

## Mebuki Financial Group, Inc.

## Financial Results for the First Half of Fiscal Year 2019, Ending March 31, 2020

|                                      |   |
|--------------------------------------|---|
| Stock Exchange Listing:              | Tokyo (code: 7167)  |
| URL:                                 | <a href="https://www.mebuki-fg.co.jp/">https://www.mebuki-fg.co.jp/</a> |
| Representative:                      | Ritsuo Sasajima, President  |
| For Inquiry:                         | Toshihiko Ono, General Manager of Corporate Planning Dept.              |
| Filing date of Financial Statements: | November 21, 2019 (scheduled)   |
| Payment date of cash dividends:      | December 3, 2019 (scheduled)  |

(Japanese yen amounts of less than 1 million and the first decimal place have been rounded down.)

**1. Financial Highlights (from April 1, 2019 to September 30, 2019)****(1) Consolidated Operating Results**

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

| First Half               | Ordinary Income |       | Ordinary Profit |        | Net income attributable to owners of the parent |        |
|--------------------------|-----------------|-------|-----------------|--------|---|--------|
|                          | ¥Million        | %     | ¥Million        | %      | ¥Million  | %      |
| Ended September 30, 2019 | 149,288         | (4.6) | 31,971          | (18.1) | 22,559  | (17.0) |
| Ended September 30, 2018 | 156,553         | 19.0  | 39,079          | 4.5    | 27,189  | 9.0    |

(Note) Comprehensive Income First half of FY2019: ¥39,985 million [76.9%] First half of FY2018: ¥22,600 million [-22.3%]

| First Half               | Net Income per Share | Net Income per Share (Diluted) |
|--------------------------|----------------------|--------------------------------|
| Ended September 30, 2019 | ¥19.22               | ¥19.21                         |
| Ended September 30, 2018 | ¥23.15               | ¥23.13                         |

**(2) Consolidated Financial Conditions**

| First Half               | Total Assets | Net Assets | Capital Assets to Total Assets |
|--------------------------|--------------|------------|--------------------------------|
| Ended September 30, 2019 | ¥17,612,201  | ¥953,156   | 5.4%                           |
| Fiscal year 2018         | ¥17,372,575  | ¥919,547   | 5.2%                           |

(Reference) Capital assets First half of FY2019: ¥952,907 million Fiscal Year 2018: ¥919,314 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 2018            | ¥—                       | ¥5.50     | ¥—        | ¥5.50     | ¥11.00 |
| Fiscal year 2019            | —                        | 5.50      | —         | 5.50      | 11.00  |
| Fiscal year 2019 (Forecast) | —                        | —         | —         | 5.50      | 11.00  |

(Note) Revisions of released cash dividend forecasts : No

**3. Consolidated Earnings Forecasts for Fiscal Year 2019, ending March 31, 2020**

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

| Fiscal Year           | Ordinary Profit |        | Net income attributable to owners of the parent |        | Net Income per Share |
|-----------------------|-----------------|--------|---|--------|----------------------|
|                       | ¥Million        | %      | ¥Million  | %      | ¥                    |
| Ending March 31, 2020 | 58,000          | (16.5) | 40,000  | (13.6) | 34.25                |

(Note) Revisions of released 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

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

- |   |    |
|---|----|
| ① Changes in accounting principles in accordance with changes in accounting standard, etc.: | No |
| ② Other changes in accounting principles:   | No |
| ③ Changes in accounting estimates:  | No |
| ④ Restatement:  | No |

(3) Number of issued shares (common stock)

- |   |                      |                |                      |
|---|----------------------|----------------|----------------------|
| ① Number of issued shares (including treasury stock): |                      |                |                      |
| September 30, 2019                                    | 1,179,055,218 shares | March 31, 2019 | 1,179,055,218 shares |
| ② Number of treasury stock:                           |                      |                |                      |
| September 30, 2019                                    | 5,807,765 shares     | March 31, 2019 | 5,971,713 shares     |
| ③ Average number of shares:                           |                      |                |                      |
| For the six months ended September 30, 2019           |                      |                | 1,173,170,450 shares |
| For the six months ended September 30, 2018           |                      |                | 1,174,483,262 shares |

※ This report is not subject to the interim audit procedure based on the Financial Instrument and Exchange Law.

※ Notes for using forecasts information ,etc

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

# Financial Results for the First Half of Fiscal Year 2019, Ending March 31, 2020

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I Consolidated Interim Financial Information  
1. Consolidated Interim Balance Sheet

(Millions of yen)

| Item  | (Japanese)     | As of March 31,<br>2019 | As of Sep. 30,<br>2019 |
|---|----------------|-------------------------|------------------------|
| <b>Assets</b>   | <b>(資産の部)</b>  |                         |                        |
| Cash and due from banks                               | 現金預け金          | 1,468,877               | 1,962,485              |
| Call loans and bills bought                           | コールローン及び買入手形   | 10,389                  | 6,047                  |
| Monetary claims bought                                | 買入金銭債権         | 15,152                  | 12,322                 |
| Trading assets  | 特定取引資産         | 13,799                  | 13,824                 |
| Money held in trust                                   | 金銭の信託          | 23,175                  | 1                      |
| Securities  | 有価証券           | 4,346,628               | 4,154,274              |
| Loans and bills discounted                            | 貸出金            | 11,122,484              | 11,076,425             |
| Foreign exchanges                                     | 外国為替           | 6,508                   | 9,336                  |
| Lease receivable and investments in lease             | リース債権及びリース投資資産 | 62,653                  | 67,079                 |
| Other assets  | その他資産          | 205,611                 | 209,647                |
| Tangible fixed assets                                 | 有形固定資産         | 112,518                 | 111,956                |
| Intangible fixed assets                               | 無形固定資産         | 18,388                  | 19,090                 |
| Asset for retirement benefits                         | 退職給付に係る資産      | 16,550                  | 17,671                 |
| Deferred tax assets                                   | 繰延税金資産         | 1,583                   | 1,524                  |
| Customers' liabilities for acceptances and guarantees | 支払承諾見返         | 21,442                  | 24,355                 |
| Allowance for loan losses                             | 貸倒引当金          | (73,179)                | (73,379)               |
| Reserve for devaluation of investment securities      | 投資損失引当金        | (9)                     | (461)                  |
| <b>Total Assets</b>                                   | <b>資産の部合計</b>  | <b>17,372,575</b>       | <b>17,612,201</b>      |
| <b>Liabilities</b>                                    | <b>(負債の部)</b>  |                         |                        |
| Deposits  | 預金             | 14,373,888              | 14,323,292             |
| Negotiable certificates of deposit                    | 譲渡性預金          | 282,158                 | 426,730                |
| Call money and bills sold                             | コールマネー及び売渡手形   | 191,740                 | 176,472                |
| Payables under repurchase agreements                  | 売現先勘定          | 120,832                 | 166,213                |
| Payables under securities lending transactions        | 債券貸借取引受入担保金    | 202,152                 | 204,663                |
| Trading liabilities                                   | 特定取引負債         | 1,065                   | 1,426                  |
| Borrowed money  | 借入金            | 1,053,077               | 1,138,447              |
| Foreign Exchanges                                     | 外国為替           | 637                     | 2,117                  |
| Bonds   | 社債             | 5,000                   | 5,000                  |
| Bonds with warrant attached                           | 新株予約権付社債       | 33,297                  | —                      |
| Due to trust account                                  | 信託勘定借          | 566                     | 1,196                  |
| Other liabilities                                     | その他負債          | 116,512                 | 134,236                |
| Provision for directors' bonuses                      | 役員賞与引当金        | 284                     | —                      |
| Liability for retirement benefits                     | 退職給付に係る負債      | 7,429                   | 6,418                  |
| Provision for directors' retirement benefits          | 役員退職慰労引当金      | 57                      | 31                     |
| Provision for reimbursement of deposits               | 睡眠預金払戻損失引当金    | 3,253                   | 2,999                  |
| Provision for contingent loss                         | 偶発損失引当金        | 1,955                   | 1,905                  |
| Provision for point card certificates                 | ポイント引当金        | 406                     | 386                    |
| Provision for loss on interest repayment              | 利息返還損失引当金      | 16                      | 9                      |
| Reserves under special laws                           | 特別法上の引当金       | 2                       | 2                      |
| Deferred tax liabilities                              | 繰延税金負債         | 27,241                  | 33,224                 |
| Deferred tax liabilities for land revaluation         | 再評価に係る繰延税金負債   | 8,823                   | 8,809                  |
| Negative goodwill                                     | 負のれん           | 1,185                   | 1,106                  |
| Acceptances and guarantees                            | 支払承諾           | 21,442                  | 24,355                 |
| <b>Total liabilities</b>                              | <b>負債の部合計</b>  | <b>16,453,028</b>       | <b>16,659,044</b>      |

| Item  | (Japanese)                       | As of March 31,<br>2019 | As of Sep. 30,<br>2019 |
|---|----------------------------------|-------------------------|------------------------|
| <b>Net Assets</b>                                   | <b>(純資産の部)</b>                   |                         |                        |
| Capital stock                                       | 資 本 金                            | 117,495                 | 117,495                |
| Capital surplus                                     | 資 本 剰 余 金                        | 148,545                 | 148,549                |
| Retained earnings                                   | 利 益 剰 余 金                        | 523,792                 | 539,934                |
| Treasury stock                                      | 自 己 株 式                          | (2,026)                 | (1,970)                |
| <b>Total shareholders' equity</b>                   | <b>株 主 資 本 合 計</b>               | <b>787,807</b>          | <b>804,009</b>         |
| Unrealized gains on available-for-sale securities   | そ の 他 有 価 証 券 評 価 差 額 金          | 123,042                 | 139,813                |
| Deferred gains (losses) on hedges                   | 繰 延 ヘ ッ ジ 損 益                    | (267)                   | 193                    |
| Land revaluation surplus                            | 土 地 再 評 価 差 額 金                  | 13,497                  | 13,463                 |
| Defined retirement benefit plans                    | 退 職 給 付 に 係 る 調 整 累 計 額          | (4,765)                 | (4,572)                |
| <b>Total accumulated other comprehensive income</b> | <b>そ の 他 の 包 括 利 益 累 計 額 合 計</b> | <b>131,507</b>          | <b>148,898</b>         |
| Equity warrants                                     | 新 株 予 約 権                        | 233                     | 248                    |
| <b>Total net assets</b>                             | <b>純 資 産 の 部 合 計</b>             | <b>919,547</b>          | <b>953,156</b>         |
| <b>Total liabilities and net assets</b>             | <b>負 債 及 び 純 資 産 の 部 合 計</b>     | <b>17,372,575</b>       | <b>17,612,201</b>      |

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

## 2. Consolidated Interim Statement of Income and Consolidated Interim Statement of Comprehensive Income

### (1) Consolidated Interim Statement of Income

(Millions of yen)

| Item   | (Japanese)                           | For the six months   | For the six months   |
|--|--------------------------------------|----------------------|----------------------|
|  |                                      | ended<br>Sep.30,2018 | ended<br>Sep.30,2019 |
| <b>Ordinary income</b>                                 | <b>経 常 収 益</b>                       | <b>156,553</b>       | <b>149,288</b>       |
| Interest income  | 資 金 運 用 収 益                          | 90,142               | 85,540               |
| Interest on loans and discounts                        | ( うち 貸 出 金 利 息 )                     | 56,897               | 56,421               |
| Interest and dividends on securities                   | ( うち 有 価 証 券 利 息 配 当 金 )             | 32,563               | 28,441               |
| Trust fees   | 信 託 報 酬                              | 12                   | 29                   |
| Fees and commissions                                   | 役 務 取 引 等 収 益                        | 26,368               | 26,608               |
| Trading income   | 特 定 取 引 収 益                          | 1,116                | 1,195                |
| Other ordinary income                                  | そ の 他 業 務 収 益                        | 1,583                | 4,672                |
| Other income   | そ の 他 経 常 収 益                        | 37,329               | 31,241               |
| <b>Ordinary expenses</b>                               | <b>経 常 費 用</b>                       | <b>117,473</b>       | <b>117,317</b>       |
| Interest expenses                                      | 資 金 調 達 費 用                          | 7,640                | 8,720                |
| Interest on deposits                                   | ( うち 預 金 利 息 )                       | 2,770                | 2,947                |
| Fees and commissions payments                          | 役 務 取 引 等 費 用                        | 6,362                | 6,663                |
| Other business expenses                                | そ の 他 業 務 費 用                        | 10,840               | 4,009                |
| General and administrative expenses                    | 営 業 経 費                              | 60,175               | 60,378               |
| Other operating expenses                               | そ の 他 経 常 費 用                        | 32,454               | 37,545               |
| <b>Ordinary profit</b>                                 | <b>経 常 利 益</b>                       | <b>39,079</b>        | <b>31,971</b>        |
| <b>Extraordinary income</b>                            | <b>特 別 利 益</b>                       | <b>62</b>            | <b>27</b>            |
| Gain on dispositions of fixed assets                   | 固 定 資 産 処 分 益                        | 62                   | 27                   |
| <b>Extraordinary losses</b>                            | <b>特 別 損 失</b>                       | <b>280</b>           | <b>142</b>           |
| Loss on disposal of non-current assets                 | 固 定 資 産 処 分 損                        | 86                   | 103                  |
| Impairment loss  | 減 損 損 失                              | 193                  | 38                   |
| <b>Income before income taxes</b>                      | <b>税 金 等 調 整 前 中 間 純 利 益</b>         | <b>38,862</b>        | <b>31,855</b>        |
| Income taxes-current                                   | 法 人 税 、 住 民 税 及 び 事 業 税              | 12,909               | 11,182               |
| Income taxes-deferred                                  | 法 人 税 等 調 整 額                        | (1,236)              | (1,886)              |
| <b>Total income taxes</b>                              | <b>法 人 税 等 合 計</b>                   | <b>11,672</b>        | <b>9,295</b>         |
| <b>Net income</b>                                      | <b>中 間 純 利 益</b>                     | <b>27,189</b>        | <b>22,559</b>        |
| <b>Net income attributable to owners of the parent</b> | <b>親 会 社 株 主 に 帰 属 す る 中 間 純 利 益</b> | <b>27,189</b>        | <b>22,559</b>        |

## (2)Consolidated Interim Statement of Comprehensive Income

(Millions of yen)

| Item  | (Japanese)      | For the six months   | For the six months   |
|---|-----------------|----------------------|----------------------|
|   |                 | ended<br>Sep.30,2018 | ended<br>Sep.30,2019 |
| <b>Net income</b>   | <b>中間純利益</b>    | <b>27,189</b>        | <b>22,559</b>        |
| <b>Other comprehensive income</b>                         | <b>その他の包括利益</b> | <b>(4,589)</b>       | <b>17,425</b>        |
| Unrealized gains on available-for-sale securities         | その他有価証券評価差額金    | (5,007)              | 16,771               |
| Deferred gains (losses) on hedges                         | 繰延ヘッジ損益         | (93)                 | 460                  |
| Land revaluation surplus                                  | 土地再評価差額金        | 2                    | —                    |
| Defined retirement benefit plans                          | 退職給付に係る調整額      | 509                  | 192                  |
| <b>Comprehensive income</b>                               | <b>中間包括利益</b>   | <b>22,600</b>        | <b>39,985</b>        |
| ( Breakdown)  | ( 内 訳 )         |                      |                      |
| Comprehensive income attributable to owners of the parent | 親会社株主に係る中間包括利益  | 22,600               | 39,985               |

### 3. Consolidated Interim Statement of Changes in Shareholders' Equity

First Half of FY 2018 (ended September 30, 2018)

(Millions of yen)

|   |   | Shareholders' equity |                 |                   |                |                            |
|---|---|----------------------|-----------------|-------------------|----------------|----------------------------|
|   |   | Capital stock        | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
|   |   | 株主資本                 |                 |                   |                |                            |
|   |   | 資本金                  | 資本剰余金           | 利益剰余金             | 自己株式           | 株主資本合計                     |
| Balance at the beginning of current period                    | 当 期 首 残 高                                 | 117,495              | 148,541         | 489,697           | (8)            | 755,725                    |
| Changes of items during the period                            | 当 中 間 期 変 動 額                             |                      |                 |                   |                |                            |
| Cash dividends  | 剰 余 金 の 配 当                               |                      |                 | (6,478)           |                | (6,478)                    |
| Net income attributable to owners of the parent               | 親 会 社 株 主 に 帰 属 す る 中 間 純 利 益             |                      |                 | 27,189            |                | 27,189                     |
| Purchase of treasury stock                                    | 自 己 株 式 の 取 得                             |                      |                 |                   | (2,089)        | (2,089)                    |
| Disposal of treasury stock                                    | 自 己 株 式 の 処 分                             |                      | 3               |                   | 72             | 76                         |
| Transfer from land revaluation surplus                        | 土 地 再 評 価 差 額 金 崩 の 取                     |                      |                 | 32                |                | 32                         |
| Net changes except for shareholders' equity during the period | 株 主 資 本 以 外 の 項 目 の 当 中 間 期 変 動 額 ( 純 額 ) |                      |                 |                   |                |                            |
| Total changes during the period                               | 当 中 間 期 変 動 額 計                           | —                    | 3               | 20,743            | (2,017)        | 18,729                     |
| Balance at the end of current period                          | 当 中 間 期 末 残 高                             | 117,495              | 148,545         | 510,440           | (2,026)        | 774,455                    |

|   |   | Accumulated other comprehensive income            |                                     |                          |                                  |  | Equity warrants | Total net assets |
|---|---|---|-------------------------------------|--------------------------|----------------------------------|--|-----------------|------------------|
|   |   | Unrealized gains on available-for-sale securities | Deferred gains ( losses ) on hedges | Land revaluation surplus | Defined retirement benefit plans | Total accumulated other comprehensive income |                 |                  |
|   |   | その他の包括利益累計額                                       |                                     |                          |                                  |  | 新株予約権           | 純資産合計            |
| その他有価証券評価差額金  | 繰延ヘッジ損益                                   | 土地再評価差額金  | 退職給付に係る調整累計額                        | その他の包括利益累計額合計            |                                  |  |                 |                  |
| Balance at the beginning of current period                    | 当 期 首 残 高                                 | 120,727   | (56)                                | 14,182                   | (2,656)                          | 132,197                                      | 216             | 888,139          |
| Changes of items during the period                            | 当 中 間 期 変 動 額                             |   |                                     |                          |                                  |  |                 |                  |
| Cash dividends  | 剰 余 金 の 配 当                               |   |                                     |                          |                                  |  |                 | (6,478)          |
| Net income attributable to owners of the parent               | 親 会 社 株 主 に 帰 属 す る 中 間 純 利 益             |   |                                     |                          |                                  |  |                 | 27,189           |
| Purchase of treasury stock                                    | 自 己 株 式 の 取 得                             |   |                                     |                          |                                  |  |                 | (2,089)          |
| Disposal of treasury stock                                    | 自 己 株 式 の 処 分                             |   |                                     |                          |                                  |  |                 | 76               |
| Transfer from land revaluation surplus                        | 土 地 再 評 価 差 額 金 崩 の 取                     |   |                                     |                          |                                  |  |                 | 32               |
| Net changes except for shareholders' equity during the period | 株 主 資 本 以 外 の 項 目 の 当 中 間 期 変 動 額 ( 純 額 ) | (5,007)   | (93)                                | (29)                     | 509                              | (4,621)                                      | 16              | (4,604)          |
| Total changes during the period                               | 当 中 間 期 変 動 額 計                           | (5,007)   | (93)                                | (29)                     | 509                              | (4,621)                                      | 16              | 14,125           |
| Balance at the end of current period                          | 当 中 間 期 末 残 高                             | 115,720   | (149)                               | 14,152                   | (2,146)                          | 127,576                                      | 233             | 902,264          |



First Half of FY 2019 (ended September 30, 2019)

(Millions of yen)

|   |                                       | Shareholders' equity |                 |                   |                |                            |
|---|---------------------------------------|----------------------|-----------------|-------------------|----------------|----------------------------|
|   |                                       | Capital stock        | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
|   |                                       | 株主資本                 |                 |                   |                |                            |
|   |                                       | 資本金                  | 資本剰余金           | 利益剰余金             | 自己株式           | 株主資本合計                     |
| Balance at the beginning of current period                    | 当 期 首 残 高                             | 117,495              | 148,545         | 523,792           | (2,026)        | 787,807                    |
| Changes of items during the period                            | 当 中 間 期 変 動 額                         |                      |                 |                   |                |                            |
| Cash dividends  | 剰 余 金 の 配 当                           |                      |                 | (6,451)           |                | (6,451)                    |
| Net income attributable to owners of the parent               | 親 会 社 株 主 に 帰 属 す る 中 間 純 利 益         |                      |                 | 22,559            |                | 22,559                     |
| Purchase of treasury stock                                    | 自 己 株 式 の 取 得                         |                      |                 |                   | (0)            | (0)                        |
| Disposal of treasury stock                                    | 自 己 株 式 の 処 分                         |                      | 4               |                   | 55             | 60                         |
| Transfer from land revaluation surplus                        | 土 地 再 評 価 差 額 金 崩 の 取                 |                      |                 | 33                |                | 33                         |
| Net changes except for shareholders' equity during the period | 株 主 資 本 以 外 の 項 目 の 当 期 変 動 額 ( 純 額 ) |                      |                 |                   |                |                            |
| Total changes of items during the period                      | 当 中 間 期 変 動 額 計 合                     | —                    | 4               | 16,141            | 55             | 16,202                     |
| Balance at the end of current period                          | 当 中 間 期 末 残 高                         | 117,495              | 148,549         | 539,934           | (1,970)        | 804,009                    |

|   |                                       | Accumulated other comprehensive income            |                                     |                          |                                  |  | Equity warrants | Total net assets |
|---|---------------------------------------|---|-------------------------------------|--------------------------|----------------------------------|--|-----------------|------------------|
|   |                                       | Unrealized gains on available-for-sale securities | Deferred gains ( losses ) on hedges | Land revaluation surplus | Defined retirement benefit plans | Total accumulated other comprehensive income |                 |                  |
|   |                                       | その他の包括利益累計額                                       |                                     |                          |                                  |  | 新株予約権           | 純資産合計            |
|   |                                       | その他有価証券評価差額金                                      | 繰延ヘッジ損益                             | 土地再評価差額金                 | 退職給付に係る調整累計額                     | その他の包括利益累計額合計                                |                 |                  |
| Balance at the beginning of current period                    | 当 期 首 残 高                             | 123,042   | (267)                               | 13,497                   | (4,765)                          | 131,507                                      | 233             | 919,547          |
| Changes of items during the period                            | 当 中 間 期 変 動 額                         |   |                                     |                          |                                  |  |                 |                  |
| Cash dividends  | 剰 余 金 の 配 当                           |   |                                     |                          |                                  |  |                 | (6,451)          |
| Net income attributable to owners of the parent               | 親 会 社 株 主 に 帰 属 す る 中 間 純 利 益         |   |                                     |                          |                                  |  |                 | 22,559           |
| Purchase of treasury stock                                    | 自 己 株 式 の 取 得                         |   |                                     |                          |                                  |  |                 | (0)              |
| Disposal of treasury stock                                    | 自 己 株 式 の 処 分                         |   |                                     |                          |                                  |  |                 | 60               |
| Transfer from land revaluation surplus                        | 土 地 再 評 価 差 額 金 崩 の 取                 |   |                                     |                          |                                  |  |                 | 33               |
| Net changes except for shareholders' equity during the period | 株 主 資 本 以 外 の 項 目 の 当 期 変 動 額 ( 純 額 ) | 16,771  | 460                                 | (33)                     | 192                              | 17,391                                       | 15              | 17,407           |
| Total changes of items during the period                      | 当 中 間 期 変 動 額 計 合                     | 16,771  | 460                                 | (33)                     | 192                              | 17,391                                       | 15              | 33,609           |
| Balance at the end of current period                          | 当 中 間 期 末 残 高                         | 139,813   | 193                                 | 13,463                   | (4,572)                          | 148,898                                      | 248             | 953,156          |

#### 4. Note for Assumptions of Going Concern

Not applicable.

## II 【Reference】Non-consolidated Financial Information of the main consolidated subsidiaries

### 1.Non-consolidated Financial Information of The Joyo Bank, Ltd.

#### (1)Financial Highlights (from April 1, 2019 to September 30, 2019)

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

#### ①Non-consolidated Operating Results

|                          | Ordinary Income |       | Ordinary Profit |        | Net Income |       |
|--------------------------|-----------------|-------|-----------------|--------|------------|-------|
|                          | ¥Million        | %     | ¥Million        | %      | ¥Million   | %     |
| First Half               |                 |       |                 |        |            |       |
| Ended September 30, 2019 | 83,769          | (2.7) | 22,944          | (10.2) | 16,306     | (9.1) |
| Ended September 30, 2018 | 86,113          | 22.9  | 25,570          | 9.3    | 17,957     | 13.8  |

#### ②Non-consolidated Financial Conditions

|                          | Total Assets | Net Assets | Capital Assets to Total Assets |
|--------------------------|--------------|------------|--------------------------------|
| First Half               | ¥Million     | ¥Million   | %                              |
| Ended September 30, 2019 | 10,688,886   | 624,907    | 5.8                            |
| Fiscal year 2018         | 10,562,699   | 612,351    | 5.7                            |

(Reference) Capital assets First half of FY2019: ¥624,907 million FY2018: ¥612,351 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 March 31,<br>2019 | As of Sep. 30,<br>2019 |
|---|---------------|-------------------------|------------------------|
| <b>Assets</b>   | <b>(資産の部)</b> |                         |                        |
| Cash and due from banks                               | 現金預け金         | 726,456                 | 1,027,727              |
| Call loans  | コールローン        | 9,546                   | 4,708                  |
| Monetary claims bought                                | 買入金銭債権        | 7,271                   | 6,303                  |
| Trading assets  | 特定取引資産        | 10,817                  | 10,831                 |
| Securities  | 有価証券          | 3,025,904               | 2,889,274              |
| Loans and bills discounted                            | 貸出金           | 6,594,731               | 6,593,020              |
| Foreign exchanges                                     | 外国為替          | 3,420                   | 4,610                  |
| Other assets  | その他の資産        | 80,821                  | 80,388                 |
| Tangible fixed assets                                 | 有形固定資産        | 77,171                  | 76,781                 |
| Intangible fixed assets                               | 無形固定資産        | 8,531                   | 8,402                  |
| Prepaid pension cost                                  | 前払年金費用        | 6,365                   | 6,726                  |
| Customers' liabilities for acceptances and guarantees | 支払承諾見返        | 44,283                  | 13,898                 |
| Allowance for loan losses                             | 貸倒引当金         | (32,610)                | (33,326)               |
| Reserve for devaluation of investment securities      | 投資損失引当金       | (9)                     | (461)                  |
| <b>Total Assets</b>                                   | <b>資産の部合計</b> | <b>10,562,699</b>       | <b>10,688,886</b>      |
| <b>Liabilities</b>                                    | <b>(負債の部)</b> |                         |                        |
| Deposits  | 預金            | 8,729,187               | 8,689,537              |
| Negotiable certificates of deposit                    | 譲渡性預金         | 85,123                  | 219,960                |
| Call money  | コールマネー        | 59,542                  | 26,472                 |
| Payables under repurchase agreements                  | 売現先勘定         | 62,482                  | 61,598                 |
| Payables under securities lending transactions        | 債券貸借取引受入担保金   | 84,286                  | 102,897                |
| Trading liabilities                                   | 特定取引負債        | 1,065                   | 1,426                  |
| Borrowed money  | 借入金           | 786,125                 | 840,724                |
| Foreign Exchanges                                     | 外国為替          | 351                     | 1,771                  |
| Bonds   | 社債            | 5,000                   | 5,000                  |
| Due to trust account                                  | 信託勘定借         | 566                     | 1,011                  |
| Other liabilities                                     | その他の負債        | 40,275                  | 48,754                 |
| Income taxes payable                                  | (未払法人税等)      | 2,291                   | 2,490                  |
| Lease obligations                                     | (リース債務)       | 1,621                   | 1,798                  |
| Other   | (その他の負債)      | 36,362                  | 44,465                 |
| Provision for directors' bonuses                      | 役員賞与引当金       | 154                     | —                      |
| Provision for retirement benefits                     | 退職給付引当金       | 8,301                   | 7,828                  |
| Provision for reimbursement of deposits               | 睡眠預金払戻損失引当金   | 2,261                   | 2,070                  |
| Provision for point card certificates                 | ポイント引当金       | 114                     | 132                    |
| Provision for contingent loss                         | 偶発損失引当金       | 949                     | 982                    |
| Deferred tax liabilities                              | 繰延税金負債        | 32,131                  | 31,780                 |
| Deferred tax liabilities for land revaluation         | 再評価に係る繰延税金負債  | 8,143                   | 8,129                  |
| Acceptances and guarantees                            | 支払承諾          | 44,283                  | 13,898                 |
| <b>Total liabilities</b>                              | <b>負債の部合計</b> | <b>9,950,348</b>        | <b>10,063,978</b>      |

