

27th Results Briefing The Juroku Bank

[The year ended March 2016]

All For Your
Smile

こころにひびくサービスを



May 31, 2016

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◆ Earnings forecasts and other forward-looking statements in this document are based on management's assumptions and beliefs in light of information available at the time of publication. Actual results may differ materially from forward-looking statements due to a wide range of factors.



Overview of Results for FY3/16

Overview of results for FY3/16 – Consolidated and Non-consolidated –



▼ Non-consolidated

(Billion yen)

▼ Consolidated

No	Calc. formula	FY3/14	FY3/15	FY3/16	Change (YoY14)	Change (YoY)	FY3/16
1	Gross operating profit [3+4+5]	69.5	80.1	71.1	1.6	-9.0	77.9
2	(Core gross operating profit) [1-6]	(69.5)	(70.0)	(65.1)	(-4.4)	(-4.9)	72.0
3	Net interest income	61.8	61.4	57.2	-4.6	-4.2	57.3
4	Fees and commissions	6.9	7.6	6.8	-0.1	-0.8	11.0
5	Other operating profit	0.8	11.0	6.9	6.1	-4.1	9.5
6	Gain/losses on JGBs and other debt securities	-0.0	10.1	5.9	5.9	-4.2	5.9
7	Expenses	51.5	52.3	51.6	0.1	-0.7	55.2
8	Personnel expenses	29.0	29.0	29.0	-0.0	-0.0	
9	Non-personnel expenses	20.3	20.6	19.8	-0.5	-0.8	
10	Taxes	2.1	2.6	2.7	0.6	0.1	
11	Net business profit [1-7]	17.9	27.8	19.4	1.5	-8.4	22.7
12	Net core operating profit [2-7]	18.0	17.7	13.5	-4.5	-4.2	16.8
13	Net operating profit [11-15]	17.4	29.3	20.5	3.1	-8.8	24.0
14	Credit costs [15+16-17-18-19]	3.5	2.8	2.8	-0.7	0.0	2.7
15	Provision of general loan-loss reserves	0.4	-1.5	-1.1	-1.5	0.4	-1.2
16	Write-downs of nonperforming loans	3.0	4.3	3.9	0.9	-0.4	4.0
17	Gain on reversal of loan loss reserves	-	-	-	-	-	-
18	Gain on collection of written-off loans	0.0	0.0	0.0	-0.0	-0.0	0.0
19	Gain on reversal of contingent loss	-	0.0	-	-	-0.0	-
20	Gains/losses on equities	2.7	7.6	0.1	-2.6	-7.5	0.0
21	Other extraordinary gains/losses	1.2	2.2	2.3	1.1	0.1	2.3
22	Investment trust financing expenses	0.0	0.0	0.0	-0.0	-0.0	0.0
23	Ordinary profit [11-14+20+21-22]	18.4	34.9	19.0	0.6	-15.9	22.3
24	Extraordinary gains/losses	0.2	-0.1	-0.4	-0.6	-0.3	-0.4
25	Net income before taxes	18.6	34.7	18.6	-0.0	-16.1	21.8
26	Total income taxes	6.3	13.2	6.3	0.0	-6.9	7.4
27	Net income [25-26]	12.3	21.4	12.2	-0.1	-9.2	*13.3

* Net income attributable to shareholders of the parent company

Overviews of non-consolidated results

Gross operating profit

- Gross operating profit declined ¥9.0 billion YoY to ¥71.1 billion due to a drop in gains on JGBs and other debt securities, which rose sharply in the previous fiscal year.

Net business profit

- Non-personnel expenses fell ¥0.8 billion, but net business profit dropped ¥8.4 billion YoY to ¥19.4 billion due to the decline in gross operating profit.

Ordinary profit

- Write-downs on nonperforming loans improved, but ordinary profit declined ¥15.9 billion YoY to ¥19.0 billion due to a drop in gains on equities.

Net income

- The decline in ordinary profit weighed on net income, which came in at ¥12.2 billion.

Factors affecting gross operating profit – Non-consolidated –

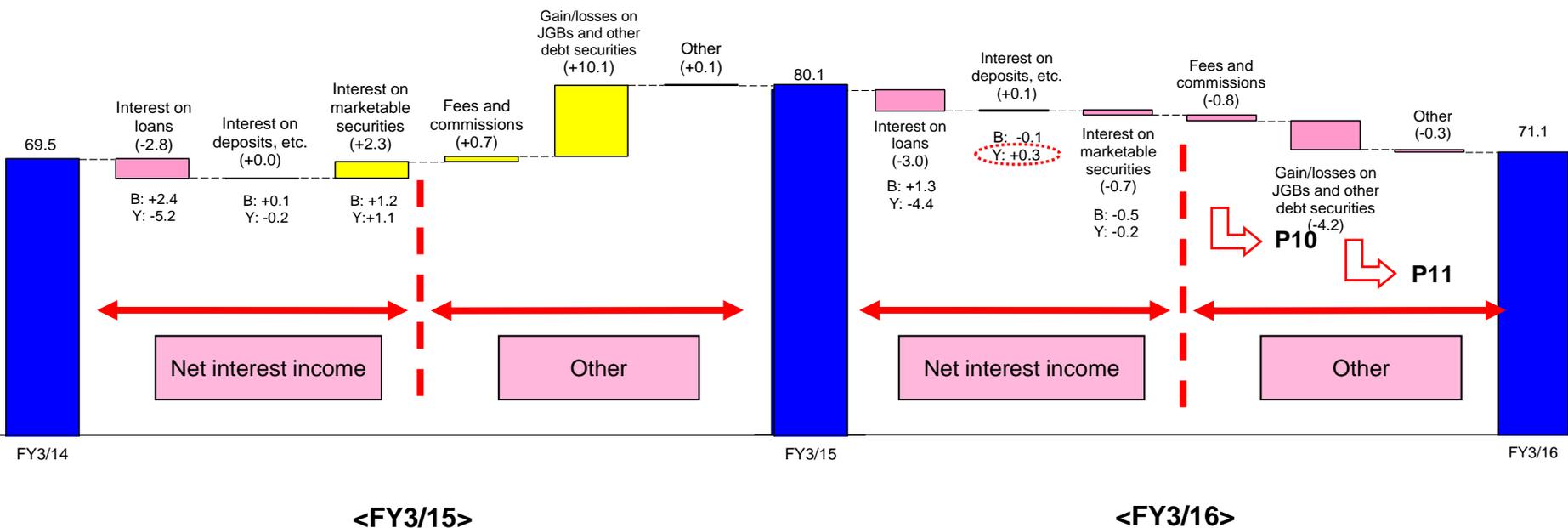


Gross operating profit for FY3/16 totaled ¥71.1 billion; interest on deposits improved, but that was outweighed by declines in interest on loans and gains on JGBs and other debt securities.

B: Balance factors

Y: Yield factors

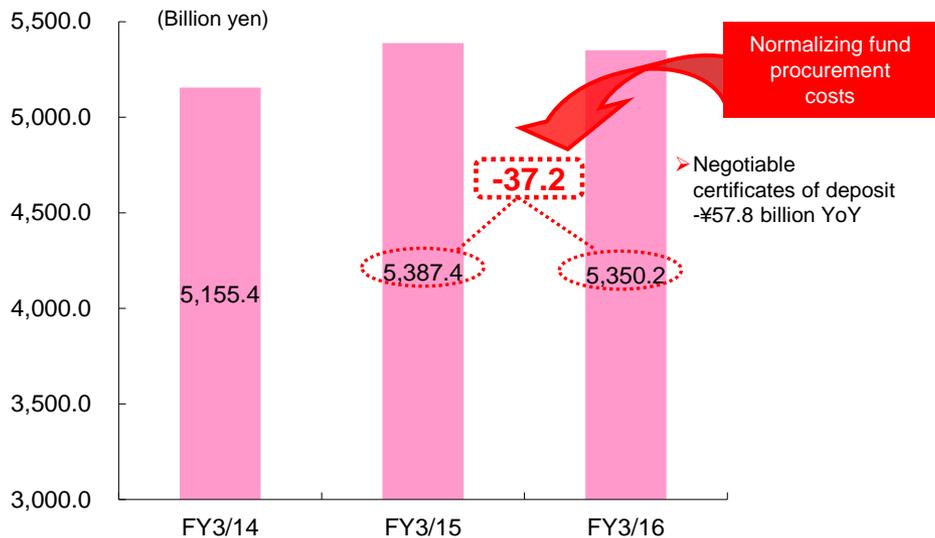
(Billion yen)



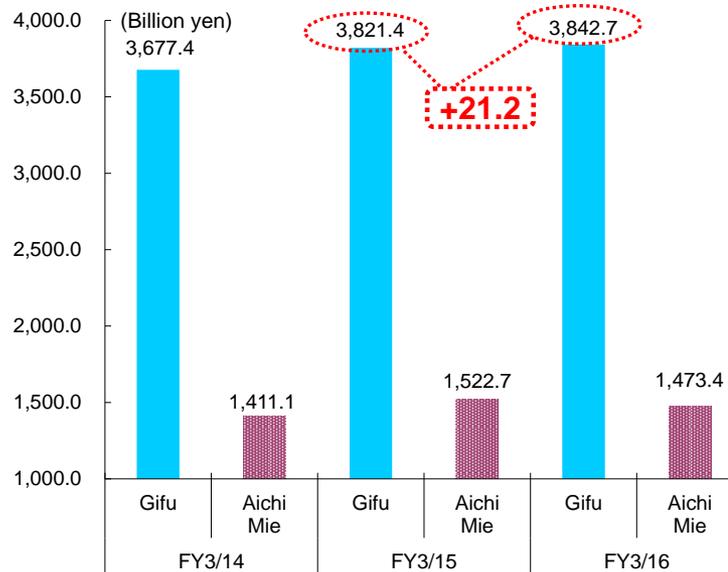
Key data (deposits, loans)



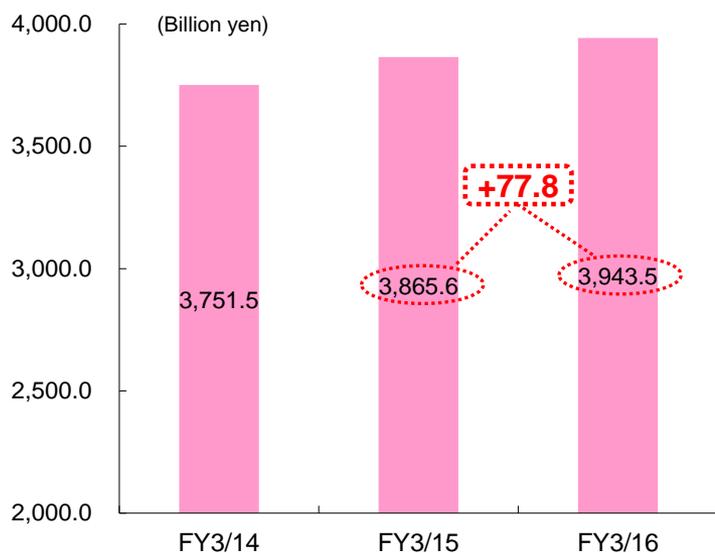
▼ Deposits



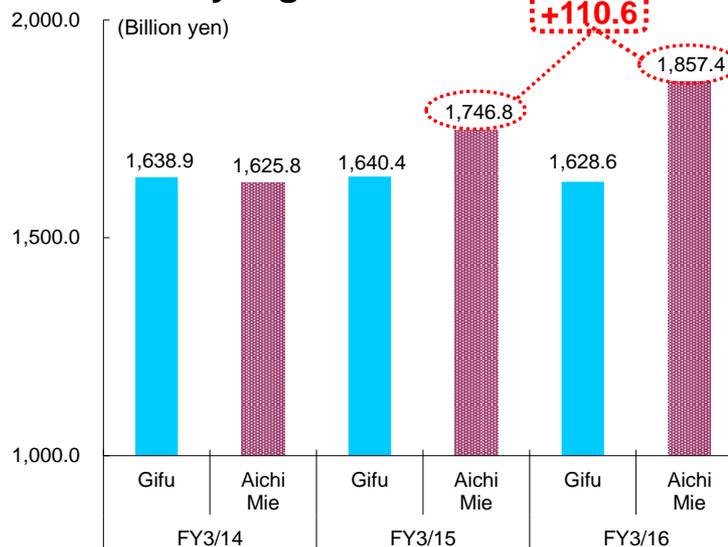
▼ Deposits by region



▼ Loans



▼ Loans by region

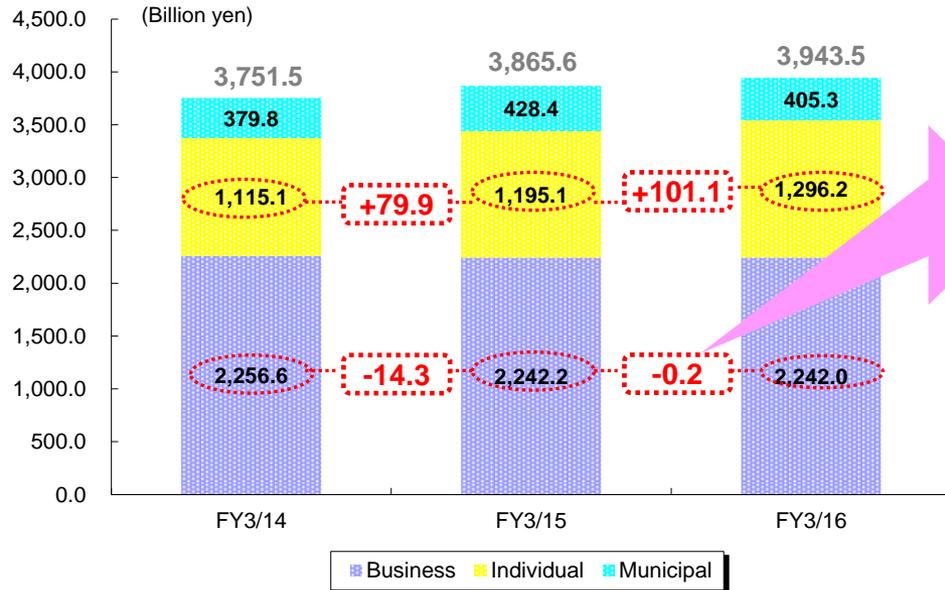


Key data (loans)

