

Translation

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Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

November 8, 2024

Company name: Yamaguchi Financial Group, Inc.
 Stock exchange listing: Tokyo
 Code number: 8418 URL <https://www.ymfg.co.jp>
 Representative: Keisuke Mukunashi President and CEO
 For inquiry: Kentaro Hama General Manager of Accounting Office, Corporate Planning Department
 Scheduled date to file semi-annual securities report: November 22, 2024
 Scheduled date to commence dividend payments: December 10, 2024
 Trading accounts: Established
 Preparation of supplementary material on financial results: Attached
 Schedule of financial results briefing session: Scheduled (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, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results

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, 2024	106,807	19.4	24,667	23.7	16,172	19.2
Six months ended September 30, 2023	89,479	20.4	19,938	19.7	13,571	10.7

Note: Comprehensive income
 Six months ended September 30, 2024: ¥(2,244) million [- %]
 Six months ended September 30, 2023: ¥13,232 million [- %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	74.95	74.95
Six months ended September 30, 2023	60.81	60.80

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	12,826,825	644,260	5.0
As of March 31, 2024	12,548,539	655,736	5.2

Reference: Equity As of September 30, 2024: ¥ 641,199 million
 As of March 31, 2024: ¥ 652,770 million

Note: Capital adequacy ratio = (Net assets – Share acquisition rights – Non-controlling interests) / Total assets × 100
 This ratio is not the capital adequacy ratio specified by the Notice on Capital Adequacy Ratio Regulations.

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	21.00	—	22.00	43.00
Fiscal year ending March 31, 2025	—	30.00			
Fiscal year ending March 31, 2025 (Forecast)			—	30.00	60.00

Note: Revision to the forecast for dividends announced most recently: No

3. Consolidated financial results forecast for the fiscal year ending March 31, 2025(April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Full year	47,500	27.4	33,000	30.9	153.44

Note: Revision to the financial results forecast announced most recently: No

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: 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, 2024	234,767,616 shares	As of March 31, 2024	234,767,616 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	20,400,711 shares	As of March 31, 2024	17,855,208 shares
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Average number of shares during the period

Six months ended September 30, 2024	215,757,741 shares	Six months ended September 30, 2023	223,186,344 shares
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* This report is out of the scope of the audit by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters.

The Company falls under the category of "Specified Business Corporation" under Article 18-2 of the Cabinet Office Ordinance Concerning Disclosure of Public Companies; accordingly, it has prepared its interim consolidated financial statements for the six months ended September 30, 2024.

The description of future performance of this report is based on information which is presently available and certain assumptions which are considered to be reasonable, and it does not guarantee future performance.

Please take note that future performance may differ from forecasts depending on various future factors.

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1. Interim Consolidated Financial Statements and Notes**(1) Interim Consolidated Balance Sheets**

	(Millions of yen)	
	As of March 31, 2024	As of September 30, 2024
Assets		
Cash and due from banks	1,386,904	1,768,887
Call loans and bills bought	–	4,567
Monetary claims bought	1,940	1,954
Trading account assets	4,058	3,014
Money held in trust	31,035	35,923
Securities	2,065,414	2,151,029
Loans and bills discounted	8,589,933	8,497,729
Foreign exchanges	27,314	27,130
Lease receivables and investments in leases	24,047	25,996
Other assets	290,459	209,790
Tangible fixed assets	82,181	81,408
Intangible fixed assets	7,092	7,267
Retirement benefit asset	44,768	46,096
Deferred tax assets	1,684	2,521
Customers' liabilities for acceptances and guarantees	63,917	37,446
Allowance for loan losses	(72,214)	(73,938)
Total assets	12,548,539	12,826,825
Liabilities		
Deposits	10,057,923	10,161,709
Negotiable certificates of deposit	286,100	468,152
Call money and bills sold	438,028	341,593
Cash collateral received for securities lent	194,308	219,451
Trading account liabilities	1,730	1,099
Borrowed money	615,961	725,118
Foreign exchanges	116	410
Bonds payable	42,400	67,400
Other liabilities	169,149	143,260
Provision for bonuses	3,334	3,350
Retirement benefit liability	2,501	2,534
Provision for retirement benefits for directors (and other officers)	279	270
Provision for loss on interest repayment	13	11
Provision for reimbursement of deposits	235	188
Provision for point card certificates	138	137
Provision for management board benefit trust	543	513
Provision for employee stock ownership plan trust	45	70
Reserves under special laws	19	19
Deferred tax liabilities	7,691	1,487
Deferred tax liabilities for land revaluation	8,363	8,337
Acceptances and guarantees	63,917	37,446
Total liabilities	11,892,802	12,182,565

