益剰余金)	125,225	126,352
Total shareholders' equity	株主資本合計	280,333	282,410
Unrealized gains on available-for-sale securities	その他有価証券評価差額金	37,259	37,064
Deferred gains (losses) on hedges	繰延ヘッジ損益	(99)	(59)
Total valuation and translation adjustments	評価・換算差額等合計	37,160	37,004
Total net assets	純資産の部合計	317,494	319,414
Total liabilities and net assets	負債及び純資産の部合計	6,477,729	6,616,149

(3)Non-Consolidated Statement of Income(The Ashikaga Bank, Ltd.)

(Millions of yen)

Item	(Japanese)	For the 3 months ended Jun.30,2016	For the 3 months ended Jun.30,2017
Ordinary income	経常収益	26,177	24,932
Interest income	資金運用収益	18,546	18,807
Interest on loans and discounts	(うち貸出金利息)	12,876	12,330
Interest and dividends on securities	(うち有価証券利息配当金)	5,535	6,343
Fees and commissions	役務取引等収益	4,782	4,472
Other ordinary income	その他業務収益	923	218
Other income	その他経常収益	1,923	1,434
Ordinary expenses	経常費用	15,267	15,047
Interest expenses	資金調達費用	684	1,009
Interest on deposits	(うち預金利息)	325	239
Fees and commissions payments	役務取引等費用	1,678	1,787
Other business expenses	その他業務費用	281	26
General and administrative expenses	営業経費	11,914	11,768
Other operating expenses	その他経常費用	708	455
Ordinary profit	経常利益	10,909	9,885
Extraordinary income	特別利益	—	0
Extraordinary losses	特別損失	11	185
Income before income taxes	税引前四半期純利益	10,897	9,700
Income taxes-current	法人税、住民税及び事業税	2,350	1,992
Income taxes-deferred	法人税等調整額	1,012	880
Total income taxes	法人税等合計	3,363	2,873
Net income	四半期純利益	7,533	6,826

Financial Data for the First Quarter of Fiscal Year 2017 ending March 31, 2018

1. Income Status

[Mebuki Financial Group, Inc. (Consolidated basis)]

(Millions of yen)

	(Japanese)	For the 3 months ended Jun.30,2017		For the 3 months ended Jun.30,2016	(Reference) FY2016
		(A)	(A)-(B)	(B)	
Consolidated gross profit	連 結 粗 利 益	48,059			149,634
Net interest income	資 金 利 益	37,486			115,213
Net fees and commissions	役 務 取 引 等 利 益	9,301			26,232
Net trading income	特 定 取 引 利 益	684			2,241
Net other business income	そ の 他 業 務 利 益	587			5,946
General and administrative expenses	営 業 経 費	30,588			98,088
Credit related costs	与 信 関 係 費 用	1,099			8,273
Write-off of loans	貸 出 金 償 却	1,035			3,940
Transfer to specific allowance for loan losses	個 別 貸 倒 引 当 金 繰 入 額	595			5,167
Transfer to general allowance for loan losses	一 般 貸 倒 引 当 金 繰 入 額	(301)			1,110
Other credit related costs	そ の 他 の 与 信 関 係 費 用	(230)			(1,944)
Gains/losses related to stocks, etc.	株 式 等 関 係 損 益	1,067			7,644
Equity in gains (losses) of affiliated companies	持 分 法 に よ る 投 資 損 益	-			-
Others	そ の 他	536			1,338
Ordinary profit [FY2017; 58,500 1H2017; 32,000]	経 常 利 益 [通 期 58,500 ・ 中 間 期 32,000]	17,976			52,255
Extraordinary income(losses)	特 別 損 益	(604)			117,139
Income before income taxes	税 金 等 調 整 前 四 半 期 純 利 益	17,371			169,395
Income taxes-current	法 人 税 、 住 民 税 及 び 事 業 税	4,371			16,880
Income taxes-deferred	法 人 税 等 調 整 額	937			(5,968)
Total income taxes	法 人 税 等 合 計	5,308			10,911
Net income	四 半 期 純 利 益	12,063			158,483
Net income attributable to noncontrolling interests	非 支 配 株 主 に 帰 属 す る 四 半 期 純 利 益	-			28
Net income attributable to owners of the parent [FY2017; 40,000 1H2017; 22,000]	親 会 社 株 主 に 帰 属 す る 四 半 期 純 利 益 [通 期 40,000 ・ 中 間 期 22,000]	12,063			158,455

(Note) 1. Consolidated gross business profit=(Interest income - Interest expenses)+(Fees and commissions income+Trust Fee - Fees and commissions expenses)+(Trading income - Trading expenses)+(Other business income - Other business expenses)

2. Since there is no continuity from financial results for the prior fiscal year to those for the current fiscal year due to the business combination on October 1, 2016, figures of the corresponding period are not shown.

3. Figures in square brackets in the table above are forecasts of ordinary profit and net income attributable to owners of the parent.

(注) 1. 連結粗利益 = (資金運用収益 - 資金調達費用) + (役務取引等収益 + 信託報酬 - 役務取引等費用) + (特定取引収益 - 特定取引費用)

+ (その他業務収益 - その他業務費用)

2. 当社は、平成28年10月1日の経営統合により連続性がなくなったため、前年同期の計数は記載しておりません。

3. 経常利益、親会社株主に帰属する四半期純利益の業績予想値を〔〕内に記載しております。

Reference

(Millions of yen)

	(Japanese)	For the 3 months ended Jun.30,2017		For the 3 months ended Jun.30,2016	(Reference) FY2016
		(A)	(A)-(B)	(B)	
Consolidated net business income (before general allowance for loan losses)	連 結 業 務 純 益 (一 般 貸 倒 引 繰 入 前)	18,221			55,272
Consolidated net business income	連 結 業 務 純 益	18,523			54,161

(Note) 1. Consolidated net business income

= Consolidated gross profit - General and administrative expenses(excluding non-recurrent expense) - Transfer to general allowance for loan losses

2. Since there is no continuity from financial results for the prior fiscal year to those for the current fiscal year due to the business combination on October 1, 2016, figures of the corresponding period are not shown.

(注) 1. 連結業務純益 = 連結粗利益 - 営業経費(除く臨時費用分) - 一般貸倒引当金繰入額

2. 当社は、平成28年10月1日の経営統合により連続性がなくなったため、前年同期の計数は記載しておりません。

Number of Consolidated Companies

(Number of companies)

	(Japanese)	As of Jun. 30, 2017		As of Jun. 30, 2016	(Reference) As of Mar 31, 2017
		(A)	(A)-(B)	(B)	
Number of Consolidated Subsidiaries	連 結 子 会 社 数	14			14
Number of affiliated companies applicable to the equity method	持 分 法 適 用 会 社 数	-			-

(Note) Since there is no continuity from financial results for the prior fiscal year to those for the current fiscal year due to the business combination on October 1, 2016, figures of the corresponding period are not shown.

(注) 当社は、平成28年10月1日の経営統合により連続性がなくなったため、平成28年6月末の計数は記載しておりません。

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

	(Japanese)	For the 3 months ended Jun.30,2017		For the 3 months ended Jun.30,2016	(Reference) FY2016
		(A)	(A)-(B)	(B)	
Gross business profit	業 務 粗 利 益	48,209	(3,550)	51,760	187,550
Net interest income	資 金 利 益	39,723	(293)	40,016	153,495
Net fees and commissions	役 務 取 引 等 利 益	7,713	(107)	7,820	27,655
Net trading income	特 定 取 引 等 利 益	186	117	69	449
Net other business income	そ の 他 業 務 利 益	585	(3,267)	3,853	5,950
(Of which, gains/losses on bond transactions)	(うち国債等債券損益(5勘定戻))	197	(3,369)	3,566	5,605
Expenses (excluding non-recurrent expense)	経 費 (除 く 臨 時 処 理 分)	28,781	(853)	29,634	115,014
Personnel expenses	人 件 費	15,022	(283)	15,305	60,425
Non-personnel expenses	物 件 費	11,184	(264)	11,448	47,095
Taxes	税 金	2,574	(305)	2,879	7,492
Net business income (before general allowance for loan losses)	業 務 純 益 (一 般 貸 引 繰 入 前)	19,428	(2,697)	22,125	72,536
(excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻))	19,230	671	18,558	66,930
Net transfer to general allowance for loan losses	一 般 貸 倒 引 当 金 繰 入 額	(289)	(902)	613	(465)
Net business income	業 務 純 益	19,717	(1,795)	21,512	73,001
Net non-recurrent gains/losses	臨 時 損 益	1,627	541	1,086	(4,063)
Disposal of non-performing loans	不 良 債 権 処 理 額	1,162	392	770	10,018
Write-off of loans	貸 出 金 償 却	596	28	567	3,103
Transfer to specific allowance for loan losses	個 別 貸 倒 引 当 金 繰 入 額	679	(299)	978	8,720
Losses on sales of loans	貸 出 金 売 却 損	42	42	-	68
Transfer to provision for contingent losses	偶 発 損 失 引 当 金 繰 入 額	(50)	(63)	12	75
Reversal of allowance for loan losses	貸 倒 引 当 金 戻 入 益	-	(299)	299	-
Recoveries of written-off claims	償 却 債 権 取 立 益	332	(319)	651	2,431
Other	そ の 他	227	64	162	481
Gains/losses related to stocks, etc.	株 式 等 関 係 損 益	3,374	1,005	2,368	9,769
Other non-recurrent gains/losses	そ の 他 臨 時 損 益	(584)	(71)	(512)	(3,815)
Ordinary profit	経 常 利 益	21,344	(1,253)	22,598	68,938
Extraordinary income/losses	特 別 損 益	(590)	(421)	(169)	(2,130)
Income before income taxes	税 引 前 四 半 期 純 利 益	20,754	(1,675)	22,429	66,808
Income taxes-current	法 人 税、住 民 税 及 び 事 業 税	4,101	(1,464)	5,565	19,827
Income taxes-deferred	法 人 税 等 調 整 額	2,047	870	1,176	(3,886)
Total income taxes	法 人 税 等 合 計	6,148	(594)	6,742	15,940
Net Income	四 半 期 純 利 益	14,605	(1,081)	15,686	50,867
Credit related costs (+)	与 信 関 係 費 用 (+)	873	(510)	1,383	9,552

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	For the 3 months ended Jun.30,2017		For the 3 months ended Jun.30,2016	(Reference) FY2016
		(A)	(A)-(B)	(B)	
Gross business profit	業 務 粗 利 益	27,534	(2,616)	30,151	105,250
Net interest income	資 金 利 益	21,925	(229)	22,154	85,198
Net fees and commissions	役 務 取 引 等 利 益	5,028	311	4,716	14,362
Net trading income	特 定 取 引 等 利 益	186	117	69	449
Net other business income	そ の 他 業 務 利 益	394	(2,816)	3,211	5,240
(Of which, gains/losses on bond transactions)	(うち国債等債券損益(5勘定戻))	177	(2,909)	3,086	5,837
Expenses (excluding non-recurrent expense)	経 費 (除 く 臨 時 処 理 分)	17,033	(705)	17,738	68,522
Personnel expenses	人 件 費	8,553	(368)	8,922	34,716
Non-personnel expenses	物 件 費	6,969	(30)	6,999	29,550
Taxes	税 金	1,509	(306)	1,816	4,255
Net business income (before general allowance for loan losses)	業 務 純 益 (一 般 貸 引 繰 入 前)	10,501	(1,911)	12,413	36,727
(excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻))	10,324	998	9,326	30,889
Net transfer to general allowance for loan losses	一 般 貸 倒 引 当 金 繰 入 額	(33)	(646)	613	(664)
Net business income	業 務 純 益	10,534	(1,264)	11,799	37,392
Net non-recurrent gains/losses	臨 時 損 益	924	1,034	(110)	(1,728)
Disposal of non-performing loans	不 良 債 権 処 理 額	803	(158)	961	5,431
Write-off of loans	貸 出 金 償 却	563	155	407	2,360
Transfer to specific allowance for loan losses	個 別 貸 倒 引 当 金 繰 入 額	286	(692)	978	4,475
Losses on sales of loans	貸 出 金 売 却 損	-	-	-	68
Transfer to provision for contingent losses	偶 発 損 失 引 当 金 繰 入 額	(50)	(18)	(32)	29
Reversal of allowance for loan losses	貸 倒 引 当 金 戻 入 益	-	-	-	-
Recoveries of written-off claims	償 却 債 権 取 立 益	223	(331)	555	1,982
Other	そ の 他	227	64	162	481
Gains/losses related to stocks, etc.	株 式 等 関 係 損 益	2,402	987	1,415	7,591
Other non-recurrent gains/losses	そ の 他 臨 時 損 益	(675)	(111)	(564)	(3,888)
Ordinary profit	経 常 利 益	11,459	(230)	11,689	35,663
Extraordinary income/losses	特 別 損 益	(405)	(247)	(157)	(815)
Income before income taxes	税 引 前 四 半 期 純 利 益	11,053	(478)	11,531	34,847
Income taxes-current	法 人 税、住 民 税 及 び 事 業 税	2,108	(1,106)	3,215	10,477
Income taxes-deferred	法 人 税 等 調 整 額	1,166	1,002	163	(84)
Total income taxes	法 人 税 等 合 計	3,275	(103)	3,379	10,392
Net Income	四 半 期 純 利 益	7,778	(374)	8,152	24,454
Credit related costs (+)	与 信 関 係 費 用 (+)	769	(804)	1,574	4,767

