

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



## Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]

May 12, 2022

Company name: Nishi-Nippon Financial Holdings, Inc.

Stock exchange listing: Tokyo, Fukuoka

Code number: 7189

URL: <https://www.nnfh.co.jp>

Representative: Hideyuki Murakami

President

Contact: Hiroto Funatsu

General Manager of Corporate Planning Division

Phone: 092-476-5050

Scheduled date of Annual General Meeting of Shareholders: June 29, 2022

Scheduled date of commencing dividend payments: June 30, 2022

Scheduled date of filing annual securities report: June 30, 2022

Trading Accounts: Yes

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes (for institutional investors, analysts)

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Ordinary revenues		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	138,484	2.6	37,868	41.5	24,236	34.0
March 31, 2021	134,949	(4.8)	26,763	(6.8)	18,088	(10.6)

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥ (12,293) million [ -%]  
Fiscal year ended March 31, 2021: ¥ 48,104 million [ 745.7%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Ordinary profit to ordinary revenues ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2022	164.31	-	4.6	0.3	27.3
March 31, 2021	121.03	-	3.5	0.2	19.8

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: ¥ 56 million  
Fiscal year ended March 31, 2021: ¥ 86 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	13,127,906	530,724	4.0	3,618.44
March 31, 2021	12,075,567	550,906	4.5	3,663.71

(Reference) Equity: As of March 31, 2022: ¥ 522,169 million  
As of March 31, 2021: ¥ 542,792 million

(Note) Capital adequacy ratio = (Total net assets - Non-controlling interests) / Total assets.

The ratio above is not based on the regulation of Capital Adequacy Ratio.

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2022	1,151,099	(268,495)	(7,610)	2,608,074
March 31, 2021	243,056	(204,381)	(15,955)	1,733,067

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	-	15.00	-	15.00	30.00	4,466	24.8	0.9
March 31, 2022	-	15.00	-	20.00	35.00	5,109	21.3	1.0
Fiscal year ending March 31, 2023 (Forecast)	-	17.50	-	17.50	35.00		-	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2022	17,500	(24.4)	11,500	(26.5)	79.69
Full year	38,000	0.3	25,000	3.2	173.24

(Note) The Company plans to make City Ascom Co., Ltd. a consolidated subsidiary and Kyushu Leasing Service Co., Ltd. an equity-method affiliate by the end of October 2022, under the presumption of receiving permission from the authorities and others concerned.

The impact of the reorganization described above is closely examining, and the earnings forecast does not include this impact.

### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): 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: Yes

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

March 31, 2022: 151,596,955 shares

March 31, 2021: 159,596,955 shares

2) Total number of treasury shares at the end of the period:

March 31, 2022: 7,288,911 shares

March 31, 2021: 11,443,334 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2022: 147,500,789 shares

Fiscal Year ended March 31, 2021: 149,450,687 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Operating revenues		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2022	8,249	31.3	7,390	33.2	7,199	32.9	7,182	33.2
March 31, 2021	6,281	(14.8)	5,547	(15.7)	5,416	(15.3)	5,393	(15.5)

	Basic earnings per share
Fiscal year ended	Yen
March 31, 2022	48.69
March 31, 2021	36.08

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2022	421,938	370,610	87.8	2,567.82
March 31, 2021	414,794	370,961	89.4	2,503.54

(Reference) Equity: As of March 31, 2022: ¥ 370,610 million

As of March 31, 2021: ¥ 370,961 million

(Note) This report is out of the scope of the audit by certified public accountants or independent audit firms.

(Note) Explanation for proper use of forecasts and other notes

The above forecasts are based on the information which is presently available and certain assumptions which are considered to be reasonable.

Actual results may differ materially from those forecasts depending on various future factors.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of March 31,2022
<b>Assets</b>		
Cash and due from banks	1,738,761	2,614,747
Monetary claims bought	36,722	39,621
Trading account assets	131	-
Money held in trust	11,273	11,682
Securities	1,506,834	1,773,344
Loans and bills discounted	8,543,946	8,470,861
Foreign exchanges	11,074	22,757
Other assets	115,565	90,311
Tangible fixed assets	117,551	116,172
Buildings, net	32,491	32,542
Land	74,282	74,273
Leased assets, net	391	324
Construction in progress	354	55
Other tangible fixed assets	10,031	8,977
Intangible fixed assets	3,542	4,160
Software	3,123	3,748
Other intangible fixed assets	419	411
Retirement benefit asset	17,770	7,548
Deferred tax assets	473	2,109
Customers' liabilities for acceptances and guarantees	16,565	17,639
Allowance for loan losses	(44,068)	(42,473)
Allowance for investment loss	(577)	(577)
<b>Total assets</b>	<b>12,075,567</b>	<b>13,127,906</b>
<b>Liabilities</b>		
Deposits	9,295,489	9,570,343
Negotiable certificates of deposit	188,520	264,293
Call money and bills sold	208,128	510,000
Securities sold under repurchase agreements	194,294	251,120
Cash collateral received for securities lent	41,135	87,188
Borrowed money	1,437,688	1,755,240
Foreign exchanges	210	201
Borrowed money from trust account	3,205	4,794
Other liabilities	107,648	113,952
Retirement benefit liability	477	4,773
Provision for retirement benefits for directors (and other officers)	256	201
Provision for reimbursement of deposits	1,185	825
Provision for contingent loss	1,254	1,096
Reserves under special laws	12	12
Deferred tax liabilities	13,841	844
Deferred tax liabilities for land revaluation	14,746	14,652
Acceptances and guarantees	16,565	17,639
<b>Total liabilities</b>	<b>11,524,660</b>	<b>12,597,181</b>

