



# Financial Results for FY2015

May 20, 2016 (Friday)

Ashikaga Holdings Co., Ltd.

The Ashikaga Bank, Ltd.



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\*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 Forecast

Financial Results for FY2015 and  
Earnings Forecast

## (1) Net interest income increased for 3 consecutive fiscal year

- While loans to individuals and SME's increased firmly, interest on loans & bills discounts decreased due to decline of loans yield
- Yield improvement through diversified investment securities portfolio and gain on cancellation of investment trust
- Whole of net interest income increased for 3 consecutive fiscal year

## (2) Fees & commissions remained strong growth

- In addition to sales of assets under custody increased steadily, private placement bonds, loans-related fees increased contribution
- Total fees & commissions hit a record high for 3 consecutive fiscal years

## (3) Core net business income increased for 4 consecutive fiscal year

- Core net business income increased for 4 consecutive fiscal year to 36.4 JPY Bn
- Achieved its target "30 billion yen" in medium-term management plan for 2 consecutive periods
- Core OHR improvement to 56.3%

## (4) Ordinary profit HD hit a record high

- Ordinary profit & Net income increased due to credit-related costs reduction and gains of sales of stocks, in addition to core net business income increasing
- Ordinary profit HD (consolidated) hit a record high

# Summary of Results (1) HD

- ◆ Ordinary income, ordinary profit and net income attributable to owners of the parent of HD (consolidated) exceeded the previous year and our earnings forecast.

## <<HD (Consolidated basis)>>

(JPY Bn)	FY2013 Results	FY2014 Results (1)	FY2015 Results (2)	YoY (2)-(1)
Ordinary income	108.0	96.7	102.4	+ 5.7
Consolidated gross profit	82.3	82.8	86.4	+ 3.5
General and administrative expenses	57.5	56.6	55.4	- 1.1
Credit related costs	7.8	5.9	3.2	- 2.7
Gains (losses) on stocks	11.1	- 0.4	2.3	+ 2.7
Ordinary profit	28.2	21.0	30.3	+ 9.2
Income taxes-current	2.7	10.5	5.8	- 4.7
Income taxes-deferred	0.8	- 6.6	1.9	+ 8.5
Net income attributable to owners of the parent	24.3	17.0	22.4	+ 5.3
(Reference)				
Net income excluding amortization of goodwill	30.5	23.2	28.6	

FY2015 Initial forecast	FY2015 Revised forecast (3)	Compared with forecast (2)-(3)
95.0	100.0	+ 2.4

23.5	28.0	+ 2.3
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17.0	21.0	+ 1.4
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# Summary of Results (2) BK

- ◆ Ordinary profit and net income of BK (non-consolidated) exceeded the previous year and our earnings forecasts, due to increase in core net business income (including the effect of increase in core gross business profit and decrease in expense), decrease in credit related costs and increase in gains of sales of stocks.

## <<BK (Non-Consolidated basis)>>

(JPY Bn)	FY2013 Results	FY2014 Results (1)	FY2015 Results (2)	YoY (2)-(1)
Core gross business profit	78.6	80.1	83.5	+ 3.3
Gross business profit	79.9	80.5	84.3	+ 3.7
Net interest income	63.8	65.0	68.1	+ 3.0
Net fees and commissions	14.3	14.5	14.9	+ 0.3
Net other business income	1.7	0.9	1.3	+ 0.3
Gains (losses) on bonds	1.3	0.4	0.8	+ 0.3
Expenses	48.9	48.0	47.0	- 0.9
Personnel expenses	26.6	26.0	25.3	- 0.6
Non-personnel expenses	20.1	19.6	18.8	- 0.8
Net business income (before general allowance for loan losses)	31.0	32.5	37.3	+ 4.7
Core net business income	29.6	32.0	36.4	+ 4.3
Credit related costs	7.4	2.6	- 0.2	- 2.9
Gains (losses) on stocks	12.3	- 0.4	2.5	+ 2.9
Ordinary profit	35.4	29.7	39.8	+ 10.0
Income taxes-current	2.1	10.1	10.4	+ 0.2
Income taxes-deferred	0.6	- 0.2	- 1.8	- 1.6
Net Income	32.1	19.7	30.8	+ 11.0

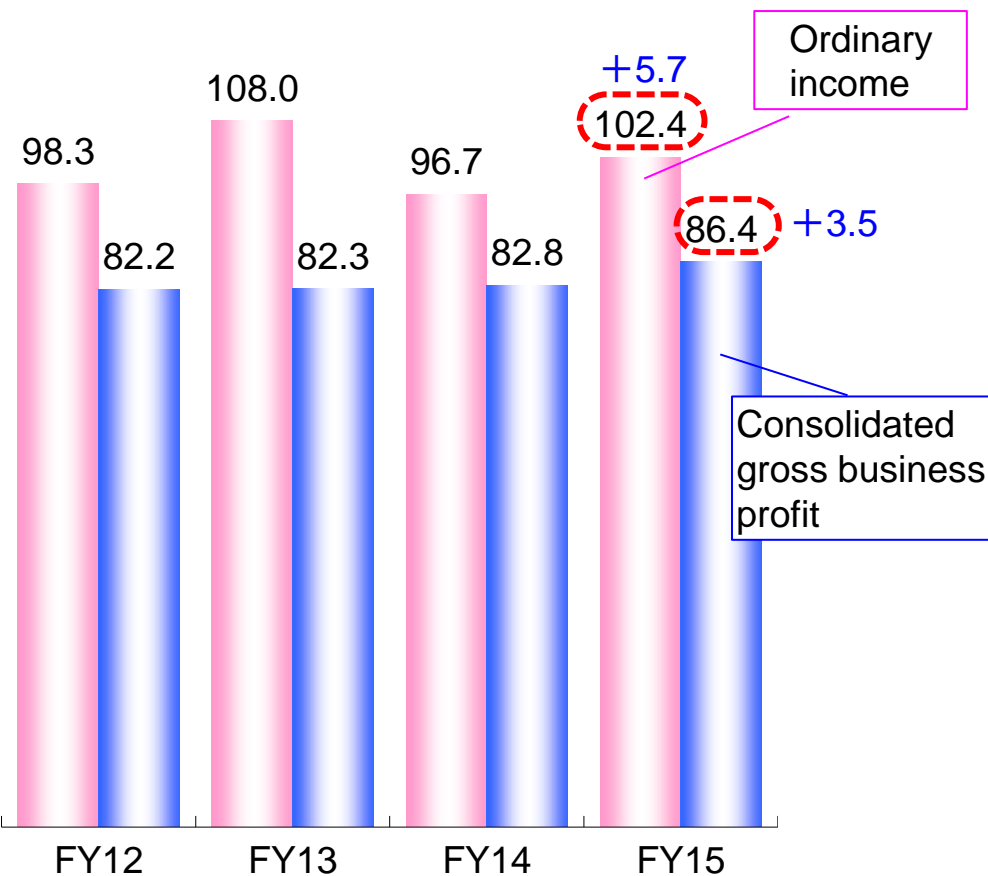
FY2015 Initial forecast	FY2015 Revised forecast (3)	Compared with forecast (2)-(3)
79.5	82.5	+ 1.0
47.0	47.5	- 0.5
32.5	35.0	+ 1.4
30.5	38.0	+ 1.8
23.5	30.0	+ 0.8



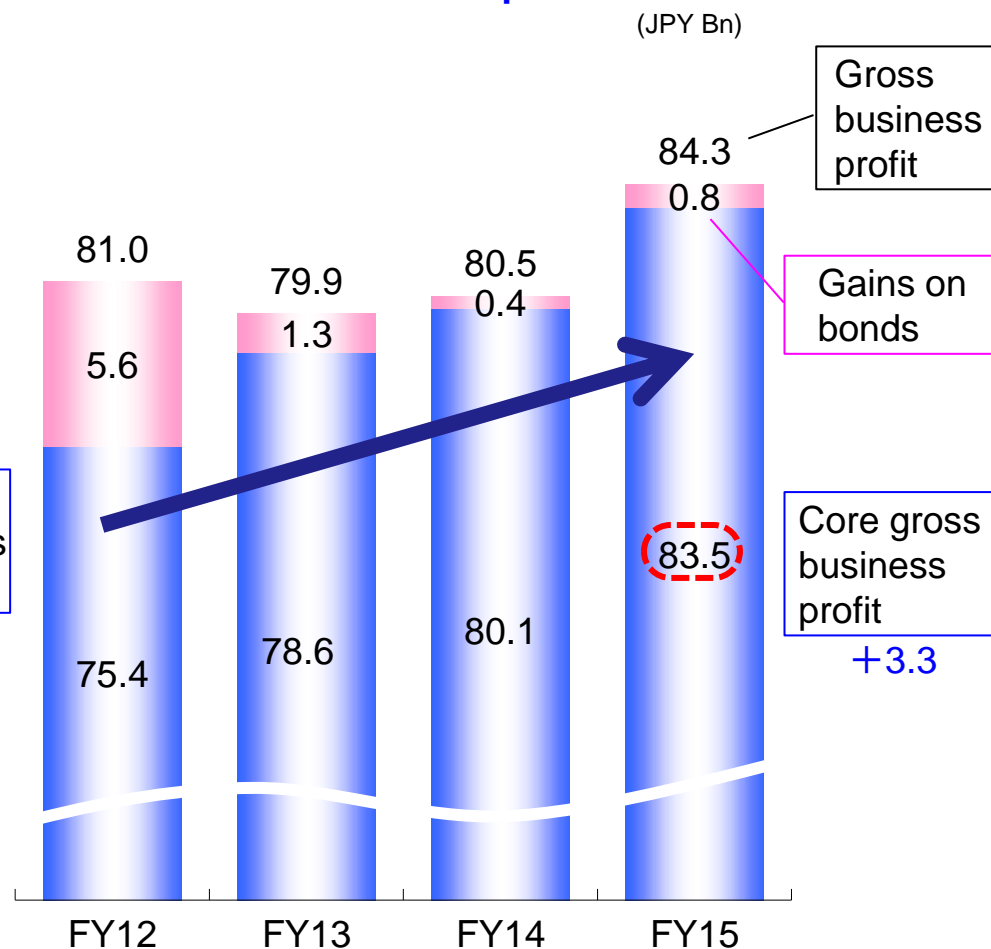
# Top-line

- ◆ Both ordinary income and consolidated gross business profit of HD turned to increase.
- ◆ Core gross business profit of BK (non-consolidated) increased for 3 consecutive year.

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



**【BK】<<Gross business profit>>**



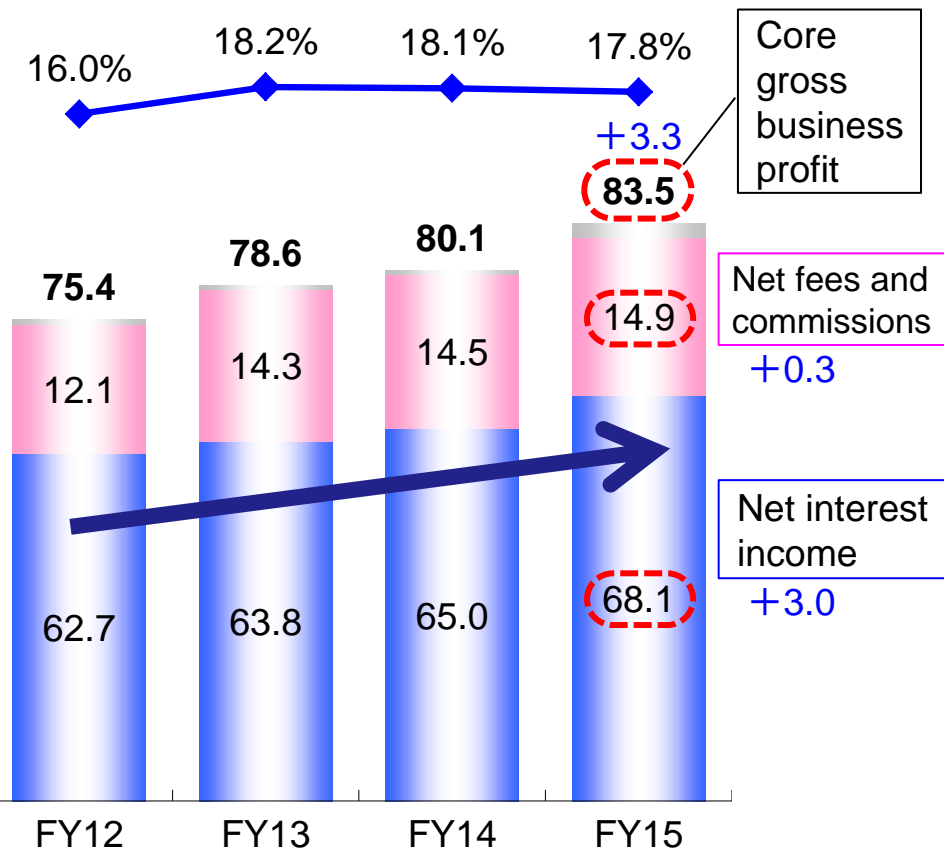
# Core Gross Business Profit

- ◆ Both net interest income and net fees and commissions are on the rise. The main contributing factor of net interest income is an increase in interests and dividends on securities. The factor of net fees and commissions is an increase in private placement bonds and fees related to loans.

## <<Core gross business profit>>

(JPY Bn)

◆ Net fees and commissions / Core gross business profit



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

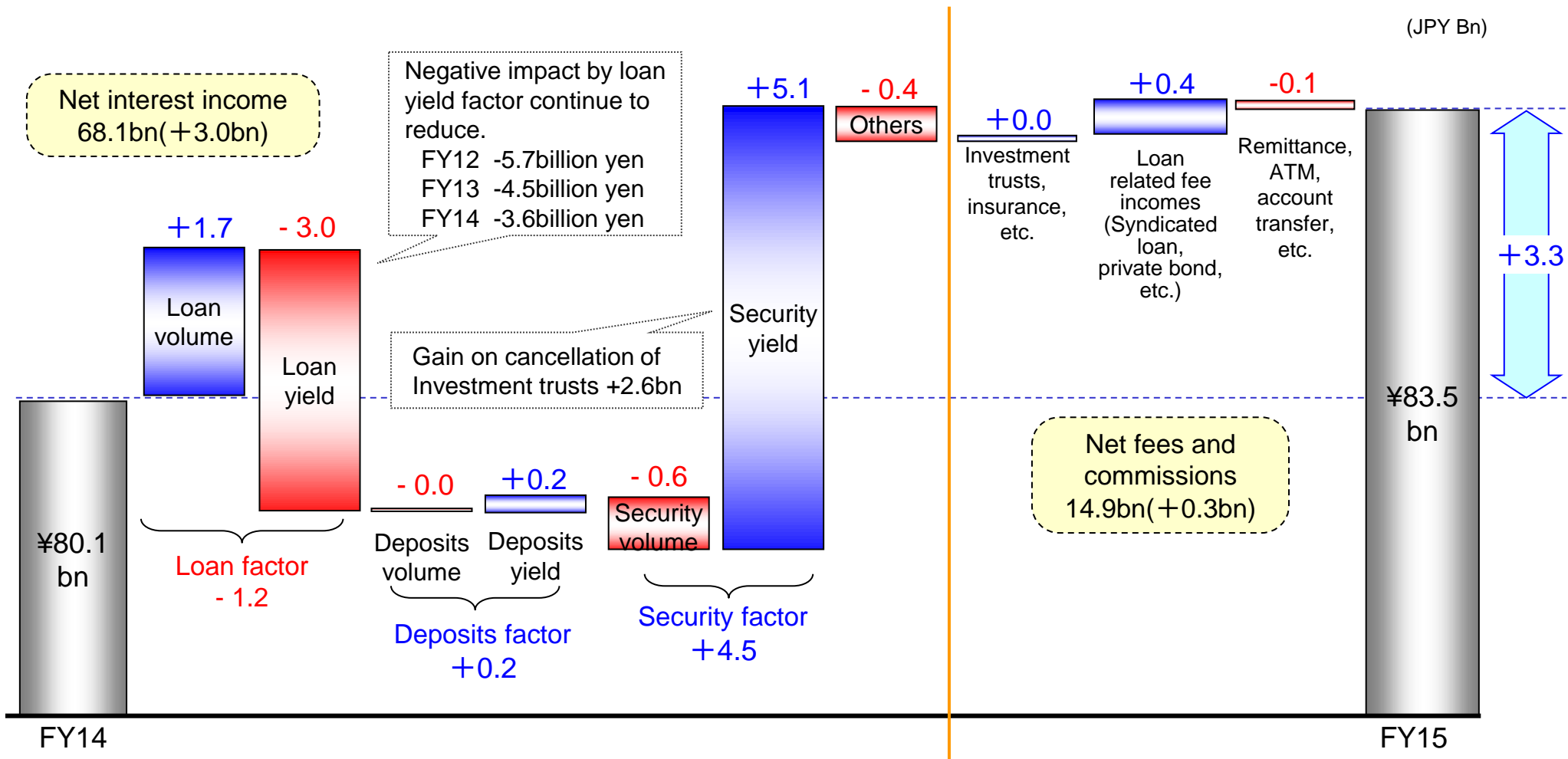
(JPY Bn)	FY2012 Results	FY2013 Results (1)	FY2014 Results (2)	YoY (2)-(1)
Net interest income	63.8	65.0	68.1	+ 3.0
Interest on loans and bills discounts	55.5	55.0	53.7	- 1.2
Interest and dividends on securities	10.6	12.4	16.9	+ 4.5
Interest expenses for deposits (-)	2.4	2.5	2.3	- 0.2

(JPY Bn)	FY2013 Results	FY2014 Results (1)	FY2015 Results (2)	YoY (2)-(1)
Net fees and commissions	14.3	14.5	14.9	+ 0.3
Fees related to assets under custody	6.8	7.6	7.7	+ 0.0
Fees related to loans	4.1	3.9	4.4	+ 0.4
Fees on settlement-related business	7.1	7.6	7.6	- 0.0
Insurance premiums	- 3.1	- 3.4	- 3.5	- 0.1
Consumption tax	- 0.8	- 1.3	- 1.3	- 0.0



# Factor Analysis (Core Gross Business Profit)

- Despite the continuing effect of decline in loan yield, net interest income increased on a year-on-year basis as security factors except for the gain on cancellation of investment trusts.

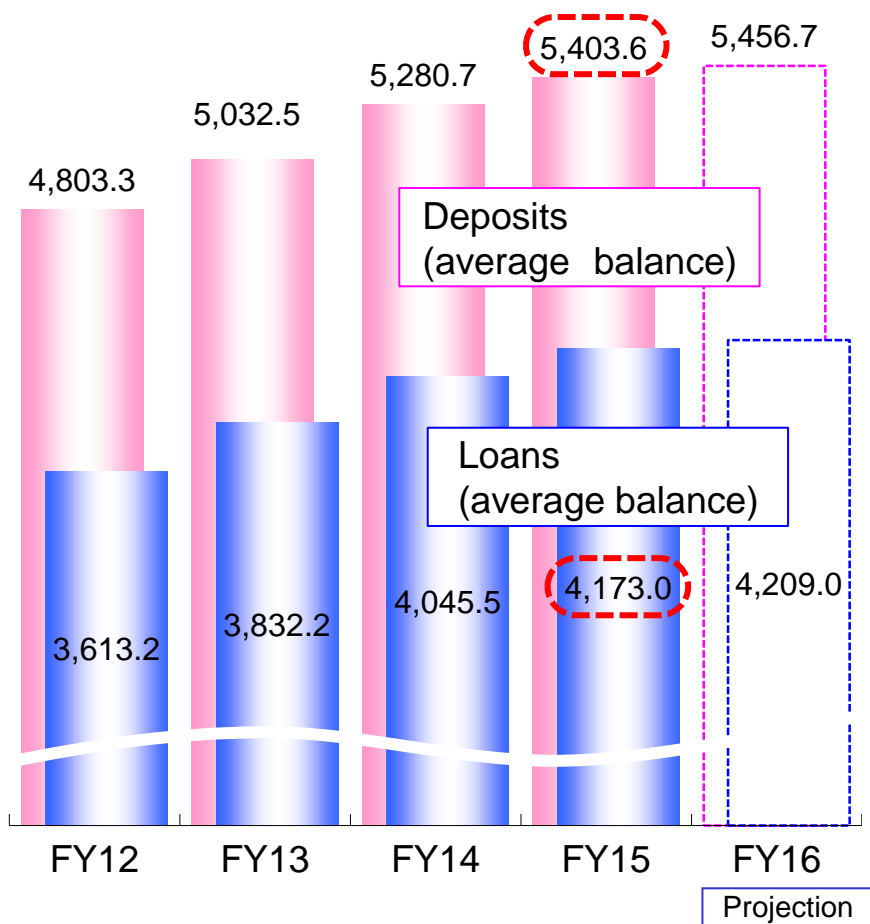


# Loans and Deposits (Average Balance / Average Yield)

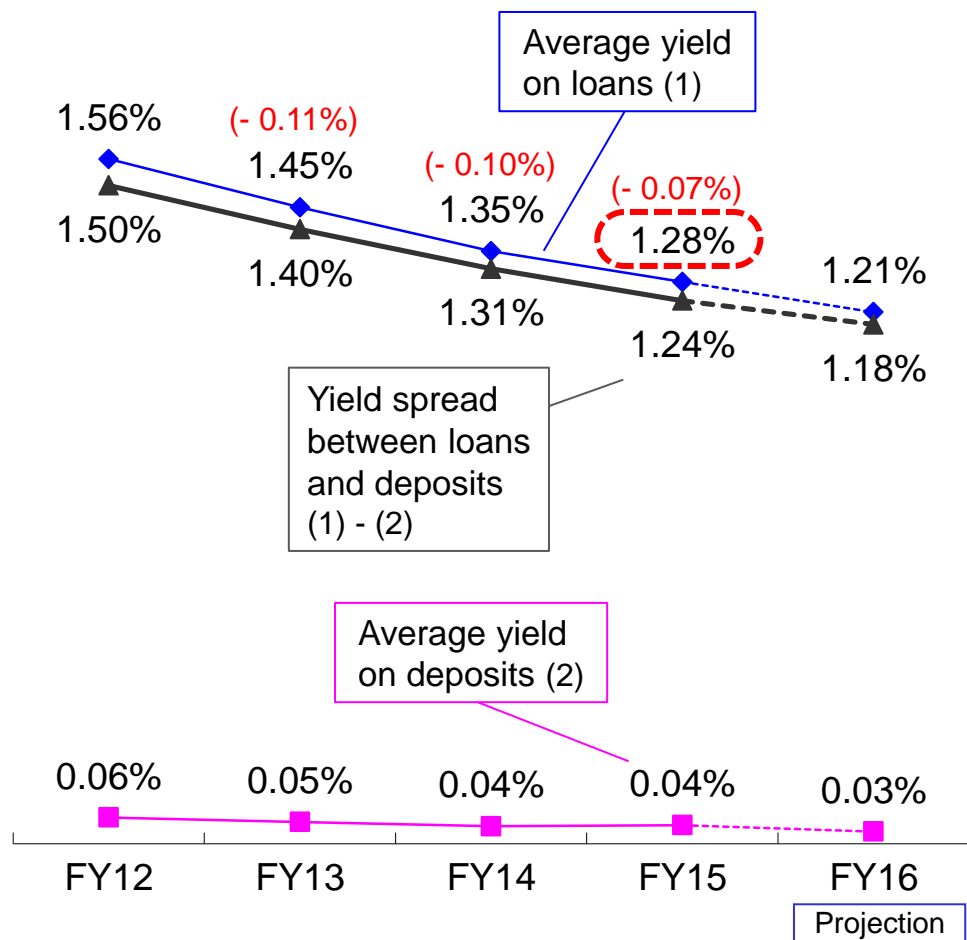
- ◆ The average balances of both loans and deposits increased steadily.
- ◆ Average yield on loans continued to decline.

