



# Financial Results for the First Half of FY2014

November 28, 2014 (Friday)

Ashikaga Holdings Co., Ltd.

The Ashikaga Bank, Ltd.



## I Summary of Results and Projections

➤ Highlights in FY14-1H	3
➤ Summary of results	4
➤ Top-line	6
➤ Core gross business profit / Factor analysis	7
➤ Loans and deposits (average balance /average yield)	9
➤ Expenses / Core net business income	10
➤ Net income	11
➤ Loans / Deposits (term-end balance)	12
➤ Individual financial assets (term-end balance)	14
➤ Securities	15
➤ Non-performing loans / Credit related costs	16

➤ Capital adequacy ratio	17
➤ Revised forecast for FY2014	18

## II Management Strategies

➤ Outline of medium-term management plan	20
➤ Initiative at the Corporate Customer (1) (2) (3)	21
➤ Initiative at the Individual Customer (1) (2) (3)	24
➤ Corporate Governance	27
➤ Stock Price Chart	28

## III Reference Materials

➤ Company profile, etc.	30
➤ Overall economic conditions in Tochigi	33
➤ Major statistics, etc.	36

\*Figures are non-consolidated basis of The Ashikaga Bank, Ltd. without special mention.

“HD”: Ashikaga Holdings Co., Ltd. (Consolidated basis)  
“BK”: The Ashikaga Bank, Ltd. (Non-consolidated basis)

# I Summary of Results and Projections

Financial Results for FY14-1H and  
Revised Forecast for FY2014

## **(1) Net interest income increased for two consecutive fiscal year**

- Strong growth of loans to individuals and small and medium-sized companies
- Yield improvement through diversified investment securities portfolio

## **(2) Fees & commissions remained strong growth**

- Sales of assets under custody increased steadily, centering on investment trusts and insurance.
- Contribution to profit increase by improvement of fees related ATM
- Total fees & commissions exceeded FY13-1H that hit a record high

## **(3) Core net business income expected to be 30 billion yen for FY2014**

- Core net business income increased for three consecutive fiscal year.
- Achievement of core net business income target “30 billion yen” in medium-term management plan, has come into sight in this fiscal year, a year ahead of schedule
- Core OHR fell to 60% range

## **(4) Upward revision of earnings and cash dividends forecasts**

- Net income decreased primarily due to a decline in gains of sales of stocks and an increase of income taxes.
- Revised upward earnings forecast in view of recent good performance, exceeding our initial plan.
- Revised upward annual cash dividends to ¥9 per share, up ¥1 from initial forecast.

# Summary of results (1) HD

- ◆ Ordinary income of Ashikaga Holdings Co., Ltd. (consolidated) declined 7.1 billion yen from FY13-1H, to 49.3 billion yen (4.3 billion yen higher than initial forecast).
- ◆ Ordinary profit declined 3.6 billion yen from FY13-1H, to 12.5 billion yen (4.5 billion yen higher than initial forecast).
- ◆ Net income declined 10.7 billion yen from FY13-1H, to 7.7 billion yen (3.7 billion yen higher than initial forecast).

## <<Ashikaga Holdings Co., Ltd. (Consolidated basis)>>

(JPY Bn)	1H FY2012	1H FY2013 (1)	1H FY2014 (2)	YoY (2)-(1)	1H FY2014 Projection (3)	Compared with projection (2)-(3)
Ordinary income	51.9	56.5	49.3	- 7.1	45.0	+ 4.3
Consolidated gross profit	43.6	42.4	42.4	+ 0.0	39.1	+ 3.3
General and administrative expenses	29.9	29.0	28.7	- 0.3	29.1	- 0.4
Credit related costs	1.0	3.1	2.0	- 1.1	2.1	- 0.0
Gains (losses) on stocks	- 0.3	5.9	- 0.0	- 5.9	-	- 0.0
Ordinary profit	13.1	16.2	12.5	- 3.6	8.0	+ 4.5
Income taxes-current	0.9	1.0	6.4	+ 5.3	4.2	+ 2.2
Income taxes-deferred	0.7	- 3.6	- 1.6	+ 1.9	0.3	- 1.9
Net Income	11.4	18.5	7.7	- 10.7	4.0	+ 3.7
(Reference)						
Net income excluding amortization of goodwill	14.5	21.6	10.8			

# Summary of results (2) BK

- ◆ Core gross business profit of The Ashikaga Bank, Ltd. (non-consolidated) increased 0.8 billion yen from FY13-1H, to 40.4 billion yen. Core net business income increased 1.1 billion yen from FY13-1H, to 16.0 billion yen.
- ◆ Ordinary profit decreased 3.9 billion yen from FY13-1H, to 15.6 billion yen, mainly due to a decline in gains of sales of stocks. Net income decreased 11.0 billion yen from FY13-1H, to 11.3 billion yen, due to an increase of income taxes.

## <<The Ashikaga Bank, Ltd. (Non-Consolidated basis)>>

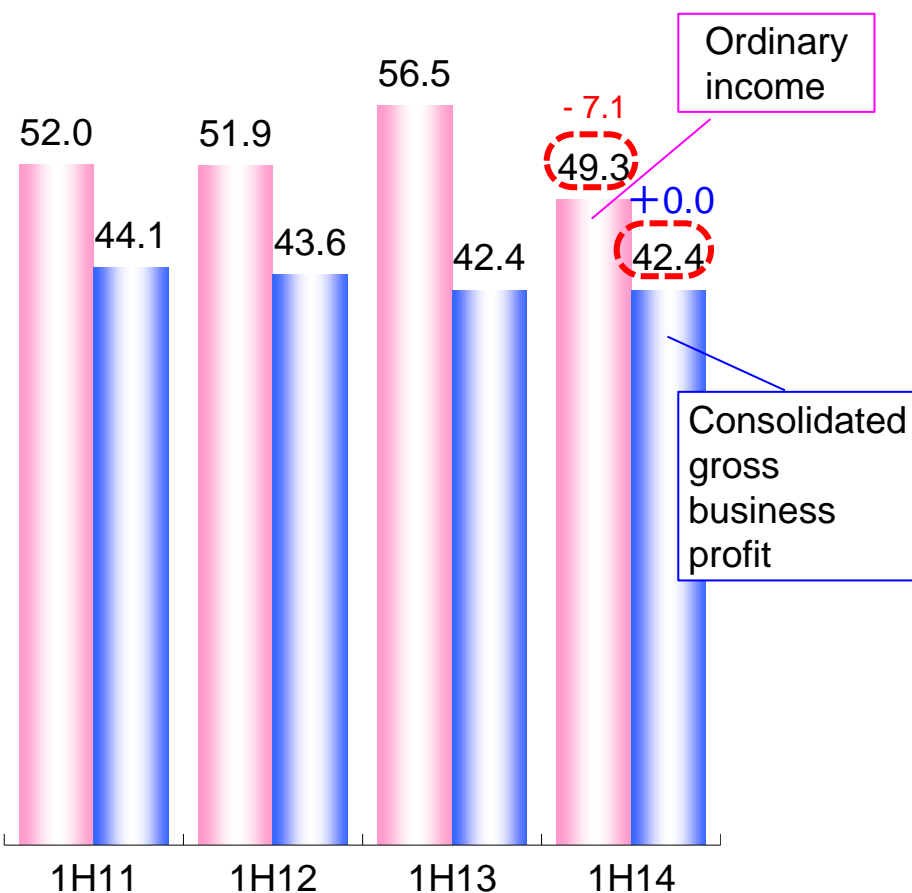
(JPY Bn)	1H FY2012	1H FY2013 (1)	1H FY2014 (2)	YoY (2)-(1)	1H FY2014 Projection (3)	Compared with projection (2)-(3)
Core gross business profit	37.4	39.6	40.4	+ 0.8	38.2	+ 2.2
Gross business profit	43.0	41.0	40.9	- 0.0	38.2	+ 2.6
Net interest income	31.4	32.3	33.0	+ 0.6	31.6	+ 1.3
Net fees and commissions	5.6	7.0	7.2	+ 0.1	6.5	+ 0.7
Net other business income	5.9	1.6	0.7	- 0.8	0.1	+ 0.6
Gains (losses) on bonds	5.6	1.3	0.4	- 0.8	-	+ 0.4
Expenses	25.7	24.7	24.4	- 0.3	24.8	- 0.4
Personnel expenses	13.6	12.8	13.0	+ 0.2	12.8	+ 0.1
Non-personnel expenses	10.4	10.3	9.8	- 0.5	10.1	- 0.2
Net business income (before general allowance for loan losses)	17.3	16.2	16.5	+ 0.2	13.4	+ 3.1
Core net business income	11.6	14.8	16.0	+ 1.1	13.4	+ 2.6
Credit related costs	0.6	2.9	1.4	- 1.5	1.2	+ 0.1
Gains (losses) on stocks	-0.1	6.4	-0.0	- 6.5	-	- 0.0
Ordinary profit	16.8	19.5	15.6	- 3.9	11.5	+ 4.0
Income taxes-current	0.6	0.8	6.2	+ 5.3	3.9	+ 2.3
Income taxes-deferred	0.6	-3.9	-1.9	+ 1.9	0.3	- 2.2
Net Income	15.4	22.3	11.3	- 11.0	7.3	+ 4.0



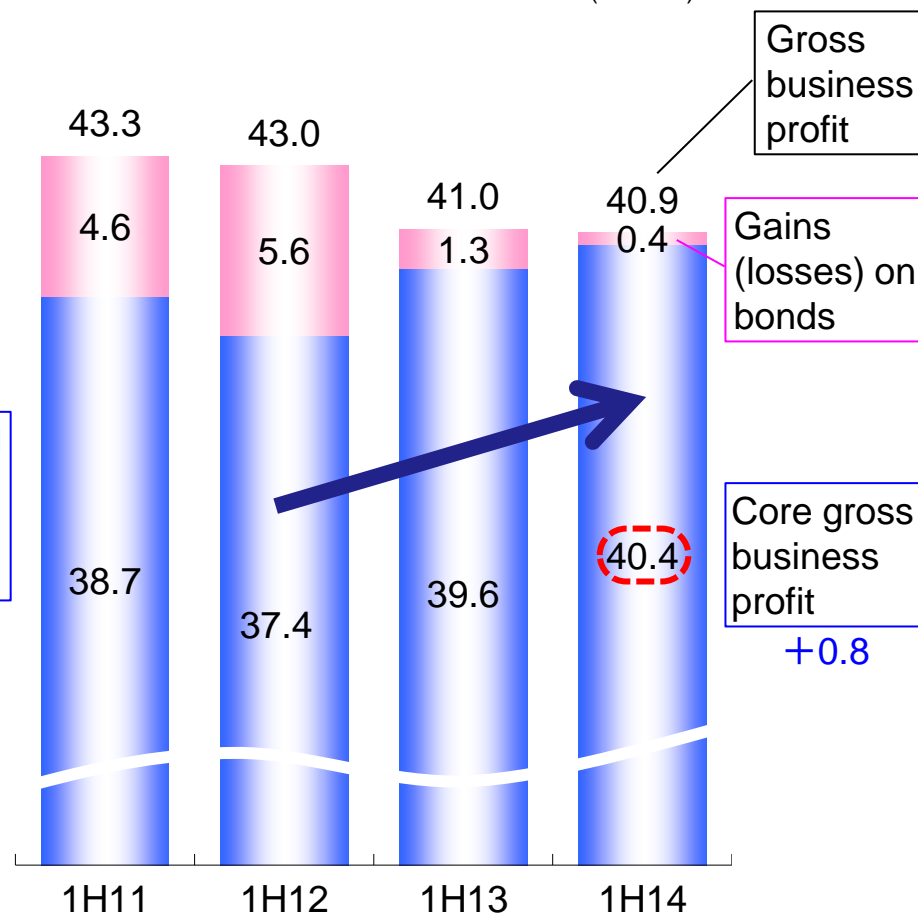
# Top-line

- ◆ Ordinary income of Ashikaga Holdings Co., Ltd. (consolidated) decreased 7.1 billion yen from FY13-1H, to 49.3 billion yen, mainly due to a decline in gains of sales of stocks. Gross business profit was 42.4 billion yen around the same level as previous year.
- ◆ Gross business profit of The Ashikaga Bank, Ltd. (non-consolidated) was 40.9 billion yen around the same level as previous year. Core gross business profit (excluding gains (losses) on bonds) rose 0.8 billion yen from FY13-1H, to 40.4 billion yen.

【HD】<<Ordinary income / Consolidated gross business profit>> (JPY Bn)



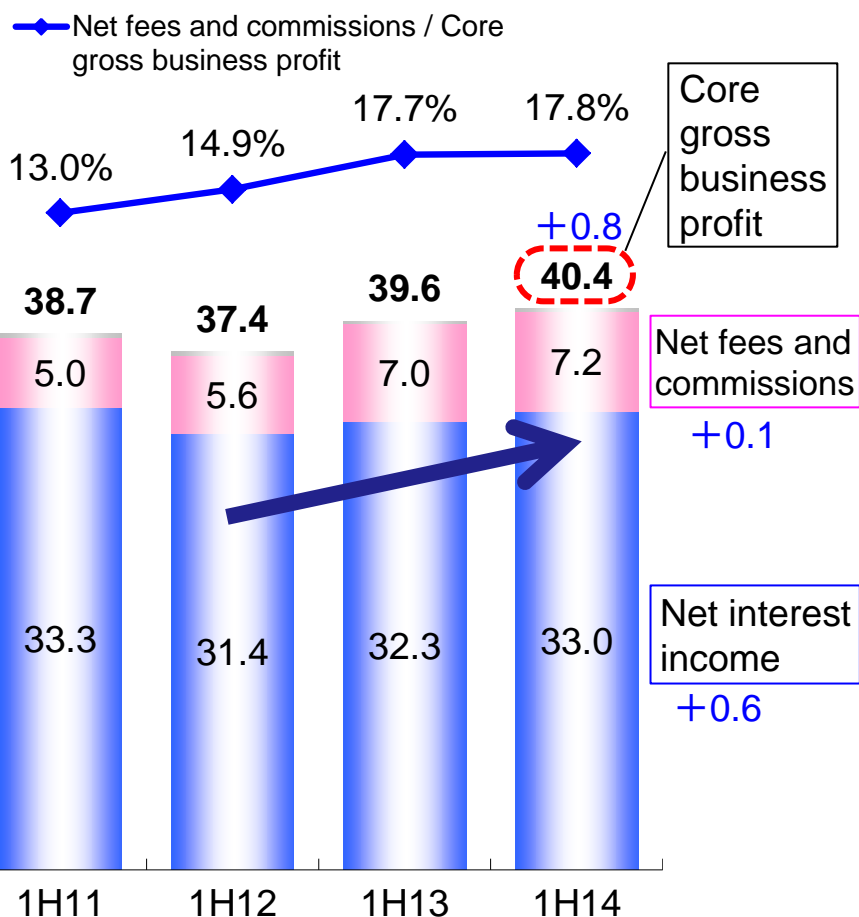
【BK】<<Gross business profit>> (JPY Bn)



# Core gross business profit

- ◆ Core gross business profit (excluding gains (losses) on bonds) rose 0.8 billion yen from FY13-1H, to 40.4 billion yen. Of that, net interest income increased 0.6 billion yen from FY13-1H, to 33.0 billion yen, mainly due to an increase of interest and dividends on securities.
- ◆ Net fees & commissions increased 0.1 billion yen from FY13-1H, to 7.2 billion yen and the ratio of net fees & commissions to core gross business profit rose to 17.8%.

## <<Core gross business profit>> (JPY Bn)



## <<Breakdown of net interest income and net fees and commissions>>

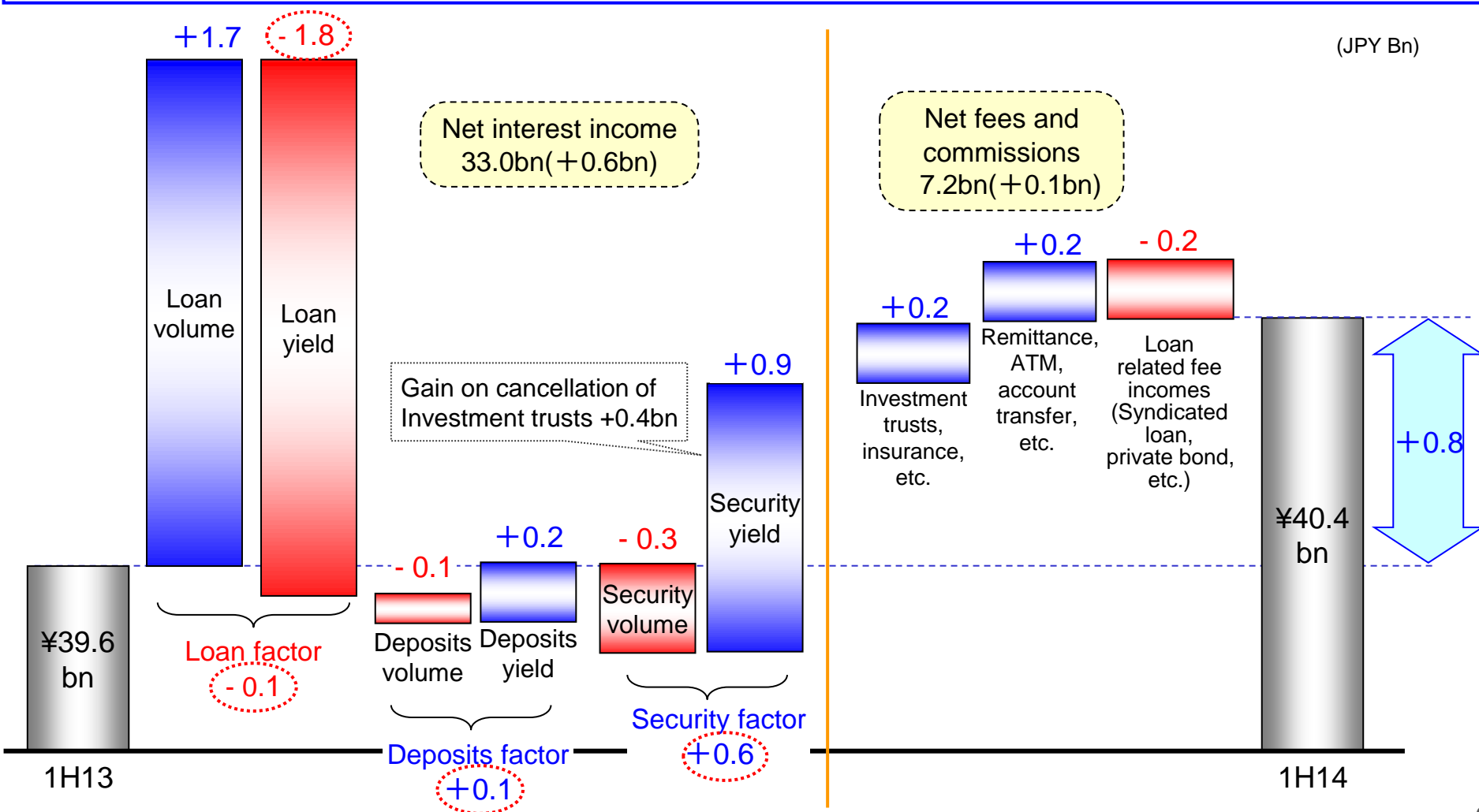
(JPY Bn)	1H FY2012	1H FY2013 (1)	1H FY2014 (2)	YoY (2)-(1)
Net interest income	31.4	32.3	33.0	0.6
Interest on loans and bills discounts	28.5	27.7	27.5	- 0.1
Interest and dividends on securities	4.2	5.9	6.5	0.6
Interest expenses for deposits (-)	1.6	1.4	1.3	- 0.1

(JPY Bn)	1H FY2012	1H FY2013 (1)	1H FY2014 (2)	YoY (2)-(1)
Net fees and commissions	5.6	7.0	7.2	0.1
Fees and commissions	8.7	9.9	10.3	0.4
Fees related to assets under custody	2.5	3.2	3.4	0.2
Fees related to loans	1.6	2.0	1.9	- 0.1
Fees on settlement-related business	3.9	3.9	4.2	0.3
Fees and commissions payments	3.1	2.9	3.1	0.2
Insurance premiums	1.8	1.5	1.7	0.2
Fees related to ATM	0.7	0.7	0.8	0.1



# Factor analysis (Core gross business profit)

- ◆ Of the 0.6 billion yen increase in net interest income, the loan factor was down 0.1 billion yen, the deposit factor was up 0.1 billion yen, and the security factor was up 0.6 billion yen.
- ◆ Of the loan factor, negative impact due to a decline of loan yield is reduced ( FY12-1H down 3.1billion yen, FY13-1H down 2.3 billion yen, FY14-1H down 1.8 billion yen). And net interest income rose from FY13-1H, excluding gains on cancellation of investment trusts.
- ◆ Of the 0.1 billion yen increase in net fees & commissions, the over-the-counter factor including sales of investment trusts was up 0.2 billion yen and the settlement business factor including account transfer and ATM related commissions, etc. was up 0.2 billion yen, and the loan factor was down 0.2 billion yen.

