

Translation

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## Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 10, 2024

Company name: Yamaguchi Financial Group, Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 8418 URL <https://www.ymfg.co.jp>  
 Representative: President and CEO Keisuke Mukunashi  
 General Manager of Accounting  
 Inquiries: Office, Corporate Planning Department Kentaro Hama TEL 083-223-5511  
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024  
 Scheduled date to file Securities Report: June 28, 2024  
 Scheduled date to commence dividend payments: June 28, 2024  
 Trading accounts: Yes  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	184,753	17.4	37,282	45.1	25,216	40.9
Year ended March 31, 2023	157,324	7.0	25,698	–	17,894	–

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Ordinary profit/ordinary income
	Yen	Yen	%	%	%
Year ended March 31, 2024	114.19	114.17	4.0	0.3	20.2
Year ended March 31, 2023	77.41	77.39	2.9	0.2	16.3

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	12,548,539	655,736	5.2	3,009.37
As of March 31, 2023	12,211,645	614,665	5.0	2,718.04

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	31,956	(493,727)	(18,397)	1,374,505
Year ended March 31, 2023	(143,348)	(155,575)	1,764	1,854,674

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	15.00	–	16.00	31.00	7,098	40.0	1.2
Year ended March 31, 2024	–	21.00	–	22.00	43.00	9,480	37.7	1.5
Year ending March 31, 2025 (Forecast)	–	30.00	–	30.00	60.00		39.4	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	20,500	2.8	14,300	5.4	65.93
Full year	47,500	27.4	33,000	30.9	152.14

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

As of March 31, 2024	234,767,616 shares	As of March 31, 2023	264,353,616 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	17,855,208 shares	As of March 31, 2023	39,260,405 shares
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Average number of shares during the period

Year ended March 31, 2024	220,836,113 shares	Year ended March 31, 2023	231,170,754 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Cash and due from banks	1,878,858	1,386,904
Call loans and bills bought	934	–
Monetary claims bought	2,457	1,940
Trading account assets	3,976	4,058
Money held in trust	17,404	31,035
Securities	1,534,139	2,065,414
Loans and bills discounted	8,347,832	8,589,933
Foreign exchanges	36,772	27,314
Lease receivables and investments in leases	19,805	24,047
Other assets	250,907	290,459
Tangible fixed assets	81,121	82,181
Buildings, net	19,443	20,908
Land	52,910	51,767
Leased assets, net	93	114
Construction in progress	245	4
Other tangible fixed assets	8,428	9,386
Intangible fixed assets	6,577	7,092
Software	5,349	5,959
Goodwill	359	308
Leased assets	0	–
Other intangible fixed assets	868	824
Retirement benefit asset	34,335	44,768
Deferred tax assets	9,964	1,684
Customers' liabilities for acceptances and guarantees	58,967	63,917
Allowance for loan losses	(72,410)	(72,214)
<b>Total assets</b>	<b>12,211,645</b>	<b>12,548,539</b>

