



Annual Report 2026

Financial Section



Financial Section

Contents

1	Five-Year Summary (Consolidated)
2	Consolidated Balance Sheet
3	Consolidated Statement of Income
4	Consolidated Statement of Comprehensive Income
5	Consolidated Statement of Changes in Net Assets
8	Consolidated Statement of Cash Flows
9	Notes to Consolidated Financial Statements
62	Independent Auditor's Report
67	Non-Consolidated Balance Sheet
68	Non-Consolidated Statement of Income
69	Statement of Trust Account (Consolidated)

Five-Year Summary (Consolidated)

	(Millions of Yen)				
	FY2021	FY2022	FY2023	FY2024	FY2025
Total Income	249,652	373,727	427,435	482,583	666,388
Trust Fees	1,921	2,391	2,529	2,581	2,493
Total Expenses	201,470	338,076	383,355	424,276	607,217
Profit Attributable to Owners of Parent	35,942	26,221	32,145	42,449	43,006
Comprehensive Income	(110,723)	(231,498)	32,577	(25,934)	148,016
Net Assets	1,596,329	1,345,160	1,558,068	1,512,438	1,637,718
Total Assets	43,931,795	46,095,333	47,622,424	48,238,888	46,866,489
Net Assets per Share (Yen)	292,802.41	239,364.73	242,006.77	231,530.45	258,011.00
Net Income per Share (Yen)	5,041.19	3,592.19	4,464.33	4,630.70	4,694.61
Dividends	19,603	19,603	19,628	22,603	22,603
General Common Shares	12,000	12,000	12,000	12,000	12,000
Specific Common Shares	3,000	3,000	3,024	6,000	6,000
Preferred Shares	4,603	4,603	4,603	4,603	4,603
Trust Assets	2,708,486	3,015,058	3,016,944	3,030,362	2,697,744

Notes:

1. National and local consumption tax incurred by the Shinkin Central Bank and its domestic consolidated subsidiaries are excluded from transaction amounts.
2. The amount of trust assets stated represents the trust assets related to the trust business pursuant to the “Act on Engagement in Trust Business Activities by Financial Institutions.” The trust business pursuant to the same Act has been conducted only by the Shinkin Central Bank.

Consolidated Balance Sheet

Shinkin Central Bank As of March 31,	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2026	2025	2026
Assets			
Cash and Due from Banks (Note 2 (2), 10, 27)	12,900,333	19,119,691	80,702
Bills Bought and Call Loans (Note 27)	749,235	638,312	4,687
Receivables under Resale Agreements (Note 27)	45,552	83,635	284
Monetary Claims Bought (Note 27)	189,890	246,018	1,187
Trading Assets (Note 3, 10, 27, 28)	915,357	578,367	5,726
Money Held in Trust (Note 27, 28)	45,385	45,032	283
Securities (Note 4, 5, 8, 10, 27, 28)	18,165,169	17,053,752	113,638
Loans and Bills Discounted (Note 5, 6, 7, 10, 27)	12,234,105	9,285,697	76,534
Foreign Exchanges Assets (Note 5, 6)	33,802	25,195	211
Other Assets (Note 5, 10)	1,287,332	821,971	8,053
Tangible Fixed Assets (Note 9, 15, 26)	77,656	76,483	485
Intangible Fixed Assets (Note 26)	21,511	24,050	134
Deferred Tax Assets (Note 24)	54,387	96,247	340
Customers' Liabilities for Acceptances and Guarantees (Note 5)	170,435	167,420	1,066
Reserve for Possible Loan Losses	(23,667)	(22,988)	(148)
Total Assets	46,866,489	48,238,888	293,190
Liabilities and Net Assets			
Liabilities			
Deposits (Note 27)	29,477,288	31,305,205	184,405
Debentures (Note 13, 27)	1,229,310	1,250,410	7,690
Trading Liabilities (Note 11, 27)	526,679	288,389	3,294
Borrowed Money (Note 10, 12, 27)	3,598,000	4,347,300	22,508
Bills Sold and Call Money (Note 10, 27)	3,442,788	2,255,269	21,537
Payables under Repurchase Agreements (Note 10, 27)	2,703,350	3,680,937	16,911
Payables under Securities Lending Transactions (Note 10, 27)	3,002,928	2,788,631	18,785
Foreign Exchanges Liabilities	1,235	897	7
Borrowed Money from Trust Account	40,768	43,977	255
Other Liabilities (Note 12, 14)	1,006,687	562,055	6,297
Reserve for Employee Bonuses	1,979	1,910	12
Reserve for Directors' Bonuses	86	83	0
Net Defined Benefit Liability (Note 25)	20,629	27,097	129
Reserve for Directors' Retirement Allowances	512	516	3
Reserve under Specific Law	32	20	0
Deferred Tax Liabilities (Note 24)	153	142	0
Deferred Tax Liabilities for Land Revaluation (Note 15)	5,906	6,184	36
Acceptances and Guarantees	170,435	167,420	1,066
Total Liabilities	45,228,771	46,726,449	282,945
Net Assets			
Common Shares and Preferred Shares (Note 23)	890,998	890,998	5,573
Capital Surplus	100,678	100,678	629
Retained Earnings	707,209	686,104	4,424
Total Shareholders' Equity	1,698,886	1,677,781	10,628
Net Unrealized Gains (Losses) on Other Securities (Note 24, 28)	(471,120)	(383,519)	(2,947)
Deferred Gains or Losses on Hedges (Note 24, 29)	368,898	181,425	2,307
Land Revaluation Excess (Note 15)	13,919	14,621	87
Foreign Currency Translation Adjustments	467	(124)	2
Remeasurements of Defined Benefit Plans (Note 25)	11,847	8,038	74
Total Accumulated Other Comprehensive Income	(75,988)	(179,559)	(475)
Non-Controlling Interests	14,820	14,217	92
Total Net Assets	1,637,718	1,512,438	10,245
Total Liabilities and Net Assets	46,866,489	48,238,888	293,190

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Income

Shinkin Central Bank For the year ended March 31,	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2026	2025	2026
Income			
Interest Income:	570,688	399,819	3,570
Interest on Loans and Bills Discounted	78,420	39,845	490
Interest on Due from Banks	84,945	45,089	531
Interest on Bills Bought and Call Loans	5,882	5,205	36
Interest on Receivables under Resale Agreements	258	77	1
Interest on Receivables under Securities Borrowing Transactions	53	18	0
Interest and Dividends on Securities	394,999	304,493	2,471
Others	6,128	5,090	38
Trust Fees	2,493	2,581	15
Fees and Commissions (Note 17)	48,826	46,048	305
Trading Income (Note 18)	4,524	12,421	28
Other Operating Income	33,284	17,729	208
Other Income (Note 20)	6,570	3,983	41
Total Income	666,388	482,583	4,168
Expenses			
Interest Expenses:	464,694	318,691	2,907
Interest on Deposits	156,715	80,050	980
Interest on Debentures	5,122	2,697	32
Interest on Borrowed Money	2,524	1,671	15
Interest on Bills Sold and Call Money	14,630	4,382	91
Interest on Payables under Repurchase Agreement	75,932	61,439	475
Interest on Payables under Securities Lending Transactions	120,964	117,939	756
Others	88,804	50,511	555
Fees and Commissions (Note 17)	17,349	16,619	108
Trading Losses (Note 19)	116	-	0
Other Operating Expenses	60,065	28,200	375
General and Administrative Expenses	63,551	60,364	397
Other Expenses (Note 21)	1,438	400	9
Total Expenses	607,217	424,276	3,798
Profit before Income Taxes	59,171	58,307	370
Income Taxes (Note 24):			
Current	16,090	15,783	100
Deferred	(333)	(448)	(2)
Total Income Taxes	15,756	15,334	98
Profit	43,414	42,972	271
Profit Attributable to Non-Controlling Interests	408	523	2
Profit Attributable to Owners of Parent	43,006	42,449	269

	Yen		U.S. Dollars (Note 1)
	2026	2025	2026
Net Income per Share (Note 33)	4,694.61	4,630.70	29.36
Dividend Declared per Share (General Common Shares)	3,000.00	3,000.00	18.76
Dividend Declared per Share (Specific Common Shares)	1,500.00	1,500.00	9.38
Dividend Declared per Share (Preferred Shares)	6,500.00	6,500.00	40.66

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

Shinkin Central Bank For the year ended March 31,	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2026	2025	2026
Profit	43,414	42,972	271
Other Comprehensive Income (Note 22)	104,601	(68,907)	654
Net Unrealized Gains (Losses) on Other Securities	(87,601)	(112,104)	(548)
Deferred Gains or Losses on Hedges	187,472	37,211	1,172
Land Revaluation Excess	-	(151)	-
Foreign Currency Translation Adjustments	592	1,044	3
Remeasurements of Defined Benefit Plans	4,137	5,091	25
Comprehensive Income	148,016	(25,934)	925
Comprehensive Income Attributable to Owners of Parent	147,279	(26,721)	921
Comprehensive Income Attributable to Non-Controlling Interests	736	786	4

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Changes in Net Assets

Shinkin Central Bank For the year ended March 31, 2026

Millions of Yen

	Shareholders' Equity			
	Common Shares and Preferred Shares	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at Beginning of Year	890,998	100,678	686,104	1,677,781
Changes during the Fiscal Year				
Surplus Dividends			(22,603)	(22,603)
Profit Attributable to Owners of Parent			43,006	43,006
Reversal of Land Revaluation Excess			701	701
Net Changes in Items Other Than Shareholders' Equity during the Fiscal Year				
Total Changes during the Fiscal Year	-	-	21,104	21,104
Balance at End of Year	890,998	100,678	707,209	1,698,886

	Accumulated Other Comprehensive Income						Non-Controlling Interests	Total Net Assets
	Net Unrealized Gains (Losses) on Other Securities	Deferred Gains or Losses on Hedges	Land Revaluation Excess	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance at Beginning of Year	(383,519)	181,425	14,621	(124)	8,038	(179,559)	14,217	1,512,438
Changes during the Fiscal Year								
Surplus Dividends								(22,603)
Profit Attributable to Owners of Parent								43,006
Reversal of Land Revaluation Excess								701
Net Changes in Items Other Than Shareholders' Equity during the Fiscal Year	(87,601)	187,472	(701)	592	3,809	103,571	603	104,174
Total Changes during the Fiscal Year	(87,601)	187,472	(701)	592	3,809	103,571	603	125,279
Balance at End of Year	(471,120)	368,898	13,919	467	11,847	(75,988)	14,820	1,637,718

