

Financial Statements

For the Six Months Ended Sep. 30, 2014

Yamaguchi Financial Group, Inc.

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CONSOLIDATED FINANCIAL INFORMATION

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(Note)

- ① Information presented herein has been extracted from the original material, solely for the convenience of the readers outside Japan.
The amounts presented herein have not been audited.
- ② "△" means a negative number.
- ③ Figures less than ¥1 million are omitted.

CONSOLIDATED FINANCIAL INFORMATION

1. CONSOLIDATED BALANCE SHEETS

March 31 and September 30, 2014

		Millions of yen	
		March 31	September 30
ASSETS			
Assets	(資産の部)		
Cash and due from banks	現金預け金	915,056	718,092
Call loans and bills purchased	コールローン及び買入手形	315,197	211,058
Monetary claims bought	買入金銭債権	8,868	8,913
Trading assets	特定取引資産	5,752	5,895
Money held in trust	金銭の信託	49,996	47,762
Securities	有価証券	2,071,990	2,396,407
Loans and bills discounted	貸出金	5,964,133	6,069,764
Foreign exchanges	外国為替	15,497	14,709
Other assets	その他資産	171,199	152,016
Tangible fixed assets	有形固定資産	89,348	88,581
Intangible fixed assets	無形固定資産	28,098	22,590
Net defined benefit asset	退職給付に係る資産	22,881	22,174
Deferred tax assets	繰延税金資産	15,638	8,828
Customers' liabilities for acceptances and guarantees	支払承諾見返	48,079	54,768
Allowance for loan losses	貸倒引当金	△ 86,693	△ 83,170
Total assets	資産の部合計	9,635,043	9,738,392
LIABILITIES AND NET ASSETS			
Liabilities	(負債の部)		
Deposits	預金	8,147,033	8,294,880
Negotiable certificates of deposit	譲渡性預金	617,932	505,088
Call money and bills sold	コールマネー及び売渡手形	78,896	86,922
Payables under securities lending transactions	債券貸借取引受入担保金	13,269	33,626
Trading liabilities	特定取引負債	3,188	4,116
Borrowed money	借入金	29,768	27,886
Foreign exchanges	外国為替	287	307
Bonds payable	社債	45,000	45,000
Bonds with warrants	新株予約権付社債	30,876	32,835
Other liabilities	その他負債	75,811	82,846
Provision for bonuses	賞与引当金	3,092	3,093
Net defined benefit liability	退職給付に係る負債	4,479	5,012
Provision for directors' retirement benefits	役員退職慰労引当金	27	27
Provision for loss on interest repayments	利息返還損失引当金	61	49
Provision for reimbursement of deposits	睡眠預金払戻損失引当金	1,107	960
Provision for customers point services	ポイント引当金	67	73
Reserves under special laws	特別法上の引当金	6	8
Deferred tax liabilities	繰延税金負債	1,916	3,354
Deferred tax liabilities for land revaluation	再評価に係る繰延税金負債	12,670	12,670
Acceptances and guarantees	支払承諾	48,079	54,768
Total liabilities	負債の部合計	9,113,573	9,193,528
Net Assets	(純資産の部)		
Capital stock	資本金	50,000	50,000
Capital surplus	資本剰余金	59,712	59,686
Retained earnings	利益剰余金	361,184	370,814
Treasury stock	自己株式	△ 10,393	△ 10,126
Total shareholders' equity	株主資本合計	460,503	470,374
Unrealized gains on available-for-sale securities	その他有価証券評価差額金	36,706	49,472
Deferred losses on hedges	繰延ヘッジ損益	△ 352	△ 335
Revaluation reserve for land	土地再評価差額金	22,844	22,844
Remeasurements of defined benefit plans	退職給付に係る調整累計額	△ 3,465	△ 2,936
Total accumulated other comprehensive income	その他包括利益累計額合計	55,733	69,044
Stock options	新株予約権	431	418
Minority interests	少数株主持分	4,801	5,025
Total net assets	純資産の部合計	521,470	544,863
Total liabilities and net assets	負債及び純資産の部合計	9,635,043	9,738,392

2. CONSOLIDATED STATEMENTS OF INCOME AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The six months ended September 30, 2013 and 2014

(CONSOLIDATED STATEMENTS OF INCOME)

