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Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

July 26, 2024

Company name: THE SHIGA BANK,LTD.
Listing: Tokyo
Securities code: 8366
URL: https://www.shigagin.com
Representative: Shinya Kubota President & CEO
Inquiries: Masaaki Hiranuma General Manager of General Planning Dept.
Telephone: +81-77-521-2200
Scheduled date to commence dividend payments: -
Trading accounts: None
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Ordinary income		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	31,023	(6.3)	8,194	(39.2)	5,706	(41.1)
June 30, 2023	33,108	(6.7)	13,468	7.3	9,683	7.1

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 5,841 million [(81.7)%]
Three months ended June 30, 2023: ¥ 31,985 million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	121.59	-
June 30, 2023	203.95	-

(Note) Diluted earnings per share is not presented because there were no potentially dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	7,768,869	494,849	6.4
March 31, 2024	7,970,551	490,887	6.2

(Reference) Equity: As of June 30, 2024: ¥ 494,849 million
As of March 31, 2024: ¥ 490,887 million

(Note) "Capital adequacy ratio" is calculated by dividing (total net assets at the end of the period − share acquisition rights at the end of the period) by total assets at the end of the period.
"Capital adequacy ratio" herein is not the capital ratio specified by the FSA Capital Adequacy Notification.

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	-	50.00	-	40.00	90.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		45.00	-	45.00	90.00

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

(Note)

1. Breakdown of the 2nd quarter-end dividend for the fiscal year ended March 31, 2024: Ordinary dividend of 40.00 yen, commemorative dividend of 10.00 yen (commemorative dividend for the Bank's 90th Anniversary)
   Breakdown of the year-end dividend for the fiscal year ended March 31, 2024: Ordinary dividend of 40.00 yen
2. Breakdown of the 2nd quarter-end dividend for the fiscal year ending March 31, 2025 (forecast): Ordinary dividend of 45.00 yen
   Breakdown of the year-end dividend for the fiscal year ending March 31, 2025 (forecast): Ordinary dividend of 45.00 yen

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
Six months ending September 30, 2024	11,500	(36.4)	8,200	(34.5)	174.73
Full year	23,000	(4.0)	16,000	0.4	340.93

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 (Company name: Shigagin energy Co., Ltd.)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None
4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024: 53,090,081 shares
March 31, 2024: 53,090,081 shares

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

June 30, 2024: 6,160,302 shares
March 31, 2024: 6,159,570 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 46,930,105 shares
Three months ended June 30, 2023: 47,476,746 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, such as financial results forecasts, made in this document are based on information currently available to the Bank and certain assumptions deemed reasonable. Actual results, etc. may differ significantly due to various factors.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Cash and due from banks	1,360,066	1,134,617
Call loans and bills bought	5,753	1,288
Monetary claims bought	1,968	1,523
Trading securities	459	451
Money held in trust	30,376	30,662
Securities	1,857,431	1,897,262
Loans and bills discounted	4,475,442	4,463,722
Foreign exchanges	6,193	5,841
Other assets	161,400	161,053
Property, plant and equipment	47,638	48,948
Intangible assets	1,342	1,282
Retirement benefit asset	25,228	25,942
Deferred tax assets	591	574
Customers' liabilities for acceptances and guarantees	29,340	28,342
Allowance for loan losses	(32,683)	(32,644)
Total assets	7,970,551	7,768,869
Liabilities		
Deposits	5,803,032	5,872,913
Negotiable certificates of deposit	25,360	23,248
Call money and bills sold	346,092	108,660
Cash collateral received for securities lent	241,330	232,945
Borrowed money	882,628	860,918
Foreign exchanges	92	101
Borrowed money from trust account	184	179
Other liabilities	88,812	82,509
Retirement benefit liability	168	169
Provision for retirement benefits for directors (and other officers)	4	3
Provision for loss on interest repayment	5	5
Provision for contingent loss	196	199
Deferred tax liabilities	56,949	58,358
Deferred tax liabilities for land revaluation	5,463	5,463
Acceptances and guarantees	29,340	28,342
Total liabilities	7,479,663	7,274,019