	Shareholders' Equity			
	Common Shares and Preferred Shares	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at Beginning of Year	5,573	629	4,292	10,495
Changes during the Fiscal Year				
Surplus Dividends			(141)	(141)
Profit Attributable to Owners of Parent			269	269
Reversal of Land Revaluation Excess			4	4
Net Changes in Items Other Than Shareholders' Equity during the Fiscal Year				
Total Changes during the Fiscal Year	-	-	132	132
Balance at End of Year	5,573	629	4,424	10,628

	Accumulated Other Comprehensive Income						Non-Controlling Interests	Total Net Assets
	Net Unrealized Gains (Losses) on Other Securities	Deferred Gains or Losses on Hedges	Land Revaluation Excess	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance at Beginning of Year	(2,399)	1,134	91	(0)	50	(1,123)	88	9,461
Changes during the Fiscal Year								
Surplus Dividends								(141)
Profit Attributable to Owners of Parent								269
Reversal of Land Revaluation Excess								4
Net Changes in Items Other Than Shareholders' Equity during the Fiscal Year	(548)	1,172	(4)	3	23	647	3	651
Total Changes during the Fiscal Year	(548)	1,172	(4)	3	23	647	3	783
Balance at End of Year	(2,947)	2,307	87	2	74	(475)	92	10,245

	Shareholders' Equity			
	Common Shares and Preferred Shares	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at Beginning of Year	890,998	100,678	663,282	1,654,959
Changes during the Fiscal Year				
Surplus Dividends			(19,628)	(19,628)
Profit Attributable to Owners of Parent			42,449	42,449
Net Changes in Items Other Than Shareholders' Equity during the Fiscal Year				
Total Changes during the Fiscal Year	-	-	22,821	22,821
Balance at End of Year	890,998	100,678	686,104	1,677,781

	Accumulated Other Comprehensive Income						Non-Controlling Interests	Total Net Assets
	Net Unrealized Gains (Losses) on Other Securities	Deferred Gains or Losses on Hedges	Land Revaluation Excess	Foreign Currency Translation Adjustments	Remeasurements of Defined Benefit Plans	Total Accumulated Other Comprehensive Income		
Balance at Beginning of Year	(271,415)	144,213	14,772	(1,169)	3,210	(110,388)	13,497	1,558,068
Changes during the Fiscal Year								
Surplus Dividends								(19,628)
Profit Attributable to Owners of Parent								42,449
Net Changes in Items Other Than Shareholders' Equity during the Fiscal Year	(112,104)	37,211	(151)	1,044	4,827	(69,171)	720	(68,451)
Total Changes during the Fiscal Year	(112,104)	37,211	(151)	1,044	4,827	(69,171)	720	(45,629)
Balance at End of Year	(383,519)	181,425	14,621	(124)	8,038	(179,559)	14,217	1,512,438

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flows

Shinkin Central Bank For the year ended March 31,	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2026	2025	2026
Cash Flows from Operating Activities:			
Profit before Income Taxes	59,171	58,307	370
Depreciation	11,510	10,948	72
Increase (Decrease) in Reserve for Possible Loan Losses	679	(848)	4
Increase (Decrease) in Reserve for Employee Bonuses	68	78	0
Increase (Decrease) in Reserve for Directors' Bonuses	3	(7)	0
Increase (Decrease) in Net Defined Benefit Liability	(6,467)	(7,319)	(40)
Increase (Decrease) in Reserve for Directors' Retirement Allowances	(3)	(24)	(0)
Interest Income	(570,688)	(399,819)	(3,570)
Interest Expenses	464,694	318,691	2,907
Net Losses (Gains) on Securities	55,696	23,732	348
Net Losses (Gains) on Money Held in Trust	(18)	117	(0)
Net Losses (Gains) on Foreign Exchange	(427,503)	47,933	(2,674)
Net Losses (Gains) on Disposal of Fixed Assets	(3,026)	272	(18)
Net Decrease (Increase) in Trading Assets	(336,989)	(227,601)	(2,108)
Net Increase (Decrease) in Trading Liabilities	238,289	133,188	1,490
Net Increase (Decrease) in Trading Payables	(11,910)	9,349	(74)
Net Decrease (Increase) in Loans and Bills Discounted	(2,948,408)	(427,377)	(18,444)
Net Increase (Decrease) in Deposits	(1,827,917)	(1,759,290)	(11,435)
Net Increase (Decrease) in Debentures	(21,100)	(51,760)	(131)
Net Increase (Decrease) in Borrowed Money (Excluding Subordinated Borrowings)	(749,300)	(782,700)	(4,687)
Net Decrease (Increase) in Due from Banks (Excluding Due from Central Bank)	96,086	(74,102)	601
Net Decrease (Increase) in Call Loans and Others	(72,839)	(217,185)	(455)
Net Decrease (Increase) in Receivables under Securities Borrowing Transactions	-	10,944	-
Net Increase (Decrease) in Call Money and Others	209,931	2,391,601	1,313
Net Increase (Decrease) in Payables under Securities Lending Transactions	214,297	637,534	1,340
Net Decrease (Increase) in Monetary Claims Bought	56,127	13,826	351
Net Decrease (Increase) in Foreign Exchanges (Assets)	(8,607)	(1,729)	(53)
Net Increase (Decrease) in Foreign Exchanges (Liabilities)	337	(22)	2
Net Increase (Decrease) in Due to Trust Accounts	(3,208)	(1,440)	(20)
Interest Received	753,966	512,646	4,716
Interest Paid	(628,401)	(429,643)	(3,931)
Other, Net	202,088	615,813	1,264
Sub-total	(5,253,443)	404,114	(32,864)
Income Taxes Paid	(15,570)	(4,671)	(97)
Net Cash Provided by (Used in) Operating Activities	(5,269,014)	399,442	(32,962)
Cash Flows from Investing Activities:			
Acquisitions of Securities	(3,462,395)	(5,829,763)	(21,660)
Proceeds from Sale of Securities	1,016,348	2,519,473	6,358
Proceeds from Redemption of Securities	1,624,586	2,027,310	10,163
Increase in Money Held in Trust	(2,000)	(5,000)	(12)
Decrease in Money Held in Trust	2,018	34,853	12
Acquisitions of Tangible Fixed Assets	(5,531)	(5,886)	(34)
Acquisitions of Intangible Fixed Assets	(4,802)	(13,212)	(30)
Proceeds from Sales of Tangible Fixed Assets	200	-	1
Net Cash Provided by (Used in) Investing Activities	(831,575)	(1,272,224)	(5,202)
Cash Flows from Financing Activities:			
Dividends Paid	(22,603)	(19,628)	(141)
Dividends Paid to Non-Controlling Interests	(133)	(66)	(0)
Net Cash Provided by (Used in) Financing Activities	(22,737)	(19,694)	(142)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	(0)	-
Net Increase (Decrease) in Cash and Cash Equivalents	(6,123,326)	(892,476)	(38,306)
Cash and Cash Equivalents at Beginning of Period	18,351,168	19,243,645	114,802
Cash and Cash Equivalents at End of Period (Note 2 (2))	12,227,841	18,351,168	76,495

The accompanying notes are an integral part of these financial statements.

Notes to Consolidated Financial Statements

1. Basis of Presentation:

The accompanying consolidated financial statements have been prepared from the accounts maintained by Shinkin Central Bank (the “Bank”) and its consolidated subsidiaries in accordance with accounting principles and practices generally accepted in Japan that are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements have been reclassified for the convenience of readers outside Japan. The amounts in Japanese yen are presented in millions of yen by rounding down figures. As a result, the totals in yen shown in the consolidated financial statements do not necessarily agree with the sums of the individual account balances.

U.S. dollar amounts represent the arithmetical results of translating original Japanese yen amounts of the respective account balances to U.S. dollars on a basis of ¥159.85 to U.S.\$1, the exchange rate prevailing as of March 31, 2026. The amounts in U.S. dollars are presented in millions of U.S. dollars by rounding down figures. As a result, the totals in U.S. dollars shown in the consolidated financial statements do not necessarily agree with the sums of the individual account balances. The U.S. dollar amounts are included solely for the convenience of readers outside Japan and this translation should not be construed as representation that Japanese yen amounts have been or could be readily converted, realized or settled in U.S. dollars at that or at any other rates.

2. Significant Accounting Policies:

(1) Principles of Consolidation

The consolidated financial statements include the accounts of the Bank and its nine consolidated subsidiaries as of March 31, 2026 listed below:

Name	Location	Ownership Percentage
The Shinkin Banks Information		
System Center Co., Ltd.	Tokyo	50.7%
Shinkin International Ltd.	London	100%
Shinkin Chukin Business Co., Ltd.	Tokyo	100%
Shinkin Asset Management Co., Ltd.	Tokyo	100%
Shinkin Securities Co., Ltd.	Tokyo	100%
Shinkin Capital Co., Ltd.	Tokyo	100%
Shinkin Guarantee Co., Ltd.	Tokyo	100%
Shinkin Singapore Pte. Ltd.	Singapore	100%
Shinkin Regional Innovation Co., Ltd.	Tokyo	100%

Unconsolidated subsidiaries

Shinkin no Tsubasa Investment Limited Partnership
Shinkin no Ishizue Investment Limited Partnership
Shinkin no Tsubasa No. 2 Investment Limited Partnership
Shinkin Decarbonization Support Fund Investment Limited Partnership
Shinkin Disaster Prevention Support Fund Investment Limited Partnership
Shinkin Reconstruction Support Fund Investment Limited Partnership

Unconsolidated subsidiaries are excluded from the scope of consolidation because their total assets, total income, net income (amount based on the equity method), retained earnings (amount based on the equity method) and accumulated other comprehensive

income (amount based on the equity method) are immaterial and do not hinder a rational judgment of the Bank’s financial condition and results of operation when excluded from the scope of consolidation.

