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Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

February 06, 2023

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: February 07, 2023

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 Nine Months Ended December 31, 2022 (April 01, 2022 to December 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	%
Nine months ended December 31, 2022	118,183	10.9	20,760	(29.0)	14,189	(28.7)
December 31, 2021	106,554	25.6	29,254	25.7	19,899	23.9

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥ (21,313) million [-%]
 Nine months ended December 31, 2021: ¥ 14,969 million [(53.1)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	45.66	45.63
December 31, 2021	64.07	64.04

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2022	11,629,141	467,055	4.0
March 31, 2022	11,603,909	496,200	4.3

(Reference) Equity: As of December 31, 2022: ¥ 466,814 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	-	13.50	-		
Fiscal year ending March 31, 2023 (Forecast)				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
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 nine months ended December 31, 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):

December 31, 2022: 312,370,921 shares

March 31, 2022: 312,370,921 shares

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

December 31, 2022: 1,549,368 shares

March 31, 2022: 1,789,525 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 310,756,445 shares

Nine months ended December 31, 2021: 310,548,784 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 December 31,2022
Assets		
Cash and due from banks	2,577,627	2,226,310
Call loans and bills bought	5,899	33,119
Monetary claims bought	8,000	8,985
Trading account assets	7,577	13,091
Money held in trust	42,415	39,227
Securities	1,668,228	1,678,700
Loans and bills discounted	6,901,858	7,208,790
Foreign exchanges	11,468	12,417
Lease receivables and investments in leases	63,275	66,009
Other assets	137,159	146,135
Tangible fixed assets	107,359	106,564
Intangible fixed assets	9,025	9,424
Retirement benefit asset	58,164	61,411
Deferred tax assets	6,060	19,237
Customers' liabilities for acceptances and guarantees	38,859	38,831
Allowance for loan losses	(39,070)	(39,116)
Total assets	11,603,909	11,629,141
Liabilities		
Deposits	8,729,837	8,724,939
Negotiable certificates of deposit	338,041	383,277
Call money and bills sold	-	315,000
Securities sold under repurchase agreements	229,457	207,880
Cash collateral received for securities lent	448,183	447,726
Trading account liabilities	4,848	10,521
Borrowed money	1,201,839	932,601
Foreign exchanges	2,714	704
Borrowed money from trust account	51	50
Other liabilities	97,409	84,833
Retirement benefit liability	697	712
Provision for retirement benefits for directors (and other officers)	130	135
Provision for reimbursement of deposits	1,110	584
Provision for point card certificates	150	195
Provision for stockshares	799	844
Allowance for demolition of non-current assets	307	-
Reserves under special laws	28	28
Deferred tax liabilities for land revaluation	13,241	13,215
Acceptances and guarantees	38,859	38,831
Total liabilities	11,107,708	11,162,086

(Million yen)

	As of March 31,2022	As of December 31,2022
Net assets		
Share capital	60,000	60,000
Capital surplus	25,209	25,209
Retained earnings	377,217	383,462
Treasury shares	(1,237)	(1,071)
Total shareholders' equity	461,189	467,599
Valuation difference on available-for-sale securities	1,367	(38,365)
Deferred gains or losses on hedges	908	5,719
Revaluation reserve for land	26,993	26,973
Remeasurements of defined benefit plans	5,476	4,886
Total accumulated other comprehensive income	34,745	(785)
Share acquisition rights	126	126
Non-controlling interests	138	114
Total net assets	496,200	467,055
Total liabilities and net assets	11,603,909	11,629,141

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Ordinary income	106,554	118,183
Interest income	53,909	64,107
Interest on loans and discounts	42,776	49,110
Interest and dividends on securities	8,705	12,452
Trust fees	130	104
Fees and commissions	24,732	24,019
Gain on trading account transactions	3,648	2,770
Other ordinary income	19,021	22,172
Other income	5,112	5,008
Ordinary expenses	77,299	97,423
Interest expenses	2,628	13,427
Interest on deposits	632	1,157
Fees and commissions payments	9,123	9,189
Other ordinary expenses	16,660	24,205
General and administrative expenses	43,945	43,882
Other expenses	4,941	6,718
Ordinary profit	29,254	20,760
Extraordinary income	2	24
Gain on reversal of provision for dismantling of fixed assets	-	12
Gain on disposal of non-current assets	1	11
Reversal of reserve for financial instruments transaction liabilities	0	0
Extraordinary losses	700	314
Loss on disposal of non-current assets	160	201
Impairment losses	540	113
Profit before income taxes	28,556	20,469
Income taxes - current	6,467	3,557
Income taxes - deferred	2,163	2,713
Total income taxes	8,631	6,271
Profit	19,925	14,198
Profit attributable to non-controlling interests	25	8
Profit attributable to owners of parent	19,899	14,189

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

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit	19,925	14,198
Other comprehensive income	(4,955)	(35,511)
Valuation difference on available-for-sale securities	(2,991)	(39,732)
Deferred gains or losses on hedges	(902)	4,811
Remeasurements of defined benefit plans, net of tax	(1,061)	(589)
Comprehensive income	14,969	(21,313)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,944	(21,322)
Comprehensive income attributable to non-controlling interests	25	8