

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 boasts a large 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 year ended February 2025, when negative interest rates ended, it pushed up the earnings level by seizing opportunities for arbitrage transactions in the volatile interest rate environment and so forth. 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 2025 came to 96.3 billion yen, 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 the 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 10, 2025

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.



## 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.)

---