(Millions of yen)

| Item   | (Japanese)                   | As of March 31,<br>2019 | As of Sep. 30,<br>2019 |
|--|------------------------------|-------------------------|------------------------|
| <b>Net Assets</b>  | <b>(純資産の部)</b>               |                         |                        |
| 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                    | 337,172                 | 348,862                |
| Legal retained earnings                                    | 利 益 準 備 金                    | 55,317                  | 55,317                 |
| Other retained earnings                                    | そ の 他 利 益 剰 余 金              | 281,855                 | 293,545                |
| Reserve for advanced depreciation of non-current assets    | ( 固 定 資 産 圧 縮 積 立 金 )        | 1,092                   | 1,081                  |
| General Reserve  | ( 別 途 積 立 金 )                | 222,432                 | 222,432                |
| Retained earnings brought forward                          | ( 繰 越 利 益 剰 余 金 )            | 58,331                  | 70,032                 |
| <b>Total shareholders' equity</b>                          | <b>株 主 資 本 合 計</b>           | <b>480,859</b>          | <b>492,549</b>         |
| Unrealized gains (losses) on available-for-sale securities | そ の 他 有 価 証 券 評 価 差 額 金      | 119,723                 | 120,167                |
| Deferred gains or losses on hedges                         | 繰 延 ヘ ッ ジ 損 益                | (171)                   | 284                    |
| Land revaluation surplus                                   | 土 地 評 価 差 額 金                | 11,940                  | 11,906                 |
| <b>Total valuation and translation adjustments</b>         | <b>評 価 ・ 換 算 差 額 等 合 計</b>   | <b>131,491</b>          | <b>132,357</b>         |
| <b>Total net assets</b>                                    | <b>純 資 産 の 部 合 計</b>         | <b>612,351</b>          | <b>624,907</b>         |
| <b>Total liabilities and net assets</b>                    | <b>負 債 及 び 純 資 産 の 部 合 計</b> | <b>10,562,699</b>       | <b>10,688,886</b>      |

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

(Millions of yen)

| Item                                 | (Japanese)      | For the six months<br>ended Sep.30,2018 | For the six months<br>ended Sep.30,2019 |
|--------------------------------------|-----------------|---|---|
| <b>Ordinary income</b>               | <b>経常収益</b>     | <b>86,113</b>                           | <b>83,769</b>                           |
| Interest income                      | 資金運用収益          | 49,614                                  | 51,976                                  |
| Interest on loans and discounts      | (うち貸出金利息)       | 31,912                                  | 31,783                                  |
| Interest and dividends on securities | (うち有価証券利息配当金)   | 17,259                                  | 19,748                                  |
| Trust fees                           | 信託報酬            | 12                                      | 26                                      |
| Fees and commissions                 | 役務取引等収益         | 12,845                                  | 13,019                                  |
| Trading income                       | 特定取引収益          | 63                                      | 89                                      |
| Other ordinary income                | その他業務収益         | 837                                     | 4,257                                   |
| Other income                         | その他経常収益         | 22,739                                  | 14,400                                  |
| <b>Operating expenses</b>            | <b>経常費用</b>     | <b>60,542</b>                           | <b>60,824</b>                           |
| Interest expenses                    | 資金調達費用          | 3,706                                   | 4,806                                   |
| Interest on deposits                 | (うち預金利息)        | 1,732                                   | 2,048                                   |
| Fees and commissions payments        | 役務取引等費用         | 3,673                                   | 3,844                                   |
| Other ordinary expenses              | その他業務費用         | 7,694                                   | 2,835                                   |
| General and administrative expenses  | 営業経費            | 33,891                                  | 32,959                                  |
| Other expenses                       | その他経常費用         | 11,576                                  | 16,378                                  |
| <b>Ordinary income</b>               | <b>経常利益</b>     | <b>25,570</b>                           | <b>22,944</b>                           |
| <b>Extraordinary income</b>          | <b>特別利益</b>     | <b>62</b>                               | <b>8</b>                                |
| <b>Extraordinary losses</b>          | <b>特別損失</b>     | <b>125</b>                              | <b>113</b>                              |
| <b>Income before income taxes</b>    | <b>税引前中間純利益</b> | <b>25,507</b>                           | <b>22,839</b>                           |
| Income taxes - current               | 法人税、住民税及び事業税    | 7,610                                   | 7,436                                   |
| <b>Income taxes - deferred</b>       | <b>法人税等調整額</b>  | <b>(60)</b>                             | <b>(904)</b>                            |
| <b>Total income taxes</b>            | <b>法人税等合計</b>   | <b>7,549</b>                            | <b>6,532</b>                            |
| <b>Net income</b>                    | <b>中間純利益</b>    | <b>17,957</b>                           | <b>16,306</b>                           |

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

### (1) Financial Highlights (from April 1, 2019 to September 30, 2019)

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

#### ① Non-consolidated Operating Results

|                          | Ordinary Income |        | Ordinary Profit |        | Net Income |        |
|--------------------------|-----------------|--------|-----------------|--------|------------|--------|
|                          | ¥Million        | %      | ¥Million        | %      | ¥Million   | %      |
| First Half               |                 |        |                 |        |            |        |
| Ended September 30, 2019 | 48,573          | (16.7) | 9,864           | (34.2) | 6,985      | (68.6) |
| Ended September 30, 2018 | 58,317          | 15.5   | 15,010          | (19.2) | 22,255     | 75.0   |

#### ② Non-consolidated Financial Conditions

|                          | Total Assets | Net Assets | Capital Assets to Total Assets |
|--------------------------|--------------|------------|--------------------------------|
| First Half               | ¥Million     | ¥Million   | %                              |
| Ended September 30, 2019 | 6,969,918    | 367,523    | 5.2                            |
| Fiscal year 2018         | 6,899,280    | 348,699    | 5.0                            |

(Reference) Capital assets First half of FY2019: ¥367,523 million FY2018: ¥348,699 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 March 31,<br>2019 | As of Sep. 30,<br>2019 |
|---|---------------|-------------------------|------------------------|
| <b>Assets</b>   | <b>(資産の部)</b> |                         |                        |
| Cash and due from banks                               | 現金預け金         | 741,475                 | 933,505                |
| Call loans  | コールローン        | 843                     | 1,338                  |
| Monetary claims bought                                | 買入金銭債権        | 7,881                   | 6,018                  |
| Trading account securities                            | 商品有価証券        | 2,982                   | 2,992                  |
| Money held in trust                                   | 金銭の信託         | 23,175                  | 1                      |
| Securities  | 有価証券          | 1,338,495               | 1,283,316              |
| Loans and bills discounted                            | 貸出金           | 4,657,025               | 4,617,083              |
| Foreign exchanges                                     | 外国為替          | 3,088                   | 4,725                  |
| Other assets  | その他資産         | 82,670                  | 79,759                 |
| Tangible fixed assets                                 | 有形固定資産        | 28,608                  | 28,415                 |
| Intangible fixed assets                               | 無形固定資産        | 9,480                   | 10,326                 |
| Prepaid pension cost                                  | 前払年金費用        | 20,764                  | 21,793                 |
| Deferred tax assets                                   | 繰延税金資産        | 2,475                   | —                      |
| Customers' liabilities for acceptances and guarantees | 支払承諾見返        | 10,456                  | 10,456                 |
| Allowance for loan losses                             | 貸倒引当金         | (30,142)                | (29,814)               |
| <b>Total Assets</b>                                   | <b>資産の部合計</b> | <b>6,899,280</b>        | <b>6,969,918</b>       |
| <b>Liabilities</b>                                    | <b>(負債の部)</b> |                         |                        |
| Deposits  | 預金            | 5,709,204               | 5,668,419              |
| Negotiable certificates of deposit                    | 譲渡性預金         | 263,084                 | 273,819                |
| Call money  | コールマネー        | 132,198                 | 150,000                |
| Payables under repurchase agreements                  | 売現先勘定         | 58,349                  | 104,614                |
| Payables under securities lending transactions        | 債券貸借取引受入担保金   | 117,866                 | 101,766                |
| Borrowed money  | 借入金           | 229,574                 | 260,498                |
| Foreign Exchanges                                     | 外国為替          | 286                     | 345                    |
| Due to trust account                                  | 信託勘定借         | —                       | 185                    |
| Other liabilities                                     | その他負債         | 27,229                  | 26,375                 |
| Income taxes payable                                  | (未払法人税等)      | 1,645                   | 1,225                  |
| Lease obligations                                     | (リース債務)       | 9                       | 17                     |
| Other   | (その他の負債)      | 25,575                  | 25,133                 |
| Provision for directors' bonuses                      | 役員賞与引当金       | 121                     | —                      |
| Provision for reimbursement of deposits               | 睡眠預金払戻損失引当金   | 992                     | 928                    |
| Provision for contingent loss                         | 偶発損失引当金       | 1,005                   | 922                    |
| Provision for point card certificates                 | ポイント引当金       | 210                     | 170                    |
| Deferred tax liabilities                              | 繰延税金負債        | —                       | 3,892                  |
| Acceptances and guarantees                            | 支払承諾          | 10,456                  | 10,456                 |
| <b>Total liabilities</b>                              | <b>負債の部合計</b> | <b>6,550,580</b>        | <b>6,602,395</b>       |

(Millions of yen)

| Item   | (Japanese)                   | As of March 31,<br>2019 | As of Sep. 30,<br>2019 |
|--|------------------------------|-------------------------|------------------------|
| <b>Net Assets</b>  | <b>(純資産の部)</b>               |                         |                        |
| Capital stock  | 資 本 金                        | 135,000                 | 135,000                |
| Retained earnings  | 利 益 剰 余 金                    | 181,429                 | 186,114                |
| Legal retained earnings                                    | 利 益 準 備 金                    | 23,417                  | 23,877                 |
| Other retained earnings                                    | そ の 他 利 益 剰 余 金              | 158,011                 | 162,236                |
| Retained earnings brought forward                          | (繰越利益剰余金)                    | 158,011                 | 162,236                |
| <b>Total shareholders' equity</b>                          | <b>株 主 資 本 合 計</b>           | <b>316,429</b>          | <b>321,114</b>         |
| Unrealized gains (losses) on available-for-sale securities | そ の 他 有 価 証 券 評 価 差 額 金      | 32,365                  | 46,499                 |
| Deferred gains or losses on hedges                         | 繰 延 ヘ ッ ジ 損 益                | (95)                    | (90)                   |
| <b>Total valuation and translation adjustments</b>         | <b>評 価 ・ 換 算 差 額 等 合 計</b>   | <b>32,270</b>           | <b>46,409</b>          |
| <b>Total net assets</b>                                    | <b>純 資 産 の 部 合 計</b>         | <b>348,699</b>          | <b>367,523</b>         |
| <b>Total liabilities and net assets</b>                    | <b>負 債 及 び 純 資 産 の 部 合 計</b> | <b>6,899,280</b>        | <b>6,969,918</b>       |



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

(Millions of yen)

| Item                                 | (Japanese)             | For the six months<br>ended Sep.30,2018 | For the six months<br>ended Sep.30,2019 |
|--------------------------------------|------------------------|---|---|
| <b>Ordinary income</b>               | <b>経 常 収 益</b>         | <b>58,317</b>                           | <b>48,573</b>                           |
| Interest income                      | 資 金 運 用 収 益            | 43,172                                  | 35,831                                  |
| Interest on loans and discounts      | (うち貸出金利息)              | 24,433                                  | 24,081                                  |
| Interest and dividends on securities | (うち有価証券利息配当金)          | 18,507                                  | 11,523                                  |
| Trust fees                           | 信 託 報 酬                | —                                       | 2                                       |
| Fees and commissions                 | 役 務 取 引 等 収 益          | 10,955                                  | 10,837                                  |
| Other ordinary income                | そ の 他 業 務 収 益          | 2,221                                   | 475                                     |
| Other income                         | そ の 他 経 常 収 益          | 1,967                                   | 1,426                                   |
| <b>Operating expenses</b>            | <b>経 常 費 用</b>         | <b>43,307</b>                           | <b>38,709</b>                           |
| Interest expenses                    | 資 金 調 達 費 用            | 3,516                                   | 3,642                                   |
| Interest on deposits                 | (うち預金利息)               | 1,072                                   | 903                                     |
| Fees and commissions payments        | 役 務 取 引 等 費 用          | 3,494                                   | 3,723                                   |
| Other ordinary expenses              | そ の 他 業 務 費 用          | 4,527                                   | 1,007                                   |
| General and administrative expenses  | 営 業 経 費                | 24,293                                  | 25,468                                  |
| Other expenses                       | そ の 他 経 常 費 用          | 7,475                                   | 4,867                                   |
| <b>Ordinary income</b>               | <b>経 常 利 益</b>         | <b>15,010</b>                           | <b>9,864</b>                            |
| <b>Extraordinary income</b>          | <b>特 別 利 益</b>         | <b>12,018</b>                           | <b>19</b>                               |
| <b>Extraordinary losses</b>          | <b>特 別 損 失</b>         | <b>189</b>                              | <b>17</b>                               |
| <b>Income before income taxes</b>    | <b>税 引 前 当 期 純 利 益</b> | <b>26,839</b>                           | <b>9,867</b>                            |
| Income taxes - current               | 法 人 税、住 民 税 及 び 事 業 税  | 4,515                                   | 2,859                                   |
| Income taxes - deferred              | 法 人 税 等 調 整 額          | 69                                      | 22                                      |
| <b>Total income taxes</b>            | <b>法 人 税 等 合 計</b>     | <b>4,584</b>                            | <b>2,882</b>                            |
| <b>Net income</b>                    | <b>中 間 純 利 益</b>       | <b>22,255</b>                           | <b>6,985</b>                            |

III Financial Data for the First Half of Fiscal Year 2019

1. Income Status

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

(Millions of yen)

|   | (Japanese)                    | First Half of FY2019 |         | First Half of FY2018 | (Reference)<br>FY2018 |
|---|-------------------------------|----------------------|---------|----------------------|-----------------------|
|   |                               | (A)                  | (A)-(B) | (B)                  |                       |
| Consolidated gross profit                           | 連 結 粗 利 益                     | 98,725               | 4,345   | 94,380               | 189,553               |
| Net interest income                                 | 資 金 利 益                       | 76,892               | (5,609) | 82,501               | 156,291               |
| Net fees and commissions                            | 役 務 取 引 等 利 益                 | 19,974               | (44)    | 20,019               | 38,858                |
| Net trading income                                  | 特 定 取 引 利 益                   | 1,195                | 78      | 1,116                | 2,418                 |
| Net other business income                           | そ の 他 業 務 利 益                 | 663                  | 9,920   | (9,257)              | (8,014)               |
| General and administrative expenses                 | 営 業 経 費                       | 60,378               | 202     | 60,175               | 119,636               |
| Credit related costs                                | 与 信 関 係 費 用                   | 10,342               | 4,251   | 6,090                | 11,882                |
| Write-off of loans                                  | 貸 出 金 償 却                     | 5,769                | 199     | 5,570                | 9,877                 |
| Transfer to specific allowance for loan losses      | 個 別 貸 倒 引 当 金 繰 入 額           | 5,015                | 5,015   | —                    | 7,414                 |
| Transfer to general allowance for loan losses       | 一 般 貸 倒 引 当 金 繰 入 額           | 78                   | 78      | —                    | (4,643)               |
| Reversal of allowance for loan losses               | 貸 倒 引 当 金 戻 入 益               | —                    | (50)    | 50                   | —                     |
| Other credit related costs                          | そ の 他 の 与 信 関 係 費 用           | (520)                | (1,092) | 571                  | (765)                 |
| Gains/losses related to stocks, etc.                | 株 式 等 関 係 損 益                 | 3,383                | (6,487) | 9,871                | 9,145                 |
| Equity in gains (losses) of affiliated companies    | 持 分 法 に よ る 投 資 損 益           | —                    | —       | —                    | —                     |
| Others  | そ の 他                         | 583                  | (511)   | 1,095                | 2,353                 |
| Ordinary profit                                     | 経 常 利 益                       | 31,971               | (7,108) | 39,079               | 69,533                |
| Extraordinary income(losses)                        | 特 別 損 益                       | (115)                | 102     | (217)                | (3,115)               |
| Income before income taxes                          | 税 金 等 調 整 前 中 間 純 利 益         | 31,855               | (7,006) | 38,862               | 66,418                |
| Income taxes-current                                | 法 人 税 、 住 民 税 及 び 事 業 税       | 11,182               | (1,726) | 12,909               | 21,683                |
| Income taxes-deferred                               | 法 人 税 等 調 整 額                 | (1,886)              | (649)   | (1,236)              | (1,603)               |
| Total income taxes                                  | 法 人 税 等 合 計                   | 9,295                | (2,376) | 11,672               | 20,079                |
| Net income  | 中 間 純 利 益                     | 22,559               | (4,629) | 27,189               | 46,338                |
| Net income attributable to noncontrolling interests | 非 支 配 株 主 に 帰 属 す る 中 間 純 利 益 | —                    | —       | —                    | —                     |
| Net income attributable to owners of the parent     | 親 会 社 株 主 に 帰 属 す る 中 間 純 利 益 | 22,559               | (4,629) | 27,189               | 46,338                |

(Note) 1. Consolidated gross business profit=[Interest income – (Interest expenses–Corresponding loss on money held in trust)]

+ (Fees and commissions income+Trust Fee – Fees and commissions expenses)+(Trading income – Trading expenses)+(Other business income – Other business expenses)

(注) 連結粗利益=(資金運用収益-(資金調達費用-金銭の信託見合費用)+(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)

Reference

(Millions of yen)

|  | (Japanese)                  | First Half of FY2019 |         | First Half of FY2018 | (Reference)<br>FY2018 |
|--|-----------------------------|----------------------|---------|----------------------|-----------------------|
|  |                             | (A)                  | (A)-(B) | (B)                  |                       |
| Consolidated net business income<br>(before general allowance for loan losses) | 連 結 業 務 純 益 (一 般 貸 引 繰 入 前) | 38,645               | 3,685   | 34,960               | 71,726                |
| Consolidated net business income   | 連 結 業 務 純 益                 | 38,567               | 3,607   | 34,960               | 76,369                |

(Note) Consolidated net business income

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

(注) 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

Number of Consolidated Companies

(Number of companies)

|  | (Japanese)      | As of Sep. 30, 2019 |         | As of Sep. 30, 2018 | (Reference)<br>As of March 31, 2019 |
|--|-----------------|---------------------|---------|---------------------|-------------------------------------|
|  |                 | (A)                 | (A)-(B) | (B)                 |                                     |
| Number of Consolidated Subsidiaries                            | 連 結 子 会 社 数     | 13                  | (1)     | 14                  | 14                                  |
| Number of affiliated companies applicable to the equity method | 持 分 法 適 用 会 社 数 | —                   | —       | —                   | —                                   |

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

(Millions of yen)

|  | (Japanese)            | First Half of FY2019 |          | First Half of FY2018 (B) | (Reference) FY2018 |
|--|-----------------------|----------------------|----------|--------------------------|--------------------|
|  |                       | (A)                  | (A)-(B)  |                          |                    |
| Gross business profit  | 業 務 粗 利 益             | 96,729               | 3,619    | 93,110                   | 185,626            |
| (Excluding gains/losses on bond transactions)                                  | (除く国債等債券損益(5勘定戻)      | 96,816               | (6,691)  | 103,507                  | 196,374            |
| Gross domestic business profit   | 国 内 業 務 粗 利 益         | 88,902               | (4,255)  | 93,158                   | 180,135            |
| (Excluding gains/losses on bond transactions)                                  | (除く国債等債券損益(5勘定戻)      | 91,720               | (6,135)  | 97,856                   | 184,853            |
| Net interest income  | 資 金 利 益               | 75,252               | (6,197)  | 81,449                   | 152,981            |
| (Of which, gains/losses on cancellation of private offering investment trusts) | (うち投信解約損益)            | 6,123                | (3,690)  | 9,813                    | 11,640             |
| Net fees and commissions   | 役 務 取 引 等 利 益         | 16,249               | (157)    | 16,406                   | 31,711             |
| Net trading income   | 特 定 取 引 等 利 益         | 88                   | 24       | 63                       | 363                |
| Net other business income  | そ の 他 業 務 利 益         | (2,688)              | 2,074    | (4,762)                  | (4,920)            |
| (Of which, gains/losses on bond transactions)                                  | (うち国債等債券損益(5勘定戻)      | (2,818)              | 1,879    | (4,697)                  | (4,717)            |
| Gross international business profit  | 国 際 業 務 粗 利 益         | 7,826                | 7,874    | (47)                     | 5,490              |
| (Excluding gains/losses on bond transactions)                                  | (除く国債等債券損益(5勘定戻)      | 5,095                | (556)    | 5,651                    | 11,521             |
| Net interest income  | 資 金 利 益               | 4,179                | 64       | 4,115                    | 8,063              |
| (Of which, gains/losses on cancellation of private offering investment trusts) | (うち投信解約損益)            | —                    | —        | —                        | —                  |
| Net fees and commissions   | 役 務 取 引 等 利 益         | 67                   | (171)    | 239                      | 433                |
| Net trading income   | 特 定 取 引 等 利 益         | 1                    | 1        | 0                        | (1)                |
| Net other business income  | そ の 他 業 務 利 益         | 3,578                | 7,980    | (4,402)                  | (3,004)            |
| (Of which, gains/losses on bond transactions)                                  | (うち国債等債券損益(5勘定戻)      | 2,731                | 8,431    | (5,699)                  | (6,030)            |
| Expenses (excluding non-recurrent expense)                                     | 経 費 ( 除 く 臨 時 処 理 分 ) | 58,137               | 699      | 57,438                   | 114,190            |
| Personnel expenses   | 人 件 費                 | 30,669               | 179      | 30,489                   | 60,651             |
| Non-personnel expenses   | 物 件 費                 | 23,412               | 735      | 22,676                   | 46,154             |
| Taxes  | 税 金                   | 4,056                | (215)    | 4,272                    | 7,384              |
| Net business income (before net transfer to general allowance for loan losses) | 実 質 業 務 純 益           | 38,591               | 2,919    | 35,671                   | 71,435             |
| Core net business income   | コ ア 業 務 純 益           | 38,678               | (7,390)  | 46,069                   | 82,183             |
| (Excluding gains/losses on cancellation of private offering investment trusts) | コア業務純益(除く投信解約損益)      | 32,554               | (3,700)  | 36,255                   | 70,542             |
| Net transfer to general allowance for loan losses①                             | 一 般 貸 倒 引 当 金 繰 入 額 ① | 409                  | 409      | —                        | (5,218)            |
| Net business income (Of which, gains/losses on bond transactions)              | 業 務 純 益               | 38,182               | 2,510    | 35,671                   | 76,654             |
|  | (うち国債等債券損益(5勘定戻)      | (86)                 | 10,310   | (10,397)                 | (10,747)           |
| Net non-recurrent gains/losses   | 臨 時 損 益               | (5,300)              | (10,209) | 4,909                    | (4,740)            |
| Disposal of non-performing loans②  | 不 良 債 権 処 理 額 ②       | 8,932                | 4,110    | 4,821                    | 14,530             |
| Write-off of loans   | 貸 出 金 償 却             | 4,729                | (53)     | 4,783                    | 8,200              |
| Transfer to specific allowance for loan losses                                 | 個 別 貸 倒 引 当 金 繰 入 額   | 4,461                | 4,461    | —                        | 6,873              |
| Losses on sales of loans   | 貸 出 金 売 却 損           | 14                   | (14)     | 29                       | 39                 |
| Transfer to provision for contingent losses                                    | 偶 発 損 失 引 当 金 繰 入 額   | 88                   | (880)    | 969                      | 528                |
| Reversal of allowance for loan losses  | 貸 倒 引 当 金 戻 入 益       | —                    | (739)    | 739                      | —                  |
| Recoveries of written-off claims   | 償 却 債 権 取 立 益         | 967                  | 349      | 617                      | 1,780              |
| Other  | そ の 他                 | 605                  | 207      | 397                      | 669                |
| Gains/losses related to stocks, etc.   | 株 式 等 関 係 損 益         | 4,111                | (5,986)  | 10,098                   | 10,717             |
| Other non-recurrent gains/losses   | そ の 他 臨 時 損 益         | (479)                | (112)    | (367)                    | (927)              |
| Ordinary profit  | 経 常 利 益               | 32,809               | (7,771)  | 40,580                   | 71,865             |
| Extraordinary income/losses  | 特 別 損 益               | (102)                | (11,869) | 11,766                   | 8,620              |
| Net gain (loss) from fixed assets  | 固 定 資 産 処 分 損 益       | (63)                 | (63)     | 0                        | (330)              |
| Impairment loss  | 減 損 損 失               | 38                   | (194)    | 233                      | 3,049              |
| Dividends receivable from affiliated companies                                 | 関 係 会 社 受 取 配 当 金     | —                    | (12,000) | 12,000                   | 12,000             |
| Income before income taxes   | 税 引 前 中 間 純 利 益       | 32,706               | (19,640) | 52,347                   | 80,486             |
| Income taxes-current   | 法 人 税、住 民 税 及 び 事 業 税 | 10,296               | (1,829)  | 12,125                   | 20,060             |
| Income taxes-deferred  | 法 人 税 等 調 整 額         | (881)                | (890)    | 8                        | 405                |
| Total income taxes   | 法 人 税 等 合 計           | 9,415                | (2,719)  | 12,134                   | 20,465             |
| Net Income   | 中 間 純 利 益             | 23,291               | (16,921) | 40,212                   | 60,020             |
| Credit related costs (①+②)   | 与 信 関 係 費 用 ( ① + ② ) | 9,341                | 4,519    | 4,821                    | 9,311              |

(Note) 1. Core net business income = Net business income + net transfer to general allowance for loan losses - gains/losses on bond transactions

(注) 1. コア業務純益 = 業務純益 + 一般貸倒引当金繰入額 - 国債等債券損益

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

(Millions of yen)

|   | (Japanese)                  | First Half of FY2019 |                | First Half of FY2018 | (Reference)<br>FY2018 |
|---|-----------------------------|----------------------|----------------|----------------------|-----------------------|
|   |                             | (A)                  | (A)-(B)        | (B)                  |                       |
| Gross business profit   | 業 務 粗 利 益                   | 57,882               | 9,583          | 48,299               | 101,278               |
| (Excluding gains/losses on bond transactions)                                     | (除く国債等債券損益(5勘定戻)            | 57,033               | 1,399          | 55,633               | 108,666               |
| Gross domestic business profit  | 国 内 業 務 粗 利 益               | 51,637               | 1,869          | 49,767               | 98,778                |
| (Excluding gains/losses on bond transactions)                                     | (除く国債等債券損益(5勘定戻)            | 53,465               | 1,819          | 51,646               | 100,378               |
| Net interest income   | 資 金 利 益                     | 44,172               | 1,443          | 42,728               | 83,470                |
| (Of which, gains/losses on cancellation of private offering investment trusts)    | (うち投信解約損益)                  | 4,040                | 2,819          | 1,221                | 1,690                 |
| Net fees and commissions  | 役 務 取 引 等 利 益               | 9,144                | 179            | 8,964                | 16,795                |
| Net trading income  | 特 定 取 引 等 利 益               | 88                   | 24             | 63                   | 363                   |
| Net other business income   | そ の 他 業 務 利 益               | (1,767)              | 221            | (1,989)              | (1,851)               |
| (Of which, gains/losses on bond transactions)                                     | (うち国債等債券損益(5勘定戻)            | (1,828)              | 50             | (1,879)              | (1,600)               |
| Gross international business profit   | 国 際 業 務 粗 利 益               | 6,245                | 7,713          | (1,467)              | 2,500                 |
| (Excluding gains/losses on bond transactions)                                     | (除く国債等債券損益(5勘定戻)            | 3,567                | (419)          | 3,987                | 8,287                 |
| Net interest income   | 資 金 利 益                     | 2,996                | (182)          | 3,179                | 6,472                 |
| (Of which, gains/losses on cancellation of private offering investment trusts)    | (うち投信解約損益)                  | —                    | —              | —                    | —                     |
| Net fees and commissions  | 役 務 取 引 等 利 益               | 57                   | (163)          | 220                  | 410                   |
| Net trading income  | 特 定 取 引 等 利 益               | 1                    | 1              | 0                    | (1)                   |
| Net other business income   | そ の 他 業 務 利 益               | 3,189                | 8,057          | (4,867)              | (4,380)               |
| (Of which, gains/losses on bond transactions)                                     | (うち国債等債券損益(5勘定戻)            | 2,677                | 8,132          | (5,455)              | (5,786)               |
| Expenses (excluding non-recurrent expense)  | 経 費 ( 除 く 臨 時 処 理 分 )       | 32,758               | (448)          | 33,206               | 65,345                |
| Personnel expenses  | 人 件 費                       | 16,878               | (189)          | 17,067               | 33,837                |
| Non-personnel expenses  | 物 件 費                       | 13,602               | (243)          | 13,845               | 27,703                |
| Taxes   | 税 金                         | 2,277                | (15)           | 2,292                | 3,804                 |
| Net business income<br>(before net transfer to general allowance for loan losses) | 実 質 業 務 純 益                 | 25,123               | 10,031         | 15,092               | 35,932                |
| Core net business income  | コ ア 業 務 純 益                 | 24,275               | 1,847          | 22,427               | 43,320                |
| (Excluding gains/losses on cancellation of private offering investment trusts)    | コア業務純益(除く投信解約損益)            | 20,234               | (971)          | 21,205               | 41,629                |
| Net transfer to general allowance for loan losses①                                | 一 般 貸 倒 引 当 金 繰 入 額 ①       | 534                  | 534            | —                    | (1,104)               |
| Net business income<br>(Of which, gains/losses on bond transactions)              | 業 務 純 益<br>(うち国債等債券損益(5勘定戻) | 24,589<br>848        | 9,496<br>8,183 | 15,092<br>(7,334)    | 37,037<br>(7,387)     |
| Net non-recurrent gains/losses  | 臨 時 損 益                     | (1,645)              | (12,123)       | 10,477               | 6,173                 |
| Disposal of non-performing loans②   | 不 良 債 権 処 理 額 ②             | 4,824                | 2,730          | 2,093                | 5,396                 |
| Write-off of loans  | 貸 出 金 償 却                   | 2,916                | 447            | 2,469                | 4,920                 |
| Transfer to specific allowance for loan losses                                    | 個 別 貸 倒 引 当 金 繰 入 額         | 1,910                | 1,910          | —                    | 1,490                 |
| Losses on sales of loans  | 貸 出 金 売 却 損                 | 14                   | 2              | 12                   | 21                    |
| Transfer to provision for contingent losses                                       | 偶 発 損 失 引 当 金 繰 入 額         | 152                  | 43             | 109                  | 131                   |
| Reversal of allowance for loan losses   | 貸 倒 引 当 金 戻 入 益             | —                    | (225)          | 225                  | —                     |
| Recoveries of written-off claims  | 償 却 債 権 取 立 益               | 631                  | 142            | 488                  | 1,540                 |
| Other   | そ の 他                       | 461                  | 244            | 217                  | 372                   |
| Gains/losses related to stocks, etc.  | 株 式 等 関 係 損 益               | 3,702                | (9,293)        | 12,996               | 12,480                |
| Other non-recurrent gains/losses  | そ の 他 臨 時 損 益               | (523)                | (98)           | (424)                | (911)                 |
| Ordinary profit   | 経 常 利 益                     | 22,944               | (2,626)        | 25,570               | 43,210                |
| Extraordinary income/losses   | 特 別 損 益                     | (105)                | (42)           | (62)                 | (2,561)               |
| Net gain (loss) from fixed assets   | 固 定 資 産 処 分 損 益             | (66)                 | (80)           | 14                   | (189)                 |
| Impairment loss   | 減 損 損 失                     | 38                   | (38)           | 77                   | 2,372                 |
| Dividends receivable from affiliated companies                                    | 関 係 会 社 受 取 配 当 金           | —                    | —              | —                    | —                     |
| Income before income taxes  | 税 引 前 中 間 純 利 益             | 22,839               | (2,668)        | 25,507               | 40,648                |
| Income taxes-current  | 法 人 税、住 民 税 及 び 事 業 税       | 7,436                | (173)          | 7,610                | 11,709                |
| Income taxes-deferred   | 法 人 税 等 調 整 額               | (904)                | (843)          | (60)                 | 210                   |
| Total income taxes  | 法 人 税 等 合 計                 | 6,532                | (1,017)        | 7,549                | 11,919                |
| Net Income  | 中 間 純 利 益                   | 16,306               | (1,651)        | 17,957               | 28,729                |
| Credit related costs (①+②)  | 与 信 関 係 費 用 ( ① + ② )       | 5,358                | 3,264          | 2,093                | 4,291                 |

