

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 6, 2024

Company name: Nishi-Nippon Financial Holdings, Inc.

Listing: Tokyo, Fukuoka

Securities code: 7189

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

Representative: Hideyuki Murakami

President

Inquiries: Masaru Dejima

General Manager of Corporate Planning Division

Telephone: +81-92-476-5050

Scheduled date to file semi-annual securities report: November 25, 2024

Scheduled date to commence dividend payments: December 10, 2024

Trading accounts: Yes

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for institutional investors, analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 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 | % |
| Six months ended September 30, 2024 | 94,855 | 3.9 | 23,599 | 5.9 | 16,420 | 6.6 |
| September 30, 2023 | 91,261 | 23.6 | 22,293 | 17.1 | 15,407 | 14.1 |

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 4,085 million [421.2%]
Six months ended September 30, 2023: ¥ 783 million [-%]

| | Basic earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Six months ended September 30, 2024 | 117.05 | - |
| September 30, 2023 | 108.89 | - |

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio |
|--------------------------|-----------------|-----------------|------------------------|
| | Millions of yen | Millions of yen | % |
| As of September 30, 2024 | 13,540,958 | 585,681 | 4.3 |
| March 31, 2024 | 13,483,062 | 586,065 | 4.3 |

(Reference) Equity: As of September 30, 2024: ¥ 575,600 million
As of March 31, 2024: ¥ 575,881 million

(Note) 1. 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. In accordance with the change in accounting policy, the figures for the fiscal year ended March 31, 2024 are adjusted retrospectively.

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, 2024 | - | 25.00 | - | 30.00 | 55.00 |
| Fiscal year ending March 31, 2025 | - | 30.00 | | | |
| Fiscal year ending March 31, 2025 (Forecast) | | | - | 35.00 | 65.00 |

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

| | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-----------------|------|---|------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 41,000 | 15.1 | 27,000 | 14.5 | 192.46 |

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

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

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

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

September 30, 2024: 147,393,755 shares

March 31, 2024: 147,393,755 shares

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

September 30, 2024: 7,105,215 shares

March 31, 2024: 7,106,844 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 140,287,213 shares

Six months ended September 30, 2023: 141,493,824 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) (114 thousand shares as of September 30, 2024 and 120 thousand shares as of March 31, 2024). In addition, treasury shares held by the trust account (118 thousand shares for six months ended September 30, 2024 and 120 thousand shares for six months ended September 30, 2023) are included in the number of treasury shares that is deducted in the calculation of the average number of shares during the period.

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes.)

| | Operating revenues | | Operating profit | | Ordinary profit | | Net income | |
|--|--------------------|-------|------------------|-------|-----------------|-------|-----------------|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended September 30, 2024 | 14,662 | 115.8 | 14,135 | 127.9 | 13,996 | 129.4 | 13,964 | 131.7 |
| September 30, 2023 | 6,793 | 21.2 | 6,201 | 21.2 | 6,100 | 21.8 | 6,027 | 20.6 |

| | Basic earnings per share |
|--|-----------------------------|
| Six months ended September 30, 2024 | Yen 99.53 |
| September 30, 2023 | 42.59 |

(2) Non-consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio |
|-----------------------------|----------------------------|----------------------------|------------------------|
| As of September 30, 2024 | Millions of yen 436,419 | Millions of yen 381,668 | % 87.5 |
| March 31, 2024 | 426,729 | 371,920 | 87.2 |

(Reference) Equity: As of September 30, 2024: ¥ 381,668 million
As of March 31, 2024: ¥ 371,920 million

(Note) Semi-annual financial results reports are exempt from interim audit conducted by certified public accountants or an audit firm.

(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.

