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

November 8, 2024

Company name: Hirogin Holdings, Inc.
 Listing: Tokyo
 Securities code: 7337
 URL: <https://www.hirogin-hd.co.jp/>
 Representative: Toshio Heya, Representative Director and President
 Inquiries: Atsushi Nakamuro, Senior Manager Accounting Department
 Telephone: +81-82-245-5151
 Scheduled date to file semi-annual securities report: November 22, 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)

(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 revenues		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	95,888	2.0	26,584	11.1	18,402	10.7
September 30, 2023	94,005	22.7	23,927	62.1	16,624	65.0

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ 10,260 million [14.7%]
 Six months ended September 30, 2023: ¥ 8,942 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	60.57	60.54
September 30, 2023	53.82	53.79

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	12,416,937	538,004	4.3
March 31, 2024	12,790,381	535,249	4.2

(Reference) Equity: As of September 30, 2024: ¥ 537,798 million
 As of March 31, 2024: ¥ 534,979 million

(Note) Capital adequacy ratio = (Net assets – Share acquisition rights – Non-controlling interests) / Total assets
 This ratio is not the capital adequacy ratio specified by the Notice on Capital Adequacy Ratio Regulations.

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	-	18.00	-	19.00	37.00
Fiscal year ending March 31, 2025	-	23.50	-	-	-
Fiscal year ending March 31, 2025 (Forecast)	-	-	-	23.50	47.00

(Note) Revision to the forecast for dividends announced most recently: None

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	50,500	47.9	35,000	26.4	115.67

(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: 308,775,621 shares

March 31, 2024: 312,370,921 shares

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

September 30, 2024: 6,161,916 shares

March 31, 2024: 8,513,249 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 303,792,650 shares

Six months ended September 30, 2023: 308,888,598 shares

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

* Proper use of earnings forecasts, and other special matters

The forecasts above were prepared based on information available as of the date of publication of this document. Actual financial results may differ from the forecast figures due to various factors in the future.

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	2,839,819	1,697,267
Call loans and bills bought	50,355	87,839
Monetary claims bought	8,779	8,564
Trading account assets	6,956	11,736
Money held in trust	24,787	15,161
Securities	1,783,523	1,897,008
Loans and bills discounted	7,689,192	8,292,988
Foreign exchanges	7,064	6,388
Lease receivables and investments in leases	69,683	68,453
Other assets	137,582	144,633
Tangible fixed assets	113,173	112,200
Intangible fixed assets	13,485	14,741
Retirement benefit asset	51,236	53,386
Deferred tax assets	1,826	3,578
Customers' liabilities for acceptances and guarantees	44,432	50,446
Allowance for loan losses	(51,517)	(47,459)
Total assets	12,790,381	12,416,937
Liabilities		
Deposits	9,225,779	9,078,938
Negotiable certificates of deposit	136,410	296,185
Call money and bills sold	819,300	170,000
Securities sold under repurchase agreements	196,778	228,156
Cash collateral received for securities lent	301,697	487,026
Trading account liabilities	4,443	9,433
Borrowed money	1,377,528	1,442,198
Foreign exchanges	661	542
Borrowed money from trust account	56	72
Other liabilities	126,157	99,317
Retirement benefit liability	695	718
Provision for retirement benefits for directors (and other officers)	150	135
Provision for reimbursement of deposits	1,827	1,827
Provision for point card certificates	199	208
Provision for stockshares	1,043	805
Reserves under special laws	38	40
Deferred tax liabilities	5,031	-
Deferred tax liabilities for land revaluation	12,899	12,877
Acceptances and guarantees	44,432	50,446
Total liabilities	12,255,132	11,878,933

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Share capital	60,000	60,000
Capital surplus	25,209	22,209
Retained earnings	400,829	413,415
Treasury shares	(7,111)	(5,698)
Total shareholders' equity	478,927	489,926
Valuation difference on available-for-sale securities	23,949	18,447
Deferred gains or losses on hedges	1,303	(1,071)
Revaluation reserve for land	26,269	26,219
Remeasurements of defined benefit plans	4,529	4,275
Total accumulated other comprehensive income	56,052	47,871
Share acquisition rights	126	126
Non-controlling interests	142	79
Total net assets	535,249	538,004
Total liabilities and net assets	12,790,381	12,416,937