The fiscal year and the closing date thereof for the financial statements of the consolidated subsidiaries are consistent with those of the Bank, except for Shinkin International Ltd. and Shinkin Singapore Pte. Ltd., which have a fiscal year ending on December 31. For the consolidation of these subsidiaries, the Bank makes appropriate adjustments for any material transactions subsequent to December 31.

All significant intercompany balances and transactions have been eliminated in consolidation. The Bank’s share of net assets of subsidiaries is valued at fair value on acquisition. Non-controlling interests in net assets of subsidiaries are valued at fair value on acquisition in the consolidated financial statements. The excess of the cost over the fair value of the underlying net equity in subsidiaries on acquisition is expensed when incurred.

The application of equity-method to unconsolidated subsidiaries and affiliates is as follows:

Non-consolidated equity-method subsidiaries: N/A
Affiliated equity-method companies: N/A

Unconsolidated subsidiaries that are not accounted for by the equity method:

Shinkin no Tsubasa Investment Limited Partnership
Shinkin no Ishizue Investment Limited Partnership
Shinkin no Tsubasa No. 2 Investment Limited Partnership
Shinkin Decarbonization Support Fund Investment Limited Partnership
Shinkin Disaster Prevention Support Fund Investment Limited Partnership
Shinkin Reconstruction Support Fund Investment Limited Partnership

Unconsolidated subsidiaries that are not accounted for by the equity method are excluded from the scope of equity method because their effect on the accompanying consolidated financial statements, in terms of net income (amount based on the equity method) and retained earnings (amount based on the equity method), would not be material.

Affiliated companies to which the equity method is not applied due to immateriality:

Aozora Loan Services Co., Ltd.

(2) Cash and Cash Equivalents

In the consolidated statement of cash flows, “Cash and Cash Equivalents” consist of Cash and Due from Central Bank.

Reconciliation between Cash and Due from Banks in the consolidated balance sheet and Cash and Cash Equivalents at March 31, 2026 and 2025 is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Cash and Due from Banks	12,900,333	19,119,691	80,702
Due from Banks (Excluding Due from Central Bank)	(672,491)	(768,522)	(4,207)

Cash and Cash Equivalents	12,227,841	18,351,168	76,495
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(3) Trading Assets and Liabilities

Transactions for “Trading Purposes” (for purposes of seeking to capture gains arising from short-term changes in interest rates, currency exchange rates or market prices of financial instruments and other market related indices or from gaps among markets) are included in “Trading Assets” and “Trading Liabilities” on the consolidated balance sheet on a trade date basis. In addition, gains and losses from “Trading Assets” and “Trading Liabilities” are recorded as “Trading Income” and “Trading Losses” on the consolidated statement of income on a trade date basis.

Securities and Monetary Claims Bought for trading purposes are stated at fair value at the fiscal year end. Trading-related financial derivatives such as swaps, futures and options are stated at the amounts that would have been delivered for settlement as of the fiscal year end date.

(4) Financial Instruments

(i) Securities

The Bank and its consolidated subsidiaries classify securities into three categories: held-to-maturity debt securities, investments in affiliates that are not accounted for by the equity method, and other securities. Held-to-maturity debt securities are stated at cost amortized by the straight-line method using the moving-average method. Investments in affiliates that are not accounted for by the equity method are stated at cost using the moving-average method. Other securities are stated at fair value (and the cost of securities sold is mainly determined using the moving-average method). Stocks and other equity securities with no market prices are stated at cost using the moving-average method.

The full amount of net unrealized gains or losses on other securities is recorded directly within Net Assets.

Securities included as trust property in “Money Held in Trust” are stated in the same manner as above.

(ii) Derivative Transactions

Derivative transactions are stated at fair value.

(iii) Hedge Accounting

(a) Hedge of Interest Rate Risk

The Bank applies the deferred method of hedge accounting described in the Japanese Institute of Certified Public Accountants (JICPA) Industry Committee Practical Guidelines No. 24, March 17, 2022 “Accounting and Auditing Treatment of Accounting Standards for Financial Instruments in Banking Industry” to transactions to hedge against interest rate risk arising from the financial assets and liabilities.

Effectiveness of a fair value hedge is assessed for each of the identified group of hedged items such as loans and deposits, and corresponding group of hedging instruments such as interest rate swaps with the same maturity bucket. Effectiveness of a cash flow hedge is assessed based on the correlation between an interest rate risk factor of the hedged items and that of the hedging instruments.

For certain assets and liabilities, the exceptional treatment for interest rate swaps is applied.

(b) Hedge of Foreign Exchange Fluctuation Risk

The deferred method of hedge accounting is applied to transactions to hedge against foreign exchange fluctuation risks associated with monetary assets and liabilities denominated in foreign currencies in

accordance with the regulations set forth in JICPA Industry Committee Practical Guidelines No. 25, October 8, 2020 “Accounting and Auditing Treatment of Accounting Standards for Foreign Currency Transactions in the Banking Industry.”

To minimize foreign exchange fluctuation risk on monetary assets and liabilities, the Bank has engaged in currency swaps, foreign exchange swaps, and similar transactions. Effectiveness of these transactions in the hedging of foreign exchange risks of monetary assets and liabilities denominated in foreign currencies is assessed through comparison of the foreign currency position of the hedged monetary assets and liabilities and that of the hedging instruments.

The Bank has also applied fair value hedge accounting to the foreign exchange risk of other securities in foreign currency (other than bonds) when the hedged foreign currency securities are specified prior to the commencement of transactions, and there exists spot and forward liabilities exceeding the acquisition costs of the foreign currency securities designated as hedged items on a foreign currency basis.

(c) Internal Derivative Transactions

Internal derivative transactions between trading accounts and other accounts, which are designated as hedges, are not eliminated and related gains and losses are recognized in the consolidated statement of income or deferred under hedge accounting because the internal interest rate swaps and currency swaps transactions, etc. designated as hedging instruments are conducted in a manner without any subjectivity and are appropriately executed by cover transactions conducted in accordance with the standard articulated by Industry Committee Practical Guidelines No. 24 and No. 25.

(5) Tangible Fixed Assets (excluding Leased Assets)

Tangible fixed assets of the Bank are depreciated by the declining balance method. However, buildings acquired on or after April 1, 1998 (excluding facilities installed in buildings), and facilities installed in buildings and structures that are acquired on or after April 1, 2016, are depreciated by the straight-line method.

The estimated useful lives of major items are as follows:

Buildings 5 to 50 years

Others 3 to 20 years

Tangible fixed assets of consolidated subsidiaries are, in principle, depreciated by the declining balance method, based on their estimated useful lives.

(6) Intangible Fixed Assets (excluding Leased Assets)

Intangible fixed assets are amortized by the straight-line method. The costs of software for internal use are amortized by the straight-line method, mainly 5 years period (the estimated useful life of the software).

(7) Leased Assets

Leased assets of Tangible Fixed Assets and Intangible Fixed Assets related to finance leases that do not transfer ownership are depreciated by the straight-line method with estimated useful lives equal to lease terms, and zero residual values.

(8) Deferred Debenture Charges

Debenture charges are expensed in the fiscal year of issuance.

(9) Reserve for Possible Loan Losses

Reserve for possible loan losses of the Bank is provided in accordance with the internal rules for self-assessments of asset quality and write-offs and provisioning criteria predetermined by the Bank as follows:

The amounts of write-offs and provisions are calculated based on the result of self-assessments of the borrower classification, etc. The Bank has the credit risk rating system as a method for assessing credit risk to determine the borrower classification appropriately. Based on this system, the borrower classification for self-assessments is determined. The credit rating evaluates the degree of a borrower's creditworthiness, such as its debt servicing capacity, and classifies the borrower on a scale of 10. The classification reflects qualitative factors such as the evaluation of industry in which the borrower operates business and competitiveness within the industry, in addition to the quantitative evaluation based on the borrower's financial information. The credit rating is reviewed on a regular basis once a year, and is also reviewed as needed, such as when there are changes in the creditworthiness of the borrower.

The reserve is provided for loans to borrowers who are classified as substantially bankrupt or who are bankrupt in the legal sense as a result of the self-assessment of asset quality, at 100% of the carrying value remaining after write-offs and deducting the amount expected from the realization of collateral and the execution of guarantees. In addition, a reserve is provided for loans to borrowers who are not currently bankrupt but are highly likely to go bankrupt ("Probably Bankrupt Borrowers"). In such cases, the reserve is provided at the amount deemed necessary based on the borrower's debt servicing capacity after deducting the amount expected from the realization of collateral and the execution of guarantees.

The Bank calculates the amount of reserve by the cash flow estimation method. For borrowers classified as Probably Bankrupt Borrowers, borrowers who have restructured loans ("Intensive Control Borrowers") or other borrowers who warrant special attention for future management ("Other Special Attention Borrowers") with receivables exceeding a threshold amount and to whom loan receivables are renegotiated, the amount of reserve for possible loan losses is set at the difference between the book values of the loans and the amounts calculated by discounting, by the original contractual interest rates, cash flows that are reliably estimated based on the repayment plan prepared by the borrowers, creditworthiness, the Bank's lending policies and default rates based on the creditworthiness of the borrower.

For all other loans to Intensive Control Borrowers and Other Special Attention Borrowers, the Bank estimates the amount of expected losses over the next three years. The amount of expected losses is calculated by determining the expected loss ratio based on the average of the historical charge-off ratios over the past three years, and adding necessary adjustments such as future prospects.

For the borrowers (Performing) who are recognized to have good business performance and no particular financial problems, a reserve is expected for the next one year and provided based on the ratio of the average value of the bad debt rate calculated by the bad debt record for one year with necessary adjustments such as future prospects.

All claims are assessed by the Operating Related Division based on internal rules for self-assessments of asset quality. Subsequently, the Asset Auditing Division, that is independent from the Operating Related Division, audits these self-assessments. The reserve is provided based on the results of the assessments.

