

Flash Report for the Year Ended March 31, 2024

<Under Japanese GAAP>

May 10, 2024

Name of the listed company: **Okinawa Financial Group, Inc.**
 Code No.: 7350 Stock exchange: Tokyo Stock Exchange and Fukuoka Stock Exchange
 URL: <https://www.okinawafg.co.jp/>
 Representative: Masayasu Yamashiro, President and Representative Director
 Contact: Masakazu Yamashiro, General Manager, General Planning Division
 Phone: +81-98-860-2141
 Scheduled date for annual general meeting of shareholders: June 26, 2024
 Scheduled date for submission of Securities Report: June 27, 2024
 Date for initiation of dividend payments (subject to change): June 27, 2024
 Specific trading account system: not applicable
 Preparation of supplementary explanatory materials: Yes
 Results briefing held: Scheduled

* All amounts are rounded down to the nearest million yen.

1. Consolidated Results for the Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Operating results (¥ million)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
Year ended March 31, 2024	¥53,573	1.6%	¥8,833	2.9%	¥6,262	7.3%
Year ended March 31, 2023	¥52,687	4.3%	¥8,581	7.2%	¥5,835	16.4%

Notes: 1. Comprehensive income

Year ended March 31, 2024: ¥8,466 million (—%)

Year ended March 31, 2023: ¥(2,965) million (—%)

2. Percentage figures represent year-on-year comparisons.

	Net income per share (¥)		Net income to shareholders' equity ratio	Ordinary profit to total assets	Ordinary profit to ordinary income
	Basic	Diluted			
Year ended March 31, 2024	¥290.49	¥290.16	4.0%	0.3%	16.4%
Year ended March 31, 2023	¥251.03	¥250.54	3.7%	0.2%	16.2%

Reference: Earnings from investments in equity-method affiliates

Year ended March 31, 2024: ¥— million

Year ended March 31, 2023: ¥— million

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of March 31, 2024	¥2,933,921	¥156,920	5.3%	¥7,350.06
As of March 31, 2023	¥2,876,784	¥153,666	5.3%	¥6,704.99

Reference: Owners' equity

As of March 31, 2024: ¥156,855 million

As of March 31, 2023: ¥153,514 million

Note Equity ratio is computed by dividing term-end balance of net assets after deduction of outstanding share subscription rights by the term-end balance of total assets.

This equity ratio is not a capital adequacy ratio stipulated in the Basel Capital Accord.

(3) Cash flows (¥ million)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Year ended March 31, 2024	¥(42,593)	¥(25,076)	¥(5,256)	¥439,559
Year ended March 31, 2023	¥(50,068)	¥(28,553)	¥(2,760)	¥510,739

2. Dividends

	Cash dividends per share (¥)					Total dividends (full term) (¥ million)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	Quarter-end			Year-end	Annual			
	1st	2nd	3rd					
Year ended March 31, 2023	—	40.00	—	40.00	80.00	1,858	32.0%	1.1%
Year ended March 31, 2024	—	40.00	—	40.00	80.00	1,715	27.6%	1.1%
Year ending March 31, 2025 (forecast)	—	40.00	—	40.00	80.00		25.9%	

Note The dividend for the 2nd quarter-end of the year ended March 31, 2023 includes a commemorative dividend of ¥5.00 per share.

3. Operating Performance Forecasts for the Year Ending March 31, 2025

(April 1, 2024 to March 31, 2025)

	(¥ million)					
	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	Net income per share (¥)
First half	¥27,000	(2.4)%	¥4,200	(6.2)%	¥3,000	¥140.57
Full term	¥55,000	2.6%	¥9,300	5.2%	¥6,600	¥309.26

Note: Percentage figures represent year-on-year comparisons.

***Remarks**

(1) Changes in the scope of consolidation: none

Inclusion: none

Exclusion: none

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

Changes in accounting policies following revision of accounting standards, etc.: not applicable

Changes in accounting policies other than those above: not applicable

Changes in accounting estimates: not applicable

Restatements: not applicable

(3) Number of ordinary shares issued at the end of the period (including treasury shares)

As of March 31, 2024: 23,016,564 shares

As of March 31, 2023: 23,876,382 shares

Number of treasury shares at the end of the period

As of March 31, 2024: 1,675,858 shares

As of March 31, 2023: 980,888 shares

Average number of shares during the period

Year ended March 31, 2024: 21,556,516 shares

Year ended March 31, 2023: 23,244,016 shares

* These consolidated financial results are outside the scope of audit by certified public accountants or audit corporations.