[The Ashikaga Bank, Ltd. (Non-consolidated basis)]

(Millions of yen)

	(Japanese)	For the 3 months ended Jun.30,2017		For the 3 months ended Jun.30,2016	(Reference) FY2016
		(A)	(A)-(B)	(B)	
Gross business profit	業 務 粗 利 益	20,674	(933)	21,608	82,300
Net interest income	資 金 利 益	17,798	(63)	17,862	68,297
Net fees and commissions	役 務 取 引 等 利 益	2,684	(419)	3,104	13,292
Net trading income	特 定 取 引 等 利 益	-	-	-	-
Net other business income	そ の 他 業 務 利 益	191	(450)	642	709
(Of which, gains/losses on bond transactions)	(うち国債等債券損益(5勘定戻))	20	(459)	480	(232)
Expenses (excluding non-recurrent expense)	経 費 (除 く 臨 時 処 理 分)	11,748	(147)	11,895	46,491
Personnel expenses	人 件 費	6,468	85	6,382	25,709
Non-personnel expenses	物 件 費	4,214	(234)	4,449	17,545
Taxes	税 金	1,065	1	1,063	3,236
Net business income (before general allowance for loan losses)	業 務 純 益 (一 般 貸 引 繰 入 前)	8,926	(786)	9,712	35,808
(excluding gains/losses on bond transactions)	(除く国債等債券損益(5勘定戻))	8,906	(326)	9,232	36,040
Net transfer to general allowance for loan losses	一 般 貸 倒 引 当 金 繰 入 額	(256)	(256)	-	199
Net business income	業 務 純 益	9,182	(530)	9,712	35,609
Net non-recurrent gains/losses	臨 時 損 益	703	(493)	1,196	(2,334)
Disposal of non-performing loans	不 良 債 権 処 理 額	359	550	(190)	4,586
Write-off of loans	貸 出 金 償 却	33	(127)	160	743
Transfer to specific allowance for loan losses	個 別 貸 倒 引 当 金 繰 入 額	392	392	-	4,245
Losses on sales of loans	貸 出 金 売 却 損	42	42	-	0
Transfer to provision for contingent losses	偶 発 損 失 引 当 金 繰 入 額	0	(44)	45	45
Reversal of allowance for loan losses	貸 倒 引 当 金 戻 入 益	-	(299)	299	-
Recoveries of written-off claims	償 却 債 権 取 立 益	108	12	96	448
Other	そ の 他	-	-	-	-
Gains/losses related to stocks, etc.	株 式 等 関 係 損 益	971	18	953	2,177
Other non-recurrent gains/losses	そ の 他 臨 時 損 益	91	39	52	73
Ordinary profit	経 常 利 益	9,885	(1,023)	10,909	33,274
Extraordinary income/losses	特 別 損 益	(185)	(173)	(11)	(1,314)
Income before income taxes	税 引 前 四 半 期 純 利 益	9,700	(1,197)	10,897	31,960
Income taxes-current	法 人 税、住 民 税 及 び 事 業 税	1,992	(358)	2,350	9,350
Income taxes-deferred	法 人 税 等 調 整 額	880	(131)	1,012	(3,802)
Total income taxes	法 人 税 等 合 計	2,873	(490)	3,363	5,547
Net Income	四 半 期 純 利 益	6,826	(707)	7,533	26,412
Credit related costs (+)	与 信 関 係 費 用 (+)	103	294	(190)	4,785

2. Interest Rate Spread (Domestic operations)

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(%)

	(Japanese)	For the 3 months ended Jun.30,2017		For the 3 months ended Jun.30,2016 (B)	(Reference) FY2016
		(A)	(A)-(B)		
Average yield on interest earning assets	資金運用利回	1.07	(0.03)	1.10	1.05
Average yield on loans and bills discounted	貸出金利回	1.08	(0.06)	1.14	1.12
Average yield on securities	有価証券利回	1.32	0.00	1.32	1.13
Average yield on interest bearing liabilities	資金調達原価	0.77	(0.08)	0.85	0.80
Average yield on deposits and negotiable certificates of deposit	預金等利回	0.01	0.00	0.01	0.01
Average yield on call money and borrowed money	外部負債利回	(0.01)	(0.03)	0.02	(0.00)
Average interest rate spread (-)	総資金利鞘	0.30	0.05	0.25	0.25

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(%)

	(Japanese)	For the 3 months ended Jun.30,2017		For the 3 months ended Jun.30,2016 (B)	(Reference) FY2016
		(A)	(A)-(B)		
Average yield on interest earning assets	資金運用利回	1.00	(0.03)	1.03	0.99
Average yield on loans and bills discounted	貸出金利回	1.04	(0.04)	1.08	1.06
Average yield on securities	有価証券利回	1.07	0.00	1.07	0.96
Average yield on interest bearing liabilities	資金調達原価	0.77	(0.10)	0.87	0.82
Average yield on deposits and negotiable certificates of deposit	預金等利回	0.00	(0.01)	0.01	0.00
Average yield on call money and borrowed money	外部負債利回	(0.01)	(0.04)	0.03	(0.00)
Average interest rate spread (-)	総資金利鞘	0.23	0.07	0.16	0.17

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(%)

	(Japanese)	For the 3 months ended Jun.30,2017		For the 3 months ended Jun.30,2016 (B)	(Reference) FY2016
		(A)	(A)-(B)		
Average yield on interest earning assets	資金運用利回	1.16	(0.05)	1.21	1.14
Average yield on loans and bills discounted	貸出金利回	1.15	(0.07)	1.22	1.20
Average yield on securities	有価証券利回	1.78	(0.03)	1.81	1.43
Average yield on interest bearing liabilities	資金調達原価	0.77	(0.06)	0.83	0.78
Average yield on deposits and negotiable certificates of deposit	預金等利回	0.01	(0.01)	0.02	0.02
Average yield on call money and borrowed money	外部負債利回	(0.01)	(0.03)	0.02	0.00
Average interest rate spread (-)	総資金利鞘	0.39	0.01	0.38	0.36

3. Gains and Losses on Securities

(1) Gains and losses on bond transactions

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

	(Japanese)	For the 3 months ended Jun.30,2017		For the 3 months ended Jun.30,2016	(Reference) FY2016
		(A)	(A)-(B)	(B)	
Gains/losses on bond transactions	国債等債券損益	197	(3,369)	3,566	5,605
Gains on sales	売却益	893	(2,921)	3,814	11,829
Gains on redemption	償還益	-	(46)	46	84
Losses on sales	売却損	696	401	294	5,996
Losses on redemption	償還損	-	-	-	310
Write-offs	償却	-	-	-	-

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	For the 3 months ended Jun.30,2017		For the 3 months ended Jun.30,2016	(Reference) FY2016
		(A)	(A)-(B)	(B)	
Gains/losses on bond transactions	国債等債券損益	177	(2,909)	3,086	5,837
Gains on sales	売却益	856	(2,196)	3,052	11,034
Gains on redemption	償還益	-	(46)	46	48
Losses on sales	売却損	679	666	12	5,244
Losses on redemption	償還損	-	-	-	-
Write-offs	償却	-	-	-	-

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	For the 3 months ended Jun.30,2017		For the 3 months ended Jun.30,2016	(Reference) FY2016
		(A)	(A)-(B)	(B)	
Gains/losses on bond transactions	国債等債券損益	20	(459)	480	(232)
Gains on sales	売却益	37	(724)	761	794
Gains on redemption	償還益	-	-	-	36
Losses on sales	売却損	17	(264)	281	751
Losses on redemption	償還損	-	-	-	310
Write-offs	償却	-	-	-	-

(2) Gains and losses related to stocks, etc.

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

	(Japanese)	For the 3 months ended Jun.30,2017		For the 3 months ended Jun.30,2016	(Reference) FY2016
		(A)	(A)-(B)	(B)	
Gains/losses related to stocks, etc.	株式等関係損益	3,374	1,005	2,368	9,769
Gains on sales	売却益	3,531	478	3,053	12,682
Losses on sales	売却損	156	(494)	651	2,853
Write-offs	償却	-	(32)	32	59

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	For the 3 months ended Jun.30,2017		For the 3 months ended Jun.30,2016	(Reference) FY2016
		(A)	(A)-(B)	(B)	
Gains/losses related to stocks, etc.	株式等関係損益	2,402	987	1,415	7,591
Gains on sales	売却益	2,402	734	1,667	9,565
Losses on sales	売却損	-	(233)	233	1,929
Write-offs	償却	-	(19)	19	43

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	For the 3 months ended Jun.30,2017		For the 3 months ended Jun.30,2016	(Reference) FY2016
		(A)	(A)-(B)	(B)	
Gains/losses related to stocks, etc.	株式等関係損益	971	18	953	2,177
Gains on sales	売却益	1,128	(256)	1,385	3,117
Losses on sales	売却損	156	(261)	417	923
Write-offs	償却	-	(13)	13	16

4. Unrealized Valuation Gains (Losses)

【Mebuki Financial Group, Inc. (Consolidated basis)】

(Millions of yen)

		As of Jun. 30, 2017					As of Mar.31, 2017				
		Carrying Ammount	Unrealized valuation gains (losses)				Carrying Ammount	Unrealized valuation gains (losses)			
			(A)	(A-B)	Valuation gains	Valuation losses		(B)	Valuation gains	Valuation losses	
Held-to-maturity	満期保有目的	140,627	(540)	140	526	1,067	139,385	(680)	488	1,169	
	Bonds	140,627	(540)	140	526	1,067	139,385	(680)	488	1,169	
	Others	-	-	-	-	-	-	-	-	-	
Available-for-sale	その他有価証券	3,994,318	191,565	8,748	222,006	30,441	4,039,818	182,816	216,101	33,284	
	Stocks	309,142	151,526	4,378	151,952	426	306,697	147,147	147,566	418	
	Bonds	2,244,413	17,907	(5,335)	22,906	4,999	2,306,681	23,243	27,636	4,393	
	Others	1,440,761	22,131	9,705	47,147	25,016	1,426,439	12,425	40,898	28,472	
Total	合計	4,134,945	191,024	8,888	222,533	31,508	4,179,203	182,135	216,590	34,454	
	Stocks	309,142	151,526	4,378	151,952	426	306,697	147,147	147,566	418	
	Bonds	2,385,040	17,366	(5,195)	23,433	6,066	2,446,067	22,562	28,125	5,563	
	Others	1,440,761	22,131	9,705	47,147	25,016	1,426,439	12,425	40,898	28,472	

(Note) 1. "Available-for-sale" is valued at market price. Consequently, figures in the above table show the differences between the acquisition cost and the balance sheet amount.

2. In addition to securities, figures in the above include the trust beneficial rights recognized as "Monetary claims bought".

(注) 1. 「その他有価証券」については時価評価しておりますので、上記の表上は、貸借対照表計上額と取得価額との差額を計上しております。

2. 「有価証券」のほか、「買入金銭債権」中の信託受益権も含めております。

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

		As of Jun. 30, 2017					As of Mar.31, 2017				
		Carrying Ammount	Unrealized valuation gains (losses)				Carrying Ammount	Unrealized valuation gains (losses)			
			(A)	(A-B)	Valuation gains	Valuation losses		(B)	Valuation gains	Valuation losses	
Held-to-maturity	満期保有目的	125,480	12,343	(133)	12,358	15	123,959	12,476	12,512	35	
	Bonds	125,480	12,343	(133)	12,358	15	123,959	12,476	12,512	35	
	Others	-	-	-	-	-	-	-	-	-	
Available-for-sale	その他有価証券	3,994,150	241,796	4,492	267,161	25,364	4,039,660	237,303	264,194	26,891	
	Stocks	308,975	174,294	3,492	174,656	361	306,539	170,801	171,216	414	
	Bonds	2,244,413	39,333	(6,310)	40,554	1,221	2,306,681	45,644	46,823	1,179	
	Others	1,440,761	28,168	7,310	51,950	23,782	1,426,439	20,857	46,154	25,297	
Total	合計	4,119,631	254,140	4,359	279,520	25,379	4,163,620	249,780	276,707	26,926	
	Stocks	308,975	174,294	3,492	174,656	361	306,539	170,801	171,216	414	
	Bonds	2,369,894	51,677	(6,443)	52,913	1,236	2,430,640	58,121	59,336	1,214	
	Others	1,440,761	28,168	7,310	51,950	23,782	1,426,439	20,857	46,154	25,297	

