

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

The Hiroshima Shinkin Bank (security code: -)

<Affirmation>

Long-term Issuer Rating: A
Outlook: Stable

Rationale

Headquartered in Hiroshima City, Hiroshima Prefecture, The Hiroshima Shinkin Bank (the "Bank") is the largest shinkin bank in the Chugoku region with a fund volume of approximately 1.7 trillion yen. It operates branches at a high density, mainly in Hiroshima City where there are many business opportunities. Factors reflected in the long-term issuer rating include solid business foundation in Hiroshima City, quality of loan assets that are well-diversified into small amounts and well-secured, and sufficient capital against risks, among others. The key factors for the rating decision are whether the Bank will be able to improve the earning capacity leveraging the stable deposit funding base and sustain good capital adequacy through appropriate risk control.

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

Michiya Kidani, Shuntaro Takasawa

Rating

Issuer: The Hiroshima Shinkin Bank

<Affirmation>

Long-term Issuer Rating: A Outlook: Stable

Rating Assignment Date: October 6, 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.)