* Explanation on the appropriate use of forecasted financial results, and other special remarks:

Forward-looking statements, including performance forecasts, contained in this material are based on information available to the management of the Company at the time of writing, as well as assumptions deemed to be reasonable. The Company has no intention of guaranteeing their achievement. Actual results may differ substantially due to various factors.

Consolidated Balance Sheets

As of March 31, 2023 and March 31, 2024

		Millions of yen	
		2023	2024
	(Japanese)		
Assets	(資産の部)		
Cash and due from banks	現金預け金	¥510,739	¥439,559
Monetary claims bought	買入金銭債権	1,967	1,984
Money held in trust	金銭の信託	1,361	1,565
Securities	有価証券	475,661	499,888
Loans and bills discounted	貸出金	1,783,318	1,887,414
Foreign exchanges	外国為替	15,672	15,309
Lease claims and lease investment assets	リース債権及びリース投資資産	16,790	18,038
Other assets	その他の資産	45,478	47,002
Tangible fixed assets:	有形固定資産	19,530	18,477
Buildings	建物	4,259	4,055
Land	土地	11,764	11,667
Tangible lease assets	リース資産	171	144
Construction in progress	建設仮勘定	1,117	50
Other tangible fixed assets	その他の有形固定資産	2,217	2,559
Intangible assets:	無形固定資産	4,253	4,112
Software	ソフトウェア	1,462	3,608
Intangible lease assets	リース資産	0	—
Other intangible assets	その他の無形固定資産	2,790	504
Deferred tax assets	繰延税金資産	7,184	6,302
Customers' liabilities for acceptances and guarantees	支払承諾見返	6,486	6,002
Allowance for loan losses	貸倒引当金	(11,659)	(11,738)
Total assets	資産の部合計	¥2,876,784	¥2,933,921

(Continued)

		Millions of yen	
	(Japanese)	2023	2024
Liabilities	(負債の部)		
Deposits	預 金	¥2,528,123	¥2,644,448
Payables under securities lending transactions	債券貸借取引受入担保金	—	6,106
Borrowed money	借 用 金	150,263	84,600
Foreign exchanges	外 国 為 替	27	1
Due to trust account	信 託 勘 定 借	10,769	9,776
Other liabilities	そ の 他 負 債	21,454	22,823
Provision for bonuses	賞 与 引 当 金	890	845
Provision for directors' bonuses	役 員 賞 与 引 当 金	29	25
Net defined benefit liability	退 職 給 付 に 係 る 負 債	3,333	758
Provision for directors' retirement benefits	役 員 退 職 慰 労 引 当 金	40	25
Provision for stock-based compensation	株 式 報 酬 引 当 金	239	246
Reserve for losses on interest refund	利 息 返 還 損 失 引 当 金	50	20
Reserve for reimbursement of dormant deposits	睡 眠 預 金 払 戻 損 失 引 当 金	134	104
Reserves under special laws	特 別 法 上 の 引 当 金	5	5
Deferred tax liabilities	繰 延 税 金 負 債	99	65
Deferred tax liabilities for land revaluation	再 評 価 に 係 る 繰 延 税 金 負 債	1,168	1,144
Acceptances and guarantees	支 払 承 諾	6,486	6,002
Total liabilities	負 債 の 部 合 計	2,723,117	2,777,000
Net assets	(純資産の部)		
Capital stock	資 本 金	20,000	20,000
Capital surplus	資 本 剰 余 金	23,991	22,013
Retained earnings	利 益 剰 余 金	117,475	122,016
Treasury stock	自 己 株 式	(2,401)	(3,769)
Shareholders' equity	株 主 資 本 合 計	159,066	160,260
Valuation difference on available-for-sale securities	そ の 他 有 価 証 券 評 価 差 額 金	(4,827)	(5,388)
Deferred losses on hedges	繰 延 ヘ ッ ジ 損 益	(647)	227
Revaluation reserve for land	土 地 再 評 価 差 額 金	1,270	1,213
Remeasurements of defined benefit plans	退 職 給 付 に 係 る 調 整 累 計 額	(1,346)	542
Accumulated other comprehensive income	そ の 他 の 包 括 利 益 累 計 額 合 計	(5,552)	(3,405)
Subscription rights to shares	新 株 予 約 権	152	64
Total net assets	純 資 産 の 部 合 計	153,666	156,920
Total liabilities and net assets	負 債 及 び 純 資 産 の 部 合 計	¥2,876,784	¥2,933,921

