

Translation

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Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 3, 2023

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: February 10, 2023
 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	114,394	1.5	26,141	(8.5)	18,784	(9.7)
Nine months ended December 31, 2021	112,717	(6.1)	28,583	11.0	20,808	21.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	80.64	80.62
Nine months ended December 31, 2021	84.62	84.59

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	12,004,639	599,693	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 income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Full year	25,000	–	17,000	–	73.37

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2022	36,419,160 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)

Nine months ended December 31, 2022	232,942,012 shares	Nine months ended December 31, 2021	245,905,565 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Cash and due from banks	2,175,913	1,717,388
Call loans and bills bought	31,713	530
Monetary claims bought	5,442	3,631
Trading account assets	3,101	4,763
Money held in trust	35,059	17,859
Securities	1,354,033	1,504,513
Loans and bills discounted	8,143,997	8,309,886
Foreign exchanges	30,041	28,347
Lease receivables and investments in leases	19,698	19,694
Other assets	288,261	269,860
Tangible fixed assets	83,132	81,289
Intangible fixed assets	6,991	6,606
Retirement benefit asset	32,727	33,807
Deferred tax assets	3,513	17,248
Customers' liabilities for acceptances and guarantees	50,382	61,267
Allowance for loan losses	(81,348)	(72,055)
Total assets	12,182,662	12,004,639
Liabilities		
Deposits	9,931,230	10,004,727
Negotiable certificates of deposit	403,327	445,516
Call money and bills sold	78,078	108,026
Cash collateral received for securities lent	314,958	208,630
Trading account liabilities	1,379	2,333
Borrowed money	626,546	383,723
Foreign exchanges	171	241
Bonds payable	20,000	42,400
Other liabilities	102,981	134,127
Provision for bonuses	2,878	1,296
Retirement benefit liability	2,652	2,574
Provision for retirement benefits for directors (and other officers)	287	279
Provision for loss on interest repayment	18	8
Provision for reimbursement of deposits	530	380
Provision for point card certificates	83	79
Provision for management board benefit trust	488	388
Reserves under special laws	17	17
Deferred tax liabilities	1,421	259
Deferred tax liabilities for land revaluation	8,883	8,668
Acceptances and guarantees	50,382	61,267
Total liabilities	11,546,318	11,404,945

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Share capital	50,000	50,000
Capital surplus	58,648	58,689
Retained earnings	511,253	523,706
Treasury shares	(25,045)	(32,330)
Total shareholders' equity	594,855	600,065
Valuation difference on available-for-sale securities	8,171	(43,201)
Deferred gains or losses on hedges	4,749	18,634
Revaluation reserve for land	20,001	19,509
Remeasurements of defined benefit plans	2,101	1,774
Total accumulated other comprehensive income	35,023	(3,283)
Share acquisition rights	81	43
Non-controlling interests	6,382	2,868
Total net assets	636,344	599,693
Total liabilities and net assets	12,182,662	12,004,639

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Ordinary income	112,717	114,394
Interest income	70,572	77,065
Interest on loans and discounts	50,587	62,010
Interest and dividends on securities	18,558	13,360
Fees and commissions	20,148	19,406
Gain on trading account transactions	1,109	1,212
Other ordinary income	15,700	9,820
Other income	5,186	6,890
Ordinary expenses	84,134	88,253
Interest expenses	4,150	10,474
Interest on deposits	1,201	2,380
Fees and commissions payments	7,222	6,846
Loss on trading account transactions	30	—
Other ordinary expenses	18,013	20,587
General and administrative expenses	46,078	45,720
Other expenses	8,637	4,623
Ordinary profit	28,583	26,141
Extraordinary income	9,230	411
Gain on disposal of non-current assets	135	365
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	4,754	448
Loss on disposal of non-current assets	168	78
Impairment losses	3,344	369
Loss on revision of retirement benefit plan	1,241	—
Profit before income taxes	33,058	26,105
Income taxes - current	6,809	5,620
Income taxes - deferred	5,167	1,440
Total income taxes	11,977	7,060
Profit	21,081	19,044
Profit attributable to non-controlling interests	272	259
Profit attributable to owners of parent	20,808	18,784

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	21,081	19,044
Other comprehensive income	(11,984)	(37,872)
Valuation difference on available-for-sale securities	76	(51,430)
Deferred gains or losses on hedges	(3,034)	13,885
Remeasurements of defined benefit plans, net of tax	(9,025)	(327)
Comprehensive income	9,096	(18,827)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,801	(19,031)
Comprehensive income attributable to non-controlling interests	295	203