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

November 11, 2022

Company name: Chugin Financial Group, Inc. (The Chugoku Bank, Limited)

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: 086-223-3110

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

Scheduled date of commencing dividend payments: December 06, 2022

Trading Accounts: No

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(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	91,459	50.9	19,967	31.3	13,948	37.0
September 30, 2021	60,594	5.3	15,200	27.0	10,179	23.7

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ (20,360) million [ -%]  
Six months ended September 30, 2021: ¥ 18,184 million [ (36.6)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	75.36	75.25
September 30, 2021	54.35	54.28

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2022	9,692,450	528,058	5.4
March 31, 2022	10,208,209	552,414	5.4

(Reference) Equity: As of September 30, 2022: ¥ 527,815 million  
As of March 31, 2022: ¥ 552,158 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, 2022	-	11.50	-	16.50	28.00
Fiscal year ending March 31, 2023	-	14.00			
Fiscal year ending March 31, 2023 (Forecast)			-	-	-

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

(Note) Breakdown of the 2nd quarter (interim) dividend for the fiscal year ending March 31, 2023 :

Commemorative dividend - yen

Special dividend - yen

(Note) Regarding the Chugin Financial Group, Inc.'s dividend payment forecasts for the year ending March 31, 2023, please refer to the "Notice of Full-Year Operating Performance Forecasts and Dividend Forecasts for the Year Ending March 31, 2023" announced on November 11, 2022 by Chugin Financial Group, Inc.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 01, 2022 to March 31, 2023)

Regarding the Chugin Financial Group, Inc.'s operating performance forecasts for the year ending March 31, 2023, please refer to the "Notice of Full-Year Operating Performance Forecasts and Dividend Forecasts for the Year Ending March 31, 2023" announced on November 11, 2022 by Chugin Financial Group, Inc.

### \* 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

New - (Company name: )

Exclusion: - (Company name: )

(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: 184,771,461 shares

March 31, 2022: 195,272,106 shares

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

September 30, 2022: - shares

March 31, 2022: 9,520,961 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 185,088,844 shares

Six months ended September 30, 2021: 187,273,984 shares

(Reference) Summary of Non-consolidated Financial Results

1. 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.)

	Ordinary revenues		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	82,338	58.7	19,225	33.9	13,672	40.4
September 30, 2021	51,869	5.5	14,348	29.1	9,737	24.9

  

	Basic earnings per share
Six months ended September 30, 2022	Yen 73.87
September 30, 2021	51.99

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of September 30, 2022	Million yen 9,660,965	Million yen 505,392	% 5.2
March 31, 2022	10,177,987	529,688	5.2

(Reference) Equity: As of September 30, 2022: ¥ 505,150 million

As of March 31, 2022: ¥ 529,431 million

**Interim Consolidated Financial Statements**
**Interim Consolidated Balance Sheets**

(Million yen)

	As of March 31,2022	As of September 30,2022
<b>Assets</b>		
Cash and due from banks	1,757,165	1,087,982
Call loans	446,381	372,393
Monetary claims bought	20,532	21,278
Trading securities	2,834	2,726
Money held in trust	27,600	29,506
Securities	2,505,722	2,509,952
Loans and bills discounted	5,259,190	5,407,869
Foreign exchanges	6,282	7,731
Lease receivables and investments in leases	25,403	25,982
Other assets	139,182	194,780
Tangible fixed assets	36,855	36,193
Intangible fixed assets	1,484	1,439
Retirement benefit asset	-	846
Deferred tax assets	827	15,226
Customers' liabilities for acceptances and guarantees	30,918	31,570
Allowance for loan losses	(52,172)	(53,030)
<b>Total assets</b>	<b>10,208,209</b>	<b>9,692,450</b>
<b>Liabilities</b>		
Deposits	7,650,506	7,680,898
Negotiable certificates of deposit	211,167	307,382
Call money	110,709	157,138
Securities sold under repurchase agreements	191,006	76,874
Cash collateral received for securities lent	588,355	309,528
Commercial papers	55,017	64,944
Borrowed money	674,134	322,309
Foreign exchanges	625	452
Bonds payable	10,000	10,000
Borrowed money from trust account	6,935	7,825
Other liabilities	122,071	191,566
Provision for bonuses	1,479	1,474
Provision for bonuses for directors (and other officers)	25	-
Retirement benefit liability	1,804	2,040
Provision for retirement benefits for directors (and other officers)	46	42
Provision for reimbursement of deposits	60	60
Provision for point card certificates	108	122
Reserves under special laws	7	7
Deferred tax liabilities	813	152
Acceptances and guarantees	30,918	31,570
<b>Total liabilities</b>	<b>9,655,795</b>	<b>9,164,392</b>

(Million yen)

	As of March 31,2022	As of September 30,2022
<b>Net assets</b>		
Share capital	15,149	15,149
Capital surplus	8,153	8,153
Retained earnings	476,938	475,281
Treasury shares	(11,623)	-
Total shareholders' equity	488,618	498,584
Valuation difference on available-for-sale securities	67,608	29,962
Deferred gains or losses on hedges	(606)	2,428
Remeasurements of defined benefit plans	(3,461)	(3,159)
Total accumulated other comprehensive income	63,540	29,231
Share acquisition rights	256	242
Total net assets	552,414	528,058
Total liabilities and net assets	10,208,209	9,692,450