Consolidated Statements of Income

For the year ended March 31, 2023 and the year ended March 31, 2024

		Millions of yen	
	(Japanese)	2023	2024
Ordinary income	経 常 収 益	¥52,687	¥53,573
Interest income:	資 金 運 用 収 益	29,602	29,682
Interest on loans and discounts	貸 出 金 利 息	24,712	25,102
Interest and dividends on securities	有 価 証 券 利 息 配 当 金	4,518	3,857
Interest on call loans and bills bought	コ ー ル ロ ー ン 利 息 及 び 買 入 手 形 利 息	(49)	(75)
Interest on deposits with banks	預 け 金 利 息	292	84
Other interest income	そ の 他 の 受 入 利 息	128	712
Trust fees	信 託 報 酬	79	71
Fees and commissions	役 務 取 引 等 収 益	5,775	6,719
Other ordinary income	そ の 他 業 務 収 益	14,636	14,391
Other income:	そ の 他 経 常 収 益	2,593	2,708
Recoveries of written-off claims	償 却 債 権 取 立 益	332	382
Reversal of reserve for compensation for trust principal losses	信 託 元 本 補 填 引 当 金 戻 入 益	39	—
Other ordinary income	そ の 他 の 経 常 収 益	2,221	2,325
Ordinary expenses	経 常 費 用	44,106	44,739
Interest expenses:	資 金 調 達 費 用	417	1,203
Interest on deposits	預 金 利 息	203	766
Interest on call money and bills sold	コ ー ル マ ネ ー 利 息 及 び 売 渡 手 形 利 息	0	0
Interest on payables under securities lending transactions	債 券 貸 借 取 引 支 払 利 息	—	44
Interest on borrowings and rediscounts	借 用 金 利 息	32	44
Interest expenses on interest rate swaps	金 利 ス ワ ッ プ 支 払 利 息	96	271
Other interest expenses	そ の 他 の 支 払 利 息	84	76
Fees and commissions payments	役 務 取 引 等 費 用	3,004	2,596
Other ordinary expenses	そ の 他 業 務 費 用	15,254	15,051
General and administrative expenses	営 業 経 費	23,514	24,694
Other expenses:	そ の 他 経 常 費 用	1,916	1,194
Provision of allowance for loan losses	貸 倒 引 当 金 繰 入 額	1,256	417
Other	そ の 他 の 経 常 費 用	660	776
Ordinary profit	経 常 利 益	8,581	8,833
Extraordinary income	特 別 利 益	4	36
Gain on disposal of noncurrent assets	固 定 資 産 処 分 益	4	36
Extraordinary loss	特 別 損 失	60	47
Loss on disposal of noncurrent assets	固 定 資 産 処 分 損	60	47
Income before income taxes	税 金 等 調 整 前 当 期 純 利 益	8,525	8,822
Income taxes – current	法 人 税 、 住 民 税 及 び 事 業 税	2,662	2,666
Income taxes – deferred	法 人 税 等 調 整 額	27	(105)
Total income taxes	法 人 税 等 合 計	2,690	2,560
Net income	当 期 純 利 益	5,835	6,262
Net income attributable to owners of the parent	親 会 社 株 主 に 帰 属 す る 当 期 純 利 益	¥5,835	¥6,262

Consolidated Statements of Comprehensive Income

For the year ended March 31, 2023 and the year ended March 31, 2024

		Millions of yen	
	(Japanese)	2023	2024
Net income	当期純利益	¥5,835	¥6,262
Other comprehensive income	その他の包括利益	(8,800)	2,204
Valuation difference on available-for-sale securities	その他有価証券評価差額金	(7,970)	(560)
Deferred losses on hedges	繰延ヘッジ損益	(647)	875
Remeasurements of defined benefit plans	退職給付に係る調整額	(182)	1,889
Comprehensive income	包括利益	(2,965)	8,466
Comprehensive income attributable to owners of the parent	親会社株主に係る包括利益	¥(2,965)	¥8,466

Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2023

(Millions of yen)

	(Japanese)	Shareholders' equity				
		株主資本				
		Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
		資本金	資本剰余金	利益剰余金	自己株式	株主資本合計
Balance at the beginning of the current period	当 期 首 残 高	20,000	23,991	113,398	(1,398)	155,991
Changes during the period	当 期 変 動 額					
Dividends from surplus	剰 余 金 の 配 当			(1,757)		(1,757)
Net income attributable to owners of the parent	親 会 社 株 主 に 帰 属 す る 当 期 純 利 益			5,835		5,835
Purchase of treasury stock	自 己 株 式 の 取 得				(1,002)	(1,002)
Net changes in items other than shareholders' equity	株 主 資 本 以 外 の 項 目 の 当 期 変 動 額 (純 額)					
Total changes during the period	当 期 変 動 額 合 計	—	—	4,077	(1,002)	3,074
Balance at the end of the current period	当 期 末 残 高	20,000	23,991	117,475	(2,401)	159,066

(Millions of yen)

(millions of yen)								
	(Japanese)	Accumulated other comprehensive income					Subscription rights to shares	Total net assets
		その他の包括利益累計額						
		Valuation difference 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		
Balance at the beginning of the current period	当 期 首 残 高	3,142	—	1,270	(1,164)	3,248	152	159,392
Changes during the period	当 期 変 動 額							
Dividends from surplus	剰 余 金 の 配 当							(1,757)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益							5,835
Purchase of treasury stock	自 己 株 式 の 取 得							(1,002)
Net changes in items other than shareholders' equity	株主資本以外の項目の当期変動額（純額）	(7,970)	(647)	—	(182)	(8,800)	—	(8,800)
Total changes during the period	当 期 変 動 額 合 計	(7,970)	(647)	—	(182)	(8,800)	—	(5,725)
Balance at the end of the current period	当 期 末 残 高	(4,827)	(647)	1,270	(1,346)	(5,552)	152	153,666

For the year ended March 31, 2024

(Millions of yen)

	(Japanese)	Shareholders' equity				
		株主資本				
		Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
		資本金	資本剰余金	利益剰余金	自己株式	株主資本合計
Balance at the beginning of the current period	当 期 首 残 高	20,000	23,991	117,475	(2,401)	159,066
Changes during the period	当 期 変 動 額					
Dividends from surplus	剰 余 金 の 配 当			(1,778)		(1,778)
Net income attributable to owners of the parent	親 会 社 株 主 に 帰 属 す る 当 期 純 利 益			6,262		6,262
Purchase of treasury stock	自 己 株 式 の 取 得				(3,490)	(3,490)
Disposal of treasury stock	自 己 株 式 の 処 分		25		118	144
Retirement of treasury stock	自 己 株 式 の 消 却		(2,003)		2,003	—
Reversal of revaluation reserve for land	土 地 再 評 価 差 額 金 の 取 崩			57		57
Net changes in items other than shareholders' equity	株 主 資 本 以 外 の 項 目 の 当 期 変 動 額 (純 額)					
Total changes during the period	当 期 変 動 額 合 計	—	(1,978)	4,540	(1,367)	1,194
Balance at the end of the current period	当 期 末 残 高	20,000	22,013	122,016	(3,769)	160,260

(Millions of yen)

	(Japanese)	Accumulated other comprehensive income					Subscription rights to shares	Total net assets
		その他の包括利益累計額						
		Valuation difference 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		
Balance at the beginning of the current period	当 期 首 残 高	(4,827)	(647)	1,270	(1,346)	(5,552)	152	153,666
Changes during the period	当 期 変 動 額							
Dividends from surplus	剰 余 金 の 配 当							(1,778)
Net income attributable to owners of the parent	親会社株主に帰属する当期純利益							6,262
Purchase of treasury stock	自 己 株 式 の 取 得							(3,490)
Disposal of treasury stock	自 己 株 式 の 処 分							144
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							57
Net changes in items other than shareholders' equity	株主資本以外の項目の当期変動額（純額）	(560)	875	(57)	1,889	2,146	(87)	2,059
Total changes during the period	当 期 変 動 額 合 計	(560)	875	(57)	1,889	2,146	(87)	3,253
Balance at the end of the current period	当 期 末 残 高	(5,388)	227	1,213	542	(3,405)	64	156,920

