

Consolidated Financial Results for the fiscal year ended March 31, 2022



May 11, 2022

<under Japanese GAAP>

Company Name:	Bank of The Ryukyus, Limited	Stock Exchange Listing:	Tokyo, Fukuoka
Code Number:	8399	URL:	https://www.ryugin.co.jp
Representative:	Representative Director, President		Yasushi Kawakami
Reference Person in Charge:	General Manager, General Planning Dept.		Takeshi Kikuchi
Date of Ordinary General Meeting of Shareholders (scheduled):			June 28, 2022
Commencement of Dividend Payment (scheduled):			June 29, 2022
Securities Report Issuing Date (scheduled):			June 28, 2022
Trading Accounts:			None
Supplemental Information for Financial Statements:			Available
Investor Meeting Presentation:			Available (Video of financial result briefing is going to be published on the Bank's website.)

(Amounts less than one million yen are rounded down.)

1. Consolidated Financial Results (for the fiscal year ended March 31, 2022)

(1) Operating Results

(Unit: Millions of Yen, except per share data and percentages)

	Ordinary Income		Ordinary Profit		Profit Attributable to Owners of the Parent	
Fiscal year ended March 31, 2022	57,011	-0.5%	7,930	106.3%	5,590	116.8%
Fiscal year ended March 31, 2021	57,278	-8.7%	3,844	-44.4%	2,579	-47.9%

(Note1) Comprehensive Income: Fiscal year ended March 31, 2022: ¥4,995 million [60.7%];
Fiscal year ended March 31, 2021: ¥3,108 million [-5.7%]

(Note2) Percentages shown in Ordinary Income, Ordinary Profit, Profit Attributable to Owners of the Parent and Comprehensive Income are the increase/decrease from the same period of the previous year.

	Net Income per Share	Net Income per Share (Diluted)	Return on Equity	Ordinary Profit on Total Assets	Ordinary Profit on Ordinary Income
Fiscal year ended March 31, 2022	¥ 131.18	¥ 130.74	4.2%	0.3%	13.9%
Fiscal year ended March 31, 2021	¥ 60.03	¥ 59.79	2.0%	0.1%	6.7%

(2) Financial Position

(Unit: Millions of Yen, except per share data and percentages)

	Total Assets	Total Net Assets	Own Capital Ratio	Net Assets per Share
March 31, 2022	3,064,865	135,018	4.4%	¥3,178.82
March 31, 2021	2,778,142	131,815	4.7%	¥3,061.43

(Reference) Own Capital: March 31, 2022: ¥134,839 million; March 31, 2021: ¥131,596 million

(Note) Own Capital Ratio = (Total Net Assets - Subscription Rights to Shares - Non-controlling Interests) / Total Assets
The ratio above is not based on the regulation of Capital Adequacy Ratio.

(3) Cash Flows

(Unit: Millions of Yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Fiscal year ended March 31, 2022	286,117	(38,663)	(2,229)	769,963
Fiscal year ended March 31, 2021	295,374	(74,702)	(1,744)	524,688

2. Dividends on Common Stock

(Unit: Millions of Yen, except per share data and percentages)

	Annual Cash Dividends per Share					Total Cash Dividends	Dividends Pay-out Ratio (Consolidated)	Dividends on Net Assets Ratio (Consolidated)
	1 Quarter -End	2 Quarter -End	3 Quarter -End	Fiscal Year -End	Total			
Fiscal year ended March 31, 2021	—	¥12.50	—	¥12.50	¥25.00	1,074	41.6%	0.8%
Fiscal year ended March 31, 2022	—	¥17.50	—	¥17.50	¥35.00	1,484	26.6%	1.1%
Fiscal year ending March 31, 2023 (Forecasts)	—	¥17.50	—	¥17.50	¥35.00		27.0%	

3. Consolidated Earnings Forecasts (for the fiscal year ending March 31, 2023)

(Unit: Millions of Yen, except per share data and percentages)

