



March 28, 2019

Company name: Mebuki Financial Group, Inc.

Representative: Ritsuo Sasajima, President

(Code number: 7167 First Section

Tokyo Stock Exchange)

Launch of the Second Medium-Term Group Business Plan

Mebuki Financial Group, Inc. (President: Ritsuo Sasajima) has launched its second medium-term group business plan for the period from FY2019 to FY2021 and we hereby announce its summary.

Description

1. Time frame

3 years (from April 2019 to March 2022)

2. Vision

Building the region's future as a comprehensive financial service group ^(※1)

(※1) This vision represents that the group will maintain and promote the relationships with customers and local communities as well as the deep understanding of local communities that both banks have developed over the years. At the same time, the group will use its wide-area network to expand its zone of economic interactions, expand the scale and scope of comprehensive financial services that it offers, and grow along with communities by promoting the development of local industries, the revitalization of local economies, and the creation of new markets.

This vision has not changed since established in the first medium-term group business plan.

3. Basic Strategy

The second medium-term group business plan is positioned to achieve full-scale growth and be a transition to the next growth period. We will promote structural reform mainly of business process and organization, and generate management resources through the integration of our core system. We will invest those resources into areas of consulting services and IT, and create growth business models together with the local region.

(1) Create growth business models with local regions

While providing consulting services and utilizing IT services and data, we will support customers grow and resolve problems. Through utilizing resources owned by the group to expand our business area, we will create growth business models together with local regions.

(2) Structural reform for enhanced productivity

We will promote structural reform mainly of business process and organization, and generate management resources through the integration of our core system. We will invest those resources into areas of consulting services and IT. At the same time, we will work to upgrade the group-wide business management system and strengthen the group governance system.

(3) Developing human resources for value creation

We will promote the development of specialized human resources by strengthening support for developing skills through the use of external information and human resources exchange, and build up the human resources group required for the implementation of the second mid-term plan. We will expand various working styles to promote work-life balance, and create a system to realize contribution to customers and the local region through the display of consulting functions, all while leading to higher job satisfaction for employees.

4. Business objectives

Business objective indicator	Target of FY2021
ROE (Consolidated)	5.0% or more
Net Income (Consolidated)	about ¥47 bn
Core OHR ^(※2)	around 60%

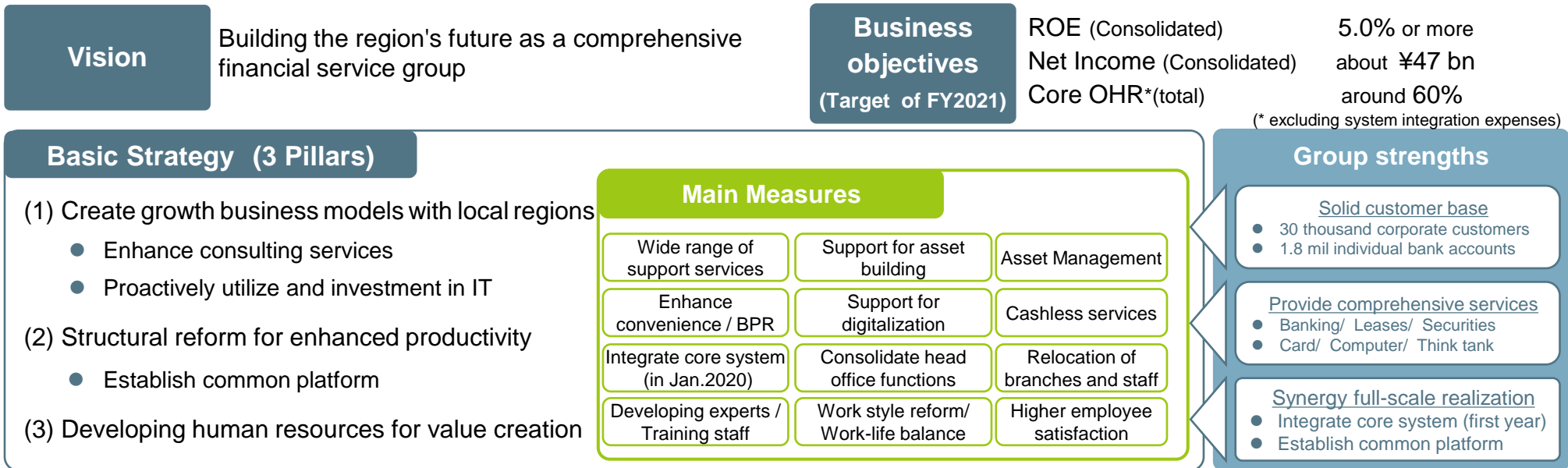
(※2) Core OHR = Expenses (excluding non-recurrent expense) / (Gross business profit – gains/losses on bond transactions)

End

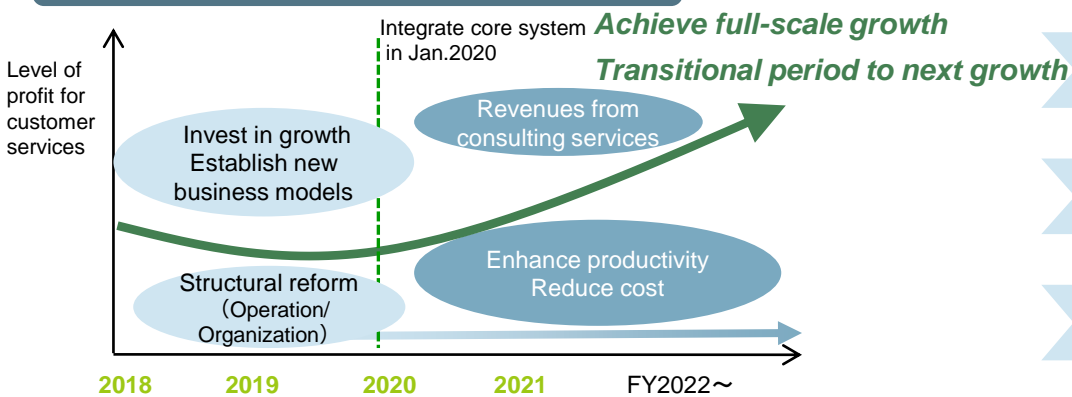
Inquires: Corporate Planning Department Toshihiko Ono +81-29-300-2605
--

Mebuki FG Second Medium-Term Group Business Plan (Apr. 2019~Mar. 2022)

- We will promote structural reform mainly of business process and organization, and generate management resources through the integration of our core system. We will invest those resources into areas of consulting services and IT, and create growth business models together with the local region.



Position of 2nd group business plan



Restructuring/ Shift management resources

- People (personnel)**
 - 【Invest】 200 people : Consulting/ IT planning, etc.
 - 【Save】 1,000 people : Administration/ Head office, etc.
- Things (investment)**
 - 【IT】 3 years total : ¥15 bn (up ¥4 bn by the same period)
 - 【Branches】 Improve branch efficiency by 20% (Reorganization)
- Money (expenses)**
 - 【Cost reduction by structural reform】 ¥ 5 bn or more
 - “Expenses after FY2022” – “Expenses of FY2018” (excluding system integration expenses)