



# THE OGAKI KYORITSU BANK, LTD.

ANNUAL REPORT 2023

**OKB**

# Profile

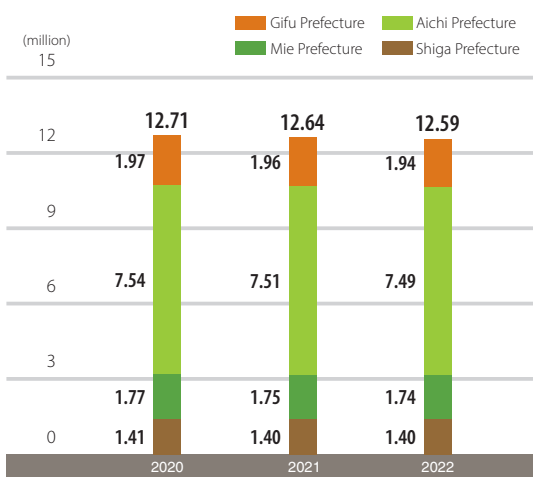


## Management Vision

To always be respected and trusted by the local community.

### Demographic trends

(as of October 1, 2022)

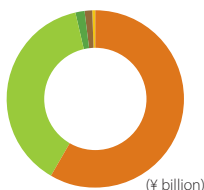


Note: Population figures are rounded down to the nearest 10,000.

### Balance of deposits (Non-consolidated)

(breakdown by area; as of March 31, 2023)

- Gifu: 3,343.2 (58.4%)
- Aichi: 2,173.9 (38.0%)
- Mie: 101.8 (1.7%)
- Shiga: 69.6 (1.2%)
- Tokyo/Osaka: 30.2 (0.5%)



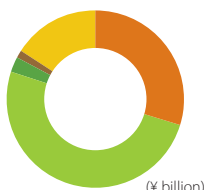
Notes:

- Amounts are rounded down to the nearest ¥100 million.
- Shares are rounded down to the nearest 0.1 percentage point.

### Balance of loans (Non-consolidated)

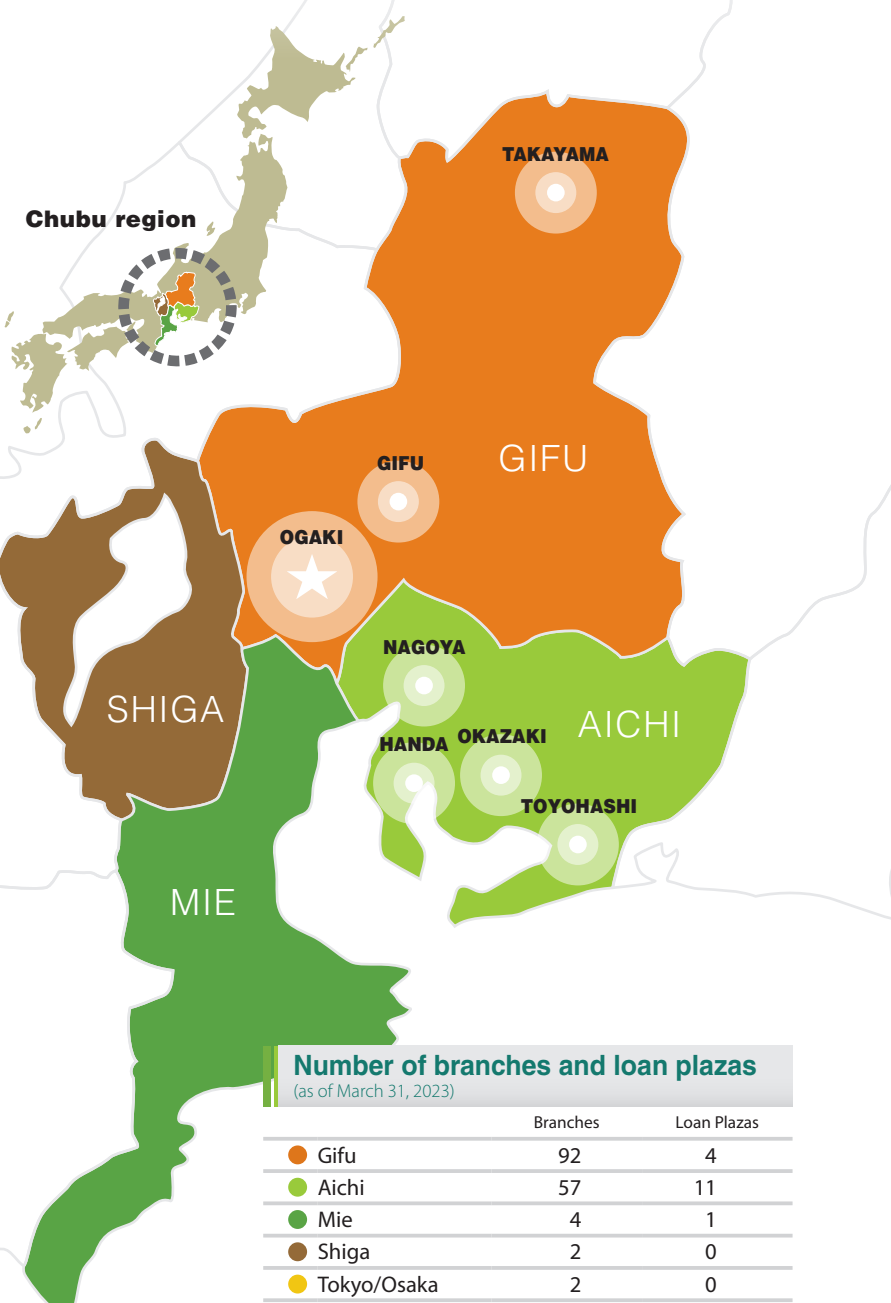
(breakdown by area; as of March 31, 2023)

- Gifu: 1,354.5 (29.9%)
- Aichi: 2,275.0 (50.2%)
- Mie: 123.6 (2.7%)
- Shiga: 56.3 (1.2%)
- Tokyo/Osaka: 715.7 (15.8%)



Notes:

- Amounts are rounded down to the nearest ¥100 million.
- Shares are rounded down to the nearest 0.1 percentage point.



### Number of branches and loan plazas

(as of March 31, 2023)

	Branches	Loan Plazas
Gifu	92	4
Aichi	57	11
Mie	4	1
Shiga	2	0
Tokyo/Osaka	2	0
Total	157	16

### Credit rating

(as of October 24, 2022)

Japan Credit Rating Agency, Ltd.

Long-term Issue Rating, A

Message from the President



It gives us great pleasure to introduce the 2023 Annual Report of Ogaki Kyoritsu Bank.

Ogaki Kyoritsu Bank is a regional financial institution headquartered in Gifu Prefecture, approximately the center of Japan.

Our domestic network of 157 branches and offices is centered in Gifu, Aichi, Mie, and Shiga Prefectures.

Since the Company was founded in March 1896, it has been guided by its management vision of always being respected and trusted by the local community. We have advanced in step with our region, always aiming to earn and maintain the unshakable trust of our customers, shareholders, financial markets, our employees and members of regional community. This history has led to the solid reputation we now enjoy from the people in our home region, and to our being named an officially designated financial institution by Gifu Prefecture in 2015.

Adopting the standpoint of our customers, all members of Ogaki Kyoritsu Bank and its 10 consolidated subsidiaries and affiliates—in addition to deliver more convenient products and services, collectively comprising the Ogaki Kyoritsu Group—will work together to help revitalize the regional economy.

*T. Sakai*

Toshiyuki Sakai  
President

**OKB Group Charter**

- We will each think and act for the best, and continue to tackle the challenges of our age
- We will seek the satisfaction of our customers
- We will always give high-quality service
- We will grow together with our community
- We will ensure compliance and carry out our business fairly and in good faith

The OKB Group, including Ogaki Kyoritsu Bank and its subsidiaries and affiliates, has enacted the OKB Group Charter.

Each and every person in the Group pledges to uphold OKB's culture, traditions, and way of thinking. We will thrive in tandem with our region and take the customer's point of view in all things.

# Our Fundamental Policy

The policy that lies at the heart of the business activities of the Company is to always view its products and services from the customer's perspective.