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

		As of Jun. 30, 2017					As of Mar.31, 2017				
		Carrying Ammount	Unrealized valuation gains (losses)				Carrying Ammount	Unrealized valuation gains (losses)			
			(A)	(A-B)	Valuation gains	Valuation losses		(B)	Valuation gains	Valuation losses	
Held-to-maturity	満期保有目的	51,641	481	37	494	12	48,130	444	461	17	
	Bonds	51,641	481	37	494	12	48,130	444	461	17	
	Others	-	-	-	-	-	-	-	-	-	
Available-for-sale	その他有価証券	2,675,486	190,713	4,695	205,483	14,770	2,732,072	186,017	200,875	14,858	
	Stocks	260,968	143,482	4,654	143,843	361	257,254	138,827	139,242	414	
	Bonds	1,643,378	21,342	(4,739)	22,415	1,073	1,682,972	26,081	27,113	1,031	
	Others	771,138	25,888	4,780	39,224	13,335	791,845	21,108	34,520	13,412	
Total	合計	2,727,127	191,194	4,733	205,977	14,783	2,780,202	186,461	201,337	14,876	
	Stocks	260,968	143,482	4,654	143,843	361	257,254	138,827	139,242	414	
	Bonds	1,695,020	21,823	(4,701)	22,909	1,086	1,731,102	26,525	27,574	1,049	
	Others	771,138	25,888	4,780	39,224	13,335	791,845	21,108	34,520	13,412	

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

		As of Jun. 30, 2017					As of Mar.31, 2017				
		Carrying Ammount	Unrealized valuation gains (losses)				Carrying Ammount	Unrealized valuation gains (losses)			
			(A)	(A-B)	Valuation gains	Valuation losses		(B)	Valuation gains	Valuation losses	
Held-to-maturity	満期保有目的	73,839	11,862	(170)	11,864	2	75,829	12,032	12,050	18	
	Bonds	73,839	11,862	(170)	11,864	2	75,829	12,032	12,050	18	
	Others	-	-	-	-	-	-	-	-	-	
Available-for-sale	その他有価証券	1,318,664	51,083	(203)	61,677	10,594	1,307,587	51,286	63,318	12,032	
	Stocks	48,006	30,812	(1,161)	30,812	-	49,285	31,974	31,974	-	
	Bonds	601,034	17,991	(1,571)	18,139	147	623,708	19,563	19,710	147	
	Others	669,623	2,279	2,530	12,726	10,446	634,593	(250)	11,633	11,884	
Total	合計	1,392,503	62,945	(373)	73,542	10,596	1,383,417	63,319	75,369	12,050	
	Stocks	48,006	30,812	(1,161)	30,812	-	49,285	31,974	31,974	-	
	Bonds	674,873	29,853	(1,741)	30,003	149	699,538	31,595	31,761	165	
	Others	669,623	2,279	2,530	12,726	10,446	634,593	(250)	11,633	11,884	

5. Disclosed Claims under the Financial Revitalization Law

[Mebuki Financial Group, Inc. (Consolidated basis)]

	(Japanese)	As of Jun. 30, 2017		As of Mar.31, 2017(B)
		(A)	(A-B)	
Bankrupt and substantially bankrupt claims	破産更生債権及びこれらに準ずる債権	14,650	(1,249)	15,900
Doubtful claims	危険債権	137,723	(1,394)	139,117
Claims requiring supervision	要管理債権	37,168	83	37,085
Subtotal	小計	189,542	(2,560)	192,103
Normal claims	正常債権	10,147,039	(57,917)	10,204,956
Total	合計	10,336,581	(60,478)	10,397,060
Ratio of disclosed claims towards the balance of Loans	貸出金等残高に占める比率 /	1.83%	(0.01%)	1.84%

【 Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.) 】

	(Japanese)	As of Jun. 30, 2017		As of Mar.31, 2017(B)
		(A)	(A-B)	
Bankrupt and substantially bankrupt claims	破産更生債権及びこれらに準ずる債権	13,443	(1,173)	14,616
Doubtful claims	危険債権	137,592	(1,398)	138,991
Claims requiring supervision	要管理債権	37,168	83	37,084
Subtotal	小計	188,204	(2,488)	190,692
Normal claims	正常債権	10,252,944	(54,461)	10,307,405
Total	合計	10,441,148	(56,949)	10,498,098
Ratio of disclosed claims towards the balance of Loans	貸出金等残高に占める比率 /	1.80%	(0.01%)	1.81%

[The Joyo Bank, Ltd. (Non-consolidated basis)]

	(Japanese)	As of Jun. 30, 2017		As of Mar.31, 2017(B)
		(A)	(A-B)	
Bankrupt and substantially bankrupt claims	破産更生債権及びこれらに準ずる債権	6,190	(888)	7,079
Doubtful claims	危険債権	69,056	(738)	69,794
Claims requiring supervision	要管理債権	21,126	(204)	21,331
Subtotal	小計	96,373	(1,831)	98,205
Normal claims	正常債権	5,985,231	21,218	5,964,013
Total	合計	6,081,605	19,386	6,062,218
Ratio of disclosed claims towards the balance of Loans	貸出金等残高に占める比率 /	1.58%	(0.03%)	1.61%

[The Ashikaga Bank, Ltd. (Non-consolidated basis)]

	(Japanese)	As of Jun. 30, 2017		As of Mar.31, 2017(B)
		(A)	(A-B)	
Bankrupt and substantially bankrupt claims	破産更生債権及びこれらに準ずる債権	7,252	(284)	7,537
Doubtful claims	危険債権	68,536	(659)	69,196
Claims requiring supervision	要管理債権	16,041	288	15,753
Subtotal	小計	91,830	(656)	92,487
Normal claims	正常債権	4,267,712	(75,679)	4,343,392
Total	合計	4,359,543	(76,335)	4,435,879
Ratio of disclosed claims towards the balance of Loans	貸出金等残高に占める比率 /	2.10%	0.02%	2.08%

6. Loans and Deposits

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

	(Japanese)	As of Jun. 30, 2017			As of Jun.30, 2016 (B)	As of Mar.31, 2017 (C)
		(A)	(A-B)	(A-C)		
Deposits	(Term-end balance)	預金 (未 残)	13,741,578	453,025	168,598	13,288,552
	(Average balance)	預金 (平 残)	13,557,937	331,775	314,949	13,226,161
Loans and bills discounted	(Term-end balance)	貸出金 (未 残)	10,253,264	162,309	(62,214)	10,090,954
	(Average balance)	貸出金 (平 残)	10,269,444	134,581	64,882	10,134,863

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	As of Jun. 30, 2017			As of Jun.30, 2016 (B)	As of Mar.31, 2017 (C)
		(A)	(A-B)	(A-C)		
Deposits	(Term-end balance)	預金 (未 残)	8,357,569	273,308	117,171	8,084,260
	(Average balance)	預金 (平 残)	8,266,878	176,044	203,068	8,090,834
Loans and bills discounted	(Term-end balance)	貸出金 (未 残)	5,981,961	97,304	14,931	5,884,657
	(Average balance)	貸出金 (平 残)	5,979,421	68,778	20,503	5,910,642

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	As of Jun. 30, 2017			As of Jun.30, 2016 (B)	As of Mar.31, 2017 (C)
		(A)	(A-B)	(A-C)		
Deposits	(Term-end balance)	預金 (未 残)	5,384,009	179,717	51,427	5,204,292
	(Average balance)	預金 (平 残)	5,291,058	155,731	111,881	5,135,327
Loans and bills discounted	(Term-end balance)	貸出金 (未 残)	4,271,302	65,004	(77,145)	4,206,297
	(Average balance)	貸出金 (平 残)	4,290,023	65,802	44,378	4,224,220

7. Consumer loans / Loans to SMEs

【Total (The Joyo Bank, Ltd. +The Ashikaga Bank, Ltd.)】

(Millions of yen)

	(Japanese)	As of Jun. 30, 2017			As of Jun.30, 2016 (B)	As of Mar.31, 2017 (C)
		(A)	(A-B)	(A-C)		
Consumer loans	消費者ローン残高	4,136,621	249,949	42,840	3,886,671	4,093,781
Of which, housing-related loans	うち住宅関連ローン残高	3,989,741	231,968	38,388	3,757,773	3,951,353
Housing loans	住宅ローン残高	3,081,929	149,717	31,067	2,932,211	3,050,861
Apartment loans	アパートローン残高	907,812	82,251	7,320	825,561	900,492
Loans to SME and Individual customers (SMEs)	中小企業等貸出金残高	7,288,102	298,155	(19,156)	6,989,947	7,307,258
Ratio of loans to SMEs	中小企業等貸出比率	71.08%	1.82%	0.25%	69.26%	70.83%

【The Joyo Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	As of Jun. 30, 2017			As of Jun.30, 2016 (B)	As of Mar.31, 2017 (C)
		(A)	(A-B)	(A-C)		
Consumer loans	消費者ローン残高	2,324,500	152,974	24,684	2,171,526	2,299,816
Of which, housing-related loans	うち住宅関連ローン残高	2,236,799	145,055	23,098	2,091,744	2,213,700
Housing loans	住宅ローン残高	1,505,360	74,517	15,759	1,430,843	1,489,601
Apartment loans	アパートローン残高	731,438	70,538	7,339	660,900	724,099
Loans to SME and Individual customers (SMEs)	中小企業等貸出金残高	3,979,227	181,621	(3,274)	3,797,606	3,982,501
Ratio of loans to SMEs	中小企業等貸出比率	66.52%	1.99%	(0.22%)	64.53%	66.74%

【The Ashikaga Bank, Ltd. (Non-consolidated basis)】

(Millions of yen)

	(Japanese)	As of Jun. 30, 2017			As of Jun.30, 2016 (B)	As of Mar.31, 2017 (C)
		(A)	(A-B)	(A-C)		
Consumer loans	消費者ローン残高	1,812,120	96,975	18,155	1,715,144	1,793,965
Of which, housing-related loans	うち住宅関連ローン残高	1,752,942	86,913	15,289	1,666,029	1,737,652
Housing loans	住宅ローン残高	1,576,568	75,200	15,308	1,501,368	1,561,260
Apartment loans	アパートローン残高	176,374	11,713	(18)	164,661	176,392
Loans to SME and Individual customers (SMEs)	中小企業等貸出金残高	3,308,874	116,533	(15,882)	3,192,341	3,324,756
Ratio of loans to SMEs	中小企業等貸出比率	77.46%	1.57%	1.01%	75.89%	76.45%

Financial Results for the First Quarter of FY2017

August 7, 2017

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Financial Results for the 1st Quarter of FY2017

※Unless otherwise provided herein, the figures shown are those of each bank on a non-consolidated basis.

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Highlights

Financial Results for 1Q FY2017

- ◎ Consolidated net income* of Mebuki FG is ¥12.0bn, representing 30.1% progress toward the full year forecast. * attributable to owners of the parent
- ◎ Due to sales of strategic-holding stocks early in the fiscal year taking into consideration the current stock price level, net income of the two banking subsidiaries' simple-sum basis represented strong progress of 33.1% towards the full-year forecast.
- ◎ Synergy effect arising from the business integration for the first quarter was ¥0.7 bn, representing steady progress of 25.2% towards the full-year forecast of ¥2.7 bn.

Earnings Forecast for FY2017 (Changes : year-on-year basis)

- ◎ There has been no change since the forecast was announced on May 12, 2017.
- ◎ Consolidated ordinary profit and consolidated net income* are forecasted to be ¥58.5bn (+¥6.2bn) and ¥40.0bn (-¥118.4bn) respectively. * attributable to owners of the parent
Non-consolidated net income <Joyo> ¥23.0bn (-¥1.4bn) <Ashikaga> ¥21.0bn (-¥5.4bn)

Dividend

- ◎ For FY2017, in line with an earnings distribution policy*, annual dividend forecast is ¥11.00, made up of an interim dividend and year-end dividend of ¥5.50 each.

* Aim to continue stable dividend returns while taking into account both the maintenance of solid capital levels for the future growth and the appropriate distribution of profits to our shareholders.

Main Points of 1Q FY2017 Financial Results

● Mebuki FG (Consolidated) (JPY Bn)

	1Q FY2017		Full-year Forecast
		Progress	
Ordinary profit	17.9	30.7%	58.5
Net income attributable to owners of the parent	(1) 12.0	30.1%	40.0

【Consolidation adjustment】

(2)-(1) -¥3.6bn

○ Adjustments related to securities

-¥3.2 bn

○ Interest expenses of subordinated loans, expenses, etc.