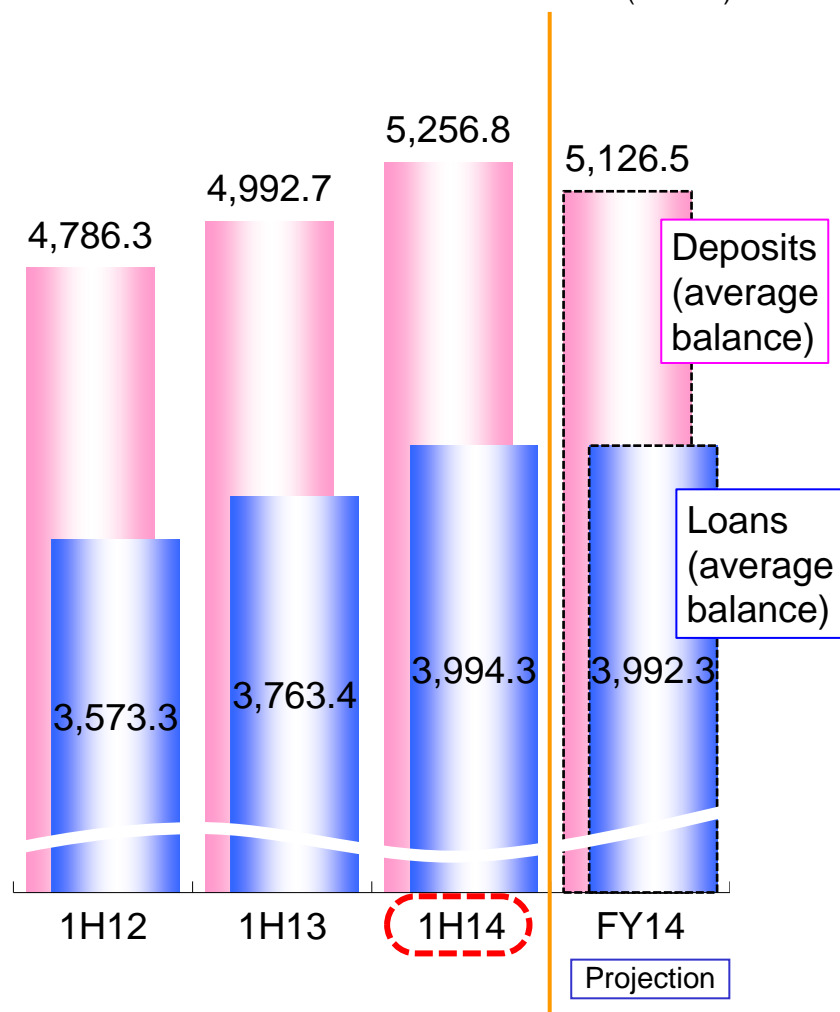


# Loans and deposits (average balance / average yield)

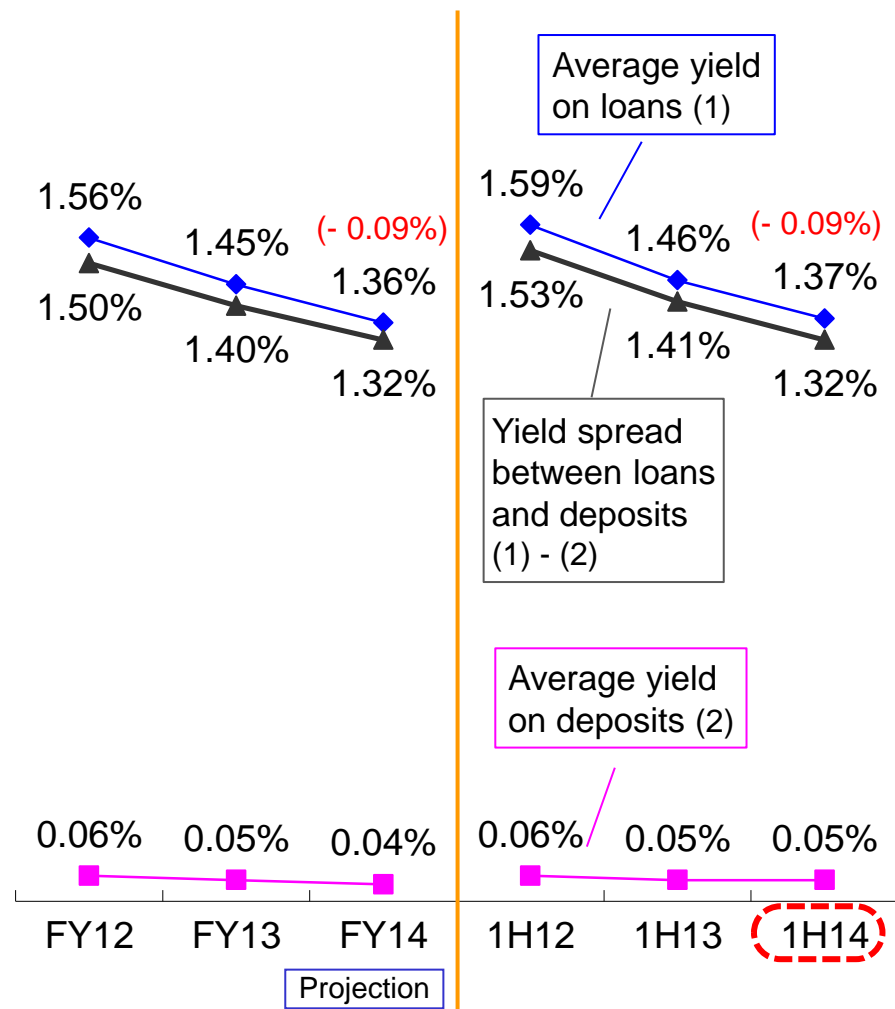
- ◆ The average balances of loans and deposits in FY14-1H increased steadily, exceeding initial plan set by the bank for FY2014.
- ◆ Average yield on loans continued to decline, but its speed decelerated and remained in line with expectation.

## <<Loans and deposits (average balance)>>

(JPY Bn)



## <<Loan and deposit yields>>



# Expenses / Core net business income

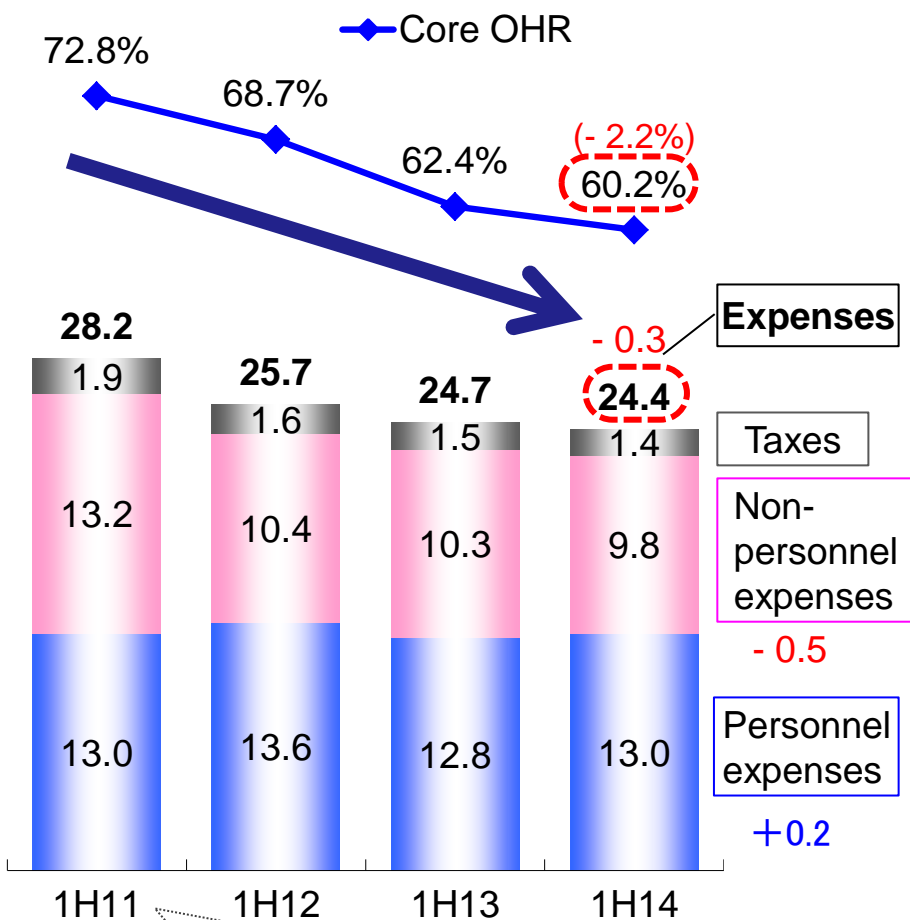
- ◆ Expenses declined 0.3 billion yen from FY13-1H, to 24.4 billion yen, of which non-personnel expenses dropped 0.5 billion yen, to 9.8 billion yen, while personnel expenses rose 0.2 billion yen, to 13.0 billion yen.
- ◆ After the switching of accounting system in July 2011, core OHR continued declining, resulting to 60.2% in FY14-1H.
- ◆ Core net business income increased 1.1 billion yen from FY13-1H, to 16.0 billion yen, due to an increase of core gross business profit and a decrease of expenses.

## <<Expenses / Core OHR>>

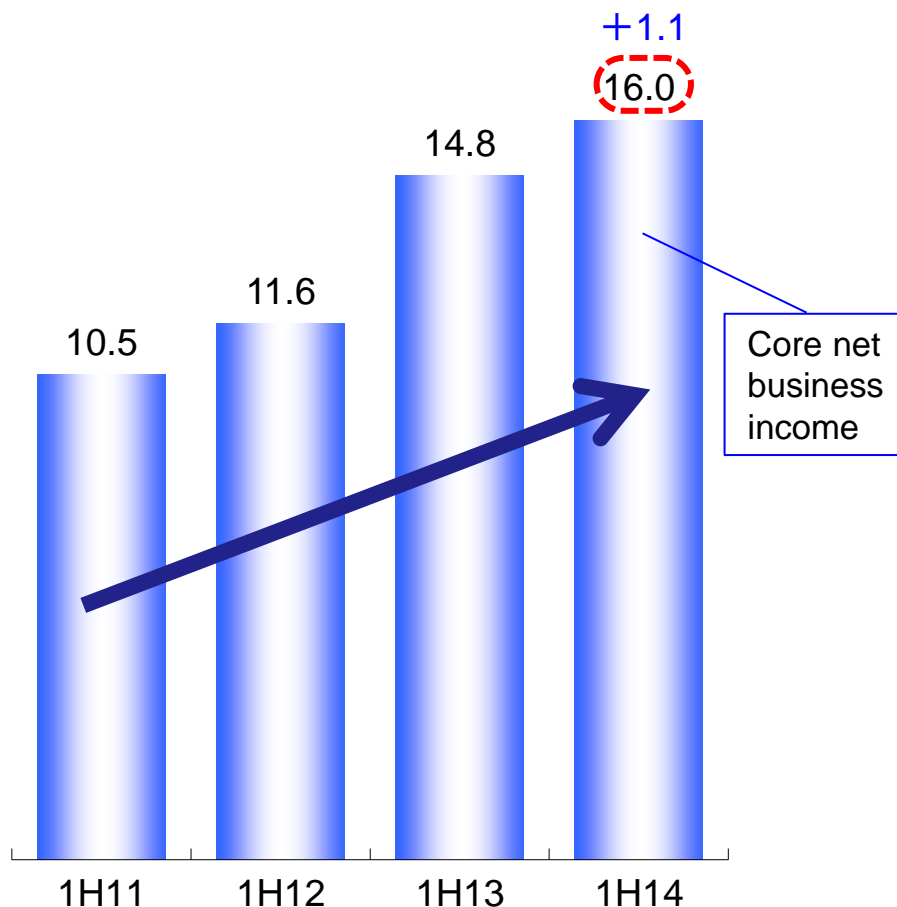
(JPY Bn)

## <<Core net business income>>

(JPY Bn)



The switching of accounting system In July 2011

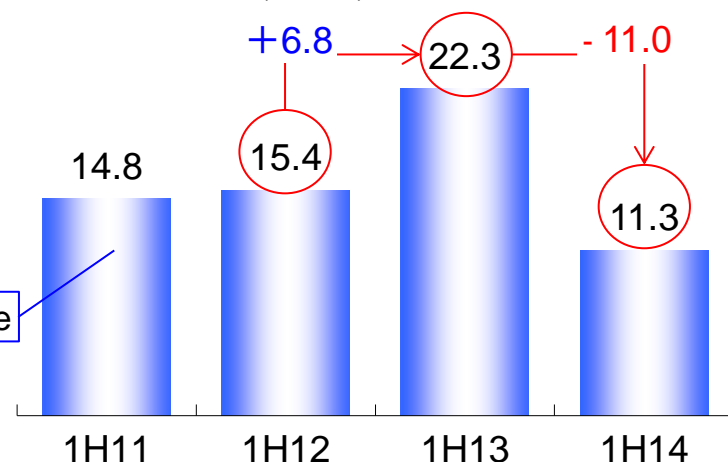


※Core OHR=Expenses ÷ Core gross business profit

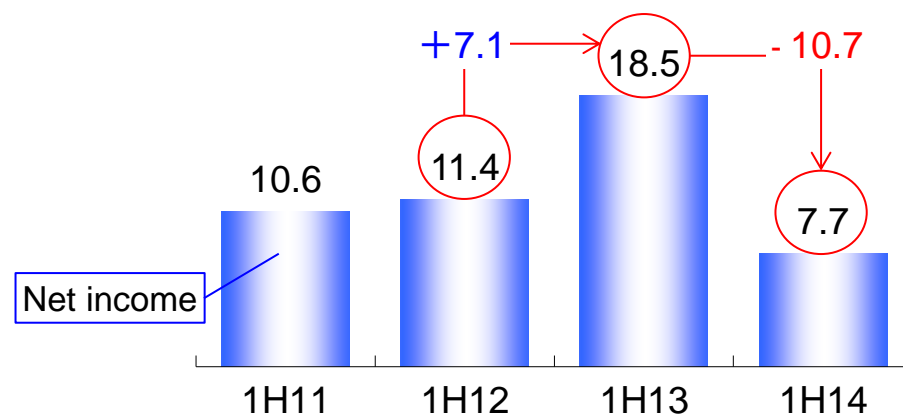
# Net income

- ◆ Net income of The Ashikaga Bank, Ltd. (non-consolidated basis) decreased 11.0 billion yen from FY13-1H, to 11.3 billion yen, due to a decline in gains of sales of stocks, down 6.5 billion yen, and an increase of income taxes, up 7.3 billion yen.

【BK】<< Net income >> (JPY Bn)



【HD】<< Net income >> (JPY Bn)



【BK】<<Factor analysis (Net income)>>

※ 「+」or「-」 indicate the contribution to increase (decrease) in net income

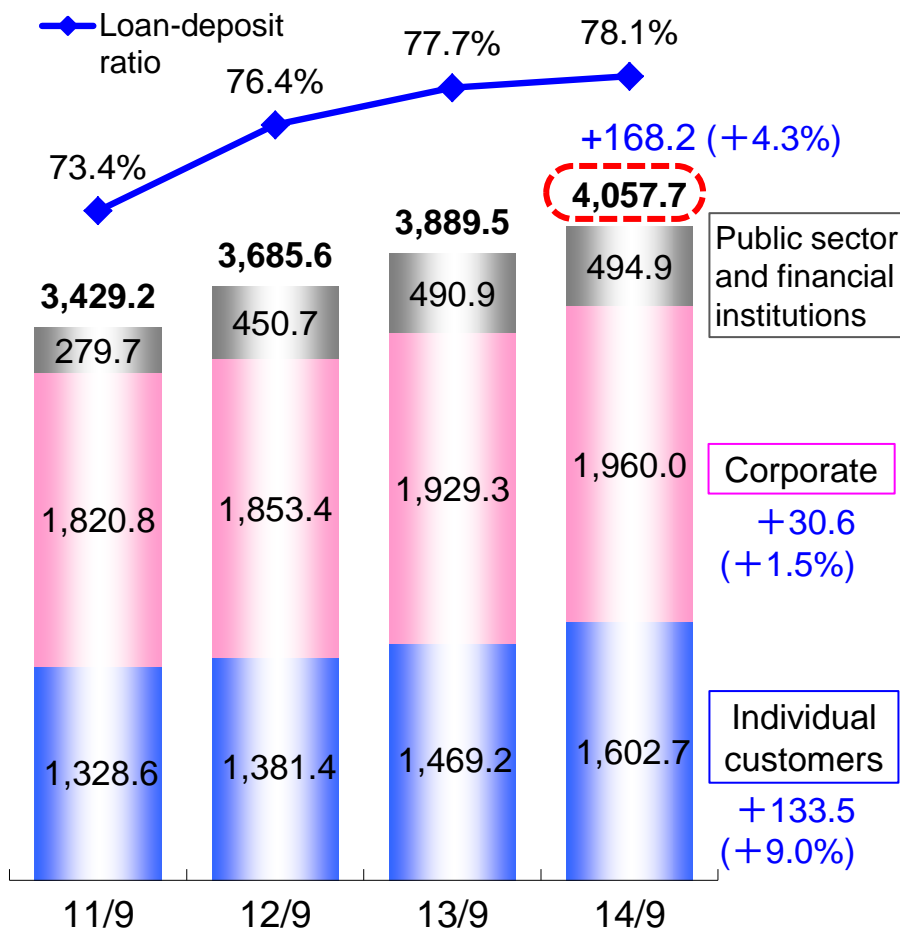
	(JPY Bn)	FY12-1H ⇒ FY13-1H	FY13-1H ⇒ FY14-1H
Changes in net income (increase/decrease)		+ 6.8	- 11.0
in core business profit		+ 3.2	+ 1.1
in credit related costs		- 2.2	+ 1.5
in gains (looses) on bonds (Government bonds, etc.)		- 4.2	- 0.8
in gains (looses) on stocks, etc.		+ 6.6	- 6.5
in income taxes paid		+ 4.3	- 7.3
others (extraordinary income (losses))		- 0.8	+ 1.0

# Loans (term-end balance)

- ◆ The term-end balance of loans increased 168.2 billion yen from the end of FY13-1H, to 4,057.7 billion yen (4.3% annualized).
- ◆ Of that, loans to individual customers increased 133.5 billion yen to 1,602.7 billion yen (9.0% annualized), mainly due to increases in housing loans, and loans to corporate customers increased 30.6 billion yen to 1,960.0 billion yen (1.5% annualized).
- ◆ By prefecture, both of loans in Tochigi prefecture and adjacent prefectures increased.

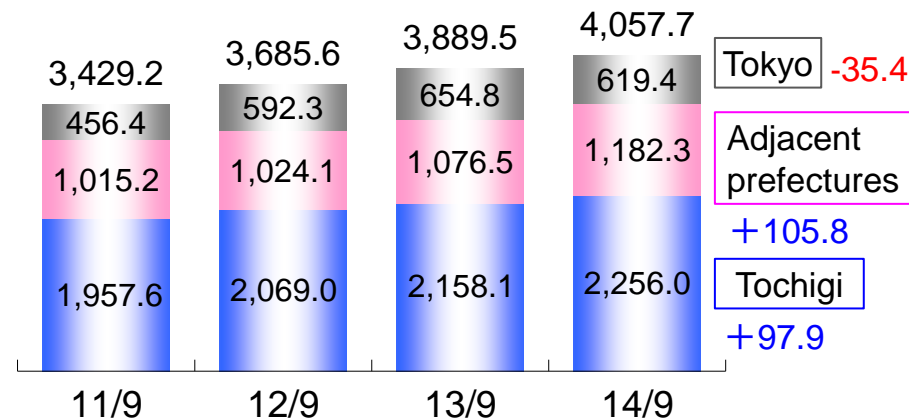
## <<Loans (term-end balance)>>

(JPY Bn)



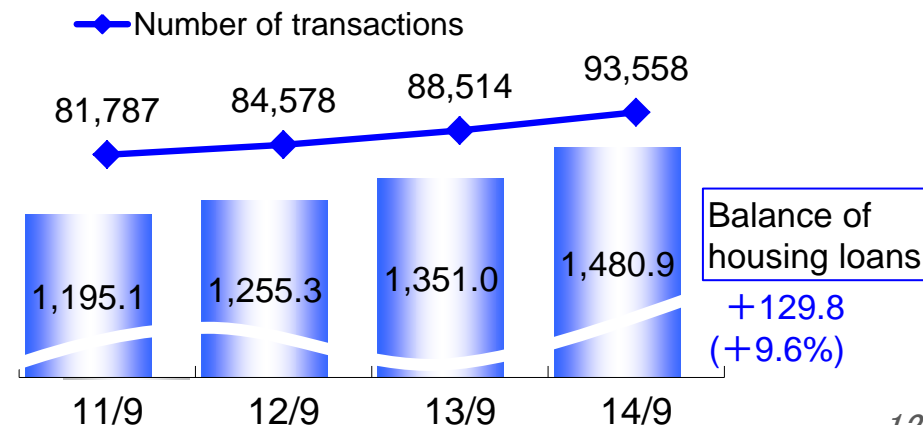
## << Loans by prefecture (term-end balance)>>

(JPY Bn)



## <<Balance of housing loans and the number of transactions>>

(JPY Bn)

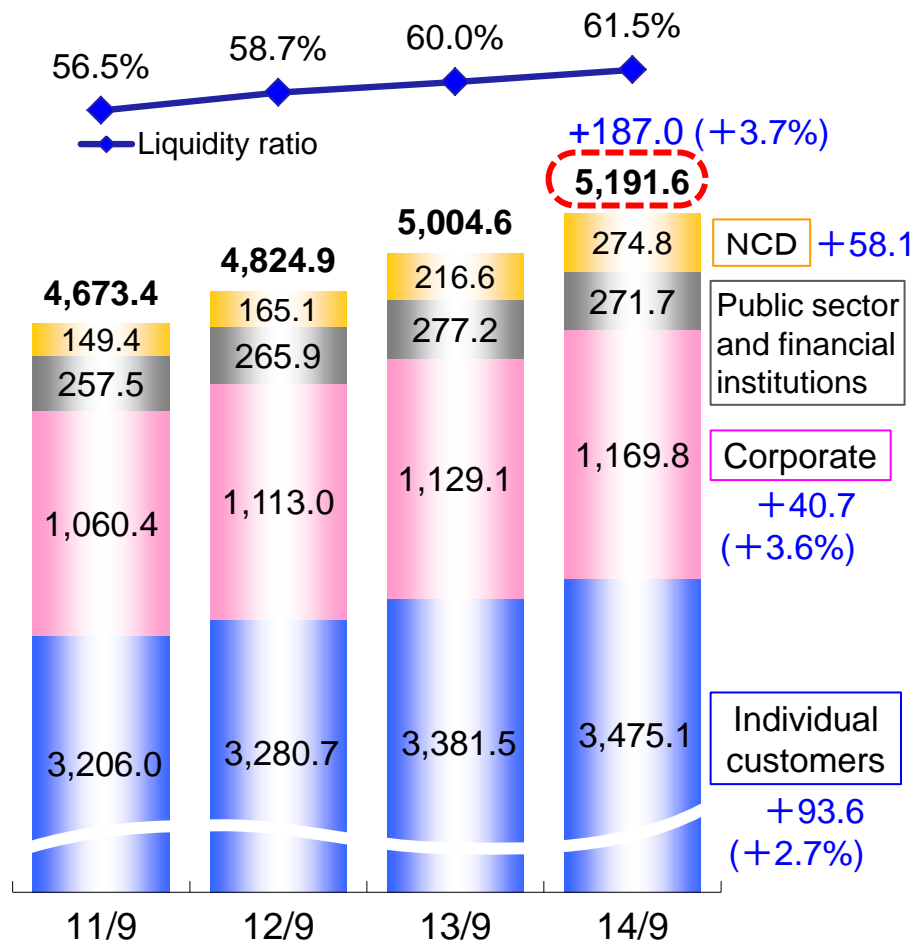


\* Loan-deposit ratio = Loans (term-end balance) ÷ Deposits (term-end balance)

# Deposits (term-end balance)

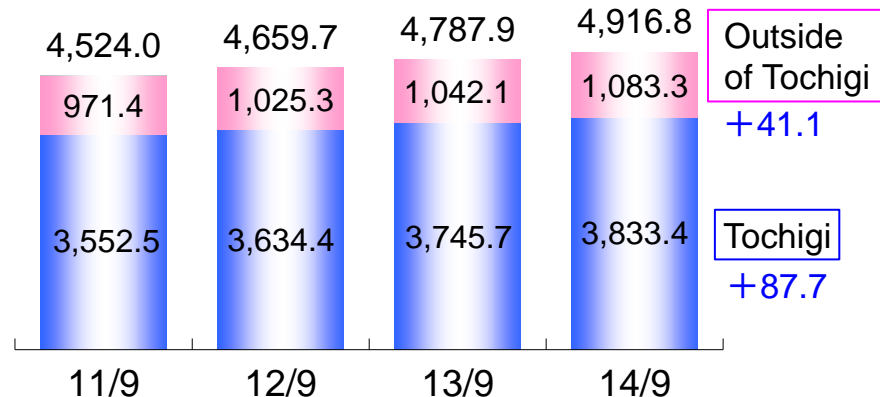
- ◆ The term-end balance of deposits including NCD increased 187.0 billion yen from the end of FY13-1H, to 5,191.6 billion yen (3.7% annualized).
- ◆ Of that, deposits from individual customers increased 93.6 billion yen (2.7% annualized) and deposits from corporate customers increased 40.7 billion yen (3.6% annualized).
- ◆ By prefecture, both of deposits in Tochigi prefecture and other prefectures increased.