For loans to Bankrupt Borrowers and Substantially Bankrupt Borrowers, amounts deemed uncollectible, which are calculated after

deduction of expected collection from the realization of collateral and the execution of guarantees, are written off. The amount written off was ¥192 million (\$1 million) as of March 31, 2026 and ¥192 million as of March 31, 2025.

Reserve for possible loan losses of the consolidated subsidiaries for general claims is provided as the amounts deemed necessary based on the default rate calculated from actual default during a certain period in the past, and for doubtful claims as the amounts deemed uncollectible based on the assessment of each claim.

(10) Reserve for Employee Bonuses

Reserve for Employee Bonuses is set aside at the portion of the amount of estimated bonus payments to employees that corresponds to this fiscal year.

(11) Reserve for Directors' Bonuses

Reserve for Directors' Bonuses is set aside at the portion of the amount of estimated bonus payments to directors and corporate auditors that is attributable to this fiscal year.

(12) Reserve for Directors' Retirement Allowances

Reserve for Directors' Retirement Allowances is calculated based on the estimated allowances to be paid up to the end of this fiscal year.

(13) Reserve under Specific Law

This reserve amount is calculated pursuant to Article 46-5, Paragraph 1 of the "Financial Instruments and Exchange Act" and Article 175 of the "Cabinet Office Ordinance on Financial Instruments Business" to indemnify any losses incurred from accidents in the conduct of market derivative transactions on behalf of clients.

(14) Employees' Retirement Benefits

The Bank accounted for retirement benefit obligation based on the projected benefit obligations. The projected benefit obligations are attributed to periods on a benefit formula basis. The methods for amortizing prior service costs and actuarial differences are as follows: Prior service costs:

Prior service costs are amortized, using the straight-line method over a certain number of years (10 years) within the average remaining service period of current employees at the time the cost is incurred.

Actuarial differences:

Actuarial differences are amortized from the following year, using the straight-line method over a certain number of years (10 years) within the average remaining service period of current employees at each time the cost is incurred.

Certain consolidated subsidiaries calculate the net defined benefit liability and retirement benefit cost using the simplified method which assumes the retirement benefit obligation to be equal to the amount necessary to pay for the voluntary resignation for all employees at the fiscal year-end.

(15) Revenue Recognition

Trust Fees mainly arise from trustee services for trust assets and are recorded as revenue over the period of the services.

(16) Translation of Foreign Currency-Denominated Assets and Liabilities

Foreign currency-denominated assets and liabilities are translated into Japanese yen at exchange rates prevailing at the end of the fiscal year. Foreign currency-denominated assets and liabilities of consolidated

subsidiaries are translated into Japanese yen at exchange rates prevailing at the end of the fiscal year.

(17) Consumption Tax

National and local consumption tax incurred by the Bank and its domestic consolidated subsidiaries are excluded from transaction amounts. However, national and local consumption tax paid on purchases of tangible fixed assets and intangible fixed assets, which are not deductible as a tax credit, are expensed in the fiscal year in which payment is due.

(18) Amortization of Goodwill

Goodwill is fully amortized in the fiscal year incurred.

(19) Accounting Principles and Procedures Adopted when the Provisions of Relevant Accounting Standards, etc. are not Clear
Contract cancellation revenue and gains on redemptions of investment trusts are included in “Interest Income (Interest and Dividends on Securities)” and losses on cancellation and redemptions of investment trusts are included in “Other Operating Expenses” in the consolidated statement of income.

(20) Significant Accounting Estimates

Reserve for Possible Loan Losses

(i) The amount recorded in the consolidated financial statements for the fiscal years ended March 31, 2026 and 2025.

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Reserve for Possible Loan Losses	23,667	22,988	148

(ii) Other information for users of the consolidated financial statements to understand the details of accounting estimates

(1) Method of calculation of the amounts recorded in the consolidated financial statements for the current fiscal year

Method of calculation is described in the “Note 2 Significant Accounting Policies (9) Reserve for Possible Loan Losses.”

(2) Key assumptions used for the calculation of the amounts recorded in the consolidated financial statements for the current fiscal year

The key assumptions are “future performance outlooks of borrowers in determining borrower classification” and “inputs used in the cash flow estimation method.”

Future performance outlooks of borrowers in determining borrower classification are set based on the financial condition, industry characteristics, debt servicing capacity, borrower’s repayment performance, as well as future business environment outlook, among other factors.

The Bank calculates the amount of reserve for possible loan losses by applying the cash flow estimation method if the borrowers are classified as Probably Bankrupt Borrowers, Intensive Control Borrowers or Other Special Attention Borrowers with receivables above a threshold amount. Inputs used in the cash flow estimation method include the repayment schedule prepared by the borrower, creditworthiness, the Bank’s lending policies and default rates based on the creditworthiness of the borrower.

(3) Impact on the consolidated financial statements for the following fiscal year

If the assumptions used in the initial estimate are changed due to changes in the financial condition or business environment of borrowers, the key assumptions may materially affect the reserve for possible loan losses to be recorded in the consolidated financial statements for the following fiscal year.

(21) Accounting Standards Issued but not yet Adopted

“Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024)

“Implementation Guidance on Accounting Standard for Leases”

(ASBJ Guidance No. 33, September 13, 2024)

and other related amendments to ASBJ Statements, ASBJ Guidance, Practical Solutions, and Transferred Guidance.

(i) Overview

Like international accounting standards, the new standards require lessees to recognize assets and liabilities for all lease transactions.

(ii) Effective date

The Bank will apply these accounting standards from the beginning of the fiscal year ending March 31, 2028.

(iii) Effects of the application of the standards

The Bank has not yet determined the effects of these new standards on the consolidated financial statements.

3. Trading Assets:

The details of Trading Assets as of March 31, 2026 and 2025 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Trading Account Securities	46,516	27,865	291
Derivatives of Securities related to Trading Transactions	0	—	0
Trading-Related Financial Derivatives	668,960	362,580	4,184
Other Trading Assets	199,880	187,922	1,250
Total	915,357	578,367	5,726

4. Securities:

The details of Securities as of March 31, 2026 and 2025 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Japanese Government Bonds	5,705,467	5,548,701	35,692
Municipal Government Bonds	1,648,407	1,758,510	10,312
Corporate Bonds	1,197,544	1,497,353	7,491
Stocks	95,581	76,181	597
Others	9,518,169	8,173,005	59,544
Total	18,165,169	17,053,752	113,638

Notes:

1. Stocks include investments in affiliated companies totaling ¥189 million (\$1 million) as of March 31, 2026 and 2025.
2. Others include common shares and investment in unconsolidated subsidiaries totaling ¥15,041 million (\$94 million) as of March 31, 2026 and ¥11,327 million as of March 31, 2025. Others also include preferred shares issued by Shinkin Banks which were contributed in accordance with the Shinkin Bank Management Reinforcement System. The amount was ¥123,279 million (\$771 million) as of March 31, 2026 and ¥130,119 million as of March 31, 2025. Others also include foreign bonds and equities.

5. Status of Claims:

Claims under the Shinkin Bank Act and the Act on Emergency Measures for the Revitalization of the Financial Functions are as follows:

Claims consist of items recorded in Corporate Bonds in “Securities” (limited to those Corporate Bonds for which redemption of the principal and payment of interest are fully or partially guaranteed and which are issued through private placement of securities (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), Loans and Bills Discounted, Foreign Exchanges Assets, Accrued Interest and Suspense Payments in “Other Assets,” and Customers’ Liabilities for Acceptances and Guarantees in the consolidated balance sheet, as well as other securities disclosed as loaned securities in footnote (limited to those loaned under a loan-for-use or lease agreement).

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Bankrupt and Quasi-Bankrupt Claims	499	162	3
Doubtful Claims	2,026	2,952	12
Loans Past Due Three Months or More	—	10	—
Restructured Loans	18,452	18,371	115
Total	20,978	21,497	131

Bankrupt and Quasi-Bankrupt Claims represent claims held against borrowers with failed business status due to the grounds such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or commencement of rehabilitation proceedings, and any other type of claims equivalent thereto.

Doubtful Claims represent claims whose borrower is not yet in the status of failure in business although such borrower’s financial condition and business performance are worsening, and for which it is highly likely that the collection of principal or receipt of interest in accordance with the contract is impossible, other than Bankrupt and Quasi-Bankrupt Claims.

Loans Past Due Three Months or More represent loans for which payment of the principal or interest is delinquent for the period of three months or longer from the day immediately after the contractual due date, other than Bankrupt and Quasi-Bankrupt Claims and Doubtful Claims.

Restructured Loans represent loans for which an arrangement favorable for the borrower has been made, such as reduction or exemption of interests, granting of grace period for payment of interest, granting of grace period for payment of principal, waiver of claims, other than Bankrupt and Quasi-Bankrupt Claims, Doubtful Claims, and Loans Past Due Three Months or More.

The above amounts are the amounts before exclusion of reserves for possible loan losses.

6. Loans and Bills Discounted:

Loans include subordinated loans with a lower priority for repayment of principal and interests than that of other debt claims. The amount was ¥9,000 million (\$56 million) as of March 31, 2026 and ¥9,000 million as of March 31, 2025. Of these amounts, none as of March 31, 2026 and 2025 were provided to Shinkin Banks in accordance with the Shinkin Bank Management Reinforcement System.

Bills Discounted are accounted for as financial transactions in accordance with Industry Committee Practical Guidelines No. 24. The face value of bills of lading amounted to ¥9 million (\$0 million) as of March 31, 2026 and ¥47 million as of March 31, 2025. The Bank has the right to freely dispose of, sell or re-hypothecate such bills.

With respect to loan participation, in accordance with “The Accounting and Presentation of Loan Participations” (Transferred Guidance No. 1, July 1, 2024), the amount of the participation principal is accounted for as a loan to the original borrower, and this amounted to ¥7,264 million (\$45 million) as of March 31, 2026 and ¥2,331 million as of March 31, 2025.

7. Commitments to Overdrafts and Loans:

Commitments related to overdrafts and loans represent agreements to extend overdrafts or loans up to a pre-agreed amount at the customer's request as long as there is no violation of the conditions stipulated in relevant agreements.