-¥0.4 bn

● Two banking subsidiaries and the other group companies

	1Q FY2017		Full-year Forecast
		Progress	
Net income	(2) 15.6	32.5%	48.0

<Reference> Results of Joyo and Ashikaga

(JPY Bn)

	1Q FY2016						[Progress against forecast]		
	J + A		Joyo		Ashikaga		J + A	Joyo	Ashikaga
	Result	YoY Change	Result	YoY Change	Result	YoY Change			
Gross business profit	48.2	-3.5	27.5	-2.6	20.6	-0.9	26.3%	26.6%	26.0%
Net interest income	39.7	-0.2	21.9	-0.2	17.7	-0.0	27.1%	26.7%	27.5%
Net fees and commissions	7.7	-0.1	5.0	+0.3	2.6	-0.4	24.4%	28.7%	19.1%
Net other business income and Net trading income (o/w gains/losses on bond transactions)	0.7	-3.1	0.5	-2.6	0.1	-0.4	15.4%	14.5%	19.1%
Expenses	28.7	-0.8	17.0	-0.7	11.7	-0.1	24.5%	25.0%	23.9%
Personnel expenses	15.0	-0.2	8.5	-0.3	6.4	+0.0	-	-	-
Non-personnel expenses	11.1	-0.2	6.9	-0.0	4.2	-0.2	-	-	-
Net business income (before general allowance for loan losses)	19.4	-2.6	10.5	-1.9	8.9	-0.7	29.4%	29.5%	29.2%
Core net business income	19.2	+0.6	10.3	+0.9	8.9	-0.3	30.5%	31.7%	29.2%
Net transfer to general allowance for loan losses (a)	-0.2	-0.9	-0.0	-0.6	-0.2	-0.2	-	-	-
Net business income	19.7	-1.7	10.5	-1.2	9.1	-0.5	29.6%	29.2%	30.1%
Net non-recurrent gains/losses	1.6	+0.5	0.9	+1.0	0.7	-0.4	-65.0%	-36.9%	-
o/w Disposal of non-performing loans (b)	1.1	+0.3	0.8	-0.1	0.3	+0.5	17.8%	20.0%	14.3%
o/w Gains/losses related to stocks, etc	3.3	+1.0	2.4	+0.9	0.9	+0.0	51.9%	60.0%	38.8%
Ordinary profit	21.3	-1.2	11.4	-0.2	9.8	-1.0	33.3%	34.2%	32.4%
Extraordinary income/losses	-0.5	-0.4	-0.4	-0.2	-0.1	-0.1	-	81.0%	92.6%
Net Income	14.6	-1.0	7.7	-0.3	6.8	-0.7	33.1%	33.8%	32.5%
Credit related costs (a)+(b)	0.8	-0.5	0.7	-0.8	0.1	+0.2	14.5%	21.9%	4.1%

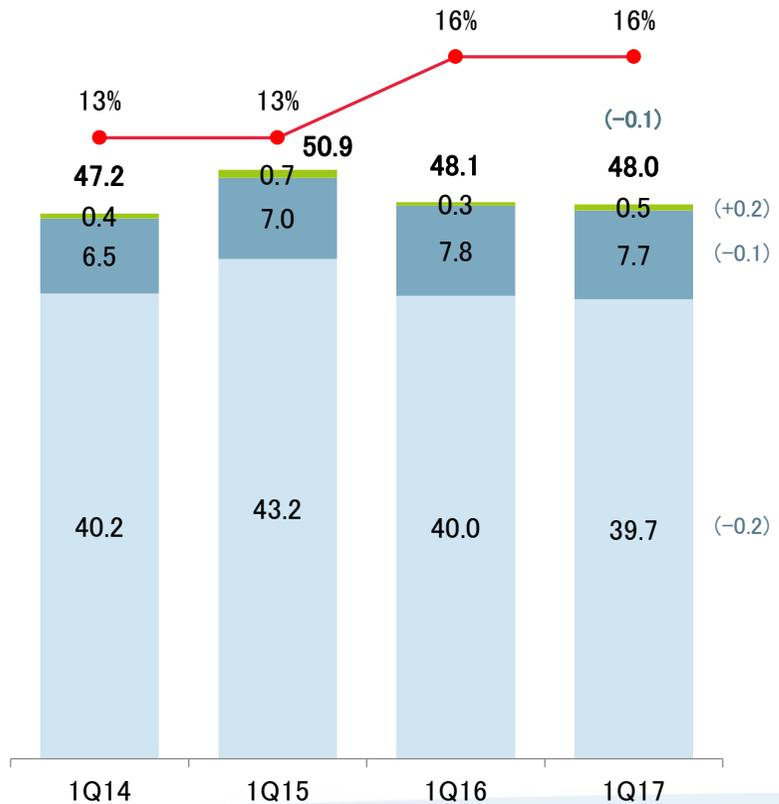
Core Gross Business Profit (Gross Business Profit excluding Gains/Losses on Bond Transaction)

◇ Core gross business profit is almost unchanged year-on-year.

While net interest income and fees related to financial assets under custody decreased, net fees and commissions from corporate customers increased through enhancement of consulting services.

● Joyo + Ashikaga

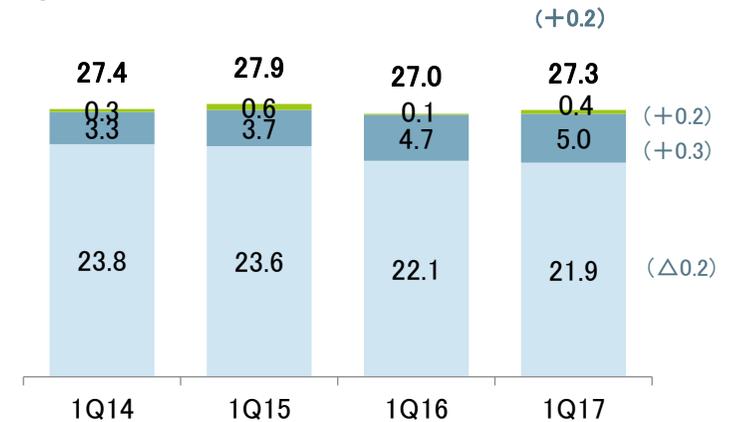
(JPY Bn)



● Joyo

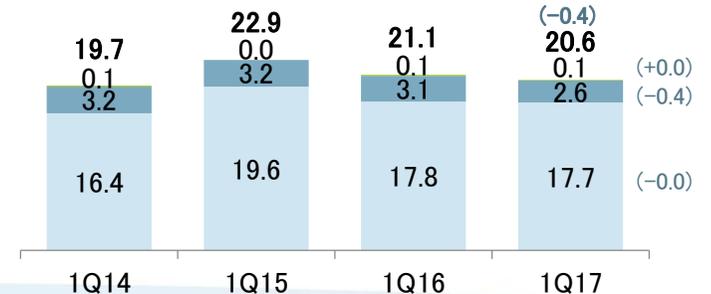
(*) Net other business income includes interest rate swap cost

(JPY Bn)



● Ashikaga

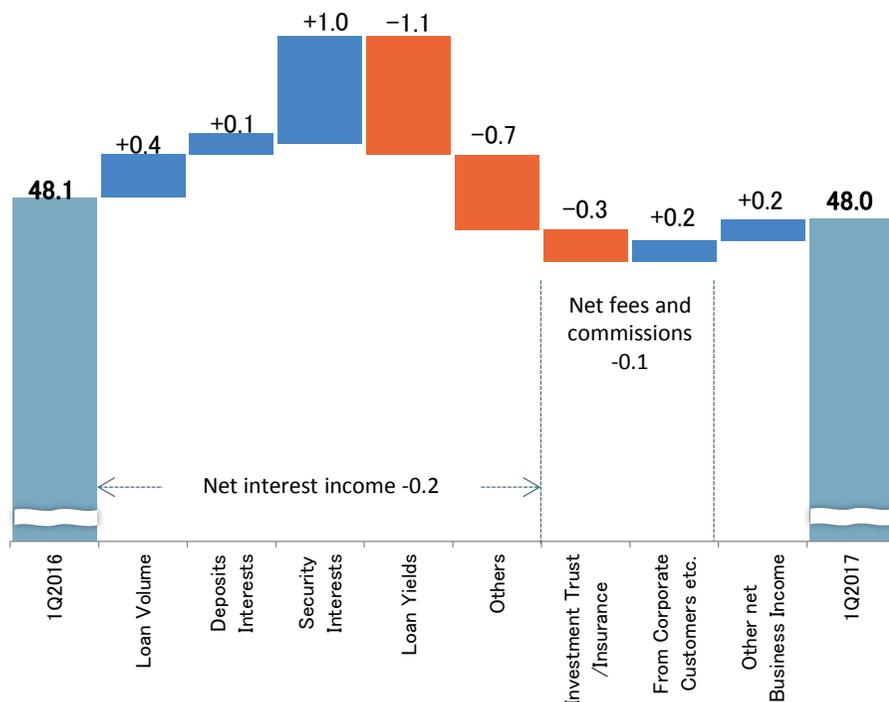
(JPY Bn)



Key Change Factors in Core Gross Business Profit

Key Change Factors (Joyo + Ashikaga)

● Joyo + Ashikaga (JPY Bn)



● (Reference) Gains on Cancellation of Private Offering Investment Trusts among Interests and Dividends on Securities (JPY Bn)

		FY2015	FY2016	1Q2017
Joyo	Annual	0.8	1.7	0.0
	(o/w 2H)	(0.4)	(1.6)	-
Ashikaga	Annual	3.7	3.6	2.2
	(o/w 2H)	-	(0.4)	-

Factor Analysis of changes in Net Interest Income (by Banking Subsidiary)

● Joyo (JPY Bn)

Factor	YoY	Domestic		Overseas	
		Change in Average Balance / Yield			
Interest on loans and bills discounted	Average Balance	+0.2	+0.1 (+¥42.6bn)	+0.1	(+¥26.1bn)
	Yield	-0.4	-0.6 (-4BP)	+0.1	(+62BP)
Interest on deposits (-)	-0.0	-0.0	-	+0.0	-
Interest and dividends on securities	Average Balance	-0.0	-0.1 (-¥45.1bn)	+0.0	(+¥5.4bn)
	Yield	+0.3	+0.0 (+0BP)	+0.3	(+30BP)
Market investments and borrowings (-)	+0.2	-0.2	-	+0.5	-

● Ashikaga (JPY Bn)

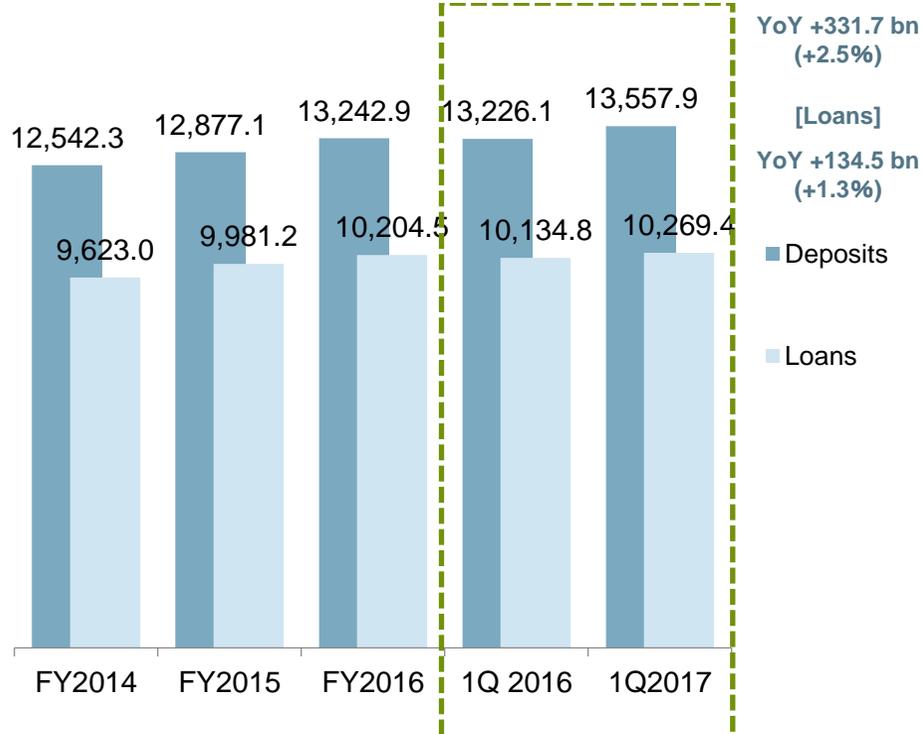
Factor	YoY	Domestic		Overseas	
		Change in Average Balance / Yield			
Interest on loans and bills discounted	Average Balance	+0.1	+0.1 (+¥60.0bn)	+0.0	(+¥5.7bn)
	Yield	-0.7	-0.7 (-7BP)	+0.0	(+79BP)
Interest on deposits (-)	-0.0	-0.1	-	+0.0	-
Interest and dividends on securities	Average Balance	+0.5	+0.3 (+¥80.3bn)	+0.2	(+¥46.6bn)
	Yield	+0.2	-0.0 (-3BP)	+0.2	(+60BP)
Market investments and borrowings (-)	+0.4	-0.0	-	+0.4	-

* Unless otherwise provided herein, the figures shown are the sums of domestic and international loans and deposits

Loans and Deposits (Average Balance / Average Yield) (Domestic and International)

Loans and Deposits (Average Balance)

● Joyo + Ashikaga (JPY Bn)

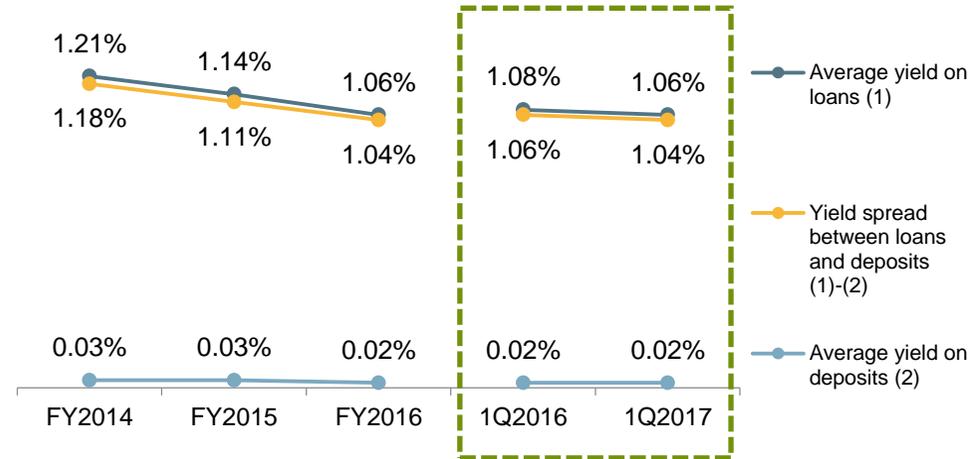


[Deposits]	FY2014	FY2015	FY2016	1Q 2016	1Q 2017
Joyo	7,599.3	7,834.1	8,063.8	8,090.8	8,266.8
Ashikaga	4,943.0	5,043.0	5,179.1	5,135.3	5,291.0