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|--|----------------------|--------------------------|
| Assets | | |
| Cash and due from banks | 2,200,594 | 1,980,970 |
| Call loans and bills bought | 7,570 | 55,000 |
| Monetary claims bought | 47,653 | 46,542 |
| Money held in trust | 11,699 | 11,708 |
| Securities | 1,803,150 | 1,661,521 |
| Loans and bills discounted | 9,178,238 | 9,553,254 |
| Foreign exchanges | 9,361 | 9,650 |
| Other assets | 101,896 | 98,271 |
| Tangible fixed assets | 115,958 | 114,889 |
| Intangible fixed assets | 5,193 | 5,483 |
| Retirement benefit asset | 24,964 | 26,398 |
| Deferred tax assets | 1,083 | 1,145 |
| Customers' liabilities for acceptances and guarantees | 18,559 | 17,722 |
| Allowance for loan losses | (42,302) | (41,042) |
| Allowance for investment loss | (557) | (557) |
| Total assets | 13,483,062 | 13,540,958 |
| Liabilities | | |
| Deposits | 10,177,203 | 10,064,359 |
| Negotiable certificates of deposit | 247,711 | 413,164 |
| Call money and bills sold | 104,542 | 33,541 |
| Securities sold under repurchase agreements | 226,248 | 225,827 |
| Cash collateral received for securities lent | 238,191 | 151,139 |
| Borrowed money | 1,759,123 | 1,864,983 |
| Foreign exchanges | 720 | 734 |
| Borrowed money from trust account | 5,349 | 6,546 |
| Other liabilities | 93,590 | 156,175 |
| Provision for share awards for directors (and other officers) | 11 | 8 |
| Retirement benefit liability | 1,973 | 1,929 |
| Provision for retirement benefits for directors (and other officers) | 236 | 183 |
| Provision for reimbursement of deposits | 392 | 338 |
| Provision for contingent loss | 1,182 | 1,232 |
| Reserves under special laws | 17 | 20 |
| Deferred tax liabilities | 7,329 | 2,812 |
| Deferred tax liabilities for land revaluation | 14,613 | 14,554 |
| Acceptances and guarantees | 18,559 | 17,722 |
| Total liabilities | 12,896,997 | 12,955,276 |

(Millions of yen)

| | As of March 31, 2024 | As of September 30, 2024 |
|---|----------------------|--------------------------|
| Net assets | | |
| Share capital | 50,000 | 50,000 |
| Capital surplus | 117,584 | 117,584 |
| Retained earnings | 342,608 | 354,913 |
| Treasury shares | (6,584) | (6,588) |
| Total shareholders' equity | 503,609 | 515,909 |
| Valuation difference on available-for-sale securities | 43,262 | 30,761 |
| Deferred gains or losses on hedges | 711 | 319 |
| Revaluation reserve for land | 29,678 | 29,581 |
| Remeasurements of defined benefit plans | (1,379) | (971) |
| Total accumulated other comprehensive income | 72,272 | 59,690 |
| Non-controlling interests | 10,183 | 10,081 |
| Total net assets | 586,065 | 585,681 |
| Total liabilities and net assets | 13,483,062 | 13,540,958 |

Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income (For the six months)

(Millions of yen)

| | For the six months ended September 30, 2023 | For the six months ended September 30, 2024 |
|--|--|--|
| Ordinary income | 91,261 | 94,855 |
| Interest income | 57,036 | 62,689 |
| Interest on loans and discounts | 41,366 | 43,881 |
| Interest and dividends on securities | 13,847 | 15,601 |
| Trust fees | 0 | 0 |
| Fees and commissions | 19,135 | 18,094 |
| Gain on trading account transactions | 520 | 253 |
| Other ordinary income | 6,469 | 5,879 |
| Other income | 8,098 | 7,939 |
| Ordinary expenses | 68,967 | 71,256 |
| Interest expenses | 12,709 | 12,092 |
| Interest on deposits | 260 | 1,581 |
| Fees and commissions payments | 6,509 | 6,063 |
| Other ordinary expenses | 4,971 | 7,994 |
| General and administrative expenses | 41,828 | 41,685 |
| Other expenses | 2,947 | 3,419 |
| Ordinary profit | 22,293 | 23,599 |
| Extraordinary income | 32 | 57 |
| Gain on disposal of non-current assets | 32 | 57 |
| Extraordinary losses | 209 | 237 |
| Loss on disposal of non-current assets | 155 | 182 |
| Impairment losses | 52 | 47 |
| Other | 1 | 7 |
| Profit before income taxes | 22,116 | 23,418 |
| Income taxes - current | 6,630 | 6,218 |
| Income taxes - deferred | (237) | 553 |
| Total income taxes | 6,392 | 6,772 |
| Profit | 15,724 | 16,646 |
| Profit attributable to non-controlling interests | 317 | 225 |
| Profit attributable to owners of parent | 15,407 | 16,420 |

Semi-annual Consolidated Statements of Comprehensive Income (For the six months)