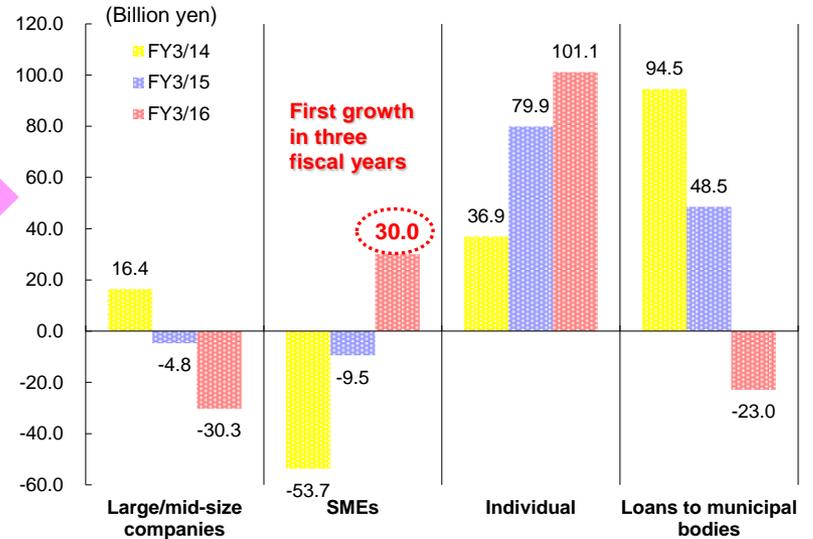


Loans to individuals steady, signs of a recovery in business loans to SMEs

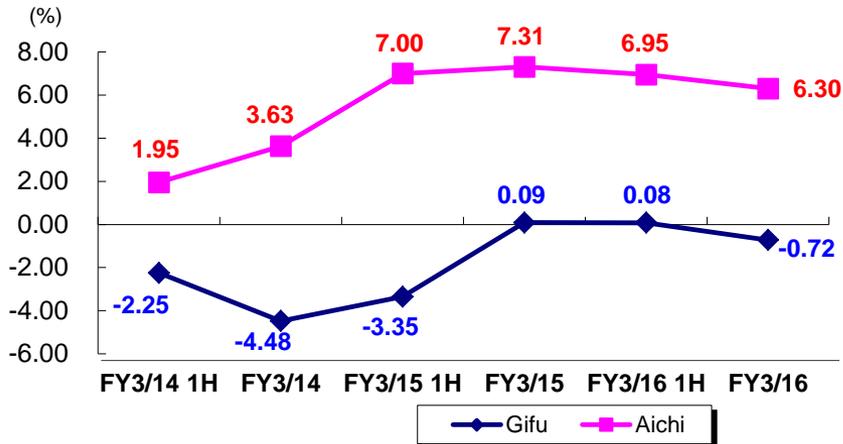
Loans by sector



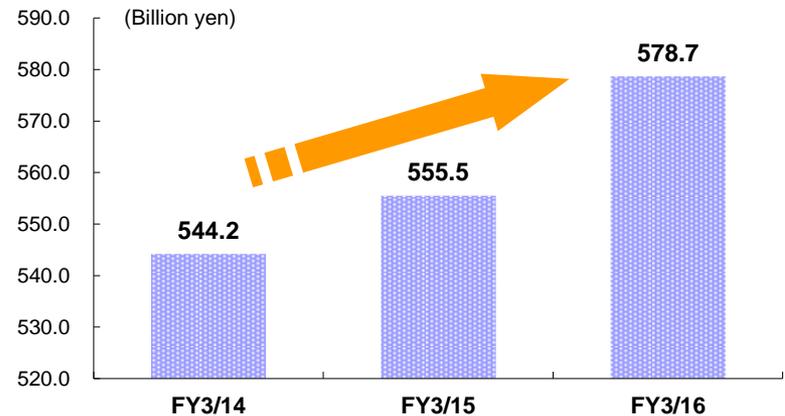
Business loans by company size (YoY change)



Loans by region (annualized growth)



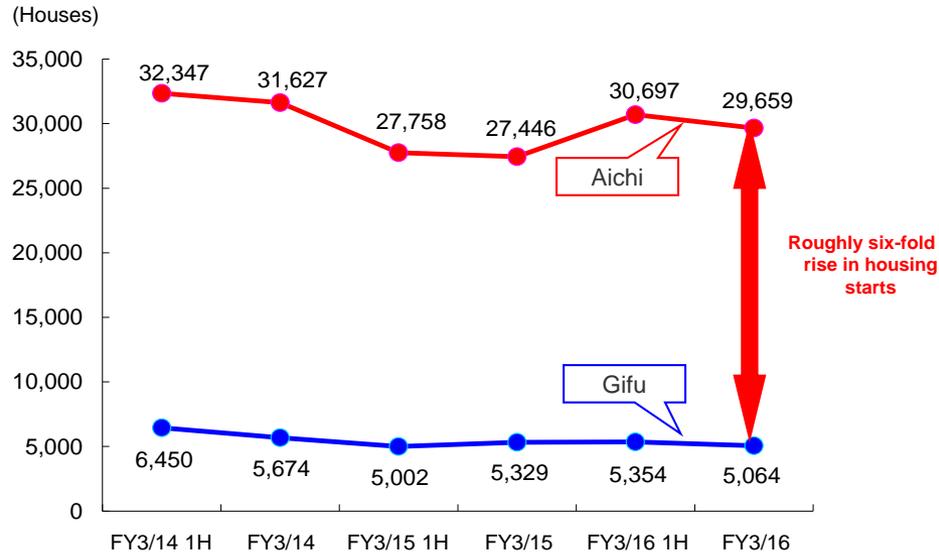
Capital investment loans to SMEs



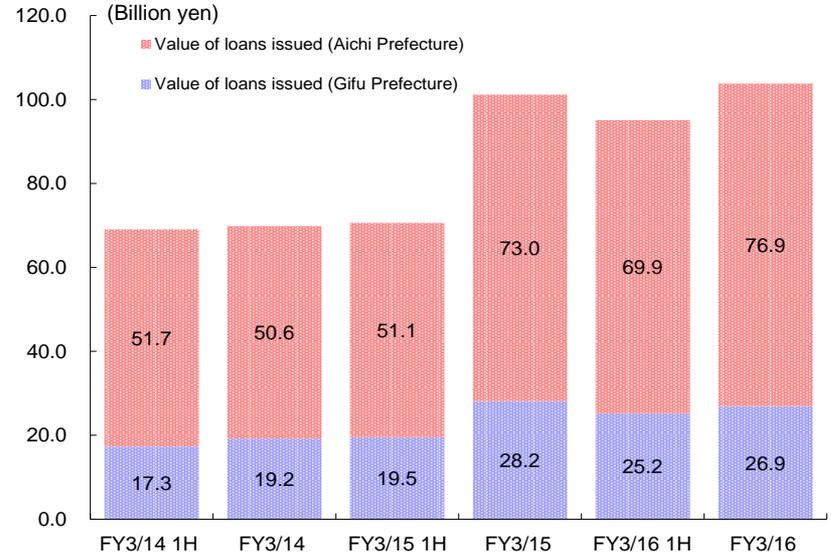
Key data (loans to individuals)



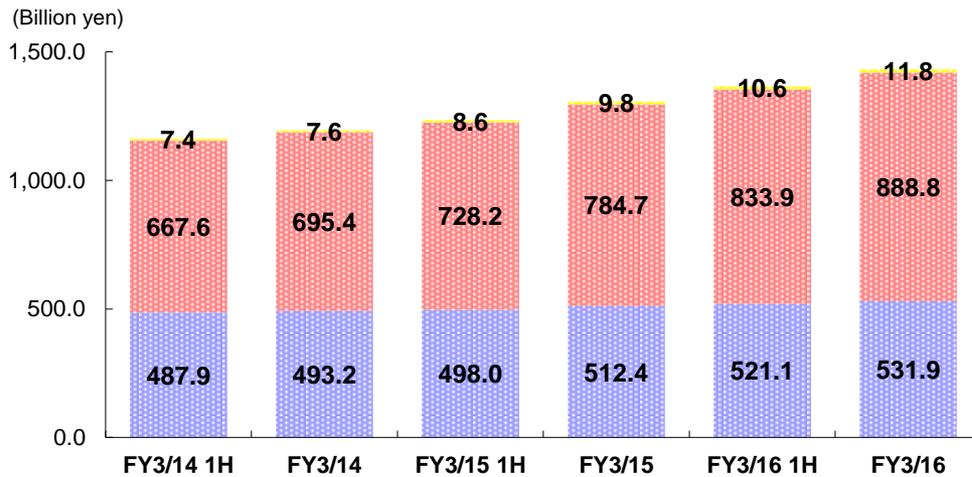
▼ Number of housing starts



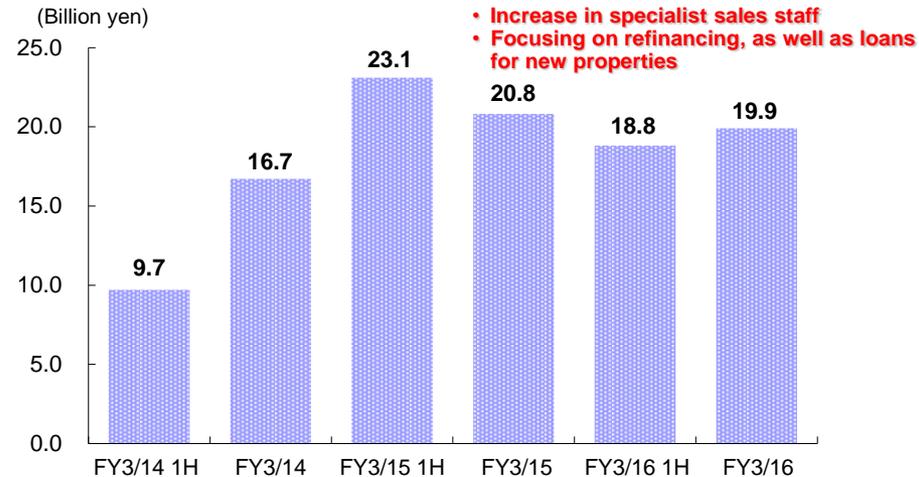
▼ Value of housing issued loans by region



▼ Housing loans by region



▼ Value of apartment loans issued

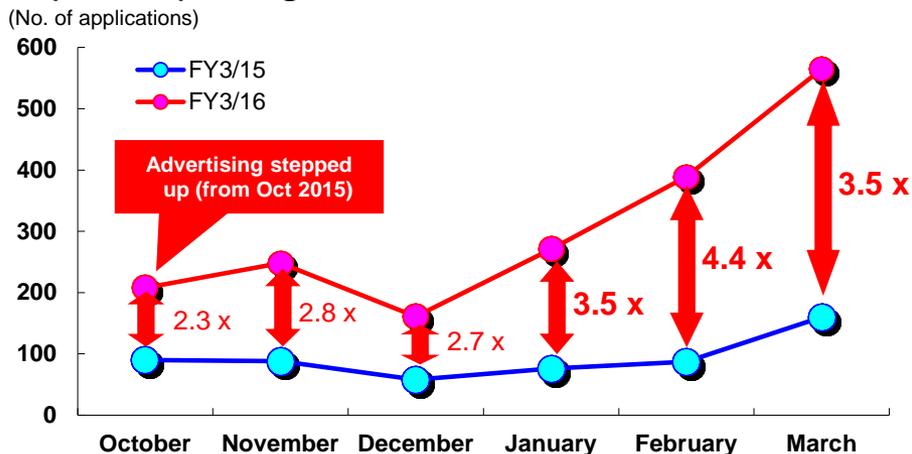


■ Gifu Prefecture (period-end balance) ■ Aichi Prefecture (period-end balance) ■ Other (period-end balance)