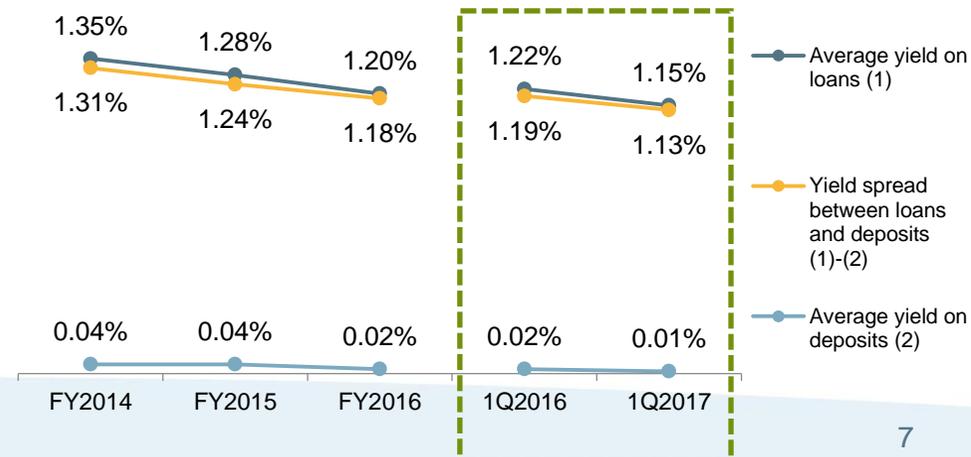
[Loans]	FY2014	FY2015	FY2016	1Q 2016	1Q 2017
Joyo	5,577.5	5,808.2	5,958.9	5,910.6	5,979.4
Ashikaga	4,045.5	4,173.0	4,245.6	4,224.2	4,290.0

Average Yields of Loans and Deposits

● Joyo



● Ashikaga

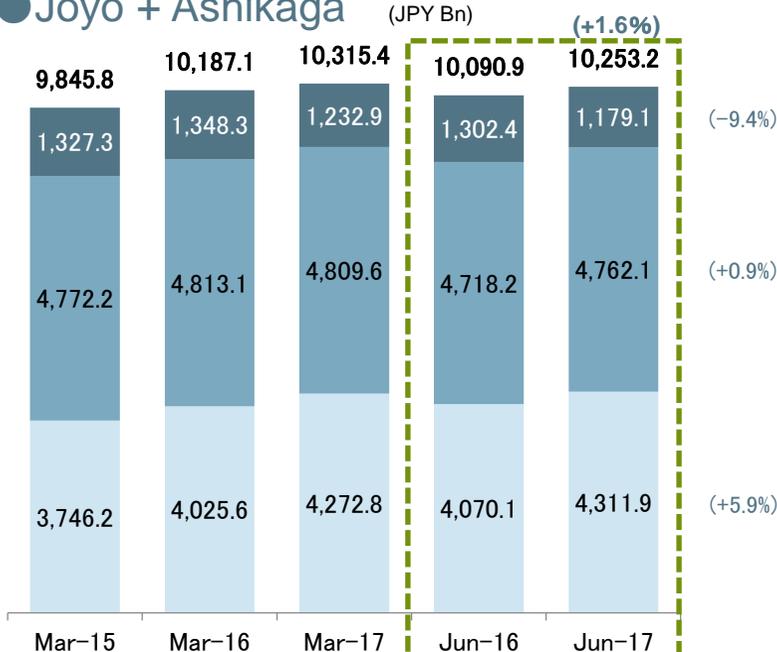


Loans (1)

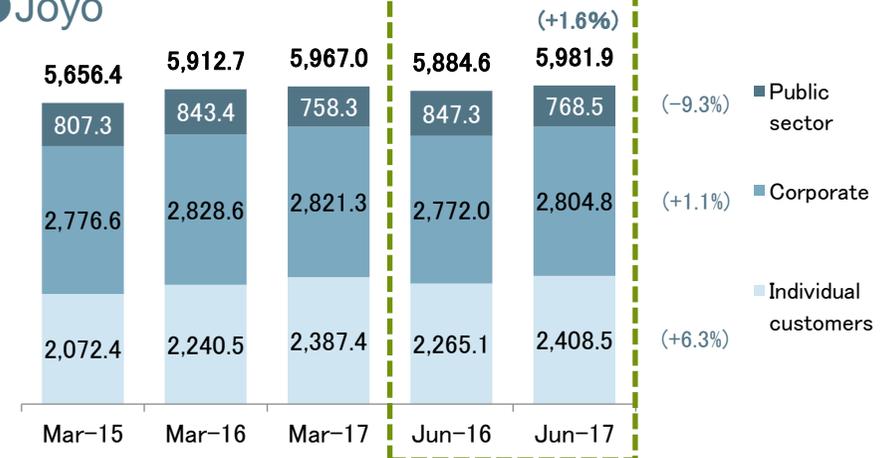
- ◇ Loans to individual customers increased by ¥241.8 bn (+5.9%) and housing related loans increased by ¥232.0 bn from the previous year (refer to p.9).
- ◇ Loans to corporate customers increased by ¥43.8 bn and those to local corporate customers increased ¥97.6 bn year-on-year (refer to p.10).

● Joyo + Ashikaga

(JPY Bn)



● Joyo

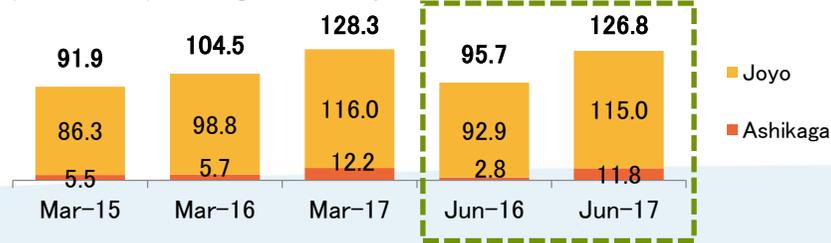


● Ashikaga



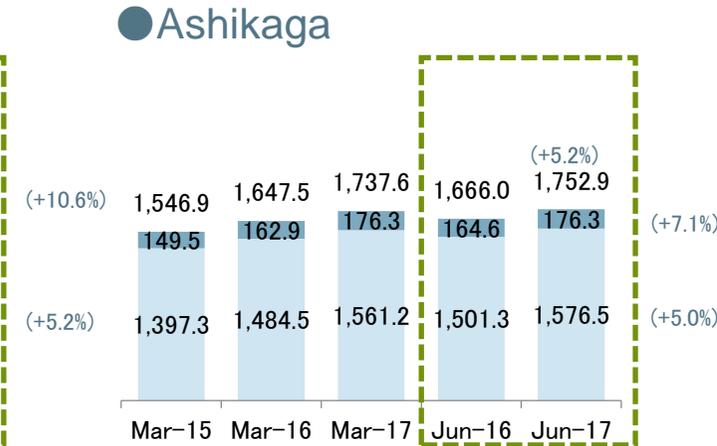
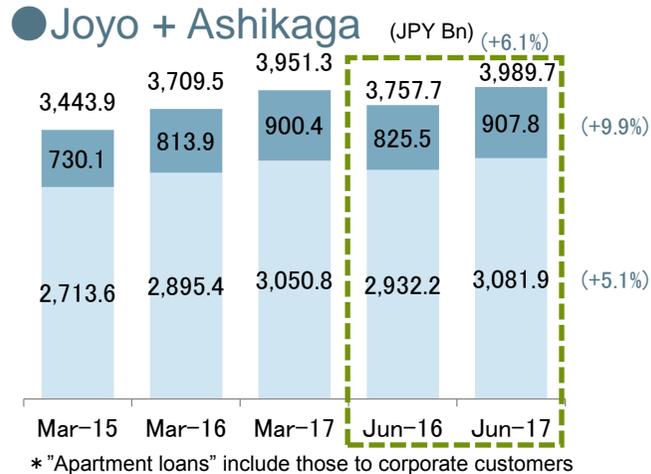
(*) "Individual Customers" include sole proprietors and "Corporate" include financial institutions

(Reference) Foreign Currency Denominated Loans (JPY Bn)

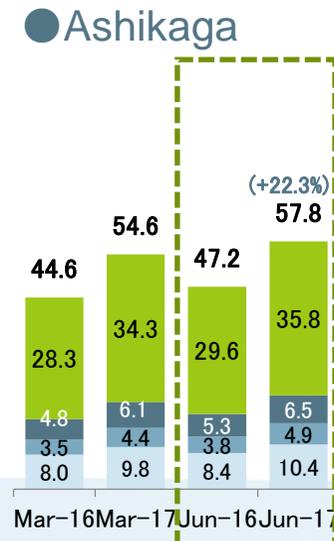
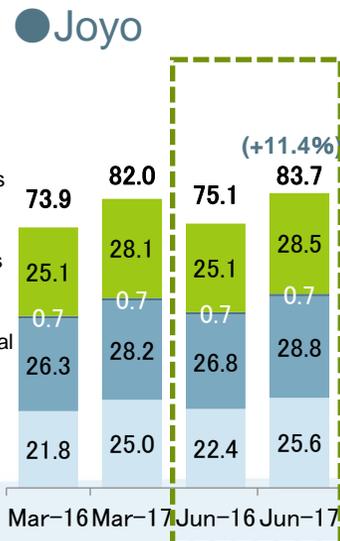
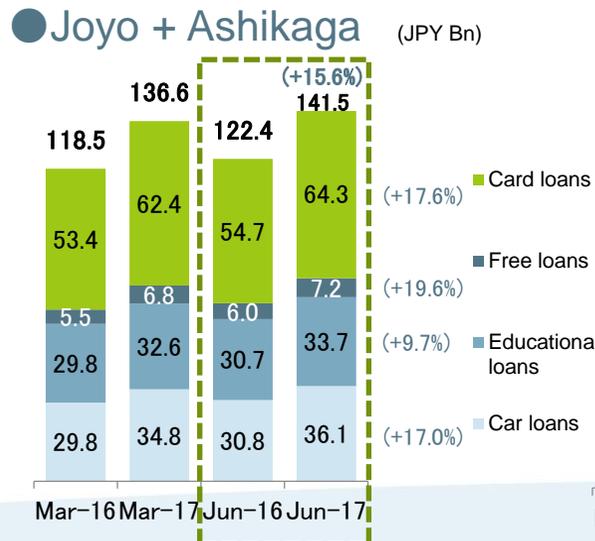


Loans (2) Housing Related Loans / Unsecured Loans

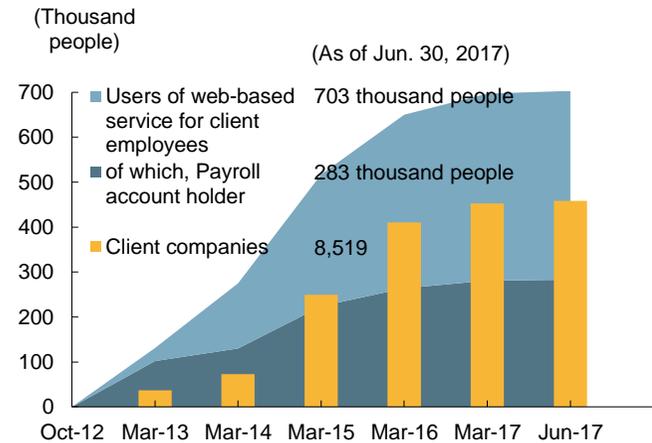
Housing Related Loans (Term-end Balance)



Unsecured Loans (Term-end balance)



Employee-specific Website (Joyo)

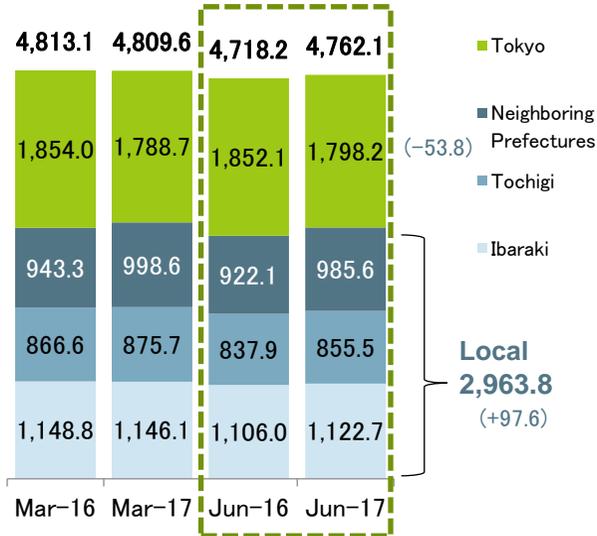


◆ Ashikaga will start to make use of the employee-specific website from Oct. 2017