The amount of unused loan commitments may not necessarily have a material effect on the future cash flows of the Bank because most of these loan commitments expire without being drawn down. Most of these agreements have provisions which stipulate that the Bank may not extend the loan or may decrease the amount of commitment when there are certain changes in the financial conditions, certain issues relating to credit protection and other reasons. The Bank limits the commitment to an amount not exceeding the amount of the related customer's time deposit. The Bank periodically checks the financial condition of its customers based on its internal rules and performs certain actions to secure loans or revises the contracts, as necessary.

The amounts of unused loan commitments are ¥24,309,219 million (\$152,075 million) as of March 31, 2026 and ¥25,597,149 million as of March 31, 2025.

The amounts which the Bank could unconditionally cancel at any time or of which the original contractual maturity is less than one year are ¥24,108,823 million (\$150,821 million) as of March 31, 2026 and ¥25,406,350 million as of March 31, 2025.

8. Special Contracts for Securities and Cash-Collateralized Securities Lending and Borrowings:

Securities lending based on non-collateralized special contracts (securities lending and borrowings) are stated as Japanese Government Bonds in "Securities." The total amount was ¥189,990 million (\$1,188 million) as of March 31, 2026 and ¥118,525 million as of March 31, 2025.

Those held by the Bank without being disposed of as of March 31, 2026 amounted to ¥101,857 million (\$637 million) and as of March 31, 2025 amounted to ¥121,108 million.

9. Tangible Fixed Assets:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Accumulated Depreciation on Tangible Fixed Assets	107,564	105,082	672
Accumulated Deferred Gains on Tangible Fixed Assets	1,754	1,764	10
(Deferred Gains recognized for the fiscal year)	(—)	(—)	(—)

10. Assets Pledged as Collateral and Associated Liabilities:

Assets pledged as collateral for the fiscal years ended March 31, 2026 and 2025 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Assets Pledged as Collateral			
Trading Assets	35,720	20,062	223
Securities	7,973,361	8,340,109	49,880
Loans and Bills Discounted	5,465,299	2,674,960	34,190
Total	13,474,381	11,035,132	84,293

Liabilities associated with Assets Pledged as Collateral

Borrowed Money	3,598,000	4,347,300	22,508
Call Money	550,000	200,000	3,440
Payables under Repurchase Agreements	2,703,350	2,680,937	16,911
Payables under Securities Lending Transactions	3,002,928	2,788,631	18,785

Securities in the amount of ¥1,844,365 million (\$11,538 million) as of March 31, 2026 and ¥1,594,364 million as of March 31, 2025 were pledged as collateral for exchange settlement transactions, etc. or as substitute for margin in futures transactions, etc. There were no Cash and Due from Banks pledged as collateral for exchange settlement transactions, etc. or as substitute for margin in futures transactions, etc. as of March 31, 2026 (¥128 million as of March 31, 2025). There were no assets pledged through GC repo transactions of Japanese Government Bonds (JGBs) under the subsequent collateral allocation method as of March 31, 2026 (¥1,019,810 million as of March 31, 2025).

Other assets include Guarantee Money, Cash Collateral Pledged for Financial Instruments, and Cash Collateral Pledged for Repurchase Agreement. The amounts are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Guarantee Money	371	522	2
Cash Collateral Pledged for Financial Instruments	689,546	475,576	4,313
Cash Collateral Pledged for Repurchase Agreement	27,964	500	174

11. Trading Liabilities:

The details of Trading Liabilities as of March 31, 2026 and 2025 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Trading Bonds Sold	21,989	19,133	137
Derivatives of Securities Related to Trading Transactions	—	37	—
Trading-Related Financial Derivatives	504,689	269,219	3,157
Total	526,679	288,389	3,294

12. Borrowed Money and Lease Obligations:

Category	Balance as of April 1, 2025 (Millions of Yen)	Balance as of March 31, 2026 (Millions of Yen)	Balance as of March 31, 2026 (Millions of U.S. Dollars)	Average Interest Rate (%)	Maturity
Borrowings	4,347,300	3,598,000	22,508	0.09	—
Borrowed Money	4,347,300	3,598,000	22,508	0.09	Apr. 2026 - Oct. 2028
Lease Obligations Due within One Year	398	469	2	2.54	—
Lease Obligations (Excluding Those Due within One Year)	2,821	2,638	16	2.06	Apr. 2027 - Feb. 2034

Notes:

1. Average interest rates were computed by the weighted average method using the interest rates and the balances at the fiscal year-end.
2. The repayment schedule within five years after the balance sheet date is as follows:

	Millions of Yen				
	Within 1 year	Over 1 year, within 2 years	Over 2 years, within 3 years	Over 3 years, within 4 years	Over 4 years, within 5 years
Borrowed Money	1,075,600	2,097,800	424,600	—	—
Lease Obligations	469	422	358	390	403

	Millions of U.S. Dollars				
	Within 1 year	Over 1 year, within 2 years	Over 2 years, within 3 years	Over 3 years, within 4 years	Over 4 years, within 5 years
Borrowed Money	6,728	13,123	2,656	—	—
Lease Obligations	2	2	2	2	2

13. Debentures:

Issuer	Name of Issue	Issuance Date	Balance as of April 1, 2025 (Millions of Yen)	Balance as of March 31, 2026 (Millions of Yen)	Balance as of March 31, 2026 (Millions of U.S. Dollars)	Coupon Rate (%)	Collateral	Redemption Date
The Bank	No. 365-436 5-year Interest-bearing debentures	Apr. 2020- Mar. 2026	1,230,410	1,229,310	7,690	0.03- 1.93	—	Apr. 2025 - Mar. 2031
The Bank	No. 2 10-year Interest-bearing debentures	Sep. 25, 2015	20,000	—	—	0.52	—	Sep. 26, 2025
Total	—	—	1,250,410	1,229,310	7,690	—	—	—

Note:

The redemption schedule within five years after the balance sheet date is as follows:

Millions of Yen				
Within 1 year	Over 1 year, within 2 years	Over 2 years, within 3 years	Over 3 years, within 4 years	Over 4 years, within 5 years
249,240	263,140	243,440	242,140	231,350

Millions of U.S. Dollars				
Within 1 year	Over 1 year, within 2 years	Over 2 years, within 3 years	Over 3 years, within 4 years	Over 4 years, within 5 years
1,559	1,646	1,522	1,514	1,447

14. Asset Retirement Obligations:

The disclosure of Asset Retirement Obligations is omitted because the amount was one-hundredth or less of the total balance of Liabilities and Net Assets as of April 1, 2025 and as of March 31, 2026.

15. Land Revaluation:

Based on the “Act on the Revaluation of Land” (Act No. 34, promulgated on March 31, 1998), land used for business was revalued. Deferred tax on the revaluation of the land was recorded as “Deferred Tax Liabilities for Land Revaluation” under Liabilities, and unrealized gain on the revaluation of the land, net of deferred tax, was recorded as “Land Revaluation Excess” under Net Assets.

Date of Revaluation: March 31, 1999

Revaluation method in accordance with Article 3, Paragraph 3 of Act No. 34: Revaluations were made based on the method, determined by the Commissioner of the National Tax Administration, which formed the basis for calculating land value taxes (prescribed by the “Land Value Tax Law”), as set forth in Article 2, Item 4 of the “Order for Enforcement of the Act on Revaluation of Land” (Government Ordinance No. 119, dated March 31, 1998), with appropriate adjustments.

16. Trusts with Contracts:

The details of principal amounts of trusts with contracts for compensation of loss of principal for the fiscal years ended March 31, 2026 and 2025 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Money Trust	40,653	43,899	254

17. Fees and Commissions:

The details of Fees and Commissions for the fiscal years ended March 31, 2026 and 2025 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Deposit, Fixed Income Securities and Lending	845	740	5
Exchange Business	841	515	5
Securities Related Business	11,446	11,005	71
Agency Business	1,786	1,819	11
Defined Contribution Plan Business	163	150	1
Guarantee Business	7,622	7,547	47
Trustee Business	24,419	22,881	152
Others	1,700	1,387	10
Income on Fees and Commissions Businesses	48,826	46,048	305
Exchange	169	153	1
Agency Loans Business	275	335	1
Others	16,905	16,129	105
Expenses on Fees and Commissions Businesses	17,349	16,619	108

18. Trading Income:

The details of Trading Income for the fiscal years ended March 31, 2026 and 2025 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Income from Trading Account Securities	495	376	3
Income from Trading-Related Securities	—	14	—
Income from Trading-Related Financial Derivatives	1,966	11,074	12
Other Trading Income	2,063	956	12
Total	4,524	12,421	28

19. Trading Losses:

The details of Trading Losses for the fiscal years ended March 31, 2026 and 2025 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Expenses from Trading-Related Securities	116	—	0
Other Trading Losses	—	—	—
Total	116	—	0

20. Other Income:

The details of Other Income for the fiscal years ended March 31, 2026 and 2025 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Gains on Sale of Stocks and Other Securities	2,784	3,132	17
Reversal of Allowance for Loan Losses	—	848	—
Others	3,786	2	23
Total	6,570	3,983	41

21. Other Expenses:

The details of Other Expenses for the fiscal years ended March 31, 2026 and 2025 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Impairment Losses on Equity Securities	—	4	—
Others	1,438	396	9
Total	1,438	400	9

22. Consolidated Statement of Comprehensive Income:

For the fiscal years ended March 31, 2026 and 2025

Reclassification adjustment amount, income taxes and tax effect amount related to Other Comprehensive Income

