26-D-0436
July 21, 2026

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

Ueda Yagi Tanshi Co., Ltd. (security code: -)

<Affirmation>

Long-term Issuer Rating:	A
Outlook:	Stable
Short-term Issuer Rating:	J-1

Rationale

(1) Ueda Yagi Tanshi Co., Ltd. (the “Company”) is one of Japan’s three money market brokers. It was formed in July 2001 through the merger of Ueda Tanshi Co., Ltd. and Yagi Tanshi Co., Ltd. Factors reflected in the rating include the importance of money market brokers in the overall financial system, the stability of profits and high stress tolerance backed by financial soundness. JCR assumes that the Company will secure a certain level of profits and retain financial soundness by, for instance, diversifying revenue sources and maintaining appropriate cost control and risk management systems.

(2) Money market brokers play an important role as a node in the call market, where fund surpluses or shortages of financial institutions are adjusted. They also have strong presence in the trading of products in the open market through their intermediary function. The Company on its part ranks top among the three money market brokers in terms of the share in the uncollateralized call transactions and has strength in open market operations such as bond repo transactions.

(3) Earnings are highly stable. The Company is characteristic in that it flexibly captures earning opportunities, such as new businesses, and turn them into a steady source of earnings. By meticulously responding to investment and financing needs and accumulating bond repo, CP, stock repo and other transactions, it secured a relatively high level of earnings in the fiscal years ended February 2023 and 2024. Even in the fiscal years ended February 2025 and 2026 after negative interest rates ended, it pushed up the earnings level by accurately identifying changes in interest rates during the periods of interest rate hikes, etc. and shifts in the customers’ financing and investment needs. While making progress in the diversification of earnings sources, it secures revenues from each of the short-term money market products in the interbank and open markets in a good balance.

(4) Although the outstanding balance of total assets is huge, asset quality is sound as most of such assets are extremely short-term, highly liquid and safe assets such as JGBs, or assets collateralized by cash, government bonds or other high-quality instruments. Net assets as of the end of February 2026 expanded to 101.7 billion yen with profit accumulation, a level sufficient to absorb any downward fluctuations in profits and losses. While credit risk management and liquidity management will be important because of the large position in CP transactions, the Company is controlling risks appropriately.

Hidekazu Sakai, Naoki Shimura

Rating

Issuer: Ueda Yagi Tanshi Co., Ltd.

<Affirmation>

Long-term Issuer Rating: A Outlook: Stable
Short-term Issuer Rating: J-1

Rating Assignment Date: July 15, 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) 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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