22-D-0574
August 29, 2022

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

FIDEA Holdings Co. Ltd. (security code: 8713)

<Affirmation>

Long-term Issuer Rating: BBB+
Outlook: Stable

THE SHONAI BANK, LTD. (security code: -)

<Affirmation>

Long-term Issuer Rating: BBB+
Outlook: Stable

The Hokuto Bank, Ltd. (security code: -)

<Affirmation>

Long-term Issuer Rating: BBB+
Outlook: Stable

Rationale

(1) The FIDEA Group (the "Group") is a wide-area financial group having THE SHONAI BANK, LTD. ("SHONAI BANK") in Yamagata Prefecture and The Hokuto Bank, Ltd. ("Hokuto Bank") in Akita Prefecture under the umbrella of FIDEA Holdings Co. Ltd. ("FIDEA HD") as the holding company. The Group as a whole has a fund volume of 2.8 trillion yen, which ranks in the middle among regional banks in the Tohoku region. It has been controlling risk assets in recent years by, for instance, reducing less-profitable housing loans, thereby steadily improving consolidated core capital ratio. In September 2021, it acquired and retired public preferred stock in the amount of 5 billion yen out of 10 billion yen.

(2) JCR deems the Group's overall creditworthiness to be equivalent to BBB+ in consideration of decent capital adequacy and loan asset quality. Looking ahead, whether the Group can improve its profit level over the medium term by, for instance, strengthening consulting sales targeting SME operators and corporate owners, where it is focusing on, will be the key to the future rating decisions.

(3) ROA (based on core net business income excluding gains/losses on cancellation of investment trusts; hereinafter the same) of the two banks combined is in the lower 0.2% range, which is commensurate with the average of regional banks in JCR's BBB+ rating category. While interest on loans keeps shrinking partly because of a decrease in housing loans, core net business income (excluding gains/losses on cancellation of investment trusts; hereinafter the same) bottomed out in the fiscal year ended March 2019 (FY2018), primarily owing to cost reductions through the optimization of the branch network and downsizing. While the current increase in foreign currency funding costs and other factors are expected to place downward pressure on the profitability of the market division, JCR will closely watch whether the Group can improve the profitability of the customer division by capturing customer needs through business feasibility assessments and further reducing expenses.

(4) Non-performing loans ratio disclosed under the Financial Reconstruction Act as of June 30, 2022 was a bit below 2%, which is decent even in light of the high ratio of loans to local public bodies and other factors. Credit costs have since FY2011 been kept low, staying within 20 bps of the average loan balance. That said, given the uncertain external environment, including the COVID crisis and surging costs of raw materials and energies, JCR will watch whether the Group can keep credit costs low. Attention must be paid to risks associated with securities investment. Even though the Group is controlling risks by, for instance, adjusting its position and using bear funds, the risk of interest rate and price fluctuations is still high. Valuation gains, which serve as a risk buffer, have also shrunk significantly.

(5) The Group's consolidated adjusted core capital ratio as of March 31, 2022 stood at around 8.5%, which is commensurate with the Group's creditworthiness. The Group has to date been controlling risk assets by, for instance, promoting loans with focus on profitability, which has helped improve core

capital ratio. JCR will keep an eye on future risk asset management. JCR evaluates the capital adequacy of the public preferred stock issued by the Group in light of the facts that it is less than three years until compulsory conversion to common stock and that the Group has expressed its intention for repayment. Looking ahead, even if public funds are repaid, it will have only a limited impact on the ratings.

Issuer: FIDEA Holdings Co. Ltd.

FIDEA HD is the holding company of the Group. Its rating is at the same level as the Group's creditworthiness and does not reflect the structural subordination of the holding company, on the grounds, among others, that stability in cash flow balance is maintained, despite somewhat high double leverage ratio.

Issuer: THE SHONAI BANK, LTD.

(1) SHONAI BANK is a regional bank headquartered in Tsuruoka City with a fund volume of 1.3 trillion yen. It is based mainly in Yamagata Prefecture where it has nearly 20% share for loans. Capital adequacy is strong, and loan assets are sound. The rating reflects the creditworthiness of SHONAI BANK itself and also of the Group.

(2) ROA stands at around 0.25%, which is commensurate with the rating, and is also improving after hitting bottom in FY2018. Even though interest on loans continues to decline, this is offset by reductions in expenses and foreign currency funding costs, etc. Because SHONAI BANK has initially focused on the retail business for individual customers, it has restricted initiatives for housing loans, significantly affecting the earnings. Moreover, the profitability of the market division may weaken in the short run. JCR will watch whether SHONAI BANK can curb the decline in earnings capacity by, for instance, strengthening consulting sales through an integrated system for both corporate and individual customers.

