

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

Wakkanai Shinkin Bank (security code: -)

<Rating Change>

Long-term Issuer Rating: from A to A-
Outlook: from Stable to Negative

Rationale

Wakkanai Shinkin Bank (the "Bank") is a shinkin bank headquartered in Wakkanai City, Hokkaido Prefecture with a fund volume of around 470 billion yen. Due to a rise in long-term interest rates, valuation losses on available-for-sale securities have expanded more than expected, significantly reducing capital adequacy. Hence, JCR has downgraded the long-term issuer rating on the Bank by one notch. Given that continued interest rate increases could further expand valuation losses and thereby further reduce the substantial capital level, the rating outlook has been changed to Negative. JCR will monitor trends in capital levels associated with fluctuations in market interest rates.

*This rationale is a summary version. JCR will replace it with a full text version within three business days.

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Rating

Issuer: Wakkanai Shinkin Bank

<Rating Change>

Long-term Issuer Rating: A- Outlook: Negative

Rating Assignment Date: February 4, 2026

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as "JCR's Rating Methodology" (October 1, 2024) and "Banks" (October 1, 2021) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

The rating stakeholder participated in the rating process of the aforementioned credit ratings.

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JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)