(Note) 1. Core net business income = Net business income + net transfer to general allowance for loan losses - gains/losses on bond transactions

(注) 1. コア業務純益 = 業務純益 + 一般貸倒引当金繰入額 - 国債等債券損益

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

(Millions of yen)

|   | (Japanese)            | First Half of FY2019 |          | First Half of FY2018 | (Reference)<br>FY2018 |
|---|-----------------------|----------------------|----------|----------------------|-----------------------|
|   |                       | (A)                  | (A)-(B)  | (B)                  |                       |
| Gross business profit   | 業 務 粗 利 益             | 38,847               | (5,964)  | 44,811               | 84,348                |
| (Excluding gains/losses on bond transactions)                                     | (除く国債等債券損益(5勘定戻)      | 39,782               | (8,091)  | 47,874               | 87,708                |
| Gross domestic business profit  | 国 内 業 務 粗 利 益         | 37,265               | (6,125)  | 43,391               | 81,357                |
| (Excluding gains/losses on bond transactions)                                     | (除く国債等債券損益(5勘定戻)      | 38,254               | (7,954)  | 46,209               | 84,474                |
| Net interest income   | 資 金 利 益               | 31,080               | (7,640)  | 38,721               | 69,511                |
| (Of which, gains/losses on cancellation of private offering investment trusts)    | (うち投信解約損益)            | 2,083                | (6,509)  | 8,592                | 9,949                 |
| Net fees and commissions  | 役 務 取 引 等 利 益         | 7,105                | (337)    | 7,442                | 14,915                |
| Net trading income  | 特 定 取 引 等 利 益         | —                    | —        | —                    | —                     |
| Net other business income   | そ の 他 業 務 利 益         | (920)                | 1,852    | (2,772)              | (3,069)               |
| (Of which, gains/losses on bond transactions)                                     | (うち国債等債券損益(5勘定戻)      | (989)                | 1,829    | (2,818)              | (3,116)               |
| Gross international business profit   | 国 際 業 務 粗 利 益         | 1,581                | 161      | 1,419                | 2,990                 |
| (Excluding gains/losses on bond transactions)                                     | (除く国債等債券損益(5勘定戻)      | 1,528                | (136)    | 1,664                | 3,233                 |
| Net interest income   | 資 金 利 益               | 1,182                | 246      | 935                  | 1,590                 |
| (Of which, gains/losses on cancellation of private offering investment trusts)    | (うち投信解約損益)            | —                    | —        | —                    | —                     |
| Net fees and commissions  | 役 務 取 引 等 利 益         | 10                   | (7)      | 18                   | 22                    |
| Net trading income  | 特 定 取 引 等 利 益         | —                    | —        | —                    | —                     |
| Net other business income   | そ の 他 業 務 利 益         | 388                  | (77)     | 465                  | 1,376                 |
| (Of which, gains/losses on bond transactions)                                     | (うち国債等債券損益(5勘定戻)      | 53                   | 298      | (244)                | (243)                 |
| Expenses (excluding non-recurrent expense)  | 経 費 ( 除 く 臨 時 処 理 分 ) | 25,379               | 1,147    | 24,232               | 48,844                |
| Personnel expenses  | 人 件 費                 | 13,790               | 369      | 13,421               | 26,814                |
| Non-personnel expenses  | 物 件 費                 | 9,809                | 978      | 8,831                | 18,451                |
| Taxes   | 税 金                   | 1,778                | (200)    | 1,979                | 3,579                 |
| Net business income<br>(before net transfer to general allowance for loan losses) | 実 質 業 務 純 益           | 13,467               | (7,111)  | 20,578               | 35,503                |
| Core net business income  | コ ア 業 務 純 益           | 14,403               | (9,238)  | 23,642               | 38,863                |
| (Excluding gains/losses on cancellation of private offering investment trusts)    | コア業務純益(除く投信解約損益)      | 12,320               | (2,729)  | 15,049               | 28,913                |
| Net transfer to general allowance for loan losses①                                | 一 般 貸 倒 引 当 金 繰 入 額 ① | (125)                | (125)    | —                    | (4,114)               |
| Net business income   | 業 務 純 益               | 13,592               | (6,986)  | 20,578               | 39,617                |
| (Of which, gains/losses on bond transactions)                                     | (うち国債等債券損益(5勘定戻)      | (935)                | 2,127    | (3,063)              | (3,359)               |
| Net non-recurrent gains/losses  | 臨 時 損 益               | (3,654)              | 1,913    | (5,568)              | (10,913)              |
| Disposal of non-performing loans②   | 不 良 債 権 処 理 額 ②       | 4,107                | 1,379    | 2,727                | 9,133                 |
| Write-off of loans  | 貸 出 金 償 却             | 1,813                | (500)    | 2,314                | 3,280                 |
| Transfer to specific allowance for loan losses                                    | 個 別 貸 倒 引 当 金 繰 入 額   | 2,550                | 2,550    | —                    | 5,382                 |
| Losses on sales of loans  | 貸 出 金 売 却 損           | —                    | (16)     | 16                   | 17                    |
| Transfer to provision for contingent losses                                       | 偶 発 損 失 引 当 金 繰 入 額   | (64)                 | (924)    | 860                  | 396                   |
| Reversal of allowance for loan losses   | 貸 倒 引 当 金 戻 入 益       | —                    | (514)    | 514                  | —                     |
| Recoveries of written-off claims  | 償 却 債 権 取 立 益         | 335                  | 206      | 129                  | 239                   |
| Other   | そ の 他                 | 143                  | (36)     | 180                  | 296                   |
| Gains/losses related to stocks, etc.  | 株 式 等 関 係 損 益         | 409                  | 3,307    | (2,898)              | (1,762)               |
| Other non-recurrent gains/losses  | そ の 他 臨 時 損 益         | 43                   | (14)     | 57                   | (16)                  |
| Ordinary profit   | 経 常 利 益               | 9,864                | (5,145)  | 15,010               | 28,655                |
| Extraordinary income/losses   | 特 別 損 益               | 2                    | (11,826) | 11,829               | 11,182                |
| Net gain (loss) from fixed assets   | 固 定 資 産 処 分 損 益       | 2                    | 17       | (14)                 | (140)                 |
| Impairment loss   | 減 損 損 失               | —                    | (156)    | 156                  | 676                   |
| Dividends receivable from affiliated companies                                    | 関 係 会 社 受 取 配 当 金     | —                    | (12,000) | 12,000               | 12,000                |
| Income before income taxes  | 税 引 前 中 間 純 利 益       | 9,867                | (16,971) | 26,839               | 39,837                |
| Income taxes-current  | 法 人 税、住 民 税 及 び 事 業 税 | 2,859                | (1,655)  | 4,515                | 8,351                 |
| Income taxes-deferred   | 法 人 税 等 調 整 額         | 22                   | (46)     | 69                   | 195                   |
| Total income taxes  | 法 人 税 等 合 計           | 2,882                | (1,701)  | 4,584                | 8,546                 |
| Net Income  | 中 間 純 利 益             | 6,985                | (15,270) | 22,255               | 31,291                |
| Credit related costs (①+②)  | 与 信 関 係 費 用 ( ① + ② ) | 3,982                | 1,254    | 2,727                | 5,019                 |

(Note) 1. Core net business income = Net business income + net transfer to general allowance for loan losses - gains/losses on bond transactions

(注) 1. コア業務純益 = 業務純益 + 一般貸倒引当金繰入額 - 国債等債券損益

## 2. Net Business Income

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

(Millions of yen)

|   | (Japanese)  | First Half of FY2019 |         | First Half of FY2018 |
|---|-------------|----------------------|---------|----------------------|
|   |             | (A)                  | (A)-(B) | (B)                  |
| Net business income<br>(before transfer to general allowance for loan losses) | 実質業務純益      | 38,591               | 2,919   | 35,671               |
| Per head (in thousands of yen)  | 職員一人当たり(千円) | 6,033                | 505     | 5,527                |
| Net business income   | 業務純益        | 38,182               | 2,510   | 35,671               |
| Per head (in thousands of yen)  | 職員一人当たり(千円) | 5,969                | 441     | 5,527                |

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

(Millions of yen)

|   | (Japanese)  | First Half of FY2019 |         | First Half of FY2018 |
|---|-------------|----------------------|---------|----------------------|
|   |             | (A)                  | (A)-(B) | (B)                  |
| Net business income<br>(before transfer to general allowance for loan losses) | 実質業務純益      | 25,123               | 10,031  | 15,092               |
| Per head (in thousands of yen)  | 職員一人当たり(千円) | 7,282                | 2,951   | 4,330                |
| Net business income   | 業務純益        | 24,589               | 9,496   | 15,092               |
| Per head (in thousands of yen)  | 職員一人当たり(千円) | 7,127                | 2,796   | 4,330                |

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

(Millions of yen)

|   | (Japanese)  | First Half of FY2019 |         | First Half of FY2018 |
|---|-------------|----------------------|---------|----------------------|
|   |             | (A)                  | (A)-(B) | (B)                  |
| Net business income<br>(before transfer to general allowance for loan losses) | 実質業務純益      | 13,467               | (7,111) | 20,578               |
| Per head (in thousands of yen)  | 職員一人当たり(千円) | 4,571                | (2,362) | 6,933                |
| Net business income   | 業務純益        | 13,592               | (6,986) | 20,578               |
| Per head (in thousands of yen)  | 職員一人当たり(千円) | 4,613                | (2,319) | 6,933                |

(Note) Per head' is calculated by the average number of people excluding temporary workers, etc.

(注)職員数は、臨時雇員、嘱託及び出向職員を除いた平均人員を使用しております。

## 3. Interest Rate Spread

(%)

|  | (Japanese) | Total                |         |                      | The Joyo Bank        |         |                      | The Ashikaga Bank    |         |                      |
|--|------------|----------------------|---------|----------------------|----------------------|---------|----------------------|----------------------|---------|----------------------|
|  |            | First Half of FY2019 |         | First Half of FY2018 | First Half of FY2019 |         | First Half of FY2018 | First Half of FY2019 |         | First Half of FY2018 |
|  |            | (A)                  | (A)-(B) | (B)                  | (A)                  | (A)-(B) | (B)                  | (A)                  | (A)-(B) | (B)                  |
| Average yield on interest earning assets①                        | 資金運用利回     | 1.09                 | (0.12)  | 1.21                 | 1.07                 | (0.02)  | 1.09                 | 1.14                 | (0.24)  | 1.38                 |
| Average yield on loans and bills discounted                      | 貸出金利回      | 0.98                 | (0.08)  | 1.06                 | 0.94                 | (0.10)  | 1.04                 | 1.04                 | (0.05)  | 1.09                 |
| Average yield on securities                                      | 有価証券利回     | 1.54                 | (0.20)  | 1.74                 | 1.41                 | 0.16    | 1.25                 | 1.83                 | (0.89)  | 2.72                 |
| Average yield on interest bearing liabilities②                   | 資金調達原価     | 0.75                 | (0.04)  | 0.79                 | 0.68                 | (0.07)  | 0.75                 | 0.88                 | 0.03    | 0.85                 |
| Average yield on deposits and negotiable certificates of deposit | 預金等利回      | 0.04                 | 0.01    | 0.03                 | 0.04                 | 0.00    | 0.04                 | 0.03                 | 0.00    | 0.03                 |
| Average yield on call money and borrowed money                   | 外部負債利回     | 0.13                 | (0.05)  | 0.18                 | 0.13                 | (0.03)  | 0.16                 | 0.13                 | (0.11)  | 0.24                 |
| Average interest rate spread (①-②)                               | 総資金利鞘      | 0.34                 | (0.08)  | 0.42                 | 0.39                 | 0.05    | 0.34                 | 0.26                 | (0.27)  | 0.53                 |

(Reference) Domestic operation

(%)

|  | (Japanese) | Total                |         |                      | The Joyo Bank        |         |                      | The Ashikaga Bank    |         |                      |
|--|------------|----------------------|---------|----------------------|----------------------|---------|----------------------|----------------------|---------|----------------------|
|  |            | First Half of FY2019 |         | First Half of FY2018 | First Half of FY2019 |         | First Half of FY2018 | First Half of FY2019 |         | First Half of FY2018 |
|  |            | (A)                  | (A)-(B) | (B)                  | (A)                  | (A)-(B) | (B)                  | (A)                  | (A)-(B) | (B)                  |
| Average yield on interest earning assets①                        | 資金運用利回     | 0.99                 | (0.13)  | 1.12                 | 0.95                 | (0.04)  | 0.99                 | 1.04                 | (0.26)  | 1.30                 |
| Average yield on loans and bills discounted                      | 貸出金利回      | 0.95                 | (0.08)  | 1.03                 | 0.90                 | (0.10)  | 1.00                 | 1.03                 | (0.05)  | 1.08                 |
| Average yield on securities                                      | 有価証券利回     | 1.34                 | (0.27)  | 1.61                 | 1.25                 | 0.14    | 1.11                 | 1.56                 | (1.11)  | 2.67                 |
| Average yield on interest bearing liabilities②                   | 資金調達原価     | 0.68                 | (0.04)  | 0.72                 | 0.61                 | (0.08)  | 0.69                 | 0.80                 | 0.03    | 0.77                 |
| Average yield on deposits and negotiable certificates of deposit | 預金等利回      | 0.00                 | 0.00    | 0.00                 | 0.00                 | 0.00    | 0.00                 | 0.01                 | 0.00    | 0.01                 |
| Average yield on call money and borrowed money                   | 外部負債利回     | (0.02)               | 0.00    | (0.02)               | (0.03)               | (0.01)  | (0.02)               | (0.01)               | 0.00    | (0.01)               |
| Average interest rate spread (①-②)                               | 総資金利鞘      | 0.31                 | (0.09)  | 0.40                 | 0.34                 | 0.04    | 0.30                 | 0.24                 | (0.29)  | 0.53                 |

#### 4. Return on Equity

(%)

|   | (Japanese) | Mebuki FG (Consolidated) |         |                      | The Joyo Bank        |         |                      | The Ashikaga Bank    |         |                      |
|---|------------|--------------------------|---------|----------------------|----------------------|---------|----------------------|----------------------|---------|----------------------|
|   |            | First Half of FY2019     |         | First Half of FY2018 | First Half of FY2019 |         | First Half of FY2018 | First Half of FY2019 |         | First Half of FY2018 |
|   |            | (A)                      | (A)-(B) | (B)                  | (A)                  | (A)-(B) | (B)                  | (A)                  | (A)-(B) | (B)                  |
| Net business income<br>(before net transfer to general allowance for loan losses) | 実質業務純益ベース  | 8.23                     | 0.44    | 7.79                 | 8.10                 | 3.13    | 4.97                 | 7.50                 | (5.03)  | 12.53                |
| Net business income basis   | 業務純益ベース    | 8.21                     | 0.42    | 7.79                 | 7.92                 | 2.95    | 4.97                 | 7.57                 | (4.96)  | 12.53                |
| Net income basis  | 中間純利益ベース   | 4.80                     | (1.25)  | 6.05                 | 5.25                 | (0.66)  | 5.91                 | 3.89                 | (9.66)  | 13.55                |

(Note) 1. ROE on net income basis is calculated based on net income attributable to owners of the parent.

2. A denominator (Net average assets) is calculated as follows:

(Net assets excluding equity warrants at the beginning of the period + Net assets at the end of the period excluding equity warrants)/2.

Capital assets = Net assets - Equity warrants - Non-controlling interests

(注) 1. めぶきフィナンシャルグループ(連結)の中間純利益ベースは、親会社株主に帰属する中間純利益により算出しております。

2. 分母の自己資本平均残高は、[(期首純資産の部+期末純資産の部)]÷2としております。

自己資本=純資産の部合計-新株予約権-非支配株主持分

#### 5. Gains and Losses on Securities

##### (1) Gains (losses) on bonds (Government bonds, etc.)

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

(Millions of yen)

|  | (Japanese) | First Half of FY2019 |         | First Half of FY2018 |
|--|------------|----------------------|---------|----------------------|
|  |            | (A)                  | (A)-(B) | (B)                  |
| Gains (losses) on bonds (Government bonds, etc.) | 国債等債券損益    |                      | (86)    | 10,310               |
| Gains on sales                                   | 売却益        | 3,754                |         | 2,026                |
| Gains on redemption                              | 償還益        |                      |         |                      |
| Losses on sales                                  | 売却損        | 3,833                |         | (8,291)              |
| Losses on redemption                             | 償還損        | 8                    |         | 8                    |
| Write-offs                                       | 償却         |                      |         |                      |

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

|  | (Japanese) | First Half of FY2019 |         | First Half of FY2018 |
|--|------------|----------------------|---------|----------------------|
|  |            | (A)                  | (A)-(B) | (B)                  |
| Gains (losses) on bonds (Government bonds, etc.) | 国債等債券損益    |                      | 848     | 8,183                |
| Gains on sales                                   | 売却益        | 3,683                |         | 3,411                |
| Gains on redemption                              | 償還益        |                      |         |                      |
| Losses on sales                                  | 売却損        | 2,835                |         | (4,771)              |
| Losses on redemption                             | 償還損        |                      |         |                      |
| Write-offs                                       | 償却         |                      |         |                      |

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

|  | (Japanese) | First Half of FY2019 |         | First Half of FY2018 |
|--|------------|----------------------|---------|----------------------|
|  |            | (A)                  | (A)-(B) | (B)                  |
| Gains (losses) on bonds (Government bonds, etc.) | 国債等債券損益    |                      | (935)   | 2,127                |
| Gains on sales                                   | 売却益        | 70                   |         | (1,384)              |
| Gains on redemption                              | 償還益        |                      |         |                      |
| Losses on sales                                  | 売却損        | 998                  |         | (3,519)              |
| Losses on redemption                             | 償還損        | 8                    |         | 8                    |
| Write-offs                                       | 償却         |                      |         |                      |

##### (2) Gains (losses) on stocks, etc.

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

(Millions of yen)

|                                      | (Japanese) | First Half of FY2019 |         | First Half of FY2018 |
|--------------------------------------|------------|----------------------|---------|----------------------|
|                                      |            | (A)                  | (A)-(B) | (B)                  |
| Gains/losses related to stocks, etc. | 株式等関係損益    | 4,111                | (5,986) | 10,098               |
| Gains on sales                       | 売却益        | 14,114               | (8,555) | 22,669               |
| Losses on sales                      | 売却損        | 9,858                | (2,491) | 12,349               |
| Write-offs                           | 償却         | 144                  | (77)    | 222                  |

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

|                                      | (Japanese) | First Half of FY2019 |         | First Half of FY2018 |
|--------------------------------------|------------|----------------------|---------|----------------------|
|                                      |            | (A)                  | (A)-(B) | (B)                  |
| Gains/losses related to stocks, etc. | 株式等関係損益    | 3,702                | (9,293) | 12,996               |
| Gains on sales                       | 売却益        | 13,424               | (8,171) | 21,595               |
| Losses on sales                      | 売却損        | 9,638                | 1,261   | 8,377                |
| Write-offs                           | 償却         | 82                   | (139)   | 222                  |

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

|                                      | (Japanese) | First Half of FY2019 |         | First Half of FY2018 |
|--------------------------------------|------------|----------------------|---------|----------------------|
|                                      |            | (A)                  | (A)-(B) | (B)                  |
| Gains/losses related to stocks, etc. | 株式等関係損益    | 409                  | 3,307   | (2,898)              |
| Gains on sales                       | 売却益        | 690                  | (384)   | 1,074                |
| Losses on sales                      | 売却損        | 219                  | (3,753) | 3,972                |
| Write-offs                           | 償却         | 61                   | 61      |                      |

6. Valuation Gains (Losses) on Securities

(1) Valuation Standards of Securities

|  |             |   |
|--|-------------|---|
| Trading purpose securities                       | 売買目的有価証券    | Market value method (Valuation differences are recognized as gains or losses and stated in statement of income) 時価法 (評価差額を損益処理) |
| Securities held-to-maturity                      | 満期保有目的債券    | Amortized cost method 償却原価法   |
| Other securities (available-for-sale securities) | その他有価証券     | Market value method (Valuation differences are stated in net assets of balance sheet) 時価法 (評価差額は全部純資産直入)                        |
| Stocks of subsidiaries and affiliated companies  | 子会社及び関連会社株式 | Cost accounting method 原価法  |

(2) Unrealized Valuation Gains (Losses)

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

(Millions of yen)

|                    |            | As of Sep. 30, 2019 |                                     |          |                 |                  | As of March 31, 2019 |                                     |                 |                  |
|--------------------|------------|---------------------|-------------------------------------|----------|-----------------|------------------|----------------------|-------------------------------------|-----------------|------------------|
|                    |            | Carrying Amount     | Unrealized valuation gains (losses) |          |                 |                  | Carrying Amount      | 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     | 170,601             | 2,625                               | 1,011    | 2,697           | 72               | 169,288              | 1,613                               | 1,658           | 44               |
|                    | Bonds 債券   | 170,601             | 2,625                               | 1,011    | 2,697           | 72               | 169,288              | 1,613                               | 1,658           | 44               |
|                    | Others その他 | —                   | —                                   | —        | —               | —                | —                    | —                                   | —               | —                |
| Available-for-sale | その他有価証券    | 3,954,974           | 199,606                             | 24,628   | 220,723         | 21,116           | 4,154,177            | 174,977                             | 213,014         | 38,037           |
|                    | Stocks 株式  | 255,651             | 122,752                             | (13,477) | 126,445         | 3,692            | 280,218              | 136,230                             | 141,744         | 5,514            |
|                    | Bonds 債券   | 2,236,815           | 23,937                              | 2,832    | 24,614          | 676              | 2,267,607            | 21,104                              | 21,321          | 217              |
|                    | Others その他 | 1,462,507           | 52,915                              | 35,272   | 69,663          | 16,747           | 1,606,351            | 17,642                              | 49,948          | 32,305           |
| Total              | 合計         | 4,125,576           | 202,231                             | 25,640   | 223,420         | 21,189           | 4,323,465            | 176,591                             | 214,672         | 38,081           |
|                    | Stocks 株式  | 255,651             | 122,752                             | (13,477) | 126,445         | 3,692            | 280,218              | 136,230                             | 141,744         | 5,514            |
|                    | Bonds 債券   | 2,407,416           | 26,563                              | 3,844    | 27,312          | 748              | 2,436,895            | 22,718                              | 22,980          | 261              |
|                    | Others その他 | 1,462,507           | 52,915                              | 35,272   | 69,663          | 16,747           | 1,606,351            | 17,642                              | 49,948          | 32,305           |

(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 Sep. 30, 2019 |                                     |          |                 |                  | As of March 31, 2019 |                                     |                 |                  |
|--------------------|------------|---------------------|-------------------------------------|----------|-----------------|------------------|----------------------|-------------------------------------|-----------------|------------------|
|                    |            | Carrying Amount     | Unrealized valuation gains (losses) |          |                 |                  | Carrying Amount      | 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     | 157,650             | 13,070                              | 468      | 13,142          | 72               | 155,793              | 12,602                              | 12,646          | 44               |
|                    | Bonds 債券   | 157,650             | 13,070                              | 468      | 13,142          | 72               | 155,793              | 12,602                              | 12,646          | 44               |
|                    | Others その他 | —                   | —                                   | —        | —               | —                | —                    | —                                   | —               | —                |
| Available-for-sale | その他有価証券    | 3,954,781           | 236,643                             | 21,410   | 254,578         | 17,934           | 4,153,940            | 215,233                             | 245,766         | 30,532           |
|                    | Stocks 株式  | 255,458             | 142,346                             | (14,155) | 143,488         | 1,142            | 279,981              | 156,502                             | 158,128         | 1,625            |
|                    | Bonds 債券   | 2,236,815           | 36,585                              | 1,471    | 37,250          | 664              | 2,267,607            | 35,114                              | 35,190          | 75               |
|                    | Others その他 | 1,462,507           | 57,711                              | 34,094   | 73,839          | 16,127           | 1,606,351            | 23,617                              | 52,448          | 28,831           |
| Total              | 合計         | 4,112,432           | 249,714                             | 21,878   | 267,720         | 18,006           | 4,309,733            | 227,835                             | 258,412         | 30,577           |
|                    | Stocks 株式  | 255,458             | 142,346                             | (14,155) | 143,488         | 1,142            | 279,981              | 156,502                             | 158,128         | 1,625            |
|                    | Bonds 債券   | 2,394,465           | 49,656                              | 1,940    | 50,393          | 736              | 2,423,400            | 47,716                              | 47,836          | 120              |
|                    | Others その他 | 1,462,507           | 57,711                              | 34,094   | 73,839          | 16,127           | 1,606,351            | 23,617                              | 52,448          | 28,831           |

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

(Millions of yen)

|                    |            | As of Sep. 30, 2019 |                                     |          |                 |                  | As of March 31, 2019 |                                     |                 |                  |
|--------------------|------------|---------------------|-------------------------------------|----------|-----------------|------------------|----------------------|-------------------------------------|-----------------|------------------|
|                    |            | Carrying Amount     | Unrealized valuation gains (losses) |          |                 |                  | Carrying Amount      | 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     | 83,721              | 1,155                               | 161      | 1,227           | 72               | 81,883               | 993                                 | 1,037           | 44               |
|                    | Bonds 債券   | 83,721              | 1,155                               | 161      | 1,227           | 72               | 81,883               | 993                                 | 1,037           | 44               |
|                    | Others その他 | —                   | —                                   | —        | —               | —                | —                    | —                                   | —               | —                |
| Available-for-sale | その他有価証券    | 2,781,695           | 171,387                             | 825      | 181,897         | 10,509           | 2,924,993            | 170,561                             | 190,635         | 20,073           |
|                    | Stocks 株式  | 212,650             | 112,745                             | (15,315) | 113,835         | 1,089            | 238,121              | 128,061                             | 129,659         | 1,598            |
|                    | Bonds 債券   | 1,714,128           | 20,177                              | 777      | 20,799          | 622              | 1,730,606            | 19,399                              | 19,405          | 6                |
|                    | Others その他 | 854,916             | 38,464                              | 15,363   | 47,262          | 8,798            | 956,265              | 23,101                              | 41,570          | 18,469           |
| Total              | 合計         | 2,865,416           | 172,542                             | 987      | 183,124         | 10,581           | 3,006,876            | 171,555                             | 191,673         | 20,118           |
|                    | Stocks 株式  | 212,650             | 112,745                             | (15,315) | 113,835         | 1,089            | 238,121              | 128,061                             | 129,659         | 1,598            |
|                    | Bonds 債券   | 1,797,849           | 21,332                              | 939      | 22,026          | 694              | 1,812,489            | 20,393                              | 20,443          | 50               |
|                    | Others その他 | 854,916             | 38,464                              | 15,363   | 47,262          | 8,798            | 956,265              | 23,101                              | 41,570          | 18,469           |

