

Translation

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

November 11, 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: November 25, 2022
 Scheduled date to commence dividend payments: December 9, 2022
 Trading accounts: Yes
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 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	%
Six months ended September 30, 2022	74,312	(1.5)	16,659	3.2	12,264	1.0
Six months ended September 30, 2021	75,441	(0.2)	16,136	24.3	12,145	43.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	52.23	52.22
Six months ended September 30, 2021	49.13	49.11

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	12,189,687	613,216	5.0
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	—	15.00			
Year ending March 31, 2023 (Forecast)			—	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
Full year	25,000	—	17,000	—	72.87

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) 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

(3) Number of issued shares (common shares)

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

As of September 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 September 30, 2022	32,604,442 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)

Six months ended September 30, 2022	234,811,068 shares	Six months ended September 30, 2021	247,214,170 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Cash and due from banks	2,175,913	1,889,156
Call loans and bills bought	31,713	5,068
Monetary claims bought	5,442	4,754
Trading account assets	3,101	5,116
Money held in trust	35,059	33,932
Securities	1,354,033	1,462,342
Loans and bills discounted	8,143,997	8,317,317
Foreign exchanges	30,041	38,562
Lease receivables and investments in leases	19,698	19,450
Other assets	288,261	292,489
Tangible fixed assets	83,132	81,471
Intangible fixed assets	6,991	6,741
Retirement benefit asset	32,727	33,495
Deferred tax assets	3,513	12,998
Customers' liabilities for acceptances and guarantees	50,382	58,915
Allowance for loan losses	(81,348)	(72,124)
Total assets	12,182,662	12,189,687
Liabilities		
Deposits	9,931,230	9,971,672
Negotiable certificates of deposit	403,327	455,516
Call money and bills sold	78,078	167,758
Cash collateral received for securities lent	314,958	355,377
Trading account liabilities	1,379	2,599
Borrowed money	626,546	381,812
Foreign exchanges	171	3,559
Bonds payable	20,000	20,000
Other liabilities	102,981	143,649
Provision for bonuses	2,878	2,771
Retirement benefit liability	2,652	2,515
Provision for retirement benefits for directors (and other officers)	287	280
Provision for loss on interest repayment	18	8
Provision for reimbursement of deposits	530	454
Provision for point card certificates	83	86
Provision for management board benefit trust	488	346
Reserves under special laws	17	17
Deferred tax liabilities	1,421	441
Deferred tax liabilities for land revaluation	8,883	8,690
Acceptances and guarantees	50,382	58,915
Total liabilities	11,546,318	11,576,471

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Share capital	50,000	50,000
Capital surplus	58,648	58,924
Retained earnings	511,253	520,621
Treasury shares	(25,045)	(29,331)
Total shareholders' equity	594,855	600,214
Valuation difference on available-for-sale securities	8,171	(31,616)
Deferred gains or losses on hedges	4,749	16,907
Revaluation reserve for land	20,001	19,560
Remeasurements of defined benefit plans	2,101	1,883
Total accumulated other comprehensive income	35,023	6,734
Share acquisition rights	81	43
Non-controlling interests	6,382	6,223
Total net assets	636,344	613,216
Total liabilities and net assets	12,182,662	12,189,687