## <<Deposits (term-end balance)>> (JPY Bn)



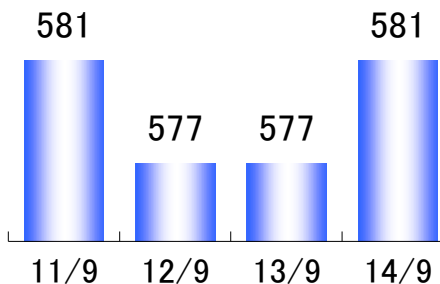
## <<Deposits by prefecture (term-end balance)>> (JPY Bn)

\* Excluding NCD



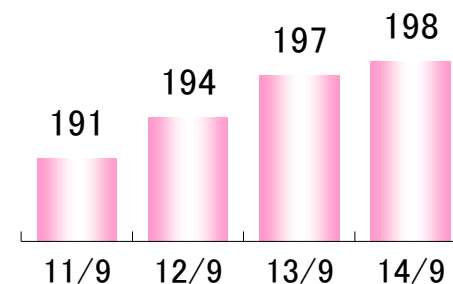
## <<Payroll account>>

(Thousand people)



## <<pension receipt>>

(Thousand people)

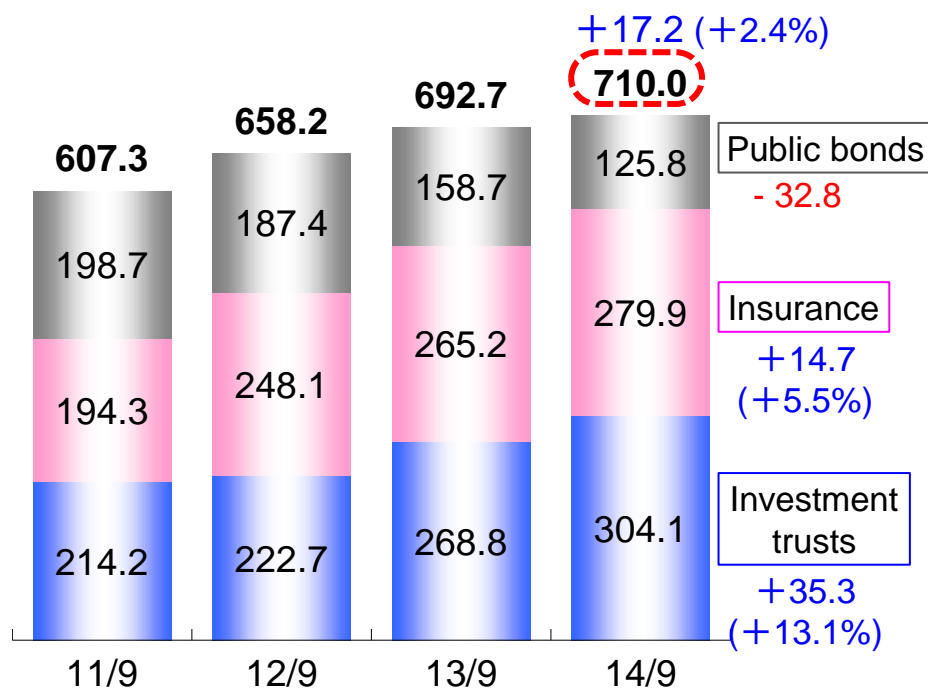


\*Liquidity ratio = Liquid (checking, ordinary, savings and notice) deposits ÷ Deposits (term-end balance)

# Individual financial assets (term-end balance)

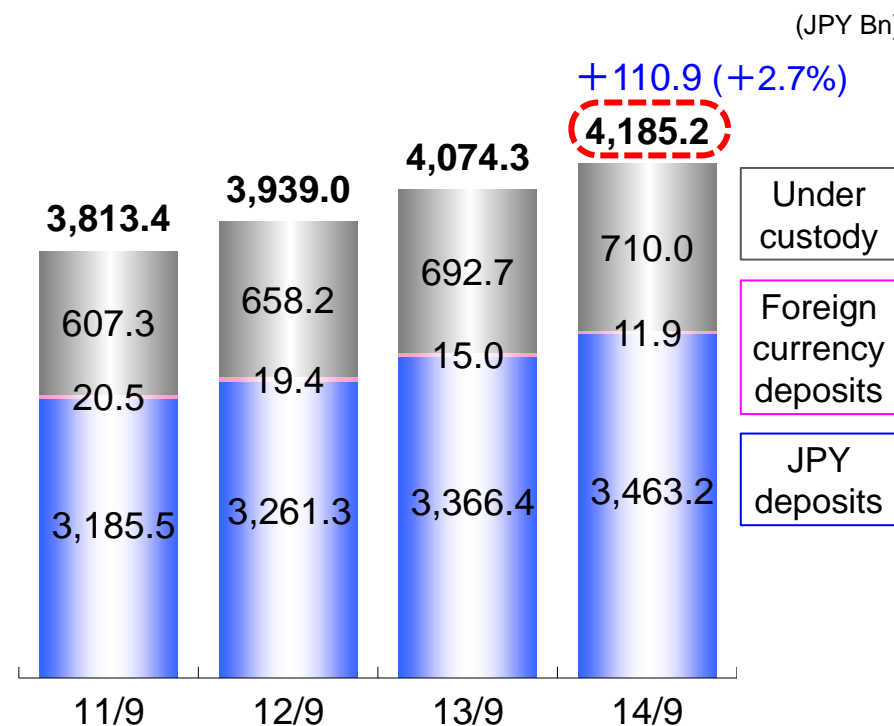
- ◆ Individual customer assets under custody increased 17.2 billion yen from the end of FY13-1H, to 710.0 billion yen. Of that, investment trusts increased 35.3 billion yen and insurances increased 14.7 billion yen, while bonds decreased 32.8 billion yen owing to redemption of large amount of JGB for individual investors.
- ◆ Number of “NISA” exceeded 51,451 accounts and the utilization rate rose to 40.3%.
- ◆ Total financial assets from individual customers increased 110.9 billion yen from the end of FY13-1H, to 4,185.2 billion yen.

## <<Individual customer assets under custody (term-end balances)>> (JPY Bn)



※Insurance = annuity insurance + whole-life insurance  
+ educational insurance

## <<Personal financial assets (term-end balance)>> (JPY Bn)



## <<Acquisition of NISA account>> (As of the end of September 2014)

Number of  
accounts opened

51,451 accounts (the utilization ratio 40.3%)

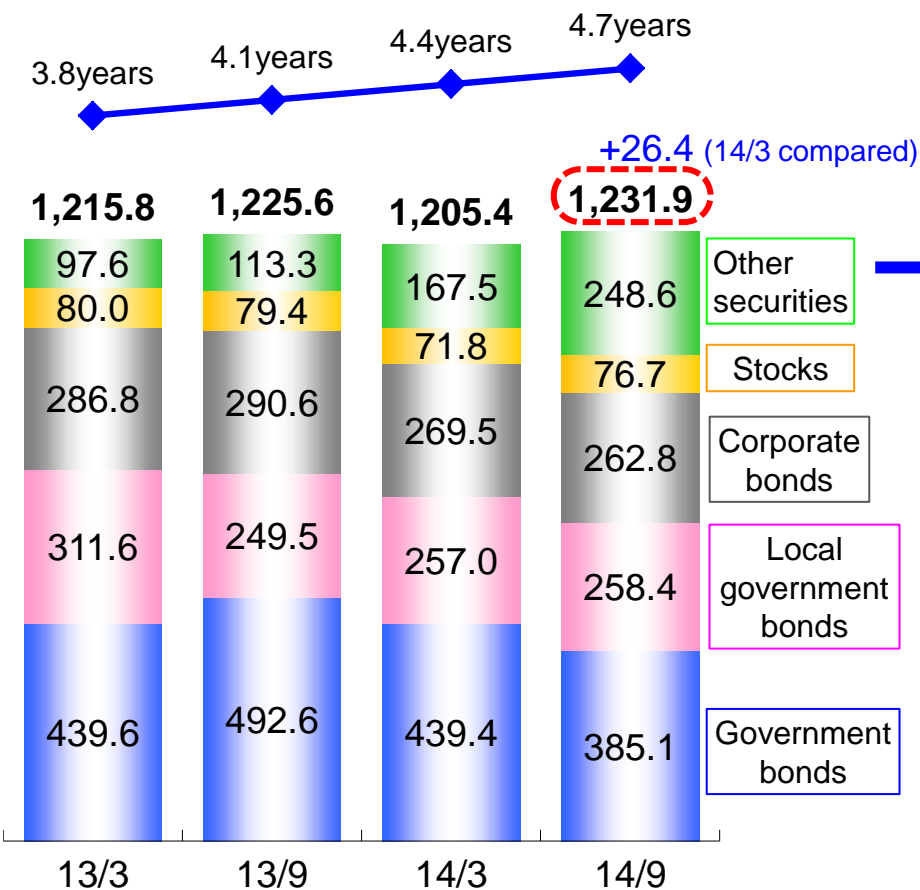


# Securities

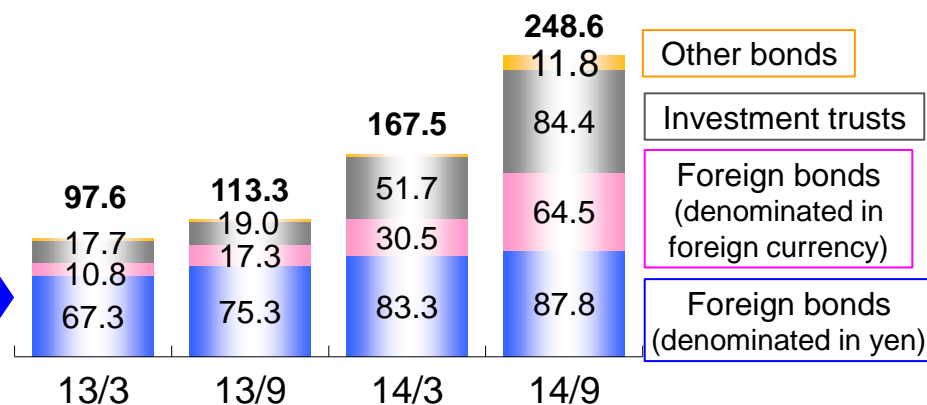
- ◆ The balance of securities increased 26.4 billion yen from the end of previous fiscal year, to 1,231.9 billion yen. The balance fell in government bonds, corporate bonds. The increase in other securities was mainly due to foreign bonds and investment trusts. The duration of yen-denominated bonds was 4.7 years.
- ◆ Valuation gains on other securities (available-for-sale securities) increased from the end of previous fiscal year, due to the decline in interest rates and raise in stock prices.

## <<Securities (term-end balances)>> (JPY Bn)

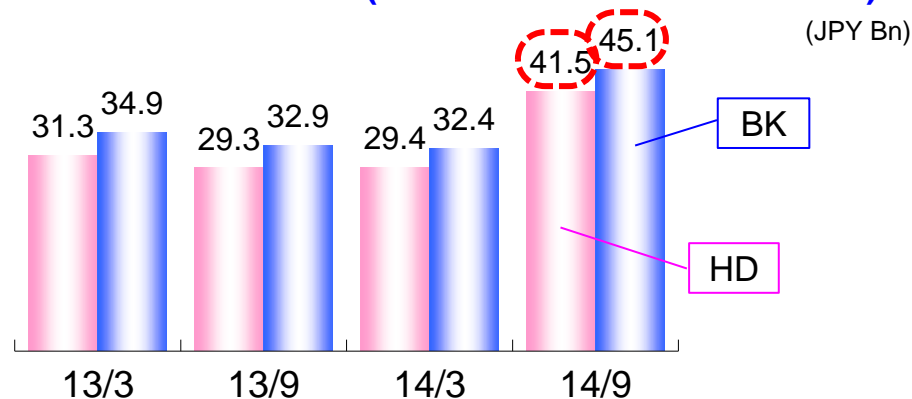
◆ Duration of yen-denominated bonds



## <<Foreign bonds, etc. (term-end balances)>> (JPY Bn)



## 【HD / BK】<<Unrealized Valuation Gains (Losses) on Other Securities (available-for-sale securities)>> (JPY Bn)



\*Yen-denominated bonds = Domestic bond + Yen-denominated foreign bond

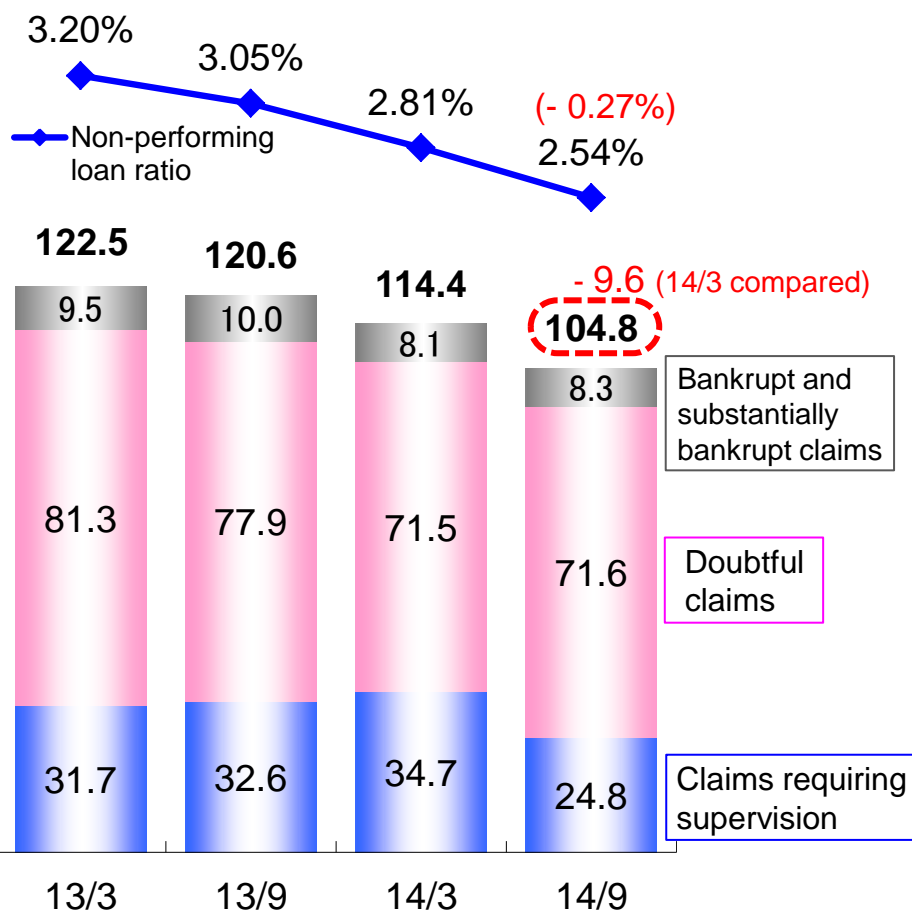
\*Other securities = Available-for-sale securities



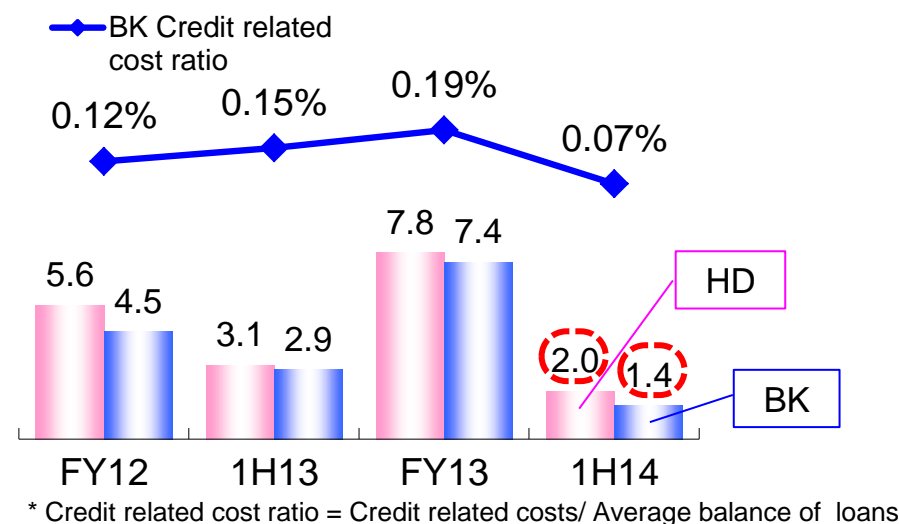
# Non-performing loans / Credit related costs

- ◆ The balance of non-performing loans (loans subject to mandatory disclosure under the financial revitalization law) declined 9.6 billion yen from the end of previous fiscal year, to 104.8 billion yen. The non-performing loan ratio fell 0.27 points from the end of previous fiscal year, to 2.54%.
- ◆ Credit related costs decreased from FY13-1H, to 2.0 billion yen on consolidated basis (HD) and 1.4 billion yen on non-consolidated basis (BK). The balance of general allowance for loan losses declined due to a decrease of claims requiring supervision, while the balance of specific allowance for loan losses increased due to conservative allowance.

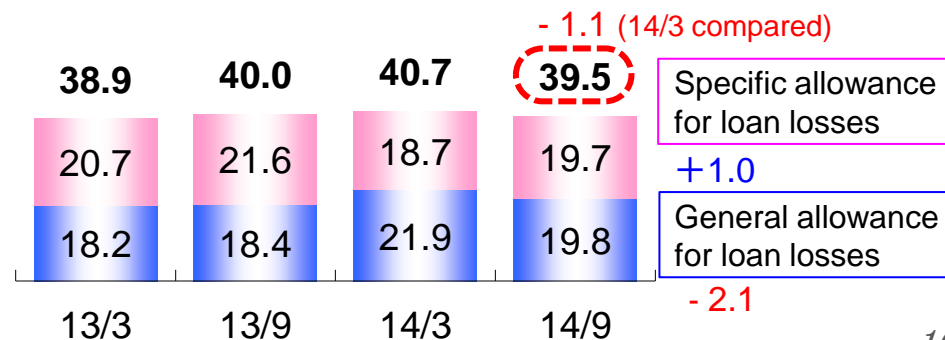
## <<Loans subject to mandatory disclosure under the financial reconstruction law>> (JPY Bn)



## [HD / BK] <<Credit related costs>> (JPY Bn)



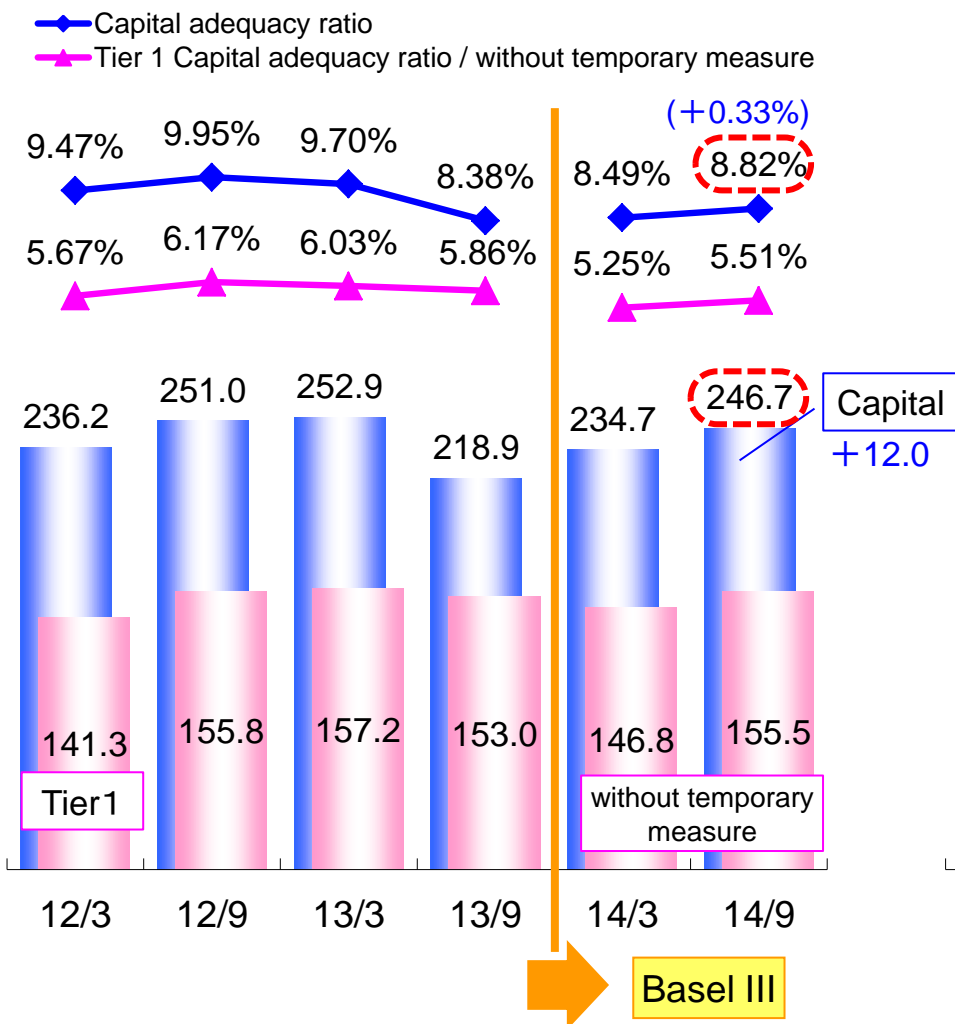
## <<Reserve for possible loan losses>> (JPY Bn)



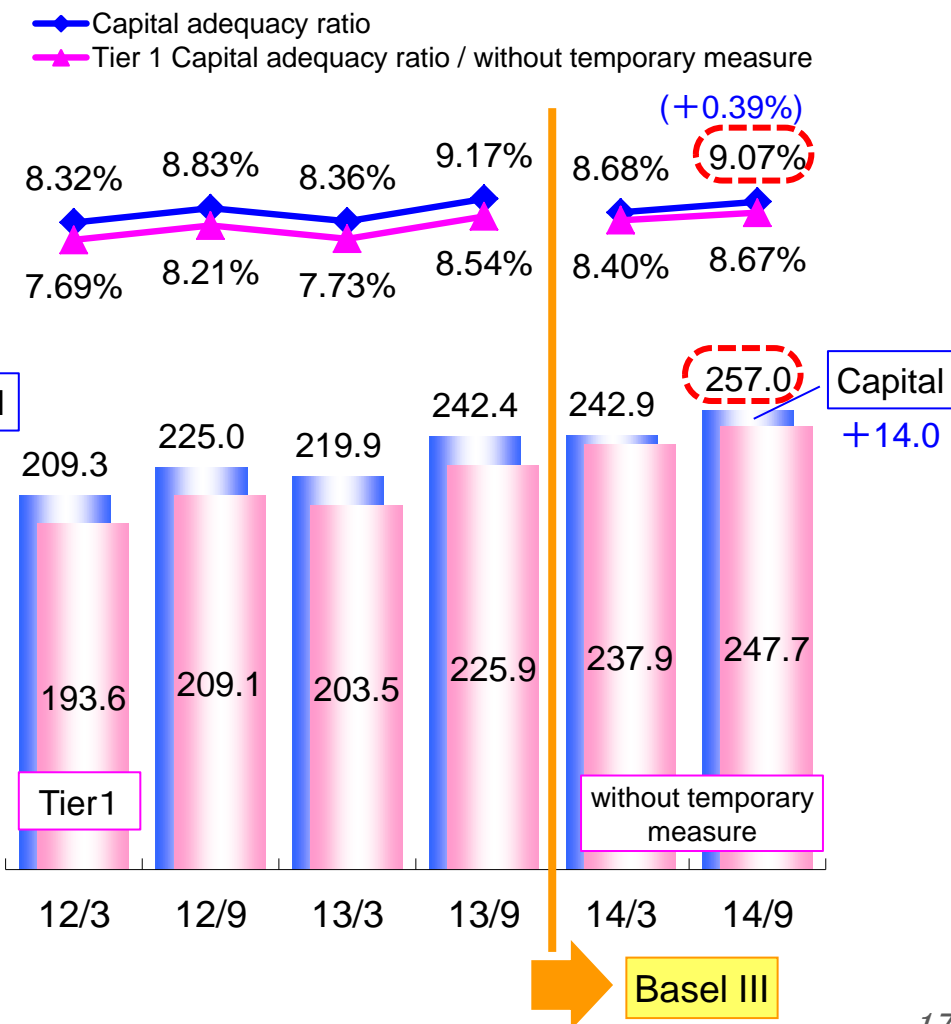
# Capital adequacy ratio (Domestic standard)

- ◆ The domestic standard of Basel III was applied to the capital adequacy ratio at the end of FY2013 ended Mar. 31, 2014.
- ◆ The capital adequacy ratio of HD was 8.82%, up 0.33 point from the end of previous fiscal year and also, the ratio of BK was 9.07%, up 0.39 point.