<<Loans and deposits (average balance)>>

(JPY Bn)



<<Loan and deposit yields>>



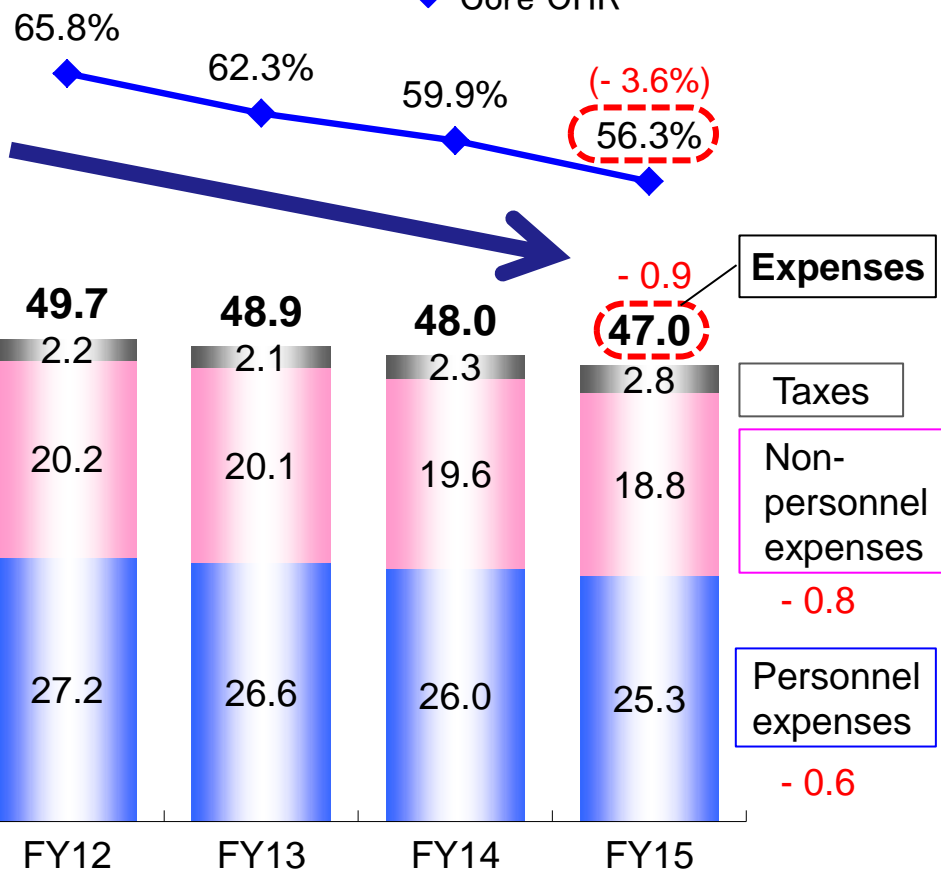
# Expenses / Core Net Business Income

- ◆ In addition to increase in core gross business profit, expenses and core OHR remain downward trends.
- ◆ Core net business income increased steadily for 4 consecutive year.

## <<Expenses / Core OHR>>

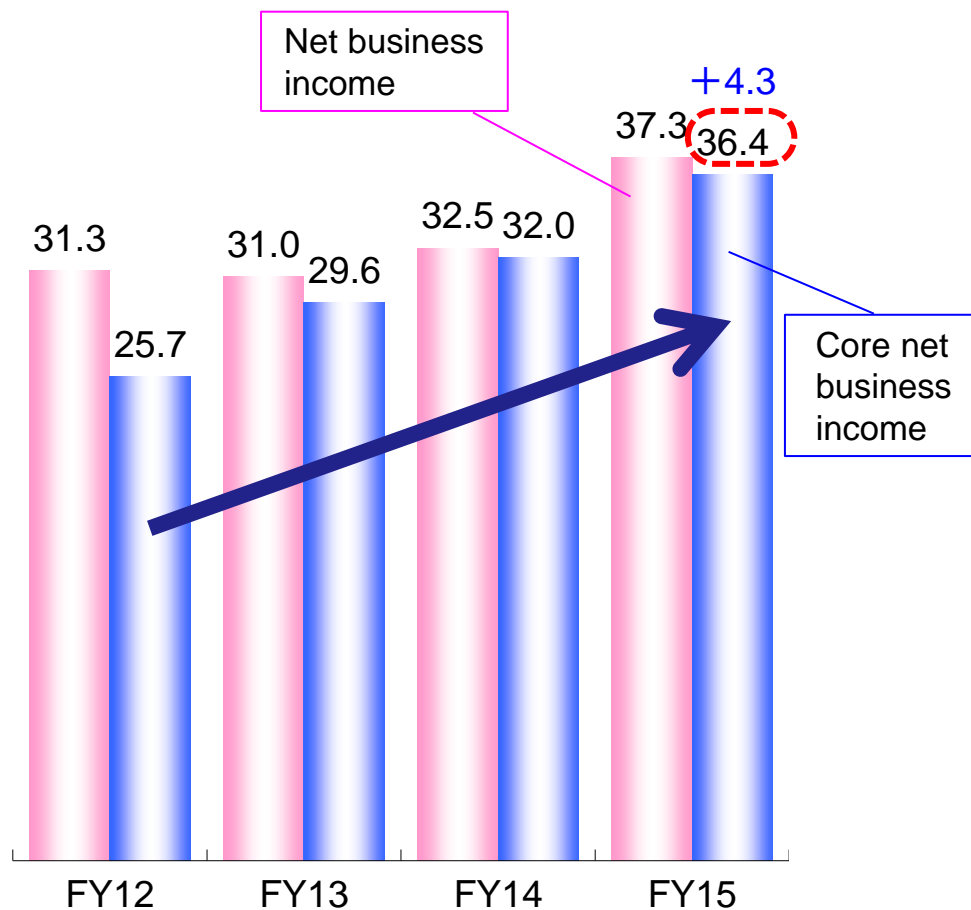
(JPY Bn)

◆ Core OHR



## <<Core net business income>>

(JPY Bn)

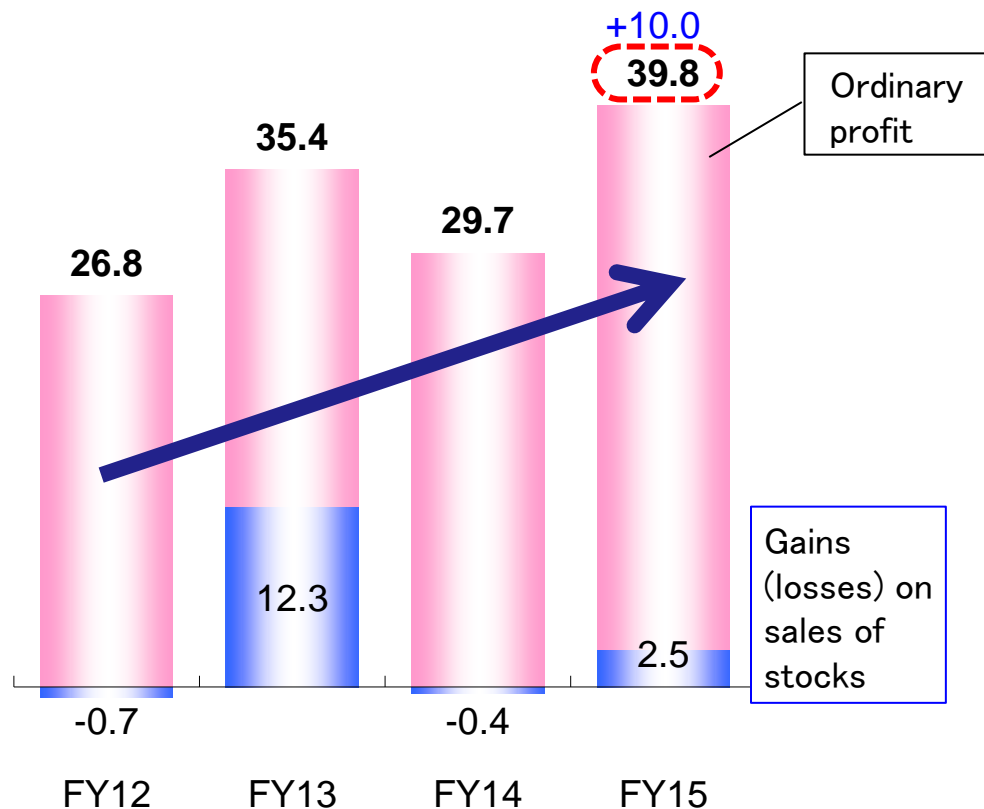


※Core OHR=Expenses ÷ Core gross business profit

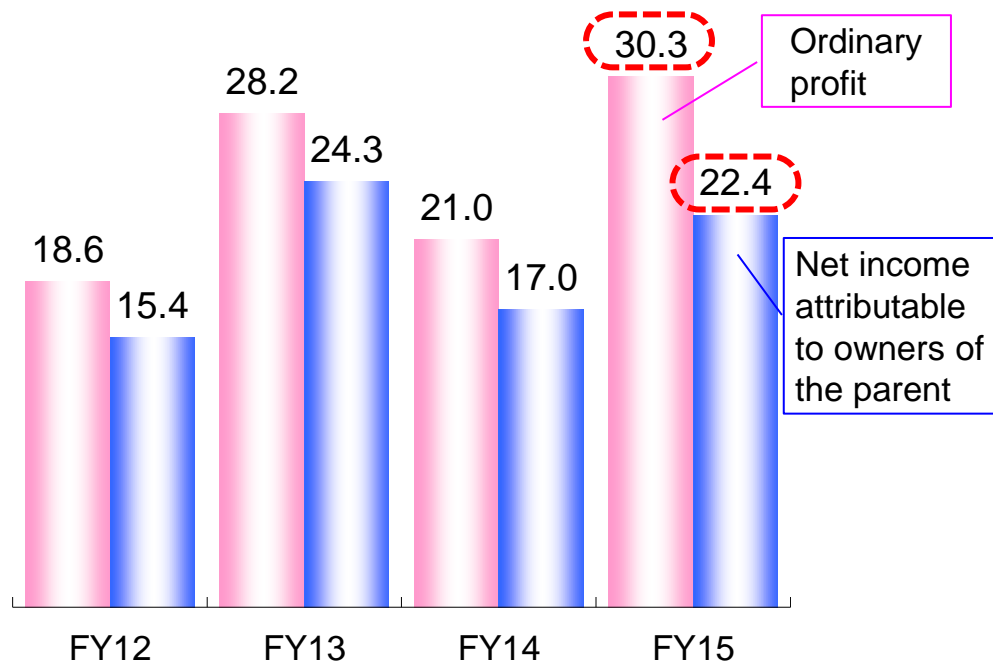
# Ordinary Profit / Net Income

- ◆ Ordinary profit of BK increased remarkably on a year-on-year basis by contribution of gains of sales of stocks and credit-related costs reduction.
- ◆ Ordinary profit of HD hit a record high.

**[BK]<< Ordinary profit>>** (JPY Bn)



**[HD]<< Ordinary profit / Net income attributable to owners of the parent>>** (JPY Bn)



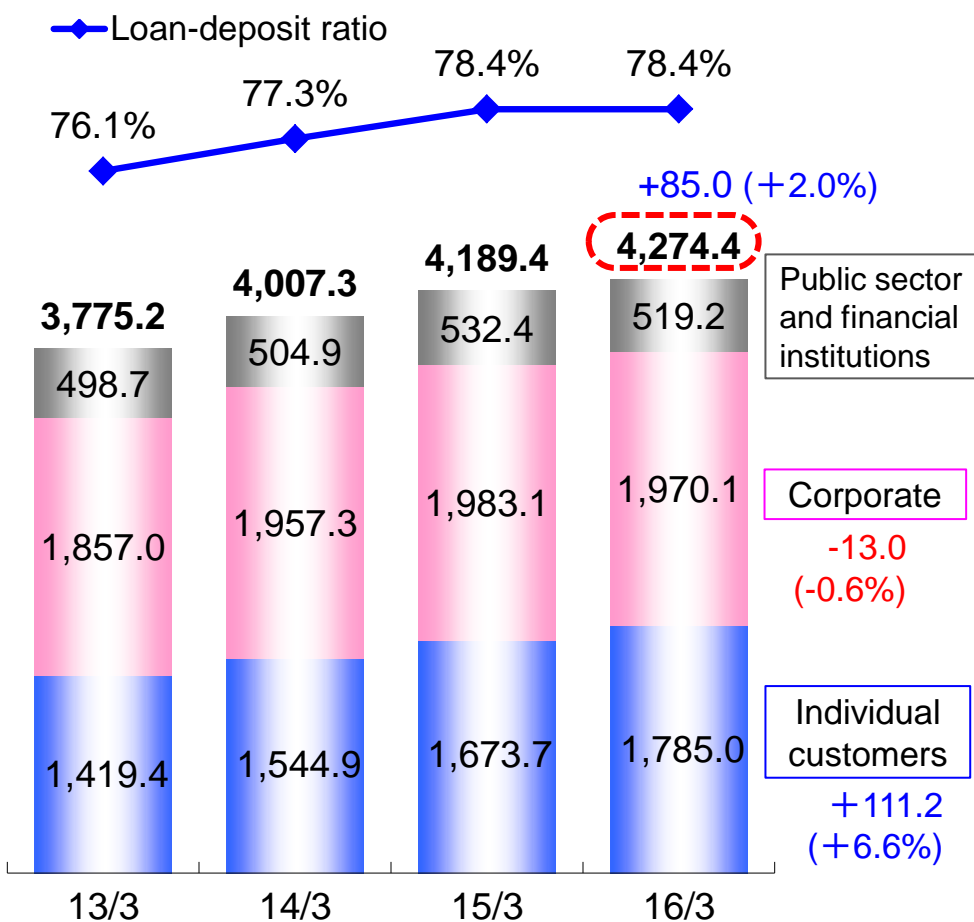


# Loans (Term-end Balance)

- ◆ The term-end balance of loans both to individual customers and corporate customers continues to increase.
- ◆ Increases in loans to SMEs and housing loans boosted total balance of loans.

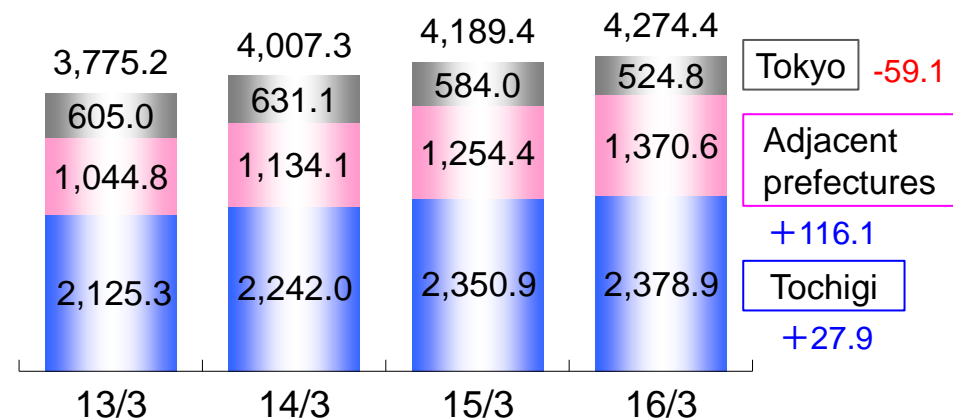
## <<Loans (term-end balance)>>

(JPY Bn)



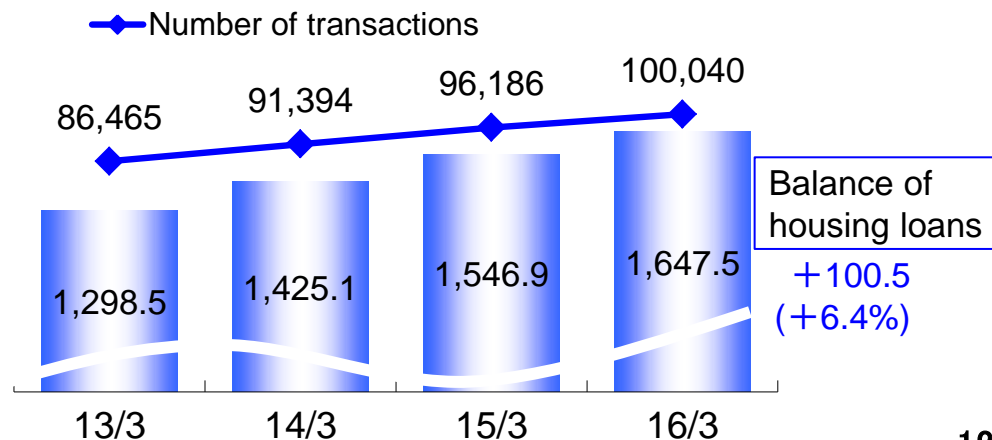
## << Loans by prefecture (term-end balance)>>

(JPY Bn)



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

(JPY Bn)



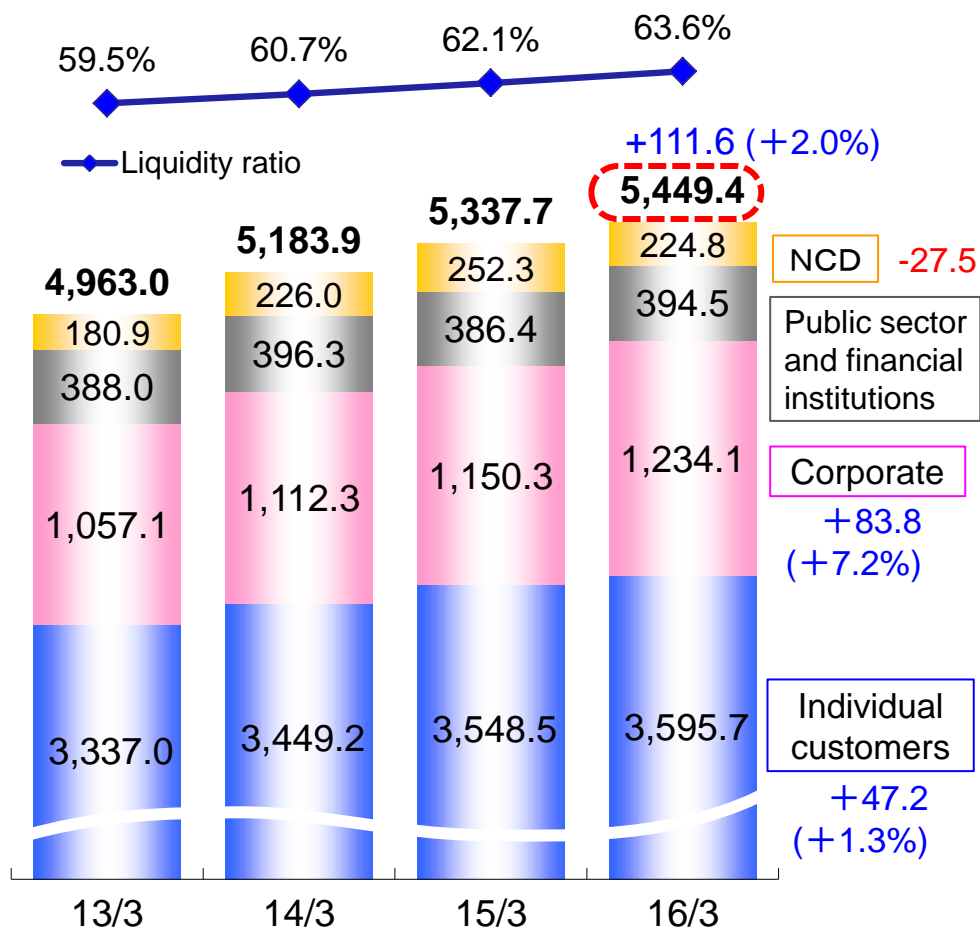
\* Loan-deposit ratio = Loans (term-end balance) ÷ Deposits (term-end balance)

# Deposits (Term-end Balance)

◆ The term-end balance of deposits including NCD continues to increase, mainly due to deposits from corporate customers and individual customers.

