

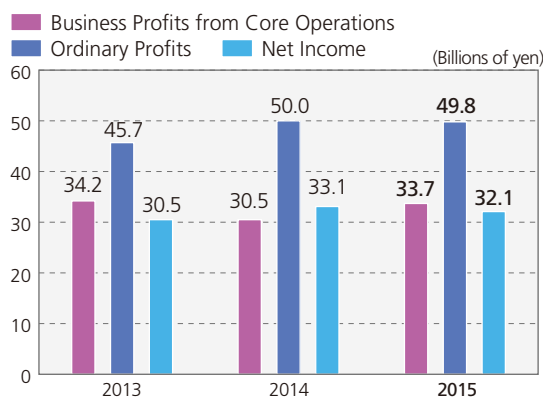
# Performance Highlights (YMFG)

## Performance during the fiscal year ended March 31, 2015

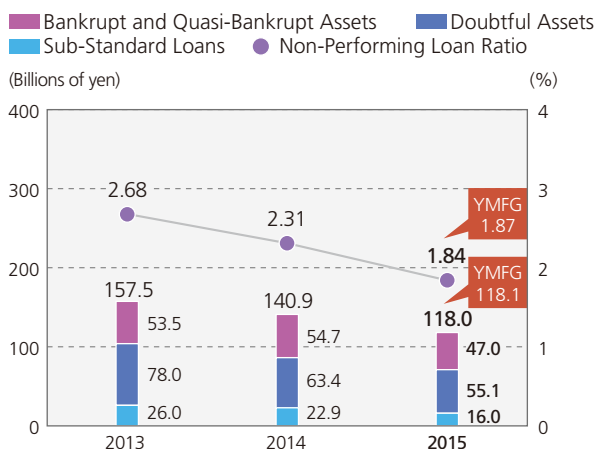
### Business Profits from Core Operations/ Ordinary Profits/Net Income (Three Banks)

Business profits from core operations increased ¥3.2 billion year on year, to ¥33.7 billion. This outcome stemmed from higher interest income and a decrease in expenses compared with the previous fiscal year.

Ordinary profits decreased ¥0.2 billion, to ¥49.8 billion, and net income amounted to ¥32.1 billion.

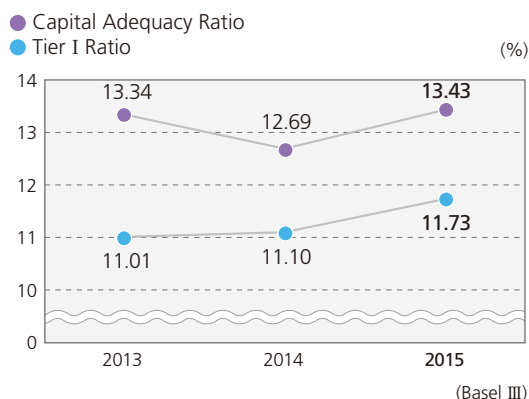


### Non-Performing Assets Based on the Financial Revitalization Law (Three Banks)



### Capital Adequacy Ratio (YMFG)

YMFG's consolidated capital adequacy ratio (uniform international standard) under Basel III was 13.43%. The total Tier 1 capital adequacy ratio was 11.73%, and consolidated common equity Tier 1 capital adequacy ratio was 11.73%.



### Capital Strategy (Euro-dollar convertible bonds issued and Repurchase own shares)

Euro-dollar convertible bonds issued (Mar. 2015)

- Amount \$300 million
- Maturity 5 years
- Coupon Three-month U.S. dollar LIBOR -0.5% (however, with 0% as minimum)
- Objective

To meet the growing needs of the Group's corporate customers as they move into overseas markets and expand their businesses and transactions overseas, YMFG aims to augment its foreign-denominated lending. We have issued these convertible bonds to facilitate stable U.S. dollar fundraising.

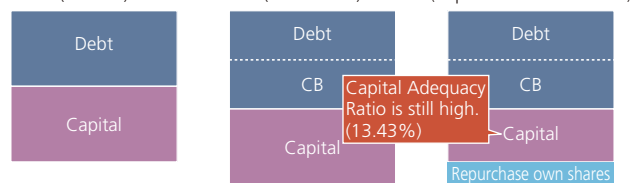
By attaching contingent conversion and call conditions, we aim to restrain convertibility to common stock, thereby providing a debt product that gives ample consideration to existing shareholders. Rather than being zero-coupon, the bonds have a variable interest rate to further restrain potential dilution.