(Million yen)

	As of March 31,2021	As of March 31,2022
Net assets		
Share capital	50,000	50,000
Capital surplus	127,202	121,123
Retained earnings	284,535	304,236
Treasury shares	(8,597)	(5,522)
Total shareholders' equity	453,140	469,837
Valuation difference on available-for-sale securities	65,238	38,616
Deferred gains or losses on hedges	(1,428)	(8)
Revaluation reserve for land	29,592	29,438
Remeasurements of defined benefit plans	(3,751)	(15,715)
Total accumulated other comprehensive income	89,651	52,332
Non-controlling interests	8,114	8,555
Total net assets	550,906	530,724
Total liabilities and net assets	12,075,567	13,127,906

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Ordinary income	134,949	138,484
Interest income	94,090	98,228
Interest on loans and discounts	82,193	81,109
Interest and dividends on securities	9,985	12,893
Interest on call loans and bills bought	2	0
Interest on deposits with banks	546	2,852
Other interest income	1,362	1,372
Trust fees	0	0
Fees and commissions	30,879	32,468
Gain on trading account transactions	1,842	1,919
Other ordinary income	4,972	3,069
Other income	3,164	2,799
Recoveries of written off receivables	239	378
Other	2,925	2,421
Ordinary expenses	108,186	100,616
Interest expenses	2,064	855
Interest on deposits	659	416
Interest on negotiable certificates of deposit	39	26
Interest on call money and bills sold	(39)	(113)
Interest expenses on securities sold under repurchase agreements	911	383
Interest expenses on cash collateral received for securities lent	44	13
Interest on borrowings and rediscounts	253	52
Interest on bonds	61	-
Other interest expenses	133	75
Fees and commissions payments	11,832	11,536
Other ordinary expenses	1,855	1,654
General and administrative expenses	81,272	79,173
Other expenses	11,161	7,397
Provision of allowance for loan losses	6,218	1,939
Other	4,942	5,457
Ordinary profit	26,763	37,868
Extraordinary income	421	142
Gain on disposal of non-current assets	401	142
Other	20	-
Extraordinary losses	1,285	856
Loss on disposal of non-current assets	436	390
Impairment losses	818	465
Other	30	-
Profit before income taxes	25,898	37,154
Income taxes - current	6,719	10,824
Income taxes - deferred	552	1,518
Total income taxes	7,272	12,342
Profit	18,626	24,811
Profit attributable to non-controlling interests	537	575
Profit attributable to owners of parent	18,088	24,236

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Profit	18,626	24,811
Other comprehensive income	29,478	(37,104)
Valuation difference on available-for-sale securities	18,329	(26,560)
Deferred gains or losses on hedges	413	1,419
Remeasurements of defined benefit plans, net of tax	10,735	(11,963)
Comprehensive income	48,104	(12,293)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	47,443	(12,928)
Comprehensive income attributable to non-controlling interests	661	635

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	50,000	129,477	270,954	(9,868)	440,563
Changes during period					
Dividends of surplus			(4,861)		(4,861)
Profit attributable to owners of parent			18,088		18,088
Purchase of treasury shares				(1,004)	(1,004)
Disposal of treasury shares		(0)		0	0
Cancellation of treasury shares		(2,274)		2,274	-
Reversal of revaluation reserve for land			353		353
Net changes in items other than shareholders' equity					
Total changes during period	-	(2,274)	13,580	1,270	12,577
Balance at end of period	50,000	127,202	284,535	(8,597)	453,140

	Accumulated other comprehensive income					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	47,032	(1,841)	29,946	(14,486)	60,650	7,544	508,758
Changes during period							
Dividends of surplus							(4,861)
Profit attributable to owners of parent							18,088
Purchase of treasury shares							(1,004)
Disposal of treasury shares							0
Cancellation of treasury shares							-
Reversal of revaluation reserve for land							353
Net changes in items other than shareholders' equity	18,205	413	(353)	10,735	29,000	570	29,571
Total changes during period	18,205	413	(353)	10,735	29,000	570	42,148
Balance at end of period	65,238	(1,428)	29,592	(3,751)	89,651	8,114	550,906