【HD】<<Capital adequacy ratio>> (JPY Bn)



【BK】<<Capital adequacy ratio>> (JPY Bn)



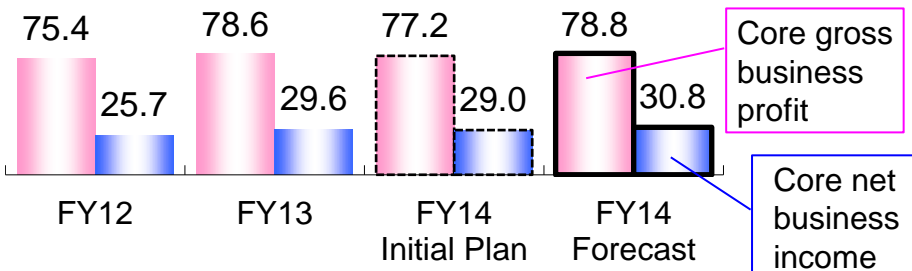
# Revised forecast for FY2014

- ◆ Net interest income is expected to increase for two consecutive fiscal years, due to growth of loans and yield improvement of securities.
- ◆ Net fees & commissions is expected to keep the previous year's level that hit a record high.
- ◆ Core net business income is expected to increase for three consecutive fiscal years, and achievement of target "30 billion yen" has come into sight in this fiscal year, a year ahead of schedule.
- ◆ Net income is expected to decrease mainly due to a decline in gains of sales of stocks and an increase of income taxes. However, we revised upward earnings forecast and annual cash dividends, because core business performance maintains firm conditions.

## 【BK】<<Earnings forecast>>

(JPY Bn)	FY14 Revised Forecast	Y o Y	compared with projection
Core gross business profit	78.8	+0.2	1.6
Gross business profit	79.3	- 0.6	1.6
Net interest income	64.5	+0.7	0.7
Net fees and commissions	13.9	- 0.4	0.8
Net other business income	0.8	- 0.9	-
Gains (losses) on bonds	0.4	- 0.9	- 0.1
Expenses	47.9	- 1.0	- 0.2
Core net business income	30.8	+1.2	1.8
Credit related costs	4.1	- 3.3	0.1
Gains (losses) on stocks	0.4	- 11.9	- 0.1
Ordinary profit	27.9	- 7.5	2.5
Net Income	19.6	- 12.5	2.5

## 【BK】(JPY Bn)



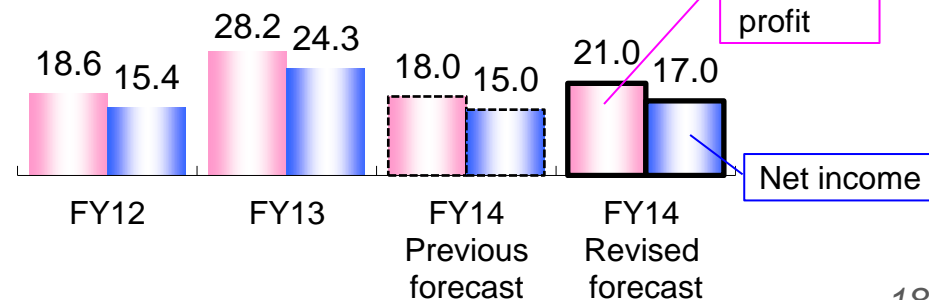
## 【HD】<<Revision of consolidated forecast>>

(JPY Bn)	FY14 Previous forecast	FY14 Revised forecast	Change
Ordinary income	92.0	96.0	+ 4.0
Ordinary profit	18.0	21.0	+ 3.0
Net Income	15.0	17.0	+ 2.0

## 【HD】<<Revision of Dividends Forecast>>

(JPY ¥)	FY14 Previous forecast	FY14 Revised forecast	Change
Annual cash dividends	8.0	9.0	+ 1.0
Dividend Payout Ratio	17.7%	17.6%	- 0.1%
Net Income per Share	45.01	51.01	+ 6.00

## 【HD】(JPY Bn)



## II Management Strategies

Initiatives under the Medium-term Management Plan

# Outline of the medium-term management plan

## Challenges 120 – Valiant Challenges Toward 120-year Anniversary of Foundation

### Basic Concept

Increase of core gross business profit

### Basic Strategy

- (1) Strengthening of business infrastructure (expansion of the loans and deposits share)  
→ **Expansion of net interest income**
- (2) Enhancement of consulting for diversified customer needs  
→ **Enhancement of fees & commissions**
- (3) More efficient management  
→ **Improvement of OHR**
- (4) Expansion of operating area(including Saitama) and business range  
→ **Enjoyment of high growth potential**

### Key Management Indicators

	unit	Results		Target FY2015	
		FY2011	FY2012		
Loans average balance	JPY Tn.	3.4	3.6	4.0	Share in Tochigi=45%
Deposits average balance	JPY Tn.	4.6	4.8	5.0	Share in Tochigi=40%
Core gross business profit	JPY Bn.	76.9	75.4	77.4	OHR=61%
Expenses	JPY Bn.	54.1	49.7	47.8	
Core net business income	JPY Bn.	22.7	25.7	30.0	
Ordinary profit of Ashkaga HD	JPY Bn.	17.2	18.6	19.0	

# Initiatives at the Corporate Customer (1) Loans to SMEs

- ◆ Implemented the process management throughout the Bank from April 2013 based on its own process schedule.
- ◆ Loans to SMEs increased 75.7 billion yen from FY13-1H (5.2% annualized), due to strengthening efforts to core customers and middle-risk customers.

➤ **Monthly PDCA management based on the business process schedule table “KOUTEIHYOU”**  
(Visualizing the sales promotion process and methodology)

## Strengthening relationships with core customers

Developed individual transaction policies and scenarios for core customers

Aggregation and sharing of information with branches, the area hubs and headquarters

※ Core 8,000 customers = Customers with net sales of 200 million yen or more, or loans of 50 million yen or more (including new customers)

## Enhancing efforts to middle-risk customers

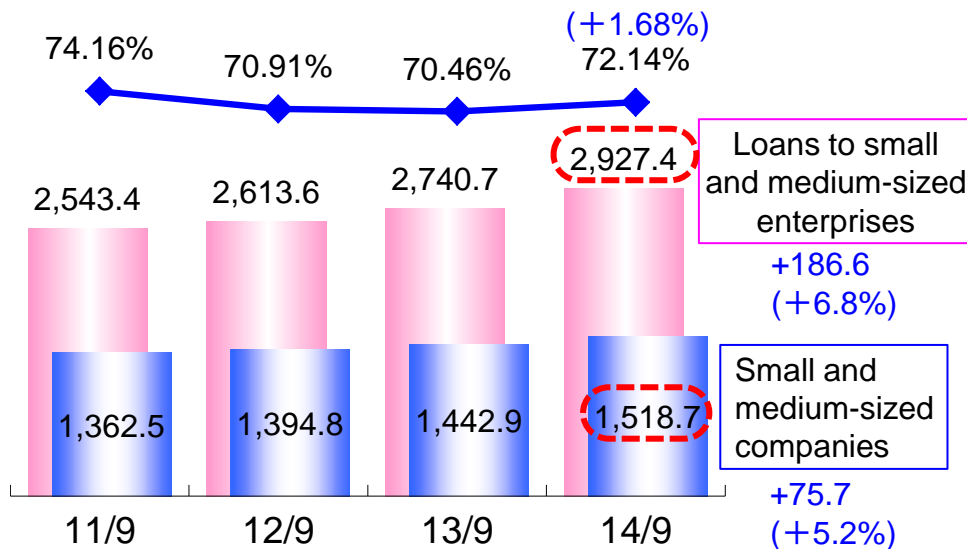
Risk taking to borrowers where yield can be secured  
yield 2.18% > Corporate loan average 1.32%(FY14-1H)

Guidance and support by staff in charge of middle-risk customers within the Headquarters

※Middle-risk customers = Some of customers with ordinary claims and some of customers under special attention (excluding customers with claims requiring supervision)

## <<Loans to SMEs>> (JPY Bn)

◆ Ratio of small and medium-sized enterprises loans



※Loans to SMEs include sole proprietors

## <<Sample: “KOUTEIHYOU”>>

		8月	9月	10月	11月
プロセス管理	実行した案件	件数 375	657	0	0
	金額(百万円)	16,589	34,675	0	0
	実行予定「○」(確度80%以上)の未実行手待ち案件	件数 0	0	158	45
	金額(百万円)	0	0	8,893	5,305
	方向性が出ていない未実行手待ち案件	件数 0	0	377	873
	金額(百万円)	0	0	16,265	41,482
	約定返済	金額(百万円) 9,004	9,830	9,733	9,322
約定外返済		金額(百万円) 9,725	15,173	9,328	3,308

			8月	9月	10月	11月
作業工程 (営業店)	A-1-3	個社別取組方針策定【都度見直し実施】		●	→	
	A-1-4	ファーストコンタクト			●	→
	A-1-5	獲得見込先(8割・全量)の把握、本部宛報告(毎月7営業日)	●	●	●	●
	A-1-6	融資案件会議の開催、取組方針の共有化	●			
	A-1-7	エリア本部長、プロフィットマネージャーの臨店による進捗状況管理、アドバイス(月1回)	●	●	●	●
						11/14迄

# Initiatives at the Corporate Customer (2) Reinforcement initiatives in growth fields

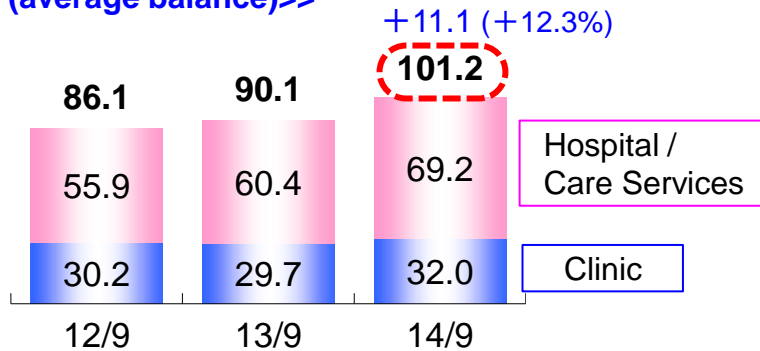
## Medical and Care Services

Support by "Medical services relation team"

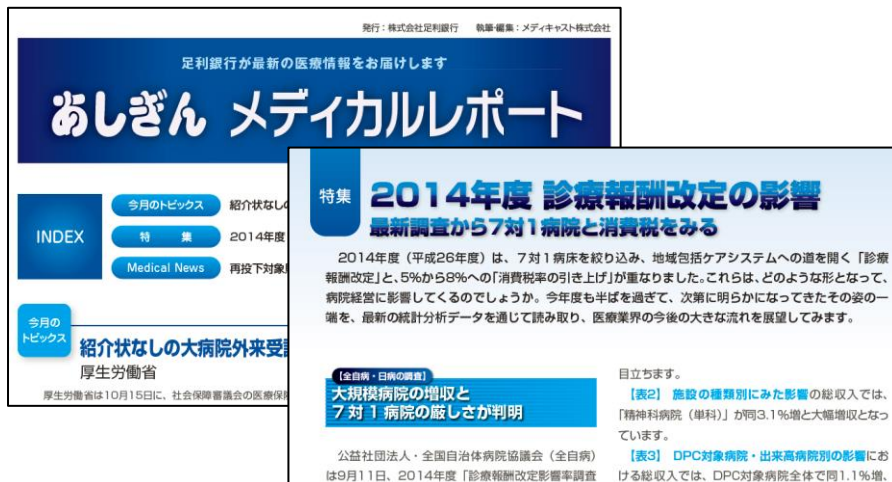
Publication of "Ashigin Medical Report"

50 persons certified as Medical Management Advisor

### <<Loans to medical related customers (average balance)>> (JPY Bn)



### <<Sample: "Ashigin Medical Report">>



## Food Business and Agriculture

Business support project for Food Business and Agriculture

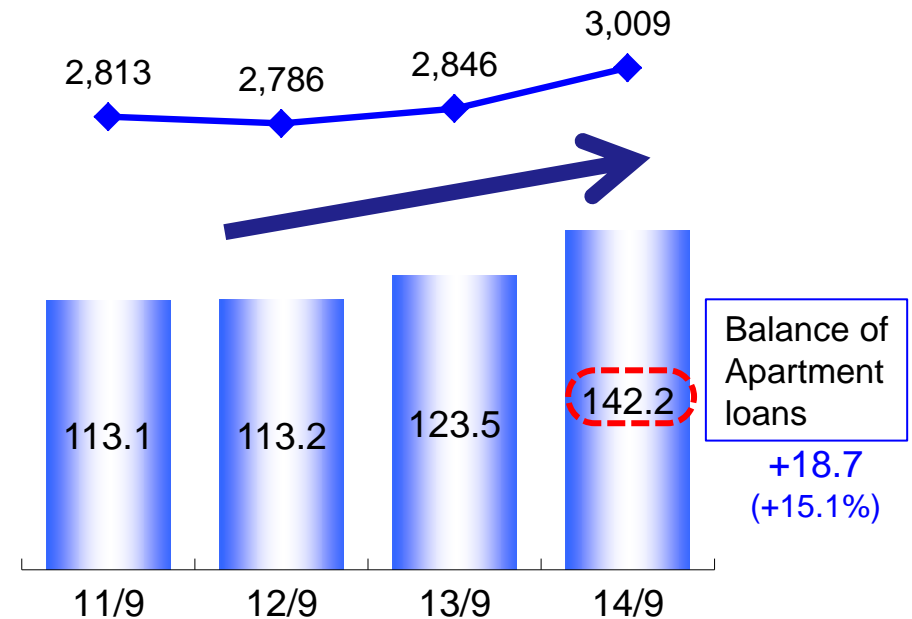
Formulation of "Tochimaruru Sixth Industrialization Backup Fund"

23 persons certified as Agricultural Management Advisor

## Asset utilization

### <<Apartment loans (average balance/number of transactions)>> (JPY Bn)

◆ Number of transactions



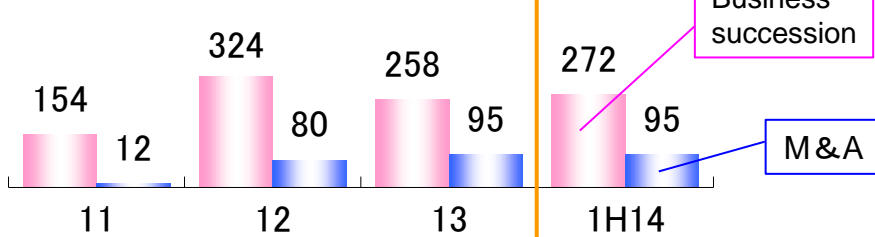
# Initiatives at the Corporate Customer (3) Enhancement of Consultation

## Business succession / M&A

Excavation of customer needs and proposal

M&A(FY14-1H) :  
Intermediation 3 cases → Contracted 2 cases

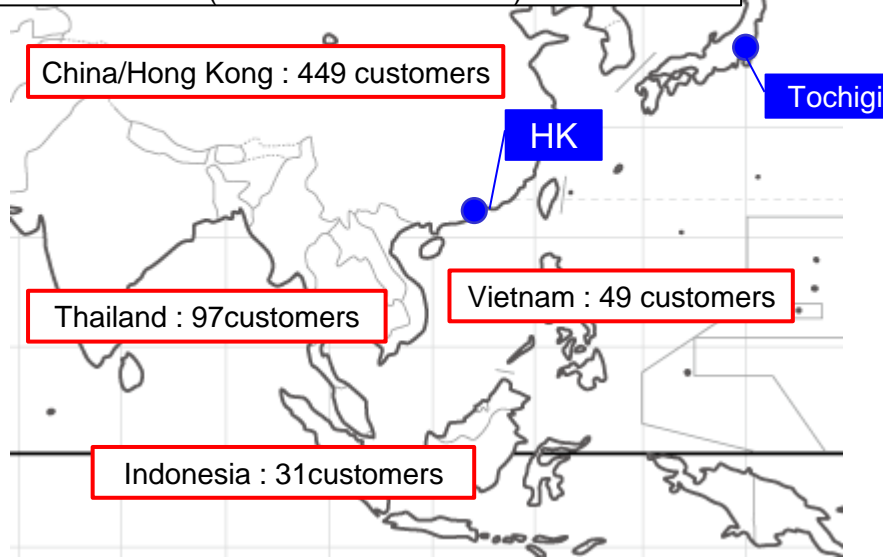
<<Consulting received (number)>>



## Support for overseas business

Obtains the approval for opening a Hong Kong representative office

**Status of overseas advancement of customers(2013)**  
918 customers ( 764 customers in Asia)



## Business startup and development support

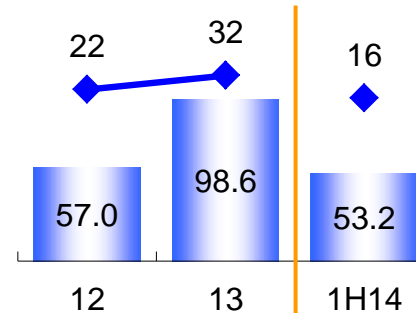
Ashikaga Enterprises Development Fund

Application procedure support including subsidies for business startup, etc.

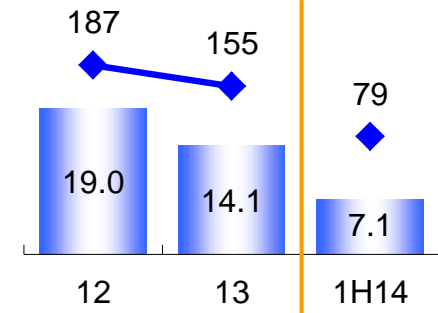
## Excavation of financial demand

(JPY Bn)

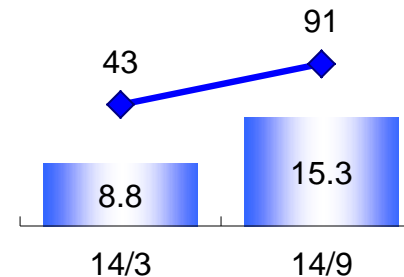
<<Syndicated loans  
(amount / number)>>



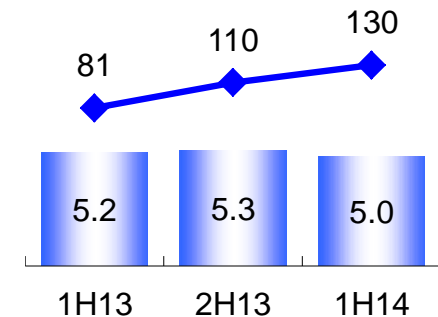
<<Underwriting of private  
placement bonds  
(amount / number) >>



<<ABL (amount / number)  
[asset / accounts  
receivable based lending]>>



<<Loans to solar power  
(amount / number) >>





# Initiatives at the Individual Customer (1) Housing loans

- ◆ The amount of housing loans made slightly down 3.7 billion yen, to 96.5 billion yen, by the influence of the consumption tax hike.
- ◆ Remains strong sales performance in each area, due to an increase in number of loan center bases, and shifting personnel to strategic bases.

Products: Mortgage with insurance for the eight diseases

Process: Acceleration of review results answer

Channel: Newly open and relocation of Loan Center

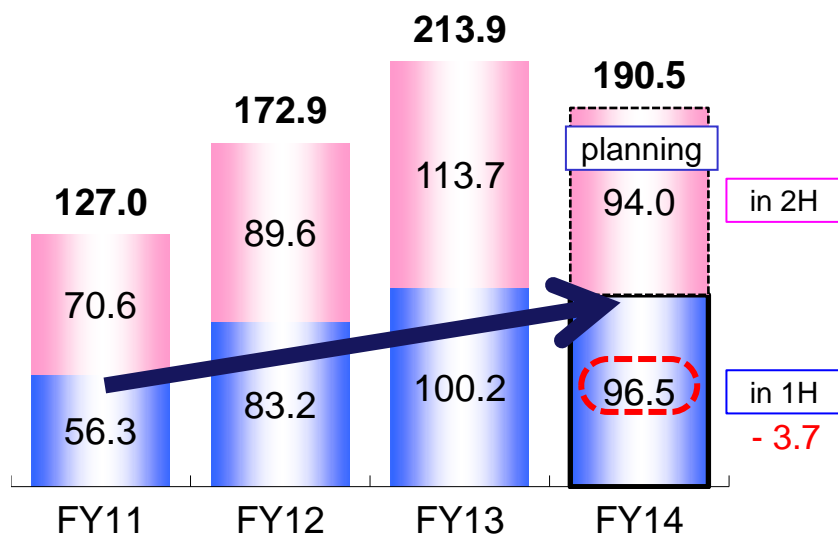
Koshigaya loan center opened ( Apr.2014)

Oyama loan center relocated (Nov.2014)

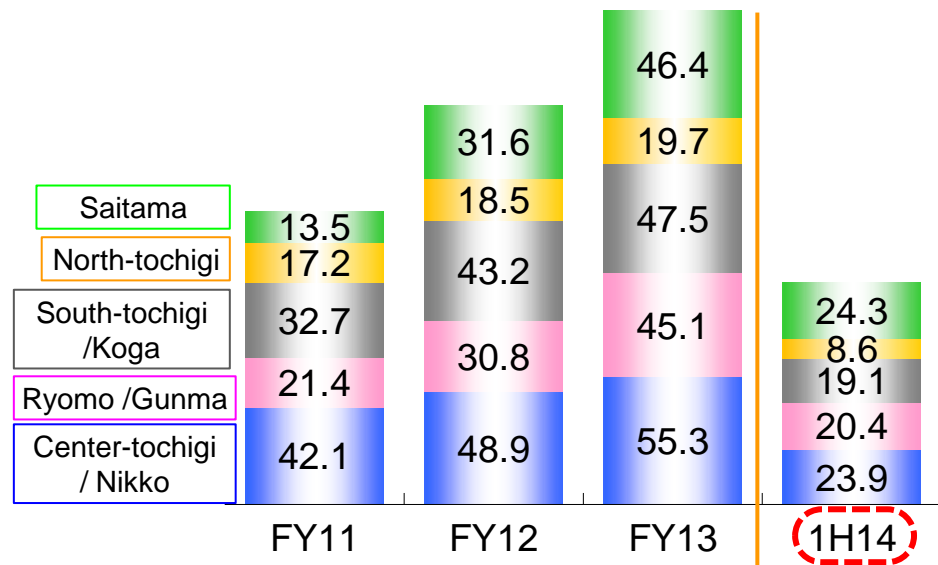
<<New Oyama-minami Branch Office /  
Oyama loan center>>



<<Amount of housing loans made>> (JPY Bn)



<<Composition of each operating area>> (JPY Bn)



# Initiatives at the Individual Customer (2) Unsecured consumer loans

- ◆ The balance of unsecured consumer loans increased 3.4 billion yen from the end of FY13-1H, to 33.3 billion, of which card loans increased 1.7 billion yen, and auto loans increased 0.9 billion yen.
- ◆ Each product turned to upward trend due to the launch of new products, renovation of reception channel of loan, and enhanced sales promotion from October 2013.