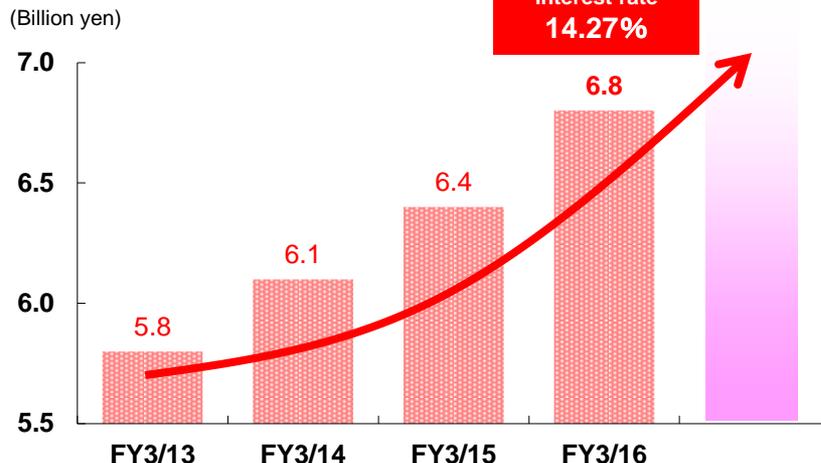
Key data (loans to individuals)

Stepping up efforts to promote high-margin unsecured term loans through virtual (low-cost) channels

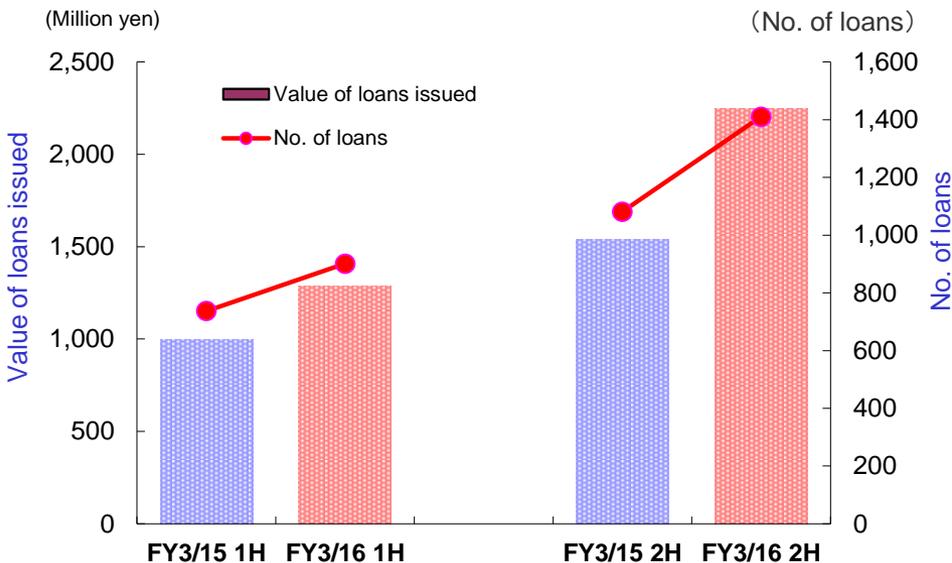
Number of applications for new credit card loans (Q-loans) through virtual channels



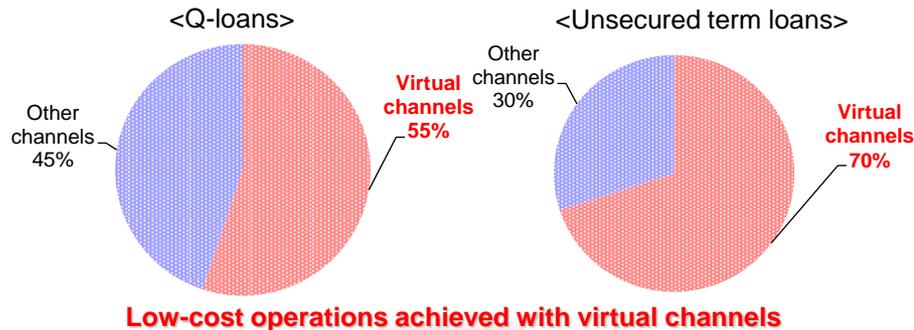
Q-loans



Unsecured term loan book



New applications by channel



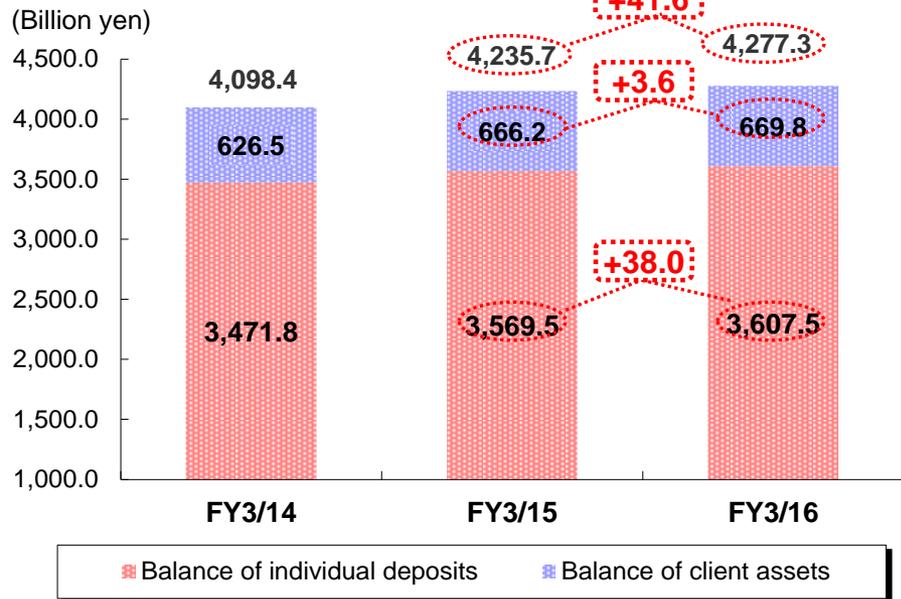
- Online media (virtual channels) mainly used for advertising
- Complete online approach introduced (loan application and contract closure all carried out online)
- Considering new credit card loan products for specific customer segments

Key data (fees and commissions)

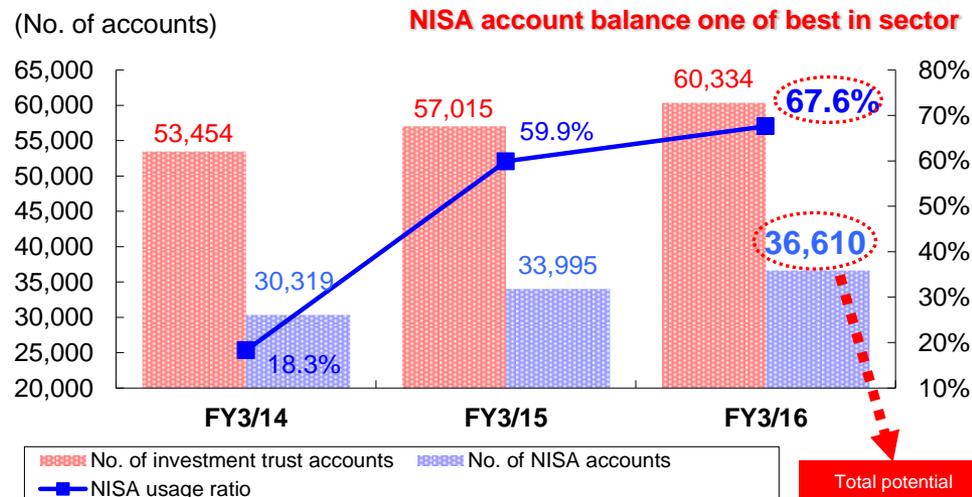


Individual client assets up ¥41.6 billion YoY to ¥4,277.3 billion as of end-Mar 2015, profits rise on efforts to promote comprehensive financial relationships with clients

Individual client assets



No. of investment trust accounts and NISA accounts / NISA usage ratio



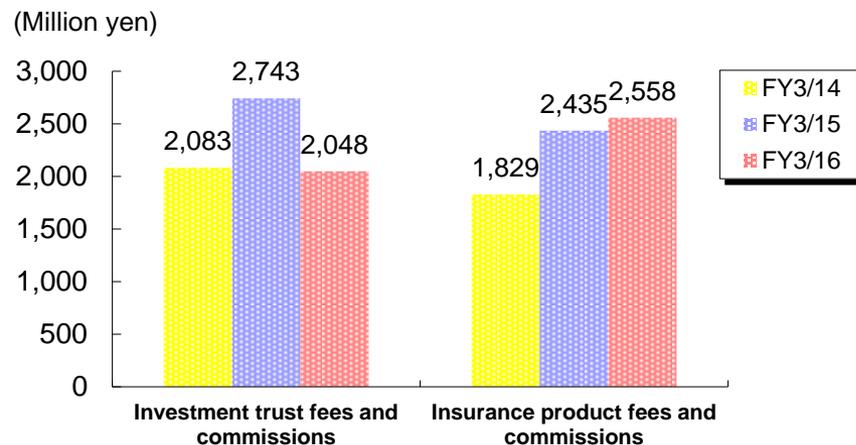
Total potential non-taxable savings amount: roughly ¥44 billion

Other client assets

(Billion yen)

	FY3/14	FY3/15	FY3/16	YoY14	YoY
	(A)	(B)	(C)	(C)-(A)	(C)-(B)
Mutual fund	153.2	186.8	176.1	22.9	-10.7
Individual annuity insurance	370.0	424.1	470.8	100.7	46.7
Public bond	103.2	55.2	22.8	-80.4	-32.4
Total	626.5	666.2	669.8	43.2	3.6

Fees and commissions from Investment trusts and insurance products



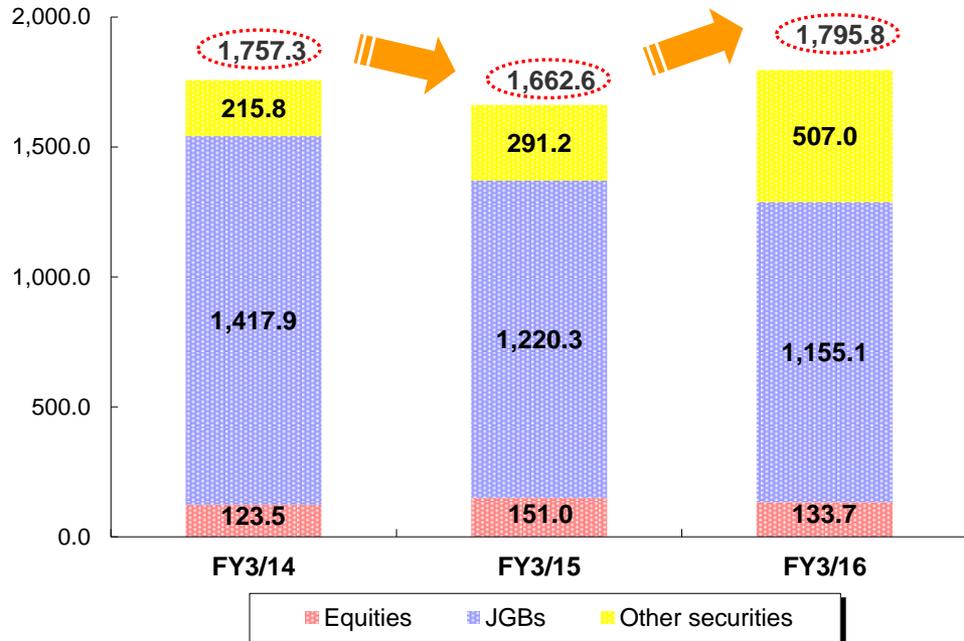
Key data (marketable securities)