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	60,594	91,459
Interest income	33,463	42,277
Interest on loans and discounts	22,584	26,739
Interest and dividends on securities	10,480	14,128
Trust fees	0	0
Fees and commissions	9,588	9,911
Other ordinary income	13,705	21,401
Other income	3,836	17,869
Ordinary expenses	45,393	71,492
Interest expenses	2,544	8,221
Interest on deposits	334	1,252
Fees and commissions payments	1,479	1,317
Other ordinary expenses	9,731	30,466
General and administrative expenses	27,989	27,496
Other expenses	3,648	3,990
Ordinary profit	15,200	19,967
Extraordinary income	2	39
Gain on disposal of non-current assets	2	39
Extraordinary losses	499	119
Loss on disposal of non-current assets	46	65
Impairment losses	453	54
Profit before income taxes	14,703	19,887
Income taxes - current	3,588	5,906
Income taxes - deferred	936	32
Total income taxes	4,524	5,938
Profit	10,179	13,948
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	10,179	13,948

## 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	10,179	13,948
Other comprehensive income	8,005	(34,309)
Valuation difference on available-for-sale securities	8,120	(37,645)
Deferred gains or losses on hedges	(497)	3,035
Remeasurements of defined benefit plans, net of tax	381	301
Comprehensive income	18,184	(20,360)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,184	(20,360)
Comprehensive income attributable to non-controlling interests	-	-

**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	15,149	8,153	463,305	(9,622)	476,985
Cumulative effects of changes in accounting policies			(335)		(335)
Restated balance	15,149	8,153	462,969	(9,622)	476,649
Changes during period					
Dividends of surplus			(2,256)		(2,256)
Profit attributable to owners of parent			10,179		10,179
Purchase of treasury shares				(1,000)	(1,000)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	7,922	(1,000)	6,922
Balance at end of period	15,149	8,153	470,892	(10,623)	483,571

	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	96,574	(5,320)	(6,258)	84,994	217	562,197
Cumulative effects of changes in accounting policies						(335)
Restated balance	96,574	(5,320)	(6,258)	84,994	217	561,861
Changes during period						
Dividends of surplus						(2,256)
Profit attributable to owners of parent						10,179
Purchase of treasury shares						(1,000)
Net changes in items other than shareholders' equity	8,120	(497)	381	8,005	19	8,024
Total changes during period	8,120	(497)	381	8,005	19	14,947
Balance at end of period	104,694	(5,817)	(5,876)	93,000	236	576,808



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	15,149	8,153	476,938	(11,623)	488,618
Changes during period					
Dividends of surplus			(3,064)		(3,064)
Profit attributable to owners of parent			13,948		13,948
Purchase of treasury shares				(940)	(940)
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	-	-	(1,656)	11,623	9,966
Balance at end of period	15,149	8,153	475,281	-	498,584

	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						
Dividends of surplus						(3,064)
Profit attributable to owners of parent						13,948
Purchase of treasury shares						(940)
Disposal of treasury shares						23
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	(37,645)	3,035	301	(34,309)	(13)	(34,323)
Total changes during period	(37,645)	3,035	301	(34,309)	(13)	(24,356)
Balance at end of period	29,962	2,428	(3,159)	29,231	242	528,058

**Interim Non-consolidated Financial Statements**
**Interim Non-consolidated Balance Sheets**

(Million yen)

	As of March 31,2022	As of September 30,2022
<b>Assets</b>		
Cash and due from banks	1,757,035	1,087,911
Call loans	446,381	372,393
Monetary claims bought	18,681	18,723
Trading securities	2,834	2,726
Money held in trust	23,000	24,906
Securities	2,509,806	2,515,409
Loans and bills discounted	5,269,043	5,419,511
Foreign exchanges	6,282	7,731
Other assets	122,829	177,232
Other	122,829	177,232
Tangible fixed assets	34,722	34,038
Intangible fixed assets	1,386	1,336
Prepaid pension costs	3,550	3,994
Deferred tax assets	-	12,661
Customers' liabilities for acceptances and guarantees	30,918	31,570
Allowance for loan losses	(48,486)	(49,183)
<b>Total assets</b>	<b>10,177,987</b>	<b>9,660,965</b>
<b>Liabilities</b>		
Deposits	7,661,625	7,695,082
Negotiable certificates of deposit	222,167	316,432
Call money	110,709	157,138
Securities sold under repurchase agreements	191,006	76,874
Cash collateral received for securities lent	588,355	309,528
Commercial papers	55,017	64,944
Borrowed money	663,152	312,494
Foreign exchanges	625	452
Bonds payable	10,000	10,000
Borrowed money from trust account	6,935	7,825
Other liabilities	104,047	171,376
Income taxes payable	1,870	4,119
Lease obligations	1,570	1,462
Other	100,606	165,793
Provision for bonuses	1,353	1,345
Provision for retirement benefits	100	361
Provision for reimbursement of deposits	60	60
Provision for point card certificates	75	86
Deferred tax liabilities	2,149	-
Acceptances and guarantees	30,918	31,570
<b>Total liabilities</b>	<b>9,648,299</b>	<b>9,155,572</b>

