

Aomori Michinoku Bank, AKITA BANK and Bank of Iwate to Start Deliberations Toward a Business Integration

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the decision made by Procrea Holdings, Inc. (security code: 7384), THE AKITA BANK, LTD. (security code: 8343) and The Bank of Iwate, Ltd. (security code: 8345) to start deliberations toward a business integration.

- (1) On October 2, Procrea Holdings, Inc. ("Procrea HD") having Aomori Michinoku Bank, Ltd. under its umbrella, THE AKITA BANK, LTD. and The Bank of Iwate, Ltd. resolved at their respective board meeting to proceed with discussions and deliberations toward a business integration. They aim to complete the business integration in April 2028.
- (2) If the business integration is realized, the creditworthiness of the new group to be formed will be reflected in the ratings of Procrea HD, Aomori Michinoku Bank and AKITA BANK. In terms of the fund volume, Aomori Michinoku Bank will have 5.5 trillion yen, Bank of Iwate 3.5 trillion yen and AKITA BANK 3.3 trillion yen. Given their respective business base, financial base and other factors, JCR assumes that the business integration will have a positive impact on the ratings of Procrea HD and Aomori Michinoku Bank but may negatively affect AKITA BANK's rating. That said, as the specific form and other details of the business integration remain subject to further discussions and deliberations, JCR will keep an eye on future developments.

Hidekazu Sakai, Michiya Kidani, Ippei Koga, Kyohei Yamamoto

<Reference>

Issuer: Procrea Holdings, Inc.

Long-term Issuer Rating: A- Outlook: Stable

Issuer: Aomori Michinoku Bank, Ltd.

Long-term Issuer Rating: A- Outlook: Stable

Issuer: THE AKITA BANK, LTD.

Long-term Issuer Rating: A+ Outlook: Stable

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