(3) Non-performing loans ratio disclosed under the Financial Reconstruction Act as of June 30, 2022 was around 2% (no partial direct write-offs implemented), which is not particularly problematic even in light of the large outstanding balance of loans to local public bodies and housing loans. Recently, although there were times when credit costs attributable to large borrowers arose, SHONAI BANK is nevertheless making progress in the disposal of bad debts of large borrowers, including the application of the conservative provision method. JCR therefore considers that the risk of a substantial increase in credit costs is contained.

(4) Adjusted core capital ratio as of March 31, 2022 was in the upper 9% range, which is favorable relative to the rating. Thanks to the accumulation of retained earnings and risk asset controls, including restraining less-profitable loans, core capital ratio is tending to rise. JCR assumes that the ratio will stay at around the current level for a while.

Issuer: The Hokuto Bank, Ltd.

(1) Hokuto Bank is a regional bank headquartered in Akita City with a fund volume of 1.4 trillion yen. It is based mainly in Akita Prefecture where it has approximately 30% share for loans. Capital adequacy is reasonable, and earnings capacity is improving. The rating reflects the creditworthiness of Hokuto BANK itself and also of the Group.

(2) ROA stands in the lower 0.2% range, which is commensurate with the rating. It dropped to as low as below 0.1% in FY2018 but has since then been recovering thanks to reductions in expenses and foreign currency funding costs, etc. Looking ahead, downward pressure on interest on loans is assumed to increase due in part to an increase in the repayment of COVID-related loans. JCR will closely watch whether Hokuto Bank can increase earnings capacity by strengthening consulting sales and capture earnings opportunities related to wind power generation, which is brisk in Akita Prefecture.

(3) Non-performing loans disclosed under the Financial Reconstruction Act and other assets requiring caution have increased from the pre-COVID levels. Although there is no excessive credit concentration to large borrowers, there are many cases in recent years where a large amount of credit was extended to customers in renewable energy-related areas, including wind power generation. Moreover, borrowers requiring caution include a somewhat large number of borrowers who are left with large uncovered claims relative to the earnings. Until now, credit costs have remained at low levels on the back of active initiatives to support business revitalization, and JCR will monitor whether Hokuto Bank can keep restraining these costs.

(4) Adjusted core capital ratio as of March 31, 2022 was in the lower 8% range, and the ratio adjusted for the equity content of public preferred stock, etc. is commensurate with the rating. Thanks to the

accumulation of retained earnings and risk asset controls, including restraining less-profitable loans, core capital ratio is tending to rise. JCR assumes that the ratio will stay at around the current level for a while.

Hidekazu Sakai, Ippei Koga

Rating

Issuer: FIDEA Holdings Co. Ltd.

<Affirmation>
Long-term Issuer Rating: BBB+ Outlook: Stable

Issuer: THE SHONAI BANK, LTD.

<Affirmation>
Long-term Issuer Rating: BBB+ Outlook: Stable

Issuer: The Hokuto Bank, Ltd.

<Affirmation>
Long-term Issuer Rating: BBB+ Outlook: Stable

Rating Assignment Date: August 24, 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/).

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INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

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

Issuer:	FIDEA Holdings Co. Ltd.
Issuer:	THE SHONAI BANK,LTD.
Issuer:	The Hokuto Bank,Ltd.
Rating Publication Date:	August 29, 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 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
FIDEA Holdings Co. Ltd.	Issuer(Long-term)	November 12, 2009	BBB+	Stable
FIDEA Holdings Co. Ltd.	Issuer(Long-term)	December 21, 2010	BBB+	Stable
FIDEA Holdings Co. Ltd.	Issuer(Long-term)	February 9, 2012	BBB+	Stable
FIDEA Holdings Co. Ltd.	Issuer(Long-term)	February 20, 2013	BBB+	Stable
FIDEA Holdings Co. Ltd.	Issuer(Long-term)	April 1, 2014	BBB+	Stable
FIDEA Holdings Co. Ltd.	Issuer(Long-term)	March 24, 2015	BBB+	Stable
FIDEA Holdings Co. Ltd.	Issuer(Long-term)	April 5, 2016	BBB+	Positive
FIDEA Holdings Co. Ltd.	Issuer(Long-term)	July 4, 2017	BBB+	Stable
FIDEA Holdings Co. Ltd.	Issuer(Long-term)	September 6, 2018	BBB+	Stable
FIDEA Holdings Co. Ltd.	Issuer(Long-term)	September 3, 2019	BBB+	Stable
FIDEA Holdings Co. Ltd.	Issuer(Long-term)	September 8, 2020	BBB+	Stable
FIDEA Holdings Co. Ltd.	Issuer(Long-term)	September 10, 2021	BBB+	Stable

