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Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]

August 08, 2022

Company name: Nishi-Nippon Financial Holdings, Inc.

Stock exchange listing: Tokyo, Fukuoka

Code number: 7189

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

Representative: Hideyuki Murakami

President

Contact: Hiroto Funatsu

General Manager of Corporate Planning Division

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Scheduled date of filing quarterly securities report: August 10, 2022

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, 2022 (April 01, 2022 to June 30, 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	%
Three months ended June 30, 2022	36,930	1.0	12,150	(14.6)	8,283	(14.4)
June 30, 2021	36,558	7.8	14,220	84.6	9,678	79.9

(Note) Comprehensive income: Three months ended June 30, 2022: ¥ (7,720) million [-%]
Three months ended June 30, 2021: ¥ 5,577 million [(53.2)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	57.40	-
June 30, 2021	65.33	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2022	12,851,435	519,944	4.0
March 31, 2022	13,127,906	530,724	4.0

(Reference) Equity: As of June 30, 2022: ¥ 511,478 million
As of March 31, 2022: ¥ 522,169 million

(Note) Capital adequacy ratio = (Total net assets - Non-controlling interests) / Total assets.

The ratio above is not based on the regulation of Capital Adequacy Ratio.

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	-	15.00	-	20.00	35.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		17.50	-	17.50	35.00

(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
Six months ended September 30, 2022	17,500	(24.4)	11,500	(26.5)	79.69
Full year	38,000	0.3	25,000	3.2	173.24

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

(Note)The Company plans to make City Ascom Co., Ltd. a consolidated subsidiary and Kyushu Leasing Service Co., Ltd. an equity-method affiliate by the end of October 2022, under the presumption of receiving permission from the authorities and others concerned.

The impact of the reorganization described above is closely examining, and the earnings forecast does not include this impact.

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 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: Yes

(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):

June 30, 2022: 151,596,955 shares

March 31, 2022: 151,596,955 shares

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

June 30, 2022: 7,289,195 shares

March 31, 2022: 7,288,911 shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 144,307,874 shares

Three months ended June 30, 2021: 148,153,310 shares

(Note)This report is out of the scope of the quarterly review by certified public accountants or independent audit firms.

(Note)Explanation for proper use of forecasts and other notes

The above forecasts are based on the information which is presently available and certain assumptions which are considered to be reasonable.

Actual results may differ materially from those forecasts depending on various future factors.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of June 30,2022
Assets		
Cash and due from banks	2,614,747	2,343,579
Monetary claims bought	39,621	40,352
Trading account assets	-	80
Money held in trust	11,682	11,692
Securities	1,773,344	1,897,430
Loans and bills discounted	8,470,861	8,333,450
Foreign exchanges	22,757	15,596
Other assets	90,311	95,840
Tangible fixed assets	116,172	115,398
Intangible fixed assets	4,160	4,255
Retirement benefit asset	7,548	7,963
Deferred tax assets	2,109	9,277
Customers' liabilities for acceptances and guarantees	17,639	19,638
Allowance for loan losses	(42,473)	(42,544)
Allowance for investment loss	(577)	(577)
Total assets	13,127,906	12,851,435
Liabilities		
Deposits	9,570,343	9,760,830
Negotiable certificates of deposit	264,293	317,203
Call money and bills sold	510,000	190,100
Securities sold under repurchase agreements	251,120	312,910
Cash collateral received for securities lent	87,188	188,499
Borrowed money	1,755,240	1,397,239
Foreign exchanges	201	285
Borrowed money from trust account	4,794	4,946
Other liabilities	113,952	118,011
Retirement benefit liability	4,773	4,410
Provision for retirement benefits for directors (and other officers)	201	167
Provision for reimbursement of deposits	825	683
Provision for contingent loss	1,096	1,089
Reserves under special laws	12	12
Deferred tax liabilities	844	810
Deferred tax liabilities for land revaluation	14,652	14,652
Acceptances and guarantees	17,639	19,638
Total liabilities	12,597,181	12,331,491

(Million yen)

	As of March 31,2022	As of June 30,2022
Net assets		
Share capital	50,000	50,000
Capital surplus	121,123	121,123
Retained earnings	304,236	309,632
Treasury shares	(5,522)	(5,522)
Total shareholders' equity	469,837	475,233
Valuation difference on available-for-sale securities	38,616	21,632
Deferred gains or losses on hedges	(8)	425
Revaluation reserve for land	29,438	29,438
Remeasurements of defined benefit plans	(15,715)	(15,252)
Total accumulated other comprehensive income	52,332	36,244
Non-controlling interests	8,555	8,465
Total net assets	530,724	519,944
Total liabilities and net assets	13,127,906	12,851,435

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Ordinary income	36,558	36,930
Interest income	24,668	26,376
Interest on loans and discounts	20,314	20,080
Interest and dividends on securities	3,756	5,197
Trust fees	0	0
Fees and commissions	7,931	8,170
Gain on trading account transactions	490	396
Other ordinary income	2,231	961
Other income	1,237	1,026
Ordinary expenses	22,337	24,779
Interest expenses	208	1,064
Interest on deposits	114	93
Fees and commissions payments	1,762	1,951
Other ordinary expenses	131	1,122
General and administrative expenses	19,554	20,086
Other expenses	680	554
Ordinary profit	14,220	12,150
Extraordinary income	131	-
Gain on disposal of non-current assets	131	-
Extraordinary losses	82	22
Loss on disposal of non-current assets	21	22
Impairment losses	61	-
Profit before income taxes	14,269	12,128
Income taxes	4,405	3,748
Profit	9,863	8,379
Profit attributable to non-controlling interests	184	96
Profit attributable to owners of parent	9,678	8,283

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

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Profit	9,863	8,379
Other comprehensive income	(4,286)	(16,100)
Valuation difference on available-for-sale securities	(4,440)	(16,997)
Deferred gains or losses on hedges	28	433
Remeasurements of defined benefit plans, net of tax	125	462
Comprehensive income	5,577	(7,720)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,348	(7,804)
Comprehensive income attributable to non-controlling interests	228	83