For many decades, Japanese banks had been protected by a web of regulations often described as the convoy system. Under this protection, the banks had cultivated no sense of competition, let alone a willingness to approach the issue of improving customer convenience.

In the 1990s, a wave of financial deregulation swept across Japan, heralding a new era in which banks could leave the confines of the convoy system and compete with each other by

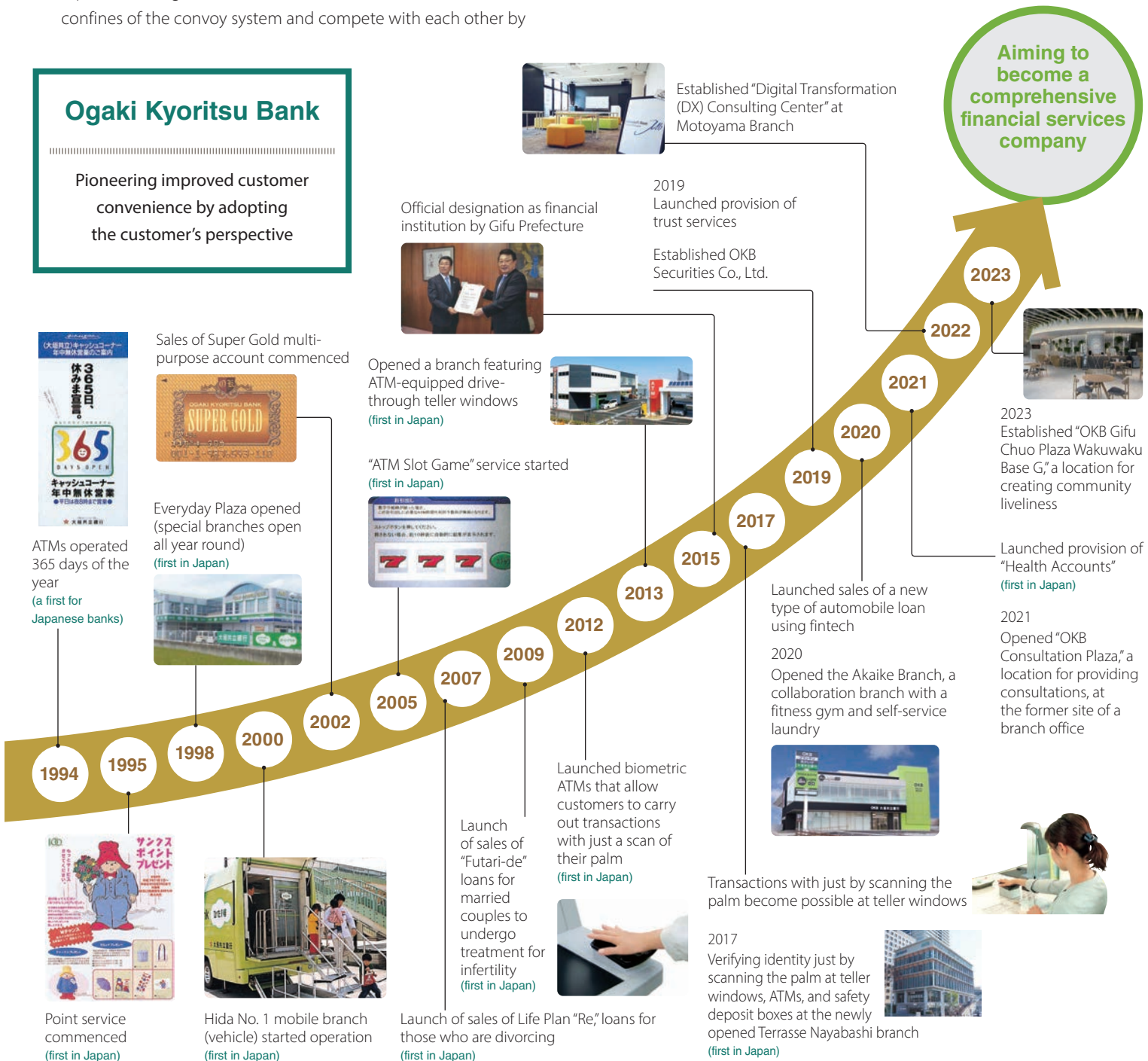
implementing their own ideas. In that context, we that the most urgent task for all directors and employees is to realize that a bank is no longer a privileged institution but a company in the service sector, which must compete by providing the most attractive and convenient services.

Since adopting this policy, we have consistently maintained a customer-first approach and tackled the challenges of the times, so that we could boost customer convenience. Some of our key initiatives are shown below.

## Ogaki Kyoritsu Bank

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Pioneering improved customer convenience by adopting the customer's perspective



# Let's Do It!

~Brilliant Employees and Vibrant Communities~

In April 2021, the Company commenced its new medium-term management plan, Let's Do It! ~Brilliant Employees and Vibrant Communities~ effective through March 2024.

## Vision

**A corporate group needed by communities, one that inspires a sense of shared emotions and excitement with our customers**

As "the community's own financial institution" that customers can consult regarding any matter, whether financial or non-financial, we aim to revitalize regions and be a corporate group needed by communities by providing one-to-one added value to each and every customer in a timely and appropriate manner.

## Basic strategies

- Enhance the consultation-type business model
- Strengthen contact points with customers
- Business Process Re-engineering

## KPI

Item	2024	2023
Profitability of services for customers (non-consolidated) *1	Earn a profit	¥3.5 billion
Capital adequacy ratio (consolidated)	8.3% or higher	8.52%
Core OHR (consolidated) *2	Around 75%	71.9%
Net income attributable to owners of the parent (consolidated) *3	¥9.5 billion or more	¥4.8 billion
Fees and commissions profit ratio (non-consolidated) *4	13% or higher	13.9%
Number of consulting proposals for businesses (non-consolidated) *5	3,300 or more	4,053
Number of consulting proposals for individuals (non-consolidated) *6	33,000 or more	40,218

\*1 Loan and deposit profit + Fees and commissions profit - Expenses \*2 Expenses ÷ Core gross business profit  
 \*3 Net income attributable to owners of the parent \*4 Fees and commissions profit ÷ Core gross business profit  
 \*5 Number of proposals regarding assistance in formulating business plans, consultations regarding business succession, arranging business matching meetings, obtaining useful information related to medical, nursing care, and education providers, etc.  
 \*6 Number of proposals regarding assets under management, trusts, etc.

## Basic Policy on Sustainability

The OKB Group recognizes that addressing sustainability issues is a key management task and is committed to realizing the Group's management vision by "contributing to the creation of sustainable communities as a leader of a recycling-oriented local community."

Management vision: To always be respected and trusted by the local community.



## Response to TCFD Recommendations

The Company endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in December 2021. The Company will continue working to enhance climate change-related information disclosure in line with the framework in the TCFD recommendations.

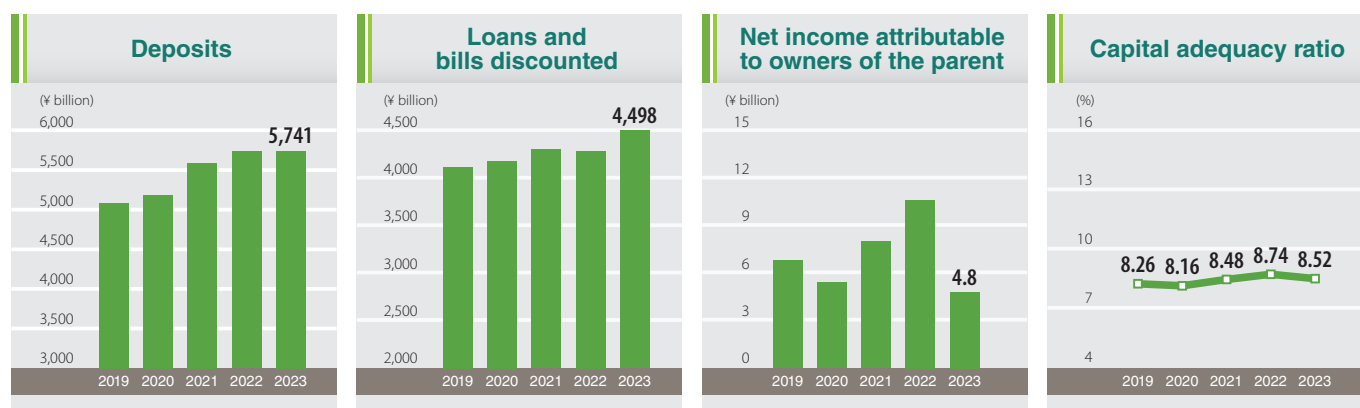
# Consolidated Financial Highlights

The Ogaki Kyoritsu Bank, Ltd. and its Consolidated Subsidiaries  
Years ended March 31