		Millions of yen	
		2013	2014
Ordinary Income	経常収益	82,905	74,934
Interest income:	資金運用収益	51,942	51,137
Interest on loans and discounts	(うち貸出金利息)	40,634	39,320
Interest and dividends on securities	(うち有価証券利息配当金)	10,716	11,208
Fees and commissions	役務取引等収益	12,711	11,845
Trading income	特定取引収益	1,515	1,233
Other ordinary income	その他業務収益	6,494	6,146
Other income	その他経常収益	10,242	4,571
Ordinary Expenses	経常費用	57,581	53,867
Interest expense:	資金調達費用	4,707	4,210
Interest on deposits	(うち預金利息)	3,662	3,297
Fees and commissions payments	役務取引等費用	3,851	3,680
Other operating expenses	その他業務費用	3,855	1,831
General and administrative expenses	営業経費	43,902	43,389
Other expenses	その他経常費用	1,263	755
Ordinary profit	経常利益	25,324	21,066
Extraordinary income	特別利益	11	60
Gain on disposal of non-current assets	固定資産処分益	11	—
Gain on bargain purchase	負ののれん発生益	—	60
Extraordinary loss	特別損失	142	22
Loss on disposal of non-current assets	固定資産処分損	94	20
Impairment losses	減損損失	46	—
other extraordinary loss	その他の特別損失	1	1
Income before income taxes and minority interests	税金等調整前中間純利益	25,193	21,104
Income taxes-Current	法人税、住民税及び事業税	5,280	5,073
Income taxes-Deferred	法人税等調整額	3,631	2,340
Total income taxes	法人税等合計	8,912	7,413
Income before minority interests	少数株主損益調整前中間純利益	16,280	13,690
Minority interests in income	少数株主利益	456	284
Net income	中間純利益	15,824	13,405

(CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME)

		Millions of yen	
		2013	2014
Income before minority interests	少数株主損益調整前中間純利益	16,280	13,690
Other comprehensive income	その他の包括利益	2,692	13,311
Unrealized gains (losses) on available-for-sale securities	その他有価証券評価差額金	2,601	12,764
Deferred gains (losses) on hedges	繰延ヘッジ損益	84	16
Remeasurements of defined benefit plans	退職給付に係る調整額	—	528
Share of other comprehensive income in affiliated companies accounted for using equity method	持分法適用会社に対する持分相当額	6	1
Comprehensive income	中間包括利益	18,972	27,001
Comprehensive income attributable to:	(内訳)		
Total comprehensive income attributable to owners of the	親会社株主に係る中間包括利益	18,516	26,776
Total comprehensive income attributable to minority interests	少数株主に係る中間包括利益	456	224

3. CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

The six months ended September 30, 2013

		Million of yen				
		Shareholders' Equity				
		株主資本				
		Capital Stock 資本金	Capital Surplus 資本剰余金	Retained Earnings 利益剰余金	Tresuary Stock 自己株式	Total Shareholders' Equity 株主資本合計
Balance at beginning of current period	当期首残高	50,000	79,628	332,867	△ 2,731	459,764
Cumulative effects of changes in accounting policies	会計方針の変更による累積的影響額		△ 366	△ 26	397	4
Restated balance	会計方針の変更を反映した当期首残高	50,000	79,261	332,840	△ 2,333	459,768
Changes of items during period	当中間期変動額					
Dividend paid	剰余金の配当			△ 1,805		△ 1,805
Net income	中間純利益			15,824		15,824
purchase of treasury stock	自己株式の取得				△ 19,556	△ 19,556
Disposal of treasury stock	自己株式の処分		△ 13		209	195
Retirement of treasury stock	自己株式の消却		△ 19,535		19,535	—
Reversal of revaluation reserve for land	土地再評価差額金の取崩			472		472
Net changes in terms other than shareholders' equity	株主資本以外の項目の当中間期変動額（純額）					
Total changes of items during period	当中間期変動額合計	—	△ 19,548	14,491	187	△ 4,869
Balance at end of current period	当中間期末残高	50,000	59,712	347,332	△ 2,145	454,899

		Million of yen							
		Accumulated other comprehensive income				Stock options	Minority Interests	Total Net Assets	
		その他の包括利益累計額							
		Unrealized gain on available-for-sale securities	Deferred losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
		その他有価証券評価差額金	繰延ヘッジ損益	土地再評価差額金	退職給付に係る調整累計額	その他の包括利益累計額合計	新株予約権	少数株主持分	純資産合計
Balance at beginning of current period 当期首残高		34,498	△ 446	23,332	—	57,385	249	4,024	521,423
Cumulative effects of changes in accounting policies 会計方針の変更による累積的影響額						—			4
Restated balance 会計方針の変更を反映した当期首残高		34,498	△ 446	23,332	—	57,385	249	4,024	521,427
Changes of items during period 当中間期変動額									
Dividend paid 剰余金の配当									△ 1,805
Net income 中間純利益									15,824
purchase of treasury stock 自己株式の取得									△ 19,556
Disposal of treasury stock 自己株式の処分									195
Retirement of treasury stock 自己株式の消却									—
Reversal of revaluation reserve for land 土地再評価差額金の取崩									472
Net changes in terms other than shareholders' equity 株主資本以外の項目の当中間期変動額（純額）		2,607	84	△ 472	—	2,219	72	455	2,747
Total changes of items during period 当中間期変動額合計		2,607	84	△ 472	—	2,219	72	455	△ 2,121
Balance at end of current period 当中間期末残高		37,105	△ 361	22,860	—	59,604	321	4,479	519,305