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

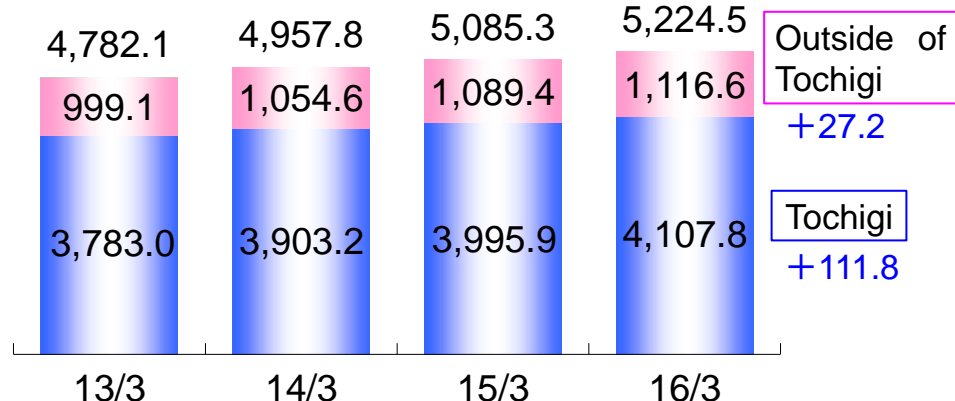
(JPY Bn)



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

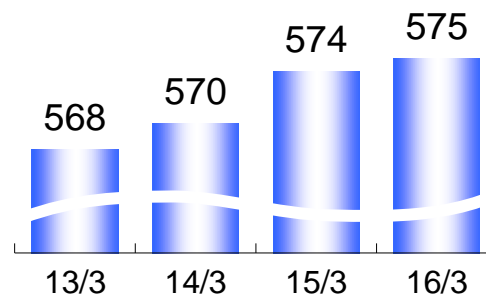
(JPY Bn)

\* Excluding NCD



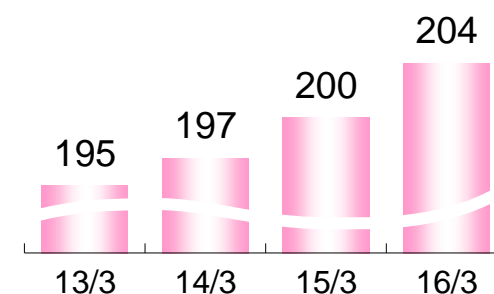
## <<Payroll account >>

(Thousand people)



## <<pension receipt >>

(Thousand people)

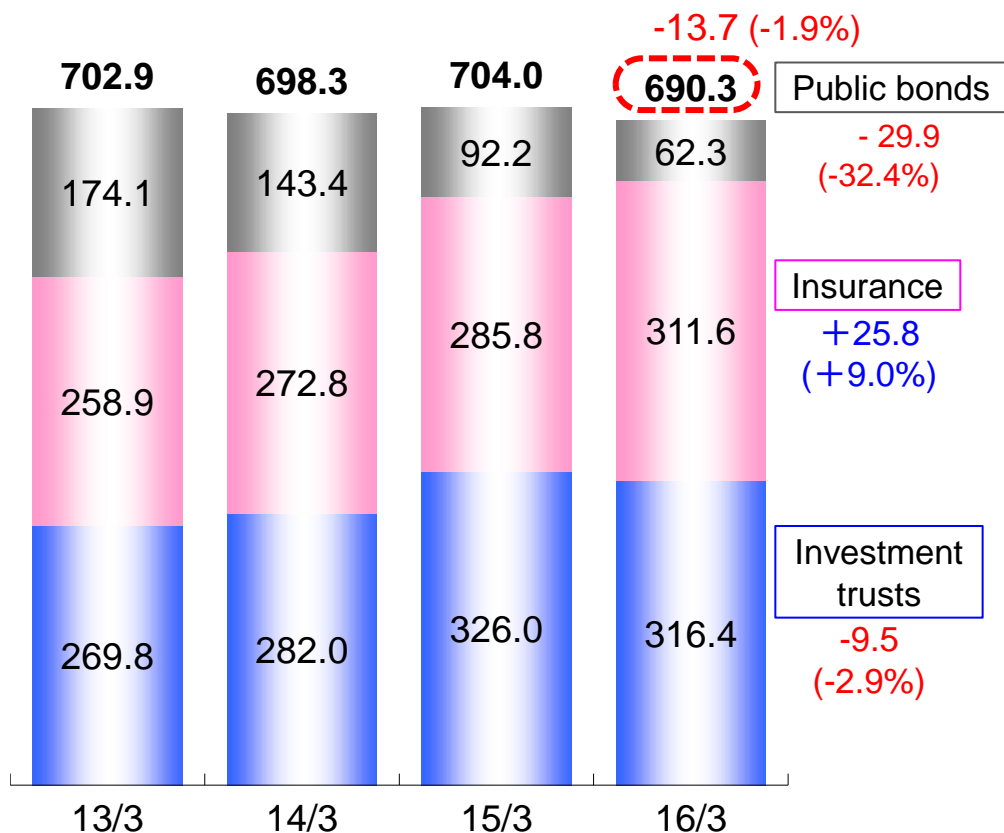


\*Liquidity ratio = Liquid (checking, ordinary, savings and notice) deposits ÷ Deposits (term-end balance)

# Individual Financial Assets (Term-end Balance)

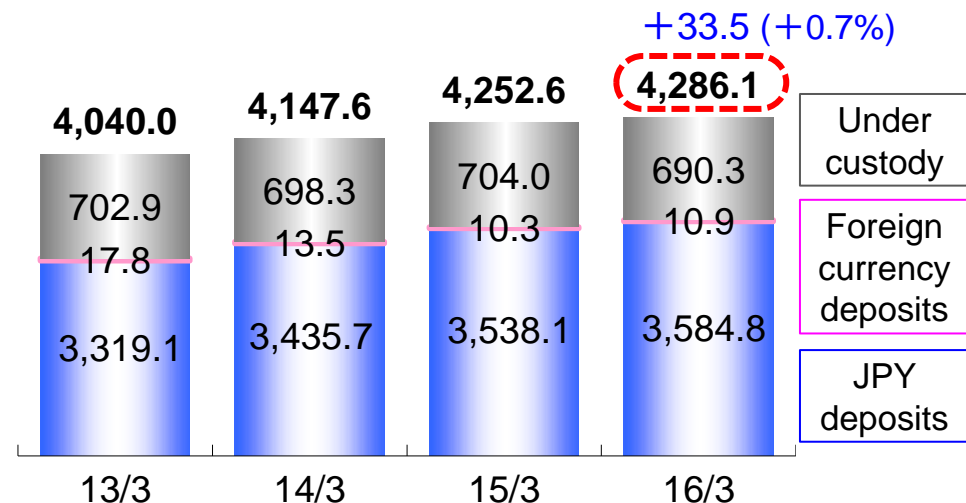
◆ Individual financial assets decreased slightly. Of which insurance increased steadily, while investment trusts decreased due to NAV decline.

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

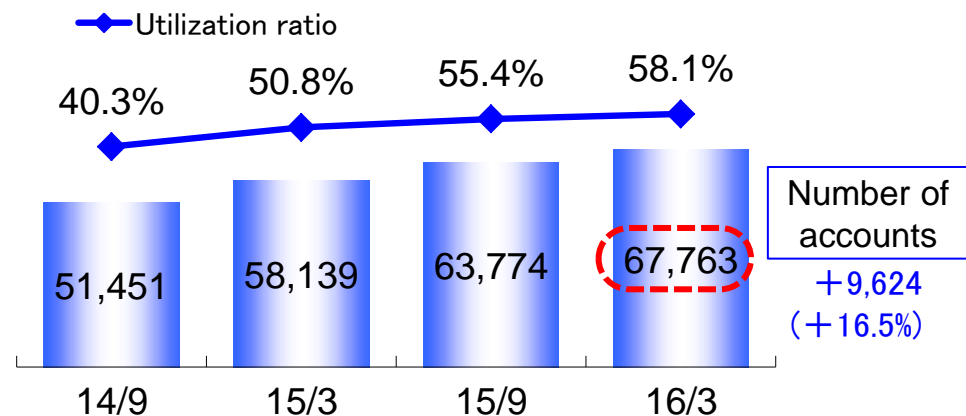


※Insurance = annuity insurance + whole-life insurance + educational insurance

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



<<Acquisition of NISA account>>



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

◆ Loans to SMEs increased steadily by strengthening efforts to core customers and growth areas such as medical and care services.

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

Strengthening relationships with core customers

※ 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

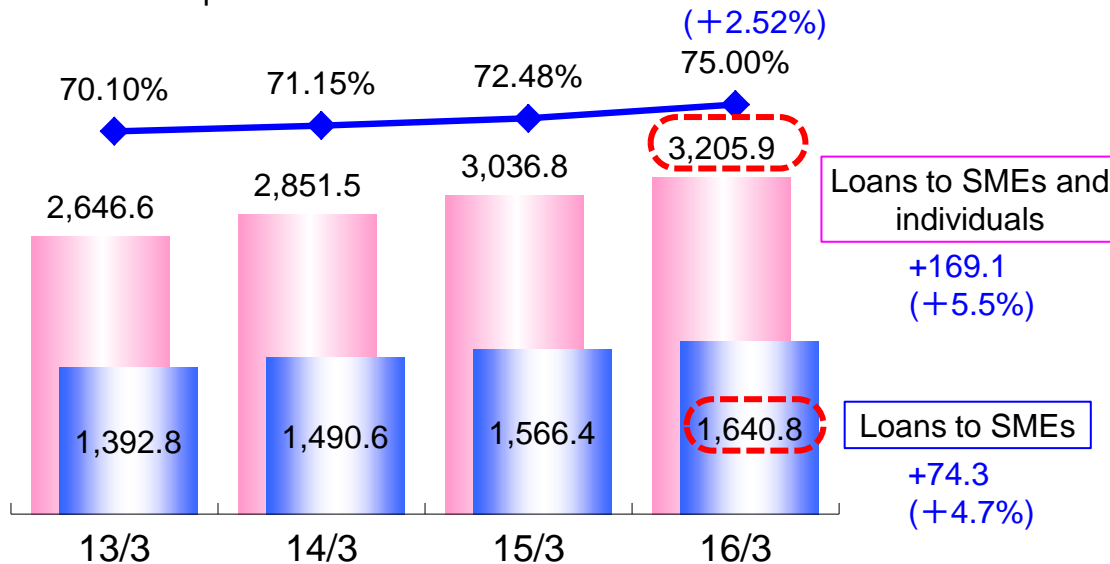
※ Middle-risk customers = Some of customers with ordinary claims and some of customers under special attention (excluding customers with claims requiring supervision)

Cultivating new corporate customers

Reinforcement initiative in medical and care services

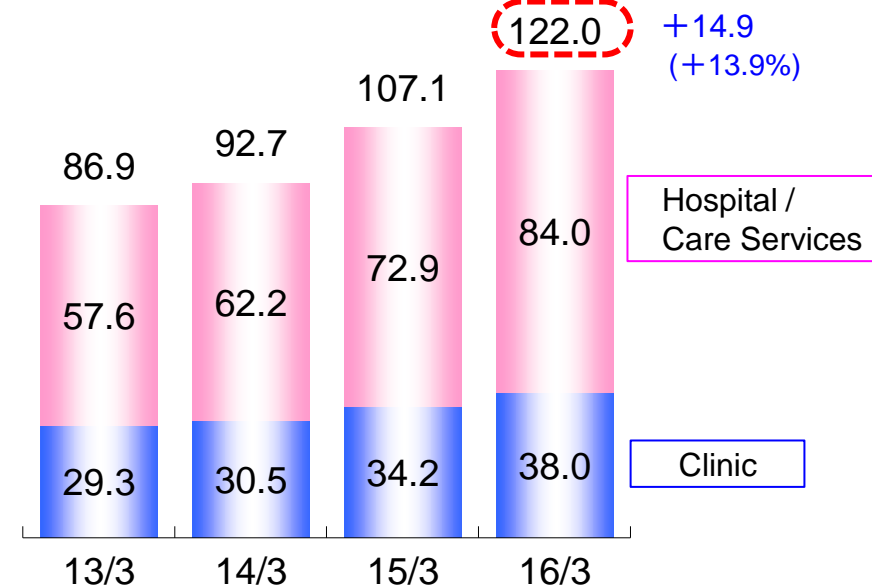
## <<Loans to SMEs>> (JPY Bn)

◆ Ratio of small and medium-sized enterprises loans



※Loans to SMEs include sole proprietors

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

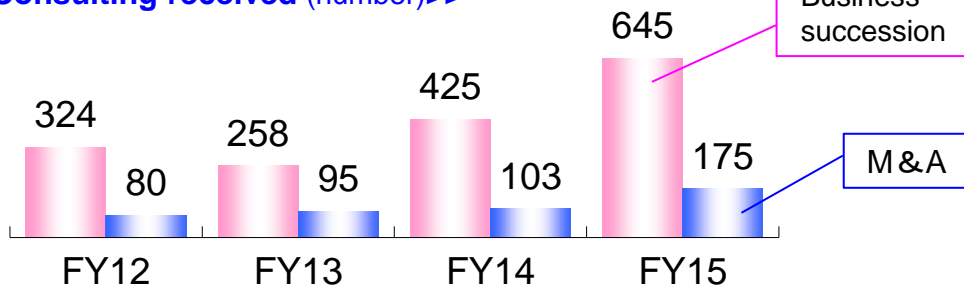




## Business succession / M&A

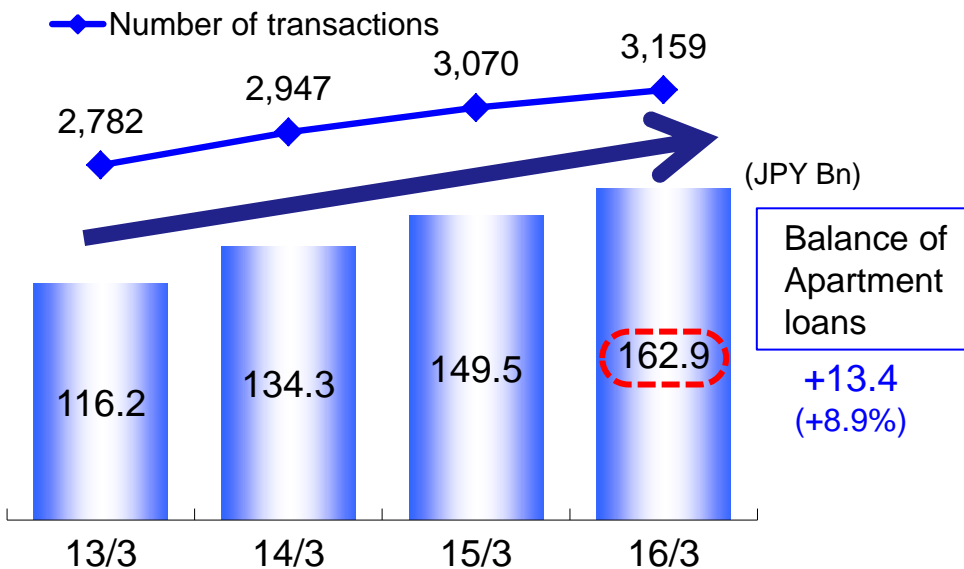
M&A(FY15) : Contracted 6 cases

<<Consulting received (number)>>



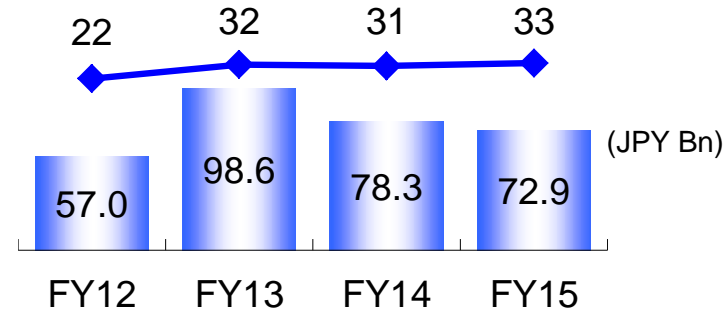
## Asset utilization

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

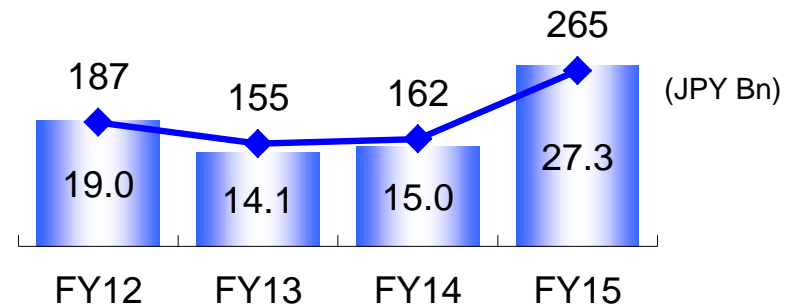


## Excavation of financial demand

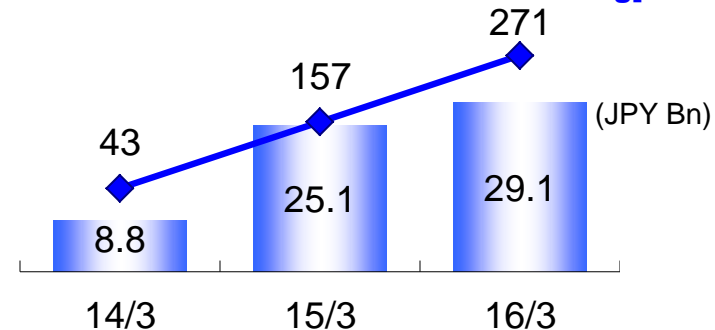
<<Syndicated loans (amount / number)>>



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



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



# Initiatives at the Individual Customer (1) Housing Loans

- ◆ The amount of housing loans made kept a high level and exceeded our plans.
- ◆ Sales of assets under custody decreased. Of which stock investment trusts sales decreased due to deterioration of market conditions, while life insurance sales increased.

## Housing loans

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)

Tsukuba loan center opened (Oct.2015)

## Assets under custody

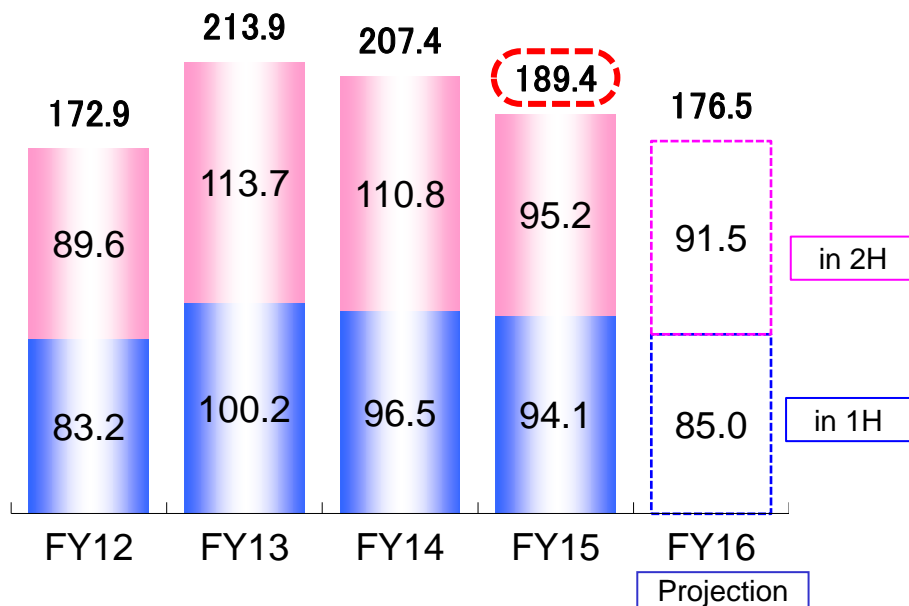
Education and trainings of sellers of assets under custody (approx. 270 persons)

Utilizing tablets as sales support tool

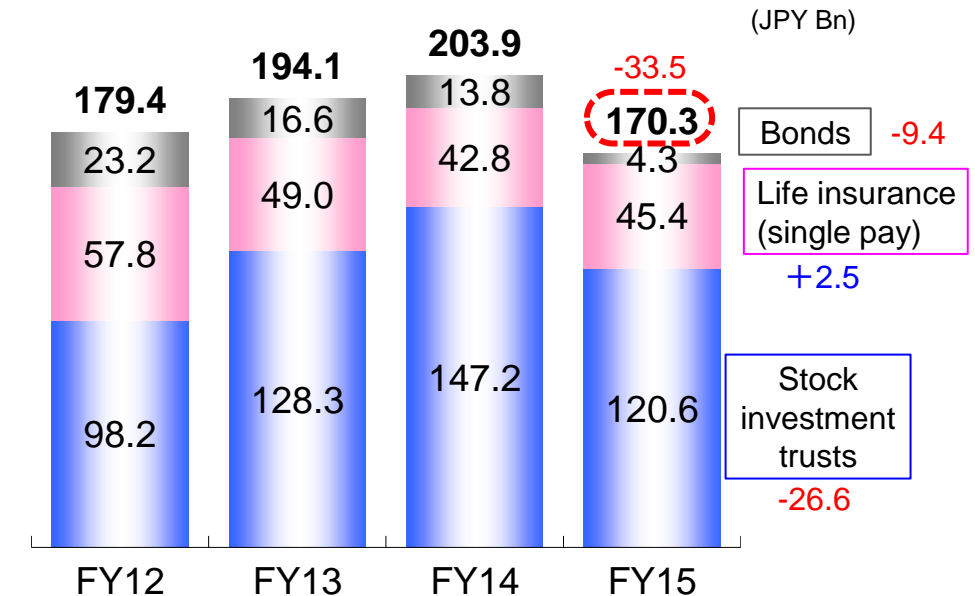
Framework for cooperation with insurance companies and securities firms

Acquisition of NISA and increase of its utilization rate

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

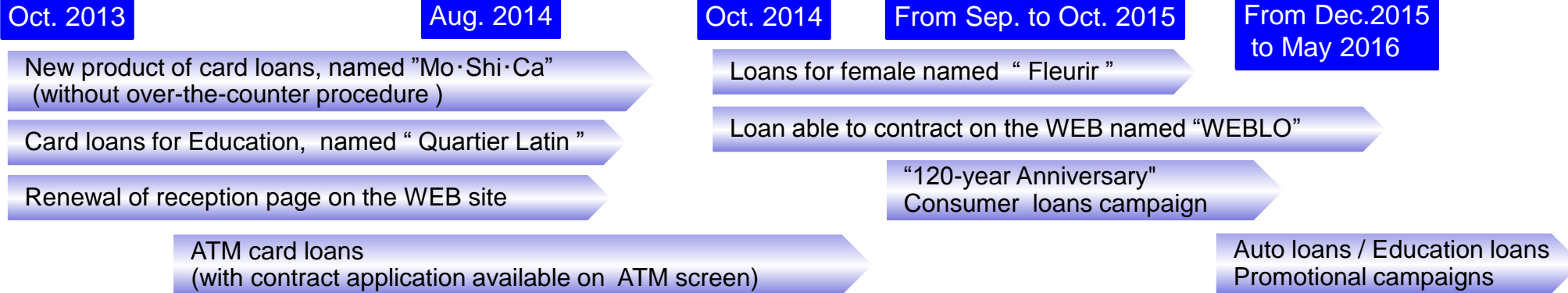


<<Sales amount of assets under custody>> (JPY Bn)

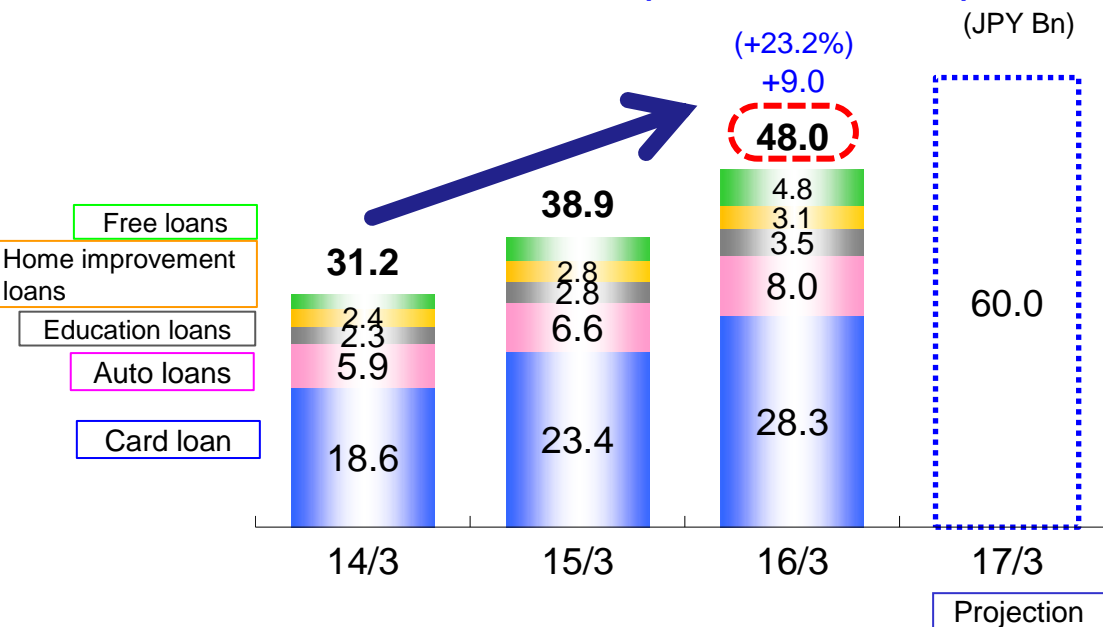


# Initiatives at the Individual Customer (2) Unsecured Consumer Loans

◆ The balance of unsecured consumer loans increased at a faster pace due to the launch of new products and promotional campaigns.