	Millions of Yen		Thousands of U.S. Dollars
	2023	2022	2023
<b>At Year-End:</b>			
Deposits	¥5,741,921	¥5,733,018	\$43,000,981
Loans and bills discounted	4,498,254	4,282,764	33,687,216
Securities	1,419,709	1,535,723	10,632,135
Total assets	6,671,147	7,721,232	49,959,911
Total net assets	288,073	323,287	2,157,365
Common stock	46,773	46,773	350,280
<b>For the Year:</b>			
Total income	¥122,780	¥115,407	\$919,493
Total expenses	114,104	99,124	854,519
Income before income taxes	8,675	16,283	64,966
Net income attributable to owners of the parent	4,825	10,620	36,134
<b>Per Share Data (in yen and U.S. dollars):</b>			
Net income attributable to owners of the parent —basic	¥115.93	¥254.50	\$0.86
—diluted	115.81	254.22	0.86
Net assets	6,918.58	7,438.80	51.81
ROE	1.61%	3.38%	

Notes: 1. In this annual report, the Japanese yen in millions are indicated with fractions omitted.

2. Figures stated in U.S. dollars in this annual report are translated from Japanese yen, solely for convenience, at the rate of ¥133.53 per U.S. \$1.00, the rate prevailing at March 31, 2023.



## Business Performance (on a consolidated basis)

In the fiscal year under review, total income (operating income plus extraordinary income) amounted to ¥122,780 million (US\$919,493 thousand), an increase of ¥7,373 million year on year. This was mainly due to an increase in fees and commissions income.

Total expenses (operating expenses plus extraordinary expenses) came to ¥114,104 million (US\$854,519 thousand), an increase of ¥14,980 million year on year. This was primarily due to an increase in fund procurement expenses.

As a result of these and other factors, income before income taxes for the year totaled ¥8,675 million (US\$64,966 thousand), while net income attributable to owners of the parent for the year amounted to ¥4,825 million (US\$36,134 thousand).

## Deposits & Loans (on a consolidated basis)

During the fiscal year under review, deposits increased ¥8.9 billion year on year to ¥5,741.9 billion (US\$43,000 million), mainly due to accounts held by individuals.

The year-end balance of loans and bills discounted increased ¥215.4 billion year on year to ¥4,498.2 billion (US\$33,687 million), mainly due to business loans.

# Asset Quality

## Present Status of the Bank's Assets

The balance of nonperforming loans subject to mandatory disclosure under the Banking Act and the Financial Revitalization Law increased ¥2.6 billion from the previous reporting term, to ¥63.9 billion.

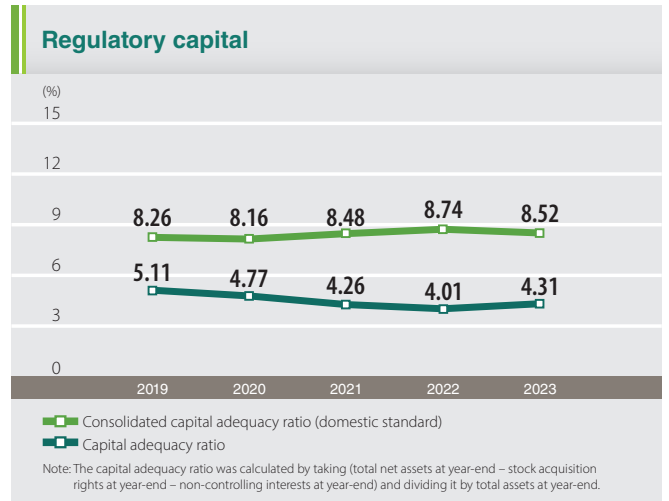
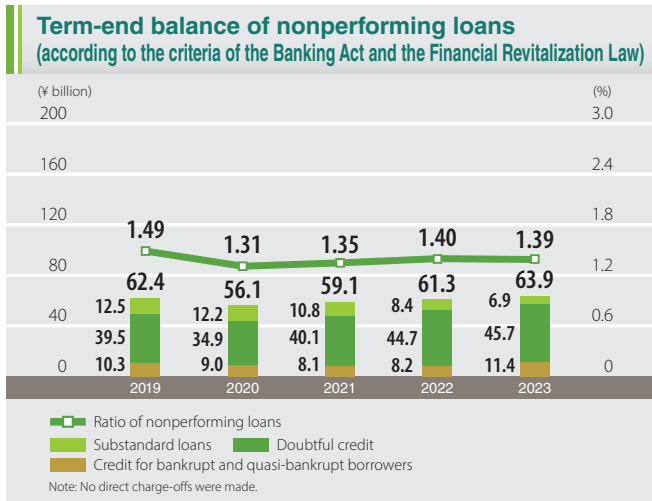
The ratio of such loans to total loans declined by 0.01 of a percentage point from the previous reporting term, to 1.39%.

The majority of these nonperforming loans are covered by reserves for possible loan losses or by collateral or guarantees. Consequently, the coverage ratio (coverage of total bad debt) was 87.79% (¥56.1 billion).

## Capital Adequacy

Hitherto, in addition to accumulating profits as retained earnings, the Company has endeavored to build up its regulatory capital through financing for capital expansion, in order to create the sort of sound financial position required of a regional financial institution.

Regulatory capital as of the reporting term-end increased by ¥4.2 billion from the previous reporting term-end to ¥266.3 billion. However, the capital adequacy ratio according to the BIS-based domestic standards decreased by 0.22 of a percentage point to 8.52% overall due to an increase in risk-weighted assets, mainly reflecting the loan balance.



# Topics

## OKB Shanghai Representative Office Celebrates 20th Anniversary

The OKB Shanghai Representative Office has provided a wide range of support to meet the diverse business needs of clients in China since its establishment in December 2002 in the Jin Mao Tower skyscraper in Shanghai, the financial and economic center of China. With the support of its customers, the OKB Shanghai Representative Office has been able to celebrate its 20th anniversary amidst changing social conditions and living environment due to rapid economic growth and other factors. We will continue to strive to support the overseas business needs of our customers with meticulous service so that they can say “OKB is the place to go” when it comes to business in China.

# Corporate Governance

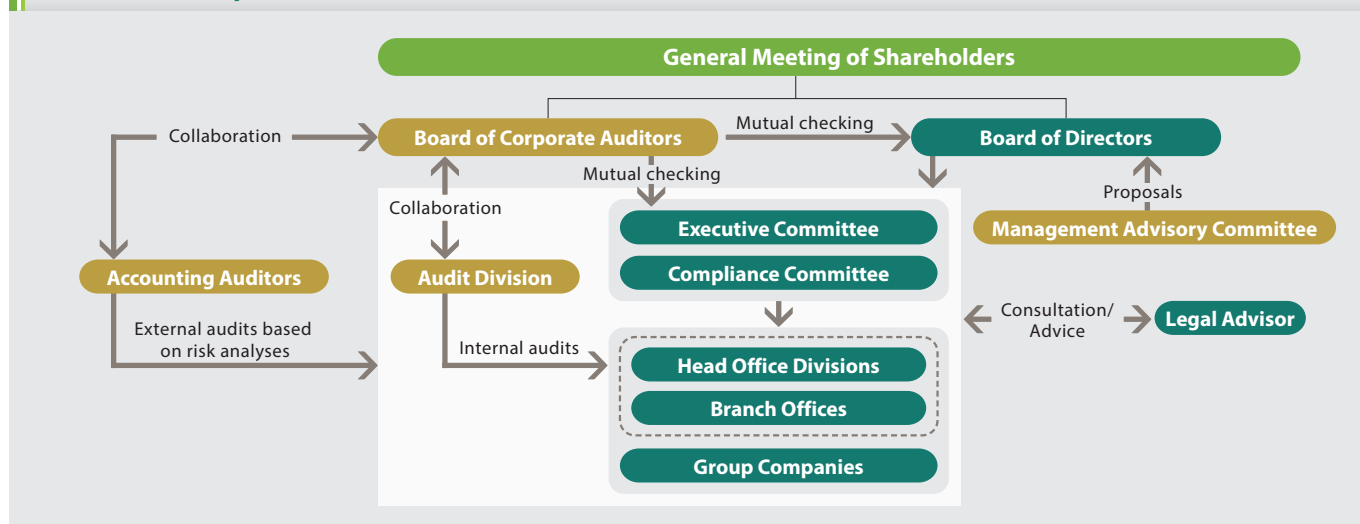
## Basic Stance on Corporate Governance

Ogaki Kyoritsu Bank and its Group companies are pursuing the following as a means toward the ultimate objective: To always be respected and trusted by the local community.

