

# Consolidated Financial Results for the fiscal year ended March 31, 2023



May 12, 2023

<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.		Ikuo Tonaki
Date of Ordinary General Meeting of Shareholders (scheduled):			June 22, 2023
Commencement of Dividend Payment (scheduled):			June 23, 2023
Securities Report Issuing Date (scheduled):			June 22, 2023
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, 2023)

### (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, 2023	60,093	5.4%	8,499	7.2%	5,896	5.5%
Fiscal year ended March 31, 2022	57,011	-0.5%	7,930	106.3%	5,590	116.8%

(Note1) Comprehensive Income: Fiscal year ended March 31, 2023: ¥5,601 million [12.1%];

Fiscal year ended March 31, 2022: ¥4,995 million [60.7%]

(Note2) Percentages shown in Ordinary Income, Ordinary Profit, Profit Attributable to Owners of the Parent and Comprehensive Income are the increase/decrease ratio 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, 2023	¥ 139.39	¥ 138.98	4.3%	0.3%	14.1%
Fiscal year ended March 31, 2022	¥ 131.18	¥ 130.74	4.2%	0.3%	13.9%

### (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, 2023	3,042,523	138,162	4.5%	¥3,321.40
March 31, 2022	3,064,865	135,018	4.4%	¥3,178.82

(Reference) Own Capital: March 31, 2023: ¥138,002 million; March 31, 2022: ¥134,839 million

(Note) Own Capital Ratio = (Total Net Assets - Stock Acquisition Rights) / 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, 2023	(52,266)	(116,735)	(2,905)	598,102
Fiscal year ended March 31, 2022	286,117	(38,663)	(2,229)	769,963

## 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, 2022	—	¥17.50	—	¥17.50	¥35.00	1,484	26.6%	1.1%
Fiscal year ended March 31, 2023	—	¥17.50	—	¥17.50	¥35.00	1,470	24.9%	1.1%
Fiscal year ending March 31, 2024 (Forecasts)	—	¥18.50	—	¥18.50	¥37.00		30.2%	

(Note) Based on the recovery of business conditions in the Okinawa prefecture and future prospects of the Bank's performance, the Bank expects to increase the annual dividend for the fiscal year ending March 31, 2024 by ¥2 per share.

## 3. Consolidated Earnings Forecasts (for the fiscal year ending March 31, 2024)

(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, 2023	31,100	6.5%	3,500	-34.5%	2,400	-35.4%	¥57.76
Fiscal year ending March 31, 2024	62,200	3.5%	7,400	-12.9%	5,100	-13.5%	¥122.75

(Note) Percentages shown in above table are the increase/decrease ratio from the same period of the previous year.

**\* NOTES**

(1) Changes in the scope of consolidated significant subsidiaries in the fiscal year ended March 31, 2023: 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

March 31, 2023	43,108,470 shares	March 31, 2022	43,108,470 shares
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(B) Number of treasury stocks:

March 31, 2023	1,559,153 shares	March 31, 2022	690,386 shares
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(C) Average outstanding stocks for the fiscal year

March 31, 2023	42,303,131 shares	March 31, 2022	42,615,965 shares
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**\* This financial report is not subject to audit by certified public accountants.**

**\* Explanation of the appropriate use of forecasts and other notes**

The future prospects of the business results, etc., described in this material is based on information that the Bank has acquired, and certain assumptions assessed to be reasonable, and there is a possibility that actual business results, etc., will be greatly different depending on various factors.

## Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Unit: Millions of Yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets:</b>		
Cash and due from banks	770,553	598,662
Call loans and bills bought	—	1,649
Money held in trust	518	514
Securities	364,179	477,175
Loans and bills discounted	1,804,414	1,828,059
Foreign exchanges	6,208	8,995
Lease receivables and investment assets	21,510	22,879
Other assets	66,272	71,155
Tangible fixed assets	23,246	25,006
Buildings, net	5,707	5,727
Land	13,233	13,333
Lease assets, net	46	39
Construction in progress	948	2,531
Other tangible fixed assets	3,310	3,375
Intangible fixed assets	4,466	3,976
Software	3,919	3,457
Goodwill	—	148
Lease assets	9	7
Other intangible fixed assets	537	363
Net defined benefit asset	1,032	1,138
Deferred tax assets	5,651	5,157
Customers' liabilities for acceptances and guarantees	8,283	7,547
Allowance for loan losses	(11,471)	(9,395)
<b>Total assets</b>	<b>3,064,865</b>	<b>3,042,523</b>