The six months ended September 30, 2014

		Million of yen				
		Shareholders' Equity				
		株主資本				
		Capital Stock 資本金	Capital Surplus 資本剰余金	Retained Earnings 利益剰余金	Tresuary Stock 自己株式	Total Shareholders' Equity 株主資本合計
Balance at beginning of current period	当期首残高	50,000	59,712	361,184	△ 10,393	460,503
Cumulative effects of changes in accounting policies	会計方針の変更による累積的影響額		—	△ 1,994	—	△ 1,994
Restated balance	会計方針の変更を反映した当期首残高	50,000	59,712	359,189	△ 10,393	458,509
Changes of items during period	当中間期変動額					
Dividend paid	剰余金の配当			△ 1,781		△ 1,781
Net income	中間純利益			13,405		13,405
purchase of treasury stock	自己株式の取得				△ 19	△ 19
Disposal of treasury stock	自己株式の処分		△ 26		285	259
Retirement of treasury stock	自己株式の消却		—		—	—
Reversal of revaluation reserve for land	土地再評価差額金の取崩			—		—
Net changes in terms other than shareholders' equity	株主資本以外の項目の当中間期変動額（純額）					
Total changes of items during period	当中間期変動額合計	—	△ 26	11,624	266	11,864
Balance at end of current period	当中間期末残高	50,000	59,686	370,814	△ 10,126	470,374

		Million of yen							
		Accumulated other comprehensive income				Stock options	Minority Interests	Total Net Assets	
		その他の包括利益累計額							
		Unrealized gain on available-for-sale securities その他有価証券評価差額金	Deferred losses on hedges 繰延ヘッジ損益	Revaluation reserve for land 土地再評価差額金	Remeasurements of defined benefit plans 退職給付に係る調整累計額	Total accumulated other comprehensive income その他の包括利益累計額合計			
Balance at beginning of current period 当期首残高		36,706	△ 352	22,844	△ 3,465	55,733	431	4,801	521,470
Cumulative effects of changes in accounting policies 会計方針の変更による累積的影響額						—			△ 1,994
Restated balance 会計方針の変更を反映した当期首残高		36,706	△ 352	22,844	△ 3,465	55,733	431	4,801	519,475
Changes of items during period 当中間期変動額									
Dividend paid 剰余金の配当									△ 1,781
Net income 中間純利益									13,405
purchase of treasury stock 自己株式の取得									△ 19
Disposal of treasury stock 自己株式の処分									259
Retirement of treasury stock 自己株式の消却									—
Reversal of revaluation reserve for land 土地再評価差額金の取崩									—
Net changes in terms other than shareholders' equity 株主資本以外の項目の当中間期変動額（純額）		12,766	16	—	528	13,311	△ 12	224	13,523
Total changes of items during period 当中間期変動額合計		12,766	16	—	528	13,311	△ 12	224	25,387
Balance at end of current period 当中間期末残高		49,472	△ 335	22,844	△ 2,936	69,044	418	5,025	544,863

