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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

February 5, 2024

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 6, 2024

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, 2023 (April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	140,760	19.1	33,539	61.6	23,343	64.5
December 31, 2022	118,183	10.9	20,760	(29.0)	14,189	(28.7)

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥ 32,971 million [-%]
 Nine months ended December 31, 2022: ¥ (21,313) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	75.94	75.90
December 31, 2022	45.66	45.63

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	12,549,775	516,097	4.1
March 31, 2023	11,496,027	498,604	4.3

(Reference) Equity: As of December 31, 2023: ¥ 515,847 million

As of March 31, 2023: ¥ 498,342 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, 2023	-	13.50	-	13.50	27.00
Fiscal year ending March 31, 2024	-	18.00	-		
Fiscal year ending March 31, 2024 (Forecast)				18.00	36.00

(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	39,500	110.3	27,500	119.9	88.47

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2023

(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: No

2) Changes in accounting policies other than 1) above: Yes

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, 2023: 312,370,921 shares

March 31, 2023: 312,370,921 shares

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

December 31, 2023: 8,576,888 shares

March 31, 2023: 1,549,675 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 307,364,847 shares

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

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Cash and due from banks	2,188,107	2,719,964
Call loans and bills bought	34,784	60,718
Monetary claims bought	8,682	9,020
Trading account assets	10,598	8,160
Money held in trust	40,200	23,156
Securities	1,580,832	1,711,144
Loans and bills discounted	7,224,123	7,588,092
Foreign exchanges	11,579	10,150
Lease receivables and investments in leases	66,358	68,392
Other assets	133,877	145,213
Tangible fixed assets	107,570	112,093
Intangible fixed assets	10,835	12,691
Retirement benefit asset	74,580	78,632
Deferred tax assets	2,473	2,951
Customers' liabilities for acceptances and guarantees	40,795	44,935
Allowance for loan losses	(39,372)	(45,541)
Total assets	11,496,027	12,549,775
Liabilities		
Deposits	8,925,494	9,043,450
Negotiable certificates of deposit	326,762	355,887
Call money and bills sold	50,000	657,000
Securities sold under repurchase agreements	130,533	170,526
Cash collateral received for securities lent	402,712	456,857
Trading account liabilities	7,996	5,716
Borrowed money	1,013,860	1,175,916
Foreign exchanges	2,377	1,623
Borrowed money from trust account	51	64
Other liabilities	81,212	106,407
Retirement benefit liability	709	707
Provision for retirement benefits for directors (and other officers)	144	148
Provision for reimbursement of deposits	437	12
Provision for point card certificates	176	208
Provision for stockshares	914	972
Reserves under special laws	28	28
Deferred tax liabilities for land revaluation	13,215	13,215
Acceptances and guarantees	40,795	44,935
Total liabilities	10,997,422	12,033,678

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Share capital	60,000	60,000
Capital surplus	25,209	25,209
Retained earnings	381,782	395,780
Treasury shares	(1,071)	(7,168)
Total shareholders' equity	465,920	473,821
Valuation difference on available-for-sale securities	(8,502)	4,875
Deferred gains or losses on hedges	3,490	935
Revaluation reserve for land	26,971	26,971
Remeasurements of defined benefit plans	10,461	9,243
Total accumulated other comprehensive income	32,421	42,025
Share acquisition rights	126	126
Non-controlling interests	135	123
Total net assets	498,604	516,097
Total liabilities and net assets	11,496,027	12,549,775

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Ordinary income	118,183	140,760
Interest income	64,107	78,790
Interest on loans and discounts	49,110	60,812
Interest and dividends on securities	12,452	14,943
Trust fees	104	117
Fees and commissions	24,019	25,761
Gain on trading account transactions	2,770	1,645
Other ordinary income	22,172	23,510
Other income	5,008	10,935
Ordinary expenses	97,423	107,220
Interest expenses	13,427	24,019
Interest on deposits	1,157	2,808
Fees and commissions payments	9,189	8,796
Other ordinary expenses	24,205	22,275
General and administrative expenses	43,882	42,642
Other expenses	6,718	9,485
Ordinary profit	20,760	33,539
Extraordinary income	24	7
Gain on reversal of provision for dismantling of fixed assets	12	-
Gain on disposal of non-current assets	11	6
Reversal of reserve for financial instruments transaction liabilities	0	0
Extraordinary losses	314	191
Loss on disposal of non-current assets	201	150
Impairment losses	113	40
Profit before income taxes	20,469	33,355
Income taxes - current	3,557	14,780
Income taxes - deferred	2,713	(4,792)
Total income taxes	6,271	9,988
Profit	14,198	23,367
Profit attributable to non-controlling interests	8	23
Profit attributable to owners of parent	14,189	23,343

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	14,198	23,367
Other comprehensive income	(35,511)	9,604
Valuation difference on available-for-sale securities	(39,732)	13,377
Deferred gains or losses on hedges	4,811	(2,555)
Remeasurements of defined benefit plans, net of tax	(589)	(1,218)
Comprehensive income	(21,313)	32,971
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(21,322)	32,948
Comprehensive income attributable to non-controlling interests	8	23