	(Millions of yen)	
	As of March 31, 2024	As of September 30, 2024
Net assets		
Share capital	50,000	50,000
Capital surplus	33,116	33,127
Retained earnings	540,429	551,849
Treasury shares	(19,276)	(23,712)
Total shareholders' equity	604,270	611,264
Valuation difference on available-for-sale securities	5,251	(1,712)
Deferred gains or losses on hedges	17,535	6,344
Revaluation reserve for land	18,826	18,772
Foreign currency translation adjustments	–	(5)
Remeasurements of defined benefit plans	6,887	6,536
Total accumulated other comprehensive income	48,500	29,935
Share acquisition rights	23	23
Non-controlling interests	2,941	3,036
Total net assets	655,736	644,260
Total liabilities and net assets	12,548,539	12,826,825

(2) Interim Consolidated Statements of Income and Comprehensive Income
Interim Consolidated Statements of Income

	(Millions of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Ordinary income	89,479	106,807
Interest income	63,677	75,828
Interest on loans and discounts	51,591	56,912
Interest and dividends on securities	10,897	15,228
Fees and commissions	14,242	14,354
Gain on trading account transactions	872	145
Other ordinary income	6,647	9,069
Other income	4,038	7,411
Ordinary expenses	69,540	82,140
Interest expenses	17,413	13,178
Interest on deposits	2,414	3,955
Fees and commissions payments	4,743	5,023
Loss on trading account transactions	—	142
Other ordinary expenses	13,364	26,268
General and administrative expenses	31,215	32,008
Other expenses	2,804	5,518
Ordinary profit	19,938	24,667
Extraordinary income	228	557
Gain on disposal of non-current assets	228	317
Compensation for forced relocation	—	239
Extraordinary losses	336	240
Loss on disposal of non-current assets	123	70
Impairment losses	212	170
Profit before income taxes	19,831	24,984
Income taxes - current	5,673	7,704
Income taxes - deferred	529	1,012
Total income taxes	6,202	8,717
Profit	13,628	16,266
Profit attributable to non-controlling interests	56	94
Profit attributable to owners of parent	13,571	16,172

Interim Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	13,628	16,266
Other comprehensive income	(395)	(18,511)
Valuation difference on available-for-sale securities	(16,077)	(6,933)
Deferred gains or losses on hedges	15,883	(11,190)
Remeasurements of defined benefit plans, net of tax	(201)	(350)
Share of other comprehensive income of entities accounted for using equity method	—	(36)
Comprehensive income	13,232	(2,244)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,175	(2,339)
Comprehensive income attributable to non- controlling interests	56	94

(3) Interim Consolidated statements of changes in equity

Six months ended September 30, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	50,000	58,639	522,893	(34,847)	596,685
Changes during period					
Dividends of surplus			(3,611)		(3,611)
Profit attributable to owners of parent			13,571		13,571
Purchase of treasury shares				(5,075)	(5,075)
Disposal of treasury shares		(22)		828	806
Cancellation of treasury shares		(25,500)		25,500	—
Reversal of revaluation reserve for land			105		105
Net changes in items other than shareholders' equity					
Total changes during period	—	(25,522)	10,065	21,252	5,796
Balance at end of period	50,000	33,116	532,959	(13,594)	602,482

	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	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(17,237)	11,253	19,432	—	1,678	15,126	43	2,809	614,665
Changes during period									
Dividends of surplus									(3,611)
Profit attributable to owners of parent									13,571
Purchase of treasury shares									(5,075)
Disposal of treasury shares									806
Cancellation of treasury shares									—
Reversal of revaluation reserve for land									105
Net changes in items other than shareholders' equity	(16,077)	15,883	(105)	—	(201)	(501)	(19)	56	(464)
Total changes during period	(16,077)	15,883	(105)	—	(201)	(501)	(19)	56	5,331
Balance at end of period	(33,315)	27,136	19,326	—	1,477	14,624	23	2,866	619,997

Six months ended September 30, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	50,000	33,116	540,429	(19,276)	604,270
Changes during period					
Dividends of surplus			(4,805)		(4,805)
Profit attributable to owners of parent			16,172		16,172
Purchase of treasury shares				(4,521)	(4,521)
Disposal of treasury shares		10		85	96
Cancellation of treasury shares					—
Reversal of revaluation reserve for land			53		53
Net changes in items other than shareholders' equity					
Total changes during period	—	10	11,419	(4,436)	6,994
Balance at end of period	50,000	33,127	551,849	(23,712)	611,264

	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	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	5,251	17,535	18,826	—	6,887	48,500	23	2,941	655,736
Changes during period									
Dividends of surplus									(4,805)
Profit attributable to owners of parent									16,172
Purchase of treasury shares									(4,521)
Disposal of treasury shares									96
Cancellation of treasury shares									—
Reversal of revaluation reserve for land									53
Net changes in items other than shareholders' equity	(6,964)	(11,190)	(53)	(5)	(350)	(18,565)	—	94	(18,470)
Total changes during period	(6,964)	(11,190)	(53)	(5)	(350)	(18,565)	—	94	(11,476)
Balance at end of period	(1,712)	6,344	18,772	(5)	6,536	29,935	23	3,036	644,260

(4) Notes to the Interim Consolidated Financial Statements

(Notes on Going Concern Assumption)

None