- Seeking to achieve swift decision-making at the management level, as well as overall management efficiency
- Realizing transparent management through substantial disclosure of corporate information
- Demonstrating the sincerity of the Group by practicing compliance and making contributions to the communities in our home region

These are the basic policies that we follow in enhancing our corporate governance.

### Internal control system



## Establishment of the Internal Control System

The Company has drawn up a set of basic policies regarding the creation of an internal control system, and the management is working to enhance the effective functioning of the system, particularly with respect to compliance and risk management, and ensure its effectiveness.

We are also working to construct a system that will ensure the adequacy of the Group's internal controls on financial reporting under the Financial Instruments and Exchange Act.

The Board of Directors of Ogaki Kyoritsu Bank meets once a month in principle to make decisions on important matters and operational execution regarding the Company's management. In addition, they periodically report on the execution of operations and the risk status to the Board.

The Company also adopted a delegation-based Corporate Officer system in order to revitalize the Board of Directors, speed up decision-making and enhance the business execution function by separating management's decision-making and supervision from business execution.

The Company ensures that operations are audited by its management by requiring its corporate auditors to attend meetings of the Board of Directors. To prevent complacency and to clarify its management responsibilities, the Company limits the term of office for directors to one year. With these initiatives, the Company is committed to strengthening the functions of the Board of Directors.

The corporate auditors of Ogaki Kyoritsu Bank hold meetings, in principle every month, to discuss, determine and report on important matters relating to audits, based on audit policies and audit plans resolved by the Board of Corporate Auditors.

The Executive Committee consists of the president and managing director of the Company. The committee discusses important management matters, and controls and manages the Company's operations in general. In addition to Executive Committee members, full-time corporate auditors attend committee meetings.

As an advisory body to the Board of Directors, the Management Advisory Committee submits proposals concerning the nomination and remuneration of directors. The committee is comprised of the full-time directors, external directors, and external auditors.

The Compliance Committee, chaired by the president of the Company, holds regular meetings twice a year in addition to ad hoc meetings as deemed necessary, and sets out the Company's policies on legal compliance. A Compliance Manual—detailing the procedures to be followed to ensure compliance—is posted on the intranet where all executives and regular employees of the Company can access it, and compliance study sessions are held for each separate employee rank. In this and other ways, the management of the Company is actively working to foster a corporate culture grounded in the spirit of compliance and a thorough understanding of the laws applicable to the banking business.



## Compliance

The management of Ogaki Kyoritsu Bank recognizes the importance of the public role played by banks, and the necessity of fulfilling corporate social responsibilities. The establishment of an effective compliance system is the vital first step that a bank must take to earn the trust of its customers and shareholders, and for this reason we are working to strengthen legal compliance within Ogaki Kyoritsu Bank.

The organizational structure of the Company's compliance system consists, first of all, of a Compliance Office within the Management Administration Division, which serves as the central supervisory unit for compliance-related matters. In addition, an officer responsible for compliance is designated within each division of the Company and at each branch office. By means of constant liaison and collaboration between these officers and the Compliance Office, we are able to operate a unified system for the monitoring of compliance, covering both the Company's head office and all branch offices.

Additionally, the Compliance Committee (chaired by the president) works to enhance the Company's practice of compliance, and is responsible for drawing up and revising the Company's Compliance Manual and Compliance Program, and for raising awareness of compliance issues among the Company's directors and employees.

The Compliance Manual, which is posted on the intranet where all executives and regular employees can access it, specifies the procedures to be followed to ensure the practice of legal compliance. By overseeing the day-to-day practice of compliance, the management of the Company is working to build a compliance-focused corporate culture. Staff education in the principles of compliance and specific banking-related laws is also provided by means of separate study courses for the different ranks in the Company's hierarchy, as part of the Company's rigorous approach to ensuring legal compliance.

## Maintaining Organizational Flexibility

### Inter-industry Training System

In 1998, we started an inter-industry training system that allows young bankers to experience working in other industries and to look beyond the boundaries of banking.

Participants train in a variety of industries, including mass media and manufacturing. Entry into the training program is by open application, and many young bankers enthusiastically apply. Those who are chosen spend about a year in their second workplace, where they consider the real meaning of service and how banks should act as companies within the service sector. Later, they provide feedback to the Company.

Convenience Plaza Handa is our representative branch designed from the customer's point of view. The idea came from a banker who took inter-industry training as the manager of a convenience store and then modeled a bank branch on a convenience store. Also, a banker who did inter-industry training at a TV station used his experience to plan, shoot, and edit a currently airing TV commercial for Ogaki Kyoritsu Bank as well as promotional videos shown in our branches.

Our inter-industry training system promotes flexible thinking that is not limited by bank boundaries and that drives us to provide services from the customer's point of view.



A trainee at a TV station shooting a scene



Handa Branch, aka Convenience Plaza Handa, planned by a trainee managing a convenience store

### CSR Initiatives

## Social Contribution

The basic mission of a regional financial institution is to contribute to the growth and healthy development of its regional community.

Ogaki Kyoritsu Bank launched its Social Contributions Committee in 1996. This panel revised its name to the OKB Social Contribution Club in April 2016.

While meeting the true needs of regions in cooperation with local communities, the club actively carries out activities that contribute to society.



Blood donation drive for OKB Group executives and employees (at head office)

# Risk Management

## Progress in Perfecting the Risk Management System

Ogaki Kyoritsu Bank is committed to managing its risks properly, by keeping them in balance with income. The Company has developed and adopted appropriate and effective risk management systems, based on risk details and scale. These systems comply with the Company's Risk Management Policies, which set out handling policies and organizational structures relating to risk management, and other risk management regulations, management procedures and risk management regulations are stipulated for each risk category.

Specifically, the Company has established committees dedicated to risk management, including the ALM Committee. The Company has also set up sections that manage risks in an integrated manner, as well as risk control and supervisory sections in each category. In doing so, the Company has built a system through which the risk status is reported regularly and as required from the risk management sections to the management directly. Operational audits are also carried out by the Audit Division, which is organizationally independent of the units of the Company that it audits, to confirm the appropriateness and validity of risk management.

### Credit Risk Management

Credit risk refers to the risk of a reduction or elimination of asset value, and the resulting loss, owing to factors such as the aggravation of the financial position of borrowers.

The Company carries out rigorous credit screening on an individual loan basis prior to the extension of each loan, based on its Credit Risk Management Regulations, and follows this up with close monitoring of repayment. We also manage our loan portfolio as a whole. Through this two-pronged approach, we are able to maintain the soundness of the Company's loan assets.

Maintaining its objective and independent status, the Loan & Credit Supervision Division applies strict criteria to individual loans in both the credit screening and post-loan management phases to ensure that the loans contribute to the public good, have reasonable prospects of repayment, the loans are profitable, and borrowers have a sufficient degree of future growth potential.

In the management of the Company's loan asset portfolio as a whole, the Company conducts credit rating and self-assessments to ensure that there is no undue concentration of loans in particular industries, in particular corporate borrower sizes, or particular geographic areas. The aim of these regular checks is to disperse risk and create a well-balanced asset portfolio.

### Market Risk Management

Market risk refers to the risk of a downward adjustment in the value of the Bank's assets (including off-balance-sheet assets) as a result of fluctuations in market factors, including interest rates, currency exchange rates and share prices, and the risk of a downward adjustment in the value of the Bank's assets as a result of fluctuations in income generated by assets and liabilities. This risk category is principally subdivided into interest rate risk, price fluctuation risk, and exchange rate risk.