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



**Plan to double the balance of unsecured consumer loans**

**Target**

14/3 31.2 billion yen →

**17/3 over 60.0 billion yen**

**Effect on earnings**

**Interest income increase 1.6 billion yen (in 3 years)**



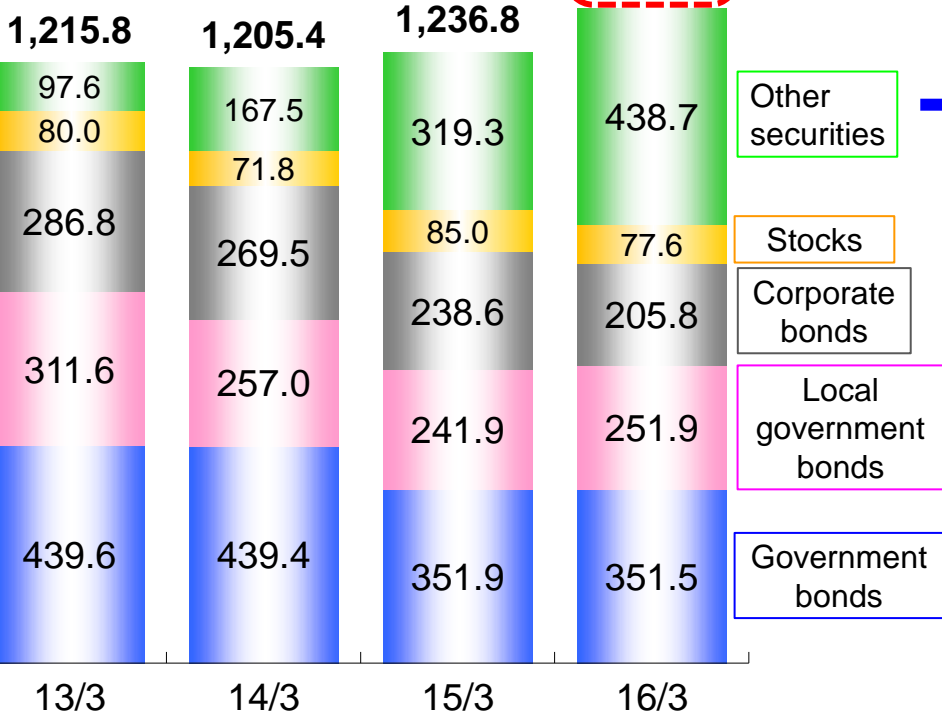
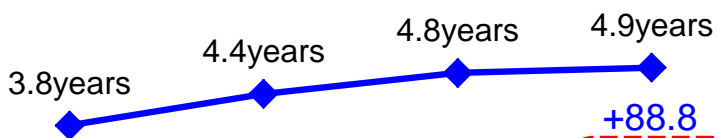
# Securities

◆ The balance of securities increased from the end of previous fiscal year, mainly investment trusts and foreign bonds (denominated in foreign currency).

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

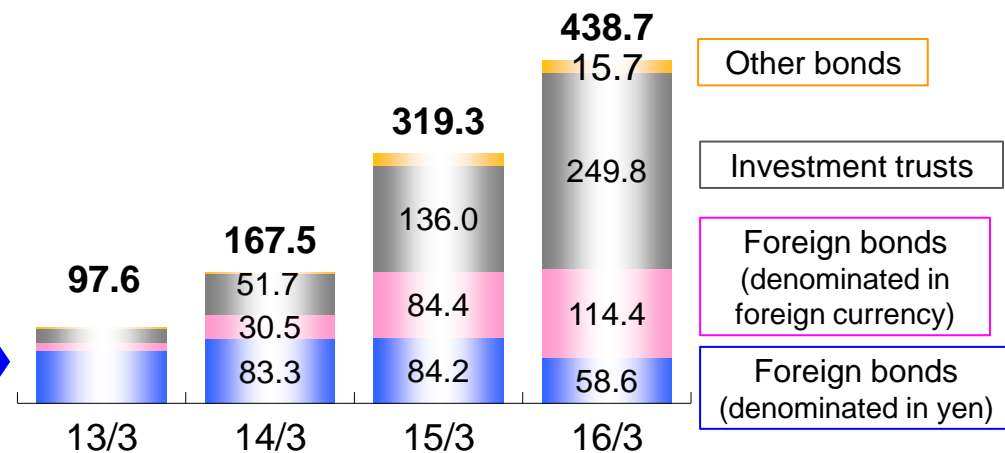
(JPY Bn)

◆ Duration of yen-denominated bonds



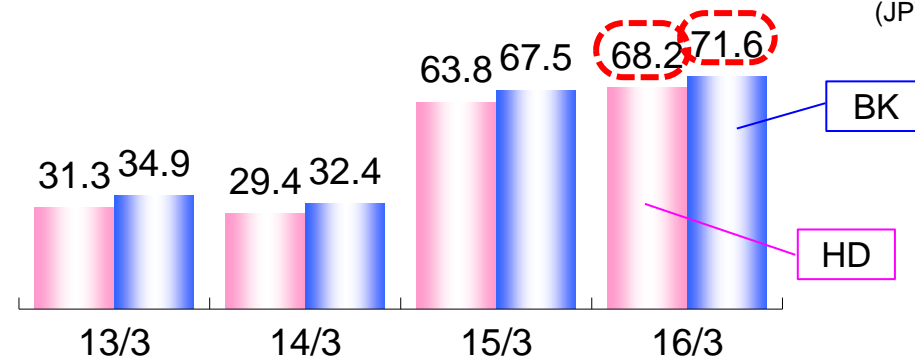
## <<Foreign bonds, etc. (term-end balances)>>

(JPY Bn)



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

(JPY Bn)



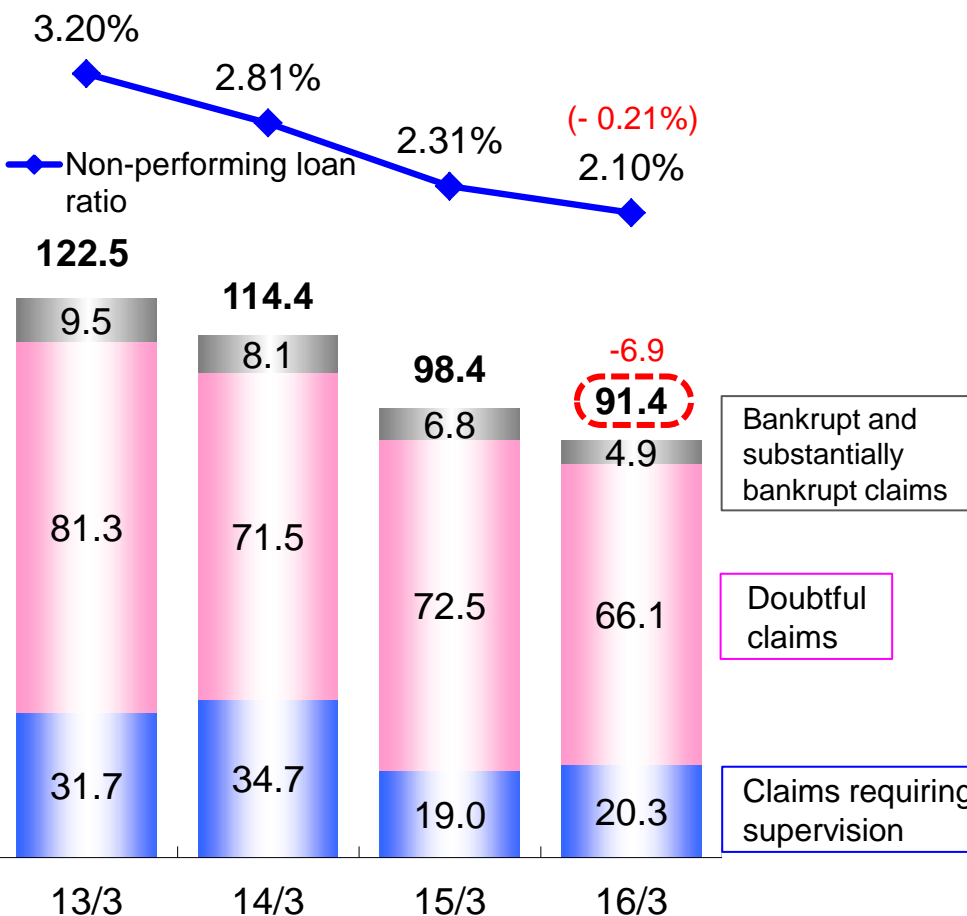
\*Yen-denominated bonds = Domestic bond + Yen-denominated foreign bond

\*Other securities = Available-for-sale securities

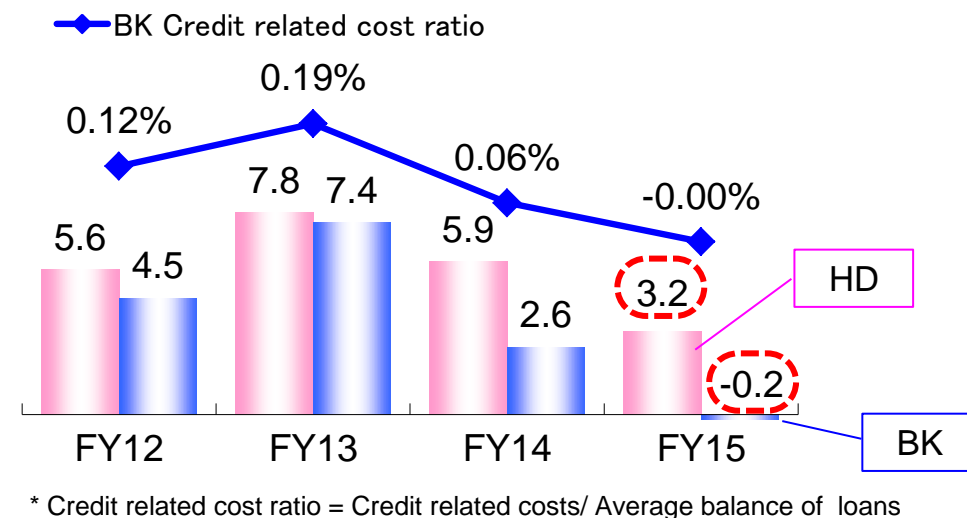
# Non-performing Loans / Credit Related Costs

- ◆ The balance of non-performing loans (loans subject to mandatory disclosure under the financial revitalization law) and the non-performing loan ratio decreased from the end of previous fiscal year.
- ◆ Credit related costs on both of consolidated basis (HD) and non-consolidated basis (BK) decreased.

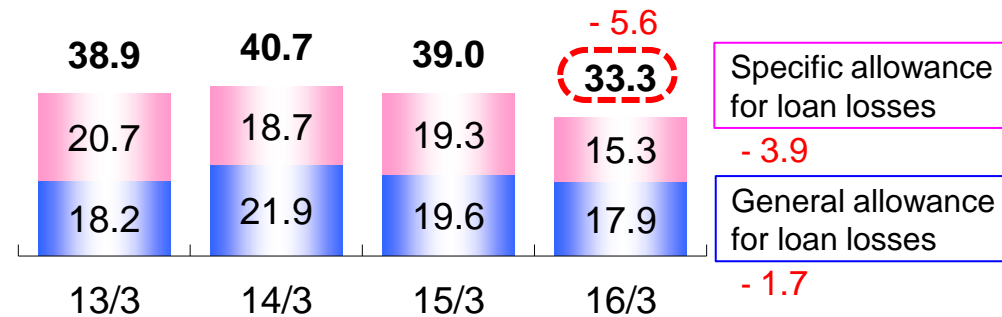
## <<Loans subject to mandatory disclosure under the financial revitalization law>>



## 【HD / BK】 <<Credit related costs>>



## <<Reserve for possible loan losses>>

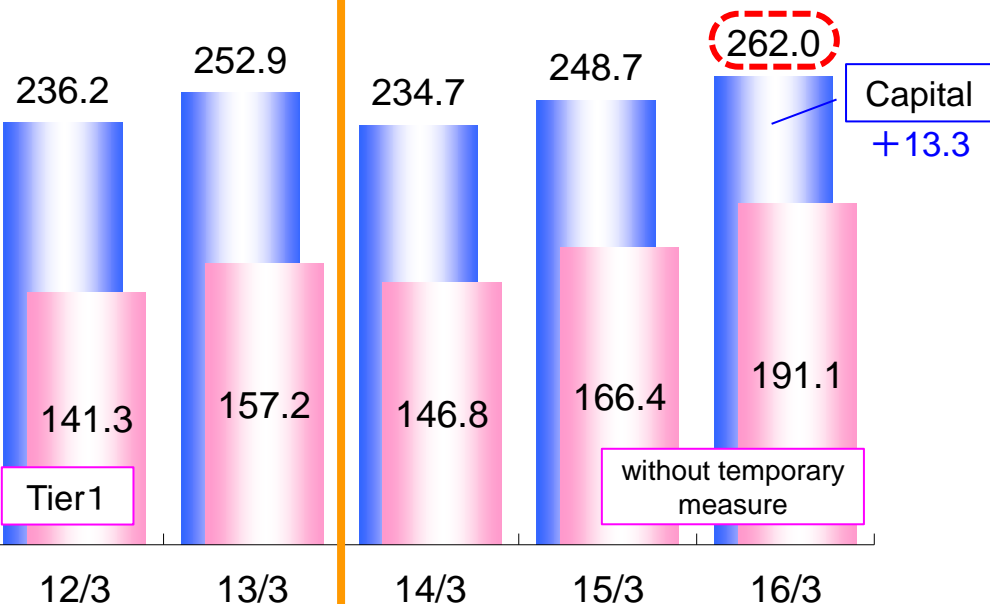
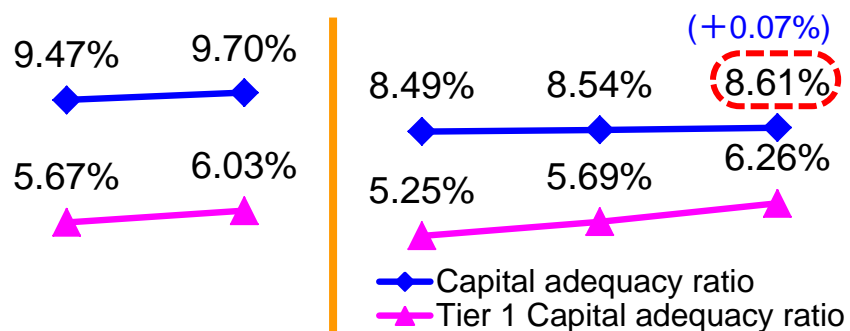


# Capital Adequacy Ratio (Domestic Standard)

◆ The capital adequacy ratios on both consolidated-basis (HD) and non-consolidated-basis (BK), which the domestic standard of Basel III is applied to, increased from the end of previous fiscal year.

## 【HD】<<Capital adequacy ratio>>

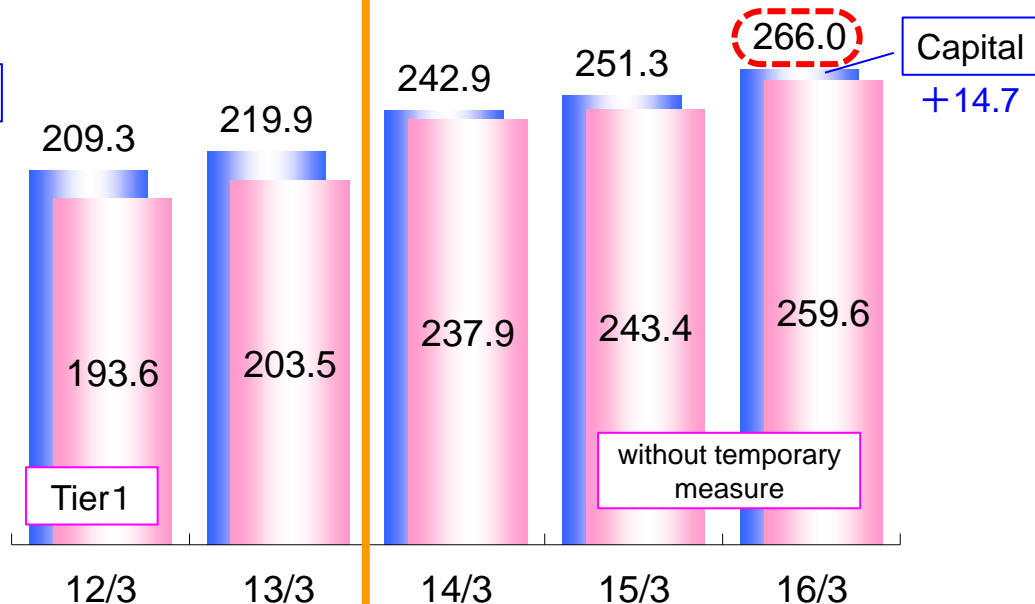
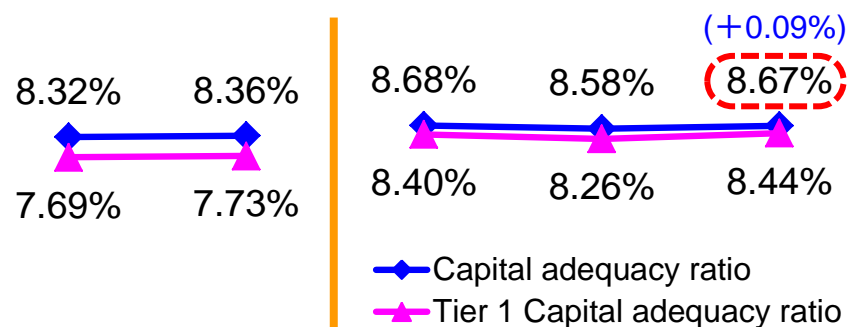
(JPY Bn)



Basel III (domestic standard)

## 【BK】<<Capital adequacy ratio>>

(JPY Bn)



Basel III (domestic standard)

# Earnings Forecast

- ◆ Prospect on a year on year basis decline, due to decreasing of interest on loans and bills discounted caused by influence of decline in market interest rate, credit related costs of certain level conservatively budgeted, and gains on sales of stocks not budgeted.
- ◆ Earnings of BK (non-consolidated-basis) maintain a high level compared to recent years.