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Share capital	33,076	33,076
Capital surplus	24,541	24,541
Retained earnings	269,792	273,621
Treasury shares	(16,476)	(16,479)
Total shareholders' equity	310,934	314,760
Valuation difference on available-for-sale securities	131,867	124,497
Deferred gains or losses on hedges	30,145	37,960
Revaluation reserve for land	8,240	8,240
Remeasurements of defined benefit plans	9,700	9,390
Total accumulated other comprehensive income	179,953	180,088
Total net assets	490,887	494,849
Total liabilities and net assets	7,970,551	7,768,869

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Ordinary income	33,108	31,023
Interest income	18,484	22,527
Interest on loans and discounts	10,870	11,828
Interest and dividends on securities	6,959	9,174
Trust fees	-	0
Fees and commissions	4,913	4,818
Other ordinary income	3,527	2,854
Other income	6,182	822
Ordinary expenses	19,640	22,828
Interest expenses	4,315	5,860
Interest on deposits	472	800
Fees and commissions payments	1,148	1,079
Other ordinary expenses	3,194	4,688
General and administrative expenses	10,632	10,665
Other expenses	348	534
Ordinary profit	13,468	8,194
Extraordinary losses	39	12
Loss on disposal of non-current assets	39	5
Impairment losses	-	7
Profit before income taxes	13,429	8,181
Income taxes - current	3,048	1,238
Income taxes - deferred	697	1,236
Total income taxes	3,746	2,475
Profit	9,683	5,706
Profit attributable to owners of parent	9,683	5,706

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

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	9,683	5,706
Other comprehensive income		
Valuation difference on available-for-sale securities	19,436	(7,369)
Deferred gains or losses on hedges	3,192	7,814
Remeasurements of defined benefit plans, net of tax	(326)	(309)
Total other comprehensive income	22,302	135
Comprehensive income	31,985	5,841
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	31,985	5,841

Supplementary Information

Non-Consolidated Financial Results for the Three Months Ended June 30, 2024

1. Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024) [Non-consolidated]

(Million yen)

	(Japanese)	#	For the three months ended June 30, 2024	For the three months ended June 30, 2023	YoY
Gross business profit	業務粗利益	1	17,684	17,363	320
Net interest income	資金利益	2	16,663	14,166	2,497
Interest on loans and discounts	うち貸出金利息	3	11,836	10,871	964
Interest and dividends on securities	うち有価証券利息配当金	4	9,164	6,955	2,208
Other interest income	うちその他運用収益	5	1,522	653	868
Interest on deposits, etc. (-)	うち預金等利息 (Δ)	6	802	474	328
Other interest expenses (-)	うちその他調達費用 (Δ)	7	5,055	3,839	1,215
Net fees and commissions	役務取引等利益	8	3,091	3,087	4
Net other ordinary income	その他業務利益	9	(2,071)	110	(2,181)
[Gains (losses) related to bonds, etc.]	［うち債券等関係損益］	10	(2,023)	413	(2,436)
Expenses (-)	経費 (Δ)	11	10,657	10,709	(52)
Personnel expenses (-)	人件費 (Δ)	12	4,575	4,601	(25)
Non-personnel expenses (-)	物件費 (Δ)	13	5,058	5,028	29
Taxes (-)	税金 (Δ)	14	1,023	1,079	(56)
Net business profit (before provision of general allowance for loan losses)	**実質業務純益（一般貸倒引当金繰入前）**	15	7,026	6,653	373
Core net business profit	コア業務純益	16	8,492	5,611	2,881
Core net business profit (excluding gains (losses) on cancellation of investment trusts)	コア業務純益（除く投資信託解約損益）	17	7,684	5,564	2,120
Provision of general allowance for loan losses [(1)] (-)	一般貸倒引当金繰入額［①］ (Δ)	18	(249)	—	(249)
Net business profit	**業務純益**	19	7,276	6,653	623
Non-recurring gains (losses)	臨時損益	20	468	6,374	(5,906)
Gains (losses) related to equity securities	うち株式等関係損益	21	606	5,573	(4,966)
Recoveries of written off receivables	うち償却債権取立益	22	27	41	(13)
Disosal of non-performing loans [(2)] (-)	うち不良債権処理額［②］ (Δ)	23	460	66	394
Reversal of allowance for loan losses, etc. [(3)]	うち貸倒引当金等戻入益［③］	24	—	199	(199)
Ordinary profit	**経常利益**	25	**7,745**	**13,028**	**(5,282)**
Extraordinary income (losses)	特別損益	26	(12)	(39)	26
Gain (loss) on disposal of non-current assets	うち固定資産処分損益	27	(5)	(39)	33
Impairment loss (-)	うち減損損失 (Δ)	28	7	—	7
Profit before income taxes	税引前四半期純利益	29	7,732	12,989	(5,256)
Total income taxes (-)	法人税等合計 (Δ)	30	2,322	3,583	(1,261)
Profit	**四半期純利益**	31	**5,410**	**9,405**	**(3,995)**