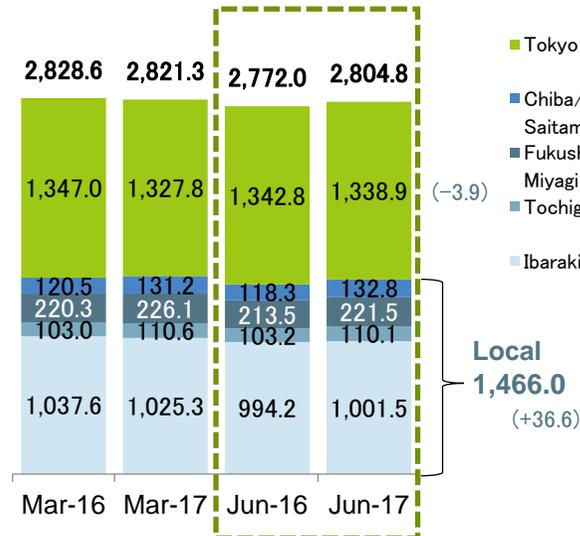
Loans (3) Loans to Corporate Customers (by Area / Company Size)

Balance by Area

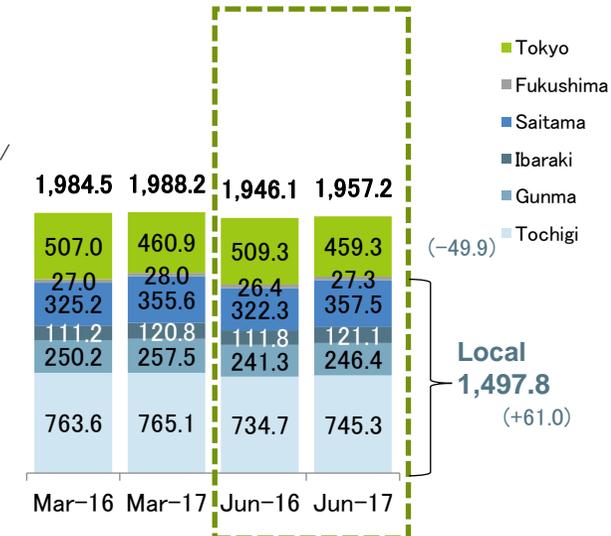
● Joyo + Ashikaga (JPY Bn)



● Joyo

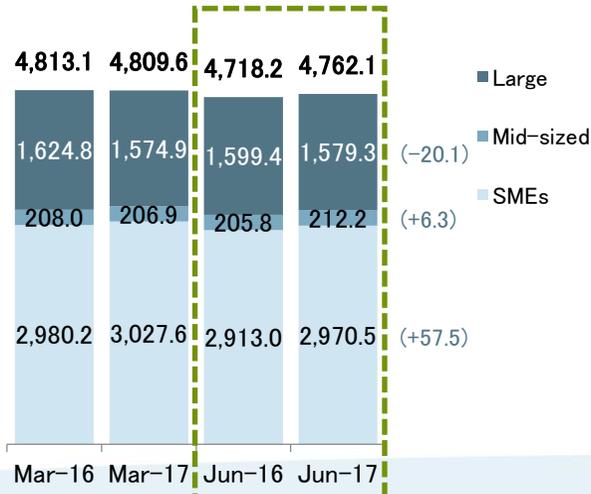


● Ashikaga

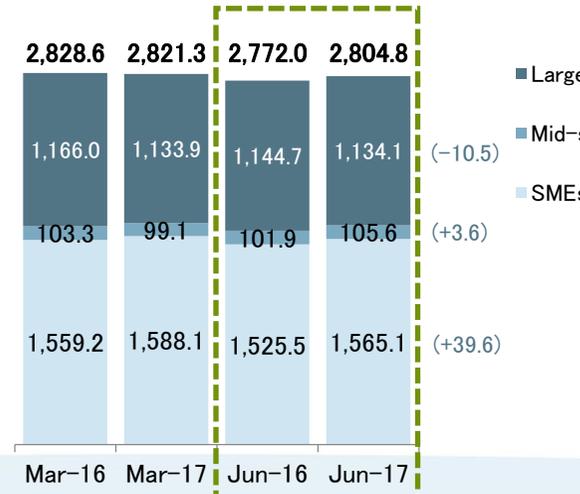


Balance by Company Size

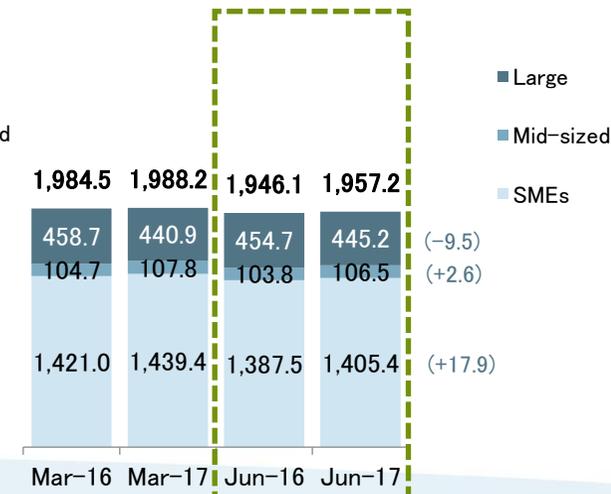
● Joyo + Ashikaga (JPY Bn)



● Joyo



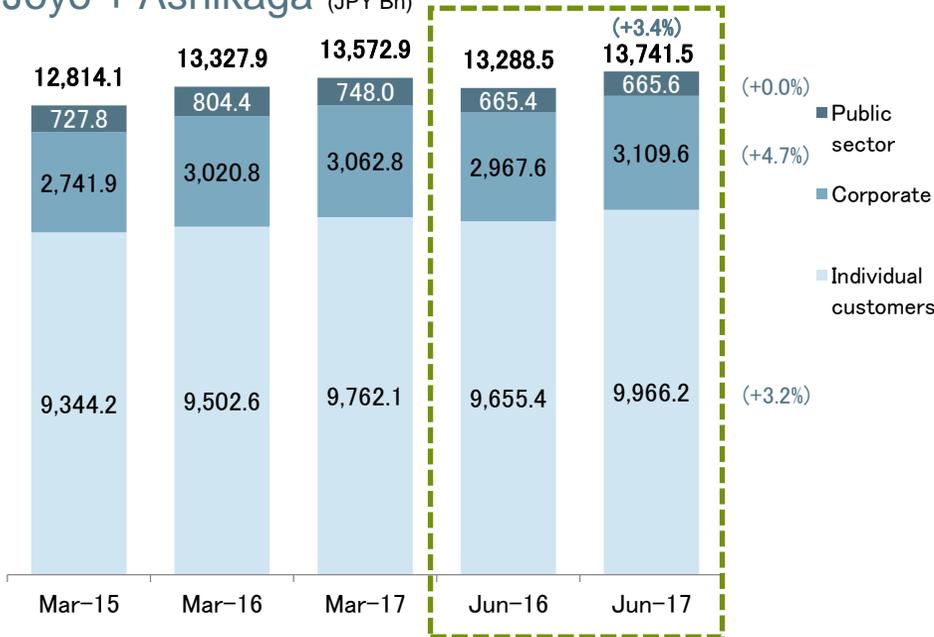
● Ashikaga



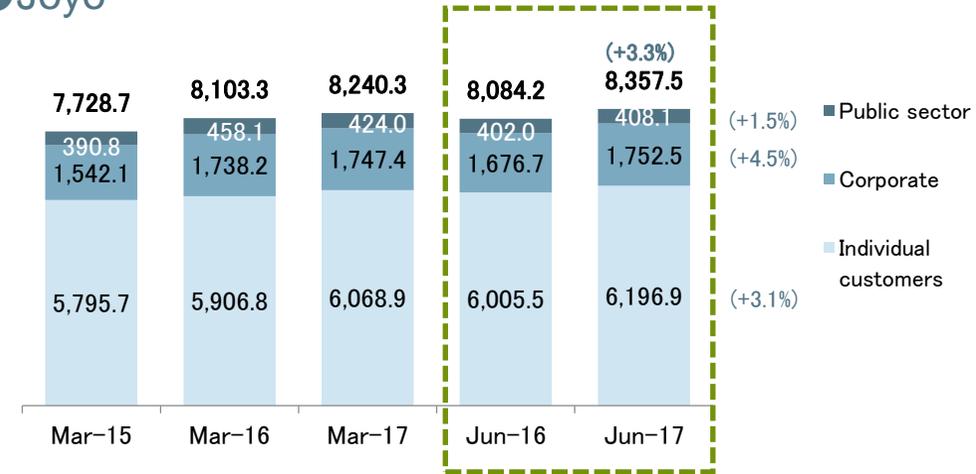
Deposits

- ◇ Deposits of individual and corporate customers have been on the increase.
(Individual customers : YoY +3.2%, Corporate customers : YoY +4.7%)

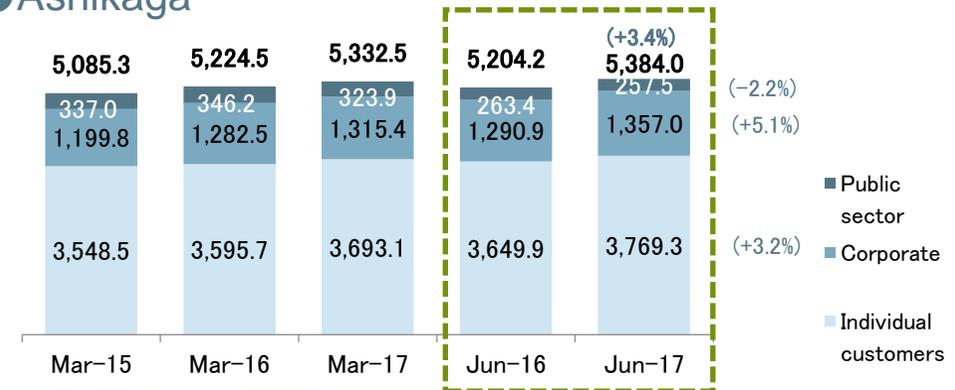
● Joyo + Ashikaga (JPY Bn)



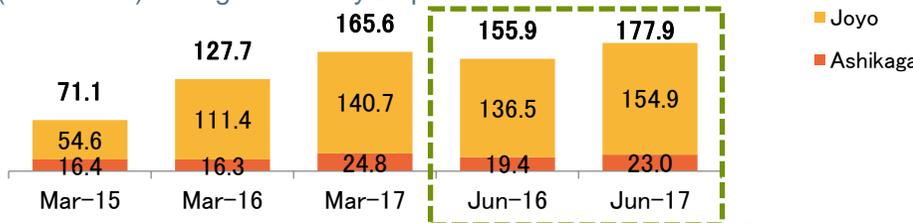
● Joyo



● Ashikaga



(Reference) Foreign Currency Deposits



※1 "Corporate" includes financial institutions.

※2 Foreign currency deposits include foreign currency deposits hedged by forward exchange contracts, offshore deposits, and so forth.

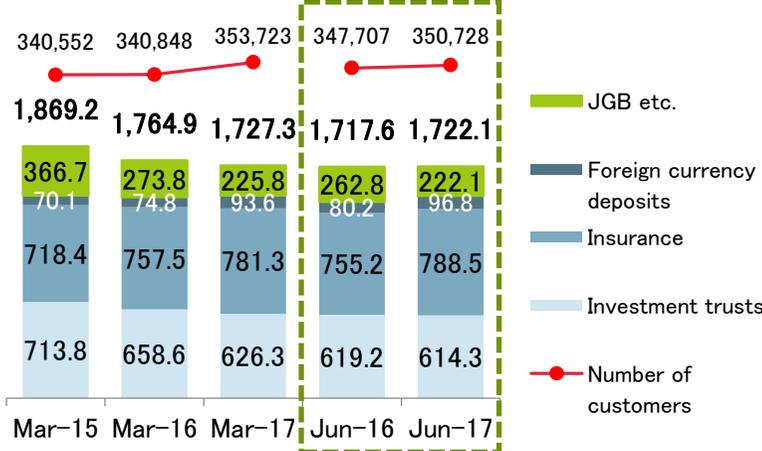
Financial Assets under Custody Balance / Commission

* Foreign currency deposits don't include those hedged by forward exchange contracts, offshore deposits, and those coming from US dollar-denominated convertible bond issued by Mebuki FG.

- ◇ While the amount of financial asset under custody remained flat and commissions decreased due to declining revenue from insurance sales, the number of customers increased.
- ◇ Commissions from financial instruments intermediary service steadily increased due to the synergetic effects arising from closer cooperation between the banking subsidiaries and Mebuki Securities.