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Net Unrealized Gains (Losses) on Other Securities:			
The Amount Arising during the Period	(176,439)	(182,247)	(1,103)
Reclassification Adjustment Amount	53,786	21,454	336
Prior to Income Taxes and Tax Effect Adjustment	(122,652)	(160,793)	(767)
Income Taxes and Tax Effect Amount	35,051	48,688	219
Net Unrealized Gains (Losses) on Other Securities	(87,601)	(112,104)	(548)
Deferred Gains or Losses on Hedges:			
The Amount Arising during the Period	220,581	29,155	1,379
Reclassification Adjustment Amount	42,097	24,972	263
Prior to Income Taxes and Tax Effect Adjustment	262,678	54,128	1,643
Income Taxes and Tax Effect Amount	(75,206)	(16,917)	(470)
Deferred Gains or Losses on Hedges	187,472	37,211	1,172
Land Revaluation Excess:			
The Amount Arising during the Period	—	—	—
Reclassification Adjustment Amount	—	—	—
Prior to Income Taxes and Tax Effect Adjustment	—	—	—
Income Taxes and Tax Effect Amount	—	(151)	—
Land Revaluation Excess	—	(151)	—
Foreign Currency Translation Adjustments:			
The Amount Arising during the Period	592	1,044	3
Reclassification Adjustment Amount	—	—	—
Prior to Income Taxes and Tax Effect Adjustment	—	—	—
Income Taxes and Tax Effect Amount	—	—	—
Foreign Currency Translation Adjustments	592	1,044	3
Remeasurements of Defined Benefit Plans:			
The Amount Arising during the Period	6,022	6,660	37
Reclassification Adjustment Amount	(110)	484	(0)
Prior to Income Taxes and Tax Effect Adjustment	5,912	7,145	36
Income Taxes and Tax Effect Amount	(1,774)	(2,053)	(11)
Remeasurements of Defined Benefit Plans	4,137	5,091	25
Other Comprehensive Income	104,601	(68,907)	654

23. Changes in Net Assets:

(1) Class and Number of Shares Outstanding, and Class and Number of Shares of Treasury Shares

	Number of Share Units at April 1, 2025 (Thousand Units)	Increase During the Fiscal Year (Thousand Units)	Decrease During the Fiscal Year (Thousand Units)	Number of Share Units at March 31, 2026 (Thousand Units)
Shares Outstanding				
General Common Shares	4,000	—	—	4,000
Specific Common Shares	4,000	—	—	4,000
Preferred Shares (Type-A)	708	—	—	708
Total	8,708	—	—	8,708
Treasury Shares				
General Common Shares	—	—	—	—
Specific Common Shares	—	—	—	—
Preferred Shares (Type-A)	—	—	—	—
Total	—	—	—	—

(2) Dividends

Dividends paid during the fiscal year ended March 31, 2026

Resolution	Class of Share	Total Dividend Amount (Million Yen)	Amount Per Share (Yen)	Record Date	Effective Date
Annual General Meeting of Shareholders, June 20, 2025	General Common Shares	12,000	3,000	March 31, 2025	June 20, 2025
	Specific Common Shares	6,000	1,500	March 31, 2025	June 20, 2025
	Preferred Shares (Type-A)	4,603	6,500	March 31, 2025	June 20, 2025

Among the dividends whose record date falls within the fiscal year ended March 31, 2026, those whose effective date will fall within the following fiscal year:

Resolution	Class of Share	Total Dividend Amount (Million Yen)	Resource of Dividends	Amount Per Share (Yen)	Record Date	Effective Date
Annual General Meeting of Shareholders, June 24, 2026	General Common Shares	12,000	Retained Earnings	3,000	March 31, 2026	June 24, 2026
	Specific Common Shares	6,000	Retained Earnings	1,500	March 31, 2026	June 24, 2026
	Preferred Shares (Type-A)	4,603	Retained Earnings	6,500	March 31, 2026	June 24, 2026

24. Income Taxes:

(1) Breakdown of Deferred Tax Assets and Liabilities is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Deferred Tax Assets:			
Depreciation	2,211	2,478	13
Reserve for Possible Loan Losses	56	51	0
Net Defined Benefit Liability	6,242	8,064	39
Write-Downs for Securities	1,333	1,333	8
Net Unrealized Gains (Losses) on Other Securities	190,079	154,998	1,189
Tax Loss Carryforwards	17	32	0
Others	4,833	4,050	30
Valuation Allowances	(1,582)	(1,597)	(9)
Total Deferred Tax Assets	203,193	169,412	1,271
Deferred Tax Liabilities:			
Net Unrealized Gains (Losses) on Other Securities	(170)	(142)	(1)
Deferred Gains or Losses on Hedges	(147,983)	(72,778)	(925)
Others	(803)	(384)	(5)
Total Deferred Tax Liabilities	(148,957)	(73,305)	(931)
Net Deferred Tax Assets (Liabilities)	54,235	96,106	339

(2) Reconciliation between the effective statutory tax rate and the actual effective tax rate for the fiscal years ended March 31, 2026 and 2025:

	2026	2025
Statutory effective tax rate	—%	27.92%
(Adjustments)		
Change in Valuation Allowances	—%	0.13%
Dividends received, not taxable	—%	(0.80%)
Increase of Deferred Tax Assets due to changes in tax rate	—%	(0.45%)
Others	<u>—%</u>	<u>(0.51%)</u>
Actual effective income tax rate after the application of tax effect accounting	<u>—%</u>	<u>26.29%</u>

Note:

The disclosure of data for the fiscal year ended March 31, 2026 is omitted as the difference between the effective statutory tax rate and the actual effective tax rate does not exceed 5% of the effective statutory tax rate.

25. Retirement Benefit Plans:

(1) Retirement Benefit Scheme

The Bank and some of its consolidated domestic subsidiaries have a defined benefit plan that offers lump-sum payments upon retirement and contributes to the Employees' Pension Fund for all shinkin banks nationwide.

With regard to notes related to employees' retirement benefits based on a multiple-employer plan, they are included in notes related to employees' retirement benefits based on a defined benefit plan.

(2) Defined Benefit Plan as of March 31, 2026 and 2025 is as follows:

(i) Reconciliation of beginning- and end-of-period balance of Retirement Benefit Obligation

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Retirement Benefit Obligation at Beginning of Period	53,177	63,045	332
Service Cost	2,119	2,629	13
Interest Cost	1,057	560	6
Actuarial Difference Incurred	(6,030)	(10,929)	(37)
Retirement Benefits Paid	(2,070)	(2,128)	(12)
Prior Service Cost	—	—	—
Other	—	—	—
Retirement Benefit Obligation at End of Period	48,254	53,177	301

(ii) Reconciliation of beginning- and end-of-period balance of Pension Plan Assets

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Balance of Pension Plan Assets at Beginning of Period	26,080	28,629	163
Expected Return on Pension Plan Assets	912	1,145	5
Actuarial Difference Incurred	(7)	(4,268)	(0)
Contributions by the Employer and Employees	1,770	1,708	11
Retirement Benefits Paid	(1,131)	(1,134)	(7)
Other	—	—	—
Balance of Pension Plan Assets at End of Period	27,624	26,080	172

(iii) Reconciliation of end-of-period balance of Retirement Benefit Obligation and Pension Plan Assets with Net Defined Benefit Liability and Net Defined Benefit Asset presented on the consolidated balance sheet

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Funded Plan Retirement Benefit Obligation	38,050	42,836	238
Pension Plan Assets	(27,624)	(26,080)	(172)
	10,425	16,756	65
Unfunded Plan Retirement Benefit Obligation	10,204	10,340	63
Net Amount of Liabilities and Assets Presented on the Consolidated Balance Sheet	20,629	27,097	129

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Net Defined Benefit Liability	20,629	27,097	129
Net Defined Benefit Asset	—	—	—
Net Amount of Liabilities and Assets Presented on the Consolidated Balance Sheet	20,629	27,097	129

(iv) Breakdown of Retirement Benefit Expense

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Service Cost	2,119	2,629	13
Interest Cost	1,057	560	6
Expected Return on Pension Plan Assets	(912)	(1,145)	(5)
Amortization of Actuarial Differences	(110)	484	(0)
Amortization of Prior Service Cost	—	—	—
Other	(646)	(623)	(4)
Retirement Benefit Expenses Related to Defined Benefit Plan	1,507	1,906	9

Note:

Other includes the employee contribution amount to the Employees' Pension Fund.

(v) Remeasurements of Defined Benefit Plan

Remeasurements of Defined Benefit Plan (before income taxes and tax effects) comprise the following.

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Prior Service Cost	—	—	—
Actuarial Differences	5,912	7,145	36
Other	—	—	—
Total	5,912	7,145	36

(vi) Accumulated Remeasurements of Defined Benefit Plan

Accumulated Remeasurements of Defined Benefit Plan (before income taxes and tax effects) comprise the following.

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Unrecognized Prior Service Cost	—	—	—
Unrecognized Actuarial Differences	(17,703)	(11,790)	(110)
Other	—	—	—
Total	(17,703)	(11,790)	(110)

(vii) Pension Plan Assets

(a) The ratios by main asset categories in total pension plan assets are as follows:

	2026	2025
Bonds	55 %	57 %
Stocks	31 %	29 %
Cash and Deposits	9 %	10 %
Other	5 %	4 %
Total	100 %	100 %

(b) Method for setting the Expected Long-Term Rate of Return

To set the Expected Long-Term Rate of Return on Pension Plan Assets, the Bank takes into account past return performance and the current and future expected rate of return on the diverse range of assets comprising the pension assets.

(viii) Underlying actuarial assumptions

Main underlying actuarial assumptions as of March 31, 2026 and 2025 are as follows:

	2026	2025
Discount Rate	1.4 – 3.3 %	1.4 – 2.3 %
Expected Long-Term Rate of Return on Pension Plan Assets	3.5 %	4.0 %
Estimated Rate of Salary Increase	0.0 – 7.6 %	0.0 – 8.5 %

Note:

The discount rate applied at the beginning of the fiscal year ended March 31, 2026 was 1.4 - 2.3%. However, after reevaluating the discount rate at the end of the fiscal year, the rate has been changed to 1.4 – 3.3% because the change would cause a material impact on the amount of retirement benefit obligation.

26. Leases:

1. Finance Leases

Finance leases that do not transfer ownership

(1) Outline of lease assets

(i) Tangible fixed assets

Mainly, hardware related to computer equipment

(ii) Intangible fixed assets

Software related to computer equipment

(2) Lease asset depreciation method

Depreciation method is described in the “Significant Accounting Policies.”

2. Operating Leases

Future lease payments related to non-cancelable operating leases:

Disclosure of data is omitted due to immateriality.

