News Release

Japan Credit Rating Agency, Ltd.

26-D-0878
November 2, 2026

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

The Ogaki Kyoritsu Bank, Ltd. (security code: 8361)

<Affirmation>
Long-term Issuer Rating: A
Outlook: Stable

Kyoyu Lease Co., Ltd. (security code: -)

<Affirmation>
Long-term Issuer Rating: A
Outlook: Stable
CP: J-1

Rationale
Issuer: The Ogaki Kyoritsu Bank, Ltd.

(1) The Ogaki Kyoritsu Bank, Ltd. ("OKB") is a regional bank headquartered in Ogaki City, Gifu Prefecture with a fund volume of 5.8 trillion yen. OKB has strong local presence as, for one thing, it maintains fairly high market shares for both loans and deposits in the prefecture. It has a business base in Aichi Prefecture, too, as it has worked to strengthen sales activities there from early on. Factors reflected in the long-term issuer rating include these robust business bases and favorable loan asset quality. OKB's earning capacity, which had previously been a challenge, has improved to a reasonable level, driven by growth in net interest income and other factors. Going forward, JCR will focus on whether OKB can leverage this improvement to strengthen its capital adequacy.

(2) Earnings capacity has improved to an adequate level. ROA for the fiscal year ended March 2026 (based on core net business income, excluding gains/losses on investment trust cancellations, gains/losses on loan sales, and certain other items) improved to the low 0.4% range. The expansion of net interest income driven by increases in interest on loans and interest and dividends on securities is fueling the improvement in earnings capacity. Given the high proportion of variable-rate home loans in the lending portfolio and the continued redemption of low-yield yen-denominated bonds in the securities portfolio, OKB is expected to see further earnings growth from rising interest rates. In addition, non-interest income has remained at a higher level than in the past, supported by income from foreign exchange derivatives and fees related to loan origination. Based on the above, JCR believes that core net business income will remain solid going forward.

(3) The quality of loan assets is sound. Non-performing loans ratio under the Financial Reconstruction Act remains low in the lower 1% range. The proportion of housing loans is high, and business loans are diversified into small amounts. Also, conservative provisions are implemented, including the application of the cash flow deduction method to potentially bankrupt debtors with the credit amount exceeding a certain level. While attention should be paid to the impact of rising prices and labor costs on borrowers, credit costs are expected to remain low.

(4) Risks associated with securities investment are well controlled. While increasing its bond holdings, OKB has shortened the duration of its bond holdings, keeping interest rate risk under control. The quantity of risk associated with price fluctuations in equity-related assets is somewhat large relative to capital, but substantial valuation gains provide a buffer against risk.

(5) Capital adequacy is at a reasonable level. JCR-adjusted consolidated core capital ratio, after deducting the general loan loss allowance and other items, was in the low 9% range at the end of March 2026. In addition to an increase in the balance of highly profitable asset finance, an increase in risk-weighted assets accompanying the full implementation of the finalization of Basel III is expected. However, on the back of improved profitability and restrained credit costs, the accumulation of retained earnings is readily foreseeable, and JCR believes that the current level of capital can be maintained.

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Issuer: Kyoyu Lease Co., Ltd.

(1) Kyoyu Lease Co., Ltd. (“Kyoyu Lease”) is a leasing company in the OKB Group (the “Group”). It has certain business bases mainly in Gifu and Aichi prefectures, backed by OKB’s strong presence there. Its long-term issuer rating is determined based on OKB’s creditworthiness and is deemed to be equivalent to OKB’s in light of OKB’s strong involvement in Kyoyu Lease and Kyoyu Lease’s high managerial importance in the Group. OKB holds 100% voting rights in Kyoyu Lease, including indirect holdings, and the latter’s directors all come from the former, which indicate their strong unity in terms of business administration. As the OKB strengthening its consulting-oriented business model, JCR views Kyoyu lease as being of high strategic importance as the Group's only leasing company.

(2) Earnings capacity is at a reasonable level. Even as funding costs rise alongside increasing market interest rates, profitability remains at a high level compared with the past, supported by improved yields on new contracts. Given that a policy of selectively undertaking highly profitable projects has become established, JCR believes that it will be able to maintain a commensurate level of earning capacity for the time being.

(3) Capital adequacy is favorable. The equity ratio stood at a high level, in the high 15% range, as of March 31, 2026. In addition to robust performance, growth in assets has been restrained, and JCR believes that a high equity ratio can be maintained for the time being. The financing base is stable. Kyoyu Lease maintains stable business relations with a number of financial institutions, centering on OKB. Kyoyu Lease is also diversifying its funding sources through the use of CP, in addition to indirect financing.

Tsuyoshi Ohishi, Kyohei Yamamoto

Rating

Issuer: The Ogaki Kyoritsu Bank, Ltd.

<Affirmation>
Long-term Issuer Rating: A Outlook: Stable

Issuer: Kyoyu Lease Co., Ltd.

<Affirmation>
Long-term Issuer Rating: A Outlook: Stable
CP: J-1
Maximum: JPY 30 billion

Rating Assignment Date: October 28, 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), "Banks" (October 1, 2021), "Leasing" (February 7, 2025) and "Rating Methodology for Financial Groups' Holding Companies and Group Companies" (September 1, 2022) 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.)

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INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

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

Issuer:	The Ogaki Kyoritsu Bank, Ltd.
Issuer:	Kyoyu Lease Co., Ltd.
Rating Publication Date:	November 2, 2026

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 Rule17g-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.

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The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	October 17, 2006	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	February 5, 2008	A	Positive
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	March 6, 2009	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	February 4, 2010	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	March 18, 2011	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	March 12, 2012	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	February 19, 2013	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	February 10, 2014	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	August 3, 2015	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	October 27, 2016	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	October 18, 2017	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	December 10, 2018	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	November 26, 2019	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	November 5, 2020	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	October 20, 2021	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	October 24, 2022	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	November 2, 2023	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	October 31, 2024	A	Stable
The Ogaki Kyoritsu Bank, Ltd.	Issuer(Long-term)	November 6, 2025	A	Stable

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Kyoyu Lease Co., Ltd.	Issuer(Long-term)	September 29, 2023	A	Stable
Kyoyu Lease Co., Ltd.	Issuer(Long-term)	November 2, 2023	A	Stable
Kyoyu Lease Co., Ltd.	Issuer(Long-term)	October 31, 2024	A	Stable
Kyoyu Lease Co., Ltd.	Issuer(Long-term)	November 6, 2025	A	Stable
Kyoyu Lease Co., Ltd.	CP	September 29, 2023	J-1	
Kyoyu Lease Co., Ltd.	CP	November 2, 2023	J-1	
Kyoyu Lease Co., Ltd.	CP	October 31, 2024	J-1	
Kyoyu Lease Co., Ltd.	CP	November 6, 2025	J-1	

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

I, Tomohiro Miyao, 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.

宮尾 知浩

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General Manager of Financial Institution Rating Department

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