Ogaki Kyoritsu Bank has drawn up a set of Market Risk

Management Regulations. The Company controls market risk adequately through the administration of its credit limits. In addition, the Company has established an organization that allows controls to function by separating the market risk management division (middle office) and the office work management division (back office) from the market division (front office).

### Liquidity Risk Management

Liquidity risk refers to the possibility that the Company may not be able to secure sufficient funds from its normal sources for necessary operations, due to a mismatched term between fund procurement and investment, or the occurrence of a contingent withdrawal of deposits (known as funding risk). This may result in the Company being forced to take funds at considerably higher interest rates than normal, thus causing the Company to suffer a loss. Liquidity risk also refers to the possibility that the Company may not be able to engage in market transactions, due to factors such as market turmoil (known as market liquidity risk). This may result in the Company being forced to carry out transactions at much more disadvantageous prices than normal, generating a loss.

Ogaki Kyoritsu Bank has drawn up a set of Liquidity Risk Management Regulations. The Company is applying the rules so that it manages its funds in a conservative way. To prepare for any contingency, the Company has also adopted measures to deal with a liquidity crisis, and has established an organization that allows it to make an immediate response.

### The ALM Committee

At meetings of the ALM Committee held each month, policies on securities management, funding and other matters are discussed and adopted to improve profitability by keeping market risk, liquidity risk and credit risk within their allowable ranges.

### Operational Risk Management

Operational risk refers to the risk of loss resulting from bank business processes, the activities of executives and employees, or systems being inappropriate, as well as from external events.

The Company classifies risks into the categories of (1) administrative risk, (2) system risk, (3) legal risk, (4) human resource risk, (5) tangible asset risk, and (6) reputational risk, and addresses risk management in accordance with the Operational Risk Management Regulations.

Furthermore, at the Operational Risk Management Committee that is held on a regular basis, efforts are made to improve the effectiveness of risk management through discussions aimed at understanding the status of operational risks and possible countermeasures.

The management systems for the administrative risk and system risk, which are key proponents of operational risk, are as follows.

### Administrative Risk Management

Administrative risk refers to the risk of losses, as a result of negligence on the part of executives and regular employees in the performance of clerical duties, accidents they cause, or acts of dishonesty they commit.

Ogaki Kyoritsu Bank is working to strengthen the administrative risk management organization in compliance with its Administrative Risk Management Regulations in order to minimize the materialization of foreseeable categories of administrative risk and thereby enable the Company to cope with the diversification of the banking business and the trend toward an increasing number of transactions.

Specifically, we are collecting and analyzing information on administrative errors so that we can put in place measures to prevent any recurrence and improve our administrative processes. We have also set up administrative work support teams to help the branch offices maintain an adequately high level of accuracy in administrative work. Members of the team visit the branches to supervise work procedures directly, and the team also conducts training courses to raise the skill levels of branch staff. In addition, regular training courses are conducted for different rankings of employees by division to raise the administrative skill levels of the whole Bank.

### System Risk Management

System risk refers to the risk of the Company suffering monetary loss as a result of the crashing or serious malfunctioning of one or more of the Company's computer systems, or the unauthorized use of a computer system.

In view of the vital importance to a bank of the information in its possession and of the computer systems it employs, Ogaki Kyoritsu Bank has taken appropriate steps to protect the information in its safekeeping and to ensure the secure and continued operation of its computer systems.

Specifically, the Company has instituted computer system risk management, and has laid down the System Risk Management Regulations, which set out policies regarding the management

of the computer systems themselves and the data (information) contained within them. The Company is exerting its full efforts to assure the confidentiality of information in its possession through the application of the Regulations.

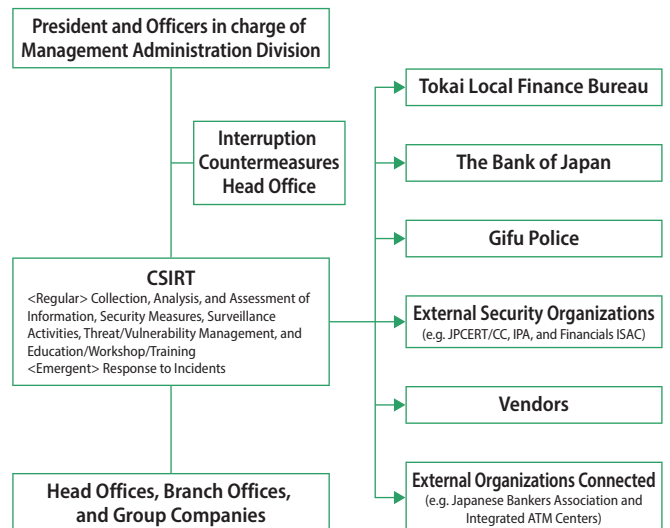
### Information Asset Management

The term "information assets" as used here refers both to information itself and to the computer systems. In the event that confidential information is leaked to persons outside the Company, or improper use is made of the Company's information assets, the Company could suffer considerable damage.

To ensure that Ogaki Kyoritsu Bank conducts its banking business in an ethically correct manner, we have published our Security Policy, which clarifies the principles that the Company applies to the protection of information assets, in addition to the Customer Information Management Regulations, which set out in detail the procedures to be followed for the proper protection and use of the Company's customer information assets.

### Response to Cyber Security

We established the CSIRT, a cross-functional organization, to respond to the threat of cyber-attacks, and have early warning and emergency response systems in place to respond to cyber-attacks.



### Initiatives to Improve the Effectiveness of Cyber Security Countermeasures

- Collection and analysis of threat trends and security-related information
- Evaluation of cyber security countermeasure implementation status
- Verification of contingency preparedness through joint exercises and drills
- Training of security personnel to promote PDCA

# Consolidated Balance Sheets

The Ogaki Kyoritsu Bank, Ltd. and its Consolidated Subsidiaries

As of March 31, 2023 and 2022	Millions of Yen		Thousands of U.S. Dollars
	2023	2022	2023
<b>ASSETS</b>			
Cash and Due from Banks	¥ 501,970	¥ 1,663,726	\$ 3,759,230
Call Loans and Bills Bought	2,537	8,567	18,999
Monetary Claims Bought	2,799	2,676	20,961
Trading Account Securities	228	187	1,707
Money Held in Trust	4,950	4,950	37,070
Securities	1,419,709	1,535,723	10,632,135
Loans and Bills Discounted	4,498,254	4,282,764	33,687,216
Foreign Exchanges	5,651	5,334	42,320
Lease Receivables and Investments	83,315	82,795	623,942
Other Assets	111,276	93,944	833,340
Tangible Fixed Assets	31,284	32,431	234,284
Intangible Fixed Assets	5,752	4,727	43,076
Net Defined Benefit Asset	11,766	14,646	88,115
Deferred Tax Assets	3,855	1,913	28,869
Customers' Liabilities for Acceptances and Guarantees	16,460	14,438	123,268
Less Reserve for Possible Loan Losses	(28,650)	(27,582)	(214,558)
Less Reserve for Possible Investment Losses	(15)	(15)	(112)
<b>Total Assets</b>	<b>¥6,671,147</b>	<b>¥ 7,721,232</b>	<b>\$49,959,911</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
Deposits	¥5,741,921	¥ 5,733,018	\$43,000,981
Call Money and Bills Sold	17,893	51,281	133,999
Payables under Repurchase Agreements	35,085	78,630	262,749
Payables for Securities Lending Transactions	111,477	123,831	834,846
Borrowed Money	377,889	1,312,923	2,829,993
Foreign Exchanges	880	565	6,590
Bonds payable	3,000	—	22,466
Borrowed Money from Trust Account Liabilities	1,231	1,235	9,218
Other Liabilities	71,933	66,186	538,702
Accrued Employees' Bonuses	1,592	1,647	11,922
Net Defined Benefit Liability	799	790	5,983
Reserve for Directors' Retirement Benefits	39	34	292
Reserve for Reimbursement of Deposits	114	157	853
Reserve for Customer Point Program	861	856	6,447
Reserve under Special Laws	0	0	0
Deferred Tax Liabilities	36	10,198	269
Deferred Tax Liability on Land Revaluation	1,855	2,147	13,892
Acceptances and Guarantees	16,460	14,438	123,268
<b>Total Liabilities</b>	<b>6,383,073</b>	<b>7,397,945</b>	<b>47,802,538</b>
<b>Net Assets</b>			
Common Stock :			
Authorized — 80,000,000 shares			
Issued — 41,831,897 shares	46,773	46,773	350,280
Capital Surplus	42,362	37,834	317,247
Retained Earnings	179,968	177,372	1,347,772
Less Treasury Stock :			
— 208,068 shares in 2023 and 206,588 shares in 2022	(402)	(399)	(3,010)
Accumulated Other Comprehensive Income :			
Net Unrealized Gains on Available-for-Sale Securities	16,860	41,263	126,263
Net Deferred Hedge Gains and Losses	(1,374)	(304)	(10,289)
Land Revaluation Reserve	1,813	2,497	13,577
Remeasurements of Defined Benefit Plans	1,975	4,605	14,790
Stock Acquisition Rights	96	77	718
Non-Controlling Interests	—	13,567	—
<b>Total Net Assets</b>	<b>288,073</b>	<b>323,287</b>	<b>2,157,365</b>
<b>Total Liabilities and Net Assets</b>	<b>¥6,671,147</b>	<b>¥ 7,721,232</b>	<b>\$49,959,911</b>

