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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 13, 2023

Company name: The Nanto Bank, Ltd.

Stock exchange listing: Tokyo

Code number: 8367

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

Representative: Takashi Hashimoto

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Scheduled date of filing quarterly securities report: November 27, 2023

Scheduled date of commencing dividend payments: December 5, 2023

Trading Accounts: No

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

President (Representative Director)

Executive Officer, General Manager Corporate Planning Division

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Ordinary revenues		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	42,260	6.2	8,310	(9.2)	5,952	(8.4)
Six months ended September 30, 2022	39,768	2.4	9,153	0.8	6,505	8.1

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 10,053 million [-%]
Six months ended September 30, 2022: ¥ (24,253) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	187.45	-
September 30, 2022	201.43	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	6,711,773	270,536	4.0
March 31, 2023	6,542,117	262,798	4.0

(Reference) Equity: As of September 30, 2023: ¥ 270,536 million
As of March 31, 2023: ¥ 262,798 million

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, 2023	-	40.00	-	73.00	113.00
Fiscal year ending March 31, 2024	-	40.00			
Fiscal year ending March 31, 2024 (Forecast)			-	64.00	104.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Full year	16,500	160.9	11,000	132.4	343.48

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(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) Total number of issued shares (common shares)

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

September 30, 2023: 33,025,656 shares

March 31, 2023: 33,025,656 shares

2) Number of treasury shares at the end of the period:

September 30, 2023: 1,269,576 shares

March 31, 2023: 1,273,761 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 31,753,831 shares

Six months ended September 30, 2022: 32,295,250 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

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

	Ordinary revenues		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	36,433	6.0	8,225	(9.8)	6,108	(10.0)
September 30, 2022	34,354	1.3	9,125	0.9	6,787	7.8

	Basic earnings per share
Six months ended	Yen
September 30, 2023	192.38
September 30, 2022	210.18

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	6,689,093	259,222	3.8
March 31, 2023	6,521,463	251,439	3.8

(Reference) Equity: As of September 30, 2023: ¥ 259,222 million
As of March 31, 2023: ¥ 251,439 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Ordinary profit		Net income		Basic earnings per share
Full year	Millions of yen	%	Millions of yen	%	Yen
	16,000	177.3	11,000	132.0	343.48

Interim Consolidated Financial Statements
Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Cash and due from banks	1,085,005	1,123,688
Monetary claims bought	1,503	1,576
Money held in trust	43,579	43,987
Securities	1,320,545	1,362,017
Loans and bills discounted	3,944,387	4,021,400
Foreign exchanges	1,354	3,041
Lease receivables and investments in leases	26,221	27,082
Other assets	72,006	81,209
Tangible fixed assets	40,493	40,786
Intangible fixed assets	4,674	4,631
Deferred tax assets	17,046	15,531
Customers' liabilities for acceptances and guarantees	8,759	6,764
Allowance for loan losses	(23,461)	(19,946)
Total assets	6,542,117	6,711,773
Liabilities		
Deposits	5,715,665	5,756,417
Negotiable certificates of deposit	8,140	67,315
Call money and bills sold	-	1,047
Cash collateral received for securities lent	139,161	183,839
Borrowed money	356,490	354,930
Foreign exchanges	806	675
Borrowed money from trust account	4,659	4,265
Other liabilities	32,699	53,160
Retirement benefit liability	11,916	11,893
Provision for reimbursement of deposits	76	37
Provision for contingent loss	831	768
Provision for share-based compensation	96	105
Reserves under special laws	3	3
Deferred tax liabilities	11	11
Acceptances and guarantees	8,759	6,764
Total liabilities	6,279,318	6,441,237
Net assets		
Share capital	37,924	37,924
Capital surplus	34,749	34,749
Retained earnings	200,383	204,012
Treasury shares	(3,418)	(3,410)
Total shareholders' equity	269,639	273,276
Valuation difference on available-for-sale securities	(6,537)	(13,085)
Deferred gains or losses on hedges	95	10,675
Remeasurements of defined benefit plans	(398)	(330)
Total accumulated other comprehensive income	(6,840)	(2,740)
Total net assets	262,798	270,536
Total liabilities and net assets	6,542,117	6,711,773