Flexibly adjusting asset class allocations in response to market trends

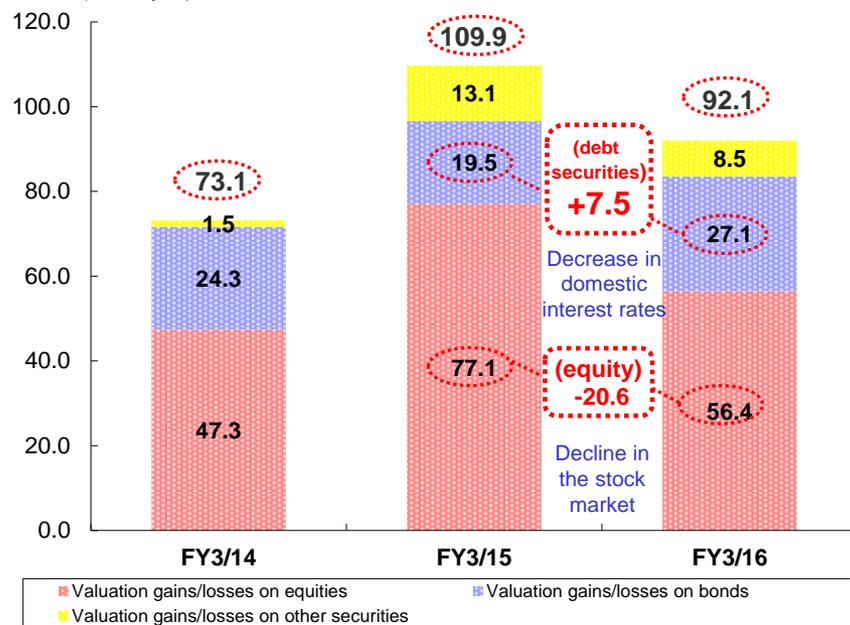
▼ Balance of marketable securities

(Billion yen)



▼ Valuation gains/losses

(Billion yen)



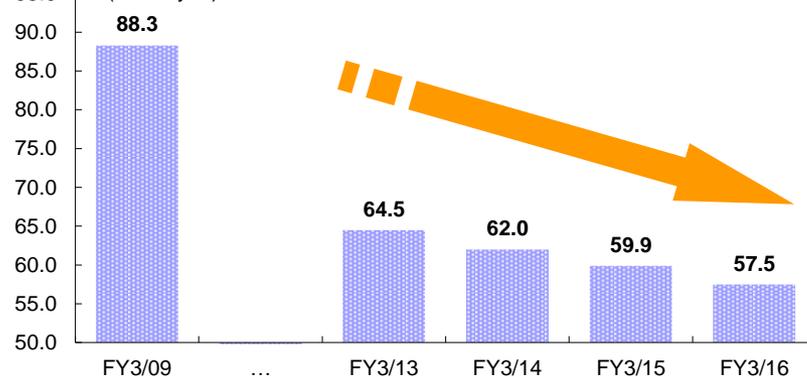
▼ Related gains/losses

(Million yen)

	FY3/15	FY3/16	Change
Gain/losses on JGBs and other debt securities	10,109	5,906	-4,203
Gains	11,073	7,643	-3,430
Losses	963	1,628	665
Depreciation	-	108	108
Gains/losses on equities	7,681	112	-7,569
Gains	7,864	1,717	-6,147
Losses	153	1,541	1,388
Depreciation	30	63	33

▼ Cross-held shares (book value basis)

(Billion yen)



Credit costs and nonperforming loans



▼ Credit costs

(Billion yen)

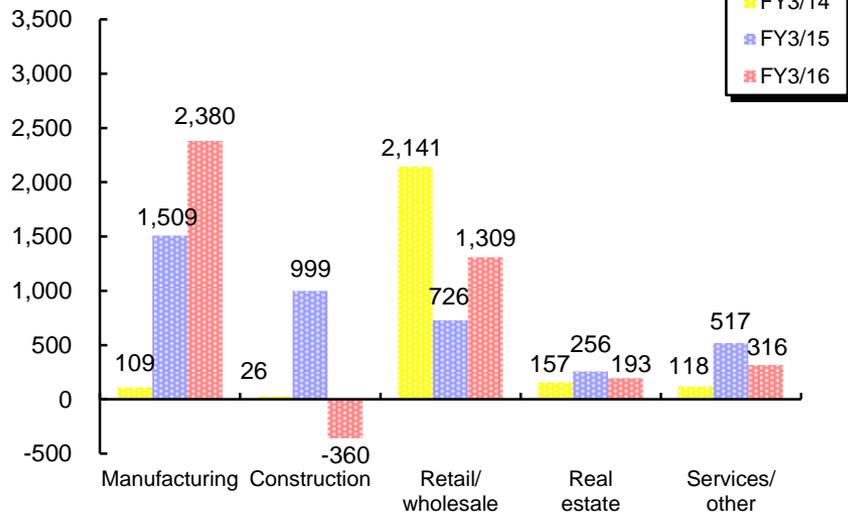
	FY3/14	FY3/15	FY3/16
Credit costs (1+2-3-4-5)	3.5	2.8	2.8
(1) Provision for general loan-loss reserves (gain on reversal)	0.4	-1.5	-1.1
(2) Write-downs of nonperforming loans	3.0	4.3	3.9
Loans written off	-	-	-
Provisions for specific loan-loss reserves	2.0	3.5	2.9
Losses on bulk sales	0.4	0.4	0.4
Other	0.5	0.3	0.6
(3) Gain on reversal of loan loss reserves	-	-	-
(4) Gain on collection of written-off loans	0.0	0.0	0.0
(5) Gain on reversal of contingent loss reserves	-	0.0	-

■ Credit costs remain low

■ Nonperforming loan ratio was 2.60% as of end-FY3/16

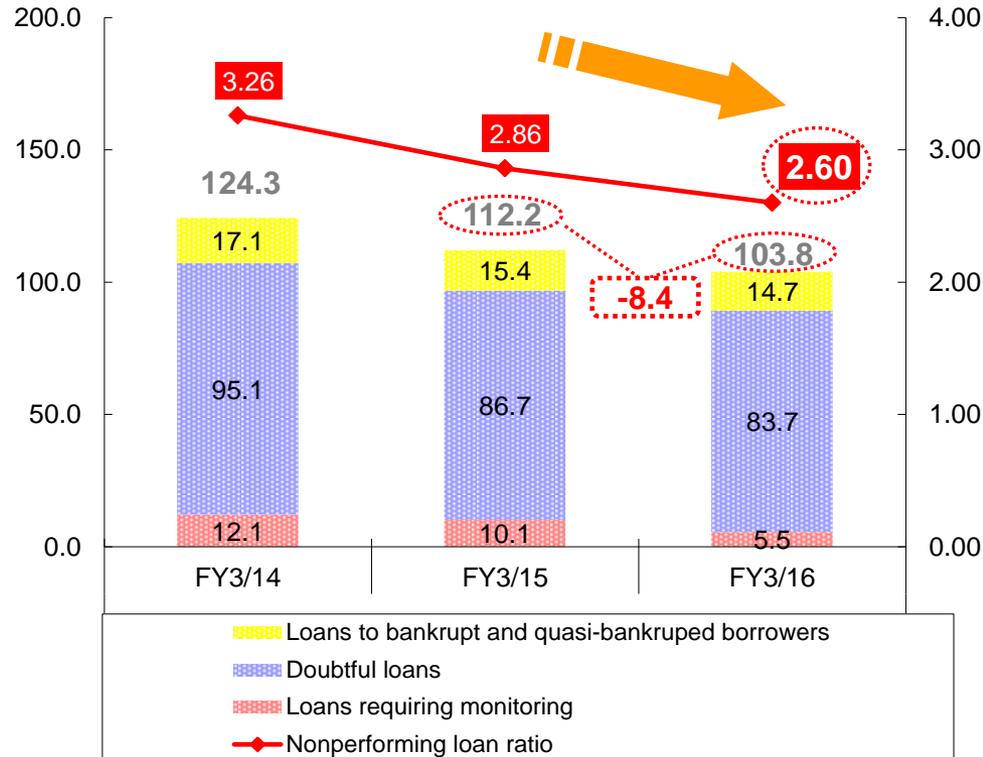
▼ Write-downs of nonperforming loans by sector

(Million yen)



▼ Nonperforming loans (Financial Revitalization Law basis)

(Billion yen)

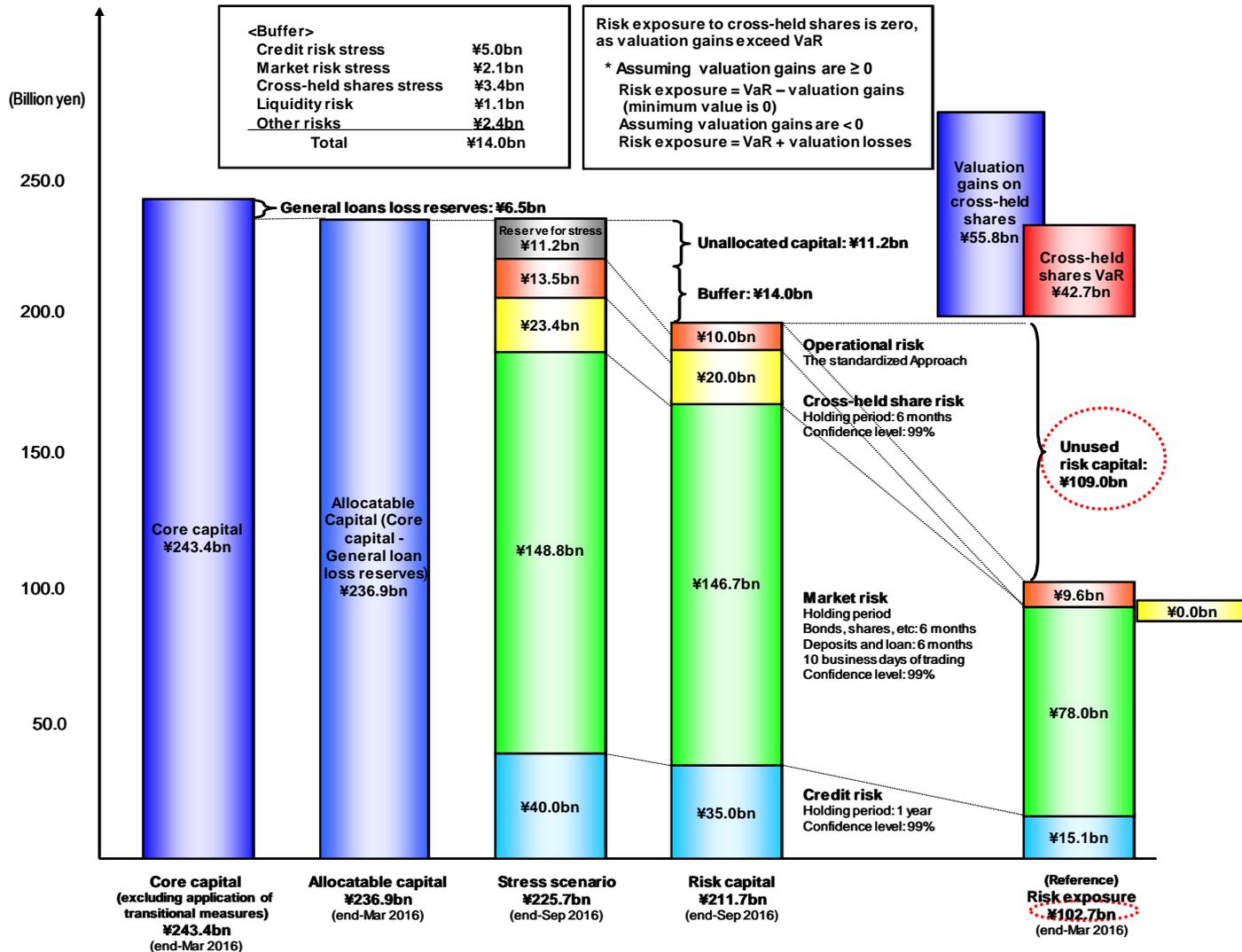


Total value at risk



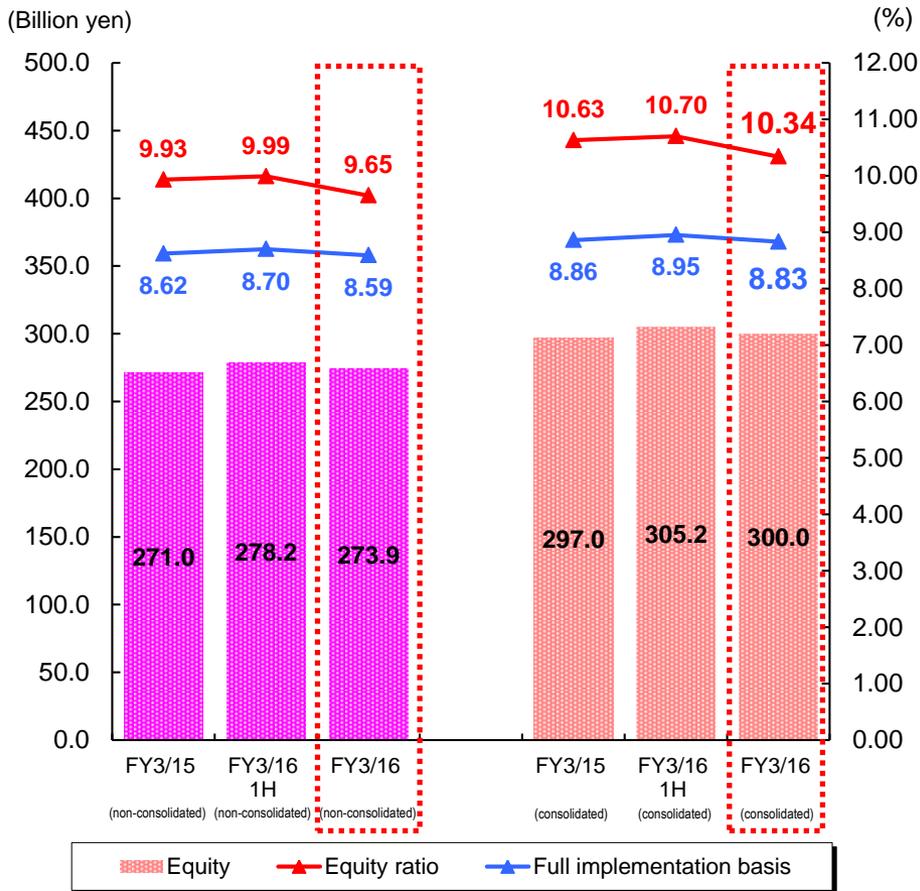
● Total value at risk exposure is currently within the parameters of Juroku Bank's management capacity (allocatable capital)