Financial Assets under Custody (Balance)

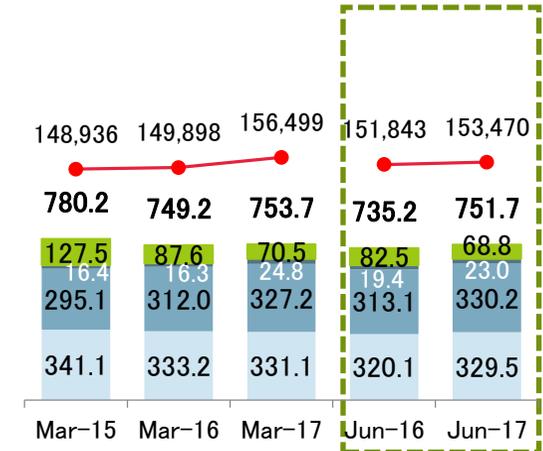
● Joyo + Ashikaga (JPY Bn / number)



● Joyo

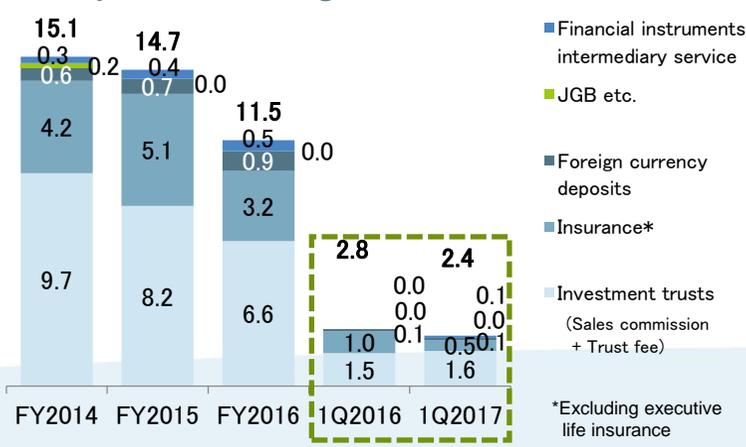


● Ashikaga

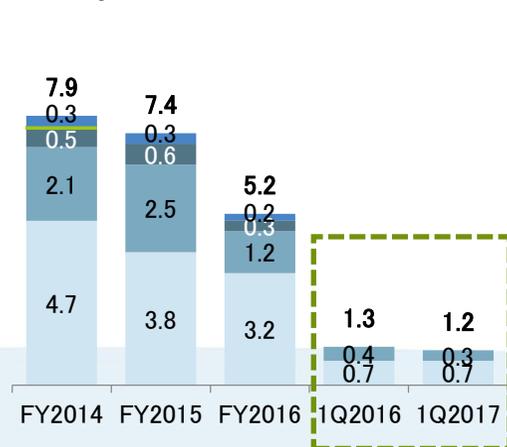


Commissions

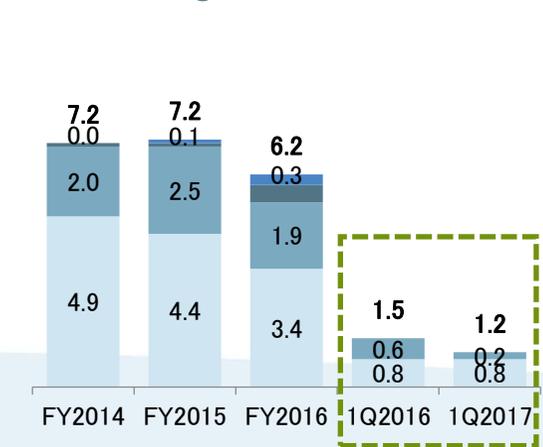
● Joyo + Ashikaga (JPY Bn)



● Joyo



● Ashikaga

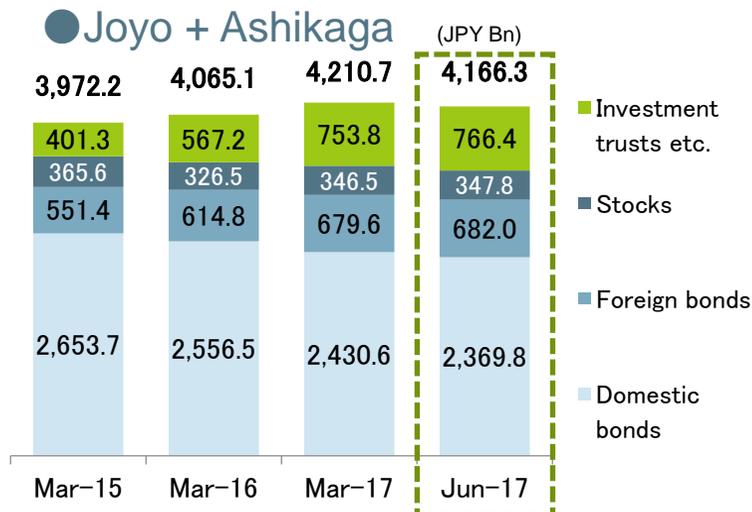


*Excluding executive life insurance

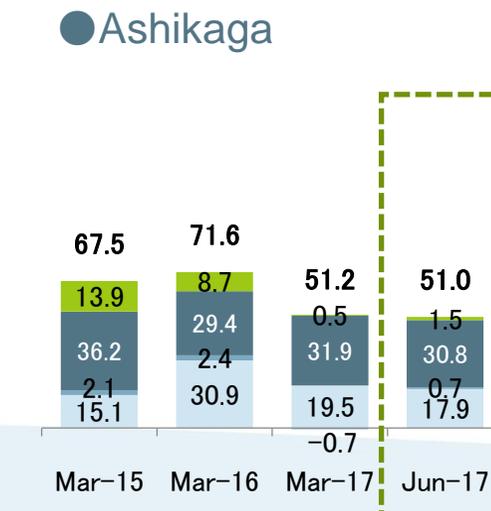
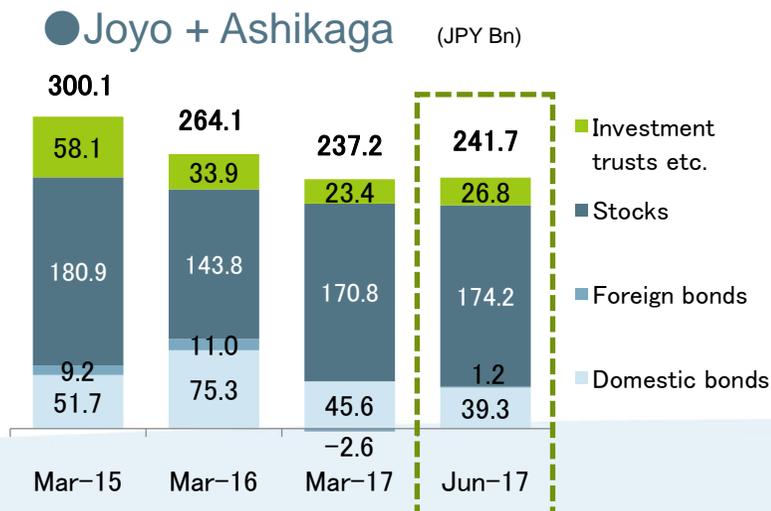
Securities

- ◇ Considering the interest rate of Japanese yen, suspended reinvestment of redemption payments of JGBs decreased the amount of domestic bonds held by ¥60.8bn from the end of FY2016.
- ◇ Continue to rebalance our portfolio through purchasing investment trusts and foreign bonds, while paying attention to risk management.

Term-end Balance
(Balance Sheet Amount)



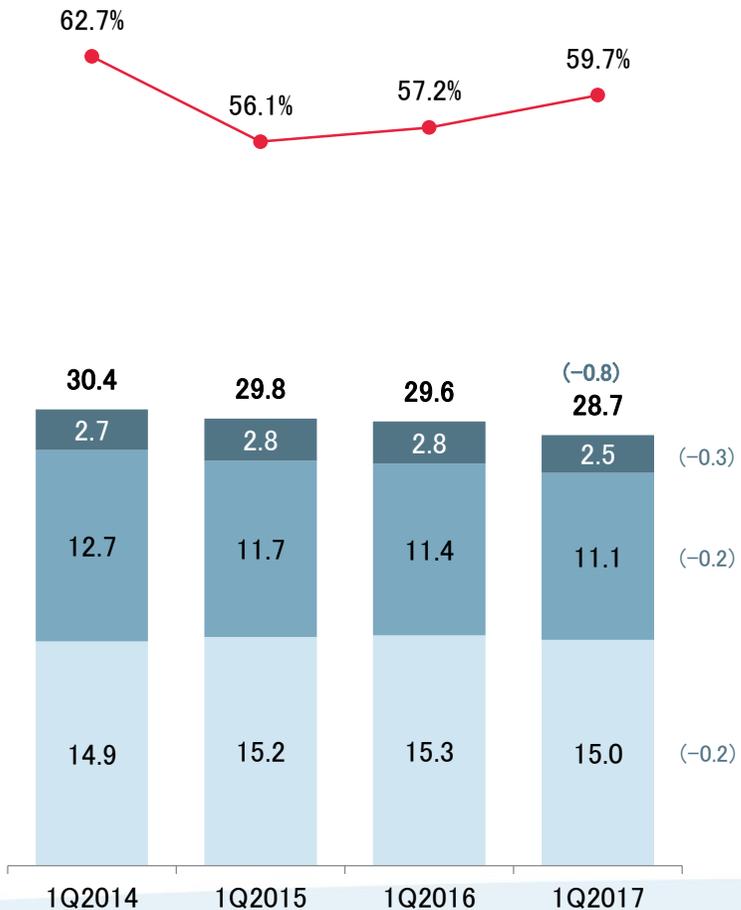
Unrealized Valuation Gains (Losses)
on Available for Sale Securities



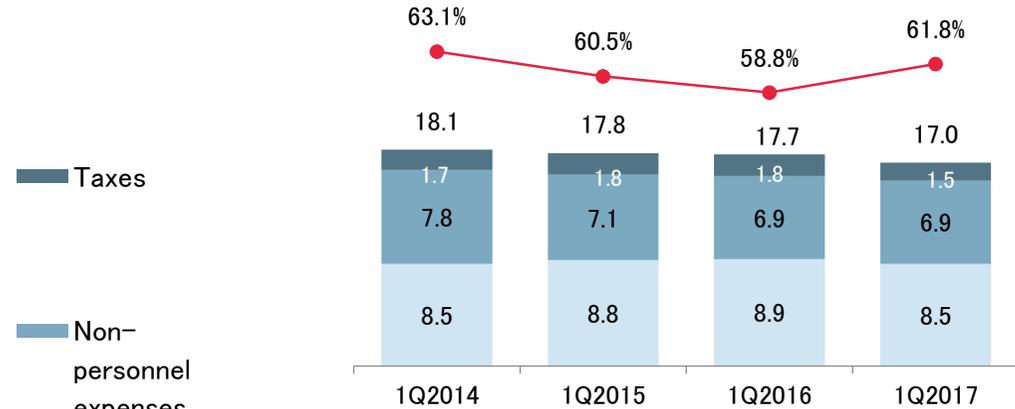
Expenses / OHR

◇ Expenses decreased by ¥0.8 bn on two banking subsidiaries' simple-sum basis from the same period of the previous year, mainly due to the implementation of measures to reduce expenses and a decrease in deposit insurance premiums.

● Joyo + Ashikaga (JPY Bn)



● Joyo



● Ashikaga



* OHR = Expenses / Core gross business profit

Credit Related Costs / Non-performing Loans

◇ Credit related costs decreased by ¥0.5 bn year-on-year on two banking subsidiaries' simple-sum basis and number of bankruptcies of local businesses remains low in Ibaraki and Tochigi Prefecture.

