

Translation

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Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 5, 2022

Company name: Yamaguchi Financial Group, Inc.
 Stock exchange listing: Tokyo
 Stock code: 8418 URL <https://www.ymfg.co.jp>
 Representative: President and CEO Keisuke Mukunashi
 General Manager of Accounting
 Inquiries: Office, Corporate Planning Department Kentaro Hama TEL 083-223-5511
 Scheduled date to file Quarterly Securities Report: August 12, 2022
 Scheduled date to commence dividend payments: –
 Trading accounts: Yes
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2022	37,247	(0.3)	10,409	(10.0)	7,627	10.5
Three months ended June 30, 2021	37,351	1.0	11,560	106.4	6,899	81.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	32.24	32.23
Three months ended June 30, 2021	27.91	27.90

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	12,132,728	622,381	5.1
As of March 31, 2022	12,182,662	636,344	5.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	14.00	–	14.00	28.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		15.00	–	16.00	31.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	14,000	(13.2)	10,000	(17.7)	42.47
Full year	25,000	–	17,000	–	72.19

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2022	264,353,616 shares	As of March 31, 2022	264,353,616 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	28,879,677 shares	As of March 31, 2022	26,865,558 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	236,585,330 shares	Three months ended June 30, 2021	247,182,269 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Cash and due from banks	2,175,913	2,074,660
Call loans and bills bought	31,713	4,237
Monetary claims bought	5,442	5,006
Trading account assets	3,101	4,186
Money held in trust	35,059	34,570
Securities	1,354,033	1,365,948
Loans and bills discounted	8,143,997	8,218,885
Foreign exchanges	30,041	19,976
Lease receivables and investments in leases	19,698	19,553
Other assets	288,261	266,544
Tangible fixed assets	83,132	82,020
Intangible fixed assets	6,991	6,801
Retirement benefit asset	32,727	33,052
Deferred tax assets	3,513	8,754
Customers' liabilities for acceptances and guarantees	50,382	69,308
Allowance for loan losses	(81,348)	(80,778)
Total assets	12,182,662	12,132,728
Liabilities		
Deposits	9,931,230	10,047,313
Negotiable certificates of deposit	403,327	449,013
Call money and bills sold	78,078	174,202
Cash collateral received for securities lent	314,958	167,428
Trading account liabilities	1,379	2,089
Borrowed money	626,546	429,844
Foreign exchanges	171	99
Bonds payable	20,000	20,000
Other liabilities	102,981	136,286
Provision for bonuses	2,878	1,396
Retirement benefit liability	2,652	2,646
Provision for retirement benefits for directors (and other officers)	287	277
Provision for loss on interest repayment	18	9
Provision for reimbursement of deposits	530	478
Provision for point card certificates	83	83
Provision for management board benefit trust	488	514
Reserves under special laws	17	17
Deferred tax liabilities	1,421	614
Deferred tax liabilities for land revaluation	8,883	8,721
Acceptances and guarantees	50,382	69,308
Total liabilities	11,546,318	11,510,346

	(Millions of yen)	
	As of March 31, 2022	As of June 30, 2022
Net assets		
Share capital	50,000	50,000
Capital surplus	58,648	58,865
Retained earnings	511,253	515,912
Treasury shares	(25,045)	(26,526)
Total shareholders' equity	594,855	598,251
Valuation difference on available-for-sale securities	8,171	(15,944)
Deferred gains or losses on hedges	4,749	12,098
Revaluation reserve for land	20,001	19,632
Remeasurements of defined benefit plans	2,101	1,992
Total accumulated other comprehensive income	35,023	17,778
Share acquisition rights	81	81
Non-controlling interests	6,382	6,269
Total net assets	636,344	622,381
Total liabilities and net assets	12,182,662	12,132,728

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Ordinary income	37,351	37,247
Interest income	23,885	23,783
Interest on loans and discounts	16,828	18,333
Interest and dividends on securities	6,720	4,842
Fees and commissions	6,416	6,326
Gain on trading account transactions	373	587
Other ordinary income	4,724	4,582
Other income	1,951	1,967
Ordinary expenses	25,790	26,838
Interest expenses	1,304	1,361
Interest on deposits	422	496
Fees and commissions payments	2,303	2,264
Loss on trading account transactions	118	—
Other ordinary expenses	4,778	6,903
General and administrative expenses	15,044	15,454
Other expenses	2,240	854
Ordinary profit	11,560	10,409
Extraordinary income	0	206
Gain on disposal of non-current assets	—	161
Reversal of reserve for financial instruments transaction liabilities	0	—
Gain on bargain purchase	—	22
Gain on step acquisitions	—	23
Extraordinary losses	1,383	36
Loss on disposal of non-current assets	23	36
Impairment losses	119	—
Loss on revision of retirement benefit plan	1,241	—
Profit before income taxes	10,176	10,579
Income taxes - current	2,057	1,659
Income taxes - deferred	1,108	1,180
Total income taxes	3,165	2,839
Profit	7,011	7,739
Profit attributable to non-controlling interests	111	112
Profit attributable to owners of parent	6,899	7,627

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	7,011	7,739
Other comprehensive income	(3,561)	(16,903)
Valuation difference on available-for-sale securities	1,325	(24,142)
Deferred gains or losses on hedges	(4,071)	7,348
Remeasurements of defined benefit plans, net of tax	(815)	(109)
Comprehensive income	3,450	(9,163)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,339	(9,249)
Comprehensive income attributable to non-controlling interests	110	85