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Deposits	9,954,008	10,057,923
Negotiable certificates of deposit	371,711	286,100
Call money and bills sold	340,052	438,028
Cash collateral received for securities lent	285,322	194,308
Trading account liabilities	1,813	1,730
Borrowed money	403,303	615,961
Foreign exchanges	98	116
Bonds payable	42,400	42,400
Other liabilities	123,479	169,149
Provision for bonuses	2,695	3,334
Retirement benefit liability	2,588	2,501
Provision for retirement benefits for directors (and other officers)	281	279
Provision for loss on interest repayment	13	13
Provision for reimbursement of deposits	359	235
Provision for point card certificates	124	138
Provision for management board benefit trust	427	543
Provision for employee stock ownership plan trust	–	45
Reserves under special laws	17	19
Deferred tax liabilities	683	7,691
Deferred tax liabilities for land revaluation	8,628	8,363
Acceptances and guarantees	58,967	63,917
<b>Total liabilities</b>	<b>11,596,980</b>	<b>11,892,802</b>
<b>Net assets</b>		
Share capital	50,000	50,000
Capital surplus	58,639	33,116
Retained earnings	522,893	540,429
Treasury shares	(34,847)	(19,276)
<b>Total shareholders' equity</b>	<b>596,685</b>	<b>604,270</b>
Valuation difference on available-for-sale securities	(17,237)	5,251
Deferred gains or losses on hedges	11,253	17,535
Revaluation reserve for land	19,432	18,826
Remeasurements of defined benefit plans	1,678	6,887
<b>Total accumulated other comprehensive income</b>	<b>15,126</b>	<b>48,500</b>
Share acquisition rights	43	23
Non-controlling interests	2,809	2,941
<b>Total net assets</b>	<b>614,665</b>	<b>655,736</b>
<b>Total liabilities and net assets</b>	<b>12,211,645</b>	<b>12,548,539</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Ordinary income	157,324	184,753
Interest income	104,859	132,702
Interest on loans and discounts	85,780	105,920
Interest and dividends on securities	16,724	24,780
Interest on call loans and bills bought	556	474
Interest on deposits with banks	1,754	1,487
Other interest income	42	38
Trust fees	0	0
Fees and commissions	25,940	28,828
Gain on trading account transactions	1,094	998
Other ordinary income	13,011	13,250
Other income	12,417	8,973
Recoveries of written off receivables	9	37
Other	12,408	8,935
Ordinary expenses	131,625	147,471
Interest expenses	17,188	32,575
Interest on deposits	3,575	4,946
Interest on negotiable certificates of deposit	17	23
Interest on call money and bills sold	1,942	2,899
Interest expenses on cash collateral received for securities lent	4,579	9,396
Interest on borrowings and rediscounts	52	93
Interest expenses on bonds	261	405
Other interest expenses	6,758	14,811
Fees and commissions payments	9,156	9,662
Other ordinary expenses	32,217	33,526
General and administrative expenses	61,155	63,328
Other expenses	11,908	8,378
Provision of allowance for loan losses	6,243	4,408
Other	5,664	3,969
Ordinary profit	25,698	37,282
Extraordinary income	1,783	560
Gain on disposal of non-current assets	371	546
Gain on extinguishment of tie-in shares	–	14
Gain on bargain purchase	907	–
Gain on step acquisitions	504	–
Extraordinary losses	795	632
Loss on disposal of non-current assets	203	286
Impairment losses	592	343
Provision of reserve for financial instruments transaction liabilities	–	2
Profit before income taxes	26,686	37,210
Income taxes - current	7,530	11,641
Income taxes - deferred	1,111	220
Total income taxes	8,641	11,861
Profit	18,044	25,349
Profit attributable to non-controlling interests	150	132
Profit attributable to owners of parent	17,894	25,216

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	18,044	25,349
Other comprehensive income	(19,346)	33,979
Valuation difference on available-for-sale securities	(25,428)	22,488
Deferred gains or losses on hedges	6,503	6,282
Remeasurements of defined benefit plans, net of tax	(422)	5,208
Comprehensive income	(1,302)	59,328
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,433)	59,196
Comprehensive income attributable to non-controlling interests	131	132

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	50,000	58,648	511,253	(25,045)	594,855
Changes during period					
Dividends of surplus			(6,822)		(6,822)
Profit attributable to owners of parent			17,894		17,894
Purchase of treasury shares				(10,000)	(10,000)
Disposal of treasury shares		9		198	208
Purchase of shares of consolidated subsidiaries		(18)			(18)
Reversal of revaluation reserve for land			568		568
Net changes in items other than shareholders' equity					
Total changes during period	-	(8)	11,640	(9,801)	1,829
Balance at end of period	50,000	58,639	522,893	(34,847)	596,685

	Accumulated other comprehensive income					Share acquisition rights	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	8,171	4,749	20,001	2,101	35,023	81	6,382	636,344
Changes during period								
Dividends of surplus								(6,822)
Profit attributable to owners of parent								17,894
Purchase of treasury shares								(10,000)
Disposal of treasury shares								208
Purchase of shares of consolidated subsidiaries								(18)
Reversal of revaluation reserve for land								568
Net changes in items other than shareholders' equity	(25,409)	6,503	(568)	(422)	(19,897)	(38)	(3,572)	(23,508)
Total changes during period	(25,409)	6,503	(568)	(422)	(19,897)	(38)	(3,572)	(21,678)
Balance at end of period	(17,237)	11,253	19,432	1,678	15,126	43	2,809	614,665

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	50,000	58,639	522,893	(34,847)	596,685
Changes during period					
Dividends of surplus			(8,286)		(8,286)
Profit attributable to owners of parent			25,216		25,216
Purchase of treasury shares				(10,757)	(10,757)
Disposal of treasury shares		(22)		828	806
Cancellation of treasury shares		(25,500)		25,500	–
Reversal of revaluation reserve for land			605		605
Net changes in items other than shareholders' equity					
Total changes during period	–	(25,522)	17,536	15,570	7,584
Balance at end of period	50,000	33,116	540,429	(19,276)	604,270