Credit costs [(1)+(2)-(3)] (-)	与信コスト［①+②−③］ (Δ)	32	210	(133)	344

Consolidated: Profit attributable to owners of parent	**連結：親会社株主に帰属する四半期純利益**	33	5,706	9,683	(3,976)

(Notes)
1. Gains (losses) related to bonds, etc. = Gains (losses) related to bonds + Gain on financial derivatives − Loss on financial derivatives
2. Core net business profit = Net business profit + Provision of general allowance for loan losses – Gains (losses) related to bonds
3. Core net business profit (excluding gains (losses) on cancellation of investment trusts) = Core net business profit – Gains on cancellation of investment trusts
   Gains on cancellation of investment trusts is recorded in net interest income, losses on cancellation of investment trusts is recorded in gains (losses) related to bonds
4. Reversal of allowance for loan losses,etc. = Reversal of allowance for loan losses + Reversal of provision for contingent loss

2. Balance of Deposits and Loans [Non-consolidated]

(1) Deposits

(Million yen)

		(Japanese)	As of June 30, 2024 (a)	(a-b)	(a-c)	As of March 31, 2024 (b)	As of June 30, 2023 (c)
Deposits and negotiable certificates of deposit	(Term-end balance)	預金等（預金＋譲渡性預金）（末残）	5,914,328	67,646	98,091	5,846,682	5,816,237
Deposits	(Term-end balance)	預金（末残）	5,878,330	70,018	104,485	5,808,311	5,773,844
Individuals	(Term-end balance)	うち個人預金（末残）	4,249,708	49,726	79,883	4,199,982	4,169,824
Negotiable certificates of deposit	(Term-end balance)	譲渡性預金（末残）	35,998	(2,372)	(6,393)	38,370	42,392
Deposits and negotiable certificates of deposit	(Average balance)	預金等（預金＋譲渡性預金）（平残）	5,846,775	85,943	83,743	5,760,832	5,763,032

(2) Loans

(Million yen)

		(Japanese)	As of June 30, 2024 (a)	(a-b)	(a-c)	As of March 31, 2024 (b)	As of June 30, 2023 (c)
Loans and bills discounted	(Term-end balance)	貸出金（末残）	4,485,846	(9,276)	114,477	4,495,122	4,371,368
Consumer loans	(Term-end balance)	うち消費者ローン（末残）	1,179,306	16,577	77,029	1,162,729	1,102,276
Housing loans	(Term-end balance)	うち住宅ローン（末残）	1,057,827	5,764	32,624	1,052,062	1,025,203
Loans and bills discounted	(Average balance)	貸出金（平残）	4,475,410	73,519	116,654	4,401,891	4,358,755

(3) Balance and ratio of loans to small and medium-sized enterprises ("SMEs"), etc.

(Million yen, %)

	(Japanese)	As of June 30, 2024 (a)	(a-b)	(a-c)	As of March 31, 2024 (b)	As of June 30, 2023 (c)
Loans to SMEs, etc. (A)	中小企業等貸出金残高 (A)	3,017,274	△ 6,271	112,397	3,023,546	2,904,876
Loans to SMEs (Note)	うち中小企業向け残高 (注)	1,837,968	△ 22,848	35,368	1,860,817	1,802,599
Domestic loans and bills discounted (B)	国内店貸出金残高 (B)	4,446,522	△ 10,574	111,762	4,457,097	4,334,760
Loans to SMEs, etc. ratio (%) (A) ÷ (B)	中小企業等貸出金比率(%) (A) ÷ (B)	67.85	0.02	0.84	67.83	67.01

(Note) Loans to SMEs is calculated by deducting the above consumer loans in from (A) Loans to SMEs, etc.