## 【BK】<<Earnings forecast>>

(JPY Bn)	FY2015 Results (1)	FY2016 Forecast (2)	Change (2)-(1)
Core gross business profit	83.5	81.0	- 2.5
Gross business profit	84.3	81.0	- 3.3
Net interest income	68.1	66.0	- 2.1
Net fees and commissions	14.9	14.8	- 0.1
Expenses	47.0	48.5	+ 1.4
Personnel expenses	25.3	26.5	+ 1.2
Non-personnel expenses	18.8	19.0	+ 0.2
Net business income (before general allowance for loan losses)	37.3	32.5	- 4.8
Core net business income	36.4	32.5	- 3.9
Credit related costs	- 0.2	2.5	+ 2.7
Gains (losses) on stocks	2.5	-	- 2.5
Ordinary profit	39.8	30.5	- 9.3
Income taxes-current	10.4	8.5	- 1.9
Income taxes-deferred	- 1.8	1.0	+ 2.8
Net Income	30.8	21.0	- 9.8

## 【HD】<<Consolidated earnings forecast>>

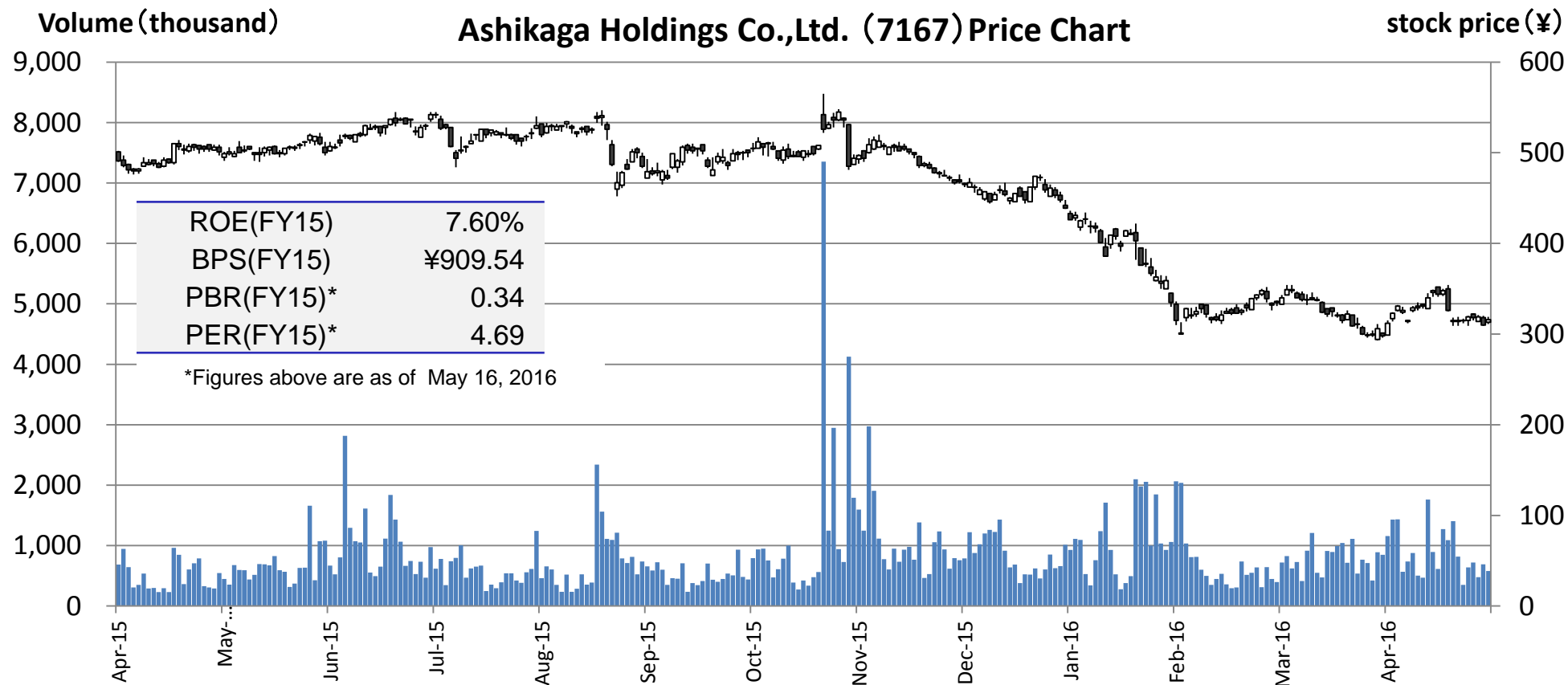
(JPY Bn)	1H FY2015 Results (1)	1H FY2016 Forecast (2)	Change (2)-(1)
Ordinary income	54.9	48.5	- 6.4
Consolidated gross profit	45.5	43.1	- 2.4
General and administrative expenses	27.5	28.1	+ 0.6
Credit related costs	2.3	1.8	- 0.5
Gains (losses) on stocks	2.2	-	- 2.2
Ordinary profit	17.4	13.0	- 4.4
Income taxes-current	3.3	4.5	+ 1.2
Income taxes-deferred	2.9	0.4	- 2.5
Net Income	11.0	8.0	- 3.0

(Note) The full-year earnings forecasts for FY2016 are undecided, because the business integration of The Joyo Bank, Ltd. and Ashikaga Holdings Co., Ltd. through a share exchange is scheduled on October 1, 2016. The forecast will be announced as soon as it is confirmed.

# Shareholder Return and Related Indicators

(JPY ¥)	FY2013 Results	FY2014 Results	FY2015 Results (1)	1H FY2016 Forecast (2)
End of 2Q	-	4.5	5.5	5.5
End of FY	4.0	4.5	4.5	-
Annual cash dividends	4.0	9.0	10.0	-
Dividend Payout Ratio	5.7%	17.5%	14.8%	22.9%
Net Income per Share	69.85	51.24	67.37	24.00

(Note) The year-end cash dividend forecast for FY2016 is undecided, because the business integration of The Joyo Bank, Ltd. and Ashikaga Holdings Co., Ltd. through a share exchange is scheduled on October 1, 2016. The forecast will be announced as soon as it is confirmed.



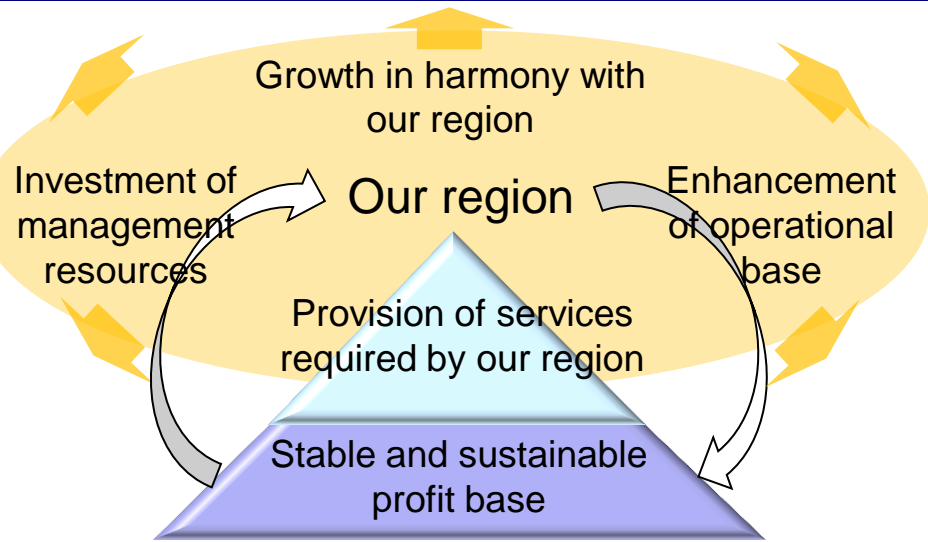


## II Mid-term Management Plan

ASHIGIN WAY 2016

(Note) The plan does not include the effects and influences of the business integration through a share exchange of The Joyo Bank, Ltd and Ashikaga Holdings Co., Ltd (together, the “Companies”) scheduled on October 1, 2016. The plan only covers 1 year because a newly created plan including the synergy effects of the business integration of the Companies will be announced when the business integration takes effect. The key performance indicators of the plan are those of Ashikaga Bank, Ltd, a major consolidated subsidiary, since the business forecast for the entire fiscal year of Ashikaga Holdings Co., Ltd on a consolidated basis cannot be expected as the business integration is scheduled in the middle of this fiscal year.

## II -1 Long-term Vision/ Mid-term Management Targets



- The bank that grows in harmony with our region
- Enhance our core strengths for that purpose

### Our mission is contribution to the growth of our region

Become the bank that grows in harmony with our region, in compliance with our corporate philosophies : “In harmony with our region” and “To contribute to the creation of affluence”.

### Enhance our core strength for the growth of our region

A stable and sustainable profit base is required in order to continue to provide services required by our region and to contribute to the growth of our region for many years

Mid term  
management  
target

Contribute to the regional revitalization through “Enhancement of our core strength” and “Realization of the integration synergy”

### Contribution to the regional economic growth

- Proactively promote regional revitalization in order to overcome the regional economic contraction due to population decline
- Contribute to the regional economic revitalization by supporting local businesses' growth through business nature evaluation

### Business scopes identifying the business environment

- Expand service and product lineup and enhance provision of them, considering increase of population ages 65+
- Through consulting based on business nature evaluation, proactively solve our customers' business challenges caused by regional economic contraction, etc.
- Explore the possibilities of new business portfolios including practical use of Fin Tech, considering progress of ICT and financial deregulation

### “Relationship-based approach” and “Function-based approach”

“Relationship-based approach” = Consulting and business nature evaluation

“Function-based approach” = Improvement of familiarity and convenience

- Provide more extensive services and products, including consulting services based on business nature evaluation, while the profitability of loans is lowering
- Help individual customers invest their assets through customer-oriented consulting
- Provide services with more familiarity and convenience by strengthening our planning capability. Focus especially on unsecured loans for which there are strong customer needs

### Enhancement of Management Functions for the both approaches

- Cultivate consulting related staff for the sales promotion based on “Relationship-based approach”
- Improve productivity of administrative staff and sales promotion staff in order to carve out time for customer relations

### Effective relocation of management resources

- Relocate limited management resources into areas expected to grow

### **Individual customer strategy**

- « Relationship »
  - Enhancement of sales promotion of asset under custody primarily to middle class and wealthy senior generation
  - Establishment of asset succession business
- « Function »
  - Expansion of customer base through improvement of familiarity and convenience

### **Corporate customer strategy**

- « Relationship »
  - Business support through business nature evaluation
  - Enhancement of fee business through consulting
- « Function »
  - Efficient small loan promotion

### **Regional economic revitalization strategy**

- Support for startups and second startups to increase number of establishments and employees in the region
- Enhancement of customers' corporate value through consulting services based on business nature evaluation
- "Regional Revitalization" in corporation with local governments
- Support for development of social infrastructure

### **Securities strategy**

- Expansion of securities portfolio by taking appropriate levels of risk

### **Strategy to strengthen management functions**

- Human resource development
- Improvement of productivity
- Improvement of function of channels and outlets
- Enhancement of marketing functions
- Advancement of profit management
- Sophistication of credit management

Enhancement of our core strength

## II -4 Key Performance Indicators (KPIs)

«The Ashikaga Bank, Ltd. (Non-Consolidated basis)»

FY2016

Profitability	Gross Business Profit	¥81bn
	Net business income (before general allowance for loan losses)	¥32.5bn
Growth	Deposits (Average Balance)	¥5.4tn
	Loans(Average Balance)	¥4.2tn
	Loans to corporate customers (exc. Tokyo branch and prefectural office branch) + Loans to individual customers	¥3.3tn
	Investment Trust under Custody	¥370bn
Efficiency	OHR	50-60%
Soundness	Capital Adequacy Ratio	8.5%
	Non-performing Loan Ratio	less than 2.2%

- Improve profitability through power shift to consulting services based on business nature evaluation.

Important indicators

- Loans to corporate customers (exc. Tokyo branch and prefectural office branch/Average balance) ¥1,460bn
- Corporate customer related fees ¥1,800m

### Relationship-based approach

- **Support business growth of core customers**
  - Enhance business nature evaluation method
- **Enhance business succession planning and M&A support**
  - Capture inheritance-related needs
- **Enhance relationship with middle risk customers**
  - Business support through improvement of customers’ financial conditions and corporate revitalization advisory
- **Cultivate growth industries**
  - Medical treatment and nursing, Healthcare, Aerospace , etc.
- **Expand fee business**
  - Expand scope of business matching
- **Launch leasing business**

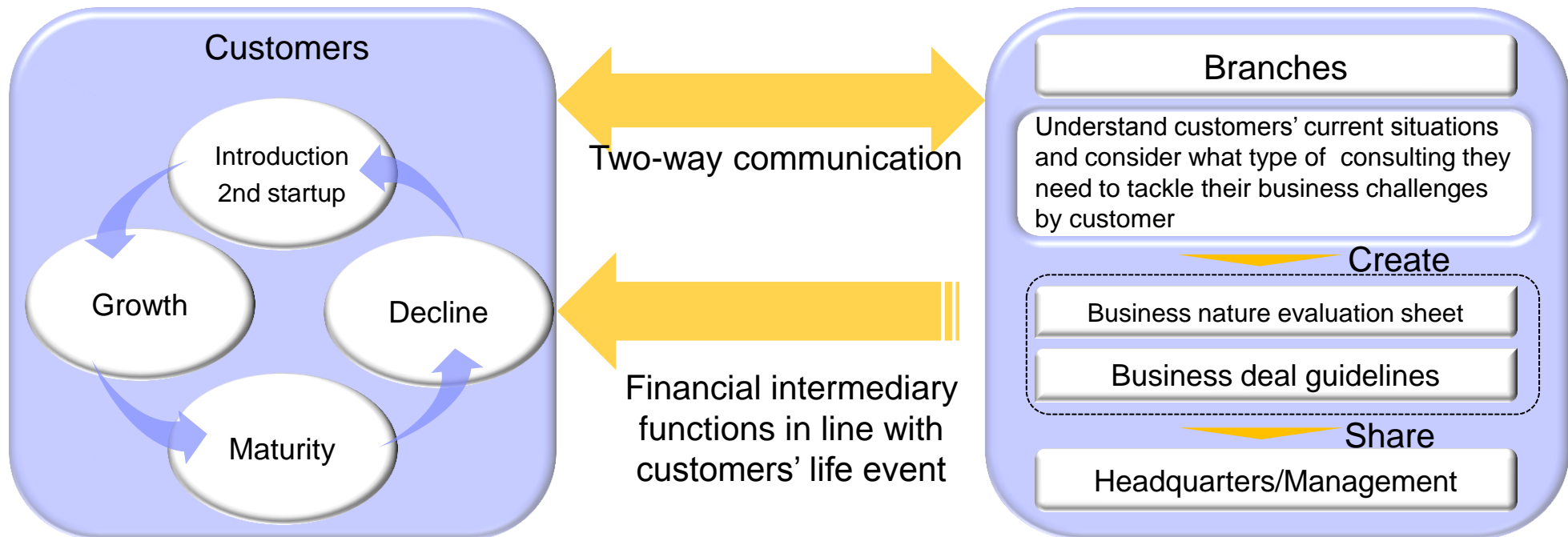


Shift of personnel

### Function-based approach

- Launch small loan products
- Improve efficiency of sales promotion

- Share management challenges with customers through business nature evaluation.
- Support customers' business growth and management improvement, by solving the shared challenges.



**Enhancement of business nature evaluation method**

- Active communication with customers ➤ Support for human recourses
- Utilize external expert institutions

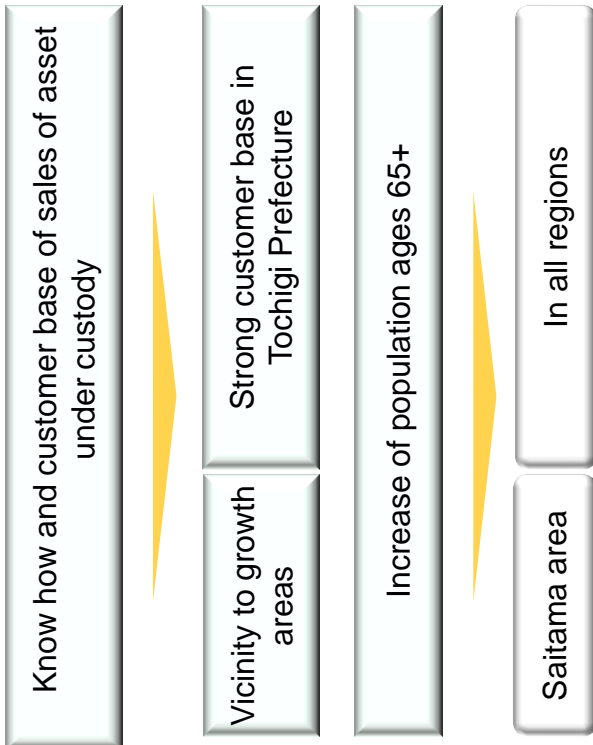
※An aim of business nature evaluation is to appropriately evaluate borrowers' business potentials without excessively relying on financial data, collateral and guarantees.

- Enhance sales promotion of asset under custody and inheritance related business primarily targeting increasing middle class and wealthy senior generation.

**Initiative based on “Relation-based approach”**

Wealthy Customers

Middle Class Customers



**Offer advanced consultancy by a newly established private banking team**

Transfer know how obtained by the team

**Enhance sales promotion of asset under custody**

- Increase transactions with senior generation
- Increase asset under custody through Core-satellite strategy ※  
 ※The strategy is a way of recommendation to incorporate stably managed funds(cores) and actively managed funds(satellites) into customers' portfolios in consideration of their life stages and risk tolerances.
- Strengthen insurance sales through consulting
- Enhance sales of foreign currency deposits

**Strengthen inheritance related business**

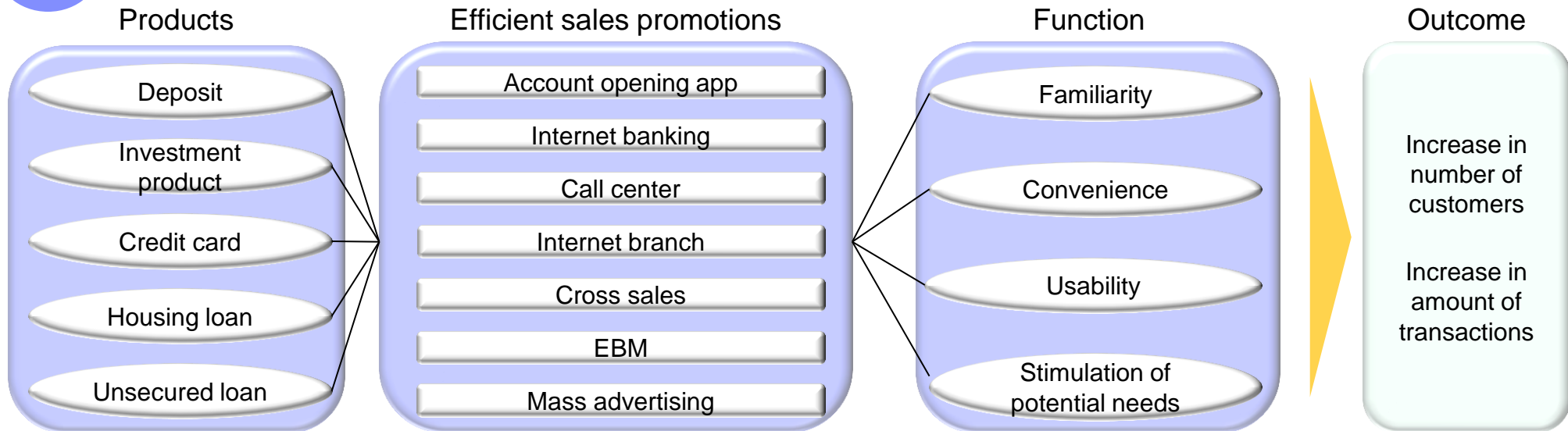
**Develop asset-under-custody business into Saitama area**

- Approach to wealthy individuals such as corporate owners and apartment owners



- Increase the number of customers and amount of transactions, by seeking to improve familiarity and convenience for customers.
- Focus on unsecured loans for which there are strong customers’ needs.

**Initiative based on “Function-based approach”**



**Enhancement of “Function-based approach”**

- Seek to improve the usability
  - Product revision
  - Enhance non face-to-face sales
- Meet diversifying customers’ needs by expansion of the product lineup
- Reduce contract documents and visit frequency required.

## III Concerning the Business Integration

Outline Definitive Agreement Concerning Business  
Integration with Joyo Bank

# III-1 Name and Outline of the Holding Company

Company  
Name

## Mebuki Financial Group, Inc.

\* Note: Ashikaga Holdings Co., Ltd. will change its name to the above.

Our wish  
implied in the  
company name

*Mebuki*, or green shoots, means “new leaves sprouting from the trees.”

This word is used in the Group name to express how fresh ideas and new values will be continually brought about by bringing the Group companies’ knowledge and ingenuity together.

The company name implies its wish to sprout new value and vital energy in local communities and realize sustainable growth of the company together with local communities.



Location of  
Headquarters  
(Registered  
Address)

7-2, Yaesu 2-chome, Chuo-ku, Tokyo

(Note) The headquarters of Ashikaga Holdings Co., Ltd. will be relocated to the above address. The locations of Joyo Bank and Ashikaga Bank will not change.

Location of  
Head Offices

Mito Head Office

5-5, Minami-machi 2-chome, Mito, Ibaraki

Utsunomiya Head Office

1-25, Sakura 4-chome, Utsunomiya, Tochigi

(Note) The head office functions of Mebuki Financial Group, Inc. will comprise its full-time officers and employees as well as concurrent officers and employees of Joyo Bank or Ashikaga Bank, and will be located in Mito, Ibaraki and Utsunomiya, Tochigi.

Representatives  
and Officers  
(planned)

Representative Director and President  
**Kazuyoshi Terakado**

(currently, President of Joyo Bank)

Representative Director and Executive  
Vice President

**Masanao Matsushita**

(currently, President and Chief Executive Officer of Ashikaga Holdings and President and Chief Executive Officer of Ashikaga Bank)

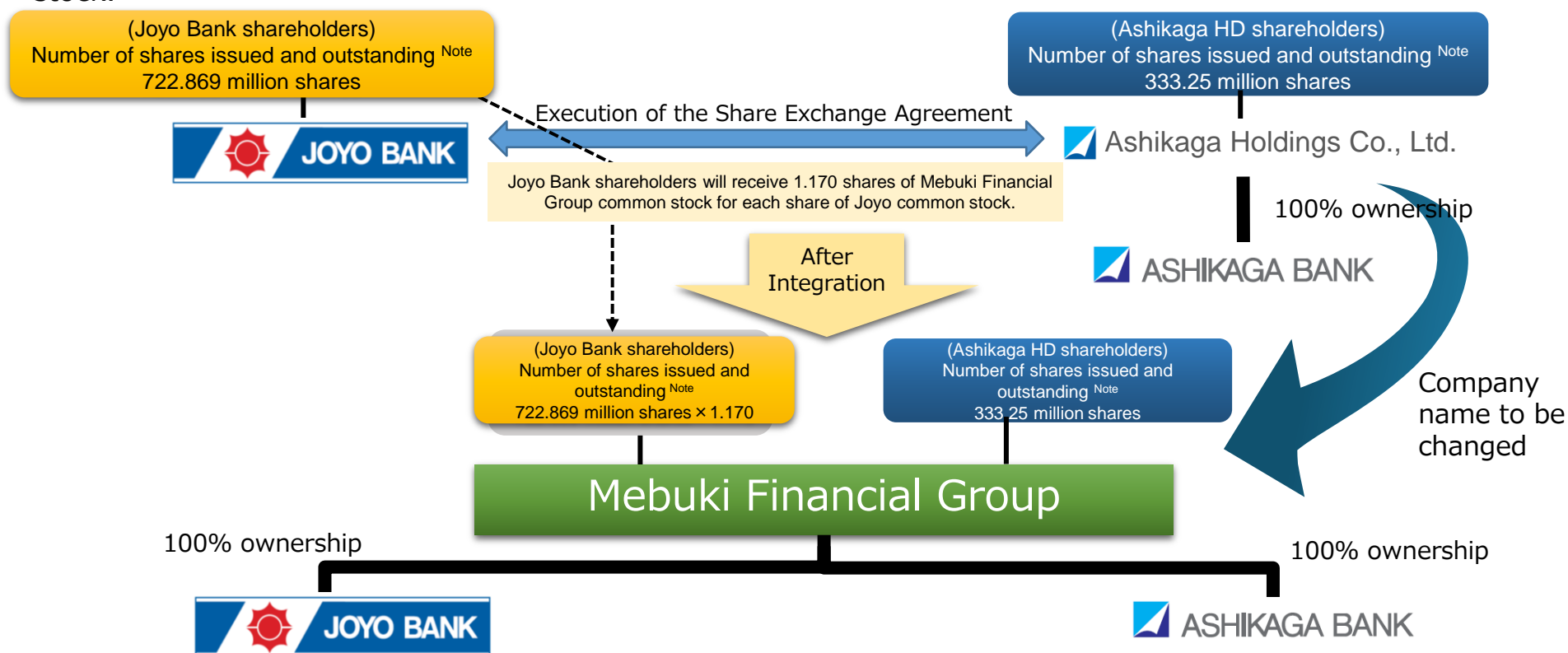
The Holding Company plans to appoint 12 directors, including representative directors, three of whom will be appointed from outside the Holding Company.