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	94,005	95,888
Interest income	50,805	59,246
Interest on loans and discounts	39,786	44,164
Interest and dividends on securities	9,537	13,518
Trust fees	78	72
Fees and commissions	17,305	17,920
Gain on trading account transactions	1,167	1,285
Other ordinary income	14,835	13,830
Other income	9,813	3,533
Ordinary expenses	70,077	69,303
Interest expenses	15,595	18,105
Interest on deposits	1,665	3,390
Fees and commissions payments	5,619	5,428
Other ordinary expenses	13,924	13,647
General and administrative expenses	28,549	31,565
Other expenses	6,388	557
Ordinary profit	23,927	26,584
Extraordinary income	7	25
Gain on disposal of non-current assets	6	25
Reversal of reserve for financial instruments transaction liabilities	0	-
Extraordinary losses	92	235
Loss on disposal of non-current assets	82	45
Impairment losses	10	188
Provision of reserve for financial instruments transaction liabilities	-	2
Profit before income taxes	23,842	26,373
Income taxes - current	13,170	11,052
Income taxes - deferred	(5,964)	(3,070)
Total income taxes	7,206	7,981
Profit	16,636	18,391
Profit (loss) attributable to non-controlling interests	11	(10)
Profit attributable to owners of parent	16,624	18,402

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	16,636	18,391
Other comprehensive income	(7,693)	(8,131)
Valuation difference on available-for-sale securities	(7,676)	(5,501)
Deferred gains or losses on hedges	794	(2,375)
Remeasurements of defined benefit plans, net of tax	(812)	(254)
Comprehensive income	8,942	10,260
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,931	10,271
Comprehensive income attributable to non-controlling interests	11	(10)

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	60,000	25,209	381,782	(1,071)	465,920
Changes during period					
Dividends of surplus			(4,216)		(4,216)
Profit attributable to owners of parent			16,624		16,624
Purchase of treasury shares				(5,293)	(5,293)
Disposal of treasury shares		0		158	158
Retained earnings increased sales associated with a increase in equity method affiliates			447		447
Increase of treasury shares by increasing of entities accounted for using equity method				(181)	(181)
Net changes in items other than shareholders' equity					
Total changes during period	-	0	12,855	(5,315)	7,539
Balance at end of period	60,000	25,209	394,638	(6,387)	473,460

	Accumulated other comprehensive income					Share acquisition rights	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	(8,502)	3,490	26,971	10,461	32,421	126	135	498,604
Changes during period								
Dividends of surplus								(4,216)
Profit attributable to owners of parent								16,624
Purchase of treasury shares								(5,293)
Disposal of treasury shares								158
Retained earnings increased sales associated with a increase in equity method affiliates								447
Increase of treasury shares by increasing of entities accounted for using equity method								(181)
Net changes in items other than shareholders' equity	(7,676)	794	-	(812)	(7,693)	-	(24)	(7,718)
Total changes during period	(7,676)	794	-	(812)	(7,693)	-	(24)	(178)
Balance at end of period	(16,178)	4,285	26,971	9,649	24,727	126	111	498,425

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	60,000	25,209	400,829	(7,111)	478,927
Changes during period					
Dividends of surplus			(5,866)		(5,866)
Profit attributable to owners of parent			18,402		18,402
Purchase of treasury shares				(2,161)	(2,161)
Disposal of treasury shares				575	575
Cancellation of treasury shares		(2,999)		2,999	-
Revaluation reserve for land			50		50
Net changes in items other than shareholders' equity					
Total changes during period	-	(2,999)	12,585	1,413	10,999
Balance at end of period	60,000	22,209	413,415	(5,698)	489,926

	Accumulated other comprehensive income					Share acquisition rights	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	23,949	1,303	26,269	4,529	56,052	126	142	535,249
Changes during period								
Dividends of surplus								(5,866)
Profit attributable to owners of parent								18,402
Purchase of treasury shares								(2,161)
Disposal of treasury shares								575
Cancellation of treasury shares								-
Revaluation reserve for land								50
Net changes in items other than shareholders' equity	(5,501)	(2,375)	(50)	(254)	(8,181)	-	(63)	(8,244)
Total changes during period	(5,501)	(2,375)	(50)	(254)	(8,181)	-	(63)	2,754
Balance at end of period	18,447	(1,071)	26,219	4,275	47,871	126	79	538,004