For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	50,000	127,202	284,535	(8,597)	453,140
Cumulative effects of changes in accounting policies			(244)		(244)
Restated balance	50,000	127,202	284,290	(8,597)	452,895
Changes during period					
Dividends of surplus			(4,445)		(4,445)
Profit attributable to owners of parent			24,236		24,236
Purchase of treasury shares				(3,004)	(3,004)
Disposal of treasury shares		(0)		0	0
Cancellation of treasury shares		(6,078)		6,078	-
Reversal of revaluation reserve for land			153		153
Net changes in items other than shareholders' equity					
Total changes during period	-	(6,078)	19,945	3,074	16,941
Balance at end of period	50,000	121,123	304,236	(5,522)	469,837

	Accumulated other comprehensive income					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	65,238	(1,428)	29,592	(3,751)	89,651	8,114	550,906
Cumulative effects of changes in accounting policies						(32)	(277)
Restated balance	65,238	(1,428)	29,592	(3,751)	89,651	8,081	550,629
Changes during period							
Dividends of surplus							(4,445)
Profit attributable to owners of parent							24,236
Purchase of treasury shares							(3,004)
Disposal of treasury shares							0
Cancellation of treasury shares							-
Reversal of revaluation reserve for land							153
Net changes in items other than shareholders' equity	(26,621)	1,419	(153)	(11,963)	(37,319)	473	(36,845)
Total changes during period	(26,621)	1,419	(153)	(11,963)	(37,319)	473	(19,904)
Balance at end of period	38,616	(8)	29,438	(15,715)	52,332	8,555	530,724

## Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	25,898	37,154
Depreciation	5,729	5,674
Impairment losses	818	465
Share of loss (profit) of entities accounted for using equity method	(86)	(56)
Increase (decrease) in allowance for loan losses	2,933	(1,595)
Increase (decrease) in allowance for investment loss	5	0
Decrease (increase) on net defined benefit assets	(12,490)	10,222
Increase (decrease) in retirement benefit liability	(3,230)	4,295
Increase (decrease) in provision for retirement benefits for directors (and other officers)	9	(55)
Increase (decrease) in provision for reimbursement of deposits	(444)	(360)
Increase (decrease) in provision for contingent loss	(175)	(158)
Interest income	(94,090)	(98,228)
Interest expenses	2,064	855
Loss (gain) related to securities	(4,698)	(45)
Loss (gain) on money held in trust	11	5
Foreign exchange losses (gains)	(589)	(674)
Loss (gain) on disposal of non-current assets	34	248
Net decrease (increase) in trading account assets	1,254	131
Net decrease (increase) in loans and bills discounted	(989,802)	73,084
Net increase (decrease) in deposits	813,917	274,854
Net increase (decrease) in negotiable certificates of deposit	(160,955)	75,772
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	443,513	317,552
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	(1,368)	(979)
Net decrease (increase) in call loans	1,423	(2,898)
Net increase (decrease) in call money	156,403	358,698
Net increase (decrease) in cash collateral received for securities lent	(47,973)	46,053
Net decrease (increase) in foreign exchanges - assets	3,332	(11,682)
Net increase (decrease) in foreign exchanges - liabilities	92	(9)
Net increase (decrease) in borrowed money from trust account	2,369	1,589
Interest received	96,159	99,359
Interest paid	(3,318)	(1,080)
Other, net	16,025	(32,145)
Subtotal	252,774	1,156,049
Income taxes paid	(9,717)	(4,950)
Net cash provided by (used in) operating activities	243,056	1,151,099

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
<b>Cash flows from investing activities</b>		
Purchase of securities	(551,762)	(500,365)
Proceeds from sale of securities	116,648	126,185
Proceeds from redemption of securities	240,120	111,026
Increase in money held in trust	(5,930)	(426)
Purchase of tangible fixed assets	(3,701)	(3,339)
Proceeds from sale of tangible fixed assets	1,376	419
Purchase of intangible fixed assets	(1,132)	(1,995)
Net cash provided by (used in) investing activities	(204,381)	(268,495)
<b>Cash flows from financing activities</b>		
Redemption of subordinated bonds	(10,000)	-
Dividends paid	(4,860)	(4,444)
Dividends paid to non-controlling interests	(91)	(162)
Purchase of treasury shares	(1,004)	(3,004)
Proceeds from sale of treasury shares	0	0
Net cash provided by (used in) financing activities	(15,955)	(7,610)
Effect of exchange rate change on cash and cash equivalents	8	13
Net increase (decrease) in cash and cash equivalents	22,728	875,006
Cash and cash equivalents at beginning of period	1,710,338	1,733,067
Cash and cash equivalents at end of period	1,733,067	2,608,074