

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

## **The Fukui Bank, Ltd. (security code: 8362)**

<Affirmation>

Long-term Issuer Rating: BBB+

Outlook: Stable

## **THE FUKUHO BANK, LTD. (security code: -)**

<Affirmation>

Long-term Issuer Rating: BBB

Outlook: Stable

### *Rationale*

Issuer: The Fukui Bank, Ltd.

- (1) The Fukui Bank, Ltd. ("Fukui Bank") is a regional bank with fund volume of 2.8 trillion yen and has consolidated subsidiary THE FUKUHO BANK, LTD. ("FUKUHO BANK") under its umbrella with 52% voting rights. The two banks both operate primarily in Fukui Prefecture and have a high presence there with the combined local market share of 44% for deposits (excluding Japan Post Bank) and 49% for loans. Fukui Bank made FUKUHO BANK a consolidated subsidiary in October 2021 through a third-party allotment, thereby forming a financial group while maintaining individual brands.
- (2) The two banks are implementing various measures for the improvement of customer services and organizational and operational reforms under the comprehensive alliance agreement "F Project" concluded in March 2020. They are consolidating their branches and ATMs, which are the primary management infrastructure, while establishing new ones for joint operation, and, for subsystems, they are promoting the joint use of the cloud infrastructure employed by Fukui Bank. Because Fukui Bank accounts for a major part of the consolidated assets and earnings, its rating strongly incorporates its own creditworthiness. Looking ahead, whether the two banks as a group can increase basic earnings capacity and capital adequacy by promptly realizing synergies from the management integration will be a key factor for the rating.
- (3) For Fukui Bank alone, it secures a decent profit level based on core net business income, but, because of low loan-to-deposit ratio and loan yields, ROA based on core net business income excluding gains on cancellation of investment trusts has been hovering low at around 0.1%. Faced with the challenge of improving earnings capacity, Fukui Bank provides SDG-related management support services to corporate customers and is also enhancing its endeavors in non-financial businesses by, for instance, increasing manpower for the consulting subsidiary. Looking ahead, while one-off costs associated with the reconstruction of the headquarters will be eliminated in the fiscal year ending March 2022 (FY2021), a cut in workforce will help reduce costs in the medium run. JCR assumes that core net business income will grow steadily despite weakening interest on loans and discounts due to a drop in yields.
- (4) Non-performing loans ratio disclosed under the Financial Reconstruction Act is low in the lower 1% range, and the ratio of categorized loans other than normal assets to the total credits is well-controlled, too. As Fukui Bank intends to conservatively revise the allowance method at the end of FY2021, the risk of a future increase in credit costs is expected to be mitigated. Yet, some of large borrowers are ailing and left with large uncovered claims. Given also the external environment, close attention will be paid to future trends in credit costs. In terms of securities investment, the amount of interest rate risk for yen and foreign currencies associated with bond holdings is not small. Moreover, the amount of price fluctuation risk is large relative to capital because of aggressive investment in investment trusts. Currently, Fukui Bank is increasing bond and equity exposures in and outside Japan partly in cooperation with an external asset management company. It should work to appropriately control risk amount in the market division by, for instance, carefully managing risk indicators.
- (5) Consolidated core capital ratio as of December 31, 2021 was 8.0%. The ratio of adjusted core capital JCR assesses as essential stands decent at around 7.5%. Given that the accumulation of internal reserves is slow, JCR will closely look at whether Fukui Bank can maintain a certain capital level by improving earnings capacity, controlling risk assets, etc.

Issuer: THE FUKUHO BANK, LTD.