	Accumulated other comprehensive income					Share acquisition rights	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	(17,237)	11,253	19,432	1,678	15,126	43	2,809	614,665
Changes during period								
Dividends of surplus								(8,286)
Profit attributable to owners of parent								25,216
Purchase of treasury shares								(10,757)
Disposal of treasury shares								806
Cancellation of treasury shares								–
Reversal of revaluation reserve for land								605
Net changes in items other than shareholders' equity	22,488	6,282	(605)	5,208	33,373	(19)	132	33,486
Total changes during period	22,488	6,282	(605)	5,208	33,373	(19)	132	41,070
Balance at end of period	5,251	17,535	18,826	6,887	48,500	23	2,941	655,736



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	26,686	37,210
Depreciation	5,037	4,372
Impairment losses	592	343
Amortization of goodwill	67	50
Gain on bargain purchase	(907)	–
Loss (gain) on step acquisitions	(504)	–
Loss (gain) on extinguishment of tie-in shares	–	(14)
Share of loss (profit) of entities accounted for using equity method	(16)	1
Increase (decrease) in allowance for loan losses	(8,938)	(195)
Increase (decrease) in provision for bonuses	(182)	639
Decrease (increase) in retirement benefit asset	(1,607)	(10,432)
Increase (decrease) in retirement benefit liability	(63)	(87)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(5)	(2)
Increase (decrease) in provision for share awards for directors (and other officers)	(60)	115
Increase (decrease) in provision for employee stock ownership plan trust	–	45
Increase (decrease) in provision for loss on interest repayment	(4)	(0)
Increase (decrease) in provision for reimbursement of deposits	(171)	(124)
Increase (decrease) in provision for point card certificates	41	13
Increase (decrease) in reserves under special laws	–	2
Interest income	(104,859)	(132,702)
Interest expenses	17,188	32,575
Loss (gain) related to securities	7,612	9,152
Loss (gain) on money held in trust	1,288	312
Foreign exchange losses (gains)	(12,176)	(28,189)
Loss (gain) on disposal of non-current assets	(167)	(259)
Net decrease (increase) in trading account assets	(875)	(82)
Net increase (decrease) in trading account liabilities	434	(83)
Net decrease (increase) in loans and bills discounted	(203,835)	(242,100)
Net increase (decrease) in deposits	22,778	103,914
Net increase (decrease) in negotiable certificates of deposit	(31,616)	(85,611)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(223,243)	212,657
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	(95)	11,784
Net decrease (increase) in call loans	33,763	1,451
Net increase (decrease) in call money	261,974	97,976
Net increase (decrease) in cash collateral received for securities lent	(29,635)	(91,013)
Net decrease (increase) in foreign exchanges - assets	(6,731)	9,457
Net increase (decrease) in foreign exchanges - liabilities	(72)	17
Net decrease (increase) in lease receivables and investments in leases	(106)	(4,242)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Interest received	99,259	126,549
Interest paid	(16,386)	(32,064)
Other, net	21,509	18,649
Subtotal	(144,031)	40,087
Income taxes paid	(6,336)	(10,791)
Income taxes refund	7,018	2,660
Net cash provided by (used in) operating activities	(143,348)	31,956

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Purchase of securities	(820,504)	(937,227)
Proceeds from sale of securities	622,107	426,514
Proceeds from redemption of securities	30,140	37,870
Increase in money held in trust	(4,960)	(7,010)
Decrease in money held in trust	21,126	(7,710)
Purchase of tangible fixed assets	(2,018)	(5,239)
Proceeds from sale of tangible fixed assets	1,362	2,112
Purchase of intangible assets	(2,446)	(3,037)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(382)	–
Net cash provided by (used in) investing activities	(155,575)	(493,727)
Cash flows from financing activities		
Issuance of subordinated bonds	22,270	–
Dividends paid	(6,822)	(8,286)
Dividends paid to non-controlling interests	(2)	–
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(3,679)	(108)
Purchase of treasury shares	(10,000)	(10,757)
Proceeds from disposal of treasury shares	0	755
Net cash provided by (used in) financing activities	1,764	(18,397)
Effect of exchange rate change on cash and cash equivalents	7	0
Net increase (decrease) in cash and cash equivalents	(297,151)	(480,169)
Cash and cash equivalents at beginning of period	2,151,826	1,854,674
Cash and cash equivalents at end of period	1,854,674	1,374,505