## October 2013

New product of card loans, named "Mo·Shi·Ca"  
(without over-the-counter procedure)

Card loans for Education, named "Quartier Latin"

Simplification of the interest rate scheme for Auto loans and Education loans

Renewal of reception page on the WEB site

## August 2014

ATM card loans  
(with contract application available on ATM screen)

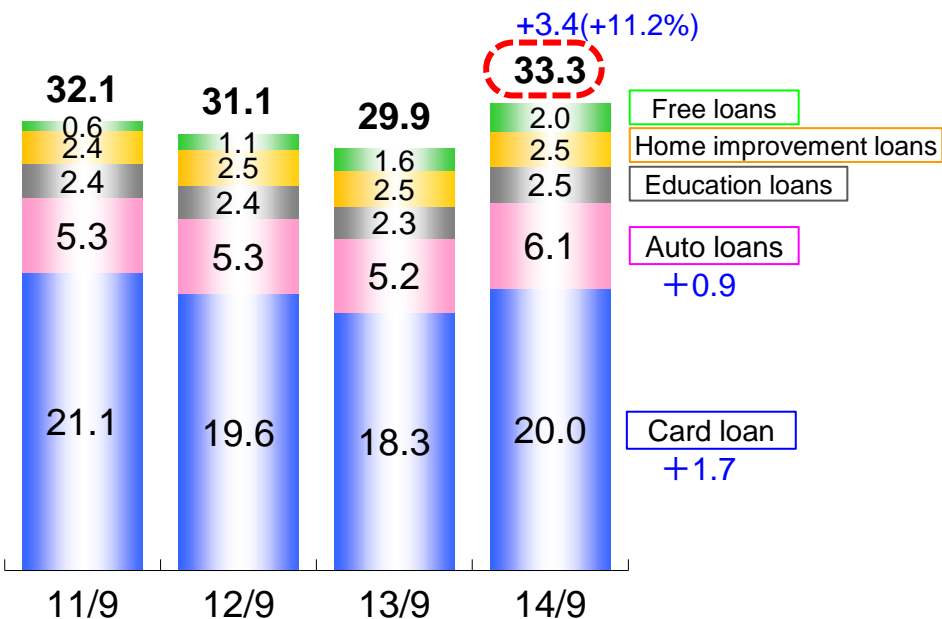
## October 2014

Loans for female named "Fleurir"

Loan able to contract on the WEB named "WEBLO"

Home improvement loans introducing  
"Retrial application scheme"

## <<Unsecured consumer loans by products type (term-end balance)>> (JPY Bn)



女性のためのフリーローン「ふるり」

あしぎん

女性のためのフリーローン

**ふるり**

fleurir

お使いみち自由  
(見積書不要)

所得証明書類不要  
※ご融資金額300万円以下の場合

ご融資金額  
最高500万円



かんたん仮審査お申込み  
24時間365日受付中

# Initiatives at the Individual Customer (3) Assets under custody

- ◆ Sales of customer assets under custody reached to 98.2billion yen, centering on investment trusts, and related fees also increased steadily.
- ◆ Enhancement of sales promotion, additionally strengthening of approach to the elderly customers in fields such as asset management and asset succession.

## Sales of customer assets under custody

Education and trainings of sellers of assets under custody (approx. 270 persons)

Utilizing tablets as sales support tool

Framework for cooperation with insurance companies and securities firms

Acquisition of NISA and increase of its utilization rate

## Transaction promotion of the elderly customers

Enclosure of customers

Pension consultation, Exemption of ATM utilizing fee

Business alliance with Asahi Trust Co.,Ltd.

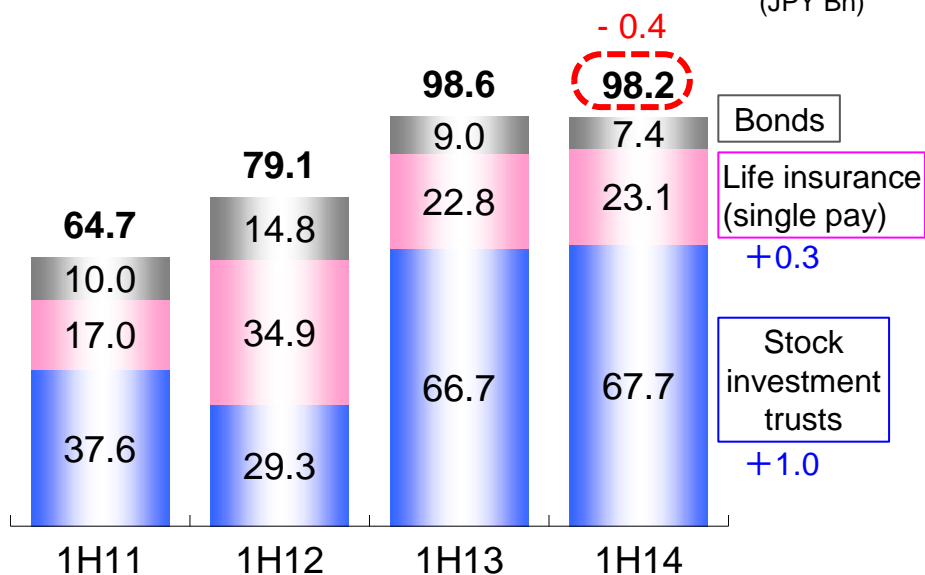
Testamentary trust : 75 cases of consultation  
27 cases of contracts in Feb.-Sep.2014

Education Funds Grant Specialized Deposit

Total deposit track record : 348 accounts  
2.6 billion yen (the end of Sep.2014)

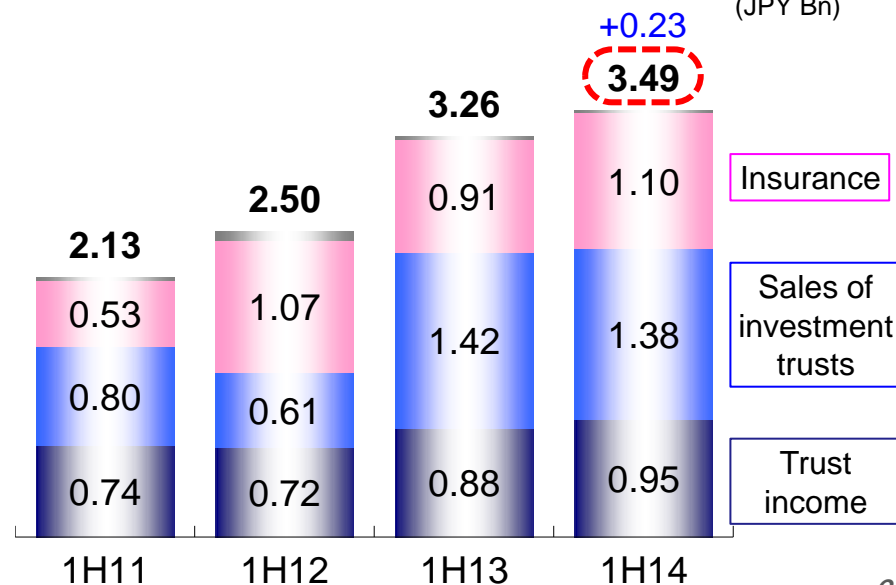
## <<Sales amount of assets under custody>>

(JPY Bn)



## <<Fees related to assets under custody>>

(JPY Bn)





# Corporate Governance

## Management System

Holding company and operating Bank

Committee-based management system

The Ashikaga Bank, Ltd. (June 2004~)  
Ashikaga Holdings Co., Ltd. (July 2008~)

Number of outside directors occupy half of the Board members

Three independent directors

## List of directors

Satoshi Fujisawa	Director, Chairman and Chief Executive Officer
Masanao Matsushita	Director, President and Chief Executive Officer
Kunihiro Ono	Director
Masataka Komata	Director
Shinjiro Takagi	Outside Director, Independent Director (lawyer)
Yoshio Kohra	Outside Director, Independent Director (certified public accountant)
Toshio Itabashi	Outside Director, Independent Director (member of the regional community)
Shoji Fukui	Outside Director (business person in field of finance and securities)

## Disclosure

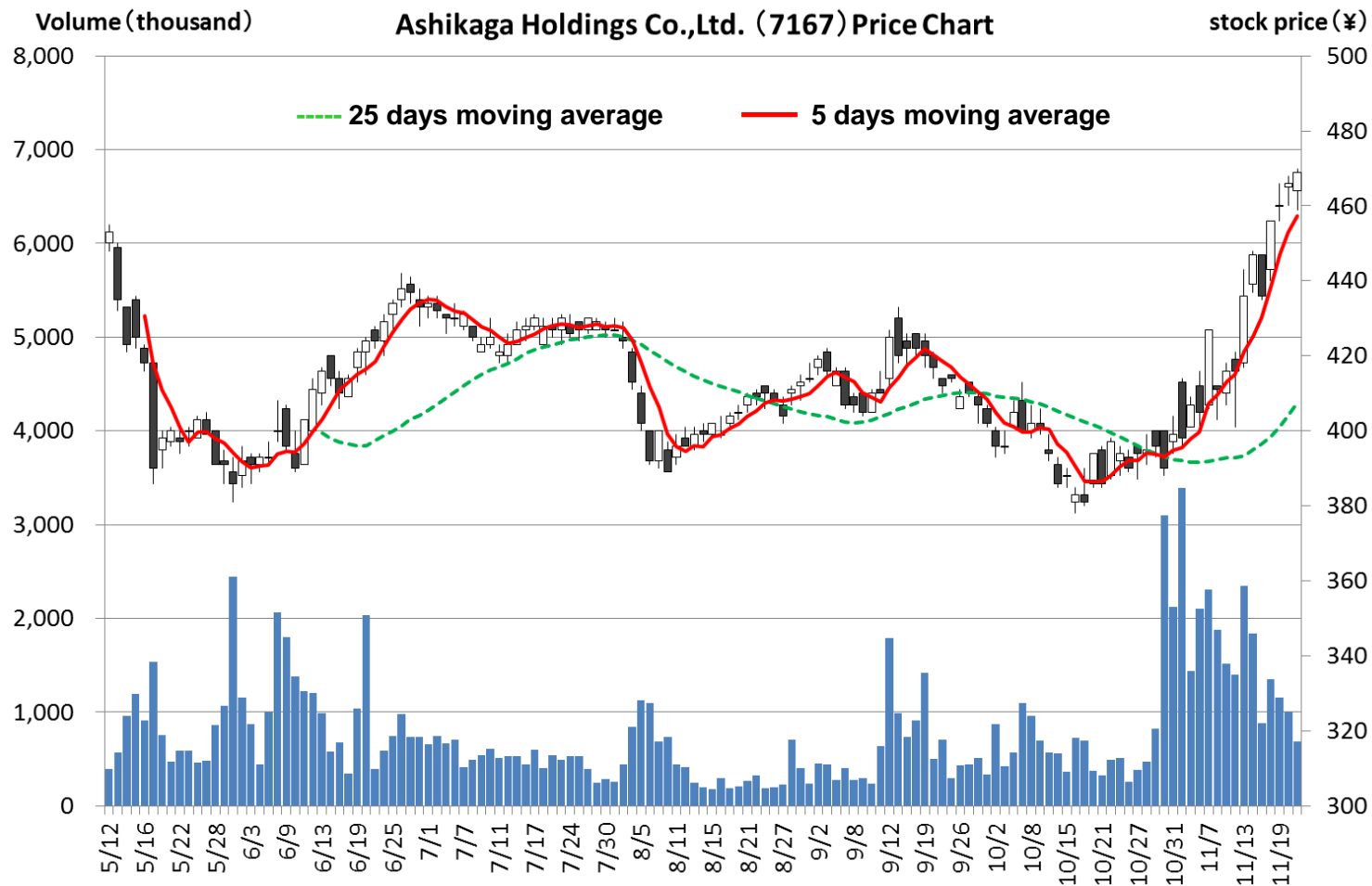
Financial result briefing (Large meeting) twice a year

Individual investors relationship activities

Enhancement and acceleration of English disclosure



# Stock Price Chart



PER (forecast)	9.19
PBR	0.60
EPS (forecast)	¥51.01
BPS	¥780.42
Dividend yield	1.92%

※ Figures above are as of Nov.21, 2014

	Ashikaga Holdings	Distribution of 17 banks incorporated into JPX400			Average of regional banks
3-year average ROE	7.33%	12.42%	~	4.23%	4.74%
3-year cumulative ordinary profit	64.2	293.6	~	58.6	50.7
Market capitalization (as of Jun.30, 2014)	144.3	753.3	~	143.7	128.7

※ 3-year = from FY2011 to FY2013

JPY Bn

# III Reference Materials

(Figures are non-consolidated basis of The Ashikaga Bank, Ltd.  
without special mention.)

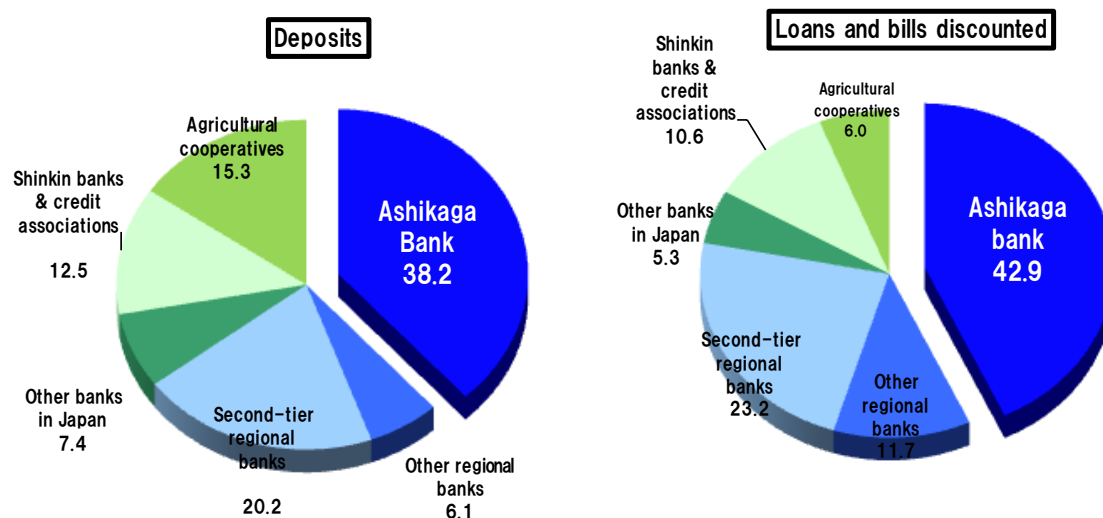


# Company profile

## 《History of The Ashikaga Bank, Ltd. and Ashikaga Holdings Co., Ltd.》

Oct. 1895	The Ashikaga Bank opened for business in Ashikaga City, Tochigi.
Feb. 1967	The head office transferred to a newly constructed building in Utsunomiya City, Tochigi
Sep. 1985	The current corporate philosophy established and CI introduced
Nov. 2003	Commencement of special crisis management determined
Jul. 2008	Ashikaga Holdings acquired all shares in The Ashikaga Bank to reprivatize it
Apr. 2013	Medium-term management plan “Challenge 120” began
Dec. 2013	Listed on the First Section of the Tokyo Stock Exchange

## 《BK's position in Tochigi Prefecture》 (% , as of Mar.31, 2014)



※Excluded Japan Post Bank, by our own research

## 《Corporate Data of The Ashikaga Bank, Ltd.》

(As of Sep. 31, 2014)

Total Assets :	5,630.2	(JPY Bn)
Deposits :	4,916.8	
Loans :	4,057.7	
Number of employees :	3,022	
Consolidated Subsidiaries :	Ashikaga Credit Guarantee Co., Ltd. Ashigin Research Institute, Ltd. Ashigin Card Co., Ltd.	

## 《Number of offices in Tochigi and adjacent prefectures》

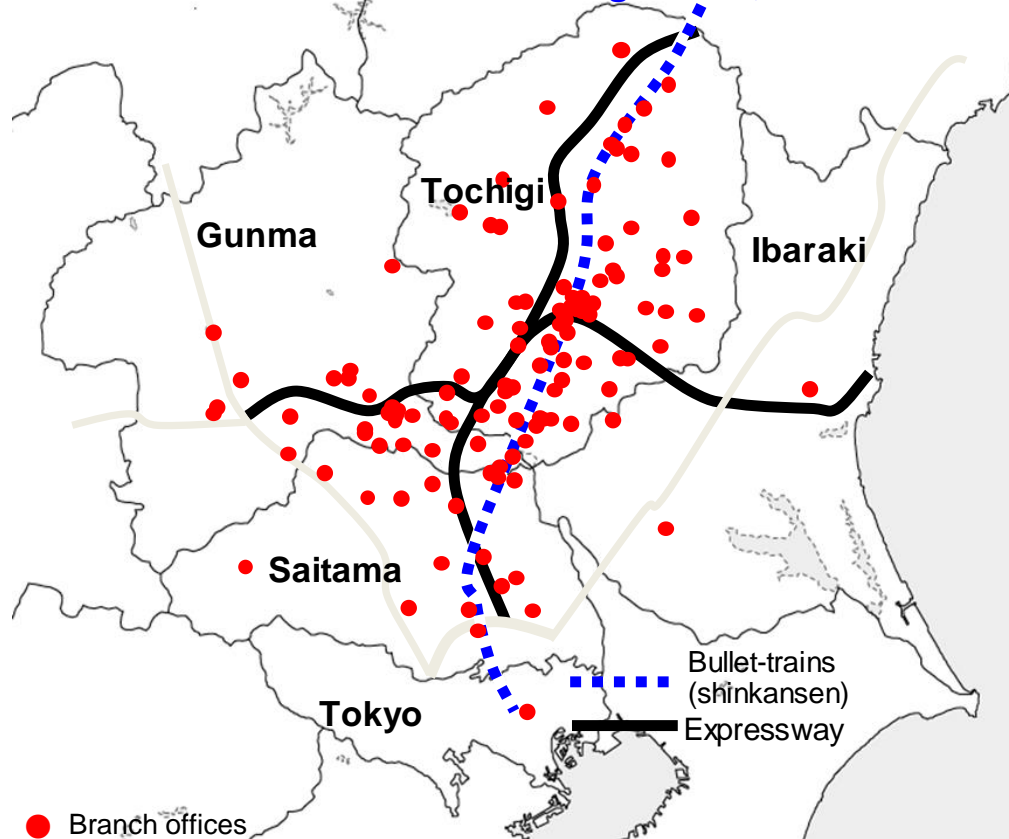
(As of Sep.30, 2014)

Number of offices	153 offices
Tochigi	112 offices
Gunma	15 offices
Saitama	16 offices
Ibaraki	8 offices
Others	2 offices



# Operating base and office network

## 《Extensive network of The Ashikaga Bank, Ltd.》



## 《The high potential the North Kanto area》

### <Geographical advantage>

Located within 100km of Tokyo  
Towards the 2020 Tokyo Olympics, economic ripple effects are expected.

### <Transportation infrastructure>

Since the opening of the completed Kita-Kanto Expressway, the three prefectures of Tochigi, Ibaraki and Gunma are directly connected. Furthermore, development of transportation infrastructure is progressing.

### <Abundant tourism resources>

UNESCO World Heritage sites of two Shinto shrines and one Buddhist temple in Nikko, and of Tomioka Silk Mill and Related Sites

## 《Economic scale of Tochigi and adjacent prefectures》

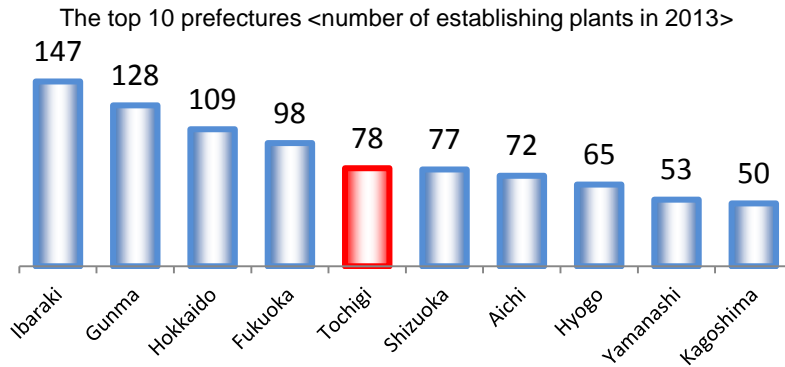
	Tochigi	National Rank	Gunma	National Rank	Ibaraki	National Rank	Saitama	National Rank
Prefectural gross product (2011) (yen trillion)	7.8	16	7.6	17	11.4	11	20.3	5
Population (2013) (thousand)	1,986	18	1,984	19	2,931	11	7,222	5
Prefectural income per capita (2011) (yen thousand)	2,955	8	2,890	11	3,044	6	2,785	17
Number of businesses (2012)	92,263	19	96,546	18	122,835	13	258,199	5
Manufactured goods shipped (2012) (yen trillion)	7.4	15	7.4	14	11.0	8	12.1	7



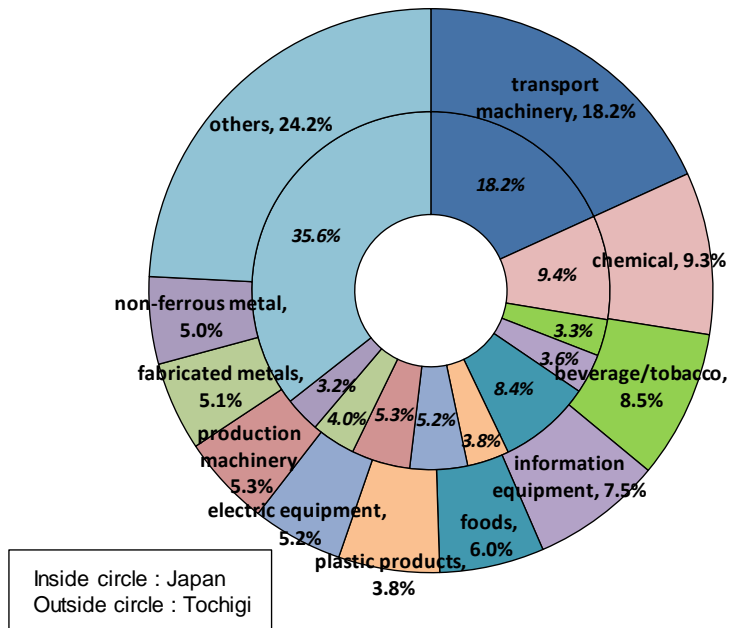
# Enchanting Tochigi prefecture "our home market"

## 《Prosperous Manufacturing》

The existence of many large companies and SMEs with high manufacturing technology



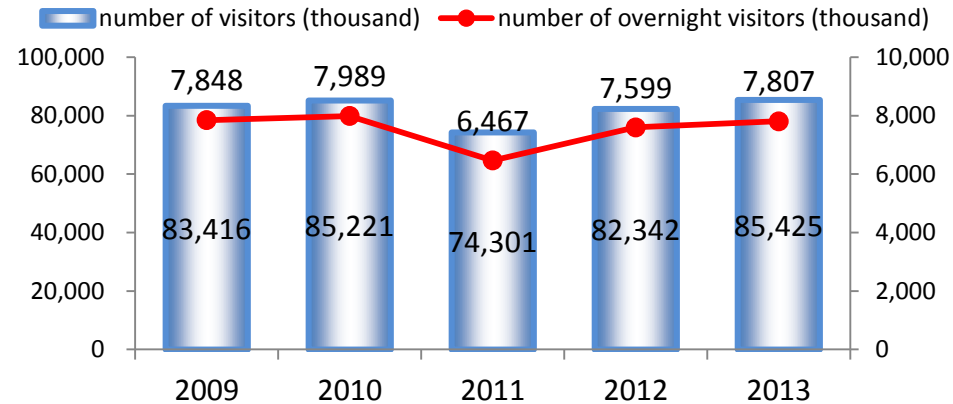
Industries composition of manufacturing goods



Source: Ministry of Economy, Trade and Industry

## 《Abundant tourism resources》

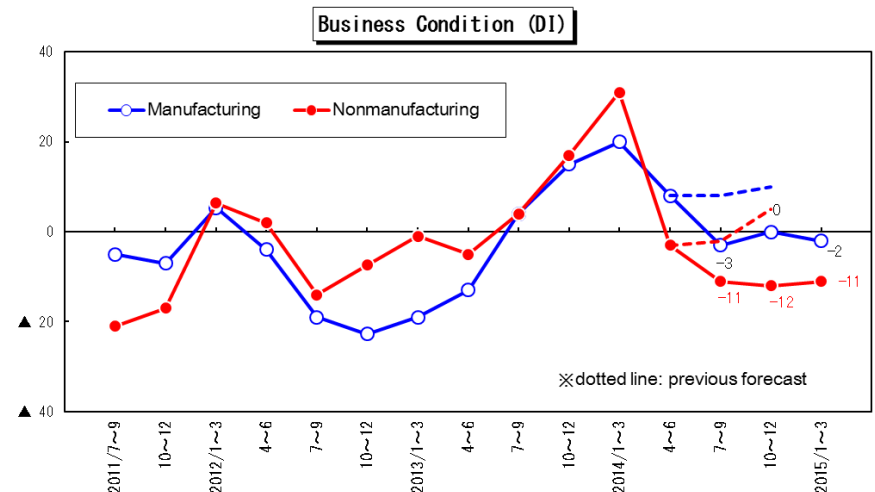
Tourism visitors, occupancy are on a recovery trend.