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
THE SHONAI BANK, LTD.	Issuer(Long-term)	September 1, 2000	A	
THE SHONAI BANK, LTD.	Issuer(Long-term)	September 7, 2001	A	
THE SHONAI BANK, LTD.	Issuer(Long-term)	November 18, 2002	A	
THE SHONAI BANK, LTD.	Issuer(Long-term)	December 8, 2003	A	
THE SHONAI BANK, LTD.	Issuer(Long-term)	November 30, 2004	A	
THE SHONAI BANK, LTD.	Issuer(Long-term)	November 15, 2005	A	Stable
THE SHONAI BANK, LTD.	Issuer(Long-term)	November 1, 2006	A	Stable
THE SHONAI BANK, LTD.	Issuer(Long-term)	November 28, 2007	A	Stable
THE SHONAI BANK, LTD.	Issuer(Long-term)	May 14, 2008	A	Negative
THE SHONAI BANK, LTD.	Issuer(Long-term)	December 26, 2008	A	Negative
THE SHONAI BANK, LTD.	Issuer(Long-term)	April 30, 2009	A-	Negative
THE SHONAI BANK, LTD.	Issuer(Long-term)	November 12, 2009	BBB+	Stable
THE SHONAI BANK, LTD.	Issuer(Long-term)	December 21, 2010	BBB+	Stable
THE SHONAI BANK, LTD.	Issuer(Long-term)	February 9, 2012	BBB+	Stable
THE SHONAI BANK, LTD.	Issuer(Long-term)	February 20, 2013	BBB+	Stable
THE SHONAI BANK, LTD.	Issuer(Long-term)	April 1, 2014	BBB+	Stable
THE SHONAI BANK, LTD.	Issuer(Long-term)	March 24, 2015	BBB+	Stable
THE SHONAI BANK, LTD.	Issuer(Long-term)	April 5, 2016	BBB+	Positive
THE SHONAI BANK, LTD.	Issuer(Long-term)	July 4, 2017	BBB+	Stable
THE SHONAI BANK, LTD.	Issuer(Long-term)	September 6, 2018	BBB+	Stable
THE SHONAI BANK, LTD.	Issuer(Long-term)	September 3, 2019	BBB+	Stable
THE SHONAI BANK, LTD.	Issuer(Long-term)	September 8, 2020	BBB+	Stable
THE SHONAI BANK, LTD.	Issuer(Long-term)	September 10, 2021	BBB+	Stable

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
The Hokuto Bank, Ltd.	Issuer(Long-term)	June 16, 2005	BBB	
The Hokuto Bank, Ltd.	Issuer(Long-term)	October 6, 2006	BBB	Negative
The Hokuto Bank, Ltd.	Issuer(Long-term)	October 19, 2007	BBB	Negative
The Hokuto Bank, Ltd.	Issuer(Long-term)	May 14, 2008	#BBB	Developing
The Hokuto Bank, Ltd.	Issuer(Long-term)	September 26, 2008	BBB	Positive
The Hokuto Bank, Ltd.	Issuer(Long-term)	November 12, 2009	BBB	Stable
The Hokuto Bank, Ltd.	Issuer(Long-term)	December 21, 2010	BBB	Stable
The Hokuto Bank, Ltd.	Issuer(Long-term)	February 9, 2012	BBB	Stable
The Hokuto Bank, Ltd.	Issuer(Long-term)	February 20, 2013	BBB	Stable
The Hokuto Bank, Ltd.	Issuer(Long-term)	April 1, 2014	BBB	Stable
The Hokuto Bank, Ltd.	Issuer(Long-term)	March 24, 2015	BBB	Stable
The Hokuto Bank, Ltd.	Issuer(Long-term)	April 5, 2016	BBB	Positive
The Hokuto Bank, Ltd.	Issuer(Long-term)	July 4, 2017	BBB	Stable
The Hokuto Bank, Ltd.	Issuer(Long-term)	September 6, 2018	BBB	Stable
The Hokuto Bank, Ltd.	Issuer(Long-term)	September 3, 2019	BBB	Stable
The Hokuto Bank, Ltd.	Issuer(Long-term)	September 8, 2020	BBB	Stable
The Hokuto Bank, Ltd.	Issuer(Long-term)	September 10, 2021	BBB+	Stable

Attachment

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

Tomohiro Miyao
General Manager of Financial Institution Rating Department

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