4. CONSOLIDATED STATEMENTS OF CASH FLOWS

The six months ended September 30, 2013 and 2014

		Millions of yen	
		2013	2014
Cash flows from operating activities:	営業活動によるキャッシュ・フロー		
Income before income taxes and minority interests	税金等調整前中間純利益	25,193	21,104
Depreciation	減価償却費	5,323	5,236
Impairment losses	減損損失	46	—
Amortization of goodwill	のれん償却額	2,474	2,470
Gain on bargain purchase	負ののれん発生益	—	△ 60
Equity in earnings of affiliates	持分法による投資損益 (△は益)	△ 29	△ 29
Net change in allowance for loan losses	貸倒引当金の増減 (△)	△ 5,864	△ 3,522
Net change in provision for bonuses	賞与引当金の増減額 (△は減少)	113	0
Net change in provision for retirement benefits	退職給付引当金の増減額 (△は減少)	1,157	—
Net change in defined benefit asset	退職給付に係る資産の増減額 (△は増加)	—	707
Net change in defined benefit liability	退職給付に係る負債の増減額 (△は減少)	—	532
Net change in provision for directors' retirement benefits	役員退職慰労引当金の増減額 (△は減少)	2	△ 0
Net change in provision for loss on interest repayments	利息返還損失引当金の増減額 (△は減少)	△ 11	△ 12
Net change in provision for reimbursement of deposits	睡眠預金払戻損失引当金の増減 (△)	△ 53	△ 147
Net change in provision for customers point services	ポイント引当金の増減額 (△は減少)	△ 0	6
Net change in reserves under special laws	特別法上の引当金の増減額 (△は減少)	1	1
Interest income	資金運用収益	△ 51,942	△ 51,137
Interest expenses	資金調達費用	4,707	4,210
Net gains related to securities transactions	有価証券関係損益 (△)	△ 6,237	△ 5,774
Net gains from money held in trust	金銭の信託の運用損益 (△は運用益)	△ 650	28
Net exchange gains	為替差損益 (△は益)	△ 4,680	△ 5,391
Net losses from disposition of fixed assets	固定資産処分損益 (△は益)	83	20
Net change in trading assets	特定取引資産の純増 (△) 減	585	△ 142
Net change in trading liabilities	特定取引負債の純増減 (△)	10	928
Net change in loans and bills discounted	貸出金の純増 (△) 減	△ 58,630	△ 105,631
Net change in deposits	預金の純増減 (△)	81,569	147,846
Net change in negotiable certificates of deposits	譲渡性預金の純増減 (△)	△ 87,836	△ 112,843
Net change in borrowed money excluding subordinated loans	借入金 (劣後特約付借入金を除く) の純増減 (△)	123	△ 1,882
Net change in deposits with bank	預け金 (日銀預け金を除く) の純増 (△) 減	9,112	23,673
Net change in call loans and bills purchased	コールローン等の純増 (△) 減	217,265	104,094
Net change in call money and bills sold	コールマネー等の純増減 (△)	18,269	8,025
Net change in payables under securities lending transactions	債券貸借取引受入担保金の純増減 (△)	3,313	20,357
Net change in foreign exchanges (asset account)	外国為替 (資産) の純増 (△) 減	469	787
Net change in foreign exchanges (liability account)	外国為替 (負債) の純増減 (△)	380	20
Interest received	資金運用による収入	53,104	49,155
Interest paid	資金調達による支出	△ 3,854	△ 3,795
Other, net	その他	699	5,036
Subtotal	小計	204,215	103,872
Income taxes paid	法人税等の支払額	△ 5,936	△ 6,229
Income taxes refunds	法人税等の還付額	18	994
Net cash provided by operating activities	営業活動によるキャッシュ・フロー	198,296	98,638
Cash flows from investing activities:	投資活動によるキャッシュ・フロー		
Purchases of securities	有価証券の取得による支出	△ 1,410,874	△ 2,050,789
Proceeds from sales of securities	有価証券の売却による収入	1,197,177	1,718,407
Proceeds from maturity of securities	有価証券の償還による収入	64,485	61,227
Purchases of money held in trust	金銭の信託の増加による支出	△ 4,370	△ 5,250
Proceeds from sales of money held in trust	金銭の信託の減少による収入	4,457	7,493
Purchases of tangible fixed assets	有形固定資産の取得による支出	△ 1,478	△ 842
Proceeds from sales of tangible fixed assets	有形固定資産の売却による収入	75	0
Purchases of intangible fixed assets	無形固定資産の取得による支出	△ 911	△ 648
Net cash provided by (used in) investing activities	投資活動によるキャッシュ・フロー	△ 151,437	△ 270,400
Cash flows from financing activities:	財務活動によるキャッシュ・フロー		
Decrease in subordinated bonds payable	劣後特約付社債の償還による支出	△ 20,000	—
Dividends paid	配当金の支払額	△ 1,805	△ 1,781
Dividends paid to minority shareholders	少数株主への配当金の支払額	△ 0	△ 0
Purchases of treasury stock	自己株式の取得による支出	△ 19,556	△ 19
Proceeds from disposal of treasury stock	自己株式の処分による収入	195	259
Net cash used in financing activities	財務活動によるキャッシュ・フロー	△ 41,166	△ 1,541
Effect of exchange rate changes on cash and cash equivalents	現金及び現金同等物に係る換算差額	11	14
Net change in cash and cash equivalents	現金及び現金同等物の増減額 (△は減少)	5,703	△ 173,290
Cash and cash equivalents at beginning of period	現金及び現金同等物の期首残高	313,226	874,204
Cash and cash equivalents at end of period	現金及び現金同等物の中間期末残高	318,929	700,914