

Translation

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Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 2, 2024

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 9, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	135,331	18.3	31,999	22.4	21,603	15.0
Nine months ended December 31, 2022	114,394	1.5	26,141	(8.5)	18,784	(9.7)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	97.33	97.31
Nine months ended December 31, 2022	80.64	80.62

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	12,550,726	628,209	5.0
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	–	21.00	–		
Year ending March 31, 2024 (Forecast)				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
Full year	35,000	36.2	24,000	34.1	108.51

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2023	15,987,450 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)

Nine months ended December 31, 2023	221,971,439 shares	Nine months ended December 31, 2022	232,942,012 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Cash and due from banks	1,878,858	1,588,661
Call loans and bills bought	934	5,878
Monetary claims bought	2,457	2,104
Trading account assets	3,976	3,830
Money held in trust	17,404	37,001
Securities	1,534,139	1,989,260
Loans and bills discounted	8,347,832	8,470,409
Foreign exchanges	36,772	30,352
Lease receivables and investments in leases	19,805	22,213
Other assets	250,907	280,821
Tangible fixed assets	81,121	81,342
Intangible fixed assets	6,577	6,709
Retirement benefit asset	34,335	35,906
Deferred tax assets	9,964	5,757
Customers' liabilities for acceptances and guarantees	58,967	61,833
Allowance for loan losses	(72,410)	(71,355)
Total assets	12,211,645	12,550,726
Liabilities		
Deposits	9,954,008	9,908,181
Negotiable certificates of deposit	371,711	380,980
Call money and bills sold	340,052	529,013
Cash collateral received for securities lent	285,322	292,056
Trading account liabilities	1,813	1,659
Borrowed money	403,303	545,756
Foreign exchanges	98	172
Bonds payable	42,400	42,400
Other liabilities	123,479	145,402
Provision for bonuses	2,695	1,620
Retirement benefit liability	2,588	2,545
Provision for retirement benefits for directors (and other officers)	281	278
Provision for loss on interest repayment	13	21
Provision for reimbursement of deposits	359	222
Provision for point card certificates	124	135
Provision for management board benefit trust	427	505
Provision for employee stock ownership plan trust	—	97
Reserves under special laws	17	17
Deferred tax liabilities	683	1,182
Deferred tax liabilities for land revaluation	8,628	8,433
Acceptances and guarantees	58,967	61,833
Total liabilities	11,596,980	11,922,516

	(Millions of yen)	
	As of March 31, 2023	As of December 31, 2023
Net assets		
Share capital	50,000	50,000
Capital surplus	58,639	33,116
Retained earnings	522,893	536,656
Treasury shares	(34,847)	(16,594)
Total shareholders' equity	596,685	603,178
Valuation difference on available-for-sale securities	(17,237)	(11,199)
Deferred gains or losses on hedges	11,253	12,944
Revaluation reserve for land	19,432	18,986
Remeasurements of defined benefit plans	1,678	1,376
Total accumulated other comprehensive income	15,126	22,107
Share acquisition rights	43	23
Non-controlling interests	2,809	2,899
Total net assets	614,665	628,209
Total liabilities and net assets	12,211,645	12,550,726

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, 2022	Nine months ended December 31, 2023
Ordinary income	114,394	135,331
Interest income	77,065	97,614
Interest on loans and discounts	62,010	78,669
Interest and dividends on securities	13,360	17,379
Fees and commissions	19,406	21,328
Gain on trading account transactions	1,212	616
Other ordinary income	9,820	9,782
Other income	6,890	5,989
Ordinary expenses	88,253	103,332
Interest expenses	10,474	22,515
Interest on deposits	2,380	3,799
Fees and commissions payments	6,846	7,171
Other ordinary expenses	20,587	23,480
General and administrative expenses	45,720	46,947
Other expenses	4,623	3,218
Ordinary profit	26,141	31,999
Extraordinary income	411	353
Gain on disposal of non-current assets	365	353
Gain on bargain purchase	22	—
Gain on step acquisitions	23	—
Extraordinary losses	448	361
Loss on disposal of non-current assets	78	141
Impairment losses	369	220
Profit before income taxes	26,105	31,991
Income taxes - current	5,620	8,982
Income taxes - deferred	1,440	1,315
Total income taxes	7,060	10,297
Profit	19,044	21,693
Profit attributable to non-controlling interests	259	90
Profit attributable to owners of parent	18,784	21,603

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	19,044	21,693
Other comprehensive income	(37,872)	7,426
Valuation difference on available-for-sale securities	(51,430)	6,037
Deferred gains or losses on hedges	13,885	1,691
Remeasurements of defined benefit plans, net of tax	(327)	(302)
Comprehensive income	(18,827)	29,120
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(19,031)	29,030
Comprehensive income attributable to non-controlling interests	203	90