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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

February 2, 2024

Company name: Chugin Financial Group, Inc.

Stock exchange listing: Tokyo

Code number: 5832

URL: <https://www.chugin-fg.co.jp/>

Representative: Sadanori Katoh

Director and President

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Scheduled date of filing quarterly securities report: February 9, 2024

Scheduled date of commencing dividend payments: -

Trading Accounts: No

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 Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	136,104	(0.0)	26,319	3.3	18,373	2.8
December 31, 2022	136,145	-	25,466	-	17,868	-

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥ 33,246 million [-%]
 Nine months ended December 31, 2022: ¥ (31,581) million [-%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	100.42		100.27	
December 31, 2022	96.68		96.54	

(Note) As the Company was established on October 3, 2022, year-on-year comparison percentages for the 3rd quarter of the year ended March 31, 2023 are not presented.

(2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2023	10,322,157		553,642		5.3	
March 31, 2023	9,849,196		527,948		5.3	

(Reference) Equity: As of December 31, 2023: ¥ 553,422 million

As of March 31, 2023: ¥ 527,675 million

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	-	-	-	16.00	16.00
Fiscal year ending March 31, 2024	-	15.00	-		
Fiscal year ending March 31, 2024 (Forecast)				15.00	30.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

(Note) 1. As the Company was established on October 3, 2022, figures up to the 2nd quarter-end of the year ended March 31, 2023 are not presented.

2. In the year ended March 31, 2023, The Chugoku Bank, Limited, which became a wholly-owned subsidiary of the Company as a result of a sole share transfer, paid an interim dividend of ¥14 per share. Combined with the year-end dividend paid by the Company, cash dividends for the year came to ¥30 per share.

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 revenues		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	183,500	2.0	27,000	(8.8)	19,000	(7.2)	104.41

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2023

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

New - (Company name:)

Exclusion: - (Company name:)

(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: 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):

December 31, 2023: 184,771,461 shares

March 31, 2023: 184,771,461 shares

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

December 31, 2023: 2,809,672 shares

March 31, 2023: 1,071,607 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 182,960,699 shares

Nine months ended December 31, 2022: 184,814,999 shares

(Note) As the Company is a company established on October 3, 2022, through a solo share transfer, the average number of ordinary shares for the 3rd quarter of the year ended March 31, 2023 during the period was computed by using the average number of shares of The Chugoku Bank, Limited for the period from April 1, 2022 to October 2, 2022, and the average number of shares of the Company for the period from October 3, 2022 to December 31, 2022.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Cash and due from banks	1,510,394	1,532,884
Call loans	178,907	225,263
Monetary claims bought	22,329	24,278
Trading securities	2,023	1,687
Money held in trust	24,600	25,856
Securities	2,324,053	2,414,869
Loans and bills discounted	5,555,795	5,847,644
Foreign exchanges	14,742	16,070
Lease receivables and investments in leases	27,010	29,040
Other assets	157,594	177,895
Tangible fixed assets	35,631	35,447
Intangible fixed assets	1,712	2,090
Retirement benefit asset	-	955
Deferred tax assets	17,594	11,801
Customers' liabilities for acceptances and guarantees	31,110	33,517
Allowance for loan losses	(54,302)	(57,144)
Total assets	9,849,196	10,322,157
Liabilities		
Deposits	7,898,033	7,951,829
Negotiable certificates of deposit	155,489	230,097
Call money	179,987	177,916
Securities sold under repurchase agreements	93,913	125,936
Cash collateral received for securities lent	423,430	500,511
Commercial papers	46,530	-
Borrowed money	320,843	589,521
Foreign exchanges	492	272
Bonds payable	10,000	10,000
Borrowed money from trust account	8,496	9,906
Other liabilities	147,012	134,596
Provision for bonuses	1,547	-
Provision for bonuses for directors (and other officers)	25	-
Retirement benefit liability	3,466	3,492
Provision for retirement benefits for directors (and other officers)	49	51
Provision for reimbursement of deposits	250	60
Provision for point card certificates	114	134
Reserves under special laws	7	7
Deferred tax liabilities	449	663
Acceptances and guarantees	31,110	33,517
Total liabilities	9,321,248	9,768,515

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Share capital	16,000	16,000
Capital surplus	7,302	7,292
Retained earnings	479,276	491,971
Treasury shares	(1,000)	(2,812)
Total shareholders' equity	501,579	512,451
Valuation difference on available-for-sale securities	34,234	40,900
Deferred gains or losses on hedges	(3,320)	4,102
Remeasurements of defined benefit plans	(4,818)	(4,032)
Total accumulated other comprehensive income	26,096	40,970
Share acquisition rights	272	220
Total net assets	527,948	553,642
Total liabilities and net assets	9,849,196	10,322,157

Quarterly Consolidated Statements of Income and Comprehensive Income
 Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Ordinary income	136,145	136,104
Interest income	68,250	91,026
Interest on loans and discounts	43,017	61,652
Interest and dividends on securities	22,790	26,587
Trust fees	0	0
Fees and commissions	15,183	15,602
Other ordinary income	31,517	22,382
Other income	21,193	7,093
Ordinary expenses	110,679	109,784
Interest expenses	17,365	43,965
Interest on deposits	2,516	7,993
Fees and commissions payments	2,384	2,382
Other ordinary expenses	43,696	13,840
General and administrative expenses	41,518	42,615
Other expenses	5,712	6,981
Ordinary profit	25,466	26,319
Extraordinary income	88	33
Gain on disposal of non-current assets	88	33
Extraordinary losses	127	157
Loss on disposal of non-current assets	72	82
Impairment losses	54	75
Profit before income taxes	25,427	26,195
Income taxes	7,558	7,822
Profit	17,868	18,373
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	17,868	18,373

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	17,868	18,373
Other comprehensive income	(49,449)	14,873
Valuation difference on available-for-sale securities	(58,813)	6,665
Deferred gains or losses on hedges	8,890	7,422
Remeasurements of defined benefit plans, net of tax	473	785
Comprehensive income	(31,581)	33,246
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(31,581)	33,246
Comprehensive income attributable to non-controlling interests	-	-