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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 10, 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

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General Manager of Corporate Planning Division

Phone: 092-476-5050

Scheduled date of filing quarterly securities report: November 25, 2022

Scheduled date of commencing dividend payments: December 09, 2022

Trading Accounts: Yes

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes (for institutional investors, analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 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	%
Six months ended September 30, 2022	73,839	5.4	19,032	(17.7)	13,500	(13.8)
September 30, 2021	70,040	5.4	23,133	67.8	15,655	65.8

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ (18,345) million [-%]
Six months ended September 30, 2021: ¥ 14,510 million [(24.2)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	93.56	-
September 30, 2021	105.67	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2022	12,846,416	509,227	3.9
March 31, 2022	13,127,906	530,724	4.0

(Reference) Equity: As of September 30, 2022: ¥ 500,671 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	-	17.50			
Fiscal year ending March 31, 2023 (Forecast)			-	27.50	45.00

(Note) Revision to the forecast for dividends announced most recently: Yes

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
Full year	33,500	(11.5)	26,000	7.3	180.26

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

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

(2) 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

(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, 2022: 151,596,955 shares

March 31, 2022: 151,596,955 shares

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

September 30, 2022: 7,412,955 shares

March 31, 2022: 7,288,911 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 144,294,683 shares

Six months ended September 30, 2021: 148,151,869 shares

(Note) The total number of treasury shares at the end of the period includes treasury shares held by a trust account for Board Benefit Trust (BBT) (121,000 shares as of September 30, 2022). In addition, treasury shares held by the trust account (12,000 shares for six months ended September 30, 2022) are included in the number of treasury shares that is deducted in the calculation of the average number of shares during the period.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 2022)

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

	Operating revenues		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	5,607	25.0	5,116	26.5	5,010	26.1	4,997	26.1
September 30, 2021	4,487	29.5	4,043	29.5	3,972	29.9	3,964	30.2

	Basic earnings per share
Six months ended	Yen
September 30, 2022	34.63
September 30, 2021	26.76

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2022	420,019	372,642	88.7
March 31, 2022	421,938	370,610	87.8

(Reference) Equity: As of September 30, 2022: ¥ 372,642 million
As of March 31, 2022: ¥ 370,610 million

(Note) This report is out of the scope of the audit 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.

Interim Consolidated Financial Statements

Interim Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
Assets		
Cash and due from banks	2,614,747	2,445,954
Call loans and bills bought	-	2,896
Monetary claims bought	39,621	40,120
Money held in trust	11,682	11,650
Securities	1,773,344	1,906,374
Loans and bills discounted	8,470,861	8,209,685
Foreign exchanges	22,757	7,868
Other assets	90,311	99,654
Tangible fixed assets	116,172	115,320
Intangible fixed assets	4,160	4,981
Retirement benefit asset	7,548	8,373
Deferred tax assets	2,109	16,135
Customers' liabilities for acceptances and guarantees	17,639	19,367
Allowance for loan losses	(42,473)	(41,385)
Allowance for investment loss	(577)	(582)
Total assets	13,127,906	12,846,416
Liabilities		
Deposits	9,570,343	9,779,025
Negotiable certificates of deposit	264,293	286,117
Call money and bills sold	510,000	140,500
Securities sold under repurchase agreements	251,120	325,119
Cash collateral received for securities lent	87,188	139,240
Borrowed money	1,755,240	1,492,985
Foreign exchanges	201	399
Borrowed money from trust account	4,794	5,219
Other liabilities	113,952	127,826
Provision for share awards for directors (and other officers)	-	1
Retirement benefit liability	4,773	4,029
Provision for retirement benefits for directors (and other officers)	201	175
Provision for reimbursement of deposits	825	718
Provision for contingent loss	1,096	1,100
Reserves under special laws	12	12
Deferred tax liabilities	844	701
Deferred tax liabilities for land revaluation	14,652	14,648
Acceptances and guarantees	17,639	19,367
Total liabilities	12,597,181	12,337,188

(Million yen)