## Consolidated Statements of Income

The Ogaki Kyoritsu Bank, Ltd. and its Consolidated Subsidiaries

For the Years Ended March 31, 2023 and 2022	Millions of Yen		Thousands of U.S. Dollars
	2023	2022	2023
<b>Income</b>			
Interest and Dividends on:			
Loans and Bills Discounted	¥ 36,328	¥ 36,670	\$ 272,058
Securities	14,170	11,706	106,118
Others	913	2,581	6,837
Trust Fees	0	1	0
Fees and Commissions	19,144	16,666	143,368
Other Operating Income	4,104	3,669	30,734
Other Income	48,117	44,112	360,345
<b>Total Income</b>	<b>122,780</b>	<b>115,407</b>	<b>919,493</b>
<b>Expenses</b>			
Interest on:			
Deposits	351	398	2,628
Borrowings and Rediscounts	5,312	625	39,781
Others	0	0	0
Fees and Commissions	7,649	7,394	57,283
Other Operating Expenses	11,898	2,658	89,103
General and Administrative Expenses	42,914	46,352	321,380
Other Expenses	45,978	41,695	344,327
<b>Total Expenses</b>	<b>114,104</b>	<b>99,124</b>	<b>854,519</b>
<b>Income before Income Taxes</b>	<b>8,675</b>	<b>16,283</b>	<b>64,966</b>
<b>Income Taxes :</b>			
Current	3,919	5,212	29,349
Deferred	(317)	(400)	(2,373)
<b>Total Income Taxes</b>	<b>3,601</b>	<b>4,811</b>	<b>26,967</b>
<b>Net Income</b>	<b>5,073</b>	<b>11,471</b>	<b>37,991</b>
<b>Net Income Attributable to Non-Controlling Interests</b>	<b>248</b>	<b>851</b>	<b>1,857</b>
<b>Net Income Attributable to Owners of the Parent</b>	<b>¥ 4,825</b>	<b>¥ 10,620</b>	<b>\$ 36,134</b>

	Yen		U.S. Dollars
	2023	2022	2023
<b>Per Share of Common Stock</b>			
Net Income Attributable to Owners of the Parent	¥ 115.93	¥ 254.50	\$ 0.86
Diluted Net Income Attributable to Owners of the Parent	115.81	254.22	0.86
Dividends	70.00	70.00	0.52
Net Assets	6,918.58	7,438.80	51.81

## Consolidated Statements of Comprehensive Income

The Ogaki Kyoritsu Bank, Ltd. and its Consolidated Subsidiaries

For the Years Ended March 31, 2023 and 2022	Millions of Yen		Thousands of U.S. Dollars
	2023	2022	2023
Net Income	¥ 5,073	¥ 11,471	\$ 37,991
Other Comprehensive Income	(28,069)	(15,486)	(210,207)
Net Unrealized Losses on Available-for-Sale Securities	(24,370)	(18,913)	(182,505)
Net Deferred Hedge Gains and Losses	(1,069)	(540)	(8,005)
Remeasurements of Defined Benefit Plans	(2,629)	3,966	(19,688)
<b>Comprehensive Income</b>	<b>(22,995)</b>	<b>(4,015)</b>	<b>(172,208)</b>
Comprehensive Income Attributable to:			
Owners of the Parent	(23,276)	(4,746)	(174,312)
Non-Controlling Interests	280	731	2,096

# Consolidated Statements of Changes in Net Assets

The Ogaki Kyoritsu Bank, Ltd. and its Consolidated Subsidiaries

	Millions of Yen				
	STOCKHOLDERS' EQUITY				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Stockholders' Equity
Balance at April 1, 2021	¥46,773	¥37,834	¥169,754	¥(165)	¥254,196
Cumulative effects of changes in accounting policies	—	—	(47)	—	(47)
Restated balance	46,773	37,834	169,707	(165)	254,149
Cash Dividends	—	—	(2,926)	—	(2,926)
Net Income Attributable to Owners of the Parent	—	—	10,620	—	10,620
Purchases of Treasury Stock	—	—	—	(380)	(380)
Losses on Sales of Treasury Stock	—	—	(34)	146	112
Land Revaluation	—	—	5	—	5
Net Changes in Items Other Than Stockholders' Equity	—	—	—	—	—
Balance at March 31, 2022	46,773	37,834	177,372	(399)	261,580
Cash Dividends	—	—	(2,913)	—	(2,913)
Net Income Attributable to Owners of the Parent	—	—	4,825	—	4,825
Purchases of Treasury Stock	—	—	—	(2)	(2)
Losses on Sales of Treasury Stock	—	—	(0)	0	0
Change in ownership interest of parent due to transactions with non-controlling interests	—	4,528	—	—	4,528
Land Revaluation	—	—	684	—	684
Net Changes in Items Other Than Stockholders' Equity	—	—	—	—	—
Balance at March 31, 2023	¥46,773	¥42,362	¥179,968	¥(402)	¥268,702

	Millions of Yen							
	ACCUMULATED OTHER COMPREHENSIVE INCOME							
	Net Unrealized Gains on Available-for-Sale Securities	Net Deferred Hedge Gains and Losses	Land Revaluation Reserve	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Stock Acquisition Rights	Non-Controlling Interests	Total Net Assets
Balance at April 1, 2021	¥60,056	¥235	¥2,503	¥638	¥63,433	¥171	¥12,894	¥330,696
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	(53)	(100)
Restated balance	60,056	235	2,503	638	63,433	171	12,841	330,596
Cash Dividends	—	—	—	—	—	—	—	(2,926)
Net Income Attributable to Owners of the Parent	—	—	—	—	—	—	—	10,620
Purchases of Treasury Stock	—	—	—	—	—	—	—	(380)
Losses on Sales of Treasury Stock	—	—	—	—	—	—	—	112
Land Revaluation	—	—	—	—	—	—	—	5
Net Changes in Items Other Than Stockholders' Equity	(18,793)	(540)	(5)	3,966	(15,372)	(94)	725	(14,740)
Balance at March 31, 2022	41,263	(304)	2,497	4,605	48,061	77	13,567	323,287
Cash Dividends	—	—	—	—	—	—	—	(2,913)
Net Income Attributable to Owners of the Parent	—	—	—	—	—	—	—	4,825
Purchases of Treasury Stock	—	—	—	—	—	—	—	(2)
Losses on Sales of Treasury Stock	—	—	—	—	—	—	—	0
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	—	—	—	—	—	4,528
Land Revaluation	—	—	—	—	—	—	—	684
Net Changes in Items Other Than Stockholders' Equity	(24,403)	(1,069)	(684)	(2,629)	(28,786)	18	(13,567)	(42,335)
Balance at March 31, 2023	¥16,860	¥(1,374)	¥1,813	¥1,975	¥19,275	¥96	—	¥288,073