# III-2 Outline of the Business Integration

Through the share exchange, under which Joyo Bank will become a wholly-owned subsidiary and Ashikaga Holdings will become the wholly owning parent company, Mebuki Financial Group (currently, Ashikaga Holdings) will hold 100% of the shares of Joyo Bank and Ashikaga Bank. Joyo Bank shareholders will receive 1.170 shares of Mebuki Financial Group common stock for each share of Joyo Bank common stock.

[Schedule of the Share Exchange]

April 25, 2016 (today)	Resolution of the board of directors of the Companies; Execution of the Share Exchange Agreement and the business integration agreement
June 28, 2016 (planned)	General shareholders meetings of the Companies
September 27, 2016 (planned)	Last trading day of the shares of Joyo Bank
September 28, 2016 (planned)	Date of delisting of Joyo Bank shares
October 1, 2016 (planned)	Effective date of the Share Exchange



(Note) The above number has been calculated based on the total number of issued and outstanding shares of Joyo Bank and Ashikaga Holdings as of December 31, 2015. The total number of issued and outstanding shares of Joyo Bank as of December 31, 2015 is 766.231 million. However, Joyo Bank plans to cancel all of its treasury shares (43.362 million shares as of December 31, 2015) immediately before the share exchange takes effect. Accordingly, treasury shares held by Joyo have not been included in calculating the above number. The number of newly issued Mebuki Financial Group shares to be delivered through the share exchange may change if the number of Joyo Bank's treasury shares as of December 31, 2015 changes before the share exchange takes effect.

# III-3 Group Management Philosophy and Ideal

Group Management Philosophy

The new financial group will provide high-quality comprehensive financial services to continue creating a prosperous future with local communities.

We will bring the Group's ingenuity together to contribute to sustainable growth of local communities. We will endeavor to resolve challenges of local communities by providing high-quality comprehensive financial services to create a prosperous future with local communities.

## Comprehensive financial service group that will create the future of local communities

The new Group will maintain and promote the relationships with customers and local communities as well as deep understanding of local communities that the Banks have developed over the years. At the same time, the new Group will seek to expand the economic interaction zone by utilizing its wide-area network, endeavor to increase the size and range of comprehensive financial services and work toward the "development of local industries, revitalization of local economy and creation of new markets" for the growth of the company together with local communities.

Group Ideal (Strategic Target)

Consolidation of ingenuity for regional revitalization

Expansion of comprehensive financial services

Expansion of area and channels

Operational reform

Building of the new financial group's management structure

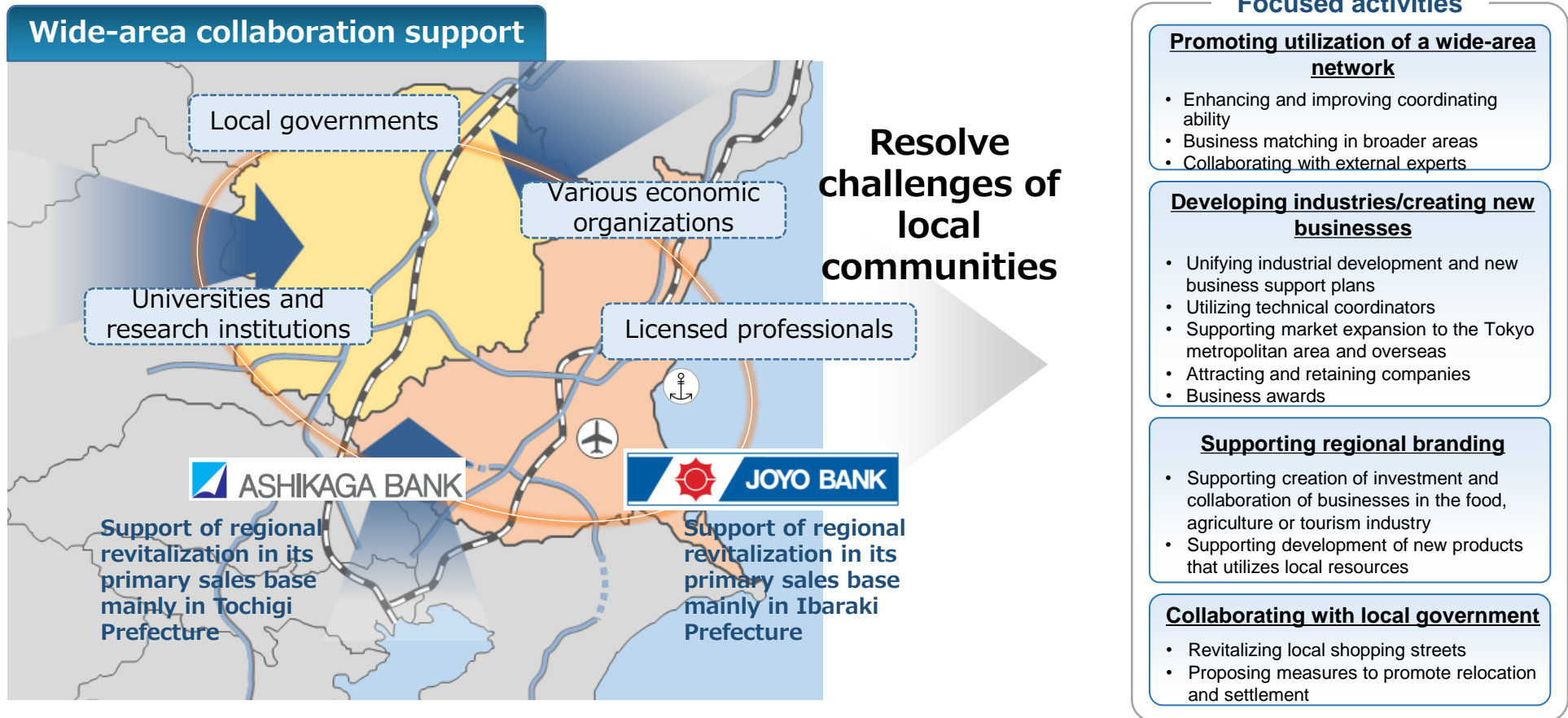
The New Group's Fundamental Strategies for the Business Integration

# III-4 Fundamental Strategies (1) Consolidation of Ingenuity for Regional Revitalization

The Banks will provide “wide-area collaboration support” utilizing the networks in Ibaraki and Tochigi Prefectures and the Tokyo metropolitan area, which cannot be realized by a single bank. The Banks will focus on the following four activities in allocating human resources.

- (1) Promoting utilization of a wide-area network
- (2) Developing industries/creating new businesses
- (3) Supporting regional branding
- (4) Collaborating with local governments

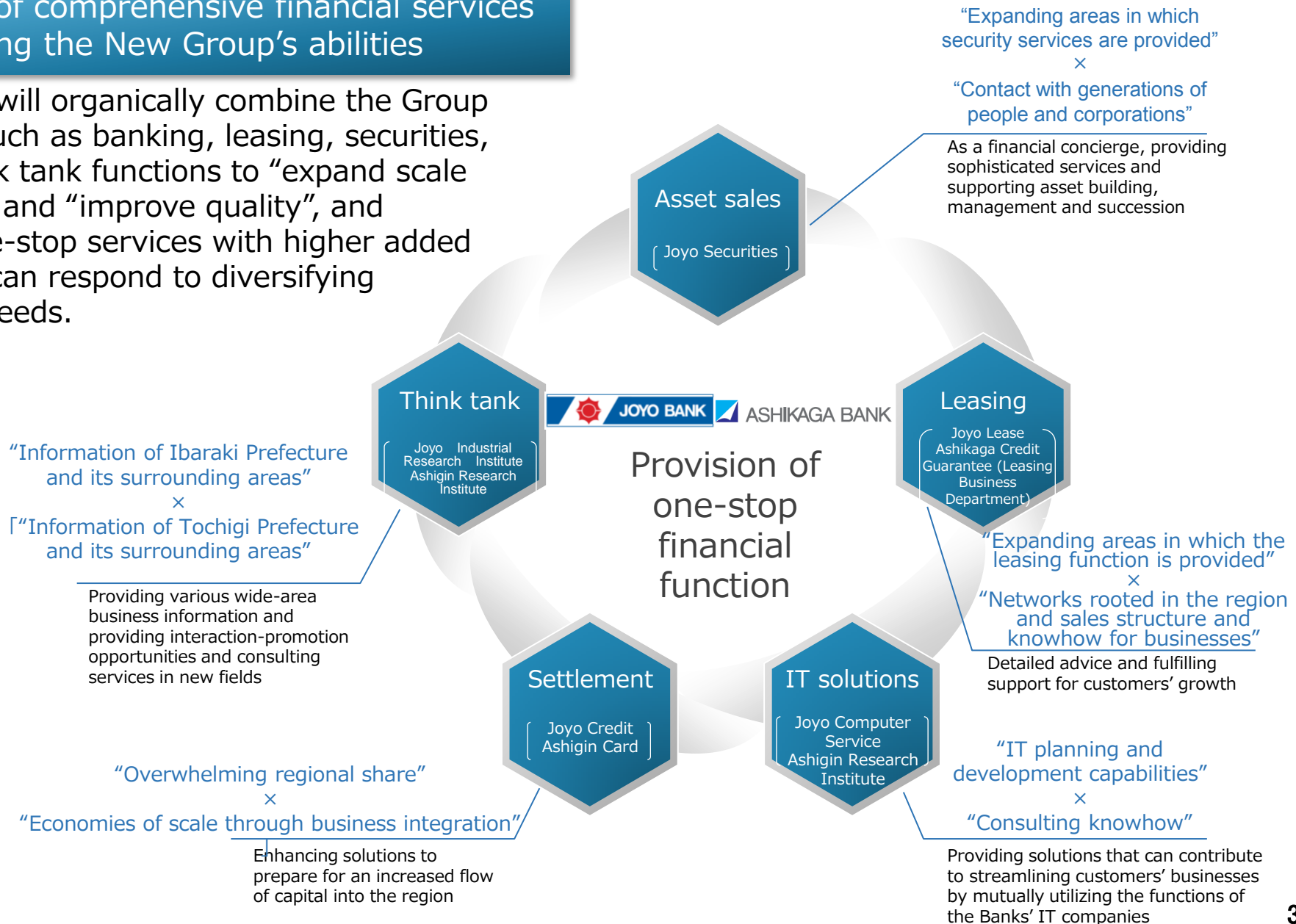
The Banks will also utilize knowhow and networks of the new financial group and support customers in improving their added value by way of consulting with the aim of improving their sales and profits.



# III-4 Fundamental Strategies (2) Expansion of Comprehensive Financial Services

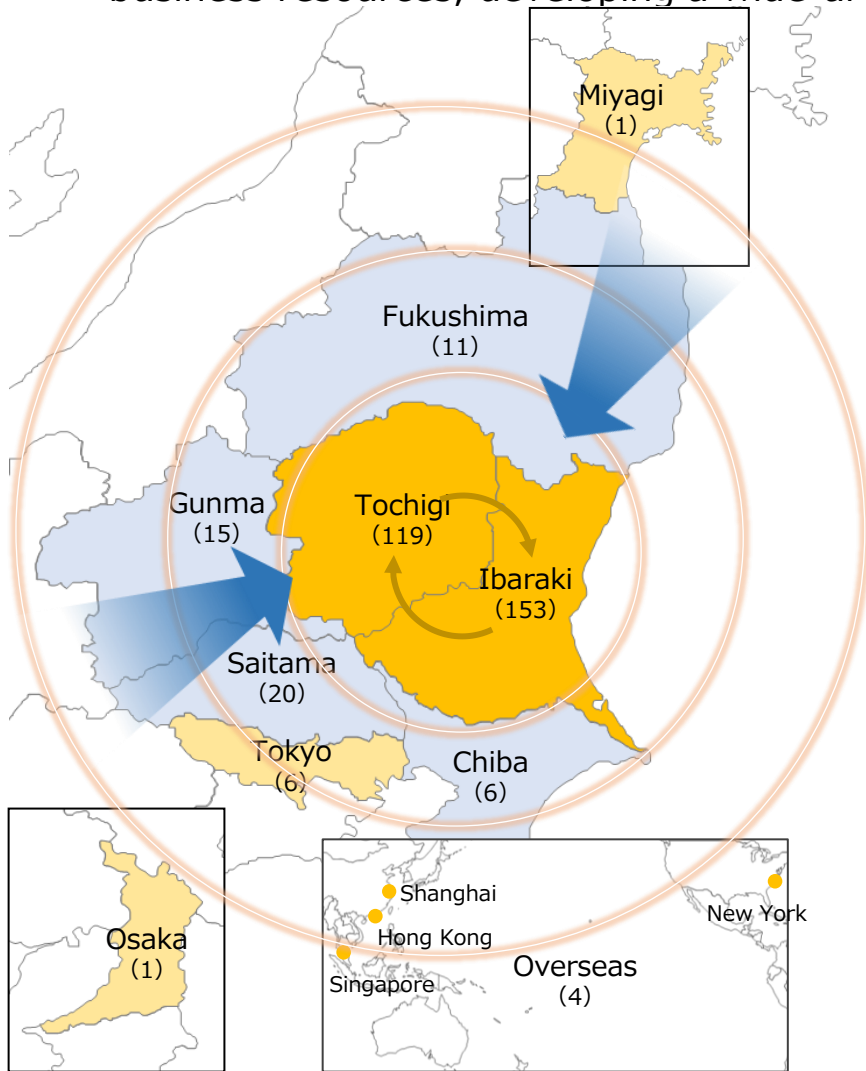
## Expansion of comprehensive financial services by combining the New Group's abilities

The Banks will organically combine the Group functions such as banking, leasing, securities, IT and think tank functions to “expand scale and scope” and “improve quality”, and provide one-stop services with higher added value that can respond to diversifying customer needs.



# III-4 Fundamental Strategies (3) Expansion of Area and Channels

The Banks will aim to expand its customer base and broaden and stimulate economic interaction (corporate interaction through distribution of commerce, information and funds) zone by optimizing business resources, developing a wide-area network and strengthening direct channels.



## Optimizing business resources

Approx. 150 employees to be reallocated

- Streamlining the head office and sales branches
- Reallocating employees for an enhanced consulting function and improved service quality

## Developing a wide-area network

Approx. 15 new branches to open (including leasing and securities branches)

- Utilizing human and other resources resulting from the reallocation
- New branches to open in growing areas with the aim of increasing economic interaction opportunities
- New branches to open with the aim of enhancing group functions
- Considering utilizing the agency bank system
- Mutually utilizing overseas networks (including consideration of making overseas locations branches)

## Strengthening direct channels

Enhanced contact with customers

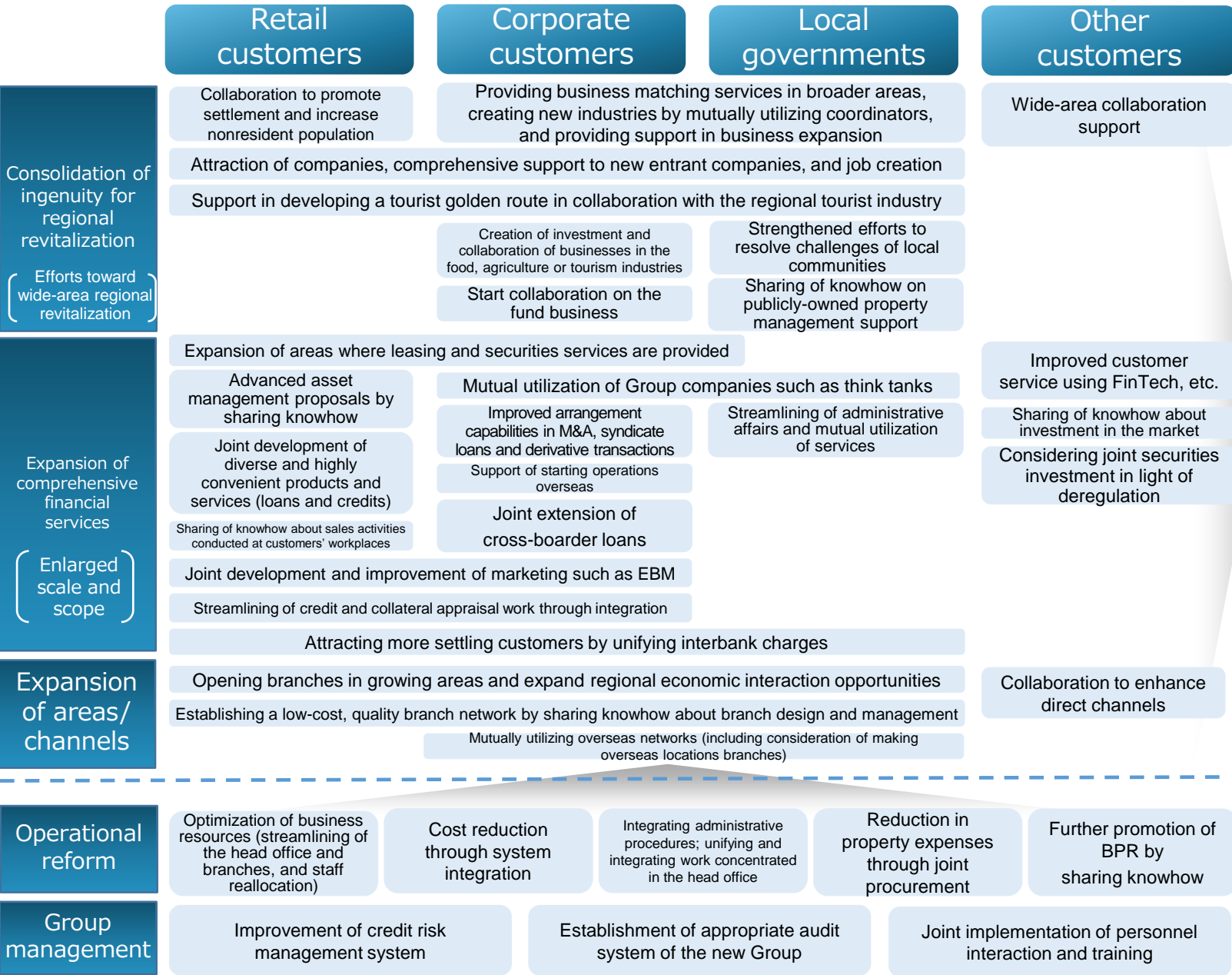
- Jointly working toward more sophisticated marketing activities such as Event Based Marketing (EBM) and providing timely information and financial services
- Sharing knowhow about information provision utilizing the Internet and telemarketing in order to improve information provision services that can satisfy customers' needs
- Jointly utilizing non-face-to-face channels such as the Internet and ATMs to improve products and services

Expand customer base and broaden and stimulate economic interaction zone

(Total of 336 locations, including overseas locations; as of April 25, 2016)



# III-7 Outline of Synergy Measures

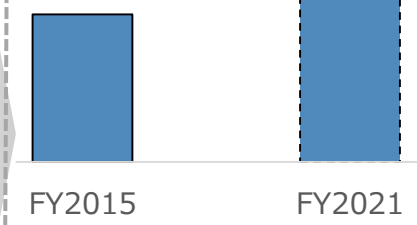


Compared to FY2015

**Synergy Target (FY2021)**

Increase in loan balance due to synergy

+ 700 billion yen



Synergy on the top line and cost

+ approx. 15 billion yen

Shift of personnel to sales and strategy

Approx. 150 employees

New branch to open: approx. 15 branches (including leasing and securities branches)

## IV Reference Materials

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

# Overview of financial data

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

	(JPY B n )		FY09		FY10		FY11		FY12		FY13		FY14		FY15
	(1H )		(1H )		(1H )		(1H )		(1H )		(1H )		(1H )		
Core gross business profit	43.0	84.7	40.3	79.7	38.7	76.8	37.4	75.4	39.6	78.6	40.4	80.1	43.7	83.5	
Gross business profit	46.0	93.6	46.6	86.0	43.3	81.8	43.0	81.0	41.0	79.9	40.9	80.5	44.4	84.3	
Net interest income	37.2	73.7	34.6	69.2	33.3	65.3	31.4	62.7	32.3	63.8	33.0	65.0	36.1	68.1	
Net fees and commissions	5.4	10.4	5.2	9.8	5.0	10.6	5.6	12.1	7.0	14.3	7.2	14.5	7.4	14.9	
Net other business income	3.3	9.4	6.7	7.0	5.0	5.8	5.9	6.1	1.6	1.7	0.7	0.9	0.8	1.3	
Gains (losses) on bonds	3.0	8.8	6.3	6.3	4.6	4.9	5.6	5.6	1.3	1.3	0.4	0.4	0.7	0.8	
Expenses	25.1	49.6	26.1	51.5	28.2	54.1	25.7	49.7	24.7	48.9	24.4	48.0	23.6	47.0	
Personnel expenses	11.9	23.9	12.4	25.0	13.0	25.7	13.6	27.2	12.8	26.6	13.0	26.0	12.7	25.3	
Non-personnel expenses	11.3	22.8	11.8	23.9	13.2	25.7	10.4	20.2	10.3	20.1	9.8	19.6	9.3	18.8	
Taxes	1.9	2.8	1.8	2.6	1.9	2.6	1.6	2.2	1.5	2.1	1.4	2.3	1.5	2.8	
Net business income (before general allowance for loan losses)	20.9	44.0	20.4	34.4	15.1	27.7	17.3	31.3	16.2	31.0	16.5	32.5	20.7	37.3	
Core net business income	17.8	35.1	14.1	28.1	10.5	22.7	11.6	25.7	14.8	29.6	16.0	32.0	20.0	36.4	
Credit related costs	6.0	7.9	3.0	8.6	0.2	3.8	0.6	4.5	2.9	7.4	1.4	2.6	-1.4	-0.2	
Gains (losses) on stocks	3.6	5.0	-	-0.2	-0.1	1.7	-0.1	-0.7	6.4	12.3	-0.0	-0.4	2.4	2.5	
Ordinary profit	17.7	39.9	13.6	24.9	14.4	25.5	16.8	26.8	19.5	35.4	15.6	29.7	24.3	39.8	
Extraordinary income(loss)	0.1	0.6	2.8	-0.1	-	-0.1	-0.1	-0.2	-0.2	-0.4	-0.0	-0.0	-	-0.3	
Net income	17.9	40.1	16.4	25.4	14.8	25.4	15.4	24.6	22.3	32.1	11.3	19.7	17.0	30.8	