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

(Millions of yen)

|                    |            | As of Sep. 30, 2019 |                                     |        |                 |                  | As of March 31, 2019 |                                     |                 |                  |
|--------------------|------------|---------------------|-------------------------------------|--------|-----------------|------------------|----------------------|-------------------------------------|-----------------|------------------|
|                    |            | Carrying Amount     | Unrealized valuation gains (losses) |        |                 |                  | Carrying Amount      | 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     | 73,929              | 11,915                              | 307    | 11,915          | —                | 73,909               | 11,608                              | 11,608          | —                |
|                    | Bonds 債券   | 73,929              | 11,915                              | 307    | 11,915          | —                | 73,909               | 11,608                              | 11,608          | —                |
|                    | Others その他 | —                   | —                                   | —      | —               | —                | —                    | —                                   | —               | —                |
| Available-for-sale | その他有価証券    | 1,173,086           | 65,256                              | 20,584 | 72,680          | 7,424            | 1,228,946            | 44,671                              | 55,130          | 10,458           |
|                    | Stocks 株式  | 42,807              | 29,600                              | 1,159  | 29,653          | 52               | 41,859               | 28,441                              | 28,468          | 27               |
|                    | Bonds 債券   | 522,686             | 16,408                              | 693    | 16,451          | 42               | 537,000              | 15,714                              | 15,784          | 69               |
|                    | Others その他 | 607,591             | 19,246                              | 18,730 | 26,576          | 7,329            | 650,085              | 515                                 | 10,877          | 10,361           |
| Total              | 合計         | 1,247,015           | 77,171                              | 20,891 | 84,596          | 7,424            | 1,302,856            | 56,280                              | 66,739          | 10,458           |
|                    | Stocks 株式  | 42,807              | 29,600                              | 1,159  | 29,653          | 52               | 41,859               | 28,441                              | 28,468          | 27               |
|                    | Bonds 債券   | 596,616             | 28,324                              | 1,001  | 28,366          | 42               | 610,910              | 27,323                              | 27,392          | 69               |
|                    | Others その他 | 607,591             | 19,246                              | 18,730 | 26,576          | 7,329            | 650,085              | 515                                 | 10,877          | 10,361           |



## 7. Capital Adequacy Ratio (Domestic standard)

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

(Millions of yen)

| (Domestic standard)          |               | As of Sep. 30, 2019 |          |         | As of March 31, 2019 | As of Sep. 30, 2018 |
|------------------------------|---------------|---------------------|----------|---------|----------------------|---------------------|
|                              |               | (A)                 | (A)-(B)  | (A)-(C) | (B)                  | (C)                 |
| ①Capital adequacy ratio ④/⑤  | 自己資本比率        | 10.26%              | 0.32%    | 0.02%   | 9.94%                | 10.24%              |
| ②Basic Core capital          | コア資本に係る基礎項目の額 | 843,668             | 16,322   | 23,997  | 827,345              | 819,670             |
| ③Adjustment Core capital     | コア資本に係る調整項目の額 | 36,030              | 256      | 7,555   | 35,773               | 28,474              |
| ④Capital ②-③                 | 自己資本の額        | 807,637             | 16,065   | 16,441  | 791,571              | 791,195             |
| ⑤Total risk weighted assets  | リスク・アセット等の額   | 7,867,026           | (88,675) | 140,911 | 7,955,702            | 7,726,114           |
| ⑥Total required capital ⑤×4% | 総所要自己資本額      | 314,681             | (3,547)  | 5,636   | 318,228              | 309,044             |

### 【The Joyo Bank, Ltd. (Consolidated basis)】

(Millions of yen)

| (Domestic standard)          |               | As of Sep. 30, 2019 |          |         | As of March 31, 2019 | As of Sep. 30, 2018 |
|------------------------------|---------------|---------------------|----------|---------|----------------------|---------------------|
|                              |               | (A)                 | (A)-(B)  | (A)-(C) | (B)                  | (C)                 |
| ①Capital adequacy ratio ④/⑤  | 自己資本比率        | 12.51%              | 0.60%    | 0.33%   | 11.91%               | 12.18%              |
| ②Basic Core capital          | コア資本に係る基礎項目の額 | 506,973             | 13,013   | 16,854  | 493,959              | 490,119             |
| ③Adjustment Core capital     | コア資本に係る調整項目の額 | 16,116              | (1,193)  | 810     | 17,309               | 15,306              |
| ④Capital ②-③                 | 自己資本の額        | 490,856             | 14,206   | 16,043  | 476,649              | 474,812             |
| ⑤Total risk weighted assets  | リスク・アセット等の額   | 3,922,846           | (76,588) | 26,214  | 3,999,435            | 3,896,631           |
| ⑥Total required capital ⑤×4% | 総所要自己資本額      | 156,913             | (3,063)  | 1,048   | 159,977              | 155,865             |

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

|                            |             |           |          |        |           |           |
|----------------------------|-------------|-----------|----------|--------|-----------|-----------|
| Capital Adequacy Ratio     | 自己資本比率      | 11.96%    | 0.55%    | 0.30%  | 11.41%    | 11.66%    |
| Capital                    | 自己資本の額      | 466,785   | 12,985   | 14,562 | 453,799   | 452,222   |
| Total risk weighted assets | リスク・アセット等の額 | 3,902,143 | (74,662) | 26,248 | 3,976,805 | 3,875,894 |

### 【The Ashikaga Bank, Ltd.(Consolidated basis)】

(Millions of yen)

| (Domestic standard)          |               | As of Sep. 30, 2019 |         |         | As of March 31, 2019 | As of Sep. 30, 2018 |
|------------------------------|---------------|---------------------|---------|---------|----------------------|---------------------|
|                              |               | (A)                 | (A)-(B) | (A)-(C) | (B)                  | (C)                 |
| ①Capital adequacy ratio ④/⑤  | 自己資本比率        | 8.66%               | 0.11%   | (0.13%) | 8.55%                | 8.79%               |
| ②Basic Core capital          | コア資本に係る基礎項目の額 | 333,177             | 5,261   | 10,429  | 327,915              | 322,747             |
| ③Adjustment Core capital     | コア資本に係る調整項目の額 | 19,597              | 1,352   | 6,492   | 18,244               | 13,104              |
| ④Capital ②-③                 | 自己資本の額        | 313,579             | 3,908   | 3,936   | 309,670              | 309,642             |
| ⑤Total risk weighted assets  | リスク・アセット等の額   | 3,617,547           | (4,110) | 96,944  | 3,621,658            | 3,520,603           |
| ⑥Total required capital ⑤×4% | 総所要自己資本額      | 144,701             | (164)   | 3,877   | 144,866              | 140,824             |

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

|                            |             |           |         |         |           |           |
|----------------------------|-------------|-----------|---------|---------|-----------|-----------|
| Capital Adequacy Ratio     | 自己資本比率      | 8.51%     | 0.10%   | (0.16%) | 8.41%     | 8.67%     |
| Capital                    | 自己資本の額      | 309,502   | 3,266   | 2,504   | 306,236   | 306,998   |
| Total risk weighted assets | リスク・アセット等の額 | 3,633,144 | (4,520) | 95,907  | 3,637,664 | 3,537,237 |

(Note) 1. Mebuki Financial Group, Inc. and The Joyo Bank, Ltd. calculated each risk-weighted assets according to the foundation internal rating-based approach, whereas The Ashikaga Bank, Ltd used Standardized Approach.

2. Mebuki Financial Group, Inc., The Joyo Bank, Ltd. and the Ashikaga Bank, Ltd. calculated each operational risk equivalent according to TSA (the standardized approach).

3. Other information on capital including the composition of capital disclosure is disclosed at the website of Mebuki Financial Group, Inc.

([https://www.mebuki-fg.co.jp/shareholder/ir\\_library/results/](https://www.mebuki-fg.co.jp/shareholder/ir_library/results/)).

(注) 1. めぶきフィナンシャルグループおよび常陽銀行は信用リスクアセットの算出において、基礎的内部格付手法を採用しております。足利銀行は標準的手法により算出しております。

2. めぶきフィナンシャルグループ、常陽銀行および足利銀行はオペレーショナル・リスク相当額の算出において、粗利益配分手法を採用しております。

3. 自己資本の構成に関する事項につきましては、インターネット上の当社ホームページ ([https://www.mebuki-fg.co.jp/shareholder/ir\\_library/results/](https://www.mebuki-fg.co.jp/shareholder/ir_library/results/)) に掲載しております。

#### IV Status of Loans

##### 1. Risk-monitored Loans

|   |   |
|---|---|
| The Joyo Bank,Ltd. and The Ashikaga Bank.,Ltd. apply partial direct write-off method.   | 部分直接償却:実施しております。  |
| The Loans to borrowers classified less than potentially bankrupt under self-assessment guideline recognized non-accrued income. | 未収利息不計上基準:自己査定の結果、破綻懸念先以下に区分した債務者に対する未収利息は、全額を不計上としております。 |

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

###### (1)The amount of Risk-monitored loans

(Millions of yen)

|   | (Japanese) | As of Sep. 30, 2019 |          |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|---|------------|---------------------|----------|---------|-----------------------------|----------------------------|
|   |            | (A)                 | (A)-(B)  | (A)-(C) |                             |                            |
| Loans to bankrupt borrowers                 | 破綻先債権額     | 4,635               | 1,129    | 1,120   | 3,505                       | 3,515                      |
| Non-accrual delinquent loans                | 延滞債権額      | 137,544             | 1,391    | (286)   | 136,152                     | 137,830                    |
| Loans past due 3 month or more              | 3ヶ月以上延滞債権額 | 139                 | (39)     | (469)   | 178                         | 608                        |
| Restructured loans                          | 貸出条件緩和債権額  | 30,637              | (1,480)  | (5,304) | 32,117                      | 35,942                     |
| Total risk-monitored loans                  | 合計         | 172,956             | 1,002    | (4,940) | 171,953                     | 177,896                    |
| Amount of partial direct write-off executed | 部分直接償却実施額  | 27,725              | 2,930    | 3,682   | 24,794                      | 24,042                     |
| Total loans (Term-end balance)              | 貸出金残高(末残)  | 11,076,425          | (46,058) | 542,750 | 11,122,484                  | 10,533,675                 |

###### (2)Ratio of Risk-monitored loans to total loans

(%)

|                                | (Japanese) | As of Sep. 30, 2019 |         |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|--------------------------------|------------|---------------------|---------|---------|-----------------------------|----------------------------|
|                                |            | (A)                 | (A)-(B) | (A)-(C) |                             |                            |
| Loans to bankrupt borrowers    | 破綻先債権額     | 0.04                | 0.01    | 0.01    | 0.03                        | 0.03                       |
| Non-accrual delinquent loans   | 延滞債権額      | 1.24                | 0.02    | (0.06)  | 1.22                        | 1.30                       |
| Loans past due 3 month or more | 3ヶ月以上延滞債権額 | 0.00                | 0.00    | 0.00    | 0.00                        | 0.00                       |
| Restructured loans             | 貸出条件緩和債権額  | 0.27                | (0.01)  | (0.07)  | 0.28                        | 0.34                       |
| Total risk-monitored loans     | 合計         | 1.56                | 0.02    | (0.12)  | 1.54                        | 1.68                       |

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

###### (1)The amount of Risk-monitored loans

(Millions of yen)

|   | (Japanese) | As of Sep. 30, 2019 |         |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|---|------------|---------------------|---------|---------|-----------------------------|----------------------------|
|   |            | (A)                 | (A)-(B) | (A)-(C) |                             |                            |
| Loans to bankrupt borrowers                 | 破綻先債権額     | 921                 | (194)   | 165     | 1,115                       | 755                        |
| Non-accrual delinquent loans                | 延滞債権額      | 73,901              | 3,109   | 5,206   | 70,791                      | 68,695                     |
| Loans past due 3 month or more              | 3ヶ月以上延滞債権額 | 139                 | (39)    | (469)   | 178                         | 608                        |
| Restructured loans                          | 貸出条件緩和債権額  | 13,448              | (3,966) | (5,801) | 17,414                      | 19,249                     |
| Total risk-monitored loans                  | 合計         | 88,410              | (1,090) | (898)   | 89,500                      | 89,308                     |
| Amount of partial direct write-off executed | 部分直接償却実施額  | 12,152              | 1,404   | 1,513   | 10,748                      | 10,639                     |
| Total loans (Term-end balance)              | 貸出金残高(末残)  | 6,593,020           | (1,711) | 462,415 | 6,594,731                   | 6,130,604                  |

###### (2)Ratio of Risk-monitored loans to total loans

(%)

|                                | (Japanese) | As of Sep. 30, 2019 |         |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|--------------------------------|------------|---------------------|---------|---------|-----------------------------|----------------------------|
|                                |            | (A)                 | (A)-(B) | (A)-(C) |                             |                            |
| Loans to bankrupt borrowers    | 破綻先債権額     | 0.01                | 0.00    | 0.00    | 0.01                        | 0.01                       |
| Non-accrual delinquent loans   | 延滞債権額      | 1.12                | 0.05    | 0.00    | 1.07                        | 1.12                       |
| Loans past due 3 month or more | 3ヶ月以上延滞債権額 | 0.00                | 0.00    | 0.00    | 0.00                        | 0.00                       |
| Restructured loans             | 貸出条件緩和債権額  | 0.20                | (0.06)  | (0.11)  | 0.26                        | 0.31                       |
| Total risk-monitored loans     | 合計         | 1.34                | (0.01)  | (0.11)  | 1.35                        | 1.45                       |

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

###### (1)The amount of Risk-monitored loans

(Millions of yen)

|   | (Japanese) | As of Sep. 30, 2019 |          |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|---|------------|---------------------|----------|---------|-----------------------------|----------------------------|
|   |            | (A)                 | (A)-(B)  | (A)-(C) |                             |                            |
| Loans to bankrupt borrowers                 | 破綻先債権額     | 3,582               | 1,325    | 1,011   | 2,257                       | 2,571                      |
| Non-accrual delinquent loans                | 延滞債権額      | 62,796              | (1,676)  | (5,335) | 64,472                      | 68,131                     |
| Loans past due 3 month or more              | 3ヶ月以上延滞債権額 | —                   | —        | —       | —                           | —                          |
| Restructured loans                          | 貸出条件緩和債権額  | 17,189              | 2,486    | 496     | 14,703                      | 16,692                     |
| Total risk-monitored loans                  | 合計         | 83,568              | 2,135    | (3,826) | 81,433                      | 87,395                     |
| Amount of partial direct write-off executed | 部分直接償却実施額  | 12,273              | 1,300    | 1,854   | 10,973                      | 10,419                     |
| Total loans (Term-end balance)              | 貸出金残高(末残)  | 4,617,083           | (39,941) | 88,287  | 4,657,025                   | 4,528,796                  |

###### (2)Ratio of Risk-monitored loans to total loans

(%)

|                                | (Japanese) | As of Sep. 30, 2019 |         |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|--------------------------------|------------|---------------------|---------|---------|-----------------------------|----------------------------|
|                                |            | (A)                 | (A)-(B) | (A)-(C) |                             |                            |
| Loans to bankrupt borrowers    | 破綻先債権額     | 0.07                | 0.03    | 0.02    | 0.04                        | 0.05                       |
| Non-accrual delinquent loans   | 延滞債権額      | 1.36                | (0.02)  | (0.14)  | 1.38                        | 1.50                       |
| Loans past due 3 month or more | 3ヶ月以上延滞債権額 | —                   | —       | —       | —                           | —                          |
| Restructured loans             | 貸出条件緩和債権額  | 0.37                | 0.06    | 0.01    | 0.31                        | 0.36                       |
| Total risk-monitored loans     | 合計         | 1.80                | 0.06    | (0.12)  | 1.74                        | 1.92                       |

## 2. Allowance for Loan Losses

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

(Millions of yen)

|  | (Japanese) | As of Sep. 30, 2019 |         |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|--|------------|---------------------|---------|---------|-----------------------------|----------------------------|
|  |            | (A)                 | (A)-(B) | (A)-(C) |                             |                            |
| Allowance for loan losses              | 貸倒引当金      | 73,379              | 200     | (1,485) | 73,179                      | 74,865                     |
| General allowance for loan losses      | 一般貸倒引当金    | 32,444              | 78      | (1,116) | 32,366                      | 33,561                     |
| Specific allowance for loan losses     | 個別貸倒引当金    | 40,935              | 122     | (368)   | 40,813                      | 41,303                     |
| Allowance for specific foreign debtors | 特定海外債権引当勘定 | —                   | —       | —       | —                           | —                          |

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

(Millions of yen)

|  | (Japanese) | As of Sep. 30, 2019 |         |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|--|------------|---------------------|---------|---------|-----------------------------|----------------------------|
|  |            | (A)                 | (A)-(B) | (A)-(C) |                             |                            |
| Allowance for loan losses              | 貸倒引当金合計    | 33,326              | 715     | (198)   | 32,610                      | 33,525                     |
| General allowance for loan losses      | 一般貸倒引当金    | 12,412              | 534     | 311     | 11,878                      | 12,101                     |
| Specific allowance for loan losses     | 個別貸倒引当金    | 20,913              | 181     | (509)   | 20,732                      | 21,423                     |
| Allowance for specific foreign debtors | 特定海外債権引当勘定 | —                   | —       | —       | —                           | —                          |

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

(Millions of yen)

|  | (Japanese) | As of Sep. 30, 2019 |         |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|--|------------|---------------------|---------|---------|-----------------------------|----------------------------|
|  |            | (A)                 | (A)-(B) | (A)-(C) |                             |                            |
| Allowance for loan losses              | 貸倒引当金合計    | 29,814              | (328)   | (1,189) | 30,142                      | 31,004                     |
| General allowance for loan losses      | 一般貸倒引当金    | 12,828              | (125)   | (1,534) | 12,953                      | 14,362                     |
| Specific allowance for loan losses     | 個別貸倒引当金    | 16,986              | (203)   | 344     | 17,189                      | 16,642                     |
| Allowance for specific foreign debtors | 特定海外債権引当勘定 | —                   | —       | —       | —                           | —                          |

## 3. Ratio to Reserve for Total Risk-monitored Loans

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

(%)

|                                 | (Japanese) | As of Sep. 30, 2019 |         |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|---------------------------------|------------|---------------------|---------|---------|-----------------------------|----------------------------|
|                                 |            | (A)                 | (A)-(B) | (A)-(C) |                             |                            |
| Before partial direct write-off | 部分直接償却前    | 49.99               | 0.60    | 1.44    | 49.39                       | 48.55                      |
| After partial direct write-off  | 部分直接償却後    | 41.88               | (0.11)  | 0.39    | 41.99                       | 41.49                      |

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

(%)

|                                 | (Japanese) | As of Sep. 30, 2019 |         |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|---------------------------------|------------|---------------------|---------|---------|-----------------------------|----------------------------|
|                                 |            | (A)                 | (A)-(B) | (A)-(C) |                             |                            |
| Before partial direct write-off | 部分直接償却前    | 45.14               | 1.97    | 1.04    | 43.17                       | 44.10                      |
| After partial direct write-off  | 部分直接償却後    | 37.69               | 1.26    | 0.16    | 36.43                       | 37.53                      |

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

(%)

|                                 | (Japanese) | As of Sep. 30, 2019 |         |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|---------------------------------|------------|---------------------|---------|---------|-----------------------------|----------------------------|
|                                 |            | (A)                 | (A)-(B) | (A)-(C) |                             |                            |
| Before partial direct write-off | 部分直接償却前    | 44.09               | (0.63)  | 1.53    | 44.72                       | 42.56                      |
| After partial direct write-off  | 部分直接償却後    | 35.62               | (1.35)  | 0.18    | 36.97                       | 35.44                      |

4. Disclosed Claims under the Financial Revitalization Law

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

(Millions of yen)

|  | (Japanese)         | As of Sep. 30, 2019 |          |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|--|--------------------|---------------------|----------|---------|-----------------------------|----------------------------|
|  |                    | (A)                 | (A)-(B)  | (A)-(C) |                             |                            |
| Bankrupt and substantially bankrupt claims                       | 破産更生債権及びこれらに準ずる債権  | 15,102              | (816)    | (1,372) | 15,919                      | 16,474                     |
| Doubtful claims  | 危険債権               | 128,496             | 3,367    | 1,770   | 125,128                     | 126,725                    |
| Claims requiring monitoring                                      | 要管理債権              | 30,776              | (1,519)  | (5,773) | 32,296                      | 36,550                     |
| Subtotal   | 小計 ①               | 174,375             | 1,031    | (5,375) | 173,343                     | 179,751                    |
| Normal claims  | 正常債権               | 11,112,623          | (36,804) | 565,406 | 11,149,427                  | 10,547,216                 |
| Total  | 合計 ②               | 11,286,998          | (35,772) | 560,030 | 11,322,771                  | 10,726,967                 |
| Ratio of disclosed claims under the Financial Revitalization Law | 貸出金等残高に占める比率 ① / ② | 1.54%               | 0.01%    | (0.13%) | 1.53%                       | 1.67%                      |

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

(Millions of yen)

|  | (Japanese)         | As of Sep. 30, 2019 |          |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|--|--------------------|---------------------|----------|---------|-----------------------------|----------------------------|
|  |                    | (A)                 | (A)-(B)  | (A)-(C) |                             |                            |
| Bankrupt and substantially bankrupt claims                       | 破産更生債権及びこれらに準ずる債権  | 5,319               | (838)    | (1,368) | 6,158                       | 6,688                      |
| Doubtful claims  | 危険債権               | 70,279              | 3,815    | 6,843   | 66,463                      | 63,436                     |
| Claims requiring monitoring                                      | 要管理債権              | 13,587              | (4,005)  | (6,270) | 17,592                      | 19,857                     |
| Subtotal   | 小計 ①               | 89,187              | (1,027)  | (795)   | 90,215                      | 89,982                     |
| Normal claims  | 正常債権               | 6,599,816           | (29,632) | 435,961 | 6,629,448                   | 6,163,855                  |
| Total  | 合計 ②               | 6,689,003           | (30,660) | 435,165 | 6,719,663                   | 6,253,837                  |
| Ratio of disclosed claims under the Financial Revitalization Law | 貸出金等残高に占める比率 ① / ② | 1.33%               | (0.01%)  | (0.10%) | 1.34%                       | 1.43%                      |

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

(Millions of yen)

|  | (Japanese)         | As of Sep. 30, 2019 |          |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|--|--------------------|---------------------|----------|---------|-----------------------------|----------------------------|
|  |                    | (A)                 | (A)-(B)  | (A)-(C) |                             |                            |
| Bankrupt and substantially bankrupt claims                       | 破産更生債権及びこれらに準ずる債権  | 8,790               | 52       | 185     | 8,738                       | 8,605                      |
| Doubtful claims  | 危険債権               | 58,105              | (437)    | (5,045) | 58,542                      | 63,151                     |
| Claims requiring monitoring                                      | 要管理債権              | 17,189              | 2,486    | 496     | 14,703                      | 16,692                     |
| Subtotal   | 小計 ①               | 84,085              | 2,101    | (4,363) | 81,984                      | 88,449                     |
| Normal claims  | 正常債権               | 4,643,612           | (36,041) | 103,100 | 4,679,654                   | 4,540,512                  |
| Total  | 合計 ②               | 4,727,698           | (33,940) | 98,736  | 4,761,638                   | 4,628,961                  |
| Ratio of disclosed claims under the Financial Revitalization Law | 貸出金等残高に占める比率 ① / ② | 1.77%               | 0.05%    | (0.14%) | 1.72%                       | 1.91%                      |

5. Status of Coverage on Disclosed Claims under the Financial Revitalization Law

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

(Millions of yen)

|   | (Japanese)              | As of Sep. 30, 2019 |         |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|---|-------------------------|---------------------|---------|---------|-----------------------------|----------------------------|
|   |                         | (A)                 | (A)-(B) | (A)-(C) |                             |                            |
| Coverage amount ②   | 保 全 額 ②                 | 69,227              | (1,516) | (2,245) | 70,743                      | 71,473                     |
| Portion covered by allowance                                    | 貸 倒 引 当 金               | 22,859              | (330)   | (1,262) | 23,189                      | 24,121                     |
| Reserve for specific debtors                                    | 担 保 保 証 等               | 46,368              | (1,185) | (983)   | 47,554                      | 47,351                     |
| Total disclosed claims under the Financial Revitalization Law ① | 金 融 再 生 法 開 示 債 権 残 高 ① | 89,187              | (1,027) | (795)   | 90,215                      | 89,982                     |
| Coverage ratio ②/①  | 保 全 率 ② / ①             | 77.62               | (0.79)  | (1.80)  | 78.41                       | 79.42                      |

(Reference) Breakdown of Disclosed claims under the Financial Revitalization Law (As of Sep 30, 2019)

|                           | (Japanese)        | Bankrupt and substantially bankrupt claims | Doubtful claims | Claims requiring monitoring | Total  |
|---------------------------|-------------------|--|-----------------|-----------------------------|--------|
|                           |                   | 破産更正債権及びこれらに準ずる債権                          | 危険債権            | 要管理債権                       | 合 計    |
| Total claims outstanding  | 与 信 残 高 ①         | 5,319                                      | 70,279          | 13,587                      | 89,187 |
| Collateral and guarantees | 担 保 保 証 等 保 全 額 ② | 5,233                                      | 38,222          | 2,912                       | 46,368 |
| Uncoverage amount         | 非 保 全 額 ③-①-②     | 86   | 32,057          | 10,675                      | 42,818 |
| Allowance for loan losses | 貸 倒 引 当 金 ④       | 16   | 20,860          | 1,982                       | 22,859 |
| Coverage amount           | 保 全 額 ⑤=②+④       | 5,249                                      | 59,082          | 4,894                       | 69,227 |
| Allowance ratio           | 引 当 率 ④/③         | 18.69%                                     | 65.07%          | 18.57%                      | 53.38% |
| Coverage ratio            | 保 全 率 ⑤/①         | 98.68%                                     | 84.06%          | 36.02%                      | 77.62% |

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

(Millions of yen)

|   | (Japanese)              | As of Sep. 30, 2019 |         |         | As of March 31, 2019<br>(B) | As of Sep. 30, 2018<br>(C) |
|---|-------------------------|---------------------|---------|---------|-----------------------------|----------------------------|
|   |                         | (A)                 | (A)-(B) | (A)-(C) |                             |                            |
| Coverage amount ②   | 保 全 額 ②                 | 64,226              | 183     | (3,569) | 64,043                      | 67,796                     |
| Portion covered by allowance                                    | 貸 倒 引 当 金               | 19,650              | (87)    | (874)   | 19,737                      | 20,525                     |
| Reserve for specific debtors                                    | 担 保 保 証 等               | 44,576              | 270     | (2,695) | 44,305                      | 47,271                     |
| Total disclosed claims under the Financial Revitalization Law ① | 金 融 再 生 法 開 示 債 権 残 高 ① | 84,085              | 2,101   | (4,363) | 81,984                      | 88,449                     |
| Coverage ratio ②/①  | 保 全 率 ② / ①             | 76.38               | (1.73)  | (0.27)  | 78.11                       | 76.65                      |

(Reference) Breakdown of Disclosed claims under the Financial Revitalization Law (As of Sep 30, 2019)

|                           | (Japanese)        | Bankrupt and substantially bankrupt claims | Doubtful claims | Claims requiring monitoring | Total  |
|---------------------------|-------------------|--|-----------------|-----------------------------|--------|
|                           |                   | 破産更正債権及びこれらに準ずる債権                          | 危険債権            | 要管理債権                       | 合 計    |
| Total claims outstanding  | 与 信 残 高 ①         | 8,790                                      | 58,105          | 17,189                      | 84,085 |
| Collateral and guarantees | 担 保 保 証 等 保 全 額 ② | 4,958                                      | 32,698          | 6,919                       | 44,576 |
| Uncoverage amount         | 非 保 全 額 ③-①-②     | 3,832                                      | 25,407          | 10,269                      | 39,509 |
| Allowance for loan losses | 貸 倒 引 当 金 ④       | 3,832                                      | 13,257          | 2,560                       | 19,650 |
| Coverage amount           | 保 全 額 ⑤=②+④       | 8,790                                      | 45,956          | 9,479                       | 64,226 |
| Allowance ratio           | 引 当 率 ④/③         | 100.00%                                    | 52.18%          | 24.93%                      | 49.73% |
| Coverage ratio            | 保 全 率 ⑤/①         | 100.00%                                    | 79.09%          | 55.14%                      | 76.38% |

6.Comparison between Self-assessment, Disclosed Claims under the Financial Revitalization Law and Risk-monitored Loans

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

(hundreds million of Yen)

| Classification of Borrowers<br>(Self-assessment) | Disclosed Claims under the Financial Revitalization Law                | Claim-classification  |  |                   |                                | Allowance       | Coverage ratio | Risk-monitored Loans                             |
|--|--|---|--|-------------------|--------------------------------|-----------------|----------------|--|
|  |  | No-classification   | II   | III               | IV                             |                 |                |  |
| 自己査定の債務者区分                                       | 金融再生法に基づく開示債権  | 非分類   | II分類   | III分類             | IV分類                           | 引当額             | 保全率            | リスク管理債権(貸出金)                                     |
| Legally Bankrupt<br>破綻先<br>9                     | Bankrupt and substantially bankrupt claims<br>破産更生債権およびこれらに準ずる債権<br>53 | Covered by allowance, collateral, guarantee 引当金、担保・保証等による保全部分       |  | Entirely reserved | Entirely reserved or write-off | 0               | 98.6%          | Loans to bankrupt borrowers<br>破綻先債権<br>9        |
| Substantially Bankrupt<br>実質破綻先<br>43            |  | 12  | 40   | 全額引当<br>—         | 全額償却<br>・引当<br>—               |                 |                | Non-accrual delinquent loans<br>延滞債権<br>739      |
| Potentially Bankrupt<br>破綻懸念先<br>700             | Doubtful claims<br>危険債権<br>702   | Covered by allowance, collateral, guarantee 引当金、担保・保証等による保全部分       |  | 109               |                                | 208             | 84.0%          |  |
| Borrowers Requiring Caution<br>要注意先<br>3,967     | Borrowers Requiring Monitoring<br>要管理先<br>196                          | Covered by allowance, collateral, guarantee 引当金、担保・保証等による保全部分<br>87 |  |                   |                                | 26              | 36.0%          | Loans past due 3 month or more<br>3ヶ月以上延滞債権<br>1 |
|  |  | 26  | 170  |                   |                                |                 |                | Restructured loans<br>貸出条件緩和債権<br>134            |
|  | Normal Borrowers<br>正常先<br>61,386                                      | Normal claims<br>正常債権<br>65,998                                     | Coverage of Claims requiring monitoring 要管理債権に対する保全額<br>48 |                   |                                |                 | 63             |  |
| 1,032  |  |   | 2,738  |                   |                                |                 |                |  |
|  |  |   |  |                   |                                | 33              |                |  |
|  |  |   |  |                   |                                |                 |                |  |
| Total 合計<br>66,107                               | Total 合計<br>66,890   | No-classification<br>62,906   | II<br>3,090  | III<br>109        | IV<br>—                        | Total 合計<br>332 |                | Total 合計<br>884                                  |

Amount of partial direct write-off 部分直接償却残高: 13.2 billion yen

(Note) 1. Figures have been rounded down to the nearest hundred million yen.