Total value at risk



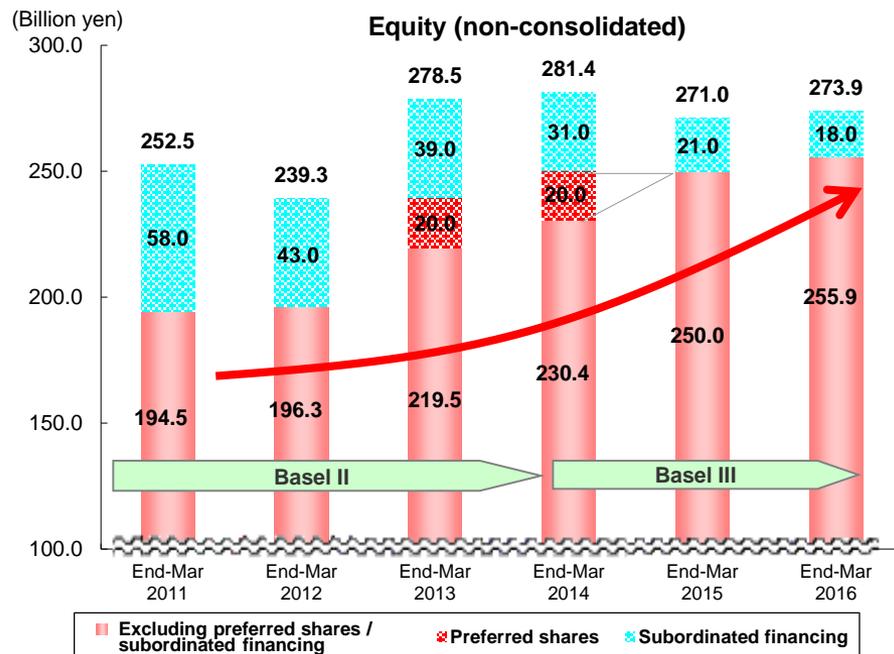
▼ Equity

- Equity ratio (consolidated) was 10.34% as of end-FY3/16, or 8.83% on a full implementation basis



▼ Improvement in quality of capital

- Over four and a half years Juroku Bank has repaid a total of ¥40 billion in subordinated loans and subordinated bonds and retired ¥20 billion in Class 1 preferred shares



▼ Dividends

	FY3/14	FY3/15	FY3/16 (forecast)
Dividend per share (full year)	¥7.0	¥8.0 (including ¥1.0 commemorative dividend)	¥7.0



FY3/17 Earnings Forecasts

FY3/17 earnings forecasts

– Consolidated and Non-consolidated –



▼ Non-consolidated

(Billion yen)

▼ Consolidated

No	Calc. formula	FY3/15 (Results)	FY3/16 (Results)	FY3/17 (Forecast)	Change (YoY)	FY3/17 (Forecast)
1	Gross operating profit [3+4+5]	80.1	71.1	69.2	-1.9	
2	(Core gross operating profit) [1-6]	(70.0)	(65.1)	(65.1)	(-0.0)	
3	Net interest income	61.4	57.2	56.8	-0.4	
4	Fees and commissions	7.6	6.8	7.3	0.5	
5	Other operating profit	11.0	6.9	5.1	-1.8	
6	Gain/losses on JGBs and other debt securities	10.1	5.9	4.1	-1.8	
7	Expenses	52.3	51.6	51.9	0.3	
8	Personnel expenses	29.0	29.0	29.2	0.2	
9	Non-personnel expenses	20.6	19.8	19.8	-0.0	
10	Taxes	2.6	2.7	2.9	0.2	
11	Net business profit [1-7]	27.8	19.4	17.3	-2.1	
12	Net core operating profit [2-7]	17.7	13.5	13.2	-0.3	
13	Net operating profit [11-15]	29.3	20.5	16.6	-3.9	
14	Credit costs [15+16-17-18-19]	2.8	2.8	4.2	1.4	
15	Provision of general loan-loss reserves	-1.5	-1.1	0.7	1.8	
16	Write-downs of nonperforming loans	4.3	3.9	3.5	-0.4	
17	Gain on reversal of loan loss reserves	-	-	-	-	
18	Gain on collection of written-off	0.0	0.0	0.0	0.0	
19	Gain on reversal of contingent loss	0.0	-	-	-	
20	Gains/losses on equities	7.6	0.1	0.4	0.3	
21	Other extraordinary gains/losses	2.2	2.3	1.0	-1.3	
22	Investment trust financing expenses	0.0	0.0	0.0	0.0	
23	Ordinary profit [11-14+20+21-22]	34.9	19.0	14.5	-4.5	17.0
24	Extraordinary gains/losses	-0.1	-0.4	0.0	0.4	
25	Net income before taxes	34.7	18.6	14.5	-4.1	
26	Total income taxes	13.2	6.3	4.5	-1.8	
27	Net income [25-26]	21.4	12.2	10.0	-2.2	*10.8

Forecasts for FY3/17

▼ Non-consolidated

Ordinary profit	¥14.5 billion
Net income	¥10.0 billion

▼ Consolidated

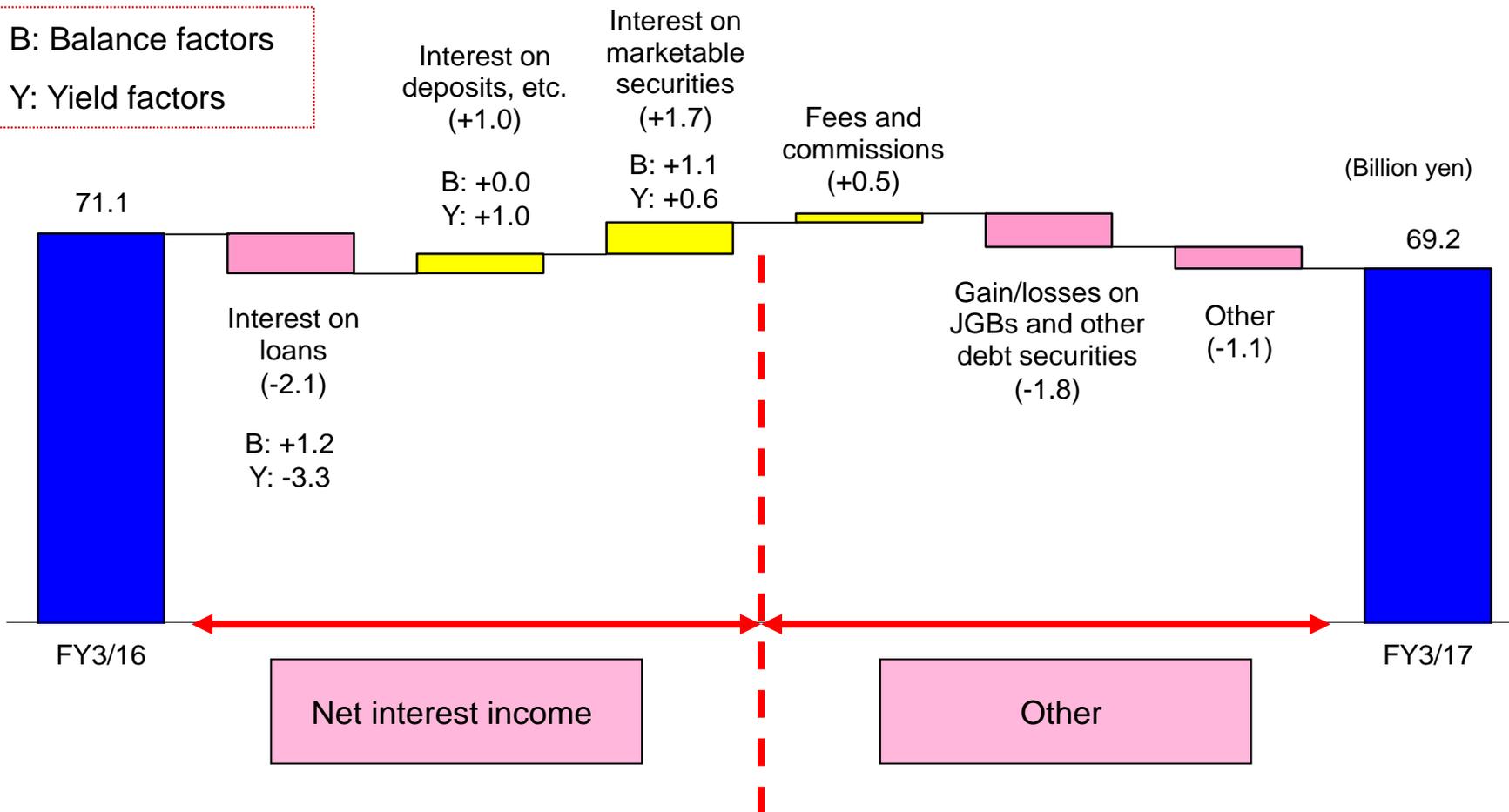
Ordinary profit	¥17.0 billion
Net income attributable to shareholders of the parent company	¥10.8 billion

* Net income attributable to shareholders of the parent company

Forecasts of factors affecting gross operating profit – Non-consolidated profit/loss –



Gross operating profit for FY3/17 is projected to decrease ¥1.9 billion YoY to ¥69.2 billion





13th Medium-term Management Plan: Progress

13th Medium-term Management Plan: current position



▼ Numerical targets

Targets		Start of plan	FY3/16 Results	Final year (end-Mar 2017)
Growth potential (customer base)	Deposit balance	¥5,155.4bn	¥5,350.2bn	¥5,600.0bn
	Number of retail borrowers	97,780	107,843	100,000 or more
Earning capability	Net income	¥12.3bn	¥12.2bn	¥10.0bn
Financial soundness	Core equity ratio (Full-implementation basis)	8.66%	8.59%	8.8% or more
	Ratio of credit cost to total loans	0.09%	0.07%	Less than 0.2%

■ Number of retail borrowers

=SME borrowers (including proprietors) + Number of housing loans and apartment loans (based on the Bank's standards)

■ Core capital ratio (full implementation basis) = $\frac{\text{Core capital (before transitional arrangement)}}{\text{Risk assets (before transitional arrangement)}}$

■ Ratio of credit cost to total loans = $\frac{\text{Credit costs}}{\text{Average loan balance}}$

Step up efforts in final year of medium-term management plan to achieve targets



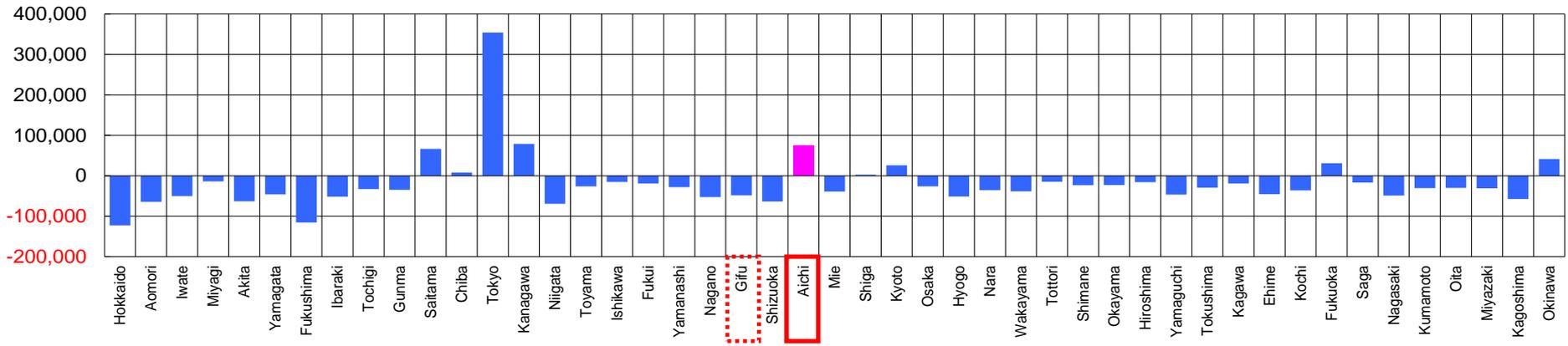
Basic Strategies

<Aichi Prefecture Strategy> Conditions in Aichi Prefecture



▼ National population census 2015: population by prefecture (preliminary data)