- (1) FUKUHO BANK is a regional bank II with fund volume of around 440 billion yen. It has strong ties with the parent Fukui Bank in terms of business operations as they are working together to establish joint branches, share subsystems, consolidate headquarters functions and so forth. JCR assigns a BBB rating to FUKUHO BANK in light of the possibility of additional financial support, etc. from Fukui Bank.
- (2) Because of small fund volume and high overhead ratio, earnings capacity based on core net business income is low, and ROA based on core net business income excluding gains on cancellation of investment trusts is extremely low at below 0.1%. Core net business income excluding gains on cancellation of investment trusts remains barely positive, amounting to 80 million yen for the first nine months of FY2021. Although interest on loans and discounts is weakening due to a drop in yields, FUKUHO BANK is benefiting from cost reductions through the consolidation of sales offices, sharing of subsystems, etc. to a greater extent than Fukui Bank, which in JCR's view will help ensure future profits. It is also building its track record in the sale of investment trusts and so forth in alliance with AIZAWA SECURITIES CO., LTD., while focusing on its involvement in business succession by corporate customers by recruiting external human resources. In the meantime, it is strengthening cooperation with Fukui Bank by revising the sales promotion system. JCR will closely watch whether FUKUHO BANK can boost top-line revenue as a result of these measures.
- (3) Non-performing loans ratio disclosed under the Financial Reconstruction Act is a bit high in the lower 4% range, but the ratio of categorized loans other than normal assets to the total credits is well-controlled thanks partly to a small number of assets requiring caution. The increase in credit costs in the first nine months of FY2021 is largely attributable to the conservative revision of the allowance method. As FUKUHO BANK strictly manages credit lines and controls the risk of concentration in large borrowers, credit costs are not likely to grow large relative to the loan balance, if special factors are excluded. In terms of securities management, FUKUHO BANK invests mostly in equity products, and the amount of price fluctuation risk is large relative to capital. Given also small valuation gains as a risk buffer, close attention must be paid to the market division's risks.
- (4) Non-consolidated core capital ratio as of December 31, 2021 was 7.5%. FUKUHO BANK acquired and cancelled 6 billion yen of public preferred stock using retained earnings in October 2021, prior to the mandatory conversion date (April 2024), and accepted the capital injection of 5 billion yen from Fukui Bank in the form of subscription for common shares as of the same date. Consequently, the ratio of adjusted core capital JCR assesses as essential rose to around 7%, which is decent for a regional bank in JCR's "BBB" rating category.

Michiya Kidani, Ippei Koga

### Rating

Issuer: The Fukui Bank, Ltd.

<Affirmation>

Long-term Issuer Rating: BBB+      Outlook: Stable

Issuer: THE FUKUHO BANK, LTD.

<Affirmation>

Long-term Issuer Rating: BBB      Outlook: Stable

Rating Assignment Date: February 18, 2022

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" (November 7, 2014), "Banks" (October 1, 2021) and "Rating Methodology for Financial Groups' Holding Companies and Group Companies" (March 29, 2019) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

### Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan  
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

Information herein has been obtained by JCR from the issuers and other sources believed to be accurate and reliable. However, because of the possibility of human or mechanical error as well as other factors, JCR makes no representation or warranty, express or implied, as to accuracy, results, adequacy, timeliness, completeness or merchantability, or fitness for any particular purpose, with respect to any such information, and is not responsible for any errors or omissions, or for results obtained from the use of such information. Under no circumstances will JCR be liable for any special, indirect, incidental or consequential damages of any kind caused by the use of any such information, including but not limited to, lost opportunity or lost money, whether in contract, tort, strict liability or otherwise, and whether such damages are foreseeable or unforeseeable. JCR's ratings and credit assessments are statements of JCR's current and comprehensive opinion regarding redemption possibility, etc. of financial obligations assumed by the issuers or financial products, and not statements of opinion regarding any risk other than credit risk, such as market liquidity risk or price fluctuation risk. JCR's ratings and credit assessments are statements of opinion, and not statements of fact as to credit risk decisions or recommendations regarding decisions to purchase, sell or hold any securities such as individual bonds or commercial paper. The ratings and credit assessments may be changed, suspended or withdrawn as a result of changes in or unavailability of information as well as other factors. JCR receives a rating fee paid by issuers for conducting rating services in principle. JCR retains all rights pertaining to this document, including JCR's rating data. Any reproduction, adaptation, alteration, etc. of this document, including such rating data, is prohibited, whether or not wholly or partly, without prior consent of JCR.

JCR is registered as a "Nationally Recognized Statistical Rating Organization" with the U.S. Securities and Exchange Commission with respect to the following four classes. (1) Financial institutions, brokers and dealers, (2) Insurance Companies, (3) Corporate Issuers, (4) Issuers of government securities, municipal securities and foreign government securities.

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.)



## INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

### Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	The Fukui Bank, Ltd.
Issuer:	THE FUKUHO BANK, LTD.
Rating Publication Date:	February 22, 2022

1 The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

2 The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

3 The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

#### A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

#### B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

E) Order of Seniority in Debt Payment

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

## 4 The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

## 5 Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

## 6 Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.

## 7 Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

## 8 The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

- The information posted in the below, which includes data, is used for the determination of the credit rating herewith presented.
  - A) Audited financial statements presented by the rating stakeholders
  - B) Explanations of business performance, management plans, etc. presented by the rating stakeholders

## 9 Overall assessment of the Quality of Information Available and Considered in Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

- JCR holds its basic policies for securing the quality of information as a base of due diligence for the determination of credit ratings. The information used as a base for the determination of credit rating herewith presented satisfies such policies, which include the audit by an independent auditor, the warranty made by the issuer, the publication by the issuer, some independent media or, otherwise, JCR analyst's scrutiny, etc.
- JCR sees no particular weakness in the quality of information used for the determination of the credit rating herewith presented as compared to the information used in other cases of the credit rating for comparable issuers or ratable objects.
- If the credit rating is an Indication, please see the report for Indication.