Thousands of U.S. Dollars					
STOCKHOLDERS' EQUITY					
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Stockholders' Equity
Balance at April 1, 2022	\$ 350,280	\$ 283,337	\$ 1,328,330	\$ (2,988)	\$ 1,958,960
Cash Dividends	—	—	(21,815)	—	(21,815)
Net Income Attributable to Owners of the Parent	—	—	36,134	—	36,134
Purchases of Treasury Stock	—	—	—	(14)	(14)
Losses on Sales of Treasury Stock	—	—	(0)	0	0
Change in ownership interest of parent due to transactions with non-controlling interests	—	33,909	—	—	33,909
Land Revaluation	—	—	5,122	—	5,122
Net Changes in Items Other Than Stockholders' Equity	—	—	—	—	—
Balance at March 31, 2023	\$ 350,280	\$ 317,247	\$ 1,347,772	\$ (3,010)	\$ 2,012,296

Thousands of U.S. Dollars								
ACCUMULATED OTHER COMPREHENSIVE INCOME								
	Net Unrealized Gains on Available-for-Sale Securities	Net Deferred Hedge Gains and Losses	Land Revaluation Reserve	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income	Stock Acquisition Rights	Non-Controlling Interests	Total Net Assets
Balance at April 1, 2022	\$ 309,016	\$ (2,276)	\$ 18,699	\$ 34,486	\$ 359,926	\$ 576	\$ 101,602	\$ 2,421,081
Cash Dividends	—	—	—	—	—	—	—	(21,815)
Net Income Attributable to Owners of the Parent	—	—	—	—	—	—	—	36,134
Purchases of Treasury Stock	—	—	—	—	—	—	—	(14)
Losses on Sales of Treasury Stock	—	—	—	—	—	—	—	0
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	—	—	—	—	—	33,909
Land Revaluation	—	—	—	—	—	—	—	5,122
Net Changes in Items Other Than Stockholders' Equity	(182,752)	(8,005)	(5,122)	(19,688)	(215,577)	134	(101,602)	(317,044)
Balance at March 31, 2023	\$ 126,263	\$ (10,289)	\$ 13,577	\$ 14,790	\$ 144,349	\$ 718	—	\$ 2,157,365

# Consolidated Statements of Cash Flows

The Ogaki Kyoritsu Bank, Ltd. and its Consolidated Subsidiaries

For the Years Ended March 31, 2023 and 2022	Millions of Yen		Thousands of U.S. Dollars
	2023	2022	2023
<b>Cash Flows from Operating Activities:</b>			
Income before Income Taxes	¥ 8,675	¥ 16,283	\$ 64,966
Depreciation	3,162	4,568	23,680
Impairment Loss on Fixed Assets	469	188	3,512
Increase (Decrease) in Reserve for Possible Loan Losses	1,067	1,005	7,990
Increase (Decrease) in Accrued Employees' Bonuses	(55)	(54)	(411)
Decrease (Increase) in Net Defined Benefit Asset	(496)	9	(3,714)
Increase (Decrease) in Net Defined Benefit Liability	(364)	(84)	(2,725)
Increase (Decrease) in Reserve for Directors' Retirement Benefits	4	(3)	29
Increase (Decrease) in Reserve for Reimbursement of Deposits	(43)	(60)	(322)
Interest and Dividend Income	(51,412)	(50,958)	(385,022)
Interest Expense	5,663	1,023	42,409
Securities Gains, Net	5,677	(1,339)	42,514
Losses (Gains) on Money Held in Trust	(4)	29	(29)
Losses on Sale of Fixed Assets, Net	230	199	1,722
Net Changes in Trading Account Securities	(41)	100	(307)
Net Changes in Loans and Bills Discounted	(215,489)	14,160	(1,613,787)
Net Changes in Deposits	8,902	147,745	66,666
Net Changes in Borrowed Money	(935,034)	79,706	(7,002,426)
Net Changes in Deposits with Banks	173	11,392	1,295
Net Changes in Call Loans	6,030	(7,128)	45,158
Net Changes in Call Money	(76,933)	60,588	(576,147)
Net Changes in Payables for Securities Lending Transactions	(12,354)	797	(92,518)
Net Changes in Foreign Exchange Assets	(316)	472	(2,366)
Net Changes in Foreign Exchange Liabilities	315	36	2,359
Interest Income Received	52,868	51,605	395,926
Interest Expense Paid	(4,966)	(1,130)	(37,190)
Net Changes in Lease Assets	(5)	(57)	(37)
Net Changes in Lease Receivables and Investments	(519)	(168)	(3,886)
Increase (decrease) in straight bonds - issuance and redemption	3,000	—	22,466
Net Changes in Borrowed Money from Trust Account Liabilities	(3)	16	(22)
Others	(35,510)	(28,123)	(265,932)
Subtotal	(1,237,309)	300,823	(9,266,149)
Income Taxes Paid	(5,766)	(5,510)	(43,181)
Income Taxes Refunded	10	3	74
Net Cash Provided by (Used in) Operating Activities	(1,243,066)	295,315	(9,309,263)
<b>Cash Flows from Investing Activities:</b>			
Purchases of Securities	(145,544)	(345,294)	(1,089,972)
Proceeds from Sales of Securities	113,213	108,594	847,846
Proceeds from Maturities of Securities	129,537	127,905	970,096
Purchases of Tangible Fixed Assets	(1,969)	(1,496)	(14,745)
Proceeds from Sales of Tangible Fixed Assets	1,157	22	8,664
Purchases of Intangible Fixed Assets	(2,645)	(2,363)	(19,808)
Others	1	3	7
Net Cash Provided by (Used in) Investing Activities	93,751	(112,630)	702,096
<b>Cash Flows from Financing Activities:</b>			
Cash Dividends Paid	(2,913)	(2,926)	(21,815)
Cash Dividends Paid to Non-Controlling Interests	(5)	(5)	(37)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(9,314)	—	(69,752)
Purchases of Treasury Stock	(2)	(380)	(14)
Proceeds from Sales of Treasury Stock	0	0	0
Others	(37)	(40)	(277)
Net Cash Used in Financing Activities	(12,273)	(3,352)	(91,911)
Effect of Foreign Exchange Rate Changes	5	17	37
Net Increase (Decrease) in Cash and Cash Equivalents	(1,161,583)	179,350	(8,699,041)
Cash and Cash Equivalents at Beginning of the Year	1,660,976	1,481,625	12,438,972
Cash and Cash Equivalents at End of the Year	¥ 499,393	¥1,660,976	\$ 3,739,931



# Overseas Topics

## To Meet the Needs of Customers Who Are Expanding Business Overseas, the Company Has Built a Network through Business Alliances.

Ogaki Kyoritsu Bank strengthened its Asian support network by opening OKB Consulting Vietnam Co., Ltd., in Hanoi in April 2017, followed by the Manila Representative Office in the city of Makati, the national capital region of the Philippines, in May. The Company opened the Ho Chi Minh City Branch of OKB Consulting Vietnam Co., Ltd., in Ho Chi Minh City in March

2020. In addition to offering the “OKB Overseas Support Desk” service\* by utilizing OKB’s four overseas sites, the overseas sites of Sompo Japan Insurance and Mitsui Sumitomo Insurance, etc. as the contract points, we have established a support organization in 16 countries and territories, mainly in Asia, through alliances with leading local banks overseas.

\* A service aimed at members of the OKB Asia Kyoritsu-Kai.

### OKB Overseas Business Support Network

— Our overseas network extending to 16 countries and territories, mainly in Asia (including Japan) —



#### OKB Overseas Representative Office and Subsidiary

- ① Shanghai Representative Office
- ② Manila Representative Office
- ③ OKB Consulting Vietnam Co., Ltd.
- ④ OKB Consulting Vietnam Co., Ltd. Ho Chi Minh City Branch

#### OKB Overseas Support Desk

- ① OKB Myanmar Support Desk
- ② OKB India Support Desk
- ③ OKB Malaysia Support Desk
- ④ OKB Singapore Support Desk
- ⑤ OKB Indonesia Support Desk
- ⑥ OKB Taiwan Support Desk
- ⑦ OKB Cambodia Support Desk
- ⑧ OKB Laos Support Desk
- ⑨ OKB Korea Support Desk
- ⑩ OKB Mexico Support Desk
- ⑪ OKB New York Support Desk
- ⑫ OKB Los Angeles Support Desk
- ⑬ OKB Chicago Support Desk
- ⑭ OKB Cincinnati Support Desk
- ⑮ OKB Detroit Support Desk
- ⑯ OKB Hong Kong Support Desk
- ⑰ OKB Thailand Support Desk

#### Business Alliance Bank

- ① Bank of China Limited
- ② Bank of Communications Co., Ltd.
- ③ Bangkok Bank Public Company Limited
- ④ JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIET NAM
- ⑤ PT. Bank Maybank Indonesia Tbk
- ⑥ State Bank of India
- ⑦ Metropolitan Bank and Trust Company
- ⑧ Malayan Banking Berhad
- ⑨ The Bank of East Asia, Limited
- ⑩ BANCO NACIONAL DE MÉXICO, S.A.