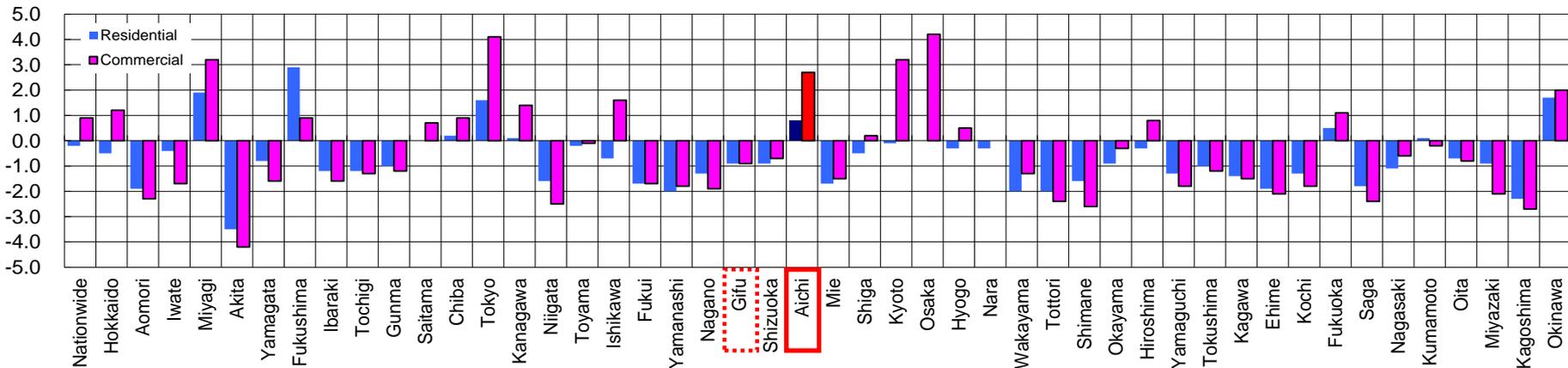
Japan's population fell for the first time since the census began in 1920, however, Aichi Prefecture's population continued to increase



Source: Juroku Bank, based on data from Statistics Bureau, Ministry of Internal Affairs and Communications

▼ Change in official land prices in 2016 by prefecture

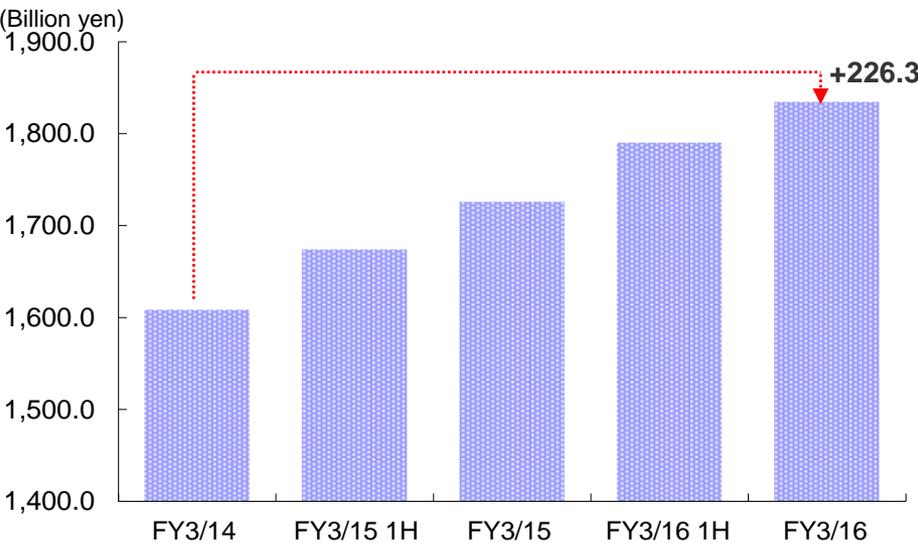
Residential and commercial land prices in the Nagoya area have risen for three consecutive years, with the increase in commercial land prices accelerating from last year



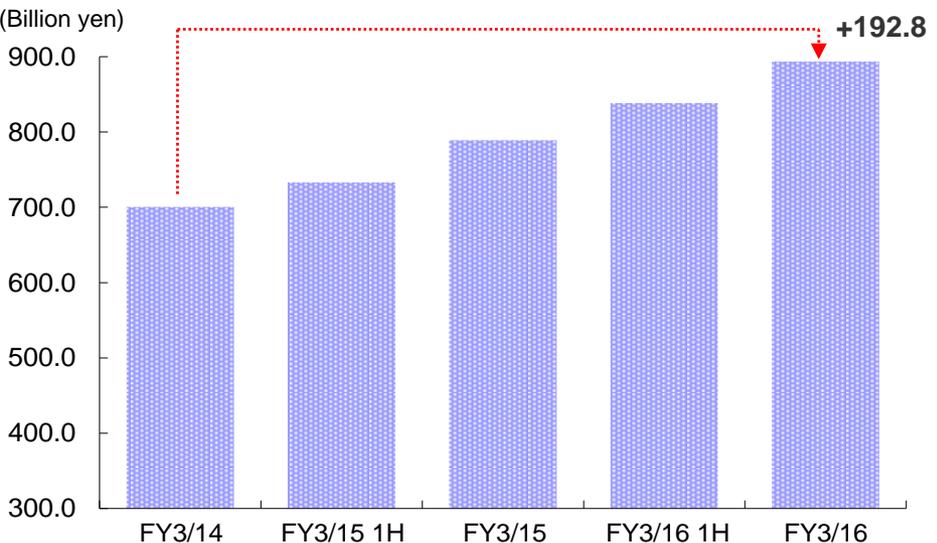
Source: Juroku Bank, based on Ministry of Land, Infrastructure, Transport and Tourism data



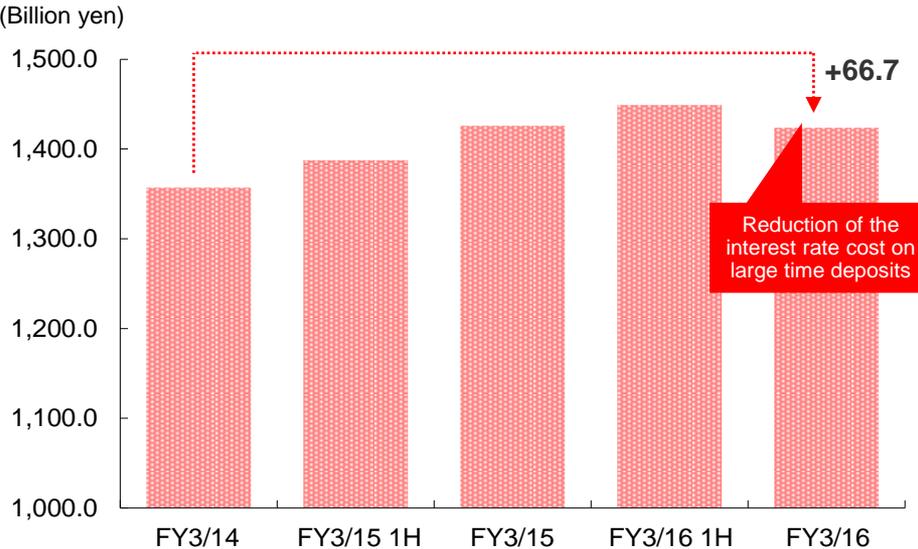
▼ Total loans (term-end balance)



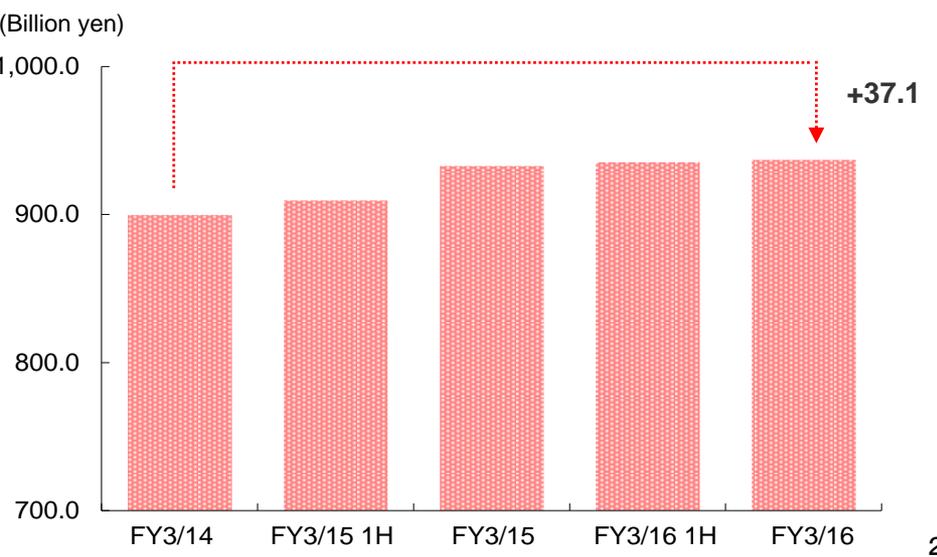
▼ Housing loans (term-end balance)



▼ Total deposits excluding certificates of deposit (term-end balance)



▼ Individual deposits (term-end balance)



- ▼ First branch focused exclusively on individual customers opened in Aichi Prefecture; also open for business on Saturdays

Okazaki Hane branch



Expanding our branch network to get closer to customers



<Our network in Okazaki city>

▼ **Growth in our Aichi Prefecture branch network**



<Opening ceremony>



<Branch interior>

	FY3/11 (A)	FY3/16 (B)	Change (B)-(A)
No. of branches	39	51	➔ +12
No. of ATMs	125	178	➔ +53

<Our initiatives as a regional financial institution> Revitalizing the regional economy



Support for business creation / new businesses

- > Regeneration Support Project Team formed (June 2015)
- > Regeneration support fund NOBUNAGA First Stage established (July 2015)
- > New business plan grants provided via NOBUNAGA 21 (February 2016)

<No. of consultations and business startup funding provided>

2015	No. of consultations	No. of loans provided	Amount
1H	48	19	¥113 million
2H	97	37	¥198 million
Full year	145	56	¥311 million

Growth fields

- > Manufacturing sector (automotive, aerospace, medical equipment)
Supplier search services provided (reverse trade fair meetings)

<Number of fairs held between FY3/12 and FY3/16>

Meetings: 134 Consultations: 2,012

- > Medical sector (healthcare, nursing care)
Medical sector support team (4 staff) worked
<No. of loans>

FY3/15: ¥10.3 billion FY3/16: ¥12.1 billion

Roughly 200 consultations each year

Business matching

- > Using our intelligence gathering network to support the needs of businesses, such as helping to expand sales channels and markets
<Fees and commissions received>

FY3/15: ¥88 million FY3/16: ¥68 million

Business succession / M&A

- > Private banking desk provides one-stop consulting services for business succession and asset inheritance

<No. of consultations>

FY3/15: 376 FY3/16: 569

- > Juroku Bank wins top Bank of the Year award from Nihon M&A Center (June 2015)

Country

Comprehensive Strategy for the Creation of Communities, People and Jobs

Municipalities

Comprehensive Regional Strategies

Support for the tourism sector

- > Currency exchange bureau opened ⇒P28
- > Ayu of the Nagara River System officially recognized as a globally important agricultural heritage system (April 2016)

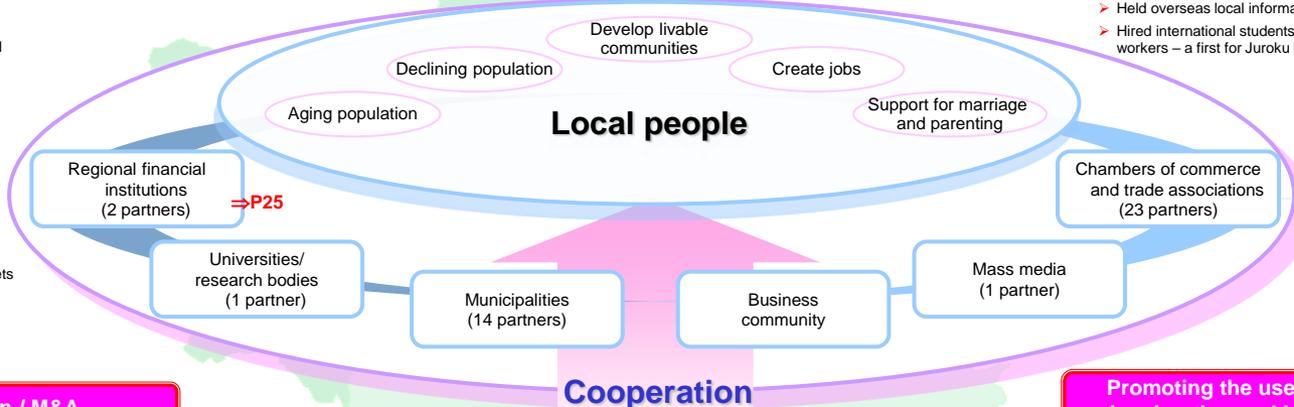
Food sector

- > Two specialist staff assigned to this sector
- > Invested in an agricultural and food processing businesses through the Juroku Business Transformation Fund ⇒P29
- > Held the Regional Bank Food Selection 2015 Fair with partners (November 2015)