## 10 Information Relating to Conflicts of Interest as Required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

- JCR receives payment of compensation for the determination of the credit rating herewith presented from either one of those parties who are issuer, underwriter, depositor or sponsor.
- JCR did not receive in the last fiscal year in the past payment of compensation from the same party for any kind of JCR's service other than the determination of public or private credit rating, such as one in the ancillary business.

## 11 Explanation or Measure of the Potential Volatility of the Credit Rating as Required by Paragraph (a)(1)(ii)(K) of Rule 17g-7

### A) Business Bases

The credit rating is subject to alteration if there is improvement or deterioration of the issuer's business bases, since its revenue, etc. may improve or deteriorate by the change in its business management policies, clients' preferences, competitive situation, or a technological innovation. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the business bases is large.

### B) Financial Grounds and Asset Quality

The credit rating is subject to alteration if the issuer increases/ decreases its debt/ capital or vice versa and thereby makes its individual debt payment liability less or more bearable and its loss absorption capacity into the future decreased or increased. Also, the changes in the quality of asset under the issuer's holding may affect the credit rating, since such changes could raise or lower the likelihood of future loss of the issuer's financial grounds. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the financial grounds and/ or asset quality is large.

### C) Liquidity Positions

The credit rating is subject to alteration if there is a change in the issuer's financial management policy or in the relations with fund procurement sources and the change thereby makes its liquidity positions improve or deteriorate. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is large.

### D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating is subject to alteration if there is a change in the issuer's parent company or subsidiary, guarantor or other provider of credit enhancement, or the government of the issuer's business domicile, or other related parties' own conditions and/ or position of support/ assistance for the issuer, and the change thereby makes its business bases, financial grounds and/ or liquidity positions improve or deteriorate, and/ or making the effectiveness of guarantee and other credit enhancement improve or deteriorate. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large.

### E) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating is subject to alteration if there is a change in the rated debt's status in the order of seniority relative to other debts caused by the improvement/ deterioration of the issuer's financial condition. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large. Also, in case of the financial products for which non-payment of interest/ principal is contractually permissible, the credit rating is subject to alteration if and when the likelihood of such non-payment is projected to increase or decrease. The resultant alteration of the credit rating could be by a notch but often as much as a few notches.

### F) Rise and Fall in General Economy and Markets

The credit rating is subject to alteration if there is a rise/ fall in the general economy and/ or the markets inducing the issuer's revenues/ expenses to increase/ decrease and vice versa, etc. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is exceptionally large.

### G) Various Events

The credit rating is subject to alteration on occurrence of various events, such as change in the issuer's major shareholders, M&A and other organizational change, accident, violation of the law, litigation, legal/ regulatory change, natural disaster, etc., which are unforeseeable at the time when the credit rating is determined, causing a significant change on the issuer's business bases, financial grounds, etc. The resultant alteration of the credit rating could be by a notch but more often than not as much as a few notches.

## 12

Information on the Content of the Credit Rating, Including the Historical Performance of the Credit Rating and the Expected Probability of Default and the Expected Loss in the Event of Default as Required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

- Historical records of the credit rating herewith presented are posted in the end of this paper.
- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- Facts of the probability of default are posted as Form NRSRO Exhibit 1 on the JCR website under the URL:

<https://www.jcr.co.jp/en/service/company/regu/nrsro/>

## 13

Information on the Sensitivity of the Credit Rating to Assumptions Made as Required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

### A) Business Bases

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's business bases and powers of earning or cash flow generation, etc. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement

or deterioration of the issuer's business bases on some drastic change in the operational environments, etc.

**B) Financial Grounds and Asset Quality**

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's financial grounds and asset quality. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's financial grounds and/ or asset quality on some drastic change in its business bases.

**C) Liquidity Risks**

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's liquidity positions. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's liquidity positions on some drastic change in its financial management policy or relations with fund procurement sources, etc.

**D) Related Parties' Status and Stance of Support/ Assistance for the Issuer**

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's parent company or subsidiaries, guarantor or other providers of credit enhancement, the government of the issuer's business domicile or other related parties' status and stance of support/ assistance for the issuer. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if there is a major change on the part of related parties, such as replacement, disappearance, some drastic improvement/ deterioration of financial grounds/ balances, etc.

