

September 19, 2017

Company name: Mebuki Financial Group, Inc.

Representative: Kazuyoshi Terakado, President

(Code number : 7167 First Section,

Tokyo Stock Exchange)

Notice Regarding Transfer of Sub-subsidiary through Dividend in Kind of Subsidiary

Mebuki Financial Group, Inc. (Mebuki) announces it has resolved at the meeting of the board of directors held today that Mebuki shall acquire all shares of Mebuki Securities Co., Ltd. (Mebuki Securities) from The Joyo Bank, Ltd. (Joyo Bank, a wholly-owned subsidiary of Mebuki) through a dividend in kind. As a result of this dividend in kind, Mebuki Securities will become a direct subsidiary of Mebuki and changes in sub-subsidiaries will occur as follows.

Description

1. Reason for the dividend in kind (transfer from sub-subsidiary)

Mebuki is carrying out the “First Medium-Term Group Business Plan (Plan Period: October 1, 2016 to March 31, 2019)” and “Expansion of comprehensive financial services” is set up as one of the basic strategies of the integration in the Plan. Based on the strategy, Mebuki has been seeking to provide one-stop services with greater added value in response to diversifying customer needs.

Through the dividend in kind, Mebuki will acquire all the shares of Mebuki Securities, the wholly-owned subsidiary of Joyo Bank, which will make Mebuki Securities a directly- and wholly-owned subsidiary of Mebuki. Mebuki Securities will further enhance the collaboration with Joyo Bank and The Ashikaga Bank, Ltd., and expanded its area for securities functions through the reorganization of subsidiaries. Through these efforts, Mebuki will provide higher quality and more comprehensive financial services to the customers of the group companies and so forth in order to maximize the synergy effects.

2. Surplus appropriation of Joyo Bank

Other retained earnings of Joyo Bank will be appropriated for the dividend in kind.

(1) Type and total book value of the dividend property

Dividend property allocated to Mebuki is a non-monetary asset (common shares as follows), the latest book value of which is 3,000,000,000 yen.

Trade Name	Number of Shares	Shareholding Ratio	Book Value
Mebuki Securities Co., Ltd.	60,000 shares	100%	3,000,000,000 yen

(2) Allocation of the dividend property to the shareholder

All the dividend property will be allocated to Mebuki, who owns all the issued shares of Joyo Bank as of the effective date of the dividend in kind.

(3) Effective date of the dividend in kind

October 2, 2017

3. Overview of the company that will pay the dividend in kind

Trade Name	The Joyo Bank, Ltd.
Location	5-5, Minami-machi 2-chome, Mito, Ibaraki
Representative	Kazuyoshi Terakado, President
Business	Banking business
Capital Stock	85,113 million yen
Establishment	July 30, 1935
Net Assets	593,283 million yen (as of March 31, 2017)
Total Assets	9,697,024 million yen (as of March 31, 2017)
Shareholder and Shareholding Ratio	Mebuki Financial Group, Inc. 100%

4. Overview of the sub-subsidiary to be transferred

Trade Name	Mebuki Securities Co., Ltd.
Location	4-12, Minami-machi 3-chome, Mito, Ibaraki
Representative	Atsuyuki Kurosawa, President
Business	Securities business
Capital Stock	3,000 million yen
Establishment	November 30, 2007
Net Assets	4,222 million yen (as of March 31, 2017)
Total Assets	15,760 million yen (as of March 31, 2017)
Shareholder and Shareholding Ratio	The Joyo Bank, Ltd. 100%

5. Schedule

September 19, 2017 Resolution of the board of directors of Mebuki

October 2, 2017 Effective date of the dividend in kind

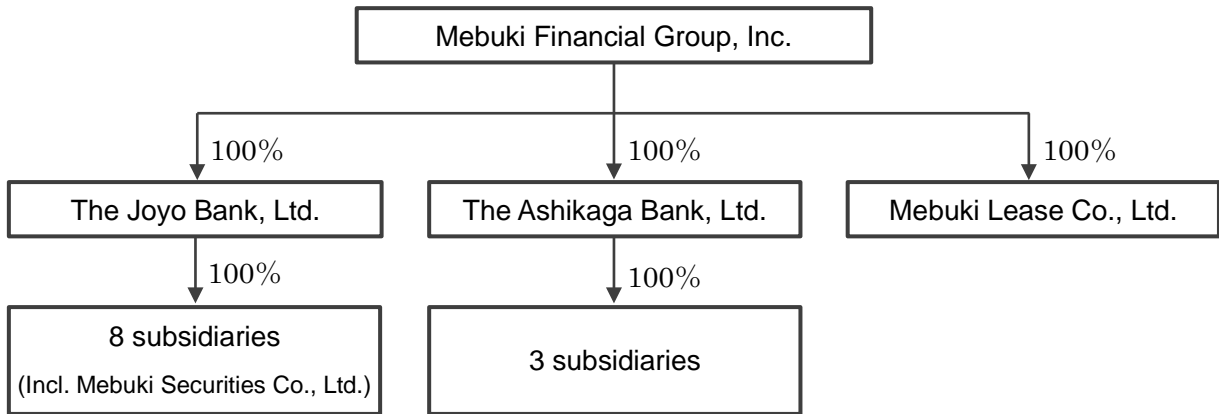
6. Future outlook

Being an internal transaction, this dividend in kind will not affect the consolidated shareholders' equity and the consolidated financial results.

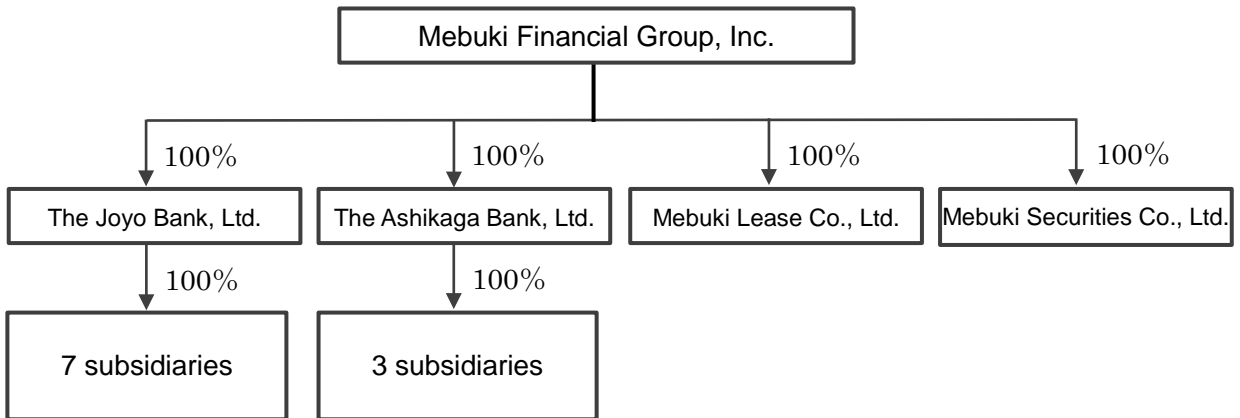
(Reference) Consolidated Earnings Forecast for Fiscal Year 2017 (Announced on August 7, 2017)

	Ordinary Profit	Net Income Attributable to Owners of the Parent	Net Income per Share
Fiscal Year Ending March 31, 2018	58,500 million yen	40,000 million yen	33.96 yen

【Current Group Structure】



【Group Structure after the Dividend in Kind (Scheduled on October 2, 2017)】



End

Inquiries:

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