## International Directory

(as of June 30, 2023)

### Head Office

98, Kuruwamachi 3-chome, Ogaki,  
Gifu 503-0887, Japan  
Phone: 81 (584) 74-2111  
URL: <https://www.okb.co.jp>

### Operations Support Division

98, Kuruwamachi 3-chome, Ogaki,  
Gifu 503-0887, Japan  
Phone: 81 (584) 74-2111  
SWIFT Address: OGAK JPJT

### Tokyo Branch

12-5, Kyobashi 1-chome, Chuo-ku,  
Tokyo 104-0031, Japan  
Phone: 81 (3) 5159-7000

### Osaka Branch

5-7, Hon-machi 3-chome, Chuo-ku,  
Osaka 541-0053, Japan  
Phone: 81 (6) 6260-0500

### Shanghai Representative Office

Room 4406A, 44th Floor, Jin Mao Tower,  
88 Century Boulevard, Pudong New Area,  
Shanghai, The People's Republic of China  
Phone: 86 (21) 5047-2700

### Manila Representative Office

Unit507, 5th Floor, Tower One & Exchange Plaza,  
Ayala Triangle, Ayala Avenue, Makati City,  
1226 Philippines  
Phone: (63)2-8810-6856

### OKB Consulting Vietnam Co., Ltd.

Unit2.11, 2nd Floor, CornerStone Building,  
16 Phan Chu Trinh Street, Phan Chu Trinh Ward,  
Hoan Kiem District, Hanoi, Vietnam  
Phone: (84)24-3823-8247

### OKB Consulting Vietnam Co., Ltd. Ho Chi Minh City Branch

8th Floor, Sun Wah Tower, 115 Nguyen Hue  
Boulevard, District 1, Ho Chi Minh City, Vietnam  
Phone: (84)28-3827-8572

## Subsidiaries

(as of June 30, 2022)

Company name	Business lines	Established	Capital (Millions of Yen)	Percentage of the Bank's voting rights (%)	Percentage of the Bank's subsidiaries' voting rights (%)
Kyoyu Lease Co., Ltd.	Leasing	July 14, 1964	120	27.1	72.9
Kyoritsu Computer Service Co., Ltd.	Consulting, software development, and other support services	December 3, 1980	45	5.0	95.0
OKB Research Institute Co., Ltd.	Research and commissioning on economy, industry, and culture Provision of corporate management information, various consulting services, and human resource placement services	July 22, 1996	50	34.0	66.0
OKB Securities Co., Ltd.	Securities services	March 5, 2019	1,500	100.0	—
OKB Guarantee Co., Ltd.	Credit guarantee and investigation, appraisal of real estate collateral	July 1, 1982	90	100.0	—
OKB Payment Plat Co., Ltd.	Credit card business	July 15, 1983	30	49.7	50.3
OKB Capital Co., Ltd.	Venture support	October 1, 1984	100	49.8	50.2
OKB Business Co., Ltd.	Close examination and adjustment of cash accounts, maintenance of CDs, clerical operations for the Bank, centralized processing	December 15, 1979	20	100.0	—
OKB Partners Co., Ltd.	Information management of ledgers and documents	April 3, 1984	10	100.0	—
OKB Front Co., Ltd.	Bank agent services	June 24, 2014	10	100.0	—

# Corporate Data

(as of March 31, 2023)

## Year of Establishment

1896

## Common Stock

Authorized 80,000,000 shares  
 Issued 41,831,897 shares  
 Capital ¥46,773 million

## Number of Stockholders

23,197

## Stock Listing

Prime Market of the Tokyo Stock Exchange  
 (Ticker Code: 8361)

## Number of Employees (The Ogaki Kyoritsu Bank, Ltd.)

2,476

## Number of Branches and Offices

Domestic 157  
 Foreign 2  
 Foreign subsidiary 1

## Board of Directors and Corporate Auditors

(as of June 30, 2023)

<b>President</b>	Toshiyuki Sakai
<b>Managing Directors</b>	Satoshi Tsuchiya Takaharu Hayashi Masayuki Nogami Masaki Kakehi
<b>Directors</b>	Masaaki Kanda* Yasutake Tango* Yuko Moriguchi* * External director
<b>Standing Corporate Auditors</b>	Ryuji Tokoro Toshio Oshitani
<b>Corporate Auditors</b>	Takashi Saeki* Yukio Ikemura* * External auditor
<b>Senior Executive Officers</b>	Yoshinori Goto Katsutoshi Goto Yasushi Kanamori Kohei Tanabe

## Major Stockholders

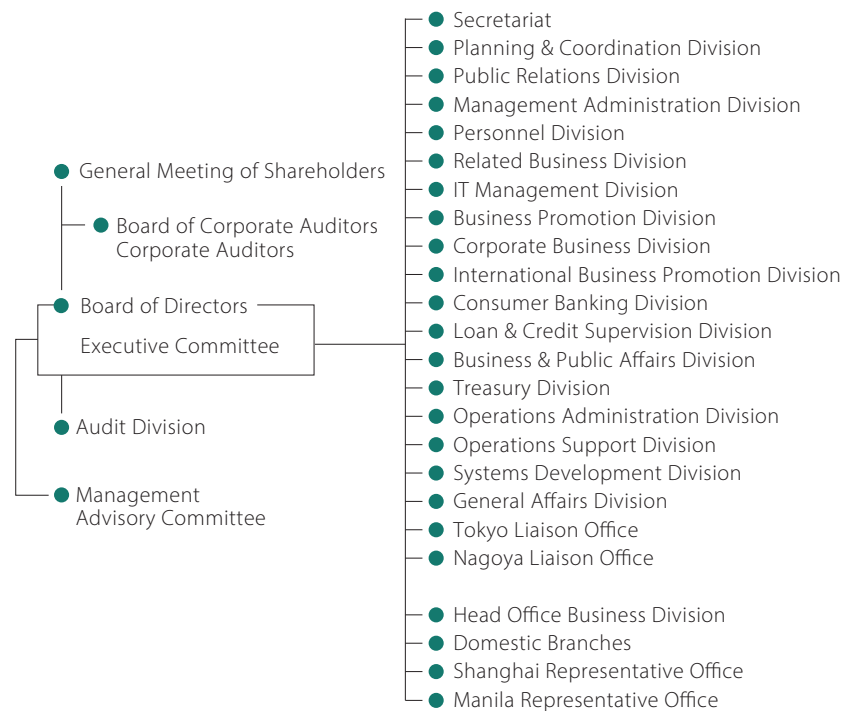
Name	Shares (Thousand)	%
The Master Trust Bank of Japan, Ltd. (Trustee Account)	4,696	11.28
Custody Bank of Japan, Ltd. (Trustee Account)	3,108	7.46
Ogaki Kyoritsu Bank Employees' Shareholding Association	1,260	3.02
Giken Co., Ltd.	1,064	2.55
Mizuho Bank, Ltd	800	1.92
Meiji Yasuda Life Insurance Company	791	1.90
The Master Trust Bank of Japan (Toyota Motor Corporation's account)	547	1.31
Y.Makimura & Co., Ltd.	535	1.28
JP MORGAN CHASE BANK 385781	478	1.15
STATE STREET BANK WEST CLIENT-TREATY 505234	446	1.07

Notes:

- The number of shares held is rounded down to the nearest thousand and the shareholding ratio is rounded down to two decimal places.
- Treasury stock is not included in the calculation of the percentage of total share issued.

## Organization Chart

(as of June 30, 2023)



# OKB

**The Ogaki Kyoritsu Bank, LTD.**

98, Kuruwamachi 3-chome, Ogaki, Gifu 503-0887, Japan

Phone: 81 (584) 74-2111

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