Source: Tochigi prefecture

## 《Business confidence of our operating area》

Though deterioration after the consumption tax hike is prolonged, there are some encouraging signs.



Source: Ashigin Research Institute



# Overall economic conditions in Tochigi (1) (Business climate indicators, etc.)

	business condition Index		Production, shipments and inventories indices (Seasonally adjusted 2010 = 100) ※1									Consumer Price Index (Utsunomiya City) (2010 average = 100) ※2		
	Leading indicator	Coincident indicator	Indices of Industrial production			Shipments			Inventories				MoM	YoY
				MoM	YoY		MoM	YoY		MoM	YoY			
2019	-	-	82.9	-	(20.9)	81.1	-	(21.6)	111.2	-	(5.1)	101.4	-	(1.2)
2010	-	-	100.0	-	20.6	100.0	-	23.3	100.0	-	(10.1)	100.0	-	(1.4)
2011	-	-	94.7	-	(5.3)	97.1	-	(2.9)	105.8	-	5.8	99.5	-	(0.5)
2012	-	-	95.7	-	1.1	93.4	-	(3.8)	120.7	-	14.1	99.7	-	0.2
2013	-	-	99.6	-	4.1	98.5	-	5.5	116.0	-	(3.9)	100.1	-	0.4
Aug. 2013	138.3	115.9	101.9	(1.5)	4.0	102.7	(1.3)	8.6	110.4	(3.6)	(10.7)	100.6	0.6	1.0
Sep.	131.1	116.2	102.9	1.0	9.2	101.0	(1.7)	10.8	109.2	(1.1)	(9.3)	100.5	(0.2)	0.6
Oct.	139.7	116.9	107.1	4.1	16.4	104.6	3.6	17.2	107.7	(1.4)	(7.8)	100.7	0.2	0.8
Nov.	136.2	117.2	104.7	(2.2)	10.0	101.6	(2.9)	12.5	108.9	1.1	(5.0)	100.8	0.1	1.2
Dec.	136.4	118.8	106.7	1.9	20.5	103.2	1.6	21.2	114.7	5.3	3.2	100.9	0.1	1.4
Jan. 2014	144.7	118.5	104.8	(1.8)	15.6	104.3	1.1	25.6	123.6	7.8	13.9	100.5	(0.4)	1.5
Feb.	140.6	118.5	104.0	(0.8)	8.9	109.5	5.0	15.9	101.4	(18.0)	(5.6)	100.6	0.1	1.5
Mar.	139.8	122.9	107.0	2.9	11.6	107.5	(1.8)	13.2	105.0	3.6	(3.5)	101.1	0.4	1.6
Apr.	125.3	113.9	96.7	(9.6)	4.1	95.1	(11.5)	2.7	101.7	(3.1)	(7.5)	103.7	2.6	3.8
May	123.6	116.2	96.0	(0.7)	(1.4)	94.5	(0.6)	(2.2)	102.2	0.5	(23.7)	104.2	0.4	4.1
Jun.	123.4	114.0	93.5	(2.6)	(6.6)	91.5	(3.2)	(9.6)	106.3	4.0	(21.1)	104.0	(0.2)	4.0
Jul.	120.7	111.2	88.5	(5.3)	(14.5)	88.1	(3.7)	(15.3)	120.5	13.4	5.2	104.0	0.0	4.0
Aug.	120.7	111.2	91.2	3.1	(12.0)	89.5	1.6	(14.1)	138.4	14.9	25.4	104.3	0.3	3.7
Sep.	108.4	113.0	-	-	-	-	-	-	-	-	-	104.3	0.0	3.8
Oct.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Research organ	Statistics Section of Tochigi Prefecture											The Ministry of Internal Affairs and Communication		

As preliminary figures are used for some coefficients, they may be changed in the final report. MoM and YoY are presented by percentage.

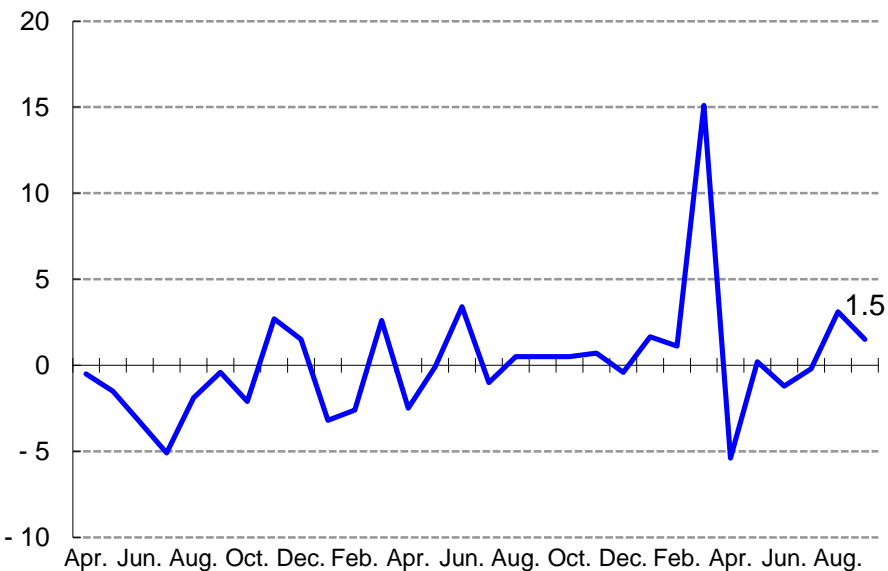
\*1 Years in production, shipments and inventories indices are those in which data are tallied in the original index. YoY is based on the original index.

\*2 CPI for all items less fresh food. Data by year are the annual average.

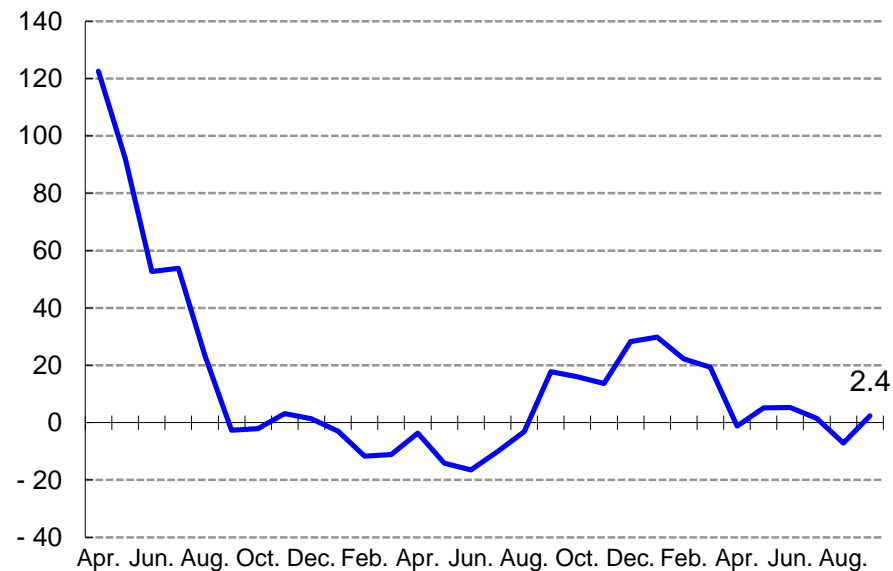


# Overall economic conditions in Tochigi (2) (April 2012 – September 2014)

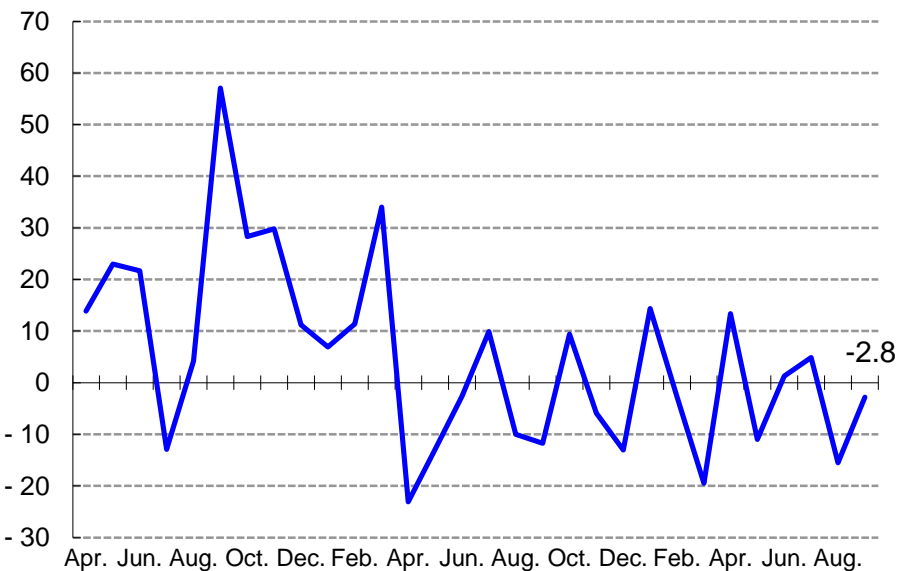
《Sales of large –scale retail stores (YoY)》 (%)



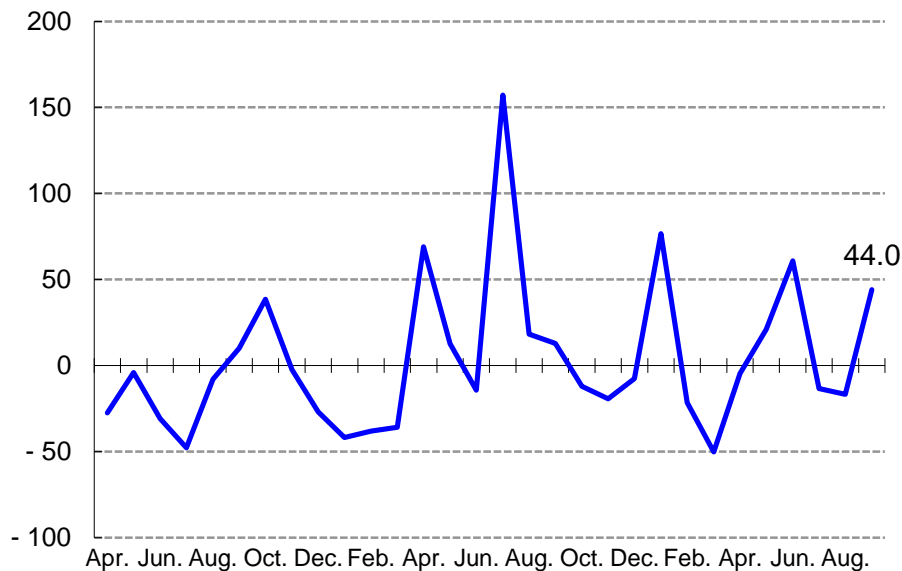
《Registration of new passenger cars (YoY)》 (%)



《New housing construction starts (YoY)》 (%)

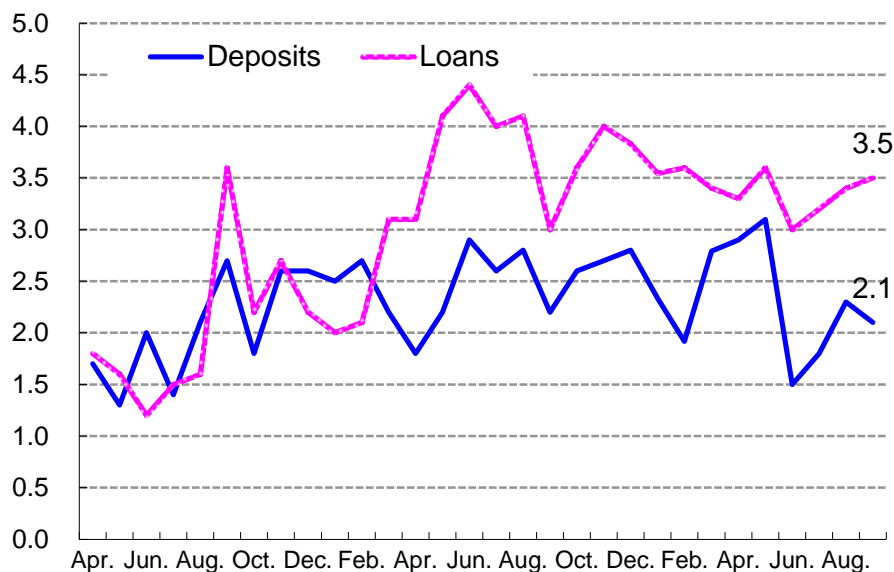


《Contracted public works orders (YoY)》 (%)

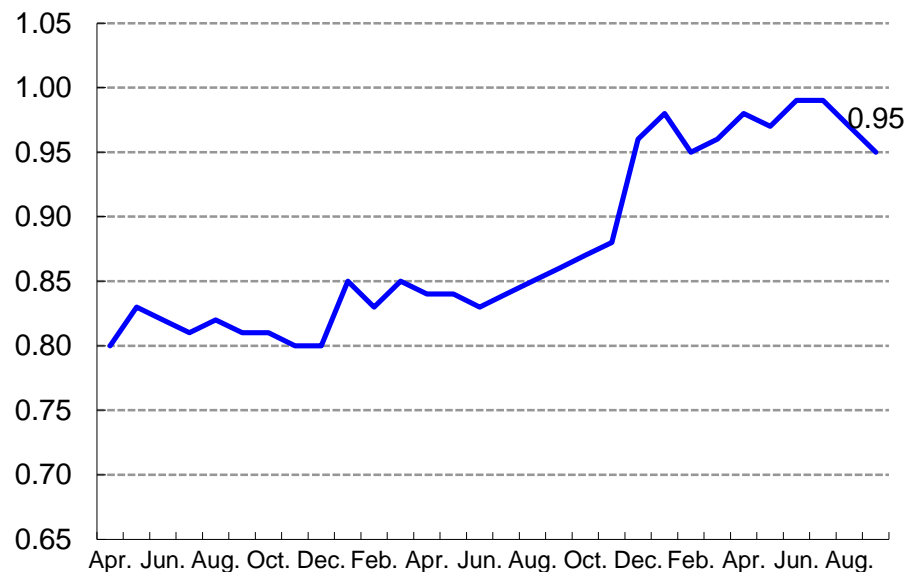


# Overall economic conditions in Tochigi (3) (April 2012 – September 2014)

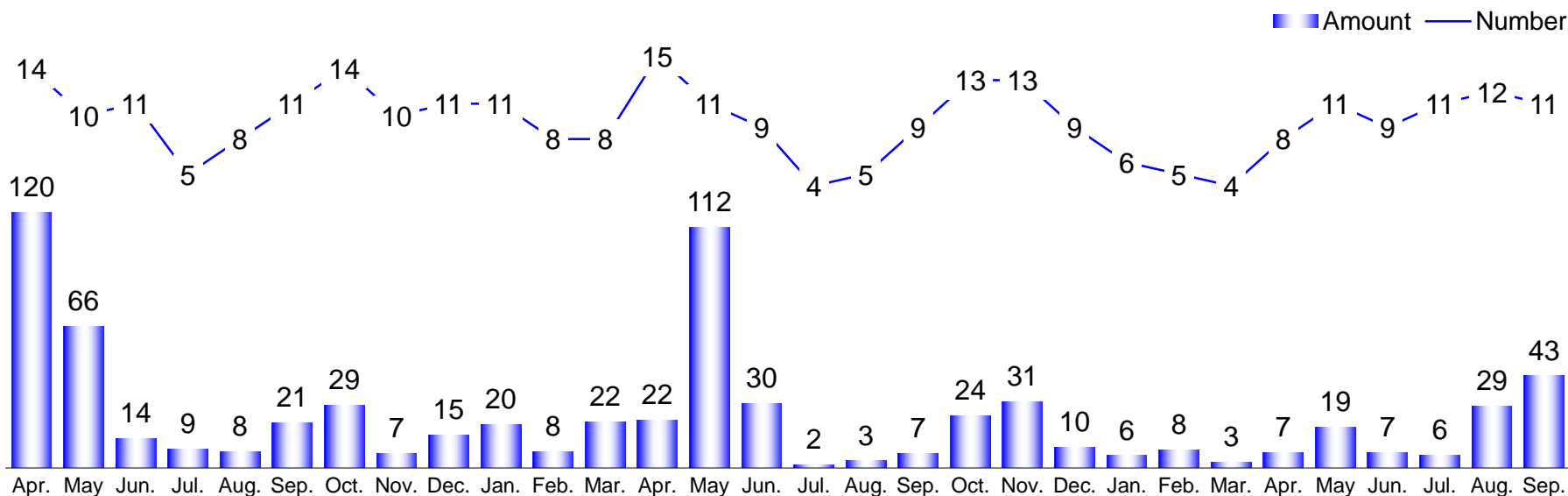
《Deposit and Loan balances at domestic banks(YoY)》 (%)



《Job-offers-to-seekers ratio》 (Times)



《Business failures (Number/Amounts)》 (Cases/JPY Bn)



# Overview of financial data

## <<The Ashikaga Bank, Ltd. (Non-consolidated basis)>>

(JPY B n )	FY08		FY09		FY10		FY11		FY12		FY13		FY14
	(1H )		(1H )		(1H )		(1H )		(1H )		(1H )		(1H )
Core gross business profit	41.8	84.9	43.0	84.7	40.3	79.7	38.7	76.8	37.4	75.4	39.6	78.6	40.4
Gross business profit	42.4	86.2	46.0	93.6	46.6	86.0	43.3	81.8	43.0	81.0	41.0	79.9	40.9
Net interest income	35.4	72.7	37.2	73.7	34.6	69.2	33.3	65.3	31.4	62.7	32.3	63.8	33.0
Net fees and commissions	6.1	11.1	5.4	10.4	5.2	9.8	5.0	10.6	5.6	12.1	7.0	14.3	7.2
Net other business income	0.9	2.3	3.3	9.4	6.7	7.0	5.0	5.8	5.9	6.1	1.6	1.7	0.7
Gains (losses) on bonds	0.5	1.3	3.0	8.8	6.3	6.3	4.6	4.9	5.6	5.6	1.3	1.3	0.4
Expenses	24.8	48.6	25.1	49.6	26.1	51.5	28.2	54.1	25.7	49.7	24.7	48.9	24.4
Personnel expenses	10.9	22.1	11.9	23.9	12.4	25.0	13.0	25.7	13.6	27.2	12.8	26.6	13.0
Non-personnel expenses	10.4	22.2	11.3	22.8	11.8	23.9	13.2	25.7	10.4	20.2	10.3	20.1	9.8
Taxes	3.5	4.2	1.9	2.8	1.8	2.6	1.9	2.6	1.6	2.2	1.5	2.1	1.4
Net business income (before general allowance for loan losses)	17.5	37.5	20.9	44.0	20.4	34.4	15.1	27.7	17.3	31.3	16.2	31.0	16.5
Core net business income	16.9	36.2	17.8	35.1	14.1	28.1	10.5	22.7	11.6	25.7	14.8	29.6	16.0
Credit related costs	5.8	19.1	6.0	7.9	3.0	8.6	0.2	3.8	0.6	4.5	2.9	7.4	1.4
Gains (losses) on stocks	-	-3.1	3.6	5.0	-	-0.2	-0.1	1.7	-0.1	-0.7	6.4	12.3	-0.0
Ordinary profit	9.4	10.8	17.7	39.9	13.6	24.9	14.4	25.5	16.8	26.8	19.5	35.4	15.6
Extraordinary income(loss)	256.5	256.8	0.1	0.6	2.8	-0.1	-	-0.1	-0.1	-0.2	-0.2	-0.4	-0.0
Net income	265.9	280.4	17.9	40.1	16.4	25.4	14.8	25.4	15.4	24.6	22.3	32.1	11.3

## <<Ashikaga Holdings Co., Ltd. (Consolidated basis)>>

(JPY B n )	FY08		FY09		FY10		FY11		FY12		FY13		FY14
	(1H )		(1H )		(1H )		(1H )		(1H )		(1H )		(1H )
Ordinary income	27.1	82.2	59.6	117.0	55.2	104.6	52.0	101.2	51.9	98.3	56.5	108.0	49.3
Consolidated gross profit	21.1	65.1	47.1	95.7	47.7	88.1	44.1	83.1	43.6	82.2	42.4	82.3	42.4
General and administrative expenses	13.7	40.9	29.3	58.1	30.2	59.8	32.3	62.4	29.9	58.1	29.0	57.5	28.7
Amortization of goodwill	1.5	4.6	3.1	6.2	3.1	6.2	3.1	6.2	3.1	6.2	3.1	6.2	3.1
Credit related costs	4.1	19.3	8.4	12.5	6.4	11.4	1.0	5.0	1.0	5.6	3.1	7.8	2.0
Gains (losses) on stocks	-	-29.9	4.2	-1.2	-	-1.8	-0.3	0.5	-0.3	-1.2	5.9	11.1	-0.0
Ordinary profit	0.8	-27.2	13.6	24.6	10.9	15.7	10.5	17.2	13.1	18.6	16.2	28.2	12.5
Extraordinary income(loss)	0.1	0.3	0.2	0.7	1.7	-0.4	-	-0.1	-	-0.3	-0.2	-0.3	-0.0
Income before income taxes and minority interests	1.0	-26.8	13.8	25.4	12.7	15.3	10.4	17.0	13.1	18.3	15.9	27.9	12.5
Income taxes—current	-	0.2	0.2	0.3	0.3	0.6	0.3	0.2	0.9	1.7	1.0	2.7	6.4
Income taxes—deferred	-	-20.5	-0.4	-0.4	0.1	-1.2	-0.4	-0.3	0.7	1.2	-3.6	0.8	-1.6
Net income	1.0	-6.5	13.9	25.4	12.2	15.9	10.6	17.1	11.4	15.4	18.5	24.3	7.7
(Reference) Net income excluding amortization of goodwill	2.6	-1.9	17.0	31.6	15.3	22.1	13.7	23.3	14.5	21.6	21.6	30.5	10.8

# Loans (term-end balance)

(JPY Bn )	08/9	09/3	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9
Total loans	3,230.7	3,437.1	3,351.3	3,365.9	3,356.2	3,473.2	3,429.2	3,641.0	3,685.6	3,775.2	3,889.5	4,007.3	4,057.7
Loans to small and medium-sized enterprises	2,536.3	2,599.2	2,551.6	2,531.4	2,549.7	2,571.8	2,543.4	2,575.9	2,613.6	2,646.6	2,740.7	2,851.5	2,927.4
Small and medium-sized companies	1,431.2	1,468.6	1,398.6	1,364.3	1,374.4	1,404.5	1,362.5	1,392.4	1,394.8	1,392.8	1,442.9	1,490.6	1,518.7
Individuals	1,105.0	1,130.5	1,152.9	1,167.0	1,175.3	1,167.3	1,180.9	1,183.4	1,218.8	1,253.8	1,297.7	1,360.8	1,408.7
Large and middle-ranking companies	456.6	519.5	529.4	522.5	533.8	575.8	611.5	633.1	627.9	640.6	673.5	665.3	649.9
Central and local governments	237.6	318.2	270.2	311.9	272.6	325.5	274.2	431.8	443.9	487.9	475.3	490.3	480.4
Ratio of small and medium-sized enterprises loans	78.50%	75.62%	76.13%	75.20%	75.96%	74.04%	74.16%	70.74%	70.91%	70.10%	70.46%	71.15%	72.14%

