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## Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 12, 2023

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

Contact: Naoki Kenmochi

General Manager, Corporate Planning Department

Phone: +81-86-223-3110

Scheduled date of Annual General Meeting of Shareholders: June 23, 2023

Scheduled date of commencing dividend payments: June 26, 2023

Scheduled date of filing annual securities report: June 16, 2023

Trading Accounts: No

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one millions of yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 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	%
Fiscal year ended March 31, 2023	183,586	-	29,593	-	20,477	-
March 31, 2022	-	-	-	-	-	-

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ (16,966) million [ -%]

Fiscal year ended March 31, 2022: ¥ - million [ -%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Ordinary profit to ordinary revenues ratio
Fiscal year ended March 31, 2023	Yen 110.96	Yen 110.80	% 3.7	% 0.2	% 16.1
March 31, 2022	-	-	-	-	-

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ - million

Fiscal year ended March 31, 2022: ¥ - million

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

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of March 31, 2023	Millions of yen 9,849,678	Millions of yen 527,894	% 5.3	Yen 2,872.19
March 31, 2022	-	-	-	-

(Reference) Equity: As of March 31, 2023: ¥ 527,622 million

As of March 31, 2022: ¥ - million

(Note) As the Company was established on October 3, 2022, figures for the previous year are not presented.

**(3) Consolidated Cash Flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	(403,482)	164,298	(7,844)	1,506,361
March 31, 2022	-	-	-	-

(Note) As the Company was established on October 3, 2022, figures for the year ended March 31, 2023 are not presented.

**2. Dividends**

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	-	-	-	-	-	-	-
March 31, 2023	-	-	-	16.00	16.00	2,939	14.4	0.5
Fiscal year ending								
March 31, 2024 (Forecast)	-	15.00	-	15.00	30.00		36.2	

(Note) 1. As the Company was established on October 3, 2022, figures for the year ended March 31, 2022 and those 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 (total dividends: ¥2,586 million). Combined with the year-end dividend paid by the Company, cash dividends for the year came to ¥30 per share, for the dividends of ¥5,525 million, with a payout ratio (consolidated) of 26.9% and the dividends to net assets (consolidated) equaling 1.0%.

**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
Six months ending September 30, 2023	82,400	-	11,800	-	8,200	-	45.22
Full year	167,200	(8.9)	21,500	(27.3)	15,000	(26.7)	82.73

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

**\* Notes:**

- (1) Changes in significant subsidiaries during the period under review (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):

March 31, 2023: 184,771,461 shares

March 31, 2022: - shares

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

March 31, 2023: 1,071,607 shares

March 31, 2022: - shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 184,540,066 shares

Fiscal Year ended March 31, 2022: - shares

- (Note) 1. As the Company was established on October 3, 2022, figures for the year ended March 31, 2023 are not presented.
2. As the Company is a company established on October 3, 2022, through a solo share transfer, the average number of ordinary shares 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 March 31, 2023.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of yen)

As of March 31, 2023

Assets	
Cash and due from banks	1,510,394
Call loans	178,907
Monetary claims bought	22,329
Trading securities	2,023
Money held in trust	24,600
Securities	2,324,053
Loans and bills discounted	5,555,795
Foreign exchanges	14,742
Lease receivables and investments in leases	27,010
Other assets	158,076
Tangible fixed assets	35,631
Buildings, net	10,043
Land	18,827
Construction in progress	62
Leased assets, net	1,595
Other tangible fixed assets	5,101
Intangible fixed assets	1,712
Software	1,251
Software in progress	367
Other intangible fixed assets	93
Deferred tax assets	17,594
Customers' liabilities for acceptances and guarantees	31,110
Allowance for loan losses	(54,302)
<b>Total assets</b>	<b>9,849,678</b>

(Millions of yen)

As of March 31, 2023

<b>Liabilities</b>	
Deposits	7,898,033
Negotiable certificates of deposit	155,489
Call money	179,987
Securities sold under repurchase agreements	93,913
Cash collateral received for securities lent	423,430
Commercial papers	46,530
Borrowed money	320,843
Foreign exchanges	492
Bonds payable	10,000
Borrowed money from trust account	8,496
Other liabilities	147,572
Provision for bonuses	1,547
Provision for bonuses for directors (and other officers)	25
Retirement benefit liability	3,466
Provision for retirement benefits for directors (and other officers)	49
Provision for reimbursement of deposits	250
Provision for point card certificates	114
Reserves under special laws	7
Deferred tax liabilities	423
Acceptances and guarantees	31,110
<b>Total liabilities</b>	<b>9,321,784</b>
<b>Net assets</b>	
Share capital	16,000
Capital surplus	7,302
Retained earnings	479,223
Treasury shares	(1,000)
<b>Total shareholders' equity</b>	<b>501,526</b>
Valuation difference on available-for-sale securities	34,234
Deferred gains or losses on hedges	(3,320)
Remeasurements of defined benefit plans	(4,818)
<b>Total accumulated other comprehensive income</b>	<b>26,096</b>
Share acquisition rights	272
<b>Total net assets</b>	<b>527,894</b>
<b>Total liabilities and net assets</b>	<b>9,849,678</b>

Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023
Ordinary income	183,586
Interest income	93,157
Interest on loans and discounts	60,294
Interest and dividends on securities	29,653
Interest on call loans	1,537
Interest on deposits with banks	1,387
Other interest income	283
Trust fees	0
Fees and commissions	20,545
Other ordinary income	47,440
Other income	22,442
Recoveries of written off receivables	30
Other	22,412
Ordinary expenses	153,993
Interest expenses	28,134
Interest on deposits	4,222
Interest on negotiable certificates of deposit	22
Interest on call money	2,485
Interest expenses on securities sold under repurchase agreements	2,135
Interest expenses on cash collateral received for securities lent	439
Interest expenses on commercial papers	1,805
Interest on borrowings and rediscounts	2,037
Interest expenses on bonds	78
Other interest expenses	14,906
Fees and commissions payments	3,427
Other ordinary expenses	56,333
General and administrative expenses	55,662
Other expenses	10,435
Provision of allowance for loan losses	5,717
Other	4,718
Ordinary profit	29,593
Extraordinary income	89
Gain on disposal of non-current assets	89
Extraordinary losses	179
Loss on disposal of non-current assets	123
Impairment losses	55
Profit before income taxes	29,503
Income taxes - current	9,705
Income taxes - deferred	(679)
Total income taxes	9,025
Profit	20,477
Profit attributable to non-controlling interests	-
Profit attributable to owners of parent	20,477

**Consolidated Statements of Comprehensive Income**

(Millions of yen)

	For the fiscal year ended March 31, 2023
Profit	20,477
Other comprehensive income	(37,443)
Valuation difference on available-for-sale securities	(33,373)
Deferred gains or losses on hedges	(2,713)
Remeasurements of defined benefit plans, net of tax	(1,356)
Comprehensive income	(16,966)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	(16,966)
Comprehensive income attributable to non-controlling interests	-

Consolidated Statements of Changes in Net Assets  
For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,149	8,153	476,938	(11,623)	488,618
Changes during period					
Changes by share transfer	850	(850)			-
Dividends of surplus			(5,651)		(5,651)
Profit attributable to owners of parent			20,477		20,477
Purchase of treasury shares				(1,941)	(1,941)
Disposal of treasury shares		1		21	23
Cancellation of treasury shares		(1)	(12,540)	12,542	-
Net changes in items other than shareholders' equity					
Total changes during period	850	(850)	2,285	10,622	12,908
Balance at end of period	16,000	7,302	479,223	(1,000)	501,526

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	67,608	(606)	(3,461)	63,540	256	552,414
Changes during period						
Changes by share transfer						-
Dividends of surplus						(5,651)
Profit attributable to owners of parent						20,477
Purchase of treasury shares						(1,941)
Disposal of treasury shares						23
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	(33,373)	(2,713)	(1,356)	(37,443)	15	(37,428)
Total changes during period	(33,373)	(2,713)	(1,356)	(37,443)	15	(24,520)
Balance at end of period	34,234	(3,320)	(4,818)	26,096	272	527,894



**Consolidated Statements of Cash Flows**

(Millions of yen)

For the fiscal year  
ended March 31, 2023

<b>Cash flows from operating activities</b>	
Profit before income taxes	29,503
Depreciation	3,177
Impairment losses	55
Share-based payment expenses	39
Provision of allowance for doubtful accounts	5,717
Increase (decrease) in provision for bonuses	67
Increase (decrease) in provision for bonuses for directors (and other officers)	0
Increase (decrease) in retirement benefit liability	(290)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2
Increase (decrease) in provision for reimbursement of deposits	190
Increase (decrease) in provision for point card certificates	6
Interest income	(93,157)
Interest expenses	28,134
Loss (gain) related to securities	1,745
Loss (gain) on money held in trust	297
Foreign exchange losses (gains)	(36,402)
Loss (gain) on disposal of non-current assets	1
Net decrease (increase) in trading securities	811
Decrease (increase) in other assets	(14,065)
Net decrease (increase) in lease receivables and investments in leases	(1,606)
Increase (decrease) in other liabilities	21,098
Net decrease (increase) in loans and bills discounted	(300,191)
Net increase (decrease) in deposits	247,526
Net increase (decrease) in negotiable certificates of deposit	(55,678)
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	(353,291)
Net decrease (increase) in call loans	265,676
Net increase (decrease) in payables under repurchase agreements	(97,093)
Net increase (decrease) in call money	69,278
Net increase (decrease) in cash collateral received for securities lent	(164,925)
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	(256)
Net increase (decrease) in commercial papers	(8,486)
Net decrease (increase) in foreign exchanges - assets	(8,459)
Net increase (decrease) in foreign exchanges - liabilities	(133)
Net increase (decrease) in borrowed money from trust account	1,560
Interest received	91,567
Interest paid	(28,113)
Subtotal	(395,694)
Income taxes paid	(7,787)
Net cash provided by (used in) operating activities	(403,482)

(Millions of yen)

For the fiscal year  
ended March 31, 2023

<b>Cash flows from investing activities</b>	
Purchase of securities	(1,390,078)
Proceeds from sale of securities	1,273,089
Proceeds from redemption of securities	280,810
Increase in money held in trust	(7,323)
Decrease in money held in trust	10,025
Purchase of tangible fixed assets	(2,143)
Proceeds from sale of tangible fixed assets	562
Purchase of intangible fixed assets	(642)
Net cash provided by (used in) investing activities	164,298
<b>Cash flows from financing activities</b>	
Dividends paid	(5,651)
Purchase of treasury shares	(1,941)
Repayments of lease liabilities	(251)
Proceeds from sale of treasury shares	0
Proceeds from exercise of employee share options	0
Net cash provided by (used in) financing activities	(7,844)
Effect of exchange rate change on cash and cash equivalents	-
Net increase (decrease) in cash and cash equivalents	(247,028)
Cash and cash equivalents at beginning of period	1,753,389
Cash and cash equivalents at end of period	1,506,361