Interim Consolidated Statements of Income and Comprehensive Income
Interim Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Ordinary income	39,768	42,260
Interest income	24,702	24,707
Interest on loans and discounts	16,771	18,246
Interest and dividends on securities	7,109	5,020
Trust fees	8	12
Fees and commissions	11,672	11,986
Other ordinary income	2,147	1,567
Other income	1,238	3,985
Ordinary expenses	30,614	33,949
Interest expenses	1,138	3,826
Interest on deposits	146	137
Fees and commissions payments	6,426	6,819
Other ordinary expenses	2,692	1,729
General and administrative expenses	19,815	19,860
Other expenses	542	1,712
Ordinary profit	9,153	8,310
Extraordinary income	55	57
Gain on disposal of non-current assets	55	57
Extraordinary losses	8	98
Loss on disposal of non-current assets	8	98
Profit before income taxes	9,200	8,270
Income taxes - current	2,725	2,492
Income taxes - deferred	(30)	(174)
Total income taxes	2,695	2,317
Profit	6,505	5,952
Profit attributable to owners of parent	6,505	5,952

Interim Consolidated Statements of Comprehensive Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	6,505	5,952
Other comprehensive income	(30,759)	4,100
Valuation difference on available-for-sale securities	(35,567)	(6,547)
Deferred gains or losses on hedges	4,735	10,580
Remeasurements of defined benefit plans, net of tax	73	67
Comprehensive income	(24,253)	10,053
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(24,253)	10,053

Interim Consolidated Statements of Changes in Equity
For the six months ended September 30, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	37,924	34,749	199,208	(1,799)	270,083
Changes during period					
Dividends of surplus			(2,283)		(2,283)
Profit attributable to owners of parent			6,505		6,505
Purchase of treasury shares				(1,616)	(1,616)
Disposal of treasury shares		(0)		0	0
Transfer from retained earnings to capital surplus		0	(0)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	4,221	(1,616)	2,604
Balance at end of period	37,924	34,749	203,430	(3,416)	272,687

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	15,121	1,814	(546)	16,390	286,473
Changes during period					
Dividends of surplus					(2,283)
Profit attributable to owners of parent					6,505
Purchase of treasury shares					(1,616)
Disposal of treasury shares					0
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	(35,567)	4,735	73	(30,759)	(30,759)
Total changes during period	(35,567)	4,735	73	(30,759)	(28,154)
Balance at end of period	(20,446)	6,550	(472)	(14,368)	258,319

For the 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	37,924	34,749	200,383	(3,418)	269,639
Changes during period					
Dividends of surplus			(2,323)		(2,323)
Profit attributable to owners of parent			5,952		5,952
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(0)		9	9
Transfer from retained earnings to capital surplus		0	(0)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	3,629	7	3,637
Balance at end of period	37,924	34,749	204,012	(3,410)	273,276

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	(6,537)	95	(398)	(6,840)	262,798
Changes during period					
Dividends of surplus					(2,323)
Profit attributable to owners of parent					5,952
Purchase of treasury shares					(1)
Disposal of treasury shares					9
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	(6,547)	10,580	67	4,100	4,100
Total changes during period	(6,547)	10,580	67	4,100	7,737
Balance at end of period	(13,085)	10,675	(330)	(2,740)	270,536

Interim Non-consolidated Financial Statements
Interim Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Cash and due from banks	1,084,191	1,122,805
Monetary claims bought	1,503	1,576
Money held in trust	40,979	40,907
Securities	1,325,965	1,367,385
Loans and bills discounted	3,966,689	4,043,533
Foreign exchanges	1,354	3,041
Other assets	54,121	63,000
Other	54,121	63,000
Tangible fixed assets	38,990	39,251
Intangible fixed assets	4,391	4,362
Deferred tax assets	15,729	14,231
Customers' liabilities for acceptances and guarantees	8,759	6,764
Allowance for loan losses	(21,211)	(17,767)
Total assets	6,521,463	6,689,093
Liabilities		
Deposits	5,727,686	5,769,117
Negotiable certificates of deposit	8,140	67,315
Call money	-	1,047
Cash collateral received for securities lent	139,161	183,839
Borrowed money	349,204	346,455
Foreign exchanges	806	675
Borrowed money from trust account	4,659	4,265
Other liabilities	19,714	38,525
Income taxes payable	-	1,829
Lease liabilities	563	425
Asset retirement obligations	461	462
Other	18,688	35,808
Provision for retirement benefits	10,886	10,952
Provision for reimbursement of deposits	76	37
Provision for contingent loss	831	768
Provision for share-based compensation	96	105
Acceptances and guarantees	8,759	6,764
Total liabilities	6,270,024	6,429,870