27. Financial Instruments:

1. Matters concerning financial instruments

(1) Policies on financial instruments

Shinkin Central Bank Group (the “Group”) works to ensure the stable funding through the acceptance of deposits mainly from its Shinkin Bank members and through the issuance of debentures. Additionally, the Group takes steps to diversify its funding methods by procuring funds from short-term money markets depending on market conditions.

Procured funds are invested in short-term money market instruments, marketable securities, and loans.

Moreover, the Group uses derivative transactions for the purpose of risk-hedging in ALM (asset liability management) activities and engages in short-term trading of securities and derivatives.

To appropriately manage the various risks that result from these financial instruments, the Group engages in ALM activities including the above-mentioned derivative transactions. For its trading activities, the Group establishes risk limit and loss cut limit amounts and engages in transactions within the scopes of these risk limits, as a way to maintain financial soundness and to ensure stable earnings.

(2) Types and related risks of financial instruments

Financial assets held by the Group consist mainly of short-term funds, securities, and loans assets.

Short-term funds are invested in the call loan.

These investments are exposed to the counterparty credit risk, and market risks such as interest rate risk and foreign currency exchange risk.

Securities portfolios of the Group consist of domestic securities including JGBs, corporate bonds and other bonds as well as foreign securities such as government bonds, government-guaranteed bonds, and agency bonds issued in the major industrialized countries. The Group also invests in equity securities and investment funds to diversify its portfolio.

These investments are exposed to the individual issuers' credit risk as well as market risks such as interest rate risk, price fluctuation risk, and foreign currency exchange risk, and market liquidity risk.

Loan assets consist of direct loans to low-risk borrowers including Shinkin Banks, central and local governments, public service corporations, good standing domestic and overseas companies, and agency loans provided through Shinkin Banks.

These loans are exposed to counterparty credit risk, and market risks such as interest rate risk and foreign currency exchange risk.

Financial liabilities of the Group consist mainly of deposits and debentures.

Deposits include current deposits, ordinary deposits, deposits at notice, term deposits, and foreign currency-denominated deposits, most of which are deposits from Shinkin Bank members.

These deposits are exposed to market risks such as interest rate risk and foreign currency exchange risk, and liquidity risk.

As a debenture issuer, the Group issues interest-bearing debentures.

These debentures are exposed to interest rate risk and liquidity risk.

Furthermore, the Group engages in derivative transactions.

Specifically, the Group trades interest rate derivatives (interest swaps, interest futures, and interest options), currency derivatives (foreign currency forwards and currency swaps) and bond derivatives (bond futures and bond futures options).

These transactions are exposed to counterparty credit risk, and market risks such as interest rate risk and foreign currency exchange risk.

The Bank hedges market risks of its financial assets and liabilities through ALM activities.

The Group partially avoids exposure to market risks by mitigating (i) interest rate risk through interest rate swaps and (ii) foreign currency exchange risk of foreign currency-denominated assets through foreign currency-denominated funding, currency swaps, and forex swaps.

Hedge accounting is applied to risk hedging through ALM activities including the use of derivatives. With regard to hedge accounting, hedging instruments, hedged items, hedging policies, and methods of hedge effectiveness assessment, etc. are described in the "Significant Accounting Policies."

(3) Risk management frameworks of financial instruments

In the basic risk management policy, the Bank divides risks into "risks to be minimized" and "risks to be controlled." Credit risks, market risks and liquidity risks are classified into the latter category. Risks of both categories are managed by risk management divisions that are independent of the client service divisions. The Risk Management Division comprehensively manages these risks.

<Integrated risk management>

For the integrated management of risks, the Bank has introduced integrated risk management for quantifiable risks. Integrated risk management is a risk management method of measuring various risks using a uniform risk measure such as Value at Risk (VaR), aggregating the measurements, and comparing the aggregated amounts with the Bank's capital. The Bank measures credit risks and market risks using VaR methodology and monitors them on a daily basis to prevent risk limits from being breached.

These risk limits are reviewed by the Risk Management Committee and determined by the Executive Committee. The risk exposures are measured weekly by the Risk Management Division, which takes steps to prevent any of the various risk limits from being breached, and through the Risk Management Committee, reports regularly to the management and relevant divisions.

The risk exposures at consolidated subsidiaries are aggregated and managed through the integrated risk management framework.

(i) Credit risk management

For the accurate identification and strict management of credit risk, the Bank has established credit risk management policies. Moreover, the Bank has created a structure in which divisions responsible for credit control, credit management and credit assessment are clearly segregated from divisions involved in client services, with mutually independent tasks to ensure effective internal checking functions.

The Bank established the Credit Committee and the Risk Management Committee, comprised of senior management and heads of divisions related to credit risk, as bodies to deliberate and make decisions on matters relating to credit risk management. The Credit Committee deliberates on credit transactions that exceed the credit limit, while the Risk Management Committee deliberates on the establishment and the review of policies regarding credit management. The Executive Committee deliberates and makes decisions on matters related to asset self-assessments including the results of asset self-assessments, asset write-offs and asset reserve provisions.

Divisions responsible for credit control manage the credit risk for each borrower relating to loans and market trading activities. An overall credit limit is set for each borrower according to the credit rating of the borrower. These divisions analyze the Bank's overall credit portfolio according to credit rating, industry, country and other criteria. These analyses are used to monitor the diversification of credit risk as well as changes in portfolio credit risk. Additionally, divisions responsible for credit control quantify credit risk in VaR methodology using Monte Carlo simulation methods and manage credit risks based on the limits set at the Executive Committee.

Divisions responsible for credit management accurately monitor each borrower's financial condition, the purposes for which funds are used and repayment resources. In addition to appropriate assessment and post-transaction management, these divisions continually check whether the client service divisions are conducting appropriate credit control and provide guidance as necessary.

Divisions responsible for credit assessment undertake and manage operations relating to asset self-assessments, and the calculation of asset write-offs and asset reserve provisions.

Credit risks of consolidated subsidiaries are added to the credit risk of the Bank by each borrower and monitored.

(ii) Market risk management

To maintain an accurate understanding of market risk and rigorously manage this risk, the Bank has issued a market risk management policy. Furthermore, divisions responsible for market risk management are clearly separated from divisions involved in market operations, providing a risk management structure in which internal checks are maintained through independent functions.

The Bank has established the ALM Committee as the body responsible for deliberating and making decisions on matters relating

to market risk management. The ALM Committee is comprised of senior management and heads of divisions related to market risk. Based on risk status information—obtained via reports from divisions responsible for market risk management and other sources—the ALM Committee deliberates broadly and in a timely manner ALM related policies and market transactions including the Bank's fund-raising and management as well as the usage of hedging transactions involving derivatives such as interest rate swaps.

Divisions responsible for market risk management quantify and manage market risk mainly by VaR within the limit set by the Executive Committee. In addition, market risk is classified into several categories, and the amount of risk for each category is monitored. Market risk management at the Bank not only uses VaR methodology but takes multi-faceted approaches, that is, monitoring sensitivity to change in individual risk factors such as the basis point value (BPV: the amount of the change in a portfolio's market value from a specific change in the interest rate), stress loss amounts from unexpected market changes, and appraisal losses from financial instruments. For stress loss amounts, in particular a supplementary framework has been incorporated into the integrated risk management, in addition to the above monitoring system. In this way, market risks including those that cannot be captured through VaR methods alone are managed.

Moreover, for trading operations, clear regulations are in place concerning the trading instruments and trading management methods, enabling appropriate trading operations by setting specific loss cut limits.

Market risks of consolidated subsidiaries are not directly added to the market risk exposure of the Bank but are managed separately under integrated risk management.

<Quantitative information on market risk>

(a) Financial instruments held for trading purposes

The Bank uses VaR analysis for quantifying market risk of trading securities held within securities and interest-rate and foreign-exchange instruments held for trading purposes within derivative transactions. The VaR model is based on the delta method and uses a 99.0% confidence interval, a holding period of five business days and an observation period of one year. In addition, with regard to market risk related to trading operations at consolidated subsidiaries, which is managed separately within the integrated risk management framework, the Bank uses a market risk-equivalent amount under the regulations on banks' capital ratio.

The market risk exposure (quantified potential loss) of the Bank's trading operations was ¥103 million (\$0 million) as of March 31, 2026 and ¥37 million as of March 31, 2025, and the market risk exposure (quantified potential loss) of the trading operations of the Bank's consolidated subsidiaries was ¥956 million (\$5 million) as of March 31, 2026 and ¥404 million as of March 31, 2025.

The Bank conducts back testing to compare VaR calculated using the model with actual losses. Since the actual losses exceeded the VaR two times as the results of back testing covering the fiscal year ended March 31, 2026, the measurement model used is considered to be sufficiently accurate in capturing market risk. However, it should be noted that VaR measures the market risk exposure at certain probability levels statistically calculated based on historical market fluctuation. Therefore, there may be cases where

market risk exposure cannot be captured under extreme market conditions that are not normally expected.

(b) Financial instruments other than those held for trading purposes

The Bank uses VaR analysis for quantifying market risk of due from banks, securities not held for trading purposes, loans and bills discounted, deposits, debentures, payables under securities lending transactions and, within derivative transactions, interest-rate and foreign-exchange instruments not held for trading purposes. The VaR model is based on the delta method and uses a 99.0% confidence interval, a holding period of one year and an observation period of five years. In addition, with regard to market risk at consolidated subsidiaries related to operations other than trading operations, which is managed separately within the integrated risk management framework, such risk is calculated in accordance with methods used by the Bank.

The Group's market risk exposure other than for trading purposes was ¥601,587 million (\$3,763 million) as of March 31, 2026 and ¥526,900 million as of March 31, 2025. The Bank conducts back testing to compare VaR calculated using the model with actual losses. Since the actual losses exceeded the VaR four times as the results of back testing covering the fiscal year ended March 31, 2026, the measurement model used is considered to be sufficiently accurate in capturing market risk. However, it should be noted that VaR measures the market risk exposure at certain probability levels statistically calculated based on historical market fluctuation. Therefore, there may be cases where market risk exposure cannot be captured under extreme market conditions that are not normally expected.