(JPY Bn )	08/9	09/3	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9
Total loans	3,230.7	3,437.1	3,351.3	3,365.9	3,356.2	3,473.2	3,429.2	3,641.0	3,685.6	3,775.2	3,889.5	4,007.3	4,057.7
Ordinary claims	3,074.2	3,287.2	3,189.2	3,240.0	3,228.1	3,354.5	3,309.5	3,518.9	3,566.3	3,652.8	3,769.0	3,893.0	3,953.4
Individuals (including sole proprietors)	1,257.1	1,278.6	1,296.7	1,309.3	1,311.4	1,304.3	1,300.3	1,320.0	1,353.8	1,391.8	1,441.9	1,519.0	1,577.1
General corporations	1,574.6	1,677.3	1,609.9	1,606.9	1,635.3	1,711.0	1,729.4	1,760.1	1,761.7	1,762.2	1,836.1	1,868.9	1,881.3
Financial institutions	4.8	12.9	12.2	11.7	8.7	13.5	5.4	6.7	6.7	10.7	15.6	14.5	14.5
Public sector	237.6	318.2	270.2	311.9	272.6	325.5	274.2	431.8	443.9	487.9	475.3	490.3	480.4
Risk-monitored loans	156.4	149.9	162.0	125.9	128.0	118.7	119.7	122.1	119.3	122.4	120.4	114.3	104.3

(JPY Bn )	08/9	09/3	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9
Consumer loans	1,157.2	1,183.0	1,206.4	1,220.7	1,227.5	1,227.3	1,232.2	1,253.9	1,289.7	1,331.8	1,383.0	1,458.0	1,515.7
Housing loans	1,108.1	1,136.2	1,161.8	1,178.0	1,186.4	1,188.2	1,195.1	1,218.3	1,255.3	1,298.5	1,351.0	1,425.1	1,480.9
Other loans	49.0	46.7	44.6	42.7	41.1	39.1	37.0	35.5	34.4	33.3	31.9	32.8	34.7

(JPY Bn )	08/9	09/3	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9
Total loans	3,230.7	3,437.1	3,351.3	3,365.9	3,356.2	3,473.2	3,429.2	3,641.0	3,685.6	3,775.2	3,889.5	4,007.3	4,057.7
Tochigi	1,903.8	2,011.0	1,952.7	1,990.2	1,950.6	2,026.8	1,957.6	2,051.4	2,069.0	2,125.3	2,158.1	2,242.0	2,256.0
Adjacent prefectures	1,035.7	1,058.1	1,034.5	1,016.0	1,016.2	1,031.7	1,015.2	1,019.2	1,024.1	1,044.8	1,076.5	1,134.1	1,182.3
Gu n ma	414.8	423.1	410.6	398.4	393.0	394.7	382.7	381.3	380.7	382.5	395.7	417.3	436.1
Ibaraki	178.9	183.0	182.3	180.6	181.7	191.6	187.8	187.2	190.2	191.5	194.2	199.4	206.5
Saitama	404.0	412.8	403.0	398.0	402.8	406.4	406.5	412.2	416.1	433.5	448.8	476.5	499.6
Fukushima	37.9	39.1	38.5	38.8	38.6	38.8	38.1	38.4	37.1	37.2	37.6	40.8	40.0
Tokyo	291.0	367.8	363.9	359.6	389.2	414.6	456.4	570.2	592.3	605.0	654.8	631.1	619.4

# Loans by type of industry (term-end balance)

## <<Classification of loans by type of industry / Composition ratio>>

(JPY Bn)	10/9		11/3		11/9		12/3		12/9		13/3		13/9		14/3		14/9	
		Composition ratio		Composition ratio		Composition ratio		Composition ratio		Composition ratio		Composition ratio		Composition ratio		Composition ratio		Composition ratio
Manufacturing	521.7	15.5%	527.9	15.2%	522.2	15.2%	524.2	14.4%	521.3	14.1%	528.8	14.0%	535.4	13.8%	514.5	12.8%	515.0	12.7%
Agriculture / Forestry	22.0	0.7%	19.6	0.6%	15.9	0.5%	14.8	0.4%	11.8	0.3%	10.5	0.3%	11.7	0.3%	12.6	0.3%	12.6	0.3%
Fishery	0.5	0.0%	0.6	0.0%	0.5	0.0%	0.5	0.0%	0.4	0.0%	0.5	0.0%	0.4	0.0%	0.5	0.0%	0.4	0.0%
Mining / Quarrying of stone / Gravel	4.5	0.1%	4.9	0.1%	4.5	0.1%	4.7	0.1%	4.7	0.1%	5.2	0.1%	5.2	0.1%	5.7	0.1%	5.8	0.1%
Construction	146.9	4.4%	150.5	4.3%	135.9	4.0%	138.6	3.8%	132.7	3.6%	135.2	3.6%	130.7	3.4%	137.4	3.4%	137.2	3.4%
Electricity, gas and water	21.8	0.7%	21.9	0.6%	19.2	0.6%	20.8	0.6%	22.4	0.6%	23.9	0.6%	35.4	0.9%	36.2	0.9%	34.7	0.9%
Telecommunication	19.5	0.6%	41.0	1.2%	39.9	1.2%	41.5	1.1%	42.4	1.2%	42.3	1.1%	39.5	1.0%	46.0	1.2%	43.5	1.1%
Transportation / Postal activities	90.1	2.7%	91.3	2.6%	87.8	2.6%	97.5	2.7%	94.6	2.6%	99.4	2.6%	102.3	2.6%	101.9	2.5%	106.2	2.6%
Wholesale / Retail services	397.1	11.8%	398.2	11.5%	395.0	11.5%	400.1	11.0%	401.3	10.9%	396.5	10.5%	384.2	9.9%	387.4	9.7%	394.1	9.7%
Financial and insurance services	96.0	2.9%	95.6	2.8%	112.9	3.3%	109.8	3.0%	134.9	3.7%	139.9	3.7%	207.4	5.3%	213.4	5.3%	209.7	5.2%
Real estate / Goods rental and leasing	271.6	8.1%	293.5	8.5%	325.8	9.5%	354.9	9.7%	357.7	9.7%	376.1	10.0%	389.5	10.0%	408.8	10.2%	425.9	10.5%
Services	316.0	9.4%	334.6	9.6%	313.9	9.2%	317.6	8.7%	298.0	8.1%	274.6	7.3%	274.0	7.0%	291.0	7.3%	282.9	7.0%
National / Local government	272.6	8.1%	325.5	9.4%	274.2	8.0%	431.8	11.9%	443.9	12.0%	487.9	12.9%	475.3	12.2%	490.3	12.2%	480.4	11.8%
Others (individuals)	1,175.3	35.0%	1,167.3	33.6%	1,180.9	34.4%	1,183.4	32.5%	1,218.8	33.1%	1,253.8	33.2%	1,297.7	33.4%	1,360.8	34.0%	1,408.7	34.7%
Total	3,356.2	100.0%	3,473.2	100.0%	3,429.2	100.0%	3,641.0	100.0%	3,685.6	100.0%	3,775.2	100.0%	3,889.5	100.0%	4,007.3	100.0%	4,057.7	100.0%

## <<Classification of risk-monitored loans by type of industry / Ratio>>

(JPY Bn)	10/9		11/3		11/9		12/3		12/9		13/3		13/9		14/3		14/9	
		Ratio		Ratio		Ratio		Ratio		Ratio		Ratio		Ratio		Ratio		Ratio
Manufacturing	35.0	6.7%	25.7	4.9%	28.4	5.5%	30.2	5.8%	29.8	5.7%	33.4	6.3%	32.6	6.1%	31.3	6.1%	29.5	5.7%
Agriculture / Forestry	0.9	4.2%	0.9	4.8%	0.5	3.3%	0.8	5.6%	0.7	6.4%	0.3	3.6%	0.3	2.7%	0.3	3.0%	0.3	2.4%
Fishery	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Mining / Quarrying of stone / Gravel	-	0.0%	-	0.2%	-	1.1%	-	1.2%	-	1.2%	0.1	2.4%	0.1	2.3%	0.1	1.8%	-	1.5%
Construction	12.4	8.5%	11.5	7.6%	14.2	10.5%	13.0	9.4%	11.1	8.4%	11.1	8.2%	11.0	8.5%	8.5	6.2%	8.3	6.1%
Electricity, gas and water	-	0.0%	-	0.0%	2.0	10.4%	4.0	19.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Telecommunication	0.3	2.0%	0.3	0.8%	0.3	0.8%	0.8	2.0%	1.0	2.4%	1.0	2.5%	1.0	2.8%	0.9	2.0%	0.8	1.9%
Transportation / Postal activities	2.5	2.8%	2.6	2.9%	2.2	2.6%	2.5	2.6%	2.7	2.9%	3.4	3.5%	3.3	3.3%	3.7	3.6%	3.2	3.1%
Wholesale / Retail services	17.2	4.4%	19.4	4.9%	18.3	4.6%	17.5	4.4%	20.2	5.1%	22.4	5.7%	23.0	6.0%	20.5	5.3%	18.9	4.8%
Financial and insurance services	9.3	9.7%	5.6	6.0%	2.0	1.8%	2.1	2.0%	1.9	1.5%	0.3	0.2%	-	0.0%	-	0.0%	-	0.0%
Real estate / Goods rental and leasing	15.0	5.5%	15.9	5.4%	18.0	5.5%	17.6	5.0%	19.0	5.3%	17.4	4.6%	16.2	4.2%	15.5	3.8%	14.8	3.5%
Services	17.8	5.6%	19.8	5.9%	17.7	5.7%	19.2	6.1%	19.2	6.5%	18.9	6.9%	18.9	6.9%	20.0	6.9%	14.7	5.2%
National / Local government	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Others (individuals)	17.2	1.5%	16.6	1.4%	15.5	1.3%	13.8	1.2%	13.2	1.1%	13.6	1.1%	13.5	1.0%	13.2	1.0%	13.3	0.9%
Total	128.0	3.8%	118.7	3.4%	119.7	3.5%	122.1	3.4%	119.3	3.2%	122.4	3.2%	120.4	3.1%	114.3	2.9%	104.3	2.6%

# Deposits (term-end balance)

(JPY Bn)	08/9	09/3	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9
Deposits, etc.	4,193.6	4,333.2	4,296.5	4,505.5	4,482.4	4,646.6	4,673.4	4,856.1	4,824.9	4,963.0	5,004.6	5,183.9	5,191.6
Deposits	4,193.6	4,316.1	4,256.9	4,417.7	4,364.6	4,539.5	4,524.0	4,686.2	4,659.7	4,782.1	4,787.9	4,957.8	4,916.8
Individual customers	2,995.9	3,043.8	3,072.9	3,102.6	3,126.9	3,202.4	3,206.0	3,264.0	3,280.7	3,337.0	3,381.5	3,449.2	3,475.1
Corporate	870.5	848.0	906.5	915.6	984.0	963.1	1,060.4	1,035.6	1,113.0	1,057.1	1,129.1	1,112.3	1,169.8
Public sector and financial institutions	327.1	424.3	277.4	399.5	253.6	373.9	257.5	386.5	265.9	388.0	277.2	396.3	271.7
NCD	-	17.1	39.5	87.7	117.7	107.1	149.4	169.9	165.1	180.9	216.6	226.0	274.8

(JPY Bn)	08/9	09/3	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9
Deposits	4,193.6	4,316.1	4,256.9	4,417.7	4,364.6	4,539.5	4,524.0	4,686.2	4,659.7	4,782.1	4,787.9	4,957.8	4,916.8
Tochigi	3,300.0	3,391.9	3,346.2	3,500.5	3,426.4	3,582.2	3,552.5	3,688.6	3,634.4	3,783.0	3,745.7	3,903.2	3,833.4
Adjacent prefectures	856.6	848.2	881.4	876.8	907.2	920.7	949.4	960.5	1,003.5	977.2	1,022.6	1,025.2	1,060.7
Gunma	345.6	334.1	356.2	342.6	362.5	365.0	379.7	383.9	406.1	388.8	415.1	414.0	423.4
Ibaraki	161.6	164.8	164.2	167.5	171.8	177.3	180.8	185.3	188.9	188.8	192.9	196.4	200.8
Saitama	338.6	338.4	349.2	355.2	360.5	366.0	374.8	374.6	392.4	383.2	397.9	397.6	419.0
Fukushima	10.6	10.8	11.6	11.4	12.1	12.3	14.0	16.5	16.0	16.1	16.6	17.1	17.3
Tokyo	36.9	75.9	29.3	40.3	31.0	36.5	22.0	37.0	21.8	21.9	19.5	29.3	22.5

(JPY Bn)	08/9	09/3	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9
Total deposits	4,167.1	4,295.4	4,232.6	4,398.1	4,338.8	4,519.1	4,497.8	4,685.5	4,656.9	4,781.2	4,758.9	4,934.5	4,888.6
Yen liquid deposits	2,312.6	2,448.9	2,348.3	2,547.6	2,437.5	2,651.4	2,579.6	2,837.3	2,776.6	2,971.0	2,909.0	3,130.9	3,064.7
Yen fixed deposits	1,763.8	1,750.6	1,812.9	1,803.3	1,873.3	1,837.7	1,890.7	1,820.8	1,853.6	1,784.6	1,828.5	1,784.9	1,807.8
Foreign currency deposits	90.6	95.8	71.3	47.1	27.9	29.9	27.5	27.4	26.5	25.5	21.3	18.6	16.0
Deposits of individual customers	2,995.9	3,043.8	3,072.9	3,102.6	3,126.9	3,202.4	3,206.0	3,264.0	3,280.7	3,337.0	3,381.5	3,449.2	3,475.1
Yen liquid deposits	1,541.2	1,563.6	1,565.5	1,596.4	1,611.5	1,684.9	1,692.5	1,773.4	1,807.5	1,877.2	1,929.3	2,004.0	2,037.3
Yen fixed deposits	1,444.9	1,465.1	1,491.2	1,488.1	1,495.0	1,496.1	1,493.0	1,469.6	1,453.8	1,441.8	1,437.1	1,431.7	1,425.8
Foreign currency deposits	9.8	14.9	16.0	18.0	20.3	21.2	20.5	20.8	19.4	17.8	15.0	13.5	11.9
Deposits of corporate	844.0	827.2	882.2	895.9	958.1	942.7	1,012.5	1,031.0	1,107.9	1,052.2	1,097.7	1,086.4	1,139.6
Yen liquid deposits	616.5	601.9	645.5	645.1	682.9	671.0	727.8	746.1	818.0	771.5	808.2	798.3	855.7
Yen fixed deposits	223.5	219.2	229.9	244.3	267.6	263.1	277.7	278.3	282.7	273.0	283.0	282.9	279.8
Foreign currency deposits	3.9	6.0	6.6	6.5	7.5	8.6	6.9	6.5	7.1	7.7	6.3	5.1	4.0
Deposits of the public sector	259.8	312.6	229.6	340.1	211.2	318.1	240.6	349.4	227.0	350.2	237.9	354.6	230.5
Yen liquid deposits	90.1	174.1	91.9	249.2	103.2	242.4	124.0	280.1	114.5	281.7	130.8	285.6	129.7
Yen fixed deposits	92.8	63.6	89.1	68.2	107.9	75.7	116.6	69.2	112.5	68.5	107.1	69.0	100.8
Foreign currency deposits	76.8	74.8	48.5	22.6	-	-	-	-	-	-	-	-	-
Deposits of financial institutions	67.2	111.7	47.8	59.4	42.3	55.7	38.6	41.0	41.1	41.7	41.7	44.2	43.2
Yen liquid deposits	64.7	109.1	45.2	56.8	39.7	52.9	35.2	37.5	36.5	40.5	40.5	42.9	41.9
Yen fixed deposits	2.5	2.5	2.5	2.6	2.6	2.7	3.3	3.5	4.5	1.1	1.2	1.2	1.2

\* Before adjustment for inter-office transactions



# Fund management account/ financing account /various yields

## <<Average balance (on a bank-wide basis)>>

(JPY Bn)	FY08		FY09		FY10		FY11		FY12		FY13		FY14
	(1H)		(1H)		(1H)		(1H)		(1H)		(1H)		(1H)
Interest earning assets	4,318.7	4,439.2	4,693.4	4,685.8	4,771.3	4,826.8	4,831.8	4,961.9	5,091.7	5,102.7	5,367.3	5,343.9	5,607.8
Loans	3,193.1	3,251.8	3,348.2	3,341.7	3,315.1	3,339.8	3,396.4	3,453.3	3,573.3	3,613.2	3,763.4	3,832.2	3,994.3
Securities	962.6	1,060.7	1,268.1	1,249.6	1,260.7	1,328.0	1,225.0	1,192.4	1,132.5	1,162.9	1,287.7	1,244.0	1,222.7
Interest bearing liabilities	4,398.8	4,417.6	4,568.4	4,552.7	4,609.6	4,662.1	4,818.4	4,816.5	4,945.8	4,953.7	5,226.8	5,199.7	5,457.9
Deposits, etc.	4,225.0	4,213.2	4,313.2	4,335.8	4,466.5	4,493.4	4,680.9	4,697.2	4,786.3	4,803.3	4,992.7	5,032.5	5,256.8
Deposits	4,217.9	4,206.9	4,271.1	4,283.0	4,344.9	4,370.0	4,522.5	4,528.9	4,602.4	4,621.2	4,738.2	4,768.0	4,924.3
NCD	7.0	6.3	42.0	52.8	121.5	123.3	158.3	168.2	183.8	182.1	254.5	264.5	332.4

## <<Yield (on a bank-wide basis)>>

(%)	FY08		FY09		FY10		FY11		FY12		FY13		FY14
	(1H)		(1H)		(1H)		(1H)		(1H)		(1H)		(1H)
Average yield on interest earning assets	1.96%	1.92%	1.74%	1.72%	1.57%	1.55%	1.47%	1.40%	1.31%	1.30%	1.28%	1.24%	1.22%
Average yield on loans and bills discounted	2.19%	2.17%	2.00%	1.99%	1.91%	1.87%	1.77%	1.72%	1.59%	1.56%	1.46%	1.45%	1.37%
Average yield on securities	1.12%	1.08%	1.06%	1.06%	0.83%	0.83%	0.83%	0.78%	0.75%	0.75%	0.91%	0.85%	1.07%
Average yield on interest bearing liabilities	1.44%	1.38%	1.26%	1.24%	1.26%	1.22%	1.26%	1.21%	1.11%	1.07%	1.02%	0.99%	0.94%
Average yield on deposits and negotiable	0.30%	0.26%	0.16%	0.15%	0.12%	0.11%	0.09%	0.08%	0.06%	0.06%	0.05%	0.05%	0.05%
Average yield on call money and borrowed money	0.56%	0.45%	0.15%	1.40%	0.09%	0.10%	0.10%	0.10%	0.10%	0.10%	0.09%	0.09%	0.11%
Average interest rate spread	0.52%	0.54%	0.48%	0.48%	0.31%	0.33%	0.21%	0.19%	0.20%	0.23%	0.26%	0.25%	0.28%
Yield spread between loans and deposits	1.89%	1.91%	1.84%	1.84%	1.79%	1.76%	1.68%	1.64%	1.53%	1.50%	1.41%	1.40%	1.32%

## <<Yield (Domestic Operation)>>

(%)	FY08		FY09		FY10		FY11		FY12		FY13		FY14
	(1H)		(1H)		(1H)		(1H)		(1H)		(1H)		(1H)
Average yield on interest earning assets	1.92%	1.88%	1.74%	1.72%	1.57%	1.54%	1.47%	1.40%	1.30%	1.30%	1.27%	1.23%	1.20%
Average yield on loans and bills discounted	2.19%	2.17%	2.00%	1.99%	1.91%	1.87%	1.77%	1.72%	1.59%	1.56%	1.47%	1.45%	1.37%
Average yield on securities	1.10%	1.07%	1.05%	1.05%	0.82%	0.82%	0.82%	0.77%	0.75%	0.74%	0.91%	0.84%	1.06%
Average yield on interest bearing liabilities	1.38%	1.32%	1.24%	1.22%	1.24%	1.20%	1.24%	1.19%	1.10%	1.05%	1.01%	0.98%	0.93%
Average yield on deposits and negotiable	0.24%	0.21%	0.14%	0.14%	0.11%	0.10%	0.09%	0.08%	0.06%	0.06%	0.05%	0.05%	0.04%
Average interest rate spread	0.54%	0.56%	0.50%	0.50%	0.33%	0.34%	0.23%	0.21%	0.20%	0.25%	0.26%	0.24%	0.27%

# Securities (term-end balance / Unrealized valuation gains (losses))

## <<Securities (term-end balances) (The Ashikaga Bank, Ltd. (Non-consolidated basis))>>

(JPY Bn)	08/9	09/3	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9
Securities	1,103.9	1,191.2	1,259.6	1,267.4	1,331.0	1,364.3	1,096.3	1,231.4	1,124.3	1,215.8	1,225.6	1,205.4	1,231.9
Government bonds	552.0	515.9	430.0	518.1	599.7	681.8	412.2	363.3	333.9	439.6	492.6	439.4	385.1
Local government bonds	234.4	341.2	423.8	388.2	390.2	371.7	358.5	414.5	374.8	311.6	249.5	257.0	258.4
Corporate bonds	151.6	197.1	270.9	234.8	228.5	206.3	237.9	343.2	282.8	286.8	290.6	269.5	262.8
Stocks	108.9	75.6	77.9	69.9	65.5	66.7	63.2	67.4	64.5	80.0	79.4	71.8	76.7
Other securities	56.8	61.2	56.9	56.2	47.0	37.7	24.2	42.9	68.1	97.6	113.3	167.5	248.6

## <<Unrealized Valuation Gains (Losses) (The Ashikaga Bank, Ltd. (Non-consolidated basis))>>

(JPY Bn)	08/9	09/3	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9
Total unrealized valuation gains (losses)	28.0	1.3	25.8	20.6	23.2	11.3	13.6	21.6	14.6	42.8	39.8	40.3	53.9
Stocks	30.8	0.5	11.9	10.0	6.0	7.9	4.6	10.0	7.3	23.3	27.6	23.1	28.0
Bonds	1.6	9.8	18.3	13.4	21.8	7.7	14.2	14.9	12.3	19.1	10.7	14.2	19.8
Others	-4.4	-9.0	-4.4	-2.7	-4.7	-4.3	-5.2	-3.4	-5.0	0.2	1.3	2.9	5.9
Held-to-maturity	-0.1	-0.7	0.3	0.1	4.3	1.3	3.9	4.1	5.1	7.8	6.9	7.9	8.7
Bonds	0.3	0.4	0.5	0.1	4.3	1.3	3.9	4.0	5.2	7.6	6.6	7.7	8.6
Others	-0.4	-1.2	-0.2	-	-	-	-	-	-	0.2	0.2	0.2	0.1
Other (available-for-sale)	28.1	2.1	25.5	20.4	18.8	9.9	9.6	17.5	9.4	34.9	32.9	32.4	45.1
Stocks	30.8	0.5	11.9	10.0	6.0	7.9	4.6	10.0	7.3	23.3	27.6	23.1	28.0
Bonds	1.3	9.4	17.8	13.2	17.5	6.3	10.3	10.9	7.0	11.5	4.0	6.5	11.2
Others	-4.0	-7.8	-4.2	-2.7	-4.8	-4.3	-5.3	-3.4	-4.9	-	1.1	2.7	5.8