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Share capital	37,924	37,924
Capital surplus	27,488	27,488
Legal capital surplus	27,488	27,488
Retained earnings	195,923	199,708
Legal retained earnings	13,257	13,257
Other retained earnings	182,665	186,451
General reserve	176,540	177,740
Retained earnings brought forward	6,125	8,711
Treasury shares	(3,418)	(3,410)
Total shareholders' equity	257,917	261,711
Valuation difference on available-for-sale securities	(6,573)	(13,164)
Deferred gains or losses on hedges	95	10,675
Total valuation and translation adjustments	(6,478)	(2,488)
Total net assets	251,439	259,222
Total liabilities and net assets	6,521,463	6,689,093

Interim Non-consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Ordinary income	34,354	36,433
Interest income	25,422	25,198
Interest on loans and discounts	16,790	18,270
Interest and dividends on securities	7,810	5,486
Trust fees	8	12
Fees and commissions	5,886	5,769
Other ordinary income	1,880	1,518
Other income	1,156	3,935
Ordinary expenses	25,228	28,208
Interest expenses	1,138	3,817
Interest on deposits	146	137
Fees and commissions payments	2,406	2,546
Other ordinary expenses	2,691	1,729
General and administrative expenses	18,575	18,681
Other expenses	417	1,433
Ordinary profit	9,125	8,225
Extraordinary income	55	57
Gain on disposal of non-current assets	55	57
Extraordinary losses	5	97
Loss on disposal of non-current assets	5	97
Profit before income taxes	9,176	8,185
Income taxes - current	2,490	2,220
Income taxes - deferred	(101)	(143)
Total income taxes	2,388	2,076
Profit	6,787	6,108

Interim Non-consolidated Statements of Changes in Equity
For the six months ended September 30, 2022

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	37,924	27,488	-	27,488	13,257	168,240	13,243	194,740
Changes during period								
Dividends of surplus							(2,283)	(2,283)
Profit							6,787	6,787
Provision of general reserve						8,300	(8,300)	-
Purchase of treasury shares								
Disposal of treasury shares			(0)	(0)				
Transfer from retained earnings to capital surplus			0	0			(0)	(0)
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	8,300	(3,795)	4,504
Balance at end of period	37,924	27,488	-	27,488	13,257	176,540	9,447	199,244

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(1,799)	258,353	15,106	1,814	16,921	275,274
Changes during period						
Dividends of surplus		(2,283)				(2,283)
Profit		6,787				6,787
Provision of general reserve		-				-
Purchase of treasury shares	(1,616)	(1,616)				(1,616)
Disposal of treasury shares	0	0				0
Transfer from retained earnings to capital surplus		-				-
Net changes in items other than shareholders' equity			(35,581)	4,735	(30,846)	(30,846)
Total changes during period	(1,616)	2,887	(35,581)	4,735	(30,846)	(27,959)
Balance at end of period	(3,416)	261,240	(20,475)	6,550	(13,925)	247,315

For the six months ended September 30, 2023

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	37,924	27,488	-	27,488	13,257	176,540	6,125	195,923
Changes during period								
Dividends of surplus							(2,323)	(2,323)
Profit							6,108	6,108
Provision of general reserve						1,200	(1,200)	
Purchase of treasury shares								
Disposal of treasury shares			(0)	(0)				
Transfer from retained earnings to capital surplus			0	0			(0)	(0)
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	1,200	2,585	3,785
Balance at end of period	37,924	27,488	-	27,488	13,257	177,740	8,711	199,708

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(3,418)	257,917	(6,573)	95	(6,478)	251,439
Changes during period						
Dividends of surplus		(2,323)				(2,323)
Profit		6,108				6,108
Provision of general reserve		-				-
Purchase of treasury shares	(1)	(1)				(1)
Disposal of treasury shares	9	9				9
Transfer from retained earnings to capital surplus		-				-
Net changes in items other than shareholders' equity			(6,591)	10,580	3,989	3,989
Total changes during period	7	3,793	(6,591)	10,580	3,989	7,783
Balance at end of period	(3,410)	261,711	(13,164)	10,675	(2,488)	259,222