

Translation

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Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 4, 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: August 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	45,680	22.6	12,673	21.7	8,773	15.0
Three months ended June 30, 2022	37,247	(0.3)	10,409	(10.0)	7,627	10.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	39.08	39.07
Three months ended June 30, 2022	32.24	32.23

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	12,420,443	631,800	5.1
As of March 31, 2023	12,211,645	614,665	5.0

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, 2023	–	15.00	–	16.00	31.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		21.00	–	22.00	43.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	16,500	(1.0)	11,000	(10.3)	49.18
Full year	35,000	36.2	24,000	34.1	107.31

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(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: No
- 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, 2023	234,767,616 shares	As of March 31, 2023	264,353,616 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	11,116,723 shares	As of March 31, 2023	39,260,405 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, 2023	224,495,584 shares	Three months ended June 30, 2022	236,585,330 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Cash and due from banks	1,878,858	1,789,465
Call loans and bills bought	934	724
Monetary claims bought	2,457	2,036
Trading account assets	3,976	4,439
Money held in trust	17,404	39,065
Securities	1,534,139	1,739,791
Loans and bills discounted	8,347,832	8,357,201
Foreign exchanges	36,772	27,800
Lease receivables and investments in leases	19,805	20,076
Other assets	250,907	298,342
Tangible fixed assets	81,121	80,459
Intangible fixed assets	6,577	6,685
Retirement benefit asset	34,335	34,806
Deferred tax assets	9,964	3,977
Customers' liabilities for acceptances and guarantees	58,967	86,961
Allowance for loan losses	(72,410)	(71,392)
Total assets	12,211,645	12,420,443
Liabilities		
Deposits	9,954,008	10,008,375
Negotiable certificates of deposit	371,711	405,121
Call money and bills sold	340,052	266,990
Cash collateral received for securities lent	285,322	352,426
Trading account liabilities	1,813	2,075
Borrowed money	403,303	441,556
Foreign exchanges	98	158
Bonds payable	42,400	42,400
Other liabilities	123,479	167,217
Provision for bonuses	2,695	1,323
Retirement benefit liability	2,588	2,639
Provision for retirement benefits for directors (and other officers)	281	277
Provision for loss on interest repayment	13	21
Provision for reimbursement of deposits	359	275
Provision for point card certificates	124	131
Provision for management board benefit trust	427	469
Reserves under special laws	17	17
Deferred tax liabilities	683	1,590
Deferred tax liabilities for land revaluation	8,628	8,614
Acceptances and guarantees	58,967	86,961
Total liabilities	11,596,980	11,788,642

	(Millions of yen)	
	As of March 31, 2023	As of June 30, 2023
Net assets		
Share capital	50,000	50,000
Capital surplus	58,639	33,111
Retained earnings	522,893	528,087
Treasury shares	(34,847)	(10,639)
Total shareholders' equity	596,685	600,559
Valuation difference on available-for-sale securities	(17,237)	(7,593)
Deferred gains or losses on hedges	11,253	14,975
Revaluation reserve for land	19,432	19,399
Remeasurements of defined benefit plans	1,678	1,577
Total accumulated other comprehensive income	15,126	28,359
Share acquisition rights	43	43
Non-controlling interests	2,809	2,837
Total net assets	614,665	631,800
Total liabilities and net assets	12,211,645	12,420,443

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, 2022	Three months ended June 30, 2023
Ordinary income	37,247	45,680
Interest income	23,783	32,167
Interest on loans and discounts	18,333	25,336
Interest and dividends on securities	4,842	6,235
Fees and commissions	6,326	7,189
Gain on trading account transactions	587	388
Other ordinary income	4,582	3,605
Other income	1,967	2,329
Ordinary expenses	26,838	33,007
Interest expenses	1,361	8,784
Interest on deposits	496	1,242
Fees and commissions payments	2,264	2,358
Other ordinary expenses	6,903	5,950
General and administrative expenses	15,454	15,451
Other expenses	854	461
Ordinary profit	10,409	12,673
Extraordinary income	206	82
Gain on disposal of non-current assets	161	82
Gain on bargain purchase	22	—
Gain on step acquisitions	23	—
Extraordinary losses	36	219
Loss on disposal of non-current assets	36	12
Impairment losses	—	206
Profit before income taxes	10,579	12,536
Income taxes - current	1,659	2,621
Income taxes - deferred	1,180	1,114
Total income taxes	2,839	3,735
Profit	7,739	8,801
Profit attributable to non-controlling interests	112	27
Profit attributable to owners of parent	7,627	8,773

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	7,739	8,801
Other comprehensive income	(16,903)	13,265
Valuation difference on available-for-sale securities	(24,142)	9,644
Deferred gains or losses on hedges	7,348	3,721
Remeasurements of defined benefit plans, net of tax	(109)	(100)
Comprehensive income	(9,163)	22,066
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(9,249)	22,038
Comprehensive income attributable to non-controlling interests	85	27