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

	(JPY B n )		FY09		FY10		FY11		FY12		FY13		FY14		FY15
	(1H )		(1H )		(1H )		(1H )		(1H )		(1H )		(1H )		
Ordinary income	59.6	117.0	55.2	104.6	52.0	101.2	51.9	98.3	56.5	108.0	49.3	96.7	54.9	102.4	
Consolidated gross profit	47.1	95.7	47.7	88.1	44.1	83.1	43.6	82.2	42.4	82.3	42.4	82.8	45.5	86.4	
General and administrative expenses	29.3	58.1	30.2	59.8	32.3	62.4	29.9	58.1	29.0	57.5	28.7	56.6	27.9	55.4	
Amortization of goodwill	3.1	6.2	3.1	6.2	3.1	6.2	3.1	6.2	3.1	6.2	3.1	6.2	3.1	6.2	
Credit related costs	8.4	12.5	6.4	11.4	1.0	5.0	1.0	5.6	3.1	7.8	2.0	5.9	2.3	3.2	
Gains (losses) on stocks	4.2	-1.2	-	-1.8	-0.3	0.5	-0.3	-1.2	5.9	11.1	-0.0	-0.4	2.2	2.3	
Ordinary profit	13.6	24.6	10.9	15.7	10.5	17.2	13.1	18.6	16.2	28.2	12.5	21.0	17.4	30.3	
Extraordinary income(loss)	0.2	0.7	1.7	-0.4	-	-0.1	-	-0.3	-0.2	-0.3	-0.0	-0.0	-	-0.1	
Income before income taxes and minority interests	13.8	25.4	12.7	15.3	10.4	17.0	13.1	18.3	15.9	27.9	12.5	21.0	17.4	30.1	
Income taxes—current	0.2	0.3	0.3	0.6	0.3	0.2	0.9	1.7	1.0	2.7	6.4	10.5	3.3	5.8	
Income taxes—deferred	-0.4	-0.4	0.1	-1.2	-0.4	-0.3	0.7	1.2	-3.6	0.8	-1.6	-6.6	2.9	1.9	
Net income	13.9	25.4	12.2	15.9	10.6	17.1	11.4	15.4	18.5	24.3	7.7	17.0	11.0	22.4	
(Reference) Net income excluding amortization of goodwill	17.0	31.6	15.3	22.1	13.7	23.3	14.5	21.6	21.6	30.5	10.8	23.2	14.1	28.6	

# Loans (term-end balance)

(JPY Bn)	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9	15/3	15/9	16/3
Total loans	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	4,189.4	4,204.5	4,274.4
Loans to small and medium-sized enterprises	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	3,036.8	3,121.5	3,205.9
Small and medium-sized companies	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	1,566.4	1,604.1	1,640.8
Individuals	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	1,470.3	1,517.4	1,565.1
Large and middle-ranking companies	529.4	522.5	533.8	575.8	611.5	633.1	627.9	640.6	673.5	665.3	649.9	632.5	603.1	563.6
Central and local governments	270.2	311.9	272.6	325.5	274.2	431.8	443.9	487.9	475.3	490.3	480.4	519.9	479.8	504.8
Ratio of small and medium-sized enterprises loans	76.13%	75.20%	75.96%	74.04%	74.16%	70.74%	70.91%	70.10%	70.46%	71.15%	72.14%	72.48%	74.24%	75.00%

(JPY Bn)	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9	15/3	15/9	16/3
Total loans	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	4,189.4	4,204.5	4,274.4
Ordinary claims	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	4,091.4	4,110.1	4,183.2
Individuals (including sole proprietors)	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	1,649.0	1,707.5	1,762.4
General corporations	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	1,909.9	1,908.2	1,901.6
Financial institutions	12.2	11.7	8.7	13.5	5.4	6.7	6.7	10.7	15.6	14.5	14.5	12.4	14.4	14.4
Public sector	270.2	311.9	272.6	325.5	274.2	431.8	443.9	487.9	475.3	490.3	480.4	519.9	479.8	504.8
Risk-monitored loans	162.0	125.9	128.0	118.7	119.7	122.1	119.3	122.4	120.4	114.3	104.3	98.0	94.4	91.1

(JPY Bn)	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9	15/3	15/9	16/3
Consumer loans	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	1,585.8	1,640.9	1,694.4
Housing loans	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	1,546.9	1,597.9	1,647.5
Other loans	44.6	42.7	41.1	39.1	37.0	35.5	34.4	33.3	31.9	32.8	34.7	38.9	42.9	46.9

(JPY Bn)	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9	15/3	15/9	16/3
Total loans	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	4,189.4	4,204.5	4,274.4
Tochigi	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	2,350.9	2,341.7	2,378.9
Adjacent prefectures	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	1,254.4	1,308.3	1,370.6
Gu n ma	410.6	398.4	393.0	394.7	382.7	381.3	380.7	382.5	395.7	417.3	436.1	460.1	473.2	489.6
Ibaraki	182.3	180.6	181.7	191.6	187.8	187.2	190.2	191.5	194.2	199.4	206.5	218.1	230.1	241.7
Saitama	403.0	398.0	402.8	406.4	406.5	412.2	416.1	433.5	448.8	476.5	499.6	536.0	566.4	603.8
Fukushima	38.5	38.8	38.6	38.8	38.1	38.4	37.1	37.2	37.6	40.8	40.0	40.1	38.4	35.3
Tokyo	363.9	359.6	389.2	414.6	456.4	570.2	592.3	605.0	654.8	631.1	619.4	584.0	554.4	524.8

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

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

	(JPY Bn)		12/3		12/9		13/3		13/9		14/3		14/9		15/3		15/9		16/3	
				Composi- tion ratio		Composi- tion ratio		Composi- tion ratio		Composi- tion ratio		Composi- tion ratio		Composi- tion ratio		Composi- tion ratio		Composi- tion ratio		Composi- tion ratio
Manufacturing	524.2	14.4%	521.3	14.1%	528.8	14.0%	535.4	13.8%	514.5	12.8%	515.0	12.7%	516.3	12.3%	503.8	12.0%	500.1	11.7%		
Agriculture / Forestry	14.8	0.4%	11.8	0.3%	10.5	0.3%	11.7	0.3%	12.6	0.3%	12.6	0.3%	10.3	0.2%	10.9	0.3%	11.4	0.3%		
Fishery	0.5	0.0%	0.4	0.0%	0.5	0.0%	0.4	0.0%	0.5	0.0%	0.4	0.0%	0.5	0.0%	0.5	0.0%	0.5	0.0%		
Mining / Quarrying of stone / Gravel	4.7	0.1%	4.7	0.1%	5.2	0.1%	5.2	0.1%	5.7	0.1%	5.8	0.1%	5.8	0.1%	5.6	0.1%	5.4	0.1%		
Construction	138.6	3.8%	132.7	3.6%	135.2	3.6%	130.7	3.4%	137.4	3.4%	137.2	3.4%	144.1	3.4%	142.3	3.4%	149.7	3.5%		
Electricity, gas and water	20.8	0.6%	22.4	0.6%	23.9	0.6%	35.4	0.9%	36.2	0.9%	34.7	0.9%	39.7	0.9%	41.2	1.0%	43.1	1.0%		
Telecommunication	41.5	1.1%	42.4	1.2%	42.3	1.1%	39.5	1.0%	46.0	1.2%	43.5	1.1%	41.1	1.0%	39.3	0.9%	20.2	0.5%		
Transportation / Postal activities	97.5	2.7%	94.6	2.6%	99.4	2.6%	102.3	2.6%	101.9	2.5%	106.2	2.6%	103.1	2.5%	101.5	2.4%	102.7	2.4%		
Wholesale / Retail services	400.1	11.0%	401.3	10.9%	396.5	10.5%	384.2	9.9%	387.4	9.7%	394.1	9.7%	395.9	9.5%	395.4	9.4%	395.7	9.3%		
Financial and insurance services	109.8	3.0%	134.9	3.7%	139.9	3.7%	207.4	5.3%	213.4	5.3%	209.7	5.2%	198.6	4.7%	195.7	4.7%	184.3	4.3%		
Real estate / Goods rental and leasing	354.9	9.7%	357.7	9.7%	376.1	10.0%	389.5	10.0%	408.8	10.2%	425.9	10.5%	446.8	10.7%	469.7	11.2%	483.4	11.3%		
Services	317.6	8.7%	298.0	8.1%	274.6	7.3%	274.0	7.0%	291.0	7.3%	282.9	7.0%	296.3	7.1%	244.1	5.8%	307.2	7.2%		
National / Local government	431.8	11.9%	443.9	12.0%	487.9	12.9%	475.3	12.2%	490.3	12.2%	480.4	11.8%	519.9	12.4%	479.8	11.4%	504.8	11.8%		
Others (individuals)	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%	1,470.3	35.1%	1,517.4	36.1%	1,565.1	36.6%		
Total	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%	4,189.4	100.0%	4,204.5	100.0%	4,274.4	100.0%		

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

	Ratio		Ratio		Ratio		Ratio		Ratio		Ratio		Ratio		Ratio		Ratio	
Manufacturing	30.2	5.8%	29.8	5.7%	33.4	6.3%	32.6	6.1%	31.3	6.1%	29.5	5.7%	27.1	5.3%	24.6	4.9%	27.9	5.6%
Agriculture / Forestry	0.8	5.6%	0.7	6.4%	0.3	3.6%	0.3	2.7%	0.3	3.0%	0.3	2.4%	0.2	2.3%	0.2	1.9%	0.3	2.9%
Fishery	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Mining / Quarrying of stone / Gravel	-	1.2%	-	1.2%	0.1	2.4%	0.1	2.3%	0.1	1.8%	0.0	1.5%	0.0	1.2%	0.0	0.9%	-	0.0%
Construction	13.0	9.4%	11.1	8.4%	11.1	8.2%	11.0	8.5%	8.5	6.2%	8.3	6.1%	6.9	4.8%	6.3	4.5%	5.7	3.9%
Electricity, gas and water	4.0	19.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Telecommunication	0.8	2.0%	1.0	2.4%	1.0	2.5%	1.0	2.8%	0.9	2.0%	0.8	1.9%	0.5	1.4%	0.6	1.6%	0.4	2.4%
Transportation / Postal activities	2.5	2.6%	2.7	2.9%	3.4	3.5%	3.3	3.3%	3.7	3.6%	3.2	3.1%	2.6	2.5%	3.0	3.0%	2.9	2.9%
Wholesale / Retail services	17.5	4.4%	20.2	5.1%	22.4	5.7%	23.0	6.0%	20.5	5.3%	18.9	4.8%	17.9	4.5%	19.0	4.8%	17.4	4.4%
Financial and insurance services	2.1	2.0%	1.9	1.5%	0.3	0.2%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Real estate / Goods rental and leasing	17.6	5.0%	19.0	5.3%	17.4	4.6%	16.2	4.2%	15.5	3.8%	14.8	3.5%	14.4	3.2%	12.1	2.6%	11.7	2.4%
Services	19.2	6.1%	19.2	6.5%	18.9	6.9%	18.9	6.9%	20.0	6.9%	14.7	5.2%	14.9	5.1%	15.1	6.2%	10.9	3.6%
National / Local government	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Others (individuals)	13.8	1.2%	13.2	1.1%	13.6	1.1%	13.5	1.0%	13.2	1.0%	13.3	0.9%	12.9	0.9%	13.0	0.9%	13.4	0.9%
Total	122.1	3.4%	119.3	3.2%	122.4	3.2%	120.4	3.1%	114.3	2.9%	104.3	2.6%	98.0	2.3%	94.4	2.2%	91.1	2.1%

# Deposits (term-end balance)

(JPY Bn)	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9	15/3	15/9	16/3
Deposits, etc.	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	5,337.7	5,333.9	5,449.4
Deposits	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	5,085.3	5,058.1	5,224.5
Individual customers	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	3,548.5	3,556.0	3,595.7
Corporate	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	1,150.3	1,218.5	1,234.1
Public sector and financial institutions	277.4	399.5	253.6	373.9	257.5	386.5	265.9	388.0	277.2	396.3	271.7	386.4	283.4	394.5
NCD	39.5	87.7	117.7	107.1	149.4	169.9	165.1	180.9	216.6	226.0	274.8	252.3	275.7	224.8

(JPY Bn)	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9	15/3	15/9	16/3
Deposits	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	5,085.3	5,058.1	5,224.5
Tochigi	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	3,995.9	3,956.9	4,107.8
Adjacent prefectures	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	1,071.2	1,084.3	1,100.0
Gunma	356.2	342.6	362.5	365.0	379.7	383.9	406.1	388.8	415.1	414.0	423.4	427.3	427.2	429.2
Ibaraki	164.2	167.5	171.8	177.3	180.8	185.3	188.9	188.8	192.9	196.4	200.8	206.8	209.2	213.4
Saitama	349.2	355.2	360.5	366.0	374.8	374.6	392.4	383.2	397.9	397.6	419.0	419.2	431.1	439.1
Fukushima	11.6	11.4	12.1	12.3	14.0	16.5	16.0	16.1	16.6	17.1	17.3	17.6	16.7	18.2
Tokyo	29.3	40.3	31.0	36.5	22.0	37.0	21.8	21.9	19.5	29.3	22.5	18.1	16.7	16.6

(JPY Bn)	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9	15/3	15/9	16/3
Total deposits	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	5,061.7	5,029.2	5,200.3
Yen liquid deposits	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	3,277.4	3,199.1	3,429.8
Yen fixed deposits	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	1,767.7	1,815.4	1,754.1
Foreign currency deposits	71.3	47.1	27.9	29.9	27.5	27.4	26.5	25.5	21.3	18.6	16.0	16.5	14.7	16.3
Deposits of individual	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	3,548.5	3,556.0	3,595.7
Yen liquid deposits	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	2,116.7	2,129.2	2,188.5
Yen fixed deposits	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	1,421.4	1,416.7	1,396.3
Foreign currency deposits	16.0	18.0	20.3	21.2	20.5	20.8	19.4	17.8	15.0	13.5	11.9	10.3	10.0	10.9
Deposits of corporate	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	1,124.3	1,185.0	1,206.1
Yen liquid deposits	645.5	645.1	682.9	671.0	727.8	746.1	818.0	771.5	808.2	798.3	855.7	841.7	888.4	909.7
Yen fixed deposits	229.9	244.3	267.6	263.1	277.7	278.3	282.7	273.0	283.0	282.9	279.8	276.4	291.9	290.9
Foreign currency deposits	6.6	6.5	7.5	8.6	6.9	6.5	7.1	7.7	6.3	5.1	4.0	6.1	4.6	5.4
Deposits of the public sector	229.6	340.1	211.2	318.1	240.6	349.4	227.0	350.2	237.9	354.6	230.5	339.0	243.6	349.4
Yen liquid deposits	91.9	249.2	103.2	242.4	124.0	280.1	114.5	281.7	130.8	285.6	129.7	270.4	138.2	283.8
Yen fixed deposits	89.1	68.2	107.9	75.7	116.6	69.2	112.5	68.5	107.1	69.0	100.8	68.6	105.4	65.5
Foreign currency deposits	48.5	22.6	-	-	-	-	-	-	-	-	-	-	-	-
Deposits of financial	47.8	59.4	42.3	55.7	38.6	41.0	41.1	41.7	41.7	44.2	43.2	49.8	44.4	49.0
Yen liquid deposits	45.2	56.8	39.7	52.9	35.2	37.5	36.5	40.5	40.5	42.9	41.9	48.5	43.1	47.7
Yen fixed deposits	2.5	2.6	2.6	2.7	3.3	3.5	4.5	1.1	1.2	1.2	1.2	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)	FY09		FY10		FY11		FY12		FY13		FY14		FY15	FY15
		(1H)		(1H)		(1H)		(1H)		(1H)		(1H)		(1H)	
Interest earning assets		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	5,638.1	5,789.9	5,846.1
Loans		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	4,045.5	4,145.3	4,173.0
Securities		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	1,210.5	1,088.5	1,148.1
Interest bearing liabilities		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	5,488.6	5,644.7	5,704.9
Deposits, etc.		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	5,280.7	5,374.4	5,403.6
Deposits		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	4,943.0	5,027.9	5,043.0
NCD		42.0	52.8	121.5	123.3	158.3	168.2	183.8	182.1	254.5	264.5	332.4	337.6	346.4	360.6

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

	(%)	FY09		FY10		FY11		FY12		FY13		FY14		FY15	FY15
		(1H)		(1H)		(1H)		(1H)		(1H)		(1H)		(1H)	
Average yield on interest earning assets		1.74%	1.72%	1.57%	1.55%	1.47%	1.40%	1.31%	1.30%	1.28%	1.24%	1.22%	1.20%	1.30%	1.22%
Average yield on loans and bills discounted		2.00%	1.99%	1.91%	1.87%	1.77%	1.72%	1.59%	1.56%	1.46%	1.45%	1.37%	1.35%	1.29%	1.28%
Average yield on securities		1.06%	1.06%	0.83%	0.83%	0.83%	0.78%	0.75%	0.75%	0.91%	0.85%	1.07%	1.02%	1.91%	1.47%
Average yield on interest bearing liabilities		1.26%	1.24%	1.26%	1.22%	1.26%	1.21%	1.11%	1.07%	1.02%	0.99%	0.94%	0.93%	0.89%	0.88%
Average yield on deposits and negotiable		0.16%	0.15%	0.12%	0.11%	0.09%	0.08%	0.06%	0.06%	0.05%	0.05%	0.05%	0.04%	0.04%	0.04%
Average yield on call money and borrowed money		0.15%	1.40%	0.09%	0.10%	0.10%	0.10%	0.10%	0.10%	0.09%	0.09%	0.11%	0.11%	0.10%	0.09%
Average interest rate spread		0.48%	0.48%	0.31%	0.33%	0.21%	0.19%	0.20%	0.23%	0.26%	0.25%	0.28%	0.27%	0.41%	0.34%
Yield spread between loans and deposits		1.84%	1.84%	1.79%	1.76%	1.68%	1.64%	1.53%	1.50%	1.41%	1.40%	1.32%	1.31%	1.25%	1.24%

## <<Yield (Domestic Operation)>>

	(%)	FY09		FY10		FY11		FY12		FY13		FY14		FY15	FY15
		(1H)		(1H)		(1H)		(1H)		(1H)		(1H)		(1H)	
Average yield on interest earning assets		1.74%	1.72%	1.57%	1.54%	1.47%	1.40%	1.30%	1.30%	1.27%	1.23%	1.20%	1.18%	1.26%	1.18%
Average yield on loans and bills discounted		2.00%	1.99%	1.91%	1.87%	1.77%	1.72%	1.59%	1.56%	1.47%	1.45%	1.37%	1.36%	1.29%	1.28%
Average yield on securities		1.05%	1.05%	0.82%	0.82%	0.82%	0.77%	0.75%	0.74%	0.91%	0.84%	1.06%	0.99%	2.01%	1.47%
Average yield on interest bearing liabilities		1.24%	1.22%	1.24%	1.20%	1.24%	1.19%	1.10%	1.05%	1.01%	0.98%	0.93%	0.92%	0.88%	0.86%
Average yield on deposits and negotiable		0.14%	0.14%	0.11%	0.10%	0.09%	0.08%	0.06%	0.06%	0.05%	0.05%	0.04%	0.04%	0.04%	0.04%
Average interest rate spread		0.50%	0.50%	0.33%	0.34%	0.23%	0.21%	0.20%	0.25%	0.26%	0.24%	0.27%	0.26%	0.38%	0.32%

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

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

(JPY Bn)	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9	15/3	15/9	16/3
Securities	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	1,236.8	1,183.6	1,325.7
Government bonds	430.0	518.1	599.7	681.8	412.2	363.3	333.9	439.6	492.6	439.4	385.1	351.9	350.3	351.5
Local government bonds	423.8	388.2	390.2	371.7	358.5	414.5	374.8	311.6	249.5	257.0	258.4	241.9	224.2	251.9
Corporate bonds	270.9	234.8	228.5	206.3	237.9	343.2	282.8	286.8	290.6	269.5	262.8	238.6	217.7	205.8
Stocks	77.9	69.9	65.5	66.7	63.2	67.4	64.5	80.0	79.4	71.8	76.7	85.0	79.3	77.6
Other securities	56.9	56.2	47.0	37.7	24.2	42.9	68.1	97.6	113.3	167.5	248.6	319.3	311.8	438.7

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

(JPY Bn)	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9	15/3	15/9	16/3
Total unrealized valuation gains (losses)	25.8	20.6	23.2	11.3	13.6	21.6	14.6	42.8	39.8	40.3	53.9	77.5	62.3	85.4
Stocks	11.9	10.0	6.0	7.9	4.6	10.0	7.3	23.3	27.6	23.1	28.0	36.2	31.1	29.4
Bonds	18.3	13.4	21.8	7.7	14.2	14.9	12.3	19.1	10.7	14.2	19.8	25.0	23.9	44.7
Others	-4.4	-2.7	-4.7	-4.3	-5.2	-3.4	-5.0	0.2	1.3	2.9	5.9	16.2	7.2	11.2
Held-to-maturity	0.3	0.1	4.3	1.3	3.9	4.1	5.1	7.8	6.9	7.9	8.7	10.0	10.0	13.8
Bonds	0.5	0.1	4.3	1.3	3.9	4.0	5.2	7.6	6.6	7.7	8.6	9.8	9.9	13.7
Others	-0.2	-	-	-	-	-	-	0.2	0.2	0.2	0.1	0.1	0.1	0.0
Other (available-for-sale)	25.5	20.4	18.8	9.9	9.6	17.5	9.4	34.9	32.9	32.4	45.1	67.5	52.2	71.6
Stocks	11.9	10.0	6.0	7.9	4.6	10.0	7.3	23.3	27.6	23.1	28.0	36.2	31.1	29.4
Bonds	17.8	13.2	17.5	6.3	10.3	10.9	7.0	11.5	4.0	6.5	11.2	15.1	13.9	30.9
Others	-4.2	-2.7	-4.8	-4.3	-5.3	-3.4	-4.9	-	1.1	2.7	5.8	16.1	7.1	11.2