## <<Unrealized Valuation Gains (Losses) (Ashikaga Holdings Co., Ltd. (Consolidated basis))>>

(JPY Bn)	08/9	09/3	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9
Total unrealized valuation gains (losses)	-10.1	-10.3	13.2	14.6	16.8	6.3	8.7	17.7	10.7	39.2	36.2	37.4	50.3
Stocks	-10.9	-14.3	-3.6	1.4	-2.5	0.8	-2.1	4.2	1.6	18.5	23.4	19.5	24.4
Bonds	3.1	11.2	19.4	14.1	22.2	7.9	14.4	15.0	12.3	19.1	10.7	14.2	19.8
Others	-2.3	-7.1	-2.5	-0.9	-2.8	-2.5	-3.5	-1.6	-3.2	1.4	2.0	3.6	5.9
Held-to-maturity	-0.1	-0.7	0.3	0.1	4.3	1.3	3.9	4.1	5.1	7.8	6.9	7.9	8.7
Bonds	0.3	0.4	0.5	0.1	4.3	1.3	3.9	4.0	5.2	7.6	6.6	7.7	8.6
Others	-0.4	-1.2	-0.2	-	-	-	-	-	-	0.2	0.2	0.2	0.1
Other (available-for-sale)	-10.0	-9.5	12.9	14.5	12.4	4.9	4.8	13.5	5.5	31.3	29.3	29.4	41.5
Stocks	-10.9	-14.3	-3.6	1.4	-2.5	0.8	-2.1	4.2	1.6	18.5	23.4	19.5	24.4
Bonds	2.8	10.7	18.8	13.9	17.9	6.6	10.4	11.0	7.1	11.5	4.0	6.5	11.2
Others	-1.9	-5.9	-2.3	-0.8	-2.9	-2.5	-3.5	-1.6	-3.2	1.2	1.8	3.4	5.8

# Assets in custody and financial assets

## <<Balance of assets under custody and financial assets (corporate + individual customers)>>

(JPY Bn)	08/9	09/3	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9
Total financial assets	4,797.2	4,881.4	4,877.1	5,077.8	5,032.2	5,212.1	5,175.4	5,376.2	5,360.1	5,535.6	5,530.0	5,704.9	5,676.2
Assets in custody (1)	603.6	565.2	620.1	660.0	667.5	672.5	651.3	689.9	700.3	753.5	742.1	747.0	759.4
Investment trusts	281.5	214.9	243.6	256.0	246.0	251.2	223.0	241.7	231.0	281.5	280.4	293.5	317.2
Insurance	88.3	101.2	123.2	144.5	167.0	179.5	194.3	218.2	248.1	258.9	265.2	272.8	279.9
Public sector debt	233.7	248.9	253.3	259.3	254.4	241.8	234.0	230.0	221.0	213.0	196.5	180.6	162.1
Total deposits	4,193.6	4,316.1	4,256.9	4,417.7	4,364.6	4,539.5	4,524.0	4,686.2	4,659.7	4,782.1	4,787.9	4,957.8	4,916.8
Yen deposits	4,103.1	4,220.3	4,185.7	4,370.7	4,336.8	4,509.6	4,496.5	4,658.9	4,633.2	4,756.6	4,766.7	4,939.4	4,900.9
Foreign currency deposits (2)	90.5	95.7	71.2	47.0	27.8	29.8	27.4	27.3	26.5	25.4	21.2	18.4	15.8
Reference: (1)+(2)	694.1	661.0	691.4	707.1	695.3	702.4	678.8	717.3	726.8	779.0	763.3	765.5	775.3
(Ratio to total financial assets)	(14.5%)	(13.5%)	(14.2%)	(13.9%)	(13.8%)	(13.5%)	(13.1%)	(13.3%)	(13.6%)	(14.1%)	(13.8%)	(13.4%)	(13.7%)

## <<Balance of individual customer assets in custody and financial assets>>

(JPY Bn)	08/9	09/3	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9
Total financial assets of individual customers	3,549.6	3,563.1	3,649.0	3,717.0	3,749.0	3,830.6	3,813.4	3,909.2	3,939.0	4,040.0	4,074.3	4,147.6	4,185.2
Assets in custody (1)	553.7	519.2	576.0	614.4	622.1	628.2	607.3	645.2	658.2	702.9	692.7	698.3	710.0
Investment trusts	269.6	206.0	233.9	245.9	236.7	241.8	214.2	232.8	222.7	269.8	268.8	282.0	304.1
Insurance	88.3	101.2	123.2	144.5	167.0	179.5	194.3	218.2	248.1	258.9	265.2	272.8	279.9
Public sector debt	195.7	211.9	218.9	223.8	218.2	206.9	198.7	194.1	187.4	174.1	158.7	143.4	125.8
Total deposits	2,995.9	3,043.8	3,072.9	3,102.6	3,126.9	3,202.4	3,206.0	3,264.0	3,280.7	3,337.0	3,381.5	3,449.2	3,475.1
Yen deposits	2,986.1	3,028.8	3,056.8	3,084.6	3,106.6	3,181.1	3,185.5	3,243.1	3,261.3	3,319.1	3,366.4	3,435.7	3,463.2
Foreign currency deposits (2)	9.8	14.9	16.0	18.0	20.3	21.2	20.5	20.8	19.4	17.8	15.0	13.5	11.9
Reference: (1)+(2)	563.5	534.2	592.1	632.4	642.4	649.5	627.9	666.1	677.7	720.8	707.8	711.8	722.0
(Ratio to total financial assets)	(15.9%)	(15.0%)	(16.2%)	(17.0%)	(17.1%)	(17.0%)	(16.5%)	(17.0%)	(17.2%)	(17.8%)	(17.4%)	(17.2%)	(17.3%)

# Credit related costs / Self-assessment, etc.

## <<Credit related costs>>

(JPY Bn)	FY08		FY09		FY10		FY11		FY12		FY13		FY14
	(1H)		(1H)		(1H)		(1H)		(1H)		(1H)		(1H)
Credit costs	5.9	19.6	6.3	8.8	3.3	9.2	0.7	4.9	1.1	5.8	3.6	9.0	1.7
(Credit cost ratio)	0.37%	0.60%	0.38%	0.26%	0.20%	0.27%	0.04%	0.14%	0.06%	0.16%	0.19%	0.23%	0.08%
Write-off amount of loans	3.9	8.7	2.8	4.3	5.9	8.8	1.6	3.1	1.5	2.7	0.5	1.7	1.2
Net transfer to specific allowance for loan losses	4.5	11.8	-0.4	5.8	1.2	5.5	0.9	4.3	7.2	11.5	2.9	3.0	2.5
Loss on sales of loans	-	0.2	-	0.4	0.3	0.3	-	-	-	0.1	-	0.3	-
Others	-	-	-	-	-	0.1	-	-	-	-	-	-	-
Net transfer to general allowance for loan losses	-2.6	-1.2	3.9	-1.8	-4.2	-5.6	-1.8	-2.5	-7.8	-8.7	0.1	3.6	-2.1
Credit related costs	5.8	19.1	6.0	7.9	3.0	8.6	0.2	3.8	0.6	4.5	2.9	7.4	1.4
(Credit related cost ratio)	0.04%	0.06%	0.04%	0.02%	0.02%	0.03%	0.00%	0.01%	0.00%	0.01%	0.02%	0.02%	0.01%
Recovery of written off claims	-	0.4	0.2	0.9	0.2	0.6	0.4	1.0	0.4	1.3	0.7	1.6	0.3
Reference: Average balance of loans	3,193.1	3,251.8	3,348.2	3,341.7	3,315.1	3,339.8	3,396.4	3,453.3	3,573.3	3,613.2	3,763.4	3,832.2	3,994.3

## <<Result of self-assessment>>

(JPY Bn)	08/9	09/3	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9
Customers with ordinary claims	2,541.0	2,760.9	2,684.8	2,656.3	2,701.4	2,828.3	2,791.7	3,004.9	3,062.7	3,179.9	3,324.1	3,451.3	3,540.1
Customers under special attention	616.5	596.9	582.4	636.8	575.9	575.6	573.0	569.8	556.4	524.8	497.0	494.6	455.8
Other customers under special attention	520.4	495.4	439.9	599.6	536.7	536.9	517.7	517.1	511.5	478.3	449.2	441.9	417.7
Customer with claims requiring supervision	96.0	101.5	142.4	37.1	39.1	38.7	55.3	52.7	44.9	46.4	47.8	52.7	38.0
Customers with claims likely to be irrecoverable or below	106.6	111.7	113.2	100.3	104.9	92.9	86.0	88.6	88.0	90.8	88.0	79.7	79.9
Customers with claims likely to be irrecoverable	91.6	92.7	95.6	81.2	85.9	75.4	71.4	77.5	73.7	81.3	77.9	71.5	71.6
Virtually bankrupt customers	10.3	11.6	10.8	8.7	11.4	13.0	10.0	7.3	9.3	6.2	7.1	5.1	6.2
Bankrupt customers	4.6	7.2	6.7	10.3	7.5	4.4	4.5	3.7	4.9	3.2	2.9	3.0	2.1
Total	3,264.2	3,469.6	3,380.6	3,393.5	3,382.3	3,496.9	3,450.9	3,663.4	3,707.2	3,795.5	3,909.2	4,025.7	4,075.9

## <<Loans subject to mandatory disclosure under the Financial Reconstruction Law>>

(JPY Bn)	08/9	09/3	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9
Loans subject to mandatory disclosure under the Financial Reconstruction Law	156.8	150.2	162.3	126.4	128.6	119.0	119.9	122.3	119.5	122.5	120.6	114.4	104.8
Bankrupt and substantially bankrupt claims	15.0	18.9	17.6	19.0	19.0	17.5	14.6	11.1	14.3	9.5	10.0	8.1	8.3
Doubtful claims	91.6	92.8	95.7	81.2	85.9	75.4	71.4	77.5	73.7	81.3	77.9	71.5	71.6
Claims requiring supervision	50.2	38.3	49.0	26.1	23.6	26.0	33.8	33.6	31.4	31.7	32.6	34.7	24.8
Normal claims	3,114.2	3,327.6	3,225.7	3,273.6	3,260.1	3,384.4	3,340.6	3,557.8	3,612.6	3,706.1	3,826.4	3,952.7	4,015.2
Total	3,271.1	3,477.8	3,388.1	3,400.1	3,388.7	3,503.4	3,460.5	3,680.1	3,732.1	3,828.7	3,947.1	4,067.2	4,120.1
Ratio of loans subject to mandatory disclosure	4.79%	4.31%	4.79%	3.71%	3.79%	3.39%	3.46%	3.32%	3.20%	3.20%	3.05%	2.81%	2.54%

# Transition of borrowers' status

## <<September 2013 → March 2014 (in value terms)>>

(JPY Bn)		Initial balance	March 2014 Borrowers' status							
			Customers with ordinary claims	Customers under special attention A	Customers under special attention (with revised plan)	Customers under special attention (with confirmation note)	Customers with claims requiring supervision	Customers with claims likely to be irrecoverable	Virtually bankrupt customers	Bankrupt customers
September 2013 Borrowers' status	Customers with ordinary claims	3,324.1	3,264.1	20.4	-	-	0.1	1.7	0.4	0.1
	Customers under special attention A	445.3	30.4	402.0	-	-	10.5	3.2	0.5	0.1
	Customers under special attention (with revised plan)	1.3	-	0.5	0.1	-	0.6	-	-	-
	Customers under special attention (with confirmation note)	2.4	-	1.3	-	0.6	0.3	-	-	-
	Customers with claims requiring supervision	47.8	0.3	6.2	-	-	36.5	2.3	0.7	-
	Customers with claims likely to be irrecoverable	77.9	0.1	2.1	-	-	4.4	63.6	1.3	0.7
	Virtually bankrupt customers	7.1	-	-	-	-	-	0.2	2.1	0.2
	Bankrupt customers	2.9	-	-	-	-	-	0.2	-	1.8
	Total	3,909.2	3,295.0	432.7	0.1	0.6	52.7	71.5	5.1	3.0

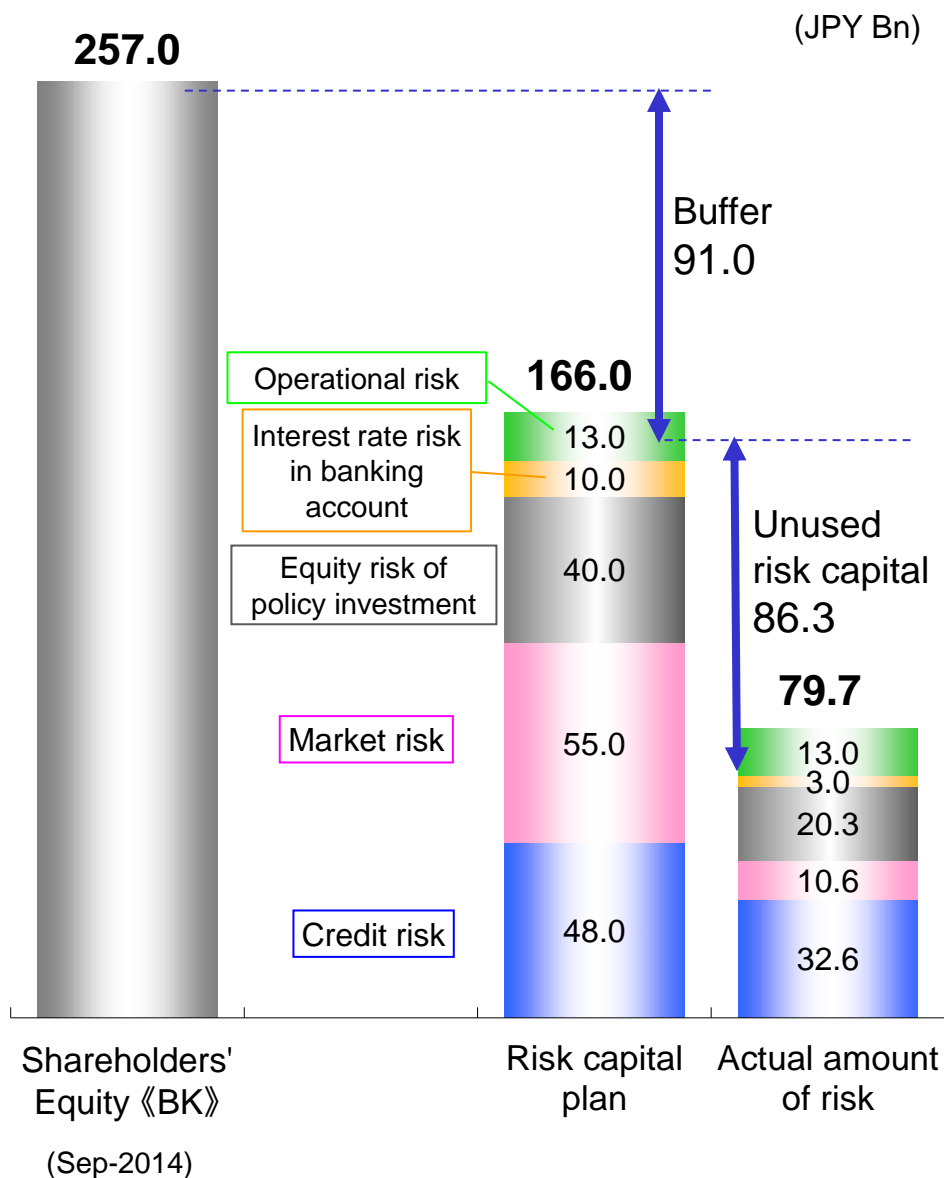
## <<March 2014 → September 2014 (in value terms)>>

(JPY Bn)		Initial balance	September 2014 Borrowers' status							
			Customers with ordinary claims	Customers under special attention A	Customers under special attention (with revised plan)	Customers under special attention (with confirmation note)	Customers with claims requiring supervision	Customers with claims likely to be irrecoverable	Virtually bankrupt customers	Bankrupt customers
March 2014 Borrowers' status	Customers with ordinary claims	3,451.3	3,343.5	30.0	-	-	0.2	1.3	0.5	-
	Customers under special attention A	441.0	52.1	367.3	-	-	3.9	3.8	0.5	0.1
	Customers under special attention (with revised plan)	0.1	-	0.1	-	-	-	-	-	-
	Customers under special attention (with confirmation note)	0.6	-	0.5	-	-	-	-	-	-
	Customers with claims requiring supervision	52.7	0.6	10.0	-	-	30.8	7.0	0.3	-
	Customers with claims likely to be irrecoverable	71.5	-	3.6	-	-	2.7	58.9	2.7	0.4
	Virtually bankrupt customers	5.1	-	-	-	-	-	0.2	1.9	0.5
	Bankrupt customers	3.0	-	-	-	-	-	0.1	-	0.8
	Total	4,025.7	3,396.4	411.7	-	-	37.8	71.6	6.1	2.1

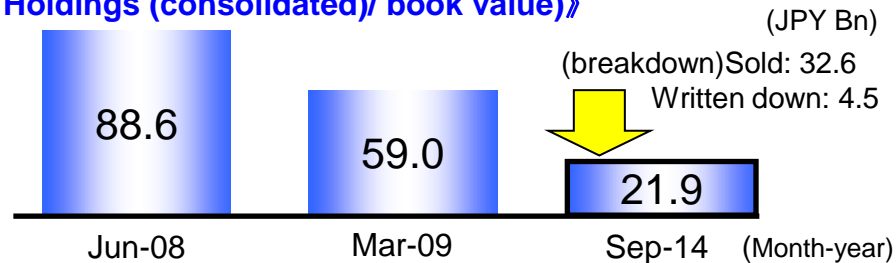


# Risk management

## 《Amount of integrated risk ( end of Sep. 2014)》



## 《Reduction of stocks for policy purpose (Ashikaga Holdings (consolidated)/ book value)》



**72.7% → 14.1%**  
Book value / Tier I      Book value / core capital (without temporary measure)

## 《Outlier Ratio》

Outlier Ratio

7.2%

(as of end of Sep.2014)

\*Total amount of interest rate risk < 20% of shareholders' equity

## 《Impact of interest-rate fluctuations on gain (loss) on valuation of securities》

Yen bond portfolio      10BPV

- ¥4.91bn

(as of end of Sep.2014)

## 《Impact of stock-price fluctuations on gain (loss) on valuation of securities》

Stock portfolio (investment trusts/ listed stocks)

Nikkei Stock Average 1,000 yen V

- ¥3.40 bn

(as of end of Sep.2014)

# Capital adequacy ratio

## <<Ashikaga Holdings Co., Ltd. (Consolidated basis)>>

### Basel III (domestic standard)

(JPY Bn)	14/3	14/9
Capital adequacy ratio	8.49%	8.82%
without temporary measure	5.25%	5.51%
Capital ①-②	234.7	246.7
without temporary measure	146.8	155.5
Basic Core capital ①	323.1	332.0
Of which, common equity capital	220.5	231.6
Of which, total amount of provision	22.5	20.3
Of which, directly issued capital instruments subject to phase out from Additional Tier 1	80.0	80.0
Adjustment Core capital ②	88.3	85.2
Of which, goodwill	88.3	85.2
Total risk weighted assets	2,762.2	2,796.5

### Reference : Basel II (domestic standard)

(JPY Bn)	10/9	11/3	11/9	12/3	12/9	13/3	13/9
Capital adequacy ratio	8.61%	8.63%	9.51%	9.47%	9.95%	9.70%	8.38%
Tier I Capital adequacy ratio	5.07%	5.08%	5.66%	5.67%	6.17%	6.03%	5.86%
Capital	208.1	209.8	230.4	236.2	251.0	252.9	218.9
Tier 1	122.5	123.6	137.3	141.3	155.8	157.2	153.0
Tier 2	86.3	86.9	93.8	95.5	95.7	96.2	66.3
Deductions	0.7	0.7	0.6	0.6	0.5	0.5	0.4
Total risk weighted assets	2,415.1	2,430.0	2,422.4	2,492.5	2,522.8	2,606.4	2,610.9

\* Basel III, domestic standards from the end of March 2014

## <<The Ashikaga Bank, Ltd. (Non-consolidated basis)>>

### Basel III (domestic standard)

(JPY Bn)	14/3	14/9
Capital adequacy ratio	8.68%	9.07%
without temporary measure	8.40%	8.67%
Capital	242.9	257.0
without temporary measure	237.9	247.7
Basic Core capital ①	242.9	257.0
Of which, common equity capital	220.9	237.1
Of which, total amount of provision	21.9	19.8
Adjustment Core capital ②	-	-
Total risk weighted assets	2,796.5	2,832.4

### Reference : Basel II (domestic standard)

(JPY Bn)	10/9	11/3	11/9	12/3	12/9	13/3	13/9
Capital adequacy ratio	8.17%	8.07%	8.69%	8.32%	8.83%	8.36%	9.17%
Tier I Capital adequacy ratio	7.54%	7.45%	8.07%	7.69%	8.21%	7.73%	8.54%
Capital	199.2	198.2	213.0	209.3	225.0	219.9	242.4
Tier 1	183.9	182.9	197.7	193.6	209.1	203.5	225.9
Tier 2	15.2	15.3	15.3	15.7	15.9	16.4	16.5
Deductions	-	-	-	-	-	-	-
Total risk weighted assets	2,438.0	2,454.6	2,448.9	2,516.0	2,546.7	2,630.2	2,643.9

\* Basel III, domestic standards from the end of March 2014



# Shareholder composition

## <<Shareholder composition>>

	End of March 2014			End of September 2014		
	Number of shareholders (Persons)	Number of shares owned (Shares)	Breakdown	Number of shareholders (Persons)	Number of shares owned (Shares)	Breakdown
Central and local governments	-	-	-	-	-	-
Financial institutions	49	72,272,600	21.68%	56	76,941,000	23.08%
Securities firms	37	5,048,294	1.51%	37	2,184,605	0.65%
Other corporations	310	198,578,600	59.58%	306	196,232,001	58.88%
Foreign corporations, etc.	97	37,288,812	11.18%	121	36,717,854	11.01%
Individuals and others	14,194	20,061,694	6.02%	12,869	21,174,540	6.35%
Total	14,687	333,250,000	100.00%	13,389	333,250,000	100.00%

## <<10 largest shareholders>>

End of March 2014			End of September 2014		
Name	Number of shares owned (Shares)	Shareholding ratio	Name	Number of shares owned (Shares)	Shareholding ratio
Nomura Financial Partners Co., Ltd.	122,900,000	36.87%	Nomura Financial Partners Co., Ltd.	122,900,000	36.87%
Ashikaga Next Investment Limited Partnership	53,000,000	15.90%	ORIX Corporation	40,000,000	12.00%
Northern Trust Co. (AVFC) Re 15PCT Treaty Account	16,888,172	5.06%	Sompo Japan Nipponkoa Insurance Inc.	19,000,000	5.70%
JAFCO Super V-3 Investment Limited Partnership	15,000,000	4.50%	Northern Trust Co. (AVFC) Re 15PCT Treaty Account	16,188,461	4.85%
NIPPONKOA Insurance Company, Limited	15,000,000	4.50%	JAFCO Super V-3 Investment Limited Partnership	15,000,000	4.50%
Mitsui Sumitomo Insurance Company, Limited	15,000,000	4.50%	Mitsui Sumitomo Insurance Company, Limited	15,000,000	4.50%
BNY for GCM Client Accounts (E) BD	6,198,913	1.86%	BNY for GCM Client Accounts (E) BD	8,425,150	2.52%
National Mutual Insurance Federation of Agricultural Cooperatives	5,623,400	1.68%	Nippon Life Insurance Company	5,000,000	1.50%
Nippon Life Insurance Company	5,000,000	1.50%	The Master Trust Bank of Japan ,Ltd. (Trust Account)	4,440,700	1.33%
Seven Bank, Ltd.	4,000,000	1.20%	Seven Bank, Ltd.	4,000,000	1.20%
Sompo Japan Insurance Inc.	4,000,000	1.20%	Next Capital Partners Co., Ltd.	4,000,000	1.20%





This document may not be reproduced or distributed to any third party without prior written consent of Ashikaga Holdings Co., Ltd. This document has been prepared for information purposes only and does not form part of a solicitation to sell or purchase any securities. Information contained herein may be changed or revised without prior notice. This document may contain forward-looking statements as to future results of operations. No forward-looking statement can be guaranteed and actual results of operations may differ from those projected.