**E) Rise and Fall in General Economy and Markets**

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the prospects of general economy and markets. JCR expects the change should be most likely by a notch but could be as much as a few notches, should the economy or the markets change so greatly.

14

Information on the Representations, Warranties, and Enforcement Mechanisms of an Asset-backed Security as Required by Paragraph (a)(1)(ii)(N) of rule 17g-7

- The credit rating herewith presented is not for an ABS product, and hence no relevant issue.

**Japan Credit Rating Agency, Ltd.**

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan  
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

## The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
The Fukui Bank, Ltd.	Issuer(Long-term)	March 31, 1998	A+	
The Fukui Bank, Ltd.	Issuer(Long-term)	October 20, 1999	A+	
The Fukui Bank, Ltd.	Issuer(Long-term)	December 4, 2000	A+	
The Fukui Bank, Ltd.	Issuer(Long-term)	September 19, 2001	A	
The Fukui Bank, Ltd.	Issuer(Long-term)	May 2, 2003	A	
The Fukui Bank, Ltd.	Issuer(Long-term)	April 26, 2004	A	
The Fukui Bank, Ltd.	Issuer(Long-term)	April 26, 2005	A	
The Fukui Bank, Ltd.	Issuer(Long-term)	June 5, 2006	A	Stable
The Fukui Bank, Ltd.	Issuer(Long-term)	April 18, 2007	A	Stable
The Fukui Bank, Ltd.	Issuer(Long-term)	April 9, 2008	A	Stable
The Fukui Bank, Ltd.	Issuer(Long-term)	April 17, 2009	A	Negative
The Fukui Bank, Ltd.	Issuer(Long-term)	April 30, 2010	A	Stable
The Fukui Bank, Ltd.	Issuer(Long-term)	May 31, 2011	A	Stable
The Fukui Bank, Ltd.	Issuer(Long-term)	July 11, 2012	A	Stable
The Fukui Bank, Ltd.	Issuer(Long-term)	July 8, 2013	A	Stable
The Fukui Bank, Ltd.	Issuer(Long-term)	July 24, 2014	A	Stable
The Fukui Bank, Ltd.	Issuer(Long-term)	August 21, 2015	A-	Stable
The Fukui Bank, Ltd.	Issuer(Long-term)	July 29, 2016	A-	Stable
The Fukui Bank, Ltd.	Issuer(Long-term)	September 1, 2017	A-	Stable
The Fukui Bank, Ltd.	Issuer(Long-term)	August 24, 2018	A-	Negative
The Fukui Bank, Ltd.	Issuer(Long-term)	September 20, 2019	BBB+	Stable
The Fukui Bank, Ltd.	Issuer(Long-term)	January 29, 2021	BBB+	Stable



## The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
THE FUKUHO BANK, LTD.	Issuer(Long-term)	May 22, 2008	BBB	Stable
THE FUKUHO BANK, LTD.	Issuer(Long-term)	April 20, 2009	BBB	Stable
THE FUKUHO BANK, LTD.	Issuer(Long-term)	April 30, 2010	BBB	Negative
THE FUKUHO BANK, LTD.	Issuer(Long-term)	May 31, 2011	BBB	Stable
THE FUKUHO BANK, LTD.	Issuer(Long-term)	July 11, 2012	BBB	Stable
THE FUKUHO BANK, LTD.	Issuer(Long-term)	July 8, 2013	BBB	Stable
THE FUKUHO BANK, LTD.	Issuer(Long-term)	July 24, 2014	BBB	Stable
THE FUKUHO BANK, LTD.	Issuer(Long-term)	August 21, 2015	BBB	Stable
THE FUKUHO BANK, LTD.	Issuer(Long-term)	July 29, 2016	BBB	Negative
THE FUKUHO BANK, LTD.	Issuer(Long-term)	September 1, 2017	BBB-	Stable
THE FUKUHO BANK, LTD.	Issuer(Long-term)	September 7, 2018	BBB-	Stable
THE FUKUHO BANK, LTD.	Issuer(Long-term)	September 20, 2019	BBB-	Stable
THE FUKUHO BANK, LTD.	Issuer(Long-term)	January 14, 2021	#BBB-	Positive
THE FUKUHO BANK, LTD.	Issuer(Long-term)	June 28, 2021	BBB	Stable

## Attestation Required by Paragraph (a)(1)(iii) of Rule 17g-7

I, Shozo Matsumura, have responsibility to this Rating Action and to the best of my knowledge:

- A) No part of the credit rating was influenced by any other business activities.
- B) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated.
- C) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.

松村省三

Shozo Matsumura

General Manager of Financial Institution Rating Department

**Japan Credit Rating Agency, Ltd.**

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan  
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026