2. "Normal Borrowers" includes loans to local government.

3. "Self-assessment" doesn't include the privately-placed bonds guaranteed by the bank, whereas "Disclosed Claims under the Financial Revitalization Law" includes the amount.

(注1) 記載金額は、億円未満を切り捨てて表示しています。

(注2) 正常先には、地方公共団体への貸出金等を含んでおります。

(注3) 自己査定には「自行保証付私募債」を含んでおりませんが、金融再生法開示債権には「自行保証付私募債」を含んでおります。

| Classification of Borrowers (Self-assessment) | Disclosed Claims under the Financial Revitalization Law             | Claim-classification  |          |                   |                                | Allowance    | Coverage ratio | Risk-monitored Loans                                    |
|---|---|---|----------|-------------------|--------------------------------|--------------|----------------|---|
|   |   | No-classification   | II       | III               | IV                             |              |                |   |
| 自己査定 of 債務者区分                                 | 金融再生法に基づく開示債権   | 非分類   | Ⅱ分類      | Ⅲ分類               | Ⅳ分類                            | 引当額          | 保全率            | リスク管理債権 (貸出金)   |
| Legally Bankrupt 破綻先 35                       | Bankrupt and substantially bankrupt claims<br>破産更生債権およびこれらに準ずる債権 87 | Covered by allowance, collateral, guarantee 引当金、担保・保証等による保全部分     |          | Entirely reserved | Entirely reserved or write-off | 38           | 100.0%         | Loans to bankrupt borrowers 破綻先債権 35                    |
| Substantially Bankrupt 実質破綻先 50               |   | 47  | 39       | 全額引当 —            | 全額償却・引当 —                      |              |                | Non-accrual delinquent loans 延滞債権 627                   |
| Potentially Bankrupt 破綻懸念先 578                | Doubtful claims<br>危険債権 581   | Covered by allowance, collateral, guarantee 引当金、担保・保証等による保全部分     |          | 120               |                                | 132          | 79.0%          |   |
| Borrowers Requiring Caution 要注意先 3,387        | Borrowers Requiring Monitoring 要管理先 272                             | Covered by allowance, collateral, guarantee 引当金、担保・保証等による保全部分 149 |          | 191               | 94                             | 39           | 55.1%          | Loans past due 3 month or more 3ヶ月以上延滞債権 —              |
|   |   | 80  |          |                   |                                |              |                | Allowance of Claims requiring monitoring 要管理先に対する引当額 25 |
|   |   | Coverage of Claims requiring monitoring 要管理債権に対する保全 94            |          |                   |                                |              |                |   |
|   | Borrowers Requiring Caution その他の要注意先 3,115                          | 687   | 2,427    |                   |                                | 62           |                |   |
| Normal Borrowers 正常先 42,249                   | Normal claims 正常債権 46,436   | 42,249  |          |                   |                                | 26           |                |   |
|   |   |   |          |                   |                                |              |                |   |
| Total 合計 46,301                               | Total 合計 47,276   | No-classification 43,359  | II 2,827 | III 120           | IV —                           | Total 合計 298 |                | Total 合計 835  |

Amount of partial direct write-off 部分直接償却残高: 12.2 billion yen

- (Note) 1. Figures have been rounded down to the nearest hundred million yen.  
 2. "Normal Borrowers" includes loans to local government.  
 3. "Self-assessment" doesn't include the privately-placed bonds guaranteed by the bank, whereas "Disclosed Claims under the Financial Revitalization Law" includes the amount.
- (注1) 記載金額は、億円未満を切り捨てて表示しています。  
 (注2) 正常先には、地方公共団体への貸出金等を含んでおります。  
 (注3) 自己査定には「自行保証付私募債」を含んでおりませんが、金融再生法開示債権には「自行保証付私募債」を含んでおります。

7. Loan Portfolio, etc.

(1) Classification of loans by type of industry

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

(Millions of yen)

|  | (Japanese)    | As of Sep. 30, 2019 |          |          | As of March 31, 2019 | As of Sep. 30, 2018 |
|--|---------------|---------------------|----------|----------|----------------------|---------------------|
|  |               | (A)                 | (A)-(B)  | (A)-(C)  | (B)                  | (C)                 |
| Total                                  | 合計            | 11,210,103          | (41,653) | 550,702  | 11,251,757           | 10,659,401          |
| Manufacturing                          | 製造業           | 1,175,589           | (11,284) | (7,898)  | 1,186,874            | 1,183,487           |
| Agriculture / Forestry                 | 農業、林業         | 32,696              | (1,620)  | 947      | 34,316               | 31,748              |
| Fishery                                | 漁業            | 4,077               | (307)    | (301)    | 4,385                | 4,378               |
| Mining / Quarrying of stone / Gravel   | 鉱業、採石業、砂利採取業  | 12,922              | 1,757    | 2,289    | 11,164               | 10,632              |
| Construction                           | 建設業           | 318,940             | (15,549) | (167)    | 334,489              | 319,107             |
| Electricity, gas and water             | 電気・ガス・熱供給・水道業 | 211,222             | 16,898   | 45,916   | 194,324              | 165,306             |
| Telecommunication                      | 情報通信業         | 45,489              | 130      | 1,864    | 45,358               | 43,624              |
| Transportation / Postal activities     | 運輸業、郵便業       | 289,297             | (568)    | 10,486   | 289,865              | 278,810             |
| Wholesale / Retail services            | 卸売業、小売業       | 1,034,082           | (7,115)  | (7,272)  | 1,041,198            | 1,041,355           |
| Financial and insurance services       | 金融業、保険業       | 392,130             | (12,081) | (11,798) | 404,211              | 403,928             |
| Real estate / Goods rental and leasing | 不動産業、物品賃貸業    | 1,823,341           | 2,524    | (604)    | 1,820,817            | 1,823,945           |
| Medical welfare and other services     | 医療・福祉等サービス業   | 703,395             | (33,108) | (2,996)  | 736,504              | 706,392             |
| Government / Local government          | 国・地方公共団体      | 1,362,175           | (68,818) | 318,645  | 1,430,993            | 1,043,529           |
| Others                                 | その他           | 3,804,743           | 87,490   | 201,591  | 3,717,252            | 3,603,151           |

【The Joyo Bank, Ltd. (Consolidated basis)】

(Millions of yen)

|  | (Japanese)    | As of Sep. 30, 2019 |          |          | As of March 31, 2019 | As of Sep. 30, 2018 |
|--|---------------|---------------------|----------|----------|----------------------|---------------------|
|  |               | (A)                 | (A)-(B)  | (A)-(C)  | (B)                  | (C)                 |
| Total                                  | 合計            | 6,593,020           | (1,711)  | 462,415  | 6,594,731            | 6,130,604           |
| Manufacturing                          | 製造業           | 675,968             | (7,688)  | (2,782)  | 683,657              | 678,751             |
| Agriculture / Forestry                 | 農業、林業         | 19,799              | (64)     | 1,024    | 19,863               | 18,774              |
| Fishery                                | 漁業            | 3,524               | (265)    | (281)    | 3,789                | 3,805               |
| Mining / Quarrying of stone / Gravel   | 鉱業、採石業、砂利採取業  | 10,577              | 1,736    | 1,893    | 8,841                | 8,684               |
| Construction                           | 建設業           | 170,676             | (9,733)  | (123)    | 180,410              | 170,800             |
| Electricity, gas and water             | 電気・ガス・熱供給・水道業 | 138,998             | 11,537   | 41,041   | 127,461              | 97,956              |
| Telecommunication                      | 情報通信業         | 25,010              | (1,103)  | (518)    | 26,113               | 25,529              |
| Transportation / Postal activities     | 運輸業、郵便業       | 160,680             | (1,348)  | 5,096    | 162,029              | 155,583             |
| Wholesale / Retail services            | 卸売業、小売業       | 623,520             | (3,019)  | (7,180)  | 626,539              | 630,700             |
| Financial and insurance services       | 金融業、保険業       | 230,516             | (3,187)  | (7,590)  | 233,703              | 238,106             |
| Real estate / Goods rental and leasing | 不動産業、物品賃貸業    | 1,228,618           | (1,670)  | (15,614) | 1,230,288            | 1,244,233           |
| Medical welfare and other services     | 医療・福祉等サービス業   | 360,928             | (24,363) | (11,885) | 385,292              | 372,813             |
| Government / Local government          | 国・地方公共団体      | 1,036,724           | (6,721)  | 354,499  | 1,043,446            | 682,225             |
| Others                                 | その他           | 1,907,475           | 44,182   | 104,836  | 1,863,293            | 1,802,639           |

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

(Millions of yen)

|  | (Japanese)    | As of Sep. 30, 2019 |          |          | As of March 31, 2019 | As of Sep. 30, 2018 |
|--|---------------|---------------------|----------|----------|----------------------|---------------------|
|  |               | (A)                 | (A)-(B)  | (A)-(C)  | (B)                  | (C)                 |
| Total                                  | 合計            | 4,617,083           | (39,941) | 88,287   | 4,657,025            | 4,528,796           |
| Manufacturing                          | 製造業           | 499,620             | (3,596)  | (5,115)  | 503,216              | 504,736             |
| Agriculture / Forestry                 | 農業、林業         | 12,897              | (1,555)  | (76)     | 14,452               | 12,973              |
| Fishery                                | 漁業            | 553                 | (42)     | (20)     | 595                  | 573                 |
| Mining / Quarrying of stone / Gravel   | 鉱業、採石業、砂利採取業  | 2,344               | 21       | 396      | 2,322                | 1,948               |
| Construction                           | 建設業           | 148,263             | (5,815)  | (44)     | 154,078              | 148,307             |
| Electricity, gas and water             | 電気・ガス・熱供給・水道業 | 72,224              | 5,361    | 4,874    | 66,863               | 67,350              |
| Telecommunication                      | 情報通信業         | 20,479              | 1,234    | 2,383    | 19,244               | 18,095              |
| Transportation / Postal activities     | 運輸業、郵便業       | 128,616             | 779      | 5,389    | 127,836              | 123,226             |
| Wholesale / Retail services            | 卸売業、小売業       | 410,562             | (4,096)  | (92)     | 414,658              | 410,654             |
| Financial and insurance services       | 金融業、保険業       | 161,613             | (8,894)  | (4,208)  | 170,507              | 165,821             |
| Real estate / Goods rental and leasing | 不動産業、物品賃貸業    | 594,723             | 4,194    | 15,010   | 590,528              | 579,712             |
| Medical welfare and other services     | 医療・福祉等サービス業   | 342,467             | (8,744)  | 8,888    | 351,212              | 333,578             |
| Government / Local government          | 国・地方公共団体      | 325,450             | (62,097) | (35,854) | 387,547              | 361,304             |
| Others                                 | その他           | 1,897,267           | 43,308   | 96,754   | 1,853,958            | 1,800,512           |



## (2) Classification of risk-monitored loans by type of industry

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

(Millions of yen)

|  | (Japanese)            | As of Sep. 30, 2019 |         |         | As of March 31,<br>2019 | As of Sep. 30,<br>2018 |
|--|-----------------------|---------------------|---------|---------|-------------------------|------------------------|
|  |                       | (A)                 | (A)-(B) | (A)-(C) | (B)                     | (C)                    |
| Total                                  | 合 計                   | 171,978             | 1,044   | (4,725) | 170,934                 | 176,703                |
| Manufacturing                          | 製 造 業                 | 38,496              | (223)   | (4,498) | 38,720                  | 42,994                 |
| Agriculture / Forestry                 | 農 業 、 林 業             | 723                 | 62      | 84      | 660                     | 638                    |
| Fishery                                | 漁 業                   | 52                  | 27      | 52      | 24                      | —                      |
| Mining / Quarrying of stone / Gravel   | 鉱業・採石業・砂利採取業          | 461                 | (33)    | 454     | 494                     | 7                      |
| Construction                           | 建 設 業                 | 13,474              | (279)   | 546     | 13,754                  | 12,928                 |
| Electricity, gas and water             | 電気・ガス・熱供給・水道業         | 2,345               | 2,331   | 2,326   | 14                      | 19                     |
| Telecommunication                      | 情 報 通 信 業             | 1,307               | (83)    | 100     | 1,391                   | 1,207                  |
| Transportation / Postal activities     | 運 輸 業 、 郵 便 業         | 5,507               | 464     | 808     | 5,042                   | 4,698                  |
| Wholesale / Retail services            | 卸 売 業 、 小 売 業         | 42,384              | 449     | (985)   | 41,935                  | 43,370                 |
| Financial and insurance services       | 金 融 業 、 保 険 業         | 418                 | (27)    | (76)    | 446                     | 494                    |
| Real estate / Goods rental and leasing | 不 動 産 業 、 物 品 賃 貸 業   | 16,879              | (809)   | (4,278) | 17,688                  | 21,158                 |
| Medical welfare and other services     | 医 療 ・ 福 祉 等 サ ー ビ ス 業 | 28,526              | (174)   | 142     | 28,701                  | 28,384                 |
| Government / Local government          | 国 ・ 地 方 公 共 団 体       | —                   | —       | —       | —                       | —                      |
| Others                                 | そ の 他                 | 21,400              | (659)   | 599     | 22,059                  | 20,800                 |

【The Joyo Bank, Ltd. (Consolidated basis)】

(Millions of yen)

|  | (Japanese)            | As of Sep. 30, 2019 |         |         | As of March 31,<br>2019 | As of Sep. 30,<br>2018 |
|--|-----------------------|---------------------|---------|---------|-------------------------|------------------------|
|  |                       | (A)                 | (A)-(B) | (A)-(C) | (B)                     | (C)                    |
| Total                                  | 合 計                   | 88,410              | (1,090) | (898)   | 89,500                  | 89,308                 |
| Manufacturing                          | 製 造 業                 | 17,323              | (741)   | (1,884) | 18,064                  | 19,207                 |
| Agriculture / Forestry                 | 農 業 、 林 業             | 150                 | 12      | (21)    | 138                     | 171                    |
| Fishery                                | 漁 業                   | 24                  | —       | 24      | 24                      | —                      |
| Mining / Quarrying of stone / Gravel   | 鉱業・採石業・砂利採取業          | 461                 | (33)    | 454     | 494                     | 7                      |
| Construction                           | 建 設 業                 | 7,503               | (180)   | 1,217   | 7,683                   | 6,286                  |
| Electricity, gas and water             | 電気・ガス・熱供給・水道業         | 2,342               | 2,335   | 2,331   | 6                       | 11                     |
| Telecommunication                      | 情 報 通 信 業             | 1,015               | (61)    | 118     | 1,076                   | 897                    |
| Transportation / Postal activities     | 運 輸 業 、 郵 便 業         | 2,932               | 246     | 626     | 2,686                   | 2,306                  |
| Wholesale / Retail services            | 卸 売 業 、 小 売 業         | 22,700              | (997)   | (2,748) | 23,698                  | 25,448                 |
| Financial and insurance services       | 金 融 業 、 保 険 業         | 327                 | (25)    | (41)    | 353                     | 369                    |
| Real estate / Goods rental and leasing | 不 動 産 業 、 物 品 賃 貸 業   | 9,595               | (1,077) | (2,219) | 10,673                  | 11,815                 |
| Medical welfare and other services     | 医 療 ・ 福 祉 等 サ ー ビ ス 業 | 15,355              | 173     | 395     | 15,181                  | 14,959                 |
| Government / Local government          | 国 ・ 地 方 公 共 団 体       | —                   | —       | —       | —                       | —                      |
| Others                                 | そ の 他                 | 8,677               | (741)   | 849     | 9,419                   | 7,827                  |

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

(Millions of yen)

|  | (Japanese)            | As of Sep. 30, 2019 |         |         | As of March 31,<br>2019 | As of Sep. 30,<br>2018 |
|--|-----------------------|---------------------|---------|---------|-------------------------|------------------------|
|  |                       | (A)                 | (A)-(B) | (A)-(C) | (B)                     | (C)                    |
| Total                                  | 合 計                   | 83,568              | 2,135   | (3,826) | 81,433                  | 87,395                 |
| Manufacturing                          | 製 造 業                 | 21,173              | 517     | (2,613) | 20,655                  | 23,787                 |
| Agriculture / Forestry                 | 農 業 、 林 業             | 572                 | 49      | 105     | 522                     | 467                    |
| Fishery                                | 漁 業                   | 27                  | 27      | 27      | —                       | —                      |
| Mining / Quarrying of stone / Gravel   | 鉱業・採石業・砂利採取業          | —                   | —       | —       | —                       | —                      |
| Construction                           | 建 設 業                 | 5,971               | (99)    | (670)   | 6,070                   | 6,641                  |
| Electricity, gas and water             | 電気・ガス・熱供給・水道業         | 3                   | (4)     | (4)     | 8                       | 8                      |
| Telecommunication                      | 情 報 通 信 業             | 292                 | (22)    | (17)    | 314                     | 310                    |
| Transportation / Postal activities     | 運 輸 業 、 郵 便 業         | 2,574               | 218     | 182     | 2,356                   | 2,392                  |
| Wholesale / Retail services            | 卸 売 業 、 小 売 業         | 19,684              | 1,446   | 1,762   | 18,237                  | 17,921                 |
| Financial and insurance services       | 金 融 業 、 保 険 業         | 91                  | (1)     | (34)    | 92                      | 125                    |
| Real estate / Goods rental and leasing | 不 動 産 業 、 物 品 賃 貸 業   | 7,283               | 268     | (2,058) | 7,015                   | 9,342                  |
| Medical welfare and other services     | 医 療 ・ 福 祉 等 サ ー ビ ス 業 | 13,171              | (347)   | (253)   | 13,519                  | 13,425                 |
| Government / Local government          | 国 ・ 地 方 公 共 団 体       | —                   | —       | —       | —                       | —                      |
| Others                                 | そ の 他                 | 12,722              | 82      | (250)   | 12,640                  | 12,973                 |

## (3) Consumer loans / Loans to SMEs

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

(Millions of yen)

|  | (Japanese) | As of Sep. 30, 2019 |          |          | As of March 31, | As of Sep. 30, |
|--|------------|---------------------|----------|----------|-----------------|----------------|
|  |            | (A)                 | (A)-(B)  | (A)-(C)  | 2019            | 2018           |
|  |            |                     |          |          | (B)             | (C)            |
| Consumer loans                               | 消費者ローン残高   | 4,599,554           | 75,737   | 185,049  | 4,523,816       | 4,414,504      |
| Housing-related loans                        | 住宅関連ローン残高  | 4,427,862           | 69,928   | 173,482  | 4,357,934       | 4,254,380      |
| Housing loans                                | 住宅ローン残高    | 3,479,667           | 83,273   | 185,726  | 3,396,394       | 3,293,941      |
| Apartment loans                              | アパートローン残高  | 945,286             | (13,272) | (12,401) | 958,558         | 957,688        |
| Loans for asset building                     | 資産形成ローン残高  | 2,908               | (72)     | 157      | 2,980           | 2,750          |
| Loans to SME and Individual customers (SMEs) | 中小企業等貸出金残高 | 8,030,636           | 69,835   | 240,382  | 7,960,800       | 7,790,254      |
| Ratio of loans to SMEs                       | 中小企業等貸出比率  | 71.63%              | 0.88%    | (1.45%)  | 70.75%          | 73.08%         |

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

(Millions of yen)

|  | (Japanese) | As of Sep. 30, 2019 |          |          | As of March 31, | As of Sep. 30, |
|--|------------|---------------------|----------|----------|-----------------|----------------|
|  |            | (A)                 | (A)-(B)  | (A)-(C)  | 2019            | 2018           |
|  |            |                     |          |          | (B)             | (C)            |
| Consumer loans                               | 消費者ローン残高   | 2,544,028           | 33,057   | 86,073   | 2,510,971       | 2,457,955      |
| Housing-related loans                        | 住宅関連ローン残高  | 2,442,594           | 29,800   | 79,287   | 2,412,793       | 2,363,306      |
| Housing loans                                | 住宅ローン残高    | 1,681,322           | 40,701   | 90,960   | 1,640,620       | 1,590,362      |
| Apartment loans                              | アパートローン残高  | 758,363             | (10,828) | (11,830) | 769,192         | 770,193        |
| Loans for asset building                     | 資産形成ローン残高  | 2,908               | (72)     | 157      | 2,980           | 2,750          |
| Loans to SME and Individual customers (SMEs) | 中小企業等貸出金残高 | 4,307,729           | 23,291   | 108,894  | 4,284,437       | 4,198,834      |
| Ratio of loans to SMEs                       | 中小企業等貸出比率  | 65.33%              | 0.37%    | (3.15%)  | 64.96%          | 68.48%         |

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

(Millions of yen)

|  | (Japanese) | As of Sep. 30, 2019 |         |         | As of March 31, | As of Sep. 30, |
|--|------------|---------------------|---------|---------|-----------------|----------------|
|  |            | (A)                 | (A)-(B) | (A)-(C) | 2019            | 2018           |
|  |            |                     |         |         | (B)             | (C)            |
| Consumer loans                               | 消費者ローン残高   | 2,055,525           | 42,680  | 98,975  | 2,012,845       | 1,956,549      |
| Housing-related loans                        | 住宅関連ローン残高  | 1,985,268           | 40,127  | 94,194  | 1,945,140       | 1,891,073      |
| Housing loans                                | 住宅ローン残高    | 1,798,345           | 42,571  | 94,765  | 1,755,773       | 1,703,579      |
| Apartment loans                              | アパートローン残高  | 186,923             | (2,443) | (571)   | 189,366         | 187,494        |
| Loans to SME and Individual customers (SMEs) | 中小企業等貸出金残高 | 3,722,907           | 46,544  | 131,487 | 3,676,363       | 3,591,420      |
| Ratio of loans to SMEs                       | 中小企業等貸出比率  | 80.63%              | 1.69%   | 1.33%   | 78.94%          | 79.30%         |

## 8. Outstanding Balance of Deposits and Loans 【Non-consolidated】

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

(Millions of yen)

|                            | (Japanese)    | As of Sep. 30, 2019          |             |            | As of March 31,<br>2019<br>(B) | As of Sep. 30,<br>2018<br>(C) |
|----------------------------|---------------|------------------------------|-------------|------------|--------------------------------|-------------------------------|
|                            |               | (A)                          | (A)-(B)     | (A)-(C)    |                                |                               |
|                            |               | Deposits (Terms-end balance) | 預 金 ( 末 残 ) | 14,357,957 |                                |                               |
| Deposits (Average balance) | 預 金 ( 平 残 )   | 14,367,104                   | 284,646     | 310,307    | 14,082,458                     | 14,056,797                    |
| Loans (Terms-end balance)  | 貸 出 金 ( 末 残 ) | 11,210,103                   | (41,653)    | 550,702    | 11,251,757                     | 10,659,401                    |
| Loans (Average balance)    | 貸 出 金 ( 平 残 ) | 11,301,356                   | 602,842     | 750,361    | 10,698,514                     | 10,550,995                    |

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

(Millions of yen)

|                            | (Japanese)    | As of Sep. 30, 2019          |             |           | As of March 31,<br>2019<br>(B) | As of Sep. 30,<br>2018<br>(C) |
|----------------------------|---------------|------------------------------|-------------|-----------|--------------------------------|-------------------------------|
|                            |               | (A)                          | (A)-(B)     | (A)-(C)   |                                |                               |
|                            |               | Deposits (Terms-end balance) | 預 金 ( 末 残 ) | 8,689,537 |                                |                               |
| Deposits (Average balance) | 預 金 ( 平 残 )   | 8,717,620                    | 179,780     | 187,224   | 8,537,839                      | 8,530,395                     |
| Loans (Terms-end balance)  | 貸 出 金 ( 末 残 ) | 6,593,020                    | (1,711)     | 462,415   | 6,594,731                      | 6,130,604                     |
| Loans (Average balance)    | 貸 出 金 ( 平 残 ) | 6,693,525                    | 508,585     | 609,122   | 6,184,940                      | 6,084,403                     |

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

(Millions of yen)

|                            | (Japanese)    | As of Sep. 30, 2019          |             |           | As of March 31,<br>2019<br>(B) | As of Sep. 30,<br>2018<br>(C) |
|----------------------------|---------------|------------------------------|-------------|-----------|--------------------------------|-------------------------------|
|                            |               | (A)                          | (A)-(B)     | (A)-(C)   |                                |                               |
|                            |               | Deposits (Terms-end balance) | 預 金 ( 末 残 ) | 5,668,419 |                                |                               |
| Deposits (Average balance) | 預 金 ( 平 残 )   | 5,649,484                    | 104,865     | 123,082   | 5,544,618                      | 5,526,401                     |
| Loans (Terms-end balance)  | 貸 出 金 ( 末 残 ) | 4,617,083                    | (39,941)    | 88,287    | 4,657,025                      | 4,528,796                     |
| Loans (Average balance)    | 貸 出 金 ( 平 残 ) | 4,607,830                    | 94,256      | 141,238   | 4,513,574                      | 4,466,592                     |

# Financial Results for the First Half of FY2019

November 11, 2019

## 1. Financial Results for the First Half of FY 2019

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| Highlights  | 3    |
| Main Points of 1H19 Financial Results                         | 4    |
| Loans / Average Yield of Loans / Net Interest Income          | 5~7  |
| <hr/>   |      |
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| Customer Assets under Custody / Fees from Corporate Customers | 9~10 |
| Securities / Strategic Shareholdings                          | 11   |
| <hr/>   |      |
| Expenses / OHR  | 12   |
| Credit Related Costs  | 13   |
| Dividends, Shareholder Returns, Capital Adequacy Ratio        | 14   |

## 2. Progress of the Second Medium-Term Business Plan

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|   |       |
|---|-------|
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| Create Growth Business Models with Local Regions (IT services / Data utilization)     | 18    |
| Structural Reform for Enhanced Productivity   | 19    |

|   |       |
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\*Unless otherwise mentioned, figures are based on banking subsidiaries (non consolidated-basis)

# 1. Financial Results for the First Half of FY 2019

# Highlights

## Results for 1H19

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- Consolidated net income decreased YoY mainly due to decrease of interest and dividends on securities under low interest rate environment and due to increase of credit related costs and system integration expenses.
- The progress toward forecast for 2019 is at a high level of 56.3%. The second medium-term plan has started favorably and we expect to achieve our full-year forecast.

➤ Consolidated Income<sup>(\*1)</sup> : ¥22.5bn( -¥4.6bn YoY)

(56.3% progress toward the full-year forecast)

(\*1) Attributable to owners of the parent

## Forecast for FY19

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- Forecast for FY19 remains unchanged from that announced on May 13, 2019

➤ Forecast for FY19 : Consolidated Income<sup>(\*1)</sup> ¥40.0bn

## Shareholder Returns for FY19

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➤ Annual Dividends(scheduled) : ¥11.0 per share (Interim dividend of ¥5.5)

➤ Repurchase own shares: We announced a repurchase of our own shares, with upper limits of 15mil shares and ¥4.0 bn.

➤ Total Return Ratio : 42.2% (Payout ratio: 32.2%)

(\*2) Total Return Ratio = (Total amount of dividends + Total amount of acquisition of own shares) / Net income<sup>(\*)</sup>

# Main Points of 1H19 Financial Results

## Mebuki FG (Consolidated)

|                                | (¥bn)       |             |              |
|--------------------------------|-------------|-------------|--------------|
|                                | 1H19        | YoY Chg     | Vs Forecast  |
| Gross business profit          | 98.7        | +4.3        | -            |
| Net interest income            | 76.8        | -5.6        | -            |
| Net fees and commissions       | 19.9        | -0.0        | -            |
| Net trading income             | 1.1         | +0.0        | -            |
| Net other business income      | 0.6         | +9.9        | -            |
| Expenses                       | 60.3        | +0.2        | -            |
| Credit related cost            | 10.3        | +4.2        | -            |
| Gains/losses related to stocks | 3.3         | -6.4        | -            |
| <b>Ordinary profit</b>         | <b>31.9</b> | <b>-7.1</b> | <b>55.1%</b> |
| Extraordinary income/losses    | -0.1        | +0.1        | -            |
| <b>Net income (1)</b>          | <b>22.5</b> | <b>-4.6</b> | <b>56.3%</b> |

【 Consolidation adjustment 】 (2)-(1) -3.0bn

Adjustments related to securities (-2.5bn)

Interest expenses of subordinated loans, expenses, etc.

< Mebuki FG (Consolidated) >

While net other business income improved due to the absence of losses on foreign bonds that arose in FY18, ordinary profit and net income decreased mainly due to decrease of net interest income and gains and losses on stocks and increase of credit costs.

< Joyo and Ashikaga "J + A"(Non-consolidated) >

Although net business income increased, ordinary profit decreased for the same reason as Mebuki FG. Net income decreased by -¥16.9bn due to the lack of extraordinary income in FY19 (Ashikaga received dividends of ¥12.0bn from affiliated companies in 1Q18). Since this is removed from consolidated FS, there is no effect on the YoY change of net income of FG consolidated.