	As of March 31,2022	As of September 30,2022
Net assets		
Share capital	50,000	50,000
Capital surplus	121,123	121,123
Retained earnings	304,236	314,858
Treasury shares	(5,522)	(5,614)
Total shareholders' equity	469,837	480,367
Valuation difference on available-for-sale securities	38,616	4,522
Deferred gains or losses on hedges	(8)	1,140
Revaluation reserve for land	29,438	29,430
Remeasurements of defined benefit plans	(15,715)	(14,789)
Total accumulated other comprehensive income	52,332	20,304
Non-controlling interests	8,555	8,556
Total net assets	530,724	509,227
Total liabilities and net assets	13,127,906	12,846,416

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Ordinary income	70,040	73,839
Interest income	48,490	52,652
Interest on loans and discounts	40,665	40,411
Interest and dividends on securities	6,377	10,204
Trust fees	0	0
Fees and commissions	16,195	16,375
Gain on trading account transactions	959	823
Other ordinary income	2,497	1,947
Other income	1,897	2,040
Ordinary expenses	46,906	54,807
Interest expenses	374	3,521
Interest on deposits	223	201
Fees and commissions payments	5,083	5,243
Other ordinary expenses	706	3,566
General and administrative expenses	39,353	40,271
Other expenses	1,388	2,203
Ordinary profit	23,133	19,032
Extraordinary income	133	29
Gain on disposal of non-current assets	133	29
Extraordinary losses	237	147
Loss on disposal of non-current assets	131	124
Impairment losses	105	23
Profit before income taxes	23,029	18,914
Income taxes - current	5,797	5,276
Income taxes - deferred	1,231	(96)
Total income taxes	7,028	5,180
Profit	16,000	13,733
Profit attributable to non-controlling interests	345	233
Profit attributable to owners of parent	15,655	13,500

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	16,000	13,733
Other comprehensive income	(1,490)	(32,079)
Valuation difference on available-for-sale securities	(1,942)	(34,154)
Deferred gains or losses on hedges	202	1,148
Remeasurements of defined benefit plans, net of tax	250	925
Comprehensive income	14,510	(18,345)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,142	(18,519)
Comprehensive income attributable to non-controlling interests	367	173

Interim Consolidated Statements of Changes in Net Assets

For the six months ended September 30,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	50,000	127,202	284,535	(8,597)	453,140
Cumulative effects of changes in accounting policies			(220)		(220)
Restated balance	50,000	127,202	284,315	(8,597)	452,919
Changes during period					
Dividends of surplus			(2,222)		(2,222)
Profit attributable to owners of parent			15,655		15,655
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		(0)		0	0
Reversal of revaluation reserve for land			185		185
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	13,618	(2)	13,615
Balance at end of period	50,000	127,202	297,933	(8,600)	466,535

	Accumulated other comprehensive income					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	65,238	(1,428)	29,592	(3,751)	89,651	8,114	550,906
Cumulative effects of changes in accounting policies						(32)	(253)
Restated balance	65,238	(1,428)	29,592	(3,751)	89,651	8,081	550,653
Changes during period							
Dividends of surplus							(2,222)
Profit attributable to owners of parent							15,655
Purchase of treasury shares							(3)
Disposal of treasury shares							0
Reversal of revaluation reserve for land							185
Net changes in items other than shareholders' equity	(1,964)	202	(185)	250	(1,697)	204	(1,492)
Total changes during period	(1,964)	202	(185)	250	(1,697)	204	12,122
Balance at end of period	63,273	(1,225)	29,407	(3,500)	87,953	8,286	562,775

For the six months ended September 30,2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	50,000	121,123	304,236	(5,522)	469,837
Changes during period					
Dividends of surplus			(2,886)		(2,886)
Profit attributable to owners of parent			13,500		13,500
Purchase of treasury shares				(92)	(92)
Disposal of treasury shares		(0)		0	0
Reversal of revaluation reserve for land			8		8
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	10,621	(92)	10,529
Balance at end of period	50,000	121,123	314,858	(5,614)	480,367

	Accumulated other comprehensive income					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	38,616	(8)	29,438	(15,715)	52,332	8,555	530,724
Changes during period							
Dividends of surplus							(2,886)
Profit attributable to owners of parent							13,500
Purchase of treasury shares							(92)
Disposal of treasury shares							0
Reversal of revaluation reserve for land							8
Net changes in items other than shareholders' equity	(34,094)	1,148	(8)	925	(32,028)	0	(32,027)
Total changes during period	(34,094)	1,148	(8)	925	(32,028)	0	(21,497)
Balance at end of period	4,522	1,140	29,430	(14,789)	20,304	8,556	509,227