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Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]

August 03, 2022

Company name: Hirogin Holdings, Inc.

Stock exchange listing: Tokyo

Code number: 7337

URL: <https://www.hirogin-hd.co.jp/>

Representative: Toshio Heya, Representative Director and President

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Scheduled date of filing quarterly securities report: August 04, 2022

Scheduled date of commencing dividend payments: -

Trading Accounts: Yes

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 01, 2022 to June 30, 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	%
Three months ended June 30, 2022	38,046	6.1	12,947	23.3	8,957	26.0
June 30, 2021	35,867	-	10,499	-	7,110	-

(Note) Comprehensive income: Three months ended June 30, 2022: ¥ (10,045) million [-%]
Three months ended June 30, 2021: ¥ 5,953 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	28.83	28.81
June 30, 2021	22.89	22.88

(Note) As the Company was incorporated on October 01, 2020, year-on-year changes for the three months ended June 30, 2021 are not presented.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2022	11,422,061	482,492	4.2
March 31, 2022	11,603,909	496,200	4.3

(Reference) Equity: As of June 30, 2022: ¥ 482,241 million
As of March 31, 2022: ¥ 495,935 million

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

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	12.00	-	12.00	24.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		13.50	-	13.50	27.00

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

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	18,500	10.7	12,500	12.3	40.24
Full year	37,000	36.7	25,000	9.1	80.49

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2022 (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) 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

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

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

June 30, 2022: 312,370,921 shares

March 31, 2022: 312,370,921 shares

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

June 30, 2022: 1,620,082 shares

March 31, 2022: 1,789,525 shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 310,662,152 shares

Three months ended June 30, 2021: 310,510,441 shares

* These quarterly consolidated financial results are exempt from quarterly review by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forecasts above were prepared based on information available as of the date of publication of this document. Actual financial results may differ from the forecast figures due to various factors in the future.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of June 30,2022
Assets		
Cash and due from banks	2,577,627	2,168,804
Call loans and bills bought	5,899	30,725
Monetary claims bought	8,000	8,027
Trading account assets	7,577	10,229
Money held in trust	42,415	45,044
Securities	1,668,228	1,763,762
Loans and bills discounted	6,901,858	6,981,236
Foreign exchanges	11,468	13,116
Lease receivables and investments in leases	63,275	62,525
Other assets	137,159	149,719
Tangible fixed assets	107,359	107,773
Intangible fixed assets	9,025	9,305
Retirement benefit asset	58,164	59,236
Deferred tax assets	6,060	13,300
Customers' liabilities for acceptances and guarantees	38,859	38,002
Allowance for loan losses	(39,070)	(38,747)
Total assets	11,603,909	11,422,061
Liabilities		
Deposits	8,729,837	8,669,660
Negotiable certificates of deposit	338,041	478,974
Securities sold under repurchase agreements	229,457	323,693
Cash collateral received for securities lent	448,183	491,499
Trading account liabilities	4,848	7,553
Borrowed money	1,201,839	815,927
Foreign exchanges	2,714	514
Borrowed money from trust account	51	48
Other liabilities	97,409	97,794
Retirement benefit liability	697	703
Provision for retirement benefits for directors (and other officers)	130	111
Provision for reimbursement of deposits	1,110	915
Provision for point card certificates	150	146
Provision for stockshares	799	754
Allowance for demolition of non-current assets	307	-
Reserves under special laws	28	28
Deferred tax liabilities for land revaluation	13,241	13,241
Acceptances and guarantees	38,859	38,002
Total liabilities	11,107,708	10,939,569

(Million yen)

	As of March 31,2022	As of June 30,2022
Net assets		
Share capital	60,000	60,000
Capital surplus	25,209	25,209
Retained earnings	377,217	382,399
Treasury shares	(1,237)	(1,120)
Total shareholders' equity	461,189	466,488
Valuation difference on available-for-sale securities	1,367	(20,500)
Deferred gains or losses on hedges	908	3,953
Revaluation reserve for land	26,993	27,020
Remeasurements of defined benefit plans	5,476	5,280
Total accumulated other comprehensive income	34,745	15,752
Share acquisition rights	126	126
Non-controlling interests	138	123
Total net assets	496,200	482,492
Total liabilities and net assets	11,603,909	11,422,061

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Ordinary income	35,867	38,046
Interest income	17,728	19,997
Interest on loans and discounts	14,227	14,799
Interest and dividends on securities	2,910	4,167
Trust fees	42	30
Fees and commissions	8,041	7,664
Gain on trading account transactions	1,188	1,037
Other ordinary income	6,224	8,308
Other income	2,642	1,007
Ordinary expenses	25,368	25,099
Interest expenses	887	1,939
Interest on deposits	235	258
Fees and commissions payments	2,557	2,318
Other ordinary expenses	5,495	5,619
General and administrative expenses	15,005	15,099
Other expenses	1,422	123
Ordinary profit	10,499	12,947
Extraordinary income	0	13
Gain on reversal of provision for dismantling of fixed assets	-	12
Gain on disposal of non-current assets	-	0
Reversal of reserve for financial instruments transaction liabilities	0	0
Extraordinary losses	376	74
Loss on disposal of non-current assets	26	19
Impairment losses	350	55
Profit before income taxes	10,123	12,886
Income taxes - current	1,882	2,609
Income taxes - deferred	1,129	1,301
Total income taxes	3,011	3,911
Profit	7,112	8,975
Profit attributable to non-controlling interests	1	17
Profit attributable to owners of parent	7,110	8,957

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Profit	7,112	8,975
Other comprehensive income	(1,158)	(19,020)
Valuation difference on available-for-sale securities	927	(21,868)
Deferred gains or losses on hedges	(1,731)	3,044
Remeasurements of defined benefit plans, net of tax	(353)	(196)
Comprehensive income	5,953	(10,045)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,952	(10,062)
Comprehensive income attributable to non-controlling interests	1	17