## Two banking subsidiaries and group companies

|  | (¥bn)           |                   |              |
|--|-----------------|-------------------|--------------|
|  | 1H19            | YoY Chg           | Vs Forecast  |
| < Joyo and Ashikaga "J + A"(Non-consolidated) >                            |                 |                   |              |
| Gross business profit  | 96.7            | +3.6              | -            |
| (Core gross business profit)   | 96.8            | -6.6              | -            |
| Net interest income  | 79.4            | -6.1              | -            |
| (o/w gains/losses on cancellation of private offering investment trusts)   | 6.1             | -3.6              | -            |
| Net fees and commissions   | 16.3            | -0.3              | -            |
| Net other business income  | 0.9             | +10.0             | -            |
| (o/w gains/losses on bond transactions)                                    | -0.0            | +10.3             | -            |
| Expenses   | 58.1            | +0.6              | -            |
| o/w Personnel expenses   | 30.6            | +0.1              | -            |
| o/w Non-personnel expenses   | 23.4            | +0.7              | -            |
| Net business income  | 38.5            | +2.9              | -            |
| (before general allowance for loan losses)                                 |                 |                   |              |
| Core net business income   | 38.6            | -7.3              | -            |
| (excl. gains/losses on cancellation of private offering investment trusts) | 32.5            | -3.7              | -            |
| Net transfer to general allowance for loan losses (a)                      | 0.4             | +0.4              | -            |
| <b>Net business income</b>   | <b>38.1</b>     | <b>+2.5</b>       | <b>-</b>     |
| Net non-recurrent gains/losses   | -5.3            | -10.2             | -            |
| o/w Disposal of non-performing loans (b)                                   | 8.9             | +4.1              | -            |
| o/w Gains/losses related to stocks, etc                                    | 4.1             | -5.9              | -            |
| <b>Ordinary profit</b>   | <b>32.8</b>     | <b>-7.7</b>       | <b>56.0%</b> |
| Extraordinary income/losses  | -0.1            | -11.8             | -            |
| <b>Net income (J + A)</b>  | <b>23.2</b>     | <b>-16.9 (*1)</b> | <b>57.5%</b> |
| <b>Net income (Group total)</b>  | <b>(2) 25.6</b> | <b>-16.4 (*1)</b> | <b>-</b>     |
| Credit related cost (J + A)  | 9.3             | +4.5              | -            |

(\*1) The amount of the previous period includes dividends receivable of ¥12.0 bn from affiliated companies. Since this is removed from consolidated FS, there is no effect on net income attributable to owners of the parent of FG.



# Loans (1) Term-end Balance

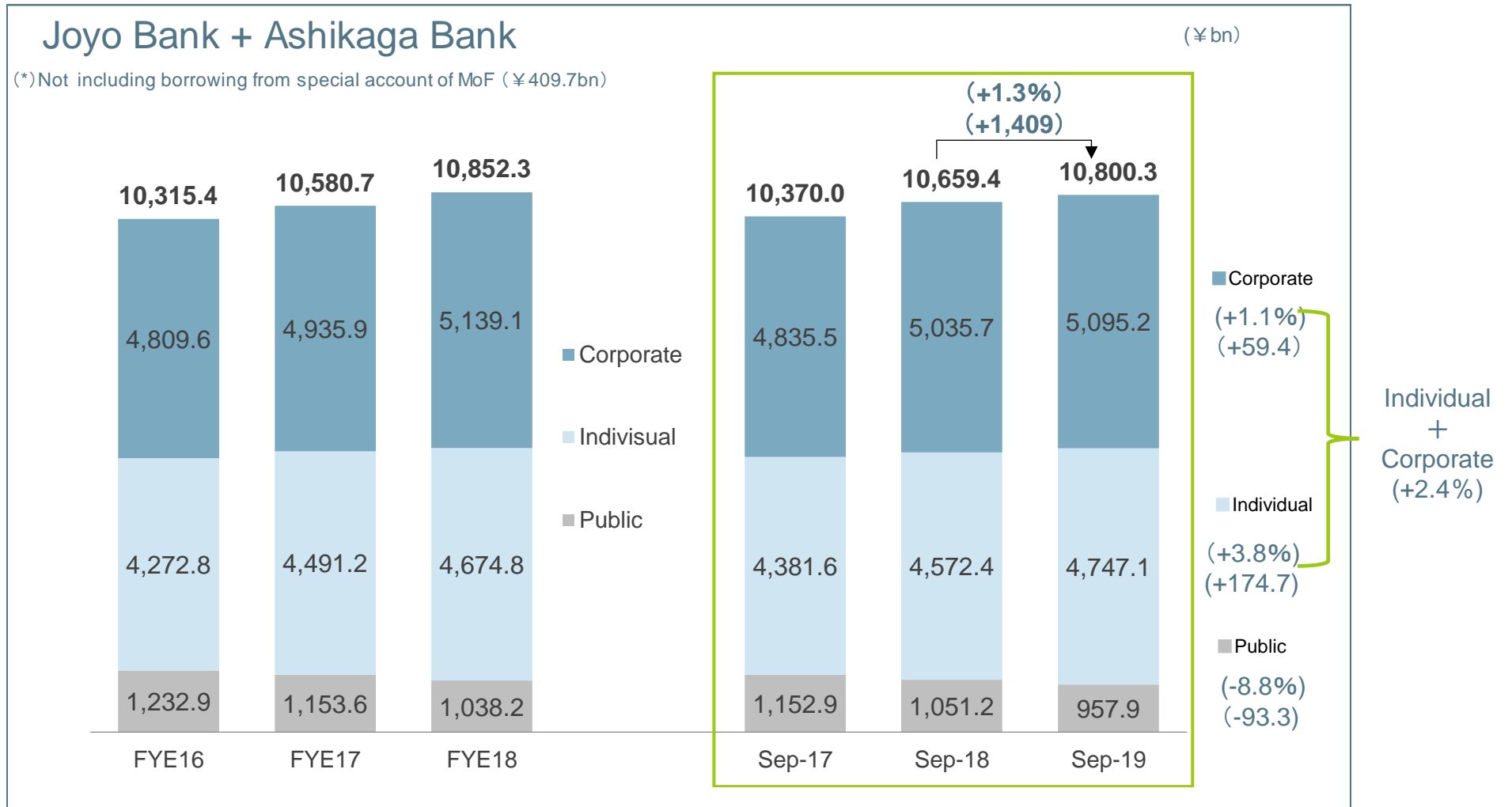
\*Figures in parentheses are changes on a year on year basis

Amount of loans increased mainly due to individual and corporate loans.

Loans to individual customers increased by ¥174.7 bn (+3.8%) YoY mainly due to increase in housing related loans and unsecured loans.

Loans to corporate customers increased by ¥59.4 bn (+1.1%) YoY due to increase in loans to midsize corporate customers.

Reference PP6,23, for detailed information about loans.



# Loans (2) Individual and Corporate

\*Figures in parentheses are changes on a year on year basis

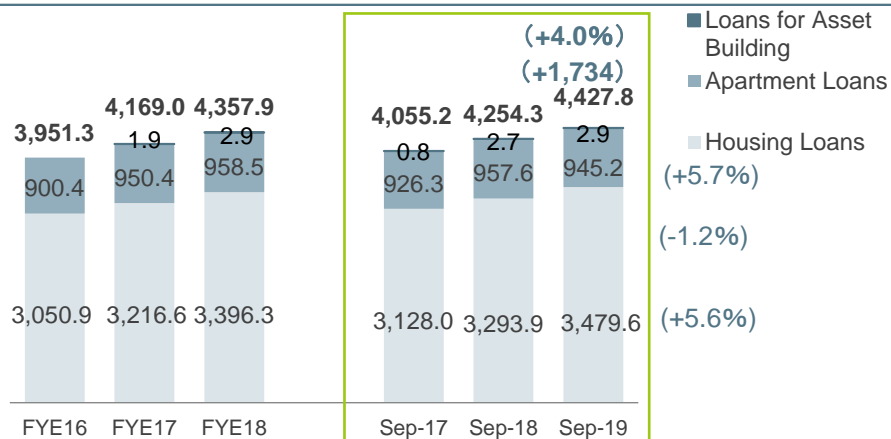
## Individual (Joyo Bank + Ashikaga Bank)

Housing related loans and unsecured loans increased, while apartment loans decreased.

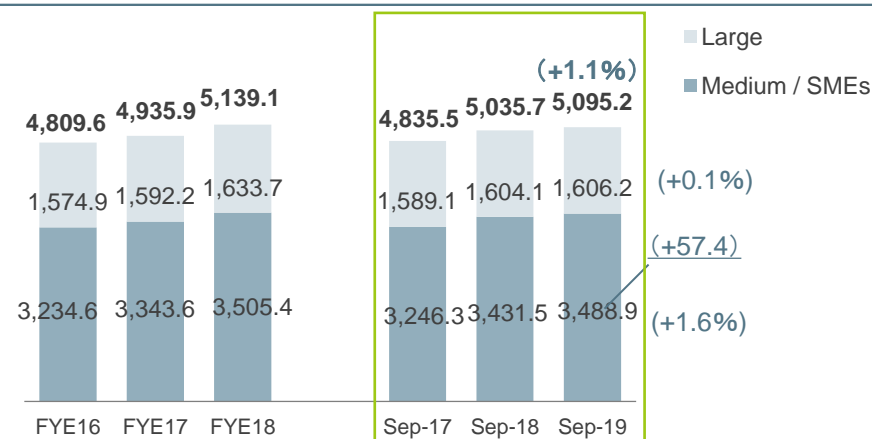
## Corporate (Joyo Bank + Ashikaga Bank)

Corporate loans increased by 1.1% particularly in mid-size corporate customers.

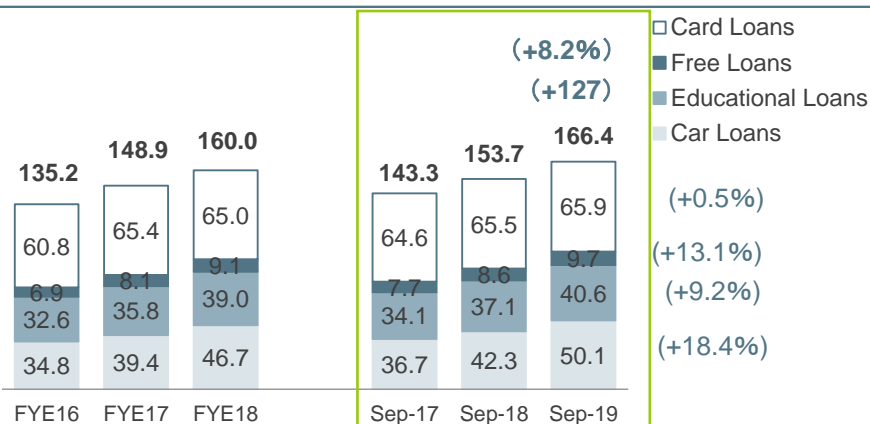
### Housing Related Loans (¥bn)



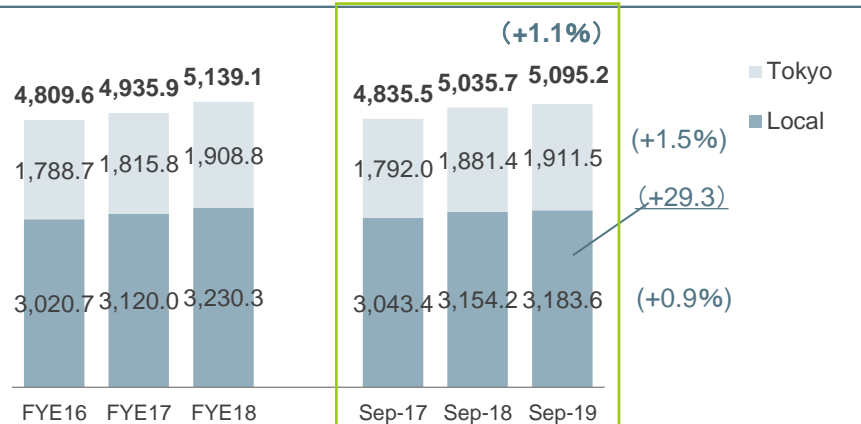
### Term-end Balance by Company Size (¥bn)



### Unsecured Loans (¥bn)



### Term-end Balance by Area (¥bn)



# Average Yield of Loans / Net Interest Income

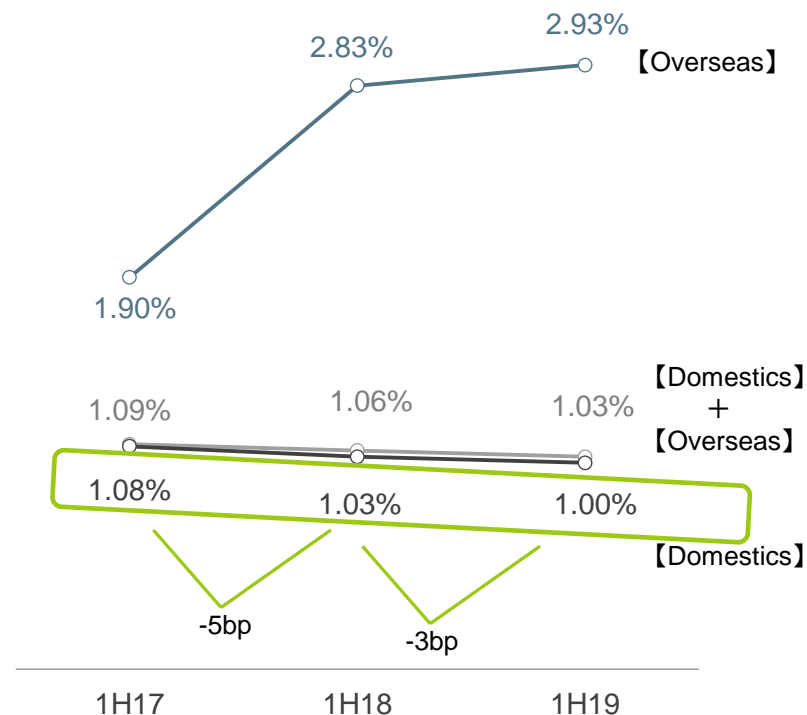
\*Figures in parentheses are changes on a year on year basis

While the average yield of domestic loans remains in a decreasing trend, the decrease reduced to 3bp compared to 5bp during the previous period.

## Average Yield on Loans(Joyo+Ashikaga) (¥bn)

### (Domestic and Overseas)

\* Not including borrowing from special account of MoF



## Change of Interest Income(Joyo+Ashikaga) (¥ bn)

\* Not including borrowing from special account of MoF

|   | Factor   | Results | YoY Chg | Domestic        |             | Overseas        |            |
|---|----------|---------|---------|-----------------|-------------|-----------------|------------|
|   |          |         |         | Chg. in Factors |             | Chg. in Factors |            |
| Interest on loans and bills discounted                                  | Avg      | —       | +1.5    | +1.1            | (+¥228.9bn) | +0.3            | (+¥22.0bn) |
|   | Yield    | —       | -1.9    | -2.0            | (-3bp)      | +0.0            | (+9bp)     |
|   | subtotal | 55.8    | -0.4    | -0.8            | —           | +0.4            | —          |
| Interest on deposits (-)  |          | 2.9     | +0.1    | -0.0            | —           | +0.2            | —          |
| Difference of interests between loans and deposits                      |          | 52.9    | -0.6    | -0.8            | —           | +0.1            | —          |
| Interest and dividend on securities                                     | Avg      | —       | -0.5    | -1.5            | (-¥132.7bn) | +0.9            | (+¥72.6bn) |
|   | Yield    | —       | -3.9    | -4.0            | (-27bp)     | +0.1            | (+5bp)     |
| (including gains on cancellation of Private Offering Investment Trusts) | subtotal | 31.2    | -4.4    | -5.5            | —           | +1.0            | —          |
| Market investments and borrowings (-)                                   |          | 4.8     | +1.0    | -0.1            | —           | +1.1            | —          |
| Total   |          | 79.4    | -6.1    | -6.1            | —           | +0.0            | —          |
| (excluding gains on cancellation of Private Offering Investment Trusts) |          | 73.3    | -2.5    | -2.5            | —           | +0.0            | —          |

# Deposits Term-end Balance

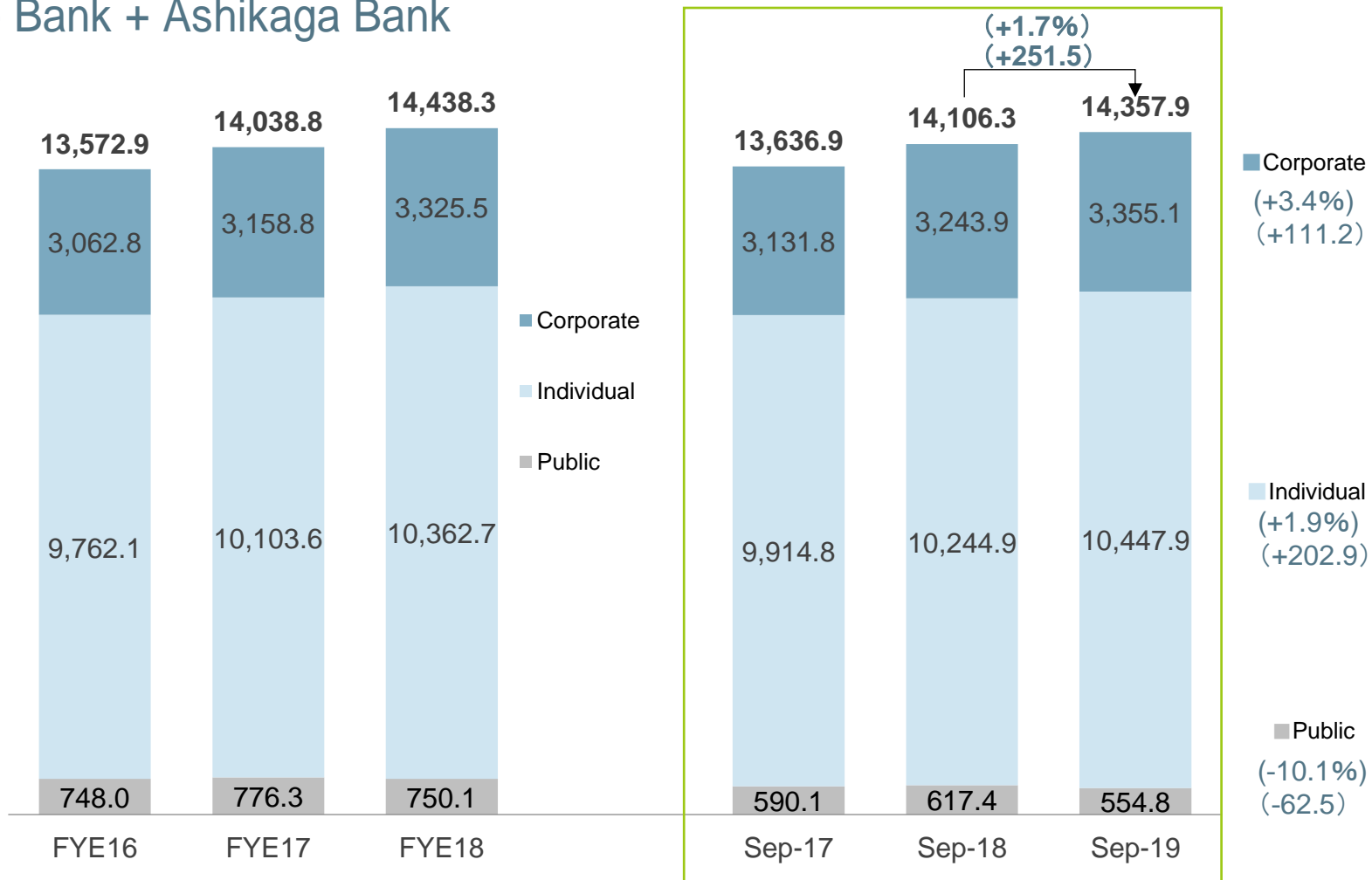
\*Figures in parentheses are changes on a year on year basis

Deposits of individual and corporate customers have been on the increase

(YoY Total : +1.7%, Individual customers : +1.9%, Corporate customers : +3.4% )

## Joyo Bank + Ashikaga Bank

(¥bn)



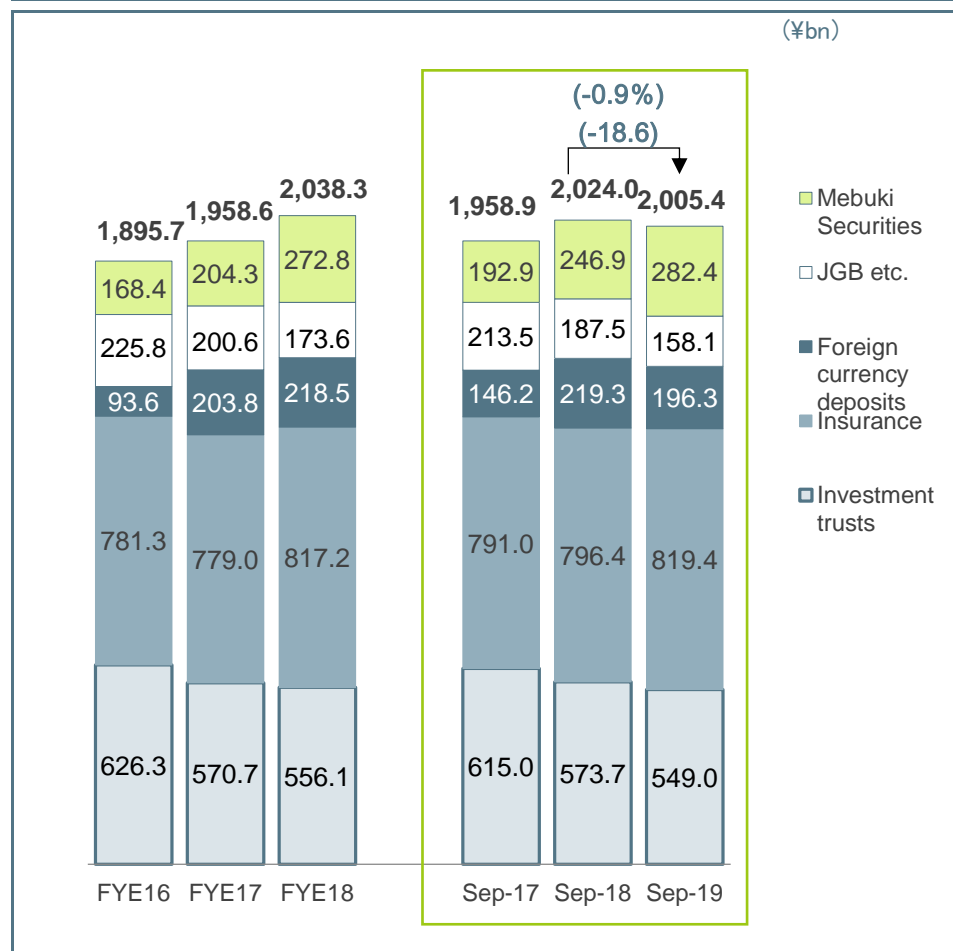
# Customer Assets under Custody

\*Figures in parentheses are changes on a year on year basis

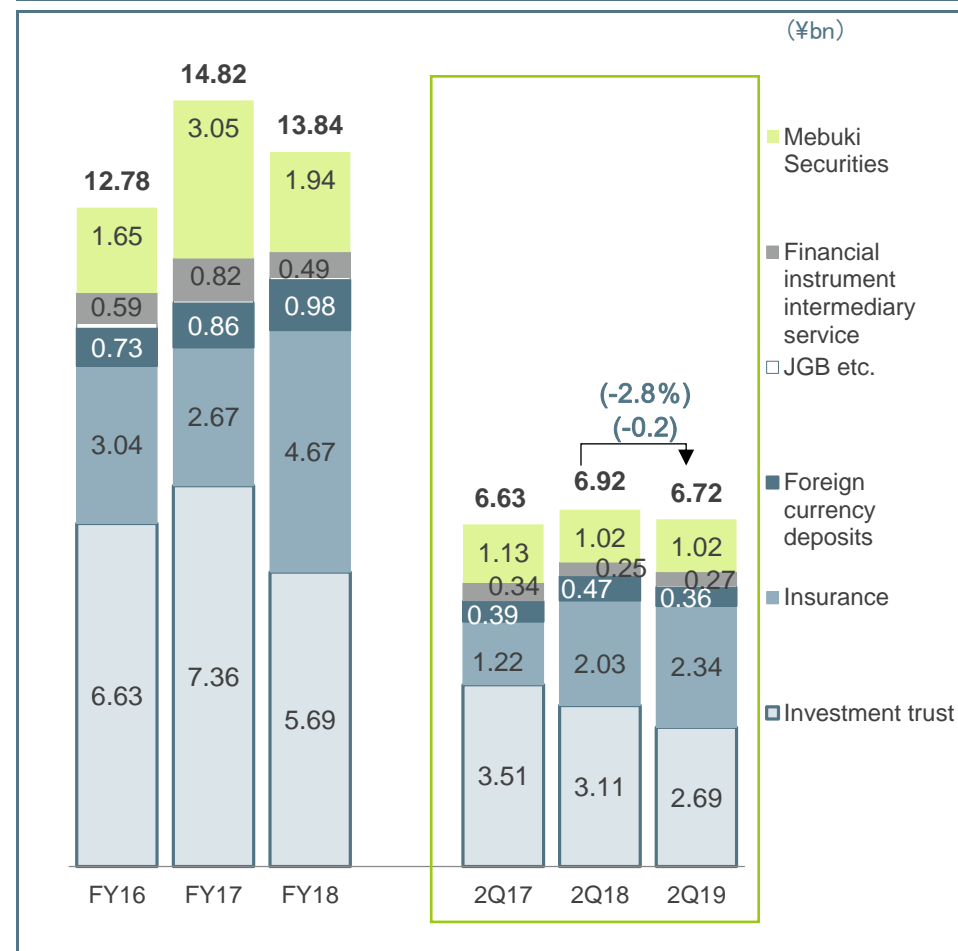
While the amount of JGB and investment trusts decreased due to decline in the yield and stock market, insurance and transactions of Mebuki Securities increased favorably because of comprehensive proposals corresponding to various life stages and the subsidiary banks' collaboration with Mebuki Securities.

Commissions of insurance and intermediary services provided by Mebuki Securities increased YoY.

## Balance (Bank Total + Mebuki Securities)

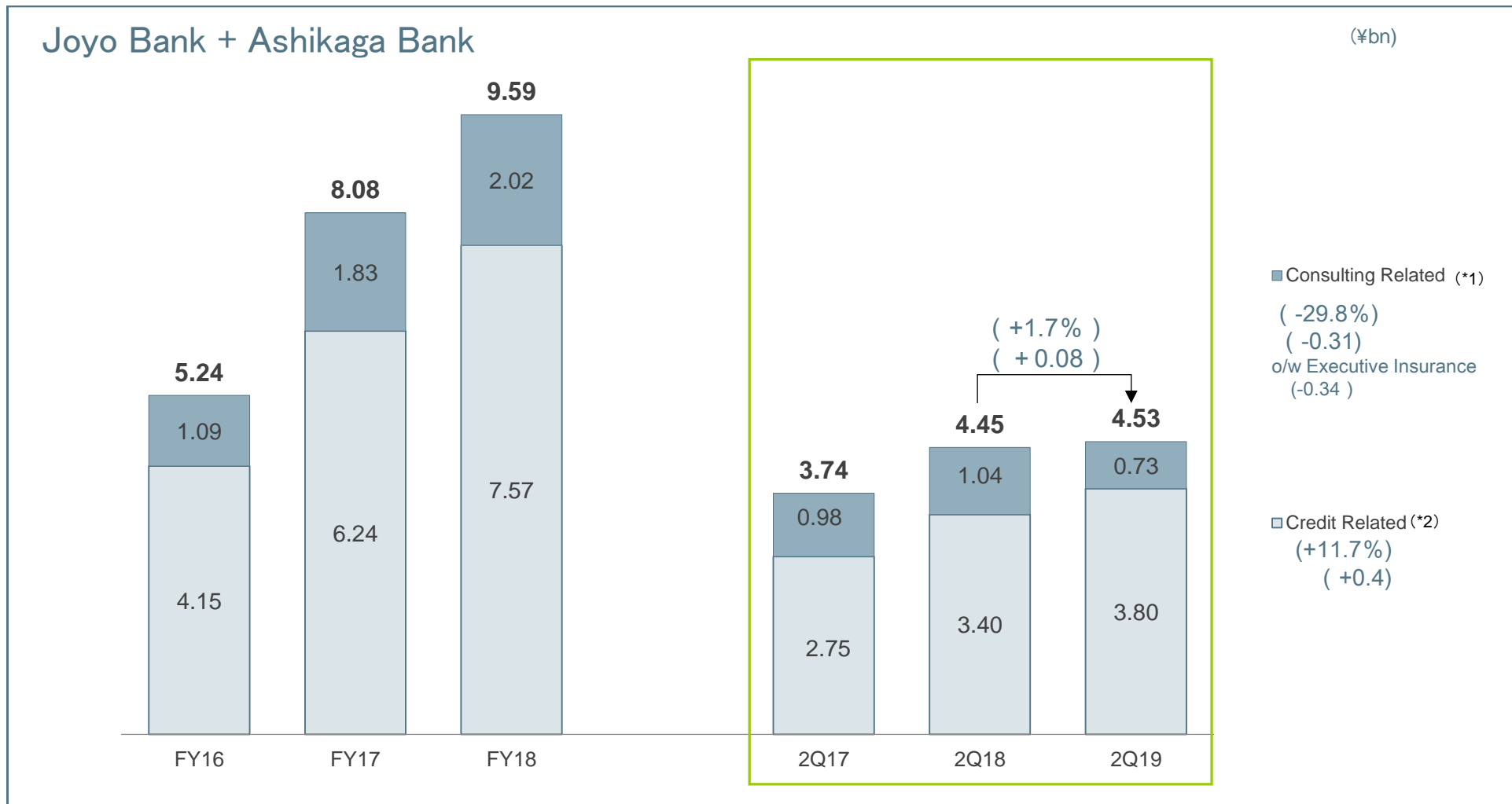


## Commissions (Bank Total + Mebuki Securities)



# Fees from Corporate Customers (Consulting related and Credit related)

Fees from corporate customers increased by ¥0.08bn YoY (+1.7%) due to enhancement of consulting services. Although consulting related fees decreased -¥0.31bn YoY mainly due to decrease in executive life insurance(-¥0.34bn YoY), however credit related fees of syndicate loans contributed to fees(¥0.40bn YoY), resulting in an overall increase.