(Unit: Millions of Yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities:</b>		
Deposits	2,587,046	2,707,158
Negotiable certificates of deposit	11,213	21,621
Payables under repurchase agreements	—	36,805
Borrowed money	297,872	104,865
Foreign exchanges	78	60
Other liabilities	21,967	22,572
Reserve for bonuses	674	761
Reserve for director's bonuses	12	12
Net defined benefit liability	223	534
Reserve for retirement benefits for directors and corporate auditors	14	28
Reserve for reimbursement of deposits	22	—
Reserve for contingent losses	99	85
Reserve for point service program	175	170
Reserve for losses on interest payment	215	191
Deferred tax liabilities for land revaluation	1,947	1,944
Acceptances and guarantees	8,283	7,547
<b>Total liabilities</b>	<b>2,929,846</b>	<b>2,904,361</b>
<b>Net assets:</b>		
Capital stock	56,967	56,967
Capital surplus	14,220	14,225
Retained earnings	64,252	68,634
Treasury stock	(575)	(1,534)
<b>Total shareholders' equity</b>	<b>134,864</b>	<b>138,292</b>
Valuation difference on available-for-sale securities	(775)	(1,148)
Revaluation reserve for land	776	804
Remeasurements of defined benefit plans	(25)	52
<b>Total accumulated other comprehensive income</b>	<b>(24)</b>	<b>(290)</b>
Stock acquisition rights	179	160
<b>Total net assets</b>	<b>135,018</b>	<b>138,162</b>
<b>Total liabilities and net assets</b>	<b>3,064,865</b>	<b>3,042,523</b>

(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, 2022	For the year ended March 31, 2023
Ordinary income	57,011	60,093
Interest income	27,788	28,248
Interest on loans and bills discounted	26,364	25,994
Interest and dividends on securities	1,150	1,985
Interest on call loans and bills bought	(7)	(54)
Interest on deposits with banks	270	321
Other interest income	9	2
Fees and commissions	10,438	11,249
Other operating income	16,882	17,291
Other income	1,902	3,303
Gain on reversal of allowance for loan losses	597	1,971
Recoveries of written off claims	326	212
Other	978	1,119
Ordinary expenses	49,081	51,593
Interest expenses	173	970
Interest on deposits	107	81
Interest on negotiable certificates of deposit	1	1
Interest on call money and bills sold	(1)	(0)
Interest on payables under securities lending transactions	1	820
Interest on borrowings and rediscounts	62	64
Other interest expenses	2	2
Fees and commissions payments	4,468	4,926
Other operating expenses	15,739	17,854
General and administrative expenses	27,150	26,674
Other expenses	1,550	1,168
Ordinary profit	7,930	8,499
Extraordinary income	548	2
Gain on disposal of non-current assets	0	2
Gain on revision of retirement benefit plan	548	—
Extraordinary losses	363	71
Loss on disposal of non-current assets	221	66
Impairment loss	141	4
Income before income taxes	8,115	8,430
Income taxes - current	1,971	1,816
Income taxes - deferred	554	717
Total income taxes	2,525	2,533
Profit	5,590	5,896
Profit attributable to owners of the parent	5,590	5,896

## (Consolidated Statements of Comprehensive Income)

(Unit: Millions of Yen)

	For the year ended March 31, 2022	For the year ended March 31, 2023
<b>Profit</b>	5,590	5,896
<b>Other comprehensive income</b>	(594)	(294)
Valuation difference on available-for-sale securities	(949)	(373)
Remeasurements of defined benefit plans	354	78
<b>Comprehensive income</b>	4,995	5,601
Comprehensive income attributable to owners of the parent	4,995	5,601

## (3) Consolidated Statements of Changes in Net Assets

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

For the year ended March 31, 2023

(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	14,220	64,252	(575)	134,864
Changes of items during period					
Cash dividends			(1,485)		(1,485)
Profit attributable to owners of the parent			5,896		5,896
Reversal of revaluation reserve for land			(28)		(28)
Purchase of treasury shares				(1,000)	(1,000)
Sales of treasury shares		5		41	46
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	5	4,382	(959)	3,428
Balance at end of current period	56,967	14,225	68,634	(1,534)	138,292