Consolidated Statements of Cash Flows

For the year ended March 31, 2023 and the year ended March 31, 2024

		Millions of yen	
	(Japanese)	2023	2024
Cash flows from operating activities	営業活動によるキャッシュ・フロー		
Income before income taxes	税金等調整前当期純利益	¥8,525	¥8,822
Depreciation and amortization	減価償却費	2,033	2,294
Change in allowance for loan losses	貸倒引当金の増減(△)	298	78
Change in provision for bonuses	賞与引当金の増減額(△は減少)	47	(45)
Change in provision for directors' bonuses	役員賞与引当金の増減額(△は減少)	1	(3)
Change in net defined benefit liability	退職給付に係る負債の増減額(△は減少)	209	121
Change in provision for directors' retirement benefits	役員退職慰労引当金の増減額(△は減少)	(6)	(14)
Change in provision for stock-based compensation	株式報酬引当金の増減(△)	56	7
Change in reserve for compensation for trust principal losses	信託元本補填引当金の増減(△)	(39)	—
Change in reserve for losses on interest refund	利息返還損失引当金の増減額(△は減少)	18	(29)
Change in reserve for reimbursement of dormant deposits	睡眠預金払戻損失引当金の増減(△)	(66)	(30)
Interest income	資金運用収益	(29,602)	(29,682)
Interest expenses	資金調達費用	417	1,203
Losses related to securities transactions	有価証券関係損益(△)	1,972	691
Loss on disposal of noncurrent assets	固定資産処分損益(△は益)	55	11
Net change in loans and bills discounted	貸出金の純増(△)減	(70,225)	(104,096)
Net change in deposits	預金の純増減(△)	86,620	116,324
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(△)	(59,466)	(65,662)
Net change in due from banks (excluding due from Bank of Japan)	預け金(日銀預け金を除く)の純増(△)減	10	—
Net change in call loans and others	コールローン等の純増(△)減	(1,383)	(16)
Net change in payables under securities lending transactions	債券貸借取引受入担保金の純増減(△)	—	6,106
Net change in foreign exchange – assets	外国為替(資産)の純増(△)減	(8,466)	363
Net change in foreign exchange – liabilities	外国為替(負債)の純増減(△)	(1)	(26)
Net change in due to trust account	信託勘定借の純増減(△)	(1,789)	(993)
Interest received	資金運用による収入	28,619	29,330
Interest paid	資金調達による支出	(431)	(1,171)
Other	その他	(3,903)	(3,365)
Subtotal	小計	(46,495)	(39,784)
Income taxes paid	法人税等の支払額	(4,020)	(3,450)
Income taxes refund	法人税等の還付額	447	640
Net cash used in operating activities	営業活動によるキャッシュ・フロー	(50,068)	(42,593)
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	(193,945)	(111,807)
Proceeds from sales of securities	有価証券の売却による収入	108,256	54,233
Proceeds from maturities of securities	有価証券の償還による収入	59,147	33,579
Purchases of tangible fixed assets	有形固定資産の取得による支出	(686)	(562)
Proceeds from sales of tangible fixed assets	有形固定資産の売却による収入	259	488
Purchases of intangible assets	無形固定資産の取得による支出	(1,585)	(1,007)
Net cash used in investing activities	投資活動によるキャッシュ・フロー	¥(28,553)	¥(25,076)

		Millions of yen	
	(Japanese)	2023	2024
Cash flows from financing activities	財務活動によるキャッシュ・フロー		
Cash dividends paid	配 当 金 の 支 払 額	¥(1,757)	¥(1,778)
Purchase of treasury stock	自 己 株 式 の 取 得 に よ る 支 出	(1,002)	(3,490)
Proceeds from sales of treasury stock	自 己 株 式 の 売 却 に よ る 収 入	—	13
Net cash used in financing activities	財務活動によるキャッシュ・フロー	(2,760)	(5,256)
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	1,484	1,746
Net change in cash and cash equivalents	現金及び現金同等物の増減額(△は減少)	(79,897)	(71,179)
Cash and cash equivalents at beginning of the current period	現金及び現金同等物の期首残高	590,636	510,739
Cash and cash equivalents at end of the current period	現金及び現金同等物の期末残高	¥510,739	¥439,559