Support for companies moving into overseas markets ⇒P30

- > Expanding our overseas network
- > Signed partnership agreement with the Hong Kong Trade Development Council (January 2016)
- > Held overseas local information briefings (October 2015, April 2016)
- > Hired international students based in Japan for our comprehensive workers – a first for Juroku Bank

Revitalizing the regional economy



Figures in brackets show number of partners that had signed partnership agreements with Juroku Bank as of April 22, 2016

Promoting the use of vacant housing, immigration and long-term residency

- > Signed a partnership with Gifu Prefecture to promote immigration and long-term residency (June 2015)
- > Started offering loans to help people renovate or demolish vacant homes (June 2015)
- > Joined up with the Japan Housing Finance Agency to offer reverse - mortgage type housing loans (November 2015)

Our role

Help to revitalize the region by driving a positive growth cycle in the regional economy

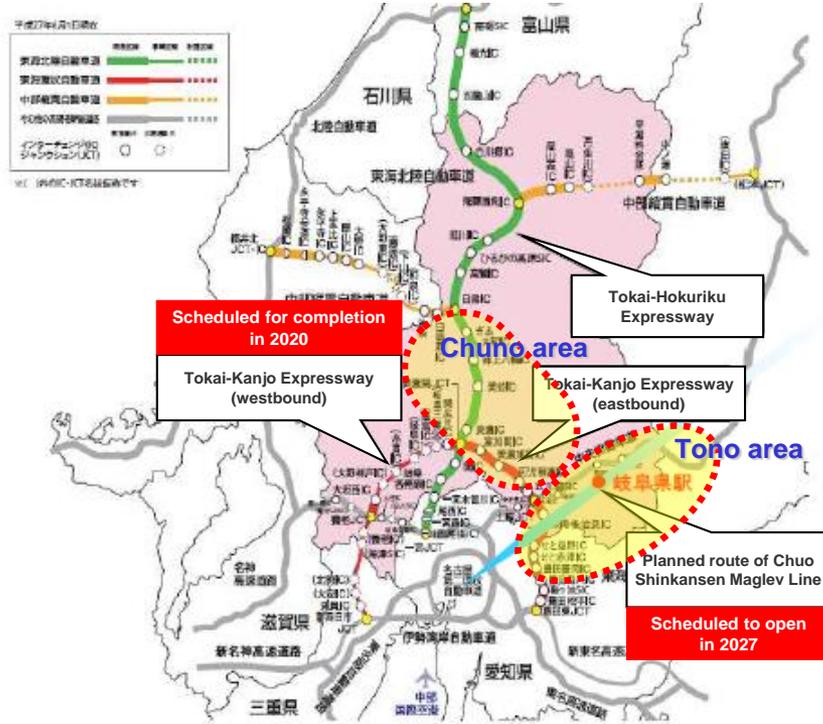


十六銀行

<Our initiatives as a regional financial institution> Cooperating with other financial institutions regardless of business categories



▼ Transportation links set to improve in the Chuno and Tono areas of Gifu Prefecture



First partnership agreement with a credit union for a regional bank in the Tokai area

<Comprehensive partnership agreement signed with The Tono Shinkin Bank to revitalize the local area>

Juroku Bank and the Tono Shinkin Bank signed a comprehensive partnership agreement on March 7, 2016 aimed at revitalizing the local economy. Under the agreement, the partners will work to resolve issues faced by communities in the Tono area of Gifu Prefecture and regenerate the local economy by bringing together the Tono Shinkin Bank's support network at the grass-roots level with Juroku Bank's branch network in Gifu and Aichi prefectures and its overseas network.



Ref: Juroku Bank press release, March 7, 2016

First partnership agreement with JA for a regional bank in the Tokai area

<Partnership agreement signed with JA Megumino to strengthen regional regeneration through support for agriculture>

Juroku Bank and JA Megumino signed a partnership agreement on March 24, 2016 aimed at reenergizing the regional economy through support for agriculture. Under the agreement, the partners will work to tackle issues faced by the agricultural sector in the Chuno area of Gifu Prefecture, in line with the Comprehensive Strategy for the Creation of Communities, People and Jobs.



Ref: Juroku Bank press release, March 24, 2016



<Mino Ware from the Tono area>



<Agriculture is the ultimate local industry>

<Our initiatives as a regional financial institution> Helping to strengthen local brands



Helping local industry access cloud funding

<The new standard in Cool Biz clothing – Gifu shirts made from 100% Mino washi – a project to change Japanese summers>



<Gifu Cool Biz shirt made from 100% Mino washi thread>

Mino washi (Japanese paper) has been recognized as an intangible cultural heritage of humanity by UNESCO



<Mino washi is crafted using handmade techniques>

Gifu Chamber of Commerce and Industry and Juroku Bank launched a new project on the Makuake cloud funding site operated by CyberAgent Crowd Funding, Inc., which became a Juroku Bank business partner in March 2016.

<Organizer> Gifu Shirt Project (four Juroku Bank corporate customers)

Ref: Juroku Bank press release, April 21, 2016



2017 marks the 450 anniversary of Oda Nobunaga's entry into Inabayama Castle and his renaming of the castle and area as Gifu.

<Oda Nobunaga's battle coat is used as the design motif>

Supporting community development through cloud funding

<Cloud funding project to open Nagaragawa Department Store Minatomachi – specialty store in 100-year old town house in Kawaramachi, Gifu>

This project aims to secure funds to renovate an old townhouse in the traditional quarter of Kawaramachi, Gifu. Once completed, the store will mainly sell local products from the Gifu and Nagaragawa area.

Juroku Bank is working to diversify fund procurement sources, promoting the opening of the store and implementing initiatives that will attract people to the store while also boosting local tourism.



Ref: Juroku Bank press release, April 21, 2016

Partnership with local university

<Highlighting the appeal of the Gifu area to help develop local businesses and human resources>

Juroku Bank and the President of Gifu University, Hisataka Moriawaki, held a wide-ranging discussion on April 24, 2016 about initiatives to revitalize the region. Discussions focused on ways of creating local companies that appeal to young people who want to work in the area, promoting exciting local companies, and cultivating human resources that can flexibly adapt to change.



Source: Gifu University website

▼ Branch in Branch system introduced – first in Gifu Prefecture

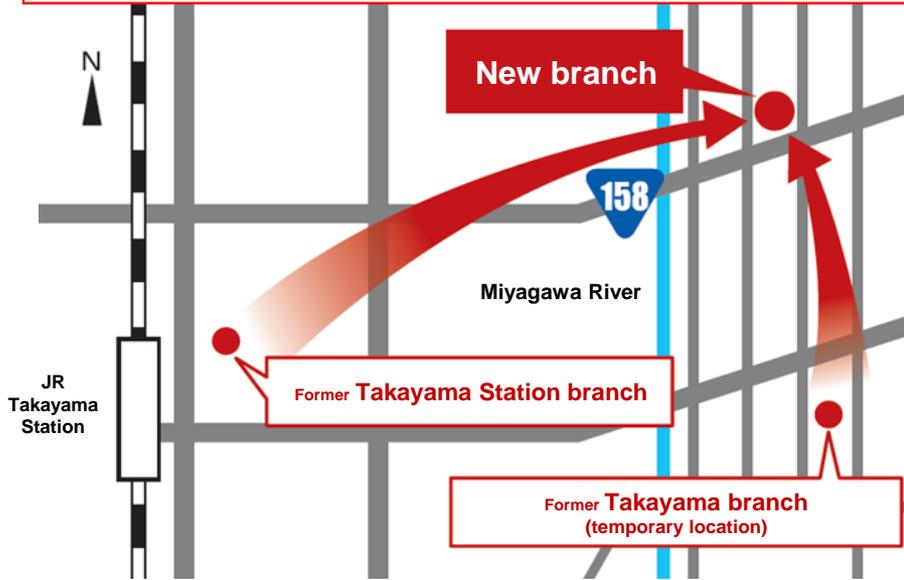
Takayama branch and Takayama Station branch

Merits for Juroku Bank
Integration of bank staff can create a highly efficient and productive sales system

Merits for customers
Customers can continue to use existing bank books, IDs and cards, as there is no change to branch numbers, names or account numbers due to the relocation of the former branches



Relocated and opened Apr 11, 2016



<New Takayama branch/Takayama Station branch>

New branch located near Takayama tourist spots



<Opening ceremony>



<Branch interior>



<Statue of Saru-bobo (monkey baby) doll in front of the branch>



<Old town directly to the south of the relocated branch>

Support for the tourism sector



▼ Money exchange bureau and relocated Takayama branch/Takayama Station branch opened

A first for regional banks in the Tokai area

Located in Active G retail facility, JR Gifu Station
Money exchange bureau



Opened April 7



Currencies handled

19 通貨

US dollar	Euro	Australian dollar
Canadian dollar	British pound	Swiss franc
New Zealand dollar	Swedish krona	Danish krone
Chinese yuan	South Korean won	Taiwanese dollar
Hong Kong dollar	Singaporean dollar	Thai baht
Indonesian rupiah	Malaysian ringgit	Philippine peso
Vietnamese dong		

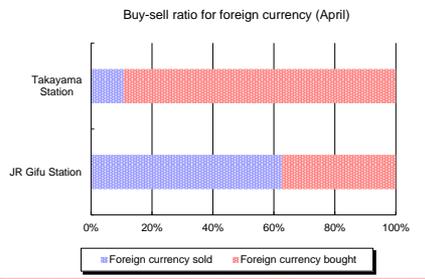
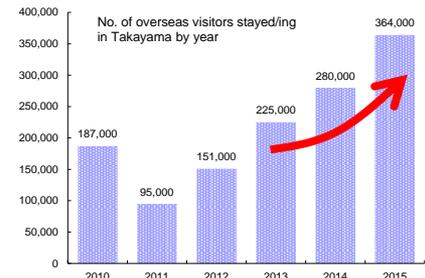


A first for regional banks in the Tokai area

Money exchange bureau in front of Takayama Station
Money exchange bureau



Opened April 11



<Our initiatives as a regional financial institution> Support for the food sector



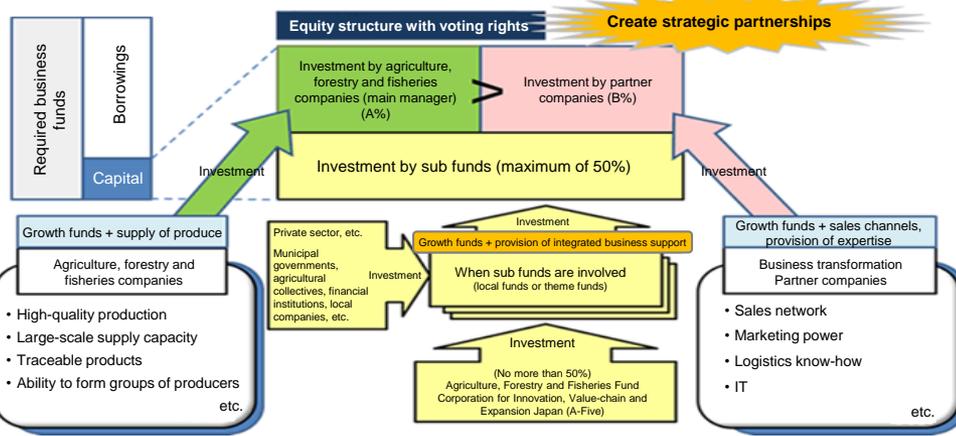
▼ Solving management issues through business transformation

What is the Juroku Business Transformation Fund?

