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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

August 3, 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: August 4, 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 Three Months Ended June 30, 2023 (April 1, 2023 to June 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	%
Three months ended June 30, 2023	46,507	22.2	13,692	5.8	9,659	7.8
June 30, 2022	38,046	6.1	12,947	23.3	8,957	26.0

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 20,117 million [-%]
Three months ended June 30, 2022: ¥ (10,045) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	31.11	31.10
June 30, 2022	28.83	28.81

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	11,764,552	513,146	4.4
March 31, 2023	11,496,027	498,604	4.3

(Reference) Equity: As of June 30, 2023: ¥ 512,916 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	-				
Fiscal year ending March 31, 2024 (Forecast)		18.00	-	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
Six months ending September 30, 2023	19,000	28.7	13,000	29.1	41.82
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 three months ended June 30, 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):

June 30, 2023: 312,370,921 shares

March 31, 2023: 312,370,921 shares

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

June 30, 2023: 3,242,081 shares

March 31, 2023: 1,549,675 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 310,419,517 shares

Three months ended June 30, 2022: 310,662,152 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 June 30, 2023
Assets		
Cash and due from banks	2,188,107	2,328,371
Call loans and bills bought	34,784	39,132
Monetary claims bought	8,682	8,250
Trading account assets	10,598	8,750
Money held in trust	40,200	34,883
Securities	1,580,832	1,620,191
Loans and bills discounted	7,224,123	7,288,021
Foreign exchanges	11,579	10,245
Lease receivables and investments in leases	66,358	65,482
Other assets	133,877	162,380
Tangible fixed assets	107,570	107,989
Intangible fixed assets	10,835	11,533
Retirement benefit asset	74,580	75,930
Deferred tax assets	2,473	1,402
Customers' liabilities for acceptances and guarantees	40,795	42,317
Allowance for loan losses	(39,372)	(40,328)
Total assets	11,496,027	11,764,552
Liabilities		
Deposits	8,925,494	8,962,952
Negotiable certificates of deposit	326,762	365,124
Call money and bills sold	50,000	80,000
Securities sold under repurchase agreements	130,533	197,860
Cash collateral received for securities lent	402,712	448,228
Trading account liabilities	7,996	6,137
Borrowed money	1,013,860	1,026,028
Foreign exchanges	2,377	1,053
Borrowed money from trust account	51	47
Other liabilities	81,212	105,313
Retirement benefit liability	709	701
Provision for retirement benefits for directors (and other officers)	144	122
Provision for reimbursement of deposits	437	253
Provision for point card certificates	176	170
Provision for stockshares	914	876
Reserves under special laws	28	28
Deferred tax liabilities	-	974
Deferred tax liabilities for land revaluation	13,215	13,215
Acceptances and guarantees	40,795	42,317
Total liabilities	10,997,422	11,251,406

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Share capital	60,000	60,000
Capital surplus	25,209	25,209
Retained earnings	381,782	387,225
Treasury shares	(1,071)	(2,394)
Total shareholders' equity	465,920	470,039
Valuation difference on available-for-sale securities	(8,502)	1,608
Deferred gains or losses on hedges	3,490	4,241
Revaluation reserve for land	26,971	26,971
Remeasurements of defined benefit plans	10,461	10,055
Total accumulated other comprehensive income	32,421	42,876
Share acquisition rights	126	126
Non-controlling interests	135	103
Total net assets	498,604	513,146
Total liabilities and net assets	11,496,027	11,764,552

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Ordinary income	38,046	46,507
Interest income	19,997	24,462
Interest on loans and discounts	14,799	19,146
Interest and dividends on securities	4,167	4,550
Trust fees	30	30
Fees and commissions	7,664	8,541
Gain on trading account transactions	1,037	502
Other ordinary income	8,308	6,688
Other income	1,007	6,282
Ordinary expenses	25,099	32,814
Interest expenses	1,939	7,251
Interest on deposits	258	716
Fees and commissions payments	2,318	2,437
Other ordinary expenses	5,619	5,667
General and administrative expenses	15,099	14,189
Other expenses	123	3,267
Ordinary profit	12,947	13,692
Extraordinary income	13	6
Gain on reversal of provision for dismantling of fixed assets	12	-
Gain on disposal of non-current assets	0	6
Reversal of reserve for financial instruments transaction liabilities	0	0
Extraordinary losses	74	13
Loss on disposal of non-current assets	19	9
Impairment losses	55	3
Profit before income taxes	12,886	13,685
Income taxes - current	2,609	6,672
Income taxes - deferred	1,301	(2,650)
Total income taxes	3,911	4,022
Profit	8,975	9,663
Profit attributable to non-controlling interests	17	3
Profit attributable to owners of parent	8,957	9,659

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	8,975	9,663
Other comprehensive income	(19,020)	10,454
Valuation difference on available-for-sale securities	(21,868)	10,110
Deferred gains or losses on hedges	3,044	750
Remeasurements of defined benefit plans, net of tax	(196)	(406)
Comprehensive income	(10,045)	20,117
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(10,062)	20,114
Comprehensive income attributable to non-controlling interests	17	3