Credit Related Costs



<Reference (1)> Credit Related Cost Ratio

	FY2013	FY2014	FY2015	FY2016	1Q2017
Joyo	0.120%	0.032%	0.082%	0.079%	0.052%
Ahikaga	0.193%	0.066%	-0.006%	0.112%	0.002%

<Reference (2)> Business Failures

(Cases/JPY Bn)

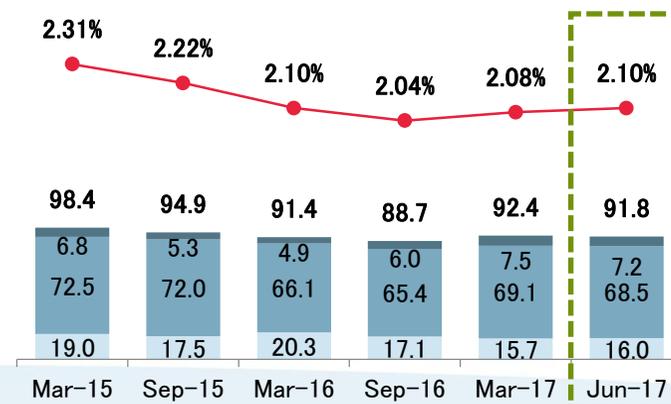
		1H14	2H14	1H15	2H15	1H16	2H16	1Q17
Ibaraki Prefecture	number	71	83	53	65	62	64	38
	amount	17.1	32.0	18.3	12.6	10.4	9.0	6.7
Tochigi Prefecture	number	62	86	71	59	66	78	18
	amount	11.0	19.7	6.2	10.3	12.3	13.3	3.3

(*) Numbers of bankruptcies of enterprises with 10 million yen or more in net debt

Non-performing Loans



● Ashikaga (JPY Bn)



Group Companies (Mebuki Lease / Mebuki Securities)

Financial Results of Subsidiaries other than Banking Subsidiaries

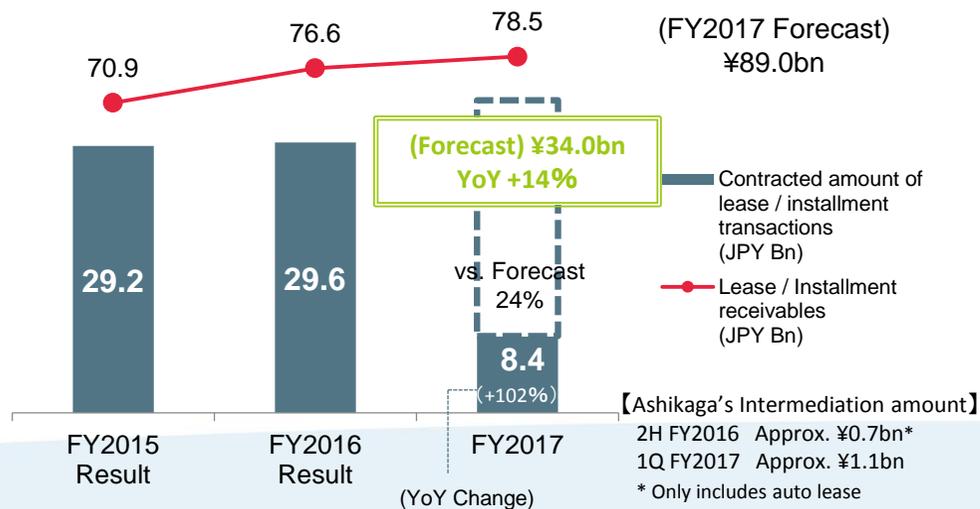
(JPY Bn)

	1Q2017	Progress	Ful-year Forecast	Break down
Ordinary profit	1.6	-	-	-
Net income	1.0	26.0%	4.0	Mebuki Lease ¥0.1bn, Mebuki Securities ¥0.1bn The Joyo Credit Guarantee ¥0.3bn, Ashikaga Credit Guarantee ¥0.3bn, Others ¥0.1bn

Mebuki Lease

- Mebuki Lease, whose trade name was changed from Joyo Lease in Apr. 2017, has become Mebuki FG's wholly owned subsidiary.
- Integrated the leasing business units within the group.
- Strengthening sales operation, achieved three sales-base structure in Tochigi Prefecture (Utsunomiya, Ashikaga, and Oyama)

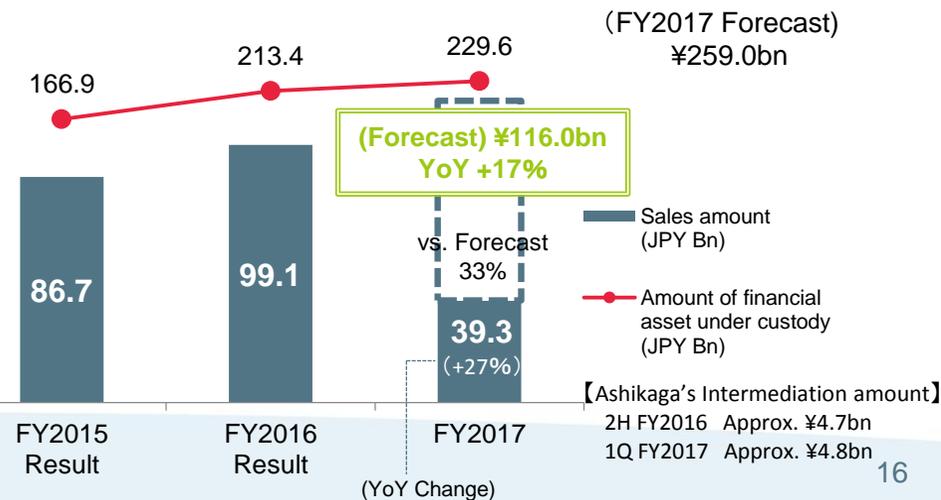
● Contracted amount of lease transactions / Lease receivables



Mebuki Securities

- Trade name was changed from Joyo Securities to Mebuki Securities in Apr. 2017.
- Number of Ashikaga's branches that intermediate financial products carried by Mebuki Securities increased from 13 to 128.
- Provide one-stop financial service in response to diversifying investment needs

● Sales amount / Amount of financial assets under custody



Forecast for FY2017

- ◇ There has been no change since the forecast was announced on May 12, 2017.
- ◇ Consolidated ordinary profit and consolidated net income* are forecasted to be ¥58.5bn (+¥6.2bn) and ¥40.0bn (-¥118.4bn) respectively. * Attributable to owners of the parent
- ◇ Synergy effect arising from the business integration of ¥2.7 bn is expected for FY2017.

●Mebuki FG

Items	[Consolidated]	
	Interim	Annual
Ordinary Profit	32.0	58.5
Net income attributable to owners of the parent	22.0	40.0

●Joyo + Ashikaga + Non-banking Subsidiaries

Items	Interim	Annual
	Net income	27.5

(JPY Bn)

●Joyo + Ashikaga

Items	[non-consolidated]		
	Interim	Annual	YoY change
Core net business income	33.5	63.0	-3.9
Ordinary profit	37.0	64.0	-4.9
Net income	25.5	44.0	-6.8

●Joyo (non-consolidated)

Items	[non-consolidated]		
	Interim	Annual	YoY Change
Core net business income	17.0	32.5	+1.6
Ordinary profit	19.5	33.5	-2.1
Net income	13.5	23.0	-1.4

●Ashikaga (non-consolidated)

Items	[non-consolidated]		
	Interim	Annual	YoY Change
Core net business income	16.5	30.5	-5.5
Ordinary profit	17.5	30.5	-2.7
Net income	12.0	21.0	-5.4

Capital Adequacy Ratio / Shareholder Return

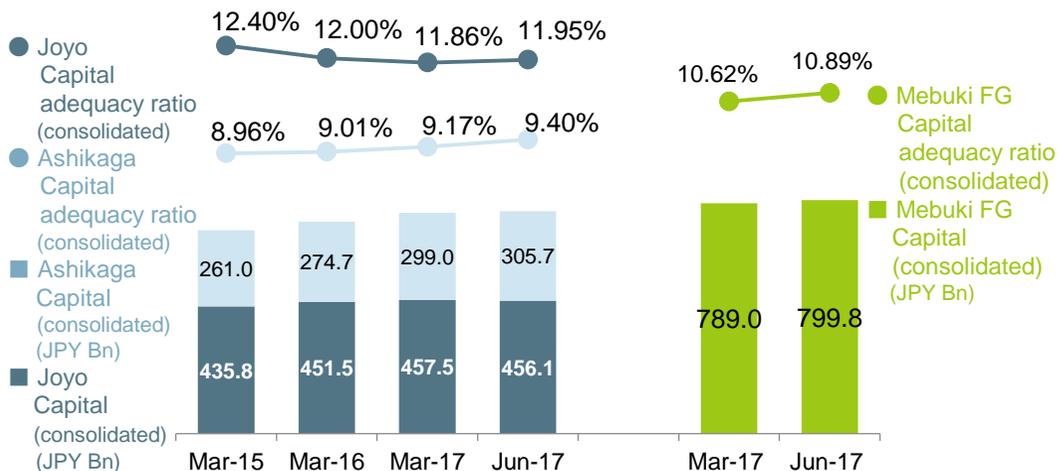
Capital Adequacy Ratio

※Calculation method of risk weighted assets

Mebuki FG : The fundamental internal rating based approach

Joyo : The fundamental internal rating based approach

Ashikaga : The standardized approach



<Reference> Capital Adequacy Ratio without Temporary Measure (consolidated)

	Mar-14	Mar-15	Mar-16	Mar-17	Jun-17
Mebuki FG	-	-	-	9.49%	9.74%
Joyo	11.35%	11.51%	11.17%	11.52%	11.61%
Ashikaga	8.67%	8.64%	8.77%	9.00%	9.24%

<Reference> Rating

○ R&I (Rating and Investment Information, Inc.)

○ Moody's

	Joyo	Ashikaga	Joyo
Mebuki FG			
A	A+	A+	A2

Dividend Policy

- Aim to continue stable dividend returns while taking into account both the maintenance of solid capital levels for the future growth and the appropriate distribution of profits to our shareholders.
- In line with the earnings distribution policy, the dividend forecast for FY2017 is ¥11.0 per share (Payout ratio: 32.3%).

< Dividend per Share Forecast for FY2017 >

FY2017		
Annual Dividend		
	Interim Dividend	Term-end Dividend
¥11.0	¥5.5	¥5.5

Shareholder Benefit Plan

< Shareholders to be Subjected >

Shareholders recorded in the register of shareholders and holding 1,000 shares as of March 31 of every year.

< Contents of the Plan >

Depending on the number of shares held, shareholders can choose items from a dedicated catalog that lists local specialties.

< Contents of the Shareholder Benefit Plan >

Number of shares held	Items that can be selected	
Less than 5,000 shares and 1,000 shares or more	Equivalent to 2,500 yen	488 items centered on specialty products from Ibaraki Prefecture and Tochigi Prefecture *
Less than 10,000 shares and 5,000 shares or more	Equivalent to 4,000 yen	
10,000 shares or more	Equivalent to 6,000 yen	

※The number of items listed on the FY2016 Joyo Bank's shareholder benefit catalog is 316.

Step-up 180 Plan – For Individual Customers –

Support Customers' Asset Building

<For the First Investment>

■ First Investment Campaign (Jun.-Dec.)

Reward customers who open a new account, and purchase financial products (¥100,000 or more) or start an accumulation service for investment trusts (¥10,000 per month or more) with prizes.

<For Additional Investment>

■ Mebuki Securities (Apr.-)

Ashikaga Bank started to intermediate financial products carried by Joyo Securities at all branches.

■ Foreign Bond Campaign (Apr.-Jun.)

Reward customers who purchase foreign bonds directly from Mebuki Securities or from the securities company through any of Mebuki's banking subsidiaries with gift certificate or local specialties.

<Others>

■ Mebuki Securities Founding Commemoration Seminar (Apr.-Jun.)

■ Foreign Currency Deposit Campaign (Jun.- Sept.)

Support Customers' Housing Acquisition

<Housing Loans>

■ Housing Loan for Women (Apr.-)

- A maximum two-year grace period of principal payment during maternity and child care leave period
- Exemption of prepayment fee
- Exemption of group credit life insurance premium

■ Online Application Housing Loan (May-)

- Preferential interest rates
- Exemption of prepayment fee
- Exemption of group credit life insurance premium

Unsecured Loans

■ Motivates students to go to universities located in Ibaraki and Tochigi Prefecture

Prevent student drain and increase student migration from other prefectures as measures against population decline

■ One-year Anniversary of Mebuki FG

(Sept. 2017-Apr. 2018 / under planning)

Preferential interest rates for car/educational loans

Step-up 180 Plan –For Corporate Customers–

<Support for Manufacturers>

■ **Manufacturer Training Workshop** (Aug.)

- Through lecture and hands-on exercise, let our customers experience and learn basics of KAIZEN activities conducted by large companies for safety and productivity improvement.
- Achieve SMEs' improvement of production management and development of human resources through the workshop.

■ **R&D Meet-up at Utsunomiya and Ibaraki Univ.** (Jun.-July)

- Provide opportunities for applicants to have discussions with researchers of universities and research institutes concerning certain themes.
- Promote information exchange among participants.

■ **Rebuild support structures for start-ups and second start-ups**

- Construct a support structure for university-originated venture businesses.
- Support Mebuki Business Award applicants to launch new businesses. (Number of applicants: 646 / Number of prize winners: 28)
- Investment limit of Mebuki Regional Revitalization Fund was increased based on the possibilities of investment in their businesses. (Investment limit : from ¥2.0 bn to ¥4.0bn / Investment amount : ¥1.3 bn)

<Support for Agricultural Producers>

■ **Collaboration on Agri-Food Matching**

(Sept. / under planning)

- Joyo conducted a business matching event in Tsukuba City to match agricultural producers and food processing operators on a trial basis (Feb.)
- Another matching event is being planned, broadening its area, which newly includes Tochigi Prefecture, and extending its scope to producer associations and municipalities.

<Support for Overseas Expansion>

■ **Cooperation on export support services** (Mar.-)

■ **Cooperation with Japan Halal Business Association**

(Apr.-)

■ **Overseas business convention for manufacturers, business networking, seminar** (Jun.-)

<Matching Event for Experienced Retirees and Local Businesses>

- Under the cooperation of Kanto Bureau of Economy, Trade and Industry and regional financial institutions, conduct matching events to match companies experiencing various management issues, and retirees and those who are just before their retirement.
- Through matching companies experiencing management issues, such as development of new products, sales channel expansion, and experienced retirees, help the companies resolve management challenges.

Inquiries :

Mebuki Financial Group, Inc. Corporate Planning Department

TEL +81-29-300-2869 or +81-29-300-2603

E-mail ir@mebuki-fg.co.jp

URL <http://www.mebuki-fg.co.jp/>

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