(iii) Liquidity risk management related to fund-raising

For the accurate identification and strict management of liquidity risk, the Bank has established liquidity risk management policies.

Divisions responsible for liquidity risk management are clearly separated from divisions involved in cash management and market operations, with each function operating independently to ensure internal checks and balances. In addition, an ALM Committee has been established, which deliberates and makes decisions on matters relating to liquidity risk management.

Methods used for managing liquidity risk include the setting and daily monitoring of risk limit amounts relating to gaps between cash receipts and payments. This is carried out for individual currencies and periods. In the event that significant liquidity risk concerns arise, the Bank maintains a framework to respond rapidly, including the securing of funding sources.

The liquidity risk management frameworks created by the Bank include subsidiaries as well, such as by providing overdraft facilities for consolidated subsidiaries with operations involving fund movements in relatively large amounts.

(4) Supplementary explanation concerning the fair values of financial instruments

Since certain assumptions are adopted to determine the fair values of financial instruments, the values may vary if the underlying assumptions change.

2. Fair value of financial instruments (and other information)

Carrying values stated on the consolidated balance sheet, fair value and differences between them are as follows. Stocks and other equity securities with no market prices and investment in investment partnerships are not included in the table below. (See Note 1.)

Notes to Cash and Due from Banks, Bills Bought and Call Loans, Receivables under Resale Agreements, Bills Sold and Call Money, Payables under Repurchase Agreements and Payables under Securities Lending Transactions are omitted as the fair values approximate their carrying values and they are mainly settled in a short period of time.

Notes on immaterial items are omitted.

As of March 31, 2026

	Millions of Yen		
	Carrying Value	Fair Value	Difference
(1) Monetary Claims Bought	189,890	189,890	—
(2) Trading Assets			
Trading Securities	246,396	246,396	—
(3) Money Held in Trust	45,385	45,385	—
(4) Securities			
Held-to-Maturity Debt Securities	4,820,537	4,304,720	(515,816)
Other Securities (*1)	13,136,523	13,136,523	—
(5) Loans and Bills Discounted	12,234,105		
Reserve for Possible Loan Losses (*2)	(23,356)		
	12,210,748	12,128,505	(82,243)
Total Assets	30,649,482	30,051,422	(598,060)
(1) Deposits	29,477,288	29,428,185	(49,102)
(2) Debentures	1,229,310	1,202,445	(26,864)
(3) Trading Liabilities			
Trading Bonds Sold	21,989	21,989	—
(4) Borrowed Money	3,598,000	3,533,917	(64,082)
Total Liabilities	34,326,587	34,186,537	(140,049)
Derivatives (*3)			
To which Hedge Accounting is not applied	22,453	22,453	—
To which Hedge Accounting is applied	339,037	554,820	215,782
Total Derivatives	361,491	577,273	215,782

Millions of U.S. Dollars			
	Carrying Value	Fair Value	Difference
(1) Monetary Claims Bought	1,187	1,187	—
(2) Trading Assets			
Trading Securities	1,541	1,541	—
(3) Money Held in Trust	283	283	—
(4) Securities			
Held-to-Maturity Debt Securities	30,156	26,929	(3,226)
Other Securities (*1)	82,180	82,180	—
(5) Loans and Bills Discounted	76,534		
Reserve for Possible Loan Losses (*2)	(146)		
	76,388	75,874	(514)
Total Assets	191,739	187,997	(3,741)
(1) Deposits	184,405	184,098	(307)
(2) Debentures	7,690	7,522	(168)
(3) Trading Liabilities			
Trading Bonds Sold	137	137	—
(4) Borrowed Money	22,508	22,107	(400)
Total Liabilities	214,742	213,866	(876)
Derivatives (*3)			
To which Hedge Accounting is not applied	140	140	—
To which Hedge Accounting is applied	2,120	3,470	1,349
Total Derivatives	2,261	3,611	1,349

*1. “Other Securities” include investment trusts to which the treatment that a net asset value (NAV) is regarded as the fair values has been applied in accordance with Paragraphs 24-3 and 24-9 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021).

*2. General and specific reserves for possible loan losses of Loans and Bills Discounted have been deducted.

*3. Derivative transactions stated in trading assets and liabilities, and other assets and liabilities are presented collectively. The amount of receivables and payables derived from derivative transactions is presented net. Sums that represent net payables are shown in parentheses.

As of March 31, 2025

	Millions of Yen		
	Carrying Value	Fair Value	Difference
(1) Monetary Claims Bought	246,018	246,018	—
(2) Trading Assets			
Trading Securities	215,787	215,787	—
(3) Money Held in Trust	45,032	45,032	—
(4) Securities			
Held-to-Maturity Debt Securities	4,697,495	4,474,154	(223,341)
Other Securities (*1)	12,151,071	12,151,071	—
(5) Loans and Bills Discounted	9,285,697		
Reserve for Possible Loan Losses (*2)	(22,662)		
	9,263,034	9,218,273	(44,760)
Total Assets	26,618,439	26,350,337	(268,101)
(1) Deposits	31,305,205	31,239,248	(65,957)
(2) Debentures	1,250,410	1,230,243	(20,166)
(3) Trading Liabilities			
Trading Bonds Sold	19,133	19,133	—
(4) Borrowed Money	4,347,300	4,274,034	(73,265)
Total Liabilities	36,922,048	36,762,660	(159,388)
Derivatives (*3)			
To which Hedge Accounting is not applied	25,739	25,739	—
To which Hedge Accounting is applied	183,855	230,183	46,328
Total Derivatives	209,595	255,923	46,328

*1. “Other Securities” include investment trusts to which the treatment that a net asset value (NAV) is regarded as the fair values has been applied in accordance with Paragraphs 24-3 and 24-9 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021).

*2. General and specific reserves for possible loan losses of Loans and Bills Discounted have been deducted.

*3. Derivative transactions stated in trading assets and liabilities, and other assets and liabilities are presented collectively. The amount of receivables and payables derived from derivative transactions are presented net. Sums that represent net payables are shown in parentheses.

Note 1: Stocks and other equity securities with no market prices and investment in investment partnerships are as follows and are not included in “Securities” in the fair value information of financial instruments.

Category	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Stocks and other equity securities with no market prices (*1)	130,252	137,091	814
Investment in investment partnerships (*2)	77,857	68,094	487
Total	208,109	205,186	1,301

*1. Stocks and other equity securities with no market prices are unlisted common stocks and the preferred shares issued by shinkin banks which are held by the Bank. These stocks and other equity securities are not included in fair value disclosure information based on Paragraph 5 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 31, 2020).

*2. Investment in investment partnerships is not included in fair value disclosure information based on Paragraph 24-16 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021).

Note 2: Amounts of monetary claims and securities with maturities scheduled for redemption after the balance sheet date

As of March 31, 2026

	Millions of Yen					
	Within 1 year	Over 1 year, within 3 years	Over 3 years, within 5 years	Over 5 years, within 7 years	Over 7 years, within 10 years	Over 10 years
Due from Banks (*1)	12,691,688	—	—	—	5,000	5,000
Bills Bought and Call Loan	749,235	—	—	—	—	—
Receivables under Resale Agreements	45,552	—	—	—	—	—
Receivables under Securities Borrowing Transactions	—	—	—	—	—	—
Monetary Claims Bought	—	—	575	25,306	73,907	118,139
Securities						
Held-to-Maturity Debt Securities	106,447	916,114	229,636	98,445	890,444	2,603,069
Japanese Government Bonds	100,000	478,000	135,000	—	461,100	1,954,000
Municipal Government Bonds	—	261,595	42,622	85,304	335,564	—
Short-Term Corporate Bonds	—	—	—	—	—	—
Corporate Bonds	4,800	173,879	49,290	11,240	93,780	500
Foreign Bonds	1,647	2,640	2,724	1,901	—	648,569
Other Securities with Maturities	1,574,864	835,894	1,073,445	1,617,639	1,384,047	4,873,015
Japanese Government Bonds	860,000	—	71,000	—	564,500	1,530,500
Municipal Government Bonds	205,807	238,351	258,348	181,393	84,640	—
Short-Term Corporate Bonds	—	—	—	—	—	—
Corporate Bonds	273,020	187,916	72,166	68,519	16,124	324,363
Foreign Bonds	236,037	409,627	671,930	1,367,725	718,782	3,018,151
Loans and Bills Discounted (*2)	7,566,495	1,986,437	1,371,187	633,610	524,531	150,752
Total	22,734,283	3,738,445	2,674,845	2,375,001	2,877,930	7,749,976

	Millions of U.S. Dollars					
	Within 1 year	Over 1 year, within 3 years	Over 3 years, within 5 years	Over 5 years, within 7 years	Over 7 years, within 10 years	Over 10 years
Due from Banks (*1)	79,397	—	—	—	31	31
Bills Bought and Call Loan	4,687	—	—	—	—	—
Receivables under Resale Agreements	284	—	—	—	—	—
Receivables under Securities Borrowing Transactions	—	—	—	—	—	—
Monetary Claims Bought	—	—	3	158	462	739
Securities						
Held-to-Maturity Debt Securities	665	5,731	1,436	615	5,570	16,284
Japanese Government Bonds	625	2,990	844	—	2,884	12,223
Municipal Government Bonds	—	1,636	266	533	2,099	—
Short-Term Corporate Bonds	—	—	—	—	—	—
Corporate Bonds	30	1,087	308	70	586	3
Foreign Bonds	10	16	17	11	—	4,057
Other Securities with Maturities	9,852	5,229	6,715	10,119	8,658	30,484
Japanese Government Bonds	5,380	—	444	—	3,531	9,574
Municipal Government Bonds	1,287	1,491	1,616	1,134	529	—
Short-Term Corporate Bonds	—	—	—	—	—	—
Corporate Bonds	1,707	1,175	451	428	100	2,029
Foreign Bonds	1,476	2,562	4,203	8,556	4,496	18,881
Loans and Bills Discounted (*2)	47,334	12,426	8,577	3,963	3,281	943
Total	142,222	23,387	16,733	14,857	18,003	48,482

*1. Current deposits, ordinary deposits, deposits at notice, and transfer deposits, included in “Due from Banks,” are stated