Purchase of treasury stock (Mar. 2015)

- Amount 10 million shares
- Objective

To offset the impact of dilution by raising capital efficiency.

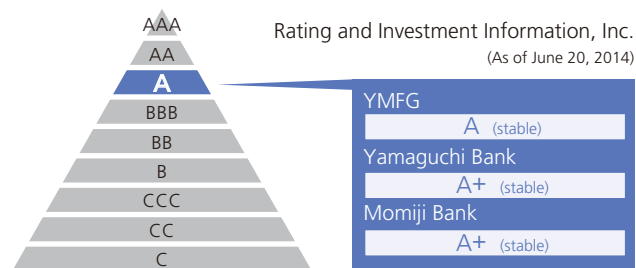
Diagram of scheme (Before)



Lowering funding cost of U.S.\$ with minimizing dilution shareholder value

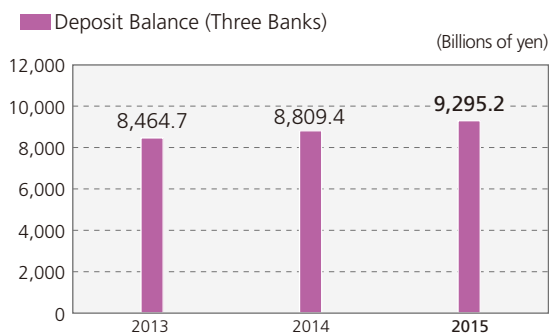
## Ratings for YMFG, Yamaguchi Bank and Momiji Bank

Ratings for the Group companies were A (stable) for YMFG, A+ (stable) for Yamaguchi Bank and Momiji Bank.



## Deposit Balance (Three Banks)

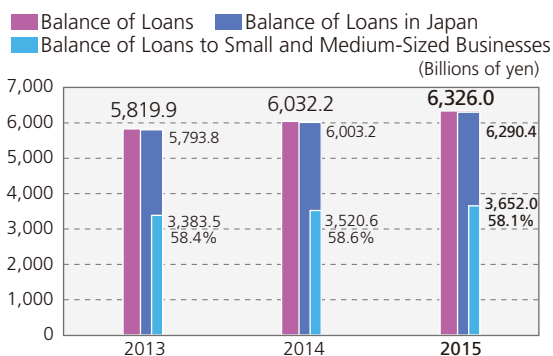
The total deposit balance at term-end was ¥8,522.7 billion, or ¥9,295.2 billion including Negotiable Certificates of Deposit (NCDs). This came about because of the expansion of products and services and steady marketing efforts based on solid community relationships.



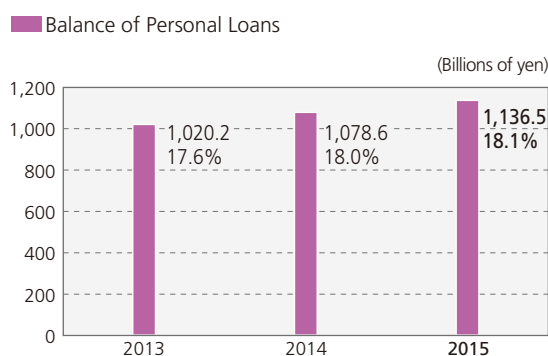
Note: The deposit balance includes the NCD balance.

## Balance of Loans/Balance of Personal Loans (Three Banks)

The balance of loans at term-end was ¥6,326.0 billion, as a result of active efforts to live up to the trust placed in us by our customers by meeting healthy demand for funds.



Note: The percentages of loans to small and medium-sized businesses and personal loans are calculated on the basis of the balance of loans in Japan.



## Dividend Policy (YMFG)

We have continued to provide stable dividends to our shareholders while securing profits and reinforcing financial health to maintain our credit strength.

In the year ended March 31, 2015, the dividend per share at term-end was ¥7. Combined with the interim dividend of ¥7 per share, the full-year dividend amounted to ¥14 per share.

	FY2012	FY2013	FY2014	FY2015 (Forecast)
Annual dividend per share	12.0	13.0	14.0	15.0
(Interim dividend)	(6.0)	(6.0)	(7.0)	(7.0)

(Yen)

## Expected Performance for the Fiscal Year Ending March 31, 2016 (YMFG)

YMFG aims to achieve its consolidated ordinary profits of ¥50.0 billion and profit attributable to owners of parent of ¥31.5 billion.