	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	(775)	776	(25)	(24)	179	135,018
Changes of items during period						
Cash dividends						(1,485)
Profit attributable to owners of the parent						5,896
Reversal of revaluation reserve for land						(28)
Purchase of treasury shares						(1,000)
Sales of treasury shares						46
Net changes of items other than shareholders' equity	(373)	28	78	(266)	(18)	(284)
Total changes of items during period	(373)	28	78	(266)	(18)	3,143
Balance at end of current period	(1,148)	804	52	(290)	160	138,162



## (4) Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

	For the year ended March 31, 2022	For the year ended March 31, 2023
<b>Cash flows from operating activities:</b>		
Income before income taxes	8,115	8,430
Depreciation	3,003	2,977
Impairment loss on fixed assets	141	4
Amortization of goodwill	—	10
Increase (decrease) in allowance for loan losses	(720)	(2,078)
Increase (decrease) in reserve for bonuses	(9)	67
Increase (decrease) in reserve for director's bonuses	12	—
(Increase) decrease in net defined benefit asset	(683)	57
Decrease (increase) in net defined benefit liability	305	(84)
Increase (decrease) in reserve for retirement benefits for directors and corporate auditors	4	6
Increase (decrease) in reserve for reimbursement of dormant deposits	(12)	(22)
Decrease (increase) in reserve for contingent losses	(12)	(13)
Increase (decrease) in reserve for point service program	(17)	(4)
Increase (decrease) in reserve for losses on interest payment	(59)	(23)
Interest income	(27,788)	(28,248)
Interest expenses	173	970
Loss (gain) related securities	960	1,270
Loss (gain) on money held in trust	(24)	(14)
Foreign exchange losses (gains)	889	2,074
Loss (gain) on disposal of non-current assets	146	(22)
Increase in loans and bills discounted	(25,523)	(23,645)
Increase in deposits	133,646	124,058
Increase in negotiable certificate of deposits	(14,594)	10,408
Increase (decrease) in borrowed money (excepting subordinated borrowings)	169,298	(193,006)
Decrease (increase) in due from banks (excluding due from central bank)	(138)	29
Decrease (increase) in call loans	515	(1,649)
Increase (decrease) in payables under repurchase agreements	(1,093)	36,805
Net change in foreign exchange accounts (assets)	1,427	(2,786)
Net change in foreign exchange accounts (liabilities)	(75)	(18)
Decrease (increase) in lease receivables and lease investment assets	1,601	(1,369)
Decrease (increase) in initial clearing margin for CCP	12,000	—
Interest and dividends received	28,618	28,726
Interest paid	(266)	(920)
Other, net	(1,867)	(12,439)
<b>Subtotal</b>	<b>287,973</b>	<b>(50,453)</b>
Income taxes paid	(1,856)	(1,813)
<b>Net cash provided by (used in) operating activities</b>	<b>286,117</b>	<b>(52,266)</b>

(Unit: Millions of Yen)

	For the year ended March 31, 2022	For the year ended March 31, 2023
<b>Cash flows from investing activities:</b>		
Purchases of securities	(217,100)	(280,526)
Proceeds from sales of securities	115,571	85,871
Proceeds from redemptions of securities	65,701	83,931
Increase in money held in trust	(33,200)	(15,900)
Decrease in money held in trust	33,218	15,890
Purchases of property, plant and equipment	(2,142)	(3,438)
Purchases of intangible fixed assets	(854)	(846)
Proceeds from sales of property, plant and equipment	582	286
Payments for disposal of property, plant and equipment	(440)	(44)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(1,959)
<b>Net cash used in investing activities</b>	<b>(38,663)</b>	<b>(116,735)</b>
<b>Cash flows from financing activities:</b>		
Cash dividends paid	(1,283)	(1,486)
Payments of lease obligations	(445)	(417)
Purchases of treasury stock	(501)	(1,000)
Proceeds from sales of treasury stock	0	0
<b>Net cash used in financing activities</b>	<b>(2,229)</b>	<b>(2,905)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>50</b>	<b>46</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>245,274</b>	<b>(171,861)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>524,688</b>	<b>769,963</b>
<b>Cash and cash equivalents at end of period</b>	<b>769,963</b>	<b>598,102</b>