(\*1) Consulting related fees : Trust ・401K、Executive Insurance、M&A、Business Matching

(\*2) Credit related fees : syndicate loans, private offering bonds, derivatives

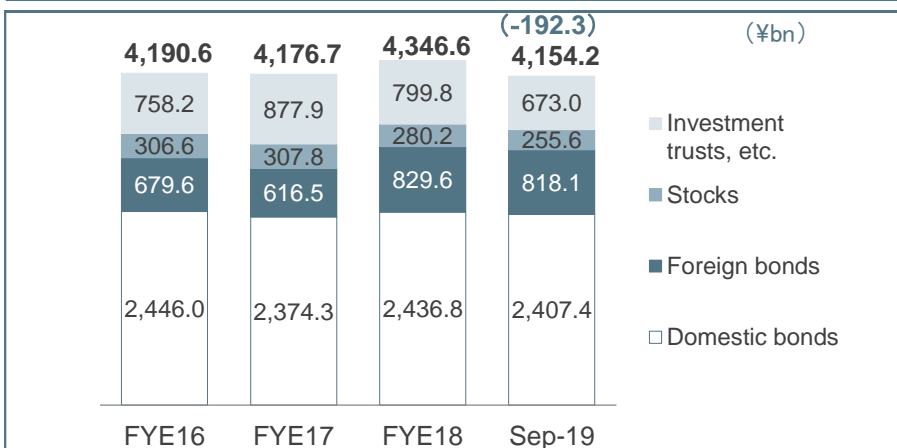
# Securities / Strategic Shareholdings

\*Figures in parentheses are changes on a year on year basis

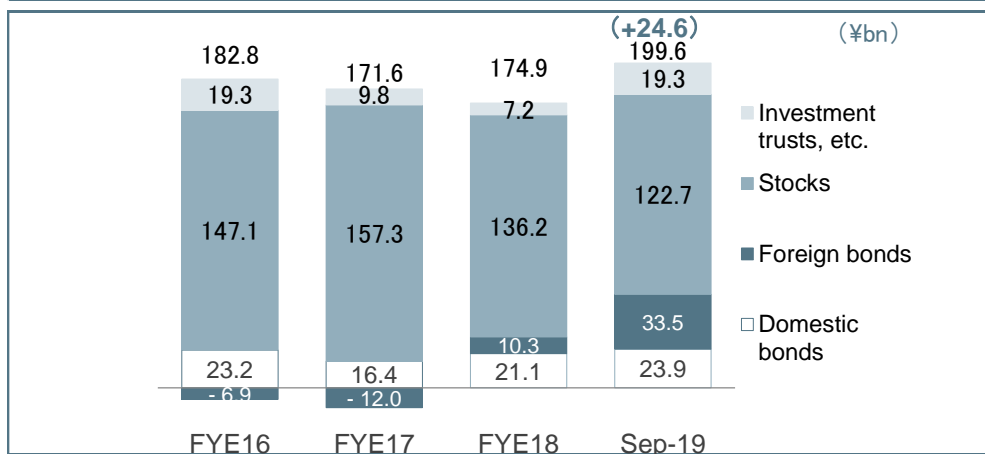
Unrealized valuation gains/losses on securities, especially domestic and foreign bonds, increased by ¥24.6bn YoY to ¥199.6bn mainly due to low interest rate environment.

We will accelerate sales of strategic shareholdings to reduce balance.

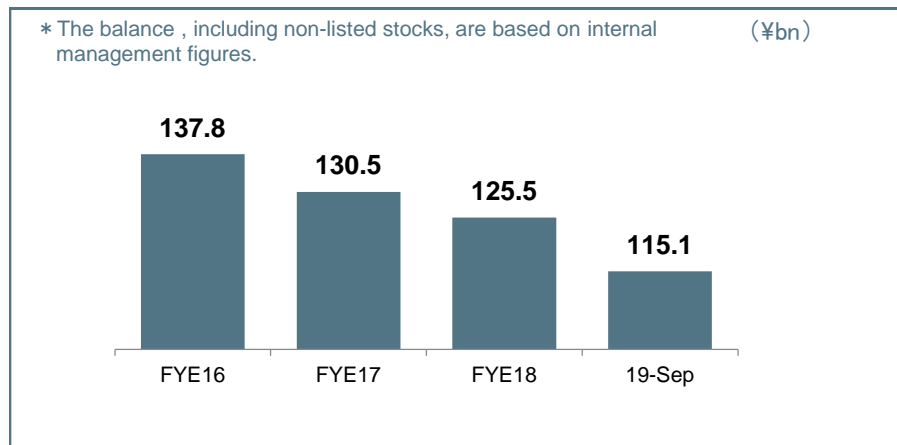
## Balance(Carrying amount) (Mebuki FG)



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

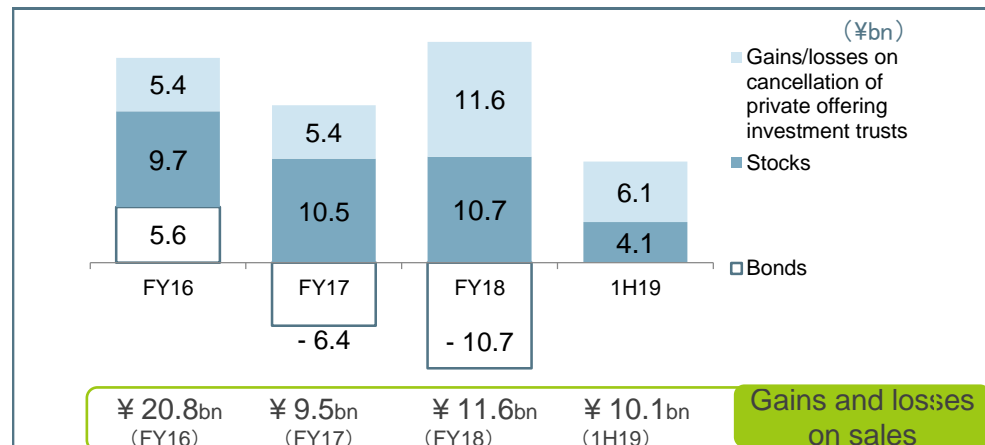


## Strategic Shareholdings (Balance/Sales)



## Gains and losses on securities

(Including gains/losses on cancellation of private offering investment trusts)

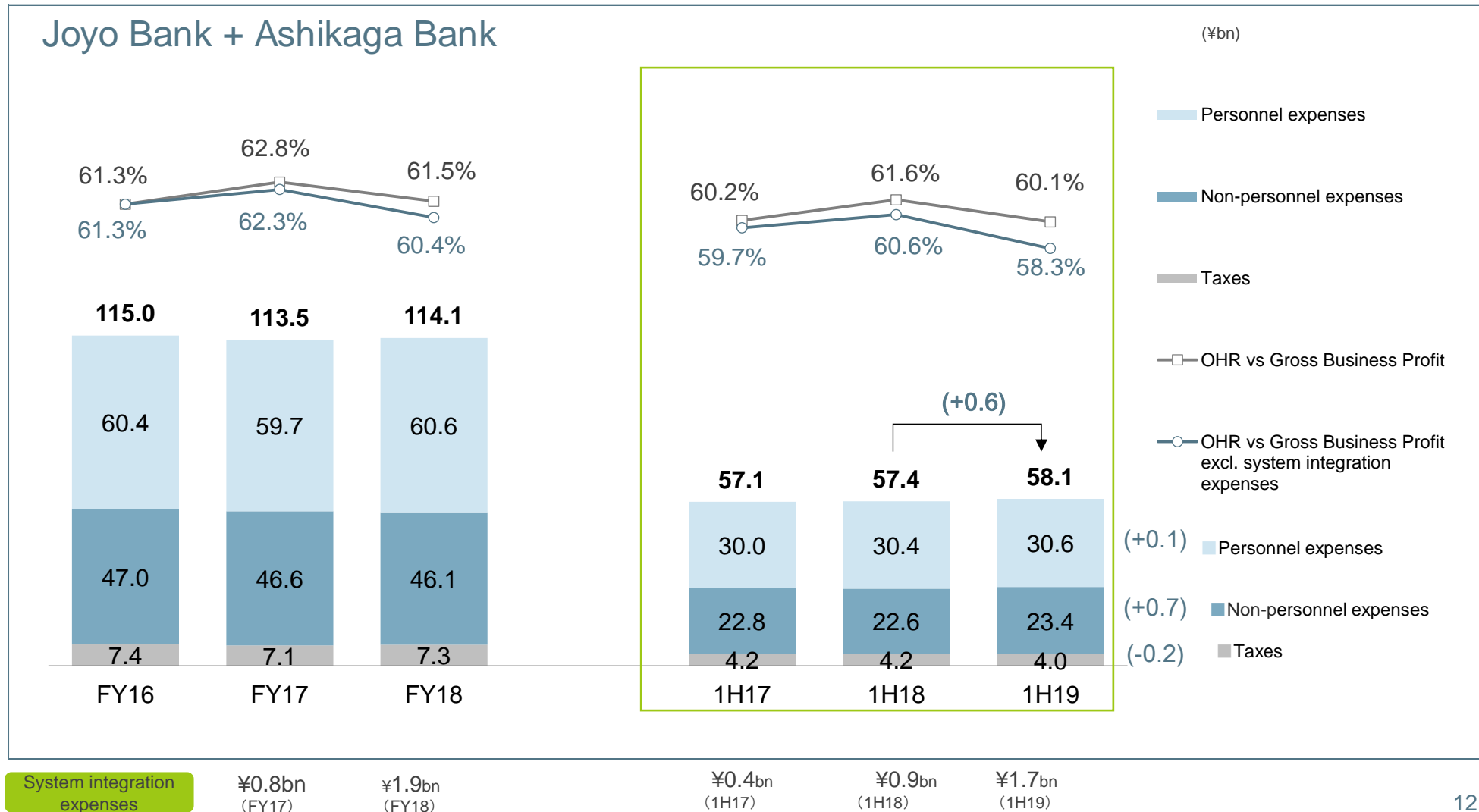


# Expenses / OHR (Bank Total)

\*Figures in parentheses are changes on a year on year basis

Expenses increased by ¥0.6 bn YoY, mainly due to an increase of system integration expenses (+¥0.7bn YoY). Excluding system integration expenses, expenses declined by -¥0.04bn YoY.

OHR calculated on gross business profit basis excluding system integration expenses is 58.3%(-2.3%pt YoY).





# Credit Related Costs

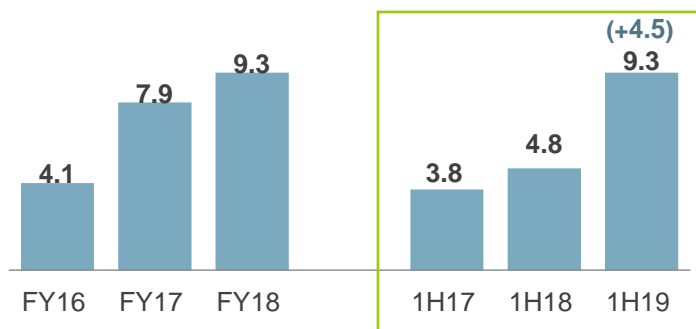
\*Figures in parentheses are changes on a year on year basis

Although there are no major movements of bankruptcy in the local market, credit related costs, especially transfer to specific allowance for loan losses, increased mainly due to rank down of credit ratings.

We reinforced preventive reserves and credit risk management to maintain smooth financial intermediary functions.

## Change of Credit Related Costs

(¥bn)



## Breakdown of Credit Related Costs

(¥bn)

### (1) Breakdown of Credit Related Costs

|   | 1H18 | 1H19 | YoY  |
|---|------|------|------|
| Credit Related Costs                              | 4.8  | 9.3  | +4.5 |
| Net transfer to general allowance for loan losses | -3.5 | 0.4  | +3.9 |
| Disposal of non-performing loans                  | 8.4  | 8.9  | +0.5 |
| Write off of loans                                | 4.7  | 4.7  | -0.0 |
| Transfer to specific allowance for loan losses    | 2.8  | 4.4  | +1.6 |
| Transfer to provision for contingent losses       | 0.9  | 0.0  | -0.8 |
| Recoveries of written-off claims                  | 0.6  | 0.9  | +0.3 |
| Other   | 0.3  | 0.6  | +0.2 |

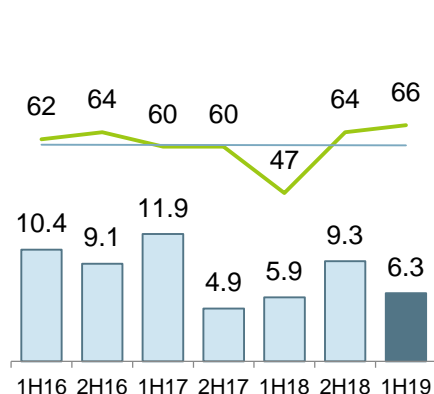
### Factors of increase in allowance for loan losses and measures

- Amount of reversal of general allowance for loan losses decreased YoY due to the lack of special factors (such as the reversal from large borrowers requiring monitoring) incurring a net transfer to general allowance.
- Transfer to specific allowance for loan losses increased due to rank down of credit ratings and increase of preventive reserves.
- Although there are no major movements of bankruptcy in the local market, we will control credit risk more carefully than usual, taking into account specific major borrowers' rank down of credit rating.

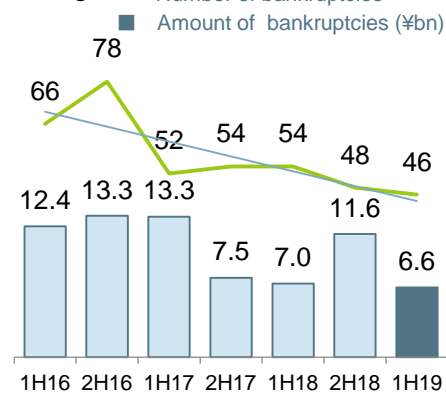
## 【Reference】 Status of bankruptcy in local market

(¥bn)

### <Ibaraki>



### <Tochigi>



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

# Dividends, Shareholder Returns, Capital Adequacy Ratio

We announced the repurchase of our own shares, with an upper limit of 15mil shares and ¥4.0bn, today (Nov,11).

## Dividends, Shareholder Returns

### Dividends

- We scheduled ¥11.0 annual dividends per share in FY19
- (1) Dividends per share

|      | Annual Dividends     | Interim | year-end            |
|------|----------------------|---------|---------------------|
| FY17 | ¥11.0                | ¥5.5    | ¥5.5                |
| FY18 | ¥11.0                | ¥5.5    | ¥5.5                |
| FY19 | ¥11.0<br>(scheduled) | ¥5.5    | ¥5.5<br>(scheduled) |

### Repurchase own shares

【 Aim 】 Enhance appropriate distribution of profits to shareholders through improving capital efficiency.

【 Amount 】 ¥4.0bn (upper limit)

【 Number 】 15mil number (upper limit)

【 Period 】 2019/11/12 ~ 2020/3/24

### Shareholder Return Policy

We will target a Total Return Ratio<sup>(\*)</sup> of 30% or more while taking into account both the maintenance of solid capital levels for future growth and the appropriate distribution of profits to our shareholders. We will continue to consider the dividend level.

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

### Payout Ratio / Total Return Ratio

(2) Amount of total return / Dividends / Repurchase own shares

|      | Total Return | Dividends              | Repurchase own shares   |
|------|--------------|------------------------|-------------------------|
| FY17 | ¥12.9bn      | ¥12.9bn                | -                       |
| FY18 | ¥14.9bn      | ¥12.9bn                | ¥2.0bn                  |
| FY19 | ¥16.9bn (*1) | ¥12.9bn<br>(scheduled) | ¥4.0bn<br>(upper limit) |

(\*1) Dividends of ¥12.9bn (scheduled) + Amount of repurchase of own shares (upper limit)

(3) Total Return Ratio / Payout ratio

|      | Total Return Ratio | Payout ratio |
|------|--------------------|--------------|
| FY17 | 30.0%              | 30.0%        |
| FY18 | 32.3%              | 27.8%        |
| FY19 | 42.2%              | 32.2%        |

## Capital Adequacy Ratio

(4) Capital adequacy ratio

|        | Mebuki FG<br>(Consolidated) | Joyo<br>(Consolidated) | Ashikaga<br>(Consolidated) |
|--------|-----------------------------|------------------------|----------------------------|
| FYE18  | 10.38%                      | 11.80%                 | 8.71%                      |
| Sep-18 | 10.24%                      | 12.18%                 | 8.79%                      |
| FYE18  | 9.94%                       | 11.91%                 | 8.55%                      |
| 19-Sep | 10.26%                      | 12.51%                 | 8.66%                      |

## 2. Progress of the Second Medium-Term Business Plan

【Plan period: April 2019 to March 2022】

# (1) Create Growth Business Models with Local Regions

## Enhancement of consulting services (Business support)

### Organization for Consulting Services

- Double the number of corporate service specialists from headquarters assigned to branches. Strengthen solution services by cooperation with branch staff.

**60 specialists staffed in branches  
+35 people YoY (As of Sep. 2019)**

**Increase of consulting services and proposals contributed to increase fees from corporate customers**

※ Plan to shift 100 people (total) over three years to consulting business for individual and corporate customers

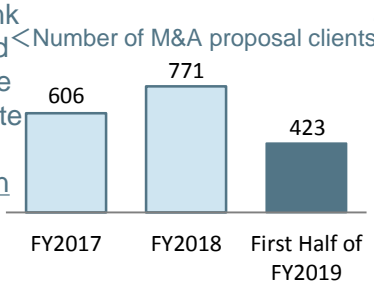
### Expansion of consulting services

#### Enter trust services

- In July 2019, started inheritance related monetary and testamentary trust services as well as other inheritance organization services.

#### Strengthen business succession / M&A

- Respective head offices and branches of Joyo Bank and Ashikaga Bank, as well as external specialized institutions, collaborate with each other and provide customers with various solutions in order to facilitate business succession and asset succession.
- In September 2019, M&A was established between customers of Joyo Bank and Ashikaga Bank.



### Support for Manufacturing Companies

#### Mebuki Manufacturing Industries Workshop

- Aiming for improvement of technology of regional manufacturing industries, we coordinated workshops supported by Hitachi Construction Machinery Japan Co., Ltd., to learn their techniques in practical exercises. (21 corporate customers (33 people) participated in the 3<sup>rd</sup> workshop in September 2019.)

#### Manufacturing Business Forum 2020

- We hold business meetings with individual business negotiations and panel exhibits, for sales channel expansion of our manufacturing customers. (Individual business negotiations by 374 clients and panel exhibits by 279 clients were held in February 2019.)

### Hands-on Support with Organization for Small and Medium Enterprises and Regional Innovation, Japan

- Utilizing hands-on support provided by SME SUPPORT JAPAN(\*), we support our customers' growth with management issues identified by our business potential assessment.
  - <Cases of hands-on support>
    - Farm ... development of new products, review of sales strategy
    - Retail company ... personnel introduction
    - Dairy production ... improvement of productivity and profitability
    - Food production and sales ... business succession, talent development
    - Food processing ... review of production management system

\* hands-on support: Consulting services to SME's addressing their management issues by supplying expertise and providing appropriate advice continuously in order find solutions

## (2) Create Growth Business Models with Local Regions

### Enhancement of consulting services (Asset management services)

#### Organization for Consulting Services

For customers using asset management services

- Strengthen customer contact using workplace seminars(propose long-term diversified investments and accumulation services)

For wealthy customers

- Enhance solutions utilizing external knowledge (Collaboration with subsidiary bank employees on learn to insurance and securities companies)

Collaboration with Mebuki Securities

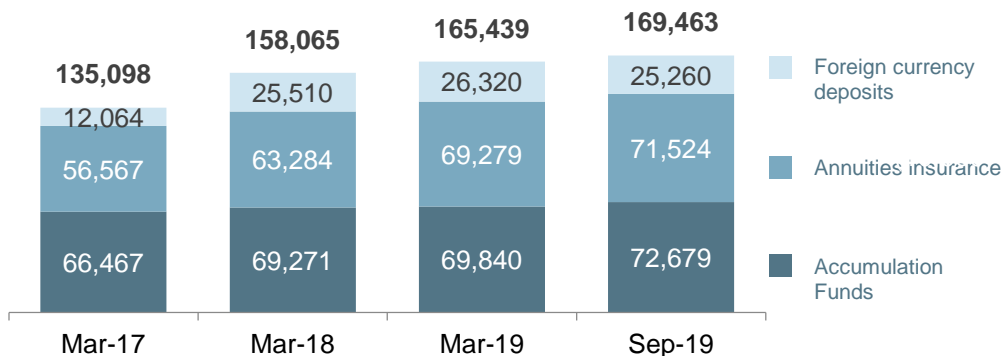
- Reform sales organization for banks and securities to cooperate together (Strengthen sales of structured and foreign bonds)

Contributed to increase of balance and fees & commission in insurance and Mebuki Securities

#### Accumulation Services (Approach to customers using asset management services)

- Contracts of accumulation services increased stably due to comprehensive solutions such as accumulation funds, annuities insurance and foreign currency deposits

<Number of contracts(Total)>



#### Expansion of Consulting Counters

“Hoken no Hikari”

- Establishment of new counter specializing in insurance named “Hoken no Hikari” (started on a trial base at 2 branches of Joyo Bank in Ibaraki Prefecture)

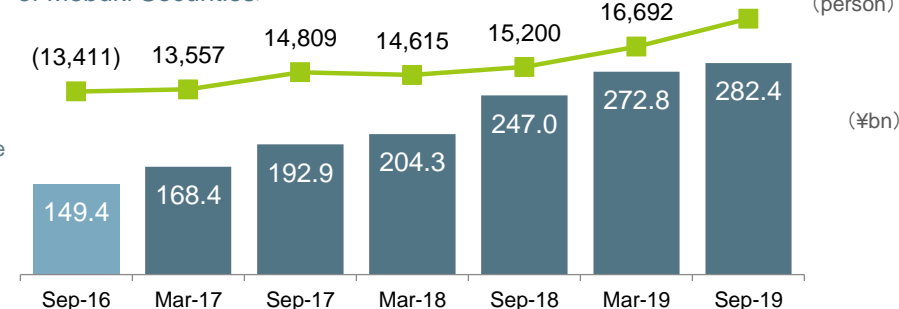
Holiday Wealth Salon

- Establishment of consulting services exclusively on Saturdays and Sundays (at Utsunomiya-nishi Branch of Ashikaga Bank)

#### Strengthening of Cooperation Between Banking and Securities Businesses

- As an entire group, strengthen cooperation of banking and securities businesses. Contracts and balance of assets under custody increased stably.

<Contracts and Balance of customer assets under custody of Mebuki Securities>



\* In October Business integration (establishment of Mebuki FG.), In April 2017 Change of name, Mebuki Securities



# (3) Create Growth Business Models with Local Regions

## IT services / Data utilization

### Enhancement of Support for IT and Digitization

#### Establishment of “IT and Digitization Strategy Group”

- In June 2019, we established a new organization to control IT and digitization in the group head office. In addition, we will work to strengthen IT investment efficiency.

#### Training specialists in IT field

- We, two banks jointly, are providing IT training programs in collaboration with outside vendors
- The themes are “the theory and practice of IoT”, “data utilization”, “IT services creation” and include new application planning based on utility



(IT services creation workshop)

### IT services / Data Utilization Within the Group

#### Development and introduction of business use smartphone applications [efficiency]

- In April 2019, we introduced business use smartphone applications to improve efficiency of sales staffs’ activities (application for receipt and company car)
- Utilized for issuing digital receipts for keeping customers’ bankbooks or cash and for management of company cars
- After integration of core system, Ashikaga will consider introducing both applications to improve efficiency of the entire group



(Image of business use smartphone application)

### Utilization for Improvement of Customer Services

#### Introduction of video service for explanation about important items related to housing loans

- In June 2019, introduced “Loan Concierge” video service for explanation about important items related to housing loans
- By viewing this video before making a contract, customers can reduce the time needed to visit branches (customers can view the video at any time)
- In addition, based on the answers to our questionnaire, we will provide comprehensive solution such as review of household budgets, insurance products and so on

**あしぎん 住宅ローン契約予定者 専用サービス**

**住宅ローン商品説明動画 ローンシェルジュ**

住宅ローン商品説明動画「ローンシェルジュ」は、住宅ローンの商品内容や、重要事項、お借入れの手続きなど住宅ローンのお借入れにあたってご理解いただきたい事項を動画でわかりやすく説明します。

住宅ローンをお申込みいただいたお客様の専用サイトとなります。ご都合のよい時に視聴いただき、一時停止後は途中から再開可能ですので、必ず最後までご視聴ください。

**説明動画の内容**

- ◆返済方法・金利タイプ
- ◆保証会社・担保
- ◆諸費用
- ◆団体信用生命保険
- ◆お借入れ後の手続き
- ◆火災保険・家計の見直し

契約時間短縮! ご負担軽減!

空いた時間に! 中断・再開可能!

あらかじめ動画を視聴いただいた後から来店いただくことで、お手続きの時間を短縮することができます。ご都合のよい時に「ローンシェルジュ」のご視聴をお願いします。ご視聴方法は画面をご覧ください。

足利銀行

#### Development/Trial of financial alert function [credit cost reduction(control)]

- In July 2019, “financial alert “ function began on a trial base, aiming for accuracy improvement in understanding actual financial situation of customers
- Its alert will be displayed in the loan business support system, when it is assumed that a customer’s financial position is worsening, based on long-term trend financial analysis and combined analysis of CF/BS/ PL

# (4) Structural Reform for Enhanced Productivity

Integration of core system / Enhancement of BPR / Optimizing the channels and networks

## Integration of Core System / Unifying Business Procedures and Streamlining of Business Concentration Sections

### Integration of core system

- Integrate core system of subsidiary banks in January 2020
- Further unify business procedures and streamline business concentration section after integration of core system of two banks

### Unifying business procedures / Streamlining of business concentration sections

#### Establishment of BPR Promotion Group

- Established “BPR Promotion Group” in group head office in June 2019, aimed at unifying business procedures and promoting BPR within the whole group

#### Joyo Bank, Streamline of business concentration sections

- In August 2019, consolidated 4 business concentration sections of Joyo Bank

<Joyo Bank Streamline of business concentration sections (in Aug. 2019) >  
Free up 100 people

## Branch Network Optimization

### Consolidation / Selection of function of current branches

|                        |                                   |                             |
|------------------------|-----------------------------------|-----------------------------|
| October 2019           | <b>Consolidation</b>              | 3 Branches / 8 sub-branches |
|                        | <b>Selection of Function (*1)</b> | 8 Branches / 8 sub-branches |
| January 2020 (planned) | <b>Consolidation</b>              | 3 Branches / 1 sub-branches |

<as of end of FY2019 >  
(projection)  
**Branch network efficiency**  
**31 branches or more**  
**Free up 70 people or more**

(\* 1) By utilizing digital technology ( installing bank counters with tablet terminals and ATMs with tax payment system we plan to introduce / expand branches that require a small number of people

### Expansion of business areas

- In November 2019 Established Shinagawa sales office

### Expected effects

(3 years total)  
in 2nd medium-term plan

#### Control of total staff

- Free up 1,000 people  
**Business processing and IT division**  
**450 people**

BPR/Digitization 200 people  
Consolidation of head office functions and subsidiary functions, streamline operations 130 people

**Branch Network Streamline**  
**220 people**

#### Branch network

- Streamline about 20% of 337 current branches (\*3)

(\*3) two banks' total, as of end of March, 2019

#### Branch maintenance costs

- Cost reduction  
¥1bn (\*4)

(\*4) annual base, excluding personnel expenses reduced by decreasing number of staff

**【Reference】**

Our Typhoon 19 disaster Recovery Efforts  
Financial Data for First Half of FY2019



# 【Our Typhoon 19 Disaster Recovery Effort】

## Smooth Financing through Disaster Recovery Financial Support

- Providing exclusive loan products for early recovery of victims of the disaster

**Individual customers** Housing / Reform Loan, Car / Free Loan

**Corporate customers** Meeting financial needs such as working capital and capital expenditure

## Establishment of Holiday Help Desk

- Established Holiday Help Desk concerning to financial consulting for the victims of typhoon 19 disaster ( On weekdays, all branches provided consulting services)

**4 Branches, 25 Loan Centers/ Plazas  
(2 banks' total)**

## Providing Financial Services using Mobile Consulting Vehicle

- Dispatched mobile consulting vehicle with ATM and provided ATM services and other consulting services.

**From Oct. 14 to Oct. 31  
Total of 10 days dispatched  
(Joyo Bank)**



(mobile consulting vehicle)

## Valuables safekeeping service

- Providing free safekeeping service for storage of valuables and securing against burglary for victims of the disaster

**9 Branches (2 banks total)**

## Employee Volunteer Dispatch / Donation

### Employee volunteer dispatch

**From Oct. 17 to Oct. 29**

**Total of 5 days and 83 employees dispatch**

### Donation

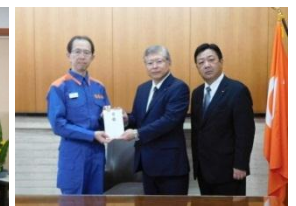
- We acted on desire to be of assistance to rescue and recovery in the disaster area in the form of donating money to our local regions (Tochigi, Ibaraki, and Fukushima Prefectures).