(Millions of yen)

| | For the six months ended September 30, 2023 | For the six months ended September 30, 2024 |
|--|--|--|
| Profit | 15,724 | 16,646 |
| Other comprehensive income | (14,940) | (12,561) |
| Valuation difference on available-for-sale securities | (16,076) | (12,567) |
| Deferred gains or losses on hedges | 113 | (391) |
| Remeasurements of defined benefit plans, net of tax | 1,010 | 407 |
| Share of other comprehensive income of entities accounted for using equity method | 11 | (9) |
| Comprehensive income | 783 | 4,085 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 405 | 3,935 |
| Comprehensive income attributable to non-controlling interests | 378 | 149 |

Semi-annual Consolidated Statements of Changes in Equity

For the six months ended September 30, 2023

(Millions of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 50,000 | 118,706 | 325,460 | (5,698) | 488,468 |
| Cumulative effects of changes in accounting policies | | | 1,259 | | 1,259 |
| Restated balance | 50,000 | 118,706 | 326,720 | (5,698) | 489,728 |
| Changes during period | | | | | |
| Dividends of surplus | | | (3,895) | | (3,895) |
| Profit attributable to owners of parent | | | 15,407 | | 15,407 |
| Purchase of treasury shares | | | | (5) | (5) |
| Disposal of treasury shares | | 0 | | 0 | 0 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | 0 | | | 0 |
| Reversal of revaluation reserve for land | | | (80) | | (80) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | 0 | 11,432 | (5) | 11,427 |
| Balance at end of period | 50,000 | 118,706 | 338,152 | (5,703) | 501,155 |

| | 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 | 25,757 | 1,015 | 29,425 | (14,843) | 41,355 | 9,620 | 539,444 |
| Cumulative effects of changes in accounting policies | | | | | | | 1,259 |
| Restated balance | 25,757 | 1,015 | 29,425 | (14,843) | 41,355 | 9,620 | 540,704 |
| Changes during period | | | | | | | |
| Dividends of surplus | | | | | | | (3,895) |
| Profit attributable to owners of parent | | | | | | | 15,407 |
| Purchase of treasury shares | | | | | | | (5) |
| Disposal of treasury shares | | | | | | | 0 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | | 0 |
| Reversal of revaluation reserve for land | | | | | | | (80) |
| Net changes in items other than shareholders' equity | (16,126) | 113 | 80 | 1,010 | (14,921) | 187 | (14,733) |
| Total changes during period | (16,126) | 113 | 80 | 1,010 | (14,921) | 187 | (3,306) |
| Balance at end of period | 9,631 | 1,129 | 29,506 | (13,833) | 26,433 | 9,808 | 537,397 |

For the six months ended September 30, 2024

(Millions of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 50,000 | 117,584 | 342,608 | (6,584) | 503,609 |
| Cumulative effects of changes in accounting policies | | | | | - |
| Restated balance | 50,000 | 117,584 | 342,608 | (6,584) | 503,609 |
| Changes during period | | | | | |
| Dividends of surplus | | | (4,212) | | (4,212) |
| Profit attributable to owners of parent | | | 16,420 | | 16,420 |
| Purchase of treasury shares | | | | (8) | (8) |
| Disposal of treasury shares | | 0 | | 4 | 4 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | - |
| Reversal of revaluation reserve for land | | | 96 | | 96 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | 0 | 12,304 | (4) | 12,300 |
| Balance at end of period | 50,000 | 117,584 | 354,913 | (6,588) | 515,909 |

| | 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 | 43,262 | 711 | 29,678 | (1,379) | 72,272 | 10,183 | 586,065 |
| Cumulative effects of changes in accounting policies | | | | | | | - |
| Restated balance | 43,262 | 711 | 29,678 | (1,379) | 72,272 | 10,183 | 586,065 |
| Changes during period | | | | | | | |
| Dividends of surplus | | | | | | | (4,212) |
| Profit attributable to owners of parent | | | | | | | 16,420 |
| Purchase of treasury shares | | | | | | | (8) |
| Disposal of treasury shares | | | | | | | 4 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | | - |
| Reversal of revaluation reserve for land | | | | | | | 96 |
| Net changes in items other than shareholders' equity | (12,500) | (391) | (96) | 407 | (12,581) | (102) | (12,684) |
| Total changes during period | (12,500) | (391) | (96) | 407 | (12,581) | (102) | (383) |
| Balance at end of period | 30,761 | 319 | 29,581 | (971) | 59,690 | 10,081 | 585,681 |