3. Balance of Assets in Custody/Sales during the Three Months Ended June 30, 2024 [Non-consolidated]

Balance of Assets in Custody

(Million yen)

	(Japanese)	As of June 30, 2024 (a)	(a-b)	(a-c)	As of March 31, 2024 (b)	As of June 30, 2023 (c)
Investment trusts (A)	投資信託期末残高	249,623	17,622	59,130	232,001	190,493
Public bonds (B)	公共債期末残高	42,022	(392)	(2,005)	42,415	44,027
Mediated financial products (C)	金融商品仲介期末残高	18,701	(1,825)	(21,557)	20,526	40,258
Total asset in custody (A+B+C)	預り資産残高合計	310,347	15,403	35,566	294,943	274,780
Individual assets in custody	うち個人預り資産残高	280,781	15,650	34,063	265,130	246,718

Sales during the Three Months Ended June 30, 2024

(Million yen)

	(Japanese)	For the three months ended June 30, 2024 (a)	(a-b)	For the three months ended June 30, 2023 (b)
Investment trusts	投資信託	18,223	7,065	11,158
Mediated financial products	金融商品仲介	213	(1,197)	1,410
Insurance	保険	14,680	2,702	11,977

(Note) The accumulated amount of insurance premiums earned since the Bank started offering insurance has amounted to ¥700,147 million.

4. Gains (Losses) on Valuation of Securities [Non-consolidated]

(Million yen)

	(Japanese)	As of June 30, 2024			As of March 31, 2024		
		Valuation gains (losses)	Valuation gains	Valuation losses	Valuation gains (losses)	Valuation gains	Valuation losses
Held-to-maturity	満期保有目的	(11,285)	—	11,285	(8,264)	—	8,264
Available-for-sale securities	その他有価証券	173,085	260,106	87,020	183,463	246,342	62,878
Stocks	株式	252,349	253,004	655	239,209	239,538	329
Bonds	債券	(44,572)	538	45,110	(25,638)	1,063	26,702
Others	その他	(34,691)	6,563	41,254	(30,106)	5,740	35,846
Money held in trust (excluding for investment, held-to-maturity)	金銭の信託(運用目的及び満期保有目的以外)	(88)	5	93	(94)	—	94
(1) Total gains (losses) on valuation	① 評価損益合計	161,711			175,104		
(2) Deferred gains (losses) on hedges	② 繰延ヘッジ損益	54,685			43,439		
(1) + (2)	③ 参考(①+②)	216,396			218,544		

	(Japanese)	As of June 30, 2023		
		Valuation gains (losses)	Valuation gains	Valuation losses
Held-to-maturity	満期保有目的	(4,645)	—	4,645
Available-for-sale securities	その他有価証券	176,810	219,514	42,703
Stocks	株式	212,424	212,575	150
Bonds	債券	(8,147)	4,154	12,301
Others	その他	(27,466)	2,785	30,251
Money held in trust (excluding for investment, held-to-maturity)	金銭の信託(運用目的及び満期保有目的以外)	(13)	15	28
(1) Total gains (losses) on valuation	① 評価損益合計	172,152		
(2) Deferred gains (losses) on hedges	② 繰延ヘッジ損益	27,018		
(1) + (2)	③ 参考(①+②)	199,170		

5. Disclosed Claims under the Financial Reconstruction Law and Risk-monitored Loans [Non-consolidated]

(Million yen)

	(Japanese)	As of June 30, 2024 (a)	(a-b)	(a-c)	As of March 31, 2024 (b)	As of June 30, 2023 (c)
Bankrupt and substantially bankrupt claims	破産更生債権及びこれらに準ずる債権	2,355	(407)	(1,290)	2,762	3,645
Doubtful claims	危険債権	51,852	185	5,880	51,666	45,971
Substandard claims	要管理債権	27,844	(2,250)	(4,285)	30,095	32,129
(Loans past due 3 months or more)	（うち三月以上延滞債権）	164	44	1	119	163
(Restructured loans)	（うち貸出条件緩和債権）	27,679	(2,295)	(4,286)	29,975	31,966
Subtotal (A)	小計	82,051	(2,473)	304	84,524	81,746
Non-performing loans ratio (%) (A) ÷ (B)	総与信残高に占める比率 (A) ÷ (B)	1.81	(0.05)	(0.04)	1.86	1.85
Normal claims	正常債権	4,444,399	(7,394)	111,258	4,451,794	4,333,140
Total claims (B)	合計	4,526,451	(9,867)	111,563	4,536,319	4,414,887