(Donation to Ibaraki Pf.)



(Donation to Tochigi Pf.)



(Donation to Fukushima Pf.)

## 【Data】 Breakdown of Banking subsidiaries

### ( 1 ) P/L

|   | ( ¥ b n ) |       |      |       |          |       |
|---|-----------|-------|------|-------|----------|-------|
|   | J+A       | YoY   | Joyo | YoY   | Ashikaga | YoY   |
| Gross business profit   | 96.7      | +3.6  | 57.8 | +9.5  | 38.8     | -5.9  |
| (Net Gross business profit)   | 96.8      | -6.6  | 57.0 | +1.3  | 39.7     | -8.0  |
| Net interest income   | 79.4      | -6.1  | 47.1 | +1.2  | 32.2     | -7.3  |
| o/w Gains/losses on Cancellation of Private Offering Investment Trusts                          | 6.1       | -3.6  | 4.0  | +2.8  | 2.0      | -6.5  |
| Net fees and commissions  | 16.3      | -0.3  | 9.2  | +0.0  | 7.1      | -0.3  |
| Net other business income and Net trading income  | 0.9       | +10.0 | 1.5  | +8.3  | -0.5     | +1.7  |
| (o/w gains/losses on bond transactions)   | 0.0       | +10.3 | 0.8  | +8.1  | -0.9     | +2.1  |
| Expenses  | 58.1      | +0.6  | 32.7 | -0.4  | 25.3     | +1.1  |
| o/w Personnel expenses  | 30.6      | +0.1  | 16.8 | -0.1  | 13.7     | +0.3  |
| o/w Non-personnel expenses  | 23.4      | +0.7  | 13.6 | -0.2  | 9.8      | +0.9  |
| Net business income (before general allowance for loan losses)                                  | 38.5      | +2.9  | 25.1 | +10.0 | 13.4     | -7.1  |
| Core net business income  | 38.6      | -7.3  | 24.2 | +1.8  | 14.4     | -9.2  |
| Core net Business Income ( exclu. Gains/losses on Cancellation of Private Offering Investment ) | 32.5      | -3.7  | 20.2 | -0.9  | 12.3     | -2.7  |
| Net transfer to general allowance for loan losses (a)   | 0.4       | +0.4  | 0.5  | +0.5  | -0.1     | -0.1  |
| Net business income   | 38.1      | +2.5  | 24.5 | +9.4  | 13.5     | -6.9  |
| Net non-recurrent gains/losses  | -5.3      | -10.2 | -1.6 | -12.1 | -3.6     | +1.9  |
| o/w Disposal of non-performing loans (b)  | 8.9       | +4.1  | 4.8  | +2.7  | 4.1      | +1.3  |
| o/w Gains/losses related to stocks, etc   | 4.1       | -5.9  | 3.7  | -9.2  | 0.4      | +3.3  |
| Ordinary profit   | 32.8      | -7.7  | 22.9 | -2.6  | 9.8      | -5.1  |
| Extraordinary income/losses   | -0.1      | -11.8 | -0.1 | +0.0  | 0.0      | -11.8 |
| Net income  | 23.2      | -16.9 | 16.3 | -1.6  | 6.9      | -15.2 |
| Credit related costs (a)+(b)  | 9.3       | +4.5  | 5.3  | +3.2  | 3.9      | +1.2  |

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

|          |           | F Y 16 | F Y 17 | F Y 18 | 1H19  | YoY    | 1H18  |
|----------|-----------|--------|--------|--------|-------|--------|-------|
| J+A      | Domestics | 1.12%  | 1.07%  | 1.03%  | 1.00% | -0.03% | 1.03% |
|          | Overseas  | 1.42%  | 1.99%  | 2.92%  | 2.93% | 0.10%  | 2.83% |
|          | Total     | 1.12%  | 1.08%  | 1.06%  | 1.03% | -0.03% | 1.06% |
| Joyo     | Domestics | 1.06%  | 1.02%  | 1.00%  | 0.97% | -0.03% | 1.00% |
|          | Overseas  | 1.45%  | 2.01%  | 2.95%  | 2.97% | 0.10%  | 2.87% |
|          | Total     | 1.06%  | 1.04%  | 1.04%  | 1.02% | -0.02% | 1.04% |
| Ashikaga | Domestics | 1.20%  | 1.13%  | 1.07%  | 1.03% | -0.05% | 1.08% |
|          | Overseas  | 1.11%  | 1.82%  | 2.67%  | 2.68% | 0.10%  | 2.58% |
|          | Total     | 1.20%  | 1.13%  | 1.08%  | 1.04% | -0.05% | 1.09% |

## 【Data】 Breakdown of Banking subsidiaries

( 3 ) Loans Term-end Balance ( ¥ b n )

|          |            | FYE16    | FYE17    | FYE18    | Sep-19   | YoY    | Sep-18   |
|----------|------------|----------|----------|----------|----------|--------|----------|
| J+A      | Individual | 4,272.8  | 4,491.2  | 4,674.8  | 4,747.1  | +174.7 | 4,572.4  |
|          | Corporate  | 4,809.6  | 4,935.9  | 5,139.1  | 5,095.2  | +59.4  | 5,035.7  |
|          | Public     | 1,232.9  | 1,153.6  | 1,038.2  | 957.9    | -93.3  | 1,051.2  |
|          | Total      | 10,315.4 | 10,580.7 | 10,852.3 | 10,800.3 | +140.9 | 10,659.4 |
| Joyo     | Individual | 2,387.4  | 2,490.8  | 2,570.2  | 2,600.4  | +76.3  | 2,524.0  |
|          | Corporate  | 2,821.3  | 2,853.9  | 2,974.3  | 2,950.3  | +33.7  | 2,916.6  |
|          | Public     | 758.3    | 718.6    | 650.7    | 632.4    | -57.4  | 689.9    |
|          | Total      | 5,967.0  | 6,063.5  | 6,195.3  | 6,183.2  | +52.6  | 6,130.6  |
| Ashikaga | Individual | 1,885.4  | 2,000.3  | 2,104.6  | 2,146.7  | +98.3  | 2,048.4  |
|          | Corporate  | 1,988.2  | 2,081.9  | 2,164.8  | 2,144.8  | +25.7  | 2,119.0  |
|          | Public     | 474.6    | 434.9    | 387.5    | 325.4    | -35.8  | 361.3    |
|          | Total      | 4,348.4  | 4,517.2  | 4,657.0  | 4,617.0  | +88.2  | 4,528.7  |

Foreign Currency Denominated Loans ( ¥ b n )

|          |  | FYE16 | FYE17 | FYE18 | Sep-19 | YoY   | Sep-18 |
|----------|--|-------|-------|-------|--------|-------|--------|
| J+A      |  | 128.3 | 129.2 | 145.8 | 154.0  | +12.1 | 141.9  |
| Joyo     |  | 116.0 | 114.0 | 126.8 | 136.6  | +11.7 | 124.8  |
| Ashikaga |  | 12.2  | 15.2  | 19.0  | 17.4   | +0.4  | 17.0   |

( 5 ) Unsecured Loans Term-end Balance ( ¥ b n )

|          |                   | FYE16 | FYE17 | FYE18 | Sep-19 | YoY   | Sep-18 |
|----------|-------------------|-------|-------|-------|--------|-------|--------|
| J+A      | Car Loans         | 34.8  | 39.4  | 46.7  | 50.1   | +7.8  | 42.3   |
|          | Educational Loans | 32.6  | 35.8  | 39.0  | 40.6   | +3.4  | 37.1   |
|          | Free Loans        | 6.9   | 8.1   | 9.1   | 9.7    | +1.1  | 8.6    |
|          | Card Loans        | 60.8  | 65.4  | 65.0  | 65.9   | +0.3  | 65.5   |
|          | Total             | 135.2 | 148.9 | 160.0 | 166.4  | +12.7 | 153.7  |
| Joyo     | Car Loans         | 25.0  | 27.4  | 32.2  | 34.1   | +4.5  | 29.5   |
|          | Educational Loans | 28.2  | 30.0  | 31.9  | 32.8   | +2.0  | 30.8   |
|          | Free Loans        | 0.7   | 0.8   | 2.2   | 3.1    | +1.7  | 1.4    |
|          | Card Loans        | 26.4  | 27.7  | 26.5  | 26.5   | -0.7  | 27.2   |
| Total    | 80.3              | 86.0  | 93.0  | 96.7  | +7.5   | 89.1  |        |
| Ashikaga | Car Loans         | 9.8   | 12.0  | 14.5  | 15.9   | +3.2  | 12.7   |
|          | Educational Loans | 4.4   | 5.7   | 7.0   | 7.7    | +1.4  | 6.3    |
|          | Free Loans        | 6.1   | 7.3   | 6.8   | 6.5    | -0.6  | 7.2    |
|          | Card Loans        | 34.3  | 37.7  | 38.4  | 39.3   | +1.0  | 38.2   |
|          | Total             | 54.6  | 62.8  | 66.9  | 69.6   | +5.1  | 64.5   |

( 4 ) Loans Individual Housing Related Loans Term-end Balance ( ¥ b n )

|          |                      | FYE16   | FYE17   | FYE18   | Sep-19  | YoY    | Sep-18  |
|----------|----------------------|---------|---------|---------|---------|--------|---------|
| J+A      | Housing Loans        | 3,050.8 | 3,216.6 | 3,396.3 | 3,479.6 | +185.7 | 3,293.9 |
|          | Apartment Loans      | 900.4   | 950.4   | 958.5   | 945.2   | -12.4  | 957.6   |
|          | Asset building loans | -       | 1.9     | 2.9     | 2.9     | +0.1   | 2.7     |
|          | Total                | 3,951.3 | 4,169.0 | 4,357.9 | 4,427.8 | +173.4 | 4,254.3 |
| Joyo     | Housing Loans        | 1,489.6 | 1,560.5 | 1,640.6 | 1,681.3 | +90.9  | 1,590.3 |
|          | Apartment Loans      | 724.0   | 763.5   | 769.1   | 758.3   | -11.8  | 770.1   |
|          | Asset building loans | -       | 1.9     | 2.9     | 2.9     | +0.1   | 2.7     |
|          | Total                | 2,213.7 | 2,326.0 | 2,412.7 | 2,442.5 | +79.2  | 2,363.3 |
| Ashikaga | Housing Loans        | 1,561.3 | 1,656.0 | 1,755.7 | 1,798.3 | +94.7  | 1,703.5 |
|          | Apartment Loans      | 176.3   | 186.8   | 189.3   | 186.9   | -0.5   | 187.4   |
|          | Asset building loans | -       | -       | -       | -       | -      | -       |
|          | Total                | 1,737.6 | 1,842.9 | 1,945.1 | 1,985.2 | +94.1  | 1,891.0 |

( 6 ) Loans Corporate Term-end Balance by Area ( ¥ b n )

|          |       | FYE16   | FYE17   | FYE18   | Sep-19  | YoY   | Sep-18  |
|----------|-------|---------|---------|---------|---------|-------|---------|
| J+A      | Tokyo | 1,788.7 | 1,815.8 | 1,908.8 | 1,911.5 | +30.0 | 1,881.4 |
|          | Local | 3,020.7 | 3,120.0 | 3,230.3 | 3,183.6 | +29.3 | 3,154.2 |
|          | Total | 4,809.6 | 4,935.9 | 5,139.1 | 5,095.2 | +59.4 | 5,035.7 |
| Joyo     | Tokyo | 1,327.8 | 1,333.8 | 1,378.3 | 1,389.4 | +26.2 | 1,363.2 |
|          | Local | 1,493.4 | 1,520.1 | 1,596.0 | 1,560.8 | +7.4  | 1,553.4 |
|          | Total | 2,821.3 | 2,853.9 | 2,974.3 | 2,950.3 | +33.7 | 2,916.6 |
| Ashikaga | Tokyo | 460.9   | 482.0   | 530.5   | 522.0   | +3.8  | 518.2   |
|          | Local | 1,527.3 | 1,599.9 | 1,634.2 | 1,622.8 | +21.9 | 1,600.8 |
|          | Total | 1,988.2 | 2,081.9 | 2,164.8 | 2,144.8 | +25.7 | 2,119.0 |

( 7 ) Loans Corporate Term-end Balance by Company Size ( ¥ b n )

|          |             | FYE16   | FYE17   | FYE18   | Sep-19  | YoY   | Sep-18  |
|----------|-------------|---------|---------|---------|---------|-------|---------|
| J+A      | Large       | 1,574.9 | 1,592.2 | 1,633.7 | 1,606.2 | +2.0  | 1,604.1 |
|          | Medium/SMEs | 3,234.6 | 3,343.6 | 3,505.4 | 3,488.9 | +57.4 | 3,431.5 |
|          | Total       | 4,809.6 | 4,935.9 | 5,139.1 | 5,095.2 | +59.4 | 5,035.7 |
| Joyo     | Large       | 1,133.9 | 1,141.9 | 1,159.1 | 1,145.6 | +0.1  | 1,145.5 |
|          | Medium/SMEs | 1,687.2 | 1,712.0 | 1,815.1 | 1,804.6 | +33.5 | 1,771.1 |
|          | Total       | 2,821.3 | 2,853.9 | 2,974.3 | 2,950.3 | +33.7 | 2,916.6 |
| Ashikaga | Large       | 440.9   | 450.3   | 474.5   | 460.5   | +1.9  | 458.6   |
|          | Medium/SMEs | 1,547.3 | 1,631.6 | 1,690.2 | 1,684.2 | +23.8 | 1,660.4 |
|          | Total       | 1,988.2 | 2,081.9 | 2,164.8 | 2,144.8 | +25.7 | 2,119.0 |

## 【Data】 Breakdown of Banking subsidiaries

( 8 ) Deposits Term-end Balance

( ¥ b n )

|          |            | FYE16    | FYE17    | FYE18    | 19-Sep   | YoY    | 18-Sep   |
|----------|------------|----------|----------|----------|----------|--------|----------|
| J+A      | Individual | 9,762.1  | 10,103.6 | 10,362.7 | 10,447.9 | +202.9 | 10,244.9 |
|          | Corporate  | 3,062.8  | 3,158.8  | 3,325.5  | 3,355.1  | +111.2 | 3,243.9  |
|          | Public     | 748.0    | 776.3    | 750.1    | 554.8    | -62.5  | 617.4    |
|          | Total      | 13,572.9 | 14,038.8 | 14,438.3 | 14,357.9 | +251.5 | 14,106.3 |
| Joyo     | Individual | 6,068.9  | 6,280.6  | 6,440.1  | 6,497.8  | +125.1 | 6,372.6  |
|          | Corporate  | 1,747.4  | 1,760.2  | 1,835.4  | 1,870.2  | +77.0  | 1,793.1  |
|          | Public     | 424.0    | 468.1    | 453.6    | 321.4    | -69.9  | 391.4    |
|          | Total      | 8,240.3  | 8,509.0  | 8,729.1  | 8,689.5  | +132.2 | 8,557.2  |
| Ashikaga | Individual | 3,693.1  | 3,823.0  | 3,922.5  | 3,950.1  | +77.8  | 3,872.2  |
|          | Corporate  | 1,315.4  | 1,398.5  | 1,490.1  | 1,484.9  | +34.1  | 1,450.7  |
|          | Public     | 323.9    | 308.1    | 296.5    | 233.3    | +7.4   | 225.9    |
|          | Total      | 5,332.5  | 5,529.8  | 5,709.2  | 5,668.4  | +119.3 | 5,549.0  |

Foreign Currency Deposit

( ¥ b n )

|          |  | FYE16 | FYE17 | FYE18 | 19-Sep | YoY   | 18-Sep |
|----------|--|-------|-------|-------|--------|-------|--------|
| J+A      |  | 165.6 | 275.2 | 306.0 | 247.5  | -64.4 | 311.9  |
| Joyo     |  | 140.7 | 199.1 | 222.6 | 201.9  | -23.1 | 225.1  |
| Ashikaga |  | 24.8  | 76.0  | 83.3  | 45.5   | -41.2 | 86.8   |

( 9 ) Customer Assets under Custody Balance

( ¥ b n )

|                  |                   | FYE16             | FYE17   | FYE18   | 19-Sep  | YoY   | 18-Sep  |
|------------------|-------------------|-------------------|---------|---------|---------|-------|---------|
| Group total      | Investment trusts | 626.3             | 570.7   | 556.1   | 549.0   | -24.7 | 573.7   |
|                  | Insurance         | 781.3             | 779.0   | 817.2   | 819.4   | +23.0 | 796.4   |
|                  | Foreign currency  | 93.6              | 203.8   | 218.5   | 196.3   | -23.0 | 219.3   |
|                  | JGB etc.          | 225.8             | 200.6   | 173.6   | 158.1   | -29.3 | 187.5   |
|                  | Mebuki Securities | 168.4             | 204.3   | 272.8   | 282.4   | +35.4 | 246.9   |
|                  | Total             | 1,895.7           | 1,958.6 | 2,038.3 | 2,005.4 | -18.6 | 2,024.0 |
|                  | Joyo              | Investment trusts | 295.2   | 257.9   | 263.3   | 255.9 | -13.3   |
| Insurance        |                   | 454.1             | 450.6   | 465.6   | 471.8   | +14.5 | 457.2   |
| Foreign currency |                   | 68.8              | 127.7   | 135.5   | 148.4   | +15.8 | 132.5   |
| JGB etc.         |                   | 155.3             | 138.0   | 118.5   | 107.9   | -20.8 | 128.7   |
| Total            |                   | 973.6             | 974.4   | 983.1   | 984.0   | -3.8  | 987.9   |
| Ashikaga         | Investment trusts | 331.1             | 312.7   | 292.8   | 293.1   | -11.3 | 304.4   |
|                  | Insurance         | 327.2             | 328.4   | 351.5   | 347.6   | +8.5  | 339.1   |
|                  | Foreign currency  | 24.8              | 76.0    | 82.9    | 47.8    | -38.9 | 86.8    |
|                  | JGB etc.          | 70.5              | 62.6    | 55.0    | 50.2    | -8.5  | 58.8    |
|                  | Total             | 753.7             | 779.8   | 782.4   | 738.9   | -50.2 | 789.1   |

( 10 ) Customer Assets under Custody Commissions

( ¥ b n )

|             |                           | F Y 16 | F Y 17 | F Y 18 | 1H19 | YoY  | 1H18 |
|-------------|---------------------------|--------|--------|--------|------|------|------|
| Group Total | Investment trusts(*1)     | 6.6    | 7.36   | 5.69   | 2.69 | -0.4 | 3.1  |
|             | Insurance(*2)             | 3.04   | 2.67   | 4.67   | 2.34 | +0.3 | 2.0  |
|             | Foreign currency deposits | 0.73   | 0.86   | 0.98   | 0.36 | -0.1 | 0.5  |
|             | JGB etc.                  | 0.09   | 0.0    | 0.0    | 0.03 | +0.0 | 0.0  |
|             | Total                     | 12.8   | 14.82  | 13.84  | 6.72 | -0.2 | 6.9  |
| Joyo        | Investment trusts(*1)     | 3.23   | 3.34   | 2.63   | 1.28 | -0.1 | 1.41 |
|             | Insurance(*2)             | 1.27   | 1.24   | 2.12   | 1.43 | +0.5 | 0.94 |
|             | Foreign currency deposits | 0.38   | 0.49   | 0.7    | 0.27 | -0.1 | 0.32 |
|             | JGB etc.                  | 0.08   | 0.03   | 0.03   | 0.02 | +0.0 | 0.0  |
|             | Total                     | 5.28   | 5.63   | 5.77   | 3.16 | +0.3 | 2.84 |
| Ashikaga    | Investment trusts(*1)     | 3.4    | 4.01   | 3.06   | 1.4  | -0.3 | 1.69 |
|             | Insurance(*2)             | 1.77   | 1.42   | 2.55   | 0.9  | -0.2 | 1.09 |
|             | Foreign currency deposits | 0.35   | 0.36   | 0.28   | 0.09 | -0.1 | 0.15 |
|             | JGB etc.                  | 0.01   | 0.0    | 0.0    | 0    | +0.0 | 0.0  |
|             | Total                     | 5.85   | 6.13   | 6.12   | 2.54 | -0.5 | 3.06 |

\* 1 : Sales commission+ Trust fee

\* 2 : \*Excl. executive life insurance

( 11 ) Fees from Corporate Customers

( ¥ b n )

|          |                    | F Y 16 | F Y 17 | F Y 18 | 1H19 | YoY   | 1H18 |
|----------|--------------------|--------|--------|--------|------|-------|------|
| J+A      | Credit Related     | 4.15   | 6.24   | 7.57   | 3.80 | 0.40  | 3.40 |
|          | Consulting Related | 1.09   | 1.83   | 2.02   | 0.73 | -0.31 | 1.04 |
|          | total              | 5.24   | 8.08   | 9.59   | 4.53 | 0.08  | 4.45 |
| Joyo     | Credit Related     | 2.03   | 3.39   | 4.14   | 1.76 | -0.03 | 1.79 |
|          | Consulting Related | 0.53   | 1.06   | 1.14   | 0.40 | -0.16 | 0.56 |
|          | total              | 2.56   | 4.45   | 5.28   | 2.16 | -0.20 | 2.36 |
| Ashikaga | Credit Related     | 2.11   | 2.84   | 3.42   | 2.04 | 0.43  | 1.60 |
|          | Consulting Related | 0.56   | 0.77   | 0.88   | 0.32 | -0.14 | 0.47 |
|          | total              | 2.67   | 3.61   | 4.30   | 2.37 | 0.28  | 2.08 |

## 【Data】 Breakdown of Banking subsidiaries

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

|                                |                        | FYE16   | FYE17   | FYE18   | 19-Sep  | YoY    |
|--------------------------------|------------------------|---------|---------|---------|---------|--------|
| Mebuki<br>FG<br>(Consolidated) | Domestic bonds         | 2,446.0 | 2,374.3 | 2,436.8 | 2,407.4 | -29.4  |
|                                | Foreign bonds          | 679.6   | 616.5   | 829.6   | 818.1   | -11.5  |
|                                | Stocks                 | 306.6   | 307.8   | 280.2   | 255.6   | -24.5  |
|                                | Investment trusts,etc. | 758.2   | 877.9   | 799.8   | 673.0   | -126.7 |
|                                | Total                  | 4,190.6 | 4,176.7 | 4,346.6 | 4,154.2 | -192.3 |
| Joyo                           | Domestic bonds         | 1,731.1 | 1,725.4 | 1,812.4 | 1,797.8 | -14.6  |
|                                | Foreign bonds          | 456.5   | 393.7   | 513.2   | 494.8   | -18.3  |
|                                | Stocks                 | 266.7   | 263.2   | 243.4   | 217.9   | -25.5  |
|                                | Investment trusts,etc. | 339.0   | 420.1   | 456.7   | 378.6   | -78.0  |
|                                | Total                  | 2,793.5 | 2,802.5 | 3,025.9 | 2,889.2 | -136.6 |
| Ashikaga                       | Domestic bonds         | 699.5   | 634.3   | 610.9   | 596.6   | -14.2  |
|                                | Foreign bonds          | 223.0   | 222.7   | 316.3   | 323.2   | +6.8   |
|                                | Stocks                 | 79.7    | 80.3    | 72.4    | 73.2    | +0.8   |
|                                | Investment trusts,etc. | 414.8   | 453.5   | 338.7   | 290.1   | -48.6  |
|                                | Total                  | 1,417.1 | 1,391.0 | 1,338.4 | 1,283.3 | -55.1  |

( 14 ) Strategic shareholdings (Balance) ( ¥ b n )

|          |         | FYE16 | FYE17 | FYE18 | 19-Sep | YoY    |
|----------|---------|-------|-------|-------|--------|--------|
| J+A      | Balance | 137.8 | 130.5 | 125.5 | 115.1  | +98.6  |
| Joyo     | Balance | 119.2 | 113.7 | 110.7 | 100.5  | +100.5 |
| Ashikaga | Balance | 18.6  | 16.8  | 14.8  | 14.6   | -1.9   |

( 16 ) Expenses ( ¥ b n )

|          |               | F Y 16 | F Y 17 | F Y 18 | 1H19 | YoY  | 1H18 |
|----------|---------------|--------|--------|--------|------|------|------|
| J+A      | Personnel     | 60.4   | 59.7   | 60.6   | 30.6 | +0.1 | 30.4 |
|          | Non-Personnel | 47.0   | 46.6   | 46.1   | 23.4 | +0.7 | 22.6 |
|          | Taxes         | 7.4    | 7.1    | 7.3    | 4.0  | -0.2 | 4.2  |
|          | Total         | 115.0  | 113.5  | 114.1  | 58.1 | +0.6 | 57.4 |
| Joyo     | Personnel     | 34.7   | 33.6   | 33.8   | 16.8 | -0.1 | 17.0 |
|          | Non-Personnel | 29.5   | 28.7   | 27.7   | 13.6 | -0.2 | 13.8 |
|          | Taxes         | 4.2    | 3.9    | 3.8    | 2.2  | +0.0 | 2.2  |
|          | Total         | 68.5   | 66.3   | 65.3   | 32.7 | -0.4 | 33.2 |
| Ashikaga | Personnel     | 25.7   | 26.1   | 26.8   | 13.7 | +0.3 | 13.4 |
|          | Non-Personnel | 17.5   | 17.8   | 18.4   | 9.8  | +0.9 | 8.8  |
|          | Taxes         | 3.2    | 3.2    | 3.5    | 1.7  | -0.2 | 1.9  |
|          | Total         | 46.4   | 47.2   | 48.8   | 25.3 | +1.1 | 24.2 |

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

|                                |                        | FYE16 | FYE17 | FYE18 | 19-Sep | YoY   |
|--------------------------------|------------------------|-------|-------|-------|--------|-------|
| Mebuki<br>FG<br>(Consolidated) | Stocks                 | 147.1 | 157.3 | 136.2 | 122.7  | -13.4 |
|                                | Domestic bonds         | 23.2  | 16.4  | 21.1  | 23.9   | +2.8  |
|                                | Investment trusts,etc. | 19.3  | 9.8   | 7.2   | 19.3   | +12.1 |
|                                | Foreign bonds          | -6.9  | -12.0 | 10.3  | 33.5   | +23.1 |
|                                | Total                  | 182.8 | 171.6 | 174.9 | 199.6  | +24.6 |
| Joyo                           | Stocks                 | 138.8 | 144.8 | 128.0 | 112.7  | -15.3 |
|                                | Domestic bonds         | 26.0  | 17.9  | 19.3  | 20.1   | +0.7  |
|                                | Investment trusts,etc. | 22.9  | 17.0  | 12.6  | 18.6   | +6.0  |
|                                | Foreign bonds          | -1.8  | -3.4  | 10.4  | 19.7   | +9.3  |
|                                | Total                  | 186.0 | 176.3 | 170.5 | 171.3  | +0.8  |
| Ashikaga                       | Stocks                 | 31.9  | 34.4  | 28.4  | 29.6   | +1.1  |
|                                | Domestic bonds         | 19.5  | 17.3  | 15.7  | 16.4   | +0.6  |
|                                | Investment trusts,etc. | 0.5   | -5.2  | -2.3  | 2.9    | +5.2  |
|                                | Foreign bonds          | -0.7  | -5.3  | 2.8   | 16.3   | +13.4 |
|                                | Total                  | 51.2  | 41.0  | 44.6  | 65.2   | +20.5 |

( 15 ) Gains and Losses on securities ( ¥ b n )

|          |   | FYE16 | FYE17 | FYE18 | 19-Sep | YoY   |
|----------|---|-------|-------|-------|--------|-------|
| J+A      | Domestic bonds  | 5.6   | -6.4  | -10.7 | -0.0   | +10.3 |
|          | Stocks  | 9.7   | 10.5  | 10.7  | 4.1    | -5.9  |
|          | Gains on Cancellation of Private Offering Investment Trusts | 5.4   | 5.4   | 11.6  | 6.1    | -3.6  |
|          | Total   | 20.8  | 9.5   | 11.6  | 10.1   | +0.6  |
| Joyo     | Domestic bonds  | 5.8   | -3.8  | -7.3  | 0.8    | +8.1  |
|          | Stocks  | 7.5   | 9.4   | 12.4  | 3.7    | -9.2  |
|          | Gains on Cancellation of Private Offering Investment Trusts | 1.7   | 1.0   | 1.6   | 4.0    | +2.8  |
|          | Total   | 15.2  | 6.6   | 6.7   | 8.5    | +1.7  |
| Ashikaga | Domestic bonds  | -0.2  | -2.5  | -3.3  | -0.9   | +2.1  |
|          | Stocks  | 2.1   | 1.0   | -1.7  | 0.4    | +3.3  |
|          | Gains on Cancellation of Private Offering Investment Trusts | 3.6   | 4.4   | 9.9   | 2.0    | -6.5  |
|          | Total   | 5.5   | 2.8   | 4.8   | 1.5    | -1.0  |

( 17 ) Credit related cost ( ¥ b n )

|          |  | FYE16 | FYE17 | FYE18 | Sep-19 | YoY  | Sep-18 |
|----------|--|-------|-------|-------|--------|------|--------|
| J+A      |  | 4.1   | 7.9   | 9.3   | 9.3    | +4.5 | 4.8    |
| Joyo     |  | 3.1   | 4.9   | 4.2   | 5.3    | +3.2 | 2.0    |
| Ashikaga |  | 0.9   | 3.0   | 5.0   | 3.9    | +1.2 | 2.7    |

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