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Ordinary income	75,441	74,312
Interest income	46,525	48,806
Interest on loans and discounts	33,681	38,957
Interest and dividends on securities	12,177	8,659
Fees and commissions	13,218	12,924
Gain on trading account transactions	726	1,150
Other ordinary income	10,940	7,654
Other income	4,030	3,776
Ordinary expenses	59,305	57,652
Interest expenses	3,193	4,027
Interest on deposits	811	1,281
Fees and commissions payments	4,682	4,543
Loss on trading account transactions	88	—
Other ordinary expenses	12,070	14,886
General and administrative expenses	30,715	30,706
Other expenses	8,554	3,487
Ordinary profit	16,136	16,659
Extraordinary income	9,100	251
Gain on disposal of non-current assets	6	205
Gain on bargain purchase	—	22
Gain on step acquisitions	—	23
Reversal of reserve for financial instruments transaction liabilities	0	—
Gain on return of assets from retirement benefits trust	9,094	—
Extraordinary losses	4,647	407
Loss on disposal of non-current assets	71	55
Impairment losses	3,334	352
Loss on revision of retirement benefit plan	1,241	—
Profit before income taxes	20,590	16,503
Income taxes - current	4,055	2,517
Income taxes - deferred	4,212	1,567
Total income taxes	8,268	4,085
Profit	12,321	12,418
Profit attributable to non-controlling interests	176	154
Profit attributable to owners of parent	12,145	12,264

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	12,321	12,418
Other comprehensive income	(8,132)	(27,820)
Valuation difference on available-for-sale securities	3,694	(39,760)
Deferred gains or losses on hedges	(3,266)	12,158
Remeasurements of defined benefit plans, net of tax	(8,559)	(218)
Comprehensive income	4,189	(15,401)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,002	(15,584)
Comprehensive income attributable to non-controlling interests	187	182

Consolidated statements of changes in equity

Six months ended September 30, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	50,000	58,654	528,085	(18,649)	618,091
Cumulative effects of changes in accounting policies			(318)		(318)
Restated balance	50,000	58,654	527,767	(18,649)	617,772
Changes during period					
Dividends of surplus			(3,225)		(3,225)
Profit attributable to owners of parent			12,145		12,145
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(6)		62	55
Reversal of revaluation reserve for land			1,822		1,822
Net changes in items other than shareholders' equity					
Total changes during period	—	(6)	10,742	62	10,798
Balance at end of period	50,000	58,648	538,510	(18,586)	628,571

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	19,477	1,480	23,192	12,553	56,702	117	6,228	681,139
Cumulative effects of changes in accounting policies								(318)
Restated balance	19,477	1,480	23,192	12,553	56,702	117	6,228	680,820
Changes during period								
Dividends of surplus								(3,225)
Profit attributable to owners of parent								12,145
Purchase of treasury shares								(0)
Disposal of treasury shares								55
Reversal of revaluation reserve for land								1,822
Net changes in items other than shareholders' equity	3,683	(3,266)	(1,822)	(8,559)	(9,965)	(35)	184	(9,816)
Total changes during period	3,683	(3,266)	(1,822)	(8,559)	(9,965)	(35)	184	981
Balance at end of period	23,160	(1,786)	21,369	3,993	46,736	81	6,412	681,802

Six months ended September 30, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	50,000	58,648	511,253	(25,045)	594,855
Changes during period					
Dividends of surplus			(3,336)		(3,336)
Profit attributable to owners of parent			12,264		12,264
Purchase of treasury shares				(4,484)	(4,484)
Disposal of treasury shares		9		198	208
Purchase of shares of consolidated subsidiaries		266			266
Reversal of revaluation reserve for land			440		440
Net changes in items other than shareholders' equity					
Total changes during period	—	276	9,368	(4,285)	5,358
Balance at end of period	50,000	58,924	520,621	(29,331)	600,214

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	8,171	4,749	20,001	2,101	35,023	81	6,382	636,344
Changes during period								
Dividends of surplus								(3,336)
Profit attributable to owners of parent								12,264
Purchase of treasury shares								(4,484)
Disposal of treasury shares								208
Purchase of shares of consolidated subsidiaries								266
Reversal of revaluation reserve for land								440
Net changes in items other than shareholders' equity	(39,788)	12,158	(440)	(218)	(28,289)	(38)	(159)	(28,486)
Total changes during period	(39,788)	12,158	(440)	(218)	(28,289)	(38)	(159)	(23,127)
Balance at end of period	(31,616)	16,907	19,560	1,883	6,734	43	6,223	613,216