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

(JPY Bn)	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9	15/3	15/9	16/3
Total unrealized valuation gains (losses)	13.2	14.6	16.8	6.3	8.7	17.7	10.7	39.2	36.2	37.4	50.3	73.9	58.9	82.0
Stocks	-3.6	1.4	-2.5	0.8	-2.1	4.2	1.6	18.5	23.4	19.5	24.4	32.6	27.7	26.0
Bonds	19.4	14.1	22.2	7.9	14.4	15.0	12.3	19.1	10.7	14.2	19.8	25.0	23.9	44.7
Others	-2.5	-0.9	-2.8	-2.5	-3.5	-1.6	-3.2	1.4	2.0	3.6	5.9	16.2	7.2	11.2
Held-to-maturity	0.3	0.1	4.3	1.3	3.9	4.1	5.1	7.8	6.9	7.9	8.7	10.0	10.0	13.8
Bonds	0.5	0.1	4.3	1.3	3.9	4.0	5.2	7.6	6.6	7.7	8.6	9.8	9.9	13.7
Others	-0.2	-	-	-	-	-	-	0.2	0.2	0.2	0.1	0.1	0.1	0.0
Other (available-for-sale)	12.9	14.5	12.4	4.9	4.8	13.5	5.5	31.3	29.3	29.4	41.5	63.8	48.8	68.2
Stocks	-3.6	1.4	-2.5	0.8	-2.1	4.2	1.6	18.5	23.4	19.5	24.4	32.6	27.7	26.0
Bonds	18.8	13.9	17.9	6.6	10.4	11.0	7.1	11.5	4.0	6.5	11.2	15.1	13.9	30.9
Others	-2.3	-0.8	-2.9	-2.5	-3.5	-1.6	-3.2	1.2	1.8	3.4	5.8	16.1	7.1	11.2



# Assets in custody and financial assets

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

(JPY Bn)	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9	15/3	15/9	16/3
Total financial assets	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	5,839.9	5,787.7	5,957.0
Assets in custody (1)	620.1	660.0	667.5	672.5	651.3	689.9	700.3	753.5	742.1	747.0	759.4	754.5	729.6	732.5
Investment trusts	243.6	256.0	246.0	251.2	223.0	241.7	231.0	281.5	280.4	293.5	317.2	341.1	334.8	333.2
Insurance	123.2	144.5	167.0	179.5	194.3	218.2	248.1	258.9	265.2	272.8	279.9	285.8	295.2	311.6
Public sector debt	253.3	259.3	254.4	241.8	234.0	230.0	221.0	213.0	196.5	180.6	162.1	127.5	99.5	87.6
Total deposits	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	5,085.3	5,058.1	5,224.5
Yen deposits	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	5,068.9	5,043.5	5,208.2
Foreign currency deposits (2)	71.2	47.0	27.8	29.8	27.4	27.3	26.5	25.4	21.2	18.4	15.8	16.4	14.5	16.3
Reference: (1)+(2)	691.4	707.1	695.3	702.4	678.8	717.3	726.8	779.0	763.3	765.5	775.3	770.9	744.2	748.8
(Ratio to total financial assets)	(14.2%)	(13.9%)	(13.8%)	(13.5%)	(13.1%)	(13.3%)	(13.6%)	(14.1%)	(13.8%)	(13.4%)	(13.7%)	(13.2%)	(12.9%)	(12.6%)

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

(JPY Bn)	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9	15/3	15/9	16/3
Total financial assets of individual customers	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	4,252.6	4,239.1	4,286.1
Assets in custody (1)	576.0	614.4	622.1	628.2	607.3	645.2	658.2	702.9	692.7	698.3	710.0	704.0	683.0	690.3
Investment trusts	233.9	245.9	236.7	241.8	214.2	232.8	222.7	269.8	268.8	282.0	304.1	326.0	317.9	316.4
Insurance	123.2	144.5	167.0	179.5	194.3	218.2	248.1	258.9	265.2	272.8	279.9	285.8	295.2	311.6
Public sector debt	218.9	223.8	218.2	206.9	198.7	194.1	187.4	174.1	158.7	143.4	125.8	92.2	69.8	62.3
Total deposits	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	3,548.5	3,556.0	3,595.7
Yen deposits	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	3,538.1	3,545.9	3,584.8
Foreign currency deposits (2)	16.0	18.0	20.3	21.2	20.5	20.8	19.4	17.8	15.0	13.5	11.9	10.3	10.0	10.9
Reference: (1)+(2)	592.1	632.4	642.4	649.5	627.9	666.1	677.7	720.8	707.8	711.8	722.0	714.4	693.1	701.3
(Ratio to total financial assets)	(16.2%)	(17.0%)	(17.1%)	(17.0%)	(16.5%)	(17.0%)	(17.2%)	(17.8%)	(17.4%)	(17.2%)	(17.3%)	(16.8%)	(16.4%)	(16.4%)

# Credit related costs / Self-assessment, etc.

## <<Credit related costs>>

	(JPY Bn)		FY09		FY10		FY11		FY12		FY13		FY14		FY15	
	(1H)		(1H)		(1H)		(1H)		(1H)		(1H)		(1H)		(1H)	
Credit costs	6.3	8.8	3.3	9.2	0.7	4.9	1.1	5.8	3.6	9.0	1.7	3.3	-1.1	0.2		
(Credit cost ratio)	0.38%	0.26%	0.20%	0.27%	0.04%	0.14%	0.06%	0.16%	0.19%	0.23%	0.08%	0.08%	-0.05%	0.00%		
Write-off amount of loans	2.8	4.3	5.9	8.8	1.6	3.1	1.5	2.7	0.5	1.7	1.2	1.5	0.4	1.5		
Net transfer to specific allowance for loan losses	-0.4	5.8	1.2	5.5	0.9	4.3	7.2	11.5	2.9	3.0	2.5	4.0	1.1	0.4		
Loss on sales of loans	0.0	0.4	0.3	0.3	-	0.0	0.0	0.1	0.0	0.3	-	-	0.0	0.0		
Others	0.0	0.0	0.0	0.1	-0.0	-0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Net transfer to general allowance for loan losses	3.9	-1.8	-4.2	-5.6	-1.8	-2.5	-7.8	-8.7	0.1	3.6	-2.1	-2.2	-2.7	-1.7		
Credit related costs	6.0	7.9	3.0	8.6	0.2	3.8	0.6	4.5	2.9	7.4	1.4	2.6	-1.4	-0.2		
(Credit related cost ratio)	0.36%	0.23%	0.18%	0.25%	0.01%	0.11%	0.03%	0.12%	0.15%	0.19%	0.07%	0.06%	-0.06%	-0.00%		
Recovery of written off claims	0.2	0.9	0.2	0.6	0.4	1.0	0.4	1.3	0.7	1.6	0.3	0.7	0.2	0.5		
Reference: Average balance of loans	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	4,045.5	4,145.3	4,173.0		

## <<Result of self-assessment>>

(JPY Bn)	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9	15/3	15/9	16/3
Customers with ordinary claims	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	3,692.4	3,726.1	3,811.1
Customers under special attention	582.4	636.8	575.9	575.6	573.0	569.8	556.4	524.8	497.0	494.6	455.8	437.2	417.4	408.0
Other customers under special attention	439.9	599.6	536.7	536.9	517.7	517.1	511.5	478.3	449.2	441.9	417.7	405.7	390.5	375.5
Customer with claims requiring supervision	142.4	37.1	39.1	38.7	55.3	52.7	44.9	46.4	47.8	52.7	38.0	31.4	26.9	32.5
Customers with claims likely to be irrecoverable or below	113.2	100.3	104.9	92.9	86.0	88.6	88.0	90.8	88.0	79.7	79.9	79.3	77.3	71.0
Customers with claims likely to be irrecoverable	95.6	81.2	85.9	75.4	71.4	77.5	73.7	81.3	77.9	71.5	71.6	72.5	71.9	66.0
Virtually bankrupt customers	10.8	8.7	11.4	13.0	10.0	7.3	9.3	6.2	7.1	5.1	6.2	5.1	3.7	3.3
Bankrupt customers	6.7	10.3	7.5	4.4	4.5	3.7	4.9	3.2	2.9	3.0	2.1	1.6	1.6	1.6
Total	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	4,209.1	4,220.9	4,290.3

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

(JPY Bn)	09/9	10/3	10/9	11/3	11/9	12/3	12/9	13/3	13/9	14/3	14/9	15/3	15/9	16/3
Loans subject to mandatory disclosure under the Financial Reconstruction Law	162.3	126.4	128.6	119.0	119.9	122.3	119.5	122.5	120.6	114.4	104.8	98.4	94.9	91.4
Bankrupt and substantially bankrupt claims	17.6	19.0	19.0	17.5	14.6	11.1	14.3	9.5	10.0	8.1	8.3	6.8	5.3	4.9
Doubtful claims	95.7	81.2	85.9	75.4	71.4	77.5	73.7	81.3	77.9	71.5	71.6	72.5	72.0	66.1
Claims requiring supervision	49.0	26.1	23.6	26.0	33.8	33.6	31.4	31.7	32.6	34.7	24.8	19.0	17.5	20.3
Normal claims	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	4,157.9	4,180.1	4,262.1
Total	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	4,256.4	4,275.0	4,353.6
Ratio of loans subject to mandatory disclosure	4.79%	3.71%	3.79%	3.39%	3.46%	3.32%	3.20%	3.20%	3.05%	2.81%	2.54%	2.31%	2.22%	2.10%

# Transition of borrowers' status

<<Mar. 2015 → Sep. 2015 (in value terms)>>

		(JPY Bn)	Initial balance	September 2015 Borrowers' status					
				Customers with ordinary claims	Customers under special attention	Customers with claims requiring supervision	Customers with claims likely to be irrecoverable	Virtually bankrupt customers	Bankrupt customers
Borrowers' status	March 2015	Customers with ordinary claims	3,692.4	3,545.3	44.0	0.2	2.5	0.5	-
		Customers under special attention A	405.7	55.6	333.2	2.8	3.9	0.2	0.2
		Customers with claims requiring supervision	31.4	0.5	4.1	23.1	1.0	-	-
		Customers with claims likely to be irrecoverable	72.5	-	3.9	0.6	64.0	0.6	0.2
		Virtually bankrupt customers	5.1	-	-	-	0.1	2.2	0.1
		Bankrupt customers	1.6	-	-	-	0.1	-	0.7
		Total	4,209.1	3,601.7	385.3	26.9	71.9	3.7	1.5

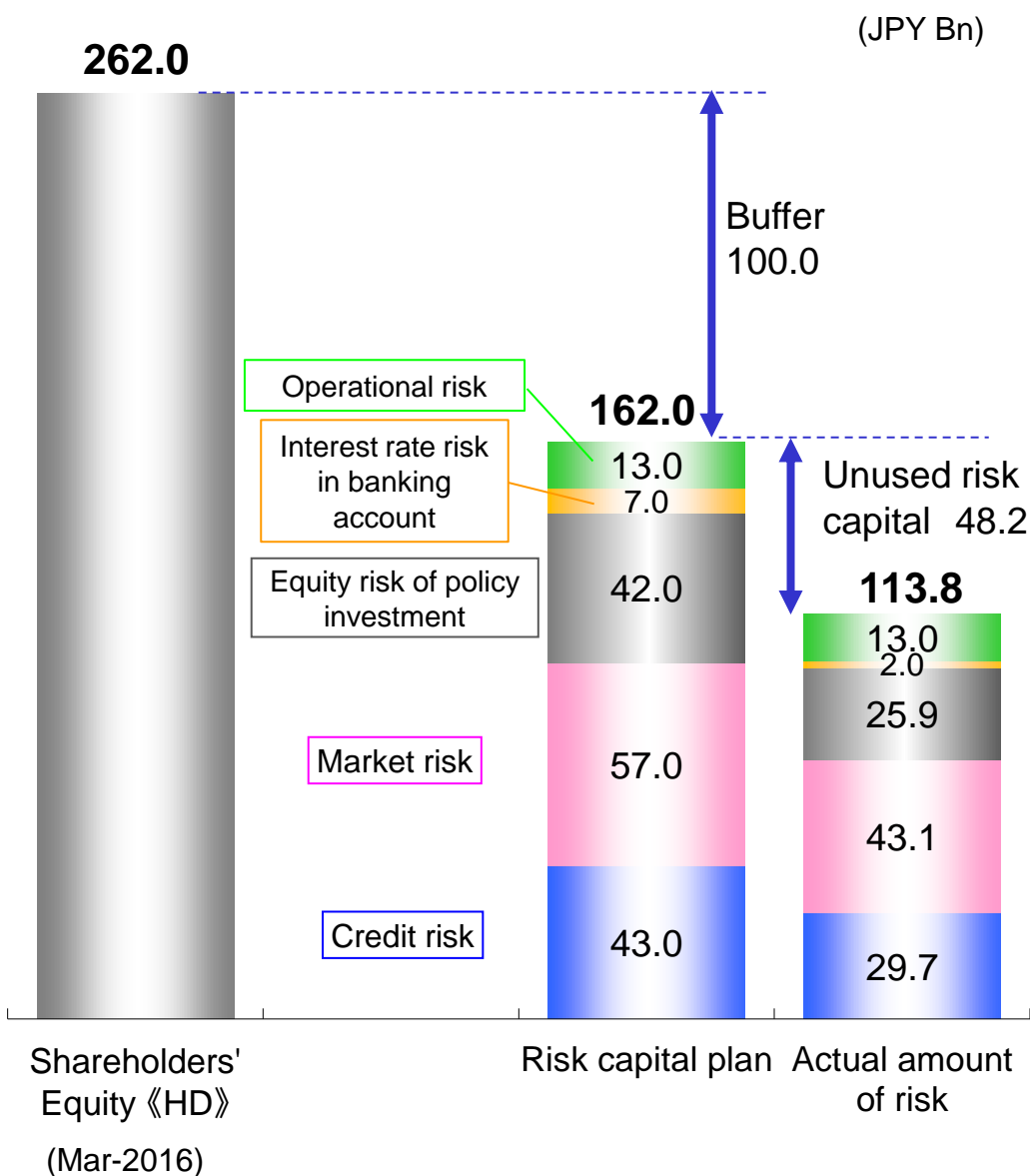
<<Sep. 2015 → Mar. 2016 (in value terms)>>

		(JPY Bn)	Initial balance	March 2016 Borrowers' status					
				Customers with ordinary claims	Customers under special attention	Customers with claims requiring supervision	Customers with claims likely to be irrecoverable	Virtually bankrupt customers	Bankrupt customers
Borrowers' status	September 2015	Customers with ordinary claims	3,726.1	3,638.5	28.4	2.7	1.1	0.5	-
		Customers under special attention A	390.5	36.9	336.4	6.1	4.1	0.3	0.1
		Customers with claims requiring supervision	26.9	0.1	1.7	22.4	1.3	-	-
		Customers with claims likely to be irrecoverable	71.9	-	2.2	1.1	59.2	0.7	0.3
		Virtually bankrupt customers	3.7	-	-	-	-	1.5	0.2
		Bankrupt customers	1.6	-	-	-	-	-	0.8
		Total	4,220.9	3,675.7	368.9	32.5	66.0	3.3	1.6

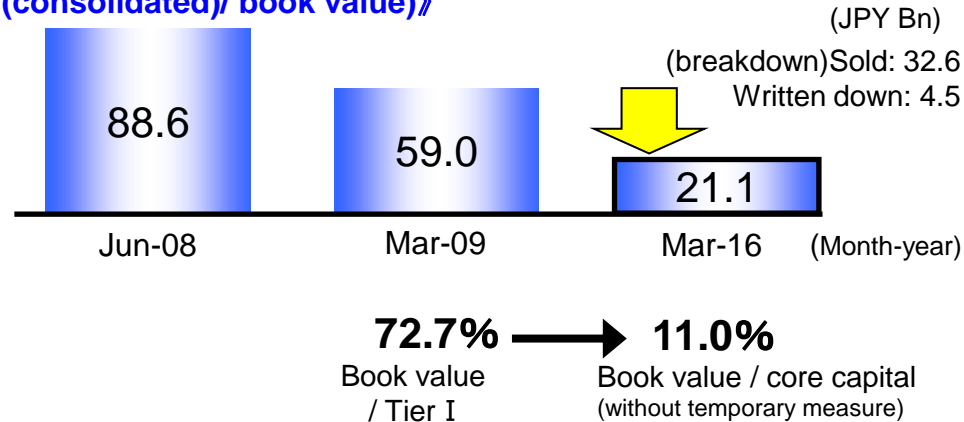


# Risk management

## 《Amount of integrated risk ( end of Mar. 2016)》



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



## 《Outlier Ratio》

Outlier Ratio

4.3%

(preliminary figures, as of end of Mar, 2016)

\*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

- ¥4.56bn

(as of end of Mar.2016)

## 《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

- ¥4.01 bn

(as of end of Mar.2016)

# Capital adequacy ratio

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

### Basel III (domestic standard)

(JPY Bn)	14/3	14/9	15/3	15/9	16/3
Capital adequacy ratio	8.49%	8.82%	8.54%	8.67%	8.61%
without temporary measure	5.25%	5.51%	5.69%	5.97%	6.26%
Capital ①-②	234.7	246.7	248.7	256.3	262.0
without temporary measure	146.8	155.5	166.4	176.9	191.1
Basic Core capital ①	323.1	332.0	333.8	338.2	341.9
Of which, common equity capital	220.5	231.6	239.4	248.7	258.6
Of which, total amount of provision	22.5	20.3	21.9	19.0	20.0
Of which, directly issued capital instruments subject to phase out from Additional Tier 1	80.0	80.0	72.0	70.0	64.0
Adjustment Core capital ②	88.3	85.2	85.1	81.8	79.9
Of which, goodwill	88.3	85.2	82.1	79.0	75.9
Total risk weighted assets	2,762.2	2,796.5	2,909.8	2,953.9	3,041.6

### Reference : Basel II (domestic standard)

(JPY Bn)	12/3	12/9	13/3	13/9
Capital adequacy ratio	9.47%	9.95%	9.70%	8.38%
Tier I Capital adequacy ratio	5.67%	6.17%	6.03%	5.86%
Capital	236.2	251.0	252.9	218.9
Tier 1	141.3	155.8	157.2	153.0
Tier 2	95.5	95.7	96.2	66.3
Deductions	0.6	0.5	0.5	0.4
Total risk weighted assets	2,492.5	2,522.8	2,606.4	2,610.9

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

### Basel III (domestic standard)

(JPY Bn)	14/3	14/9	15/3	15/9	16/3
Capital adequacy ratio	8.68%	9.07%	8.58%	8.92%	8.67%
without temporary measure	8.40%	8.67%	8.26%	8.61%	8.44%
Capital	242.9	257.0	251.3	265.5	266.0
without temporary measure	237.9	247.7	243.4	257.4	259.6
Basic Core capital ①	242.9	257.0	253.2	267.5	270.3
Of which, common equity capital	220.9	237.1	233.5	250.5	252.3
Of which, total amount of provision	21.9	19.8	19.6	16.9	17.9
Adjustment Core capital ②	-	-	1.9	2.0	4.2
Total risk weighted assets	2,796.5	2,832.4	2,927.7	2,974.7	3,067.4

### Reference : Basel II (domestic standard)

(JPY Bn)	12/3	12/9	13/3	13/9
Capital adequacy ratio	8.32%	8.83%	8.36%	9.17%
Tier I Capital adequacy ratio	7.69%	8.21%	7.73%	8.54%
Capital	209.3	225.0	219.9	242.4
Tier 1	193.6	209.1	203.5	225.9
Tier 2	15.7	15.9	16.4	16.5
Deductions	-	-	-	-
Total risk weighted assets	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 September 2015			End of March 2016		
	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	52	84,420,200	25.33%	50	78,857,900	23.66%
Securities firms	29	2,552,064	0.76%	33	3,075,483	0.92%
Other corporations	245	181,987,801	54.60%	248	179,818,100	53.95%
Foreign corporations, etc.	168	53,317,182	15.99%	172	57,594,292	17.28%
Individuals and others	7,049	10,972,753	3.29%	8,172	13,904,225	4.17%
Total	7,543	333,250,000	100.00%	8,675	333,250,000	100.00%

## <<10 largest shareholders>>

End of September 2015			End of March 2016		
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%
ORIX Corporation	40,000,000	12.00%	ORIX Corporation	40,000,000	12.00%
Sompo Japan Nipponkoa Insurance Inc.	19,000,000	5.70%	Sompo Japan Nipponkoa Insurance Inc.	19,000,000	5.70%
Mitsui Sumitomo Insurance Company, Limited	15,000,000	4.50%	Mitsui Sumitomo Insurance Company, Limited	15,000,000	4.50%
Northern Trust Co. (AVFC) Re 15PCT Treaty Account	10,135,603	3.04%	BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC)	7,253,573	2.17%
Japan Trustee Services Bank, Ltd. (Trust Account)	8,036,700	2.41%	JP Morgan Chase Bank 385632	6,662,100	1.99%
JP Morgan Chase Bank 385632	7,156,776	2.14%	Nippon Life Insurance Company	5,169,400	1.55%
The Master Trust Bank of Japan ,Ltd. (Trust Account)	7,152,100	2.14%	Japan Trustee Services Bank, Ltd. (Trust Account9)	4,867,800	1.46%
JAFCO Super V-3 Investment Limited Partnership	6,486,100	1.94%	JAFCO Super V-3 Investment Limited Partnership	4,534,600	1.36%
Nippon Life Insurance Company	5,144,700	1.54%	The Master Trust Bank of Japan ,Ltd. (Trust Account)	4,338,600	1.30%



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