	Ordinary Income		Ordinary Profit		Profit Attributable to Owners of the Parent		Net Income per Share
Six months ending September 30, 2022	28,000	-3.0%	3,800	-20.5%	2,700	-14.5%	¥63.65
Fiscal year ending March 31, 2023	56,000	-1.8%	8,000	0.9%	5,500	-1.6%	¥129.66

*** NOTES**

(1) Changes in the scope of consolidated significant subsidiaries in the fiscal year ended March 31, 2022: None

(2) Changes in accounting policies, accounting estimates, and restatements:

(A) Changes in accounting policies due to revision of accounting standards: Presence

(B) Changes in accounting policies due to reasons other than (A): None

(C) Changes in accounting estimates: None

(D) Restatements: None

(3) Number of common stocks issued:

(A) Number of stocks issued (including treasury stocks):

March 31, 2022	43,108,470 shares	March 31, 2021	43,108,470 shares
March 31, 2022	690,386 shares	March 31, 2021	123,141 shares
March 31, 2022	42,615,965 shares	March 31, 2021	42,973,909 shares

(B) Number of treasury stocks:

(C) Average outstanding stocks for the fiscal year ended:

Consolidated Financial Statements**(1) Consolidated Balance Sheets**

(Unit: Millions of Yen)

	As of March 31, 2021	As of March 31, 2022
Assets:		
Cash and due from banks	525,140	770,553
Call loans and bills bought	506	—
Monetary claims bought	9	—
Money held in trust	533	518
Securities	333,047	364,179
Loans and bills discounted	1,778,890	1,804,414
Foreign exchanges	7,636	6,208
Lease receivables and investment assets	23,090	21,510
Other assets	75,114	66,272
Tangible fixed assets	23,238	23,246
Buildings, net	6,097	5,707
Land	13,274	13,233
Lease assets, net	6	46
Construction in progress	381	948
Other tangible fixed assets	3,478	3,310
Intangible fixed assets	5,155	4,466
Software	4,587	3,919
Lease assets	1	9
Other intangible fixed assets	566	537
Net defined benefit asset	815	1,032
Deferred tax assets	5,932	5,651
Customers' liabilities for acceptances and guarantees	11,224	8,283
Allowance for loan losses	(12,192)	(11,471)
Total assets	2,778,142	3,064,865

(Unit: Millions of Yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities:		
Deposits	2,453,399	2,587,046
Negotiable certificates of deposit	25,807	11,213
Payables under repurchase agreements	1,093	—
Borrowed money	128,573	297,872
Foreign exchanges	154	78
Other liabilities	21,927	21,967
Reserve for bonuses	683	674
Reserve for director's bonuses	—	12
Net defined benefit liability	890	223
Reserve for retirement benefits for directors and corporate auditors	10	14
Reserve for reimbursement of deposits	35	22
Reserve for contingent losses	112	99
Reserve for point service program	193	175
Reserve for losses on interest payment	274	215
Deferred tax liabilities for land revaluation	1,947	1,947
Acceptances and guarantees	11,224	8,283
Total liabilities	2,646,326	2,929,846
Net assets:		
Capital stock	56,967	56,967
Capital surplus	14,250	14,220
Retained earnings	60,004	64,252
Treasury stock	(170)	(575)
Total shareholders' equity	131,051	134,864
Valuation difference on available-for-sale securities	174	(775)
Revaluation reserve for land	751	776
Remeasurements of defined benefit plans	(380)	(25)
Total accumulated other comprehensive income	544	(24)
Stock acquisition rights	219	179
Total net assets	131,815	135,018
Total liabilities and net assets	2,778,142	3,064,865