■ Fund overview

Name: Juroku Business Transformation Fund Investment Business Limited Partnership
Target: Business entities transforming their operations
Manager: Juroku Lease

Business entities transforming their operations



■ Merits of using the fund

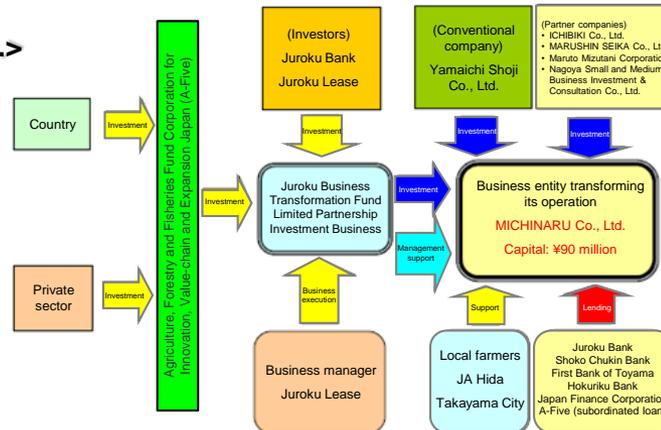
1. Major business projects possible with small amount of own funds
2. Mitigates business risk
3. Creates long-term partnerships with companies in other industries
4. Stable and strategic shareholder base
5. Improvement in business creditworthiness

Third investment project

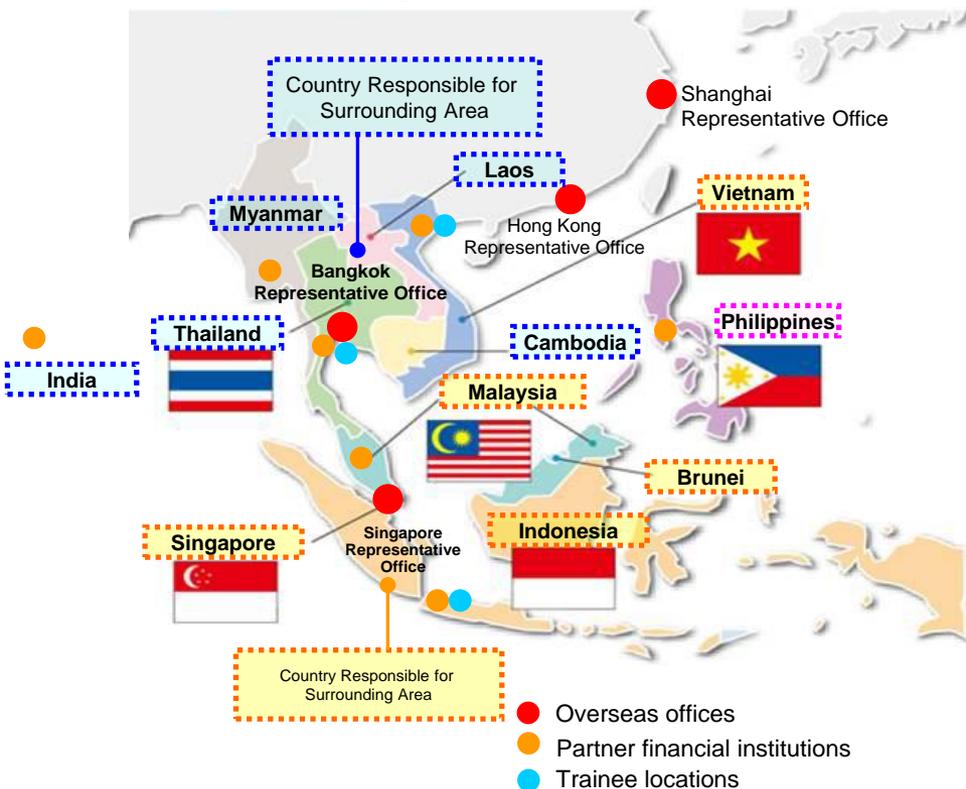
<Investment in MICHINARU Co., Ltd.>

MICHINARU Co., Ltd. aims to help revitalize the local economy by expanding sales channels and raising the brand visibility of local agricultural produce in the Hida area. Specifically, the company is working to stabilize income from agriculture and to recruit and develop personnel who get engaged in agriculture through more efficient farming methods that prevent waste, such as finding commercial uses for B-grade spinach and off-cuts that would usually be thrown away.

Ref. Juroku Bank press release, March 28, 2016



▼ Juroku Bank's network covers the whole ASEAN region



▼ No. of clients with presence in overseas markets – by country

(as of end-Mar 2016)

Country	No. of clients	Country	No. of clients
China	532	Malaysia	44
Hong Kong	71	Philippines	42
India	32	Singapore	44
Thailand	240	Myanmar	11
Indonesia	94	ASEAN (other countries)	13
Vietnam	114	Subtotal for ASEAN countries	602
		Total	1,237

Strengthening support for customers moving into Asia

<Juroku Bank and Hong Kong Trade Development Council sign partnership>



In January 2016, Juroku Bank signed a memorandum of understanding with the Hong Kong Trade Development Council to help corporate customers expand their overseas sales channels and provide them with trade and investment information. This agreement will allow Juroku Bank to help its customers create new businesses overseas and support the revitalization of the regional economy.

Ref: Juroku Bank press release, January 18, 2016

Providing the latest information about overseas markets

<Overseas local information briefings>

In April 2016, the heads of our representative offices in Shanghai, Hong Kong, Singapore and Thailand attended a briefing to pass on the latest information gleaned from their contacts with numerous local customers and business associates. Based on this intelligence, they talked about the challenges of doing business in overseas markets, overseas strategies for Japanese companies and ways of expanding sales channels in local markets.

Ref: Juroku Bank press release, April 11, 2016



Hiring more international graduates

<First hired international students as comprehensive workers>

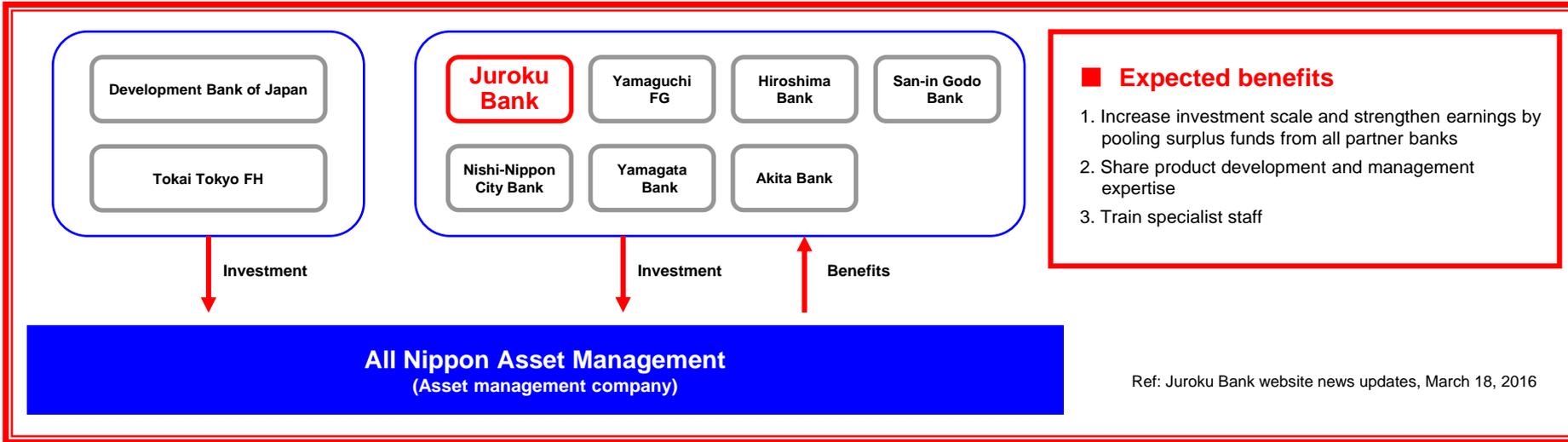


In April 2016, Juroku Bank hired its first ever international students based in Japan for our comprehensive workers. We hope these graduates will provide support for our customers moving into overseas markets and work in other areas such as addressing inbound demand.

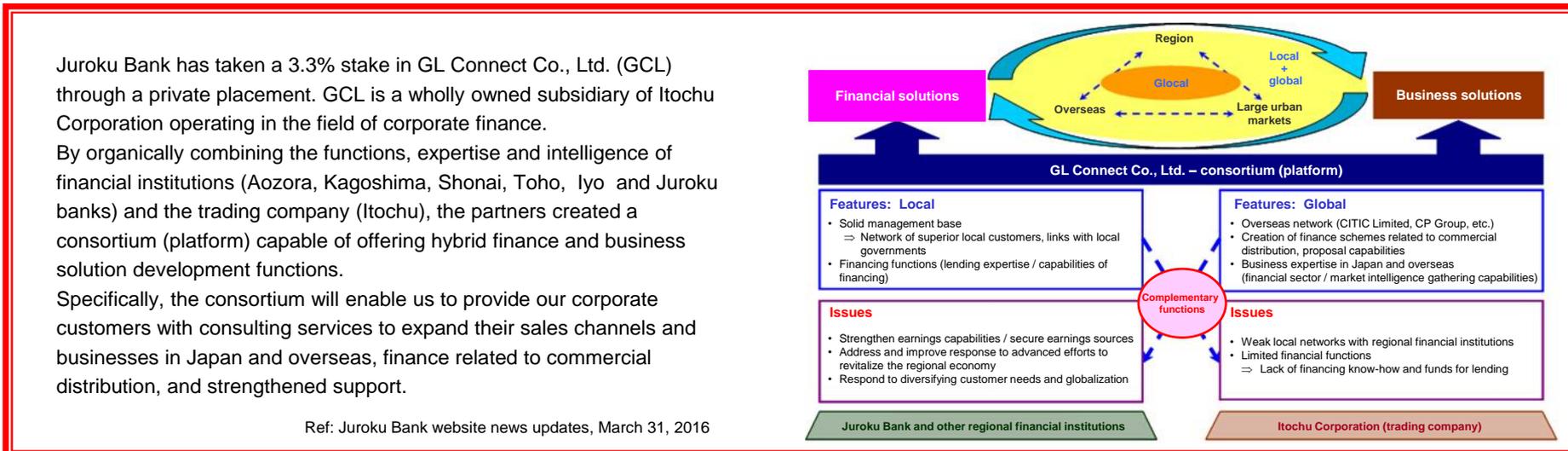
Ref: Juroku Bank press release, April 1, 2016



Seven regional banks have invested in an asset management company



With Itochu and Aozora Bank, five regional banks formed capital alliance to develop consortium



▼ Shine Nadeshiko Project ideas became a reality

* Juroku Bank's Shine Nadeshiko Project was launched by the female project team in December 2014. The project aims to create a working environment where women can reach their full potential and formulate a unique Juroku Bank action plan to support women in the workplace.

輝く女性
応援会議
すべての女性が輝く社会へ

➢ Parenting leave support program	Introduced March 2016
➢ Half-day annual holiday scheme	Introduced April 2016
➢ Retiree rehiring system	Introduced April 2016
➢ Onsite childcare facilities	Opened April 2016



<Onsite childcare facilities: Juroku Smile Room>



Act on Promotion of Women's Participation and Advancement in the Workplace: First regional bank in the Tokai area to be awarded Eruboshi certification

Under a new system introduced on April 1, 2016, the Minister of Health, Labour and Welfare awards certification to companies that develop action plans to promote the active involvement of female employees in their workplaces, in line with the goals of the Act on Promotion of Women's Participation and Advancement in the Workplace.

Eruboshi certification has three levels based on criteria such as average length of service and the ratio of women in management positions. Juroku Bank's efforts to improve its performance in all evaluation criteria helped it secure level-three certification, the highest level.



▼ Enhancing engagement between customers and us

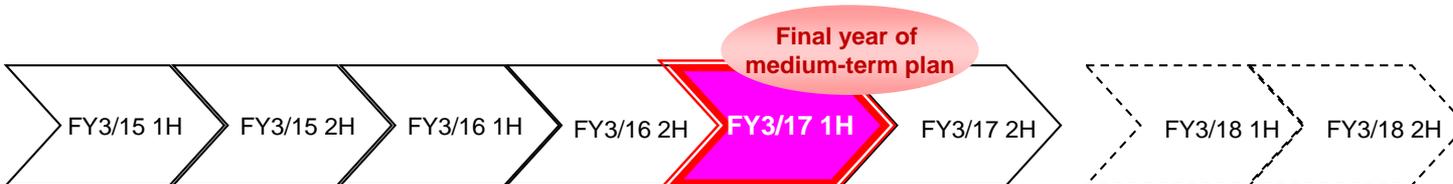
13th Medium-term Management Plan

- Reform our awareness and actions to ensure an uncompromising focus on the customer
- Return to our roots as a regional financial institution
- Implement a growth strategy focused on our Aichi Prefecture Strategy

Next Medium-term Management Plan

Long-term vision

Truly reliable regional financial institution with sustainable growth potential



- Engagement First
- Business reforms

<New executive officer system introduced>

1. New system introduced, managing executive officer newly established
2. Individual executive officers appointed from among managing executive officers to take responsibility for specific regions in order to strengthen contact with local customers

140th anniversary of Juroku Bank (October 1, 2017)

Awareness reform

Enhancing on-site strength

Action reform

Enhancing organizational strength

Insight

Issues to be addressed

- Narrowing loan-deposit spread
- Reduce operating costs further
- Address intensifying competition

February 2016

Bank of Japan introduced negative interest rate policy

Changes in regional bank business environment

- Risk of contraction in regional economy
- Changing business model

We would like to thank you all
for your attention.

All For Your
Smile

こころにひびくサービスを