(Million yen)

	As of March 31,2022	As of September 30,2022
<b>Net assets</b>		
Share capital	15,149	15,149
Capital surplus	6,286	6,286
Legal capital surplus	6,286	6,286
Retained earnings	454,193	452,260
Legal retained earnings	15,149	15,149
Other retained earnings	439,043	437,111
Reserve for tax purpose reduction entry of non-current assets	535	535
General reserve	403,600	403,600
Retained earnings brought forward	34,908	32,975
Treasury shares	(11,623)	-
Total shareholders' equity	464,005	473,696
Valuation difference on available-for-sale securities	66,033	29,025
Deferred gains or losses on hedges	(606)	2,428
Total valuation and translation adjustments	65,426	31,453
Share acquisition rights	256	242
Total net assets	529,688	505,392
Total liabilities and net assets	10,177,987	9,660,965

**Interim Non-consolidated Statements of Income**

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Ordinary income	51,869	82,338
Interest income	33,905	42,783
Interest on loans and discounts	22,595	26,758
Interest and dividends on securities	10,920	14,624
Trust fees	0	0
Fees and commissions	10,321	10,560
Other ordinary income	3,772	11,085
Other income	3,869	17,908
Ordinary expenses	37,521	63,113
Interest expenses	2,528	8,205
Interest on deposits	334	1,252
Fees and commissions payments	1,479	1,317
Other ordinary expenses	3,954	24,228
General and administrative expenses	26,464	25,824
Other expenses	3,094	3,537
Ordinary profit	14,348	19,225
Extraordinary income	2	39
Gain on disposal of non-current assets	2	39
Extraordinary losses	499	118
Loss on disposal of non-current assets	46	63
Impairment losses	453	54
Profit before income taxes	13,851	19,146
Income taxes - current	3,151	5,391
Income taxes - deferred	962	82
Total income taxes	4,113	5,473
Profit	9,737	13,672

**Interim Non-consolidated Statements of Changes in Net Assets**

For the six months ended September 30, 2021

(Million yen)

	Shareholders' equity							
	Share capital	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings			
					Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	15,149	6,286	6,286	15,149	535	393,600	32,734	442,019
Cumulative effects of changes in accounting policies							(335)	(335)
Restated balance	15,149	6,286	6,286	15,149	535	393,600	32,398	441,683
Changes during period								
Dividends of surplus							(2,256)	(2,256)
Provision of general reserve						10,000	(10,000)	-
Profit							9,737	9,737
Purchase of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	-	-	-	-	-	10,000	(2,518)	7,481
Balance at end of period	15,149	6,286	6,286	15,149	535	403,600	29,879	449,164

	Shareholders' equity		Valuation and translation adjustments			Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	(9,622)	453,831	95,279	(5,320)	89,958	217	544,007
Cumulative effects of changes in accounting policies		(335)					(335)
Restated balance	(9,622)	453,496	95,279	(5,320)	89,958	217	543,671
Changes during period							
Dividends of surplus		(2,256)					(2,256)
Provision of general reserve		-					-
Profit		9,737					9,737
Purchase of treasury shares	(1,000)	(1,000)					(1,000)
Net changes in items other than shareholders' equity			8,203	(497)	7,705	19	7,725
Total changes during period	(1,000)	6,481	8,203	(497)	7,705	19	14,206
Balance at end of period	(10,623)	459,977	103,482	(5,817)	97,664	236	557,878

For the six months ended September 30,2022

(Million yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward		
Balance at beginning of period	15,149	6,286	-	6,286	15,149	535	403,600	34,908	454,193
Changes during period									
Dividends of surplus								(3,064)	(3,064)
Profit								13,672	13,672
Purchase of treasury shares									
Disposal of treasury shares			1	1					
Cancellation of treasury shares			(1)	(1)				(12,540)	(12,540)
Net changes in items other than shareholders' equity									
Total changes during period	-	-	-	-	-	-	-	(1,932)	(1,932)
Balance at end of period	15,149	6,286	-	6,286	15,149	535	403,600	32,975	452,260

	Shareholders' equity		Valuation and translation adjustments			Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	(11,623)	464,005	66,033	(606)	65,426	256	529,688
Changes during period							
Dividends of surplus		(3,064)					(3,064)
Profit		13,672					13,672
Purchase of treasury shares	(940)	(940)					(940)
Disposal of treasury shares	21	23					23
Cancellation of treasury shares	12,542	-					-
Net changes in items other than shareholders' equity			(37,007)	3,035	(33,972)	(13)	(33,986)
Total changes during period	11,623	9,690	(37,007)	3,035	(33,972)	(13)	(24,295)
Balance at end of period	-	473,696	29,025	2,428	31,453	242	505,392