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

	(Unit: Millions of Yen)	
	For the year ended March 31, 2021	For the year ended March 31, 2022
Ordinary income	57,278	57,011
Interest income	27,999	27,788
Interest on loans and bills discounted	26,558	26,364
Interest and dividends on securities	1,302	1,150
Interest on call loans and bills bought	(16)	(7)
Interest on deposits with banks	132	270
Other interest income	22	9
Fees and commissions	9,938	10,438
Other operating income	18,149	16,882
Other income	1,191	1,902
Gain on reversal of allowance for loan losses	—	597
Recoveries of written off claims	303	326
Other	888	978
Ordinary expenses	53,433	49,081
Interest expenses	414	173
Interest on deposits	337	107
Interest on negotiable certificates of deposit	7	1
Interest on call money and bills sold	(1)	(1)
Interest on payables under securities lending transactions	3	1
Interest on borrowings and rediscounts	64	62
Other interest expenses	1	2
Fees and commissions payments	4,327	4,468
Other operating expenses	15,936	15,739
General and administrative expenses	27,792	27,150
Other expenses	4,961	1,550
Provision of allowance for loan losses	3,187	—
Other	1,774	1,550
Ordinary profit	3,844	7,930
Extraordinary income	43	548
Gain on disposal of non-current assets	43	0
Gain on revision of retirement benefit plan	—	548
Extraordinary losses	159	363
Loss on disposal of non-current assets	137	221
Impairment loss	21	141
Income before income taxes	3,728	8,115
Income taxes - current	1,976	1,971
Income taxes - deferred	(827)	554
Total income taxes	1,149	2,525
Profit	2,579	5,590
Profit attributable to owners of the parent	2,579	5,590

(Consolidated Statements of Comprehensive Income)

(Unit: Millions of Yen)

	For the year ended March 31, 2021	For the year ended March 31, 2022
Profit	2,579	5,590
Other comprehensive income	529	(594)
Valuation difference on available-for-sale securities	11	(949)
Deferred gains or losses on hedges	(1)	—
Remeasurements of defined benefit plans	519	354
Comprehensive income	3,108	4,995
Comprehensive income attributable to owners of the parent	3,108	4,995

(3) Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2021

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	56,967	14,264	58,625	(250)	129,606
Changes of items during period					
Cash dividends			(1,288)		(1,288)
Profit attributable to owners of the parent			2,579		2,579
Reversal of revaluation reserve for land			87		87
Purchase of treasury shares				(0)	(0)
Sales of treasury shares		(14)		80	66
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	(14)	1,379	80	1,444
Balance at end of current period	56,967	14,250	60,004	(170)	131,051

	Accumulated other comprehensive income					Stock acquisition rights	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 current period	163	1	838	(899)	103	250	129,960
Changes of items during period							
Cash dividends							(1,288)
Profit attributable to owners of the parent							2,579
Reversal of revaluation reserve for land							87
Purchase of treasury shares							(0)
Sales of treasury shares							66
Net changes of items other than shareholders' equity	11	(1)	(87)	519	441	(31)	410
Total changes of items during period	11	(1)	(87)	519	441	(31)	1,855
Balance at end of current period	174	—	751	(380)	544	219	131,815

For the year ended March 31, 2022

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	56,967	14,250	60,004	(170)	131,051
Cumulative effect of a change in accounting policy	—	—	(37)	—	(37)
Balance at the beginning of the period reflecting the change in accounting policy	56,967	14,250	59,966	(170)	131,013
Changes of items during period					
Cash dividends			(1,279)		(1,279)
Profit attributable to owners of the parent			5,590		5,590
Reversal of revaluation reserve for land			(25)		(25)
Purchase of treasury shares				(501)	(501)
Sales of treasury shares		(29)		96	66
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	(29)	4,285	(404)	3,850
Balance at end of current period	56,967	14,220	64,252	(575)	134,864

	Accumulated other comprehensive income				Stock acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	174	751	(380)	544	219	131,815
Cumulative effect of a change in accounting policy	—	—	—	—	—	(37)
Balance at the beginning of the period reflecting the change in accounting policy	174	751	(380)	544	219	131,778
Changes of items during period						
Cash dividends						(1,279)
Profit attributable to owners of the parent						5,590
Reversal of revaluation reserve for land						(25)
Purchase of treasury shares						(501)
Sales of treasury shares						66
Net changes of items other than shareholders' equity	(949)	25	354	(569)	(40)	(609)
Total changes of items during period	(949)	25	354	(569)	(40)	3,240
Balance at end of current period	(775)	776	(25)	(24)	179	135,018

(4) Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

	For the year ended March 31, 2021	For the year ended March 31, 2022
Cash flows from operating activities:		
Income before income taxes	3,728	8,115
Depreciation	2,936	3,003
Impairment loss on fixed assets	21	141
Increase (decrease) in allowance for loan losses	2,943	(720)
Increase (decrease) in reserve for bonuses	9	(9)
Increase (decrease) in reserve for director's bonuses	—	12
(Increase) decrease in net defined benefit asset	235	(683)
Decrease (increase) in net defined benefit liability	(130)	305
Increase (decrease) in reserve for retirement benefits for directors and corporate auditors	(25)	4
Increase (decrease) in reserve for reimbursement of dormant deposits	(35)	(12)
Decrease (increase) in reserve for contingent losses	12	(12)
Increase (decrease) in reserve for point service program	10	(17)
Increase (decrease) in reserve for losses on interest payment	(91)	(59)
Interest income	(27,999)	(27,788)
Interest expenses	414	173
Loss (gain) related securities	(129)	960
Loss (gain) on money held in trust	245	(24)
Foreign exchange losses (gains)	53	889
Loss (gain) on disposal of non-current assets	94	146
Increase in loans and bills discounted	(55,357)	(25,523)
Increase in deposits	239,655	133,646
Increase in negotiable certificate of deposits	(4,823)	(14,594)
Increase (decrease) in borrowed money (excepting subordinated borrowings)	108,450	169,298
Decrease (increase) in due from banks (excluding due from central bank)	(243)	(138)
Decrease (increase) in call loans	(481)	515
Increase (decrease) in payables under repurchase agreements	(2,908)	(1,093)
Net change in foreign exchange accounts (assets)	318	1,427
Net change in foreign exchange accounts (liabilities)	(71)	(75)
Decrease (increase) in lease receivables and lease investment assets	1,814	1,601
Decrease (increase) in initial clearing margin for CCP	—	12,000
Interest and dividends received	28,259	28,618
Interest paid	(505)	(266)
Other, net	1,500	(1,867)
Subtotal	297,900	287,973
Income taxes paid	(2,525)	(1,856)
Net cash provided by operating activities	295,374	286,117

(Unit: Millions of Yen)

	For the year ended March 31, 2021	For the year ended March 31, 2022
Cash flows from investing activities:		
Purchases of securities	(179,020)	(217,100)
Proceeds from sales of securities	67,473	115,571
Proceeds from redemptions of securities	36,934	65,701
Increase in money held in trust	(23,200)	(33,200)
Decrease in money held in trust	26,492	33,218
Purchases of property, plant and equipment	(2,100)	(2,142)
Purchases of intangible fixed assets	(1,571)	(854)
Proceeds from sales of property, plant and equipment	382	582
Payments for disposal of property, plant and equipment	(92)	(440)
Net cash used in investing activities	(74,702)	(38,663)
Cash flows from financing activities:		
Cash dividends paid	(1,291)	(1,283)
Payments of lease obligations	(453)	(445)
Purchases of treasury stock	(0)	(501)
Proceeds from sales of treasury stock	0	0
Net cash used in financing activities	(1,744)	(2,229)
Effect of exchange rate change on cash and cash equivalents	6	50
Increase in cash and cash equivalents	218,934	245,274
Cash and cash equivalents at beginning of period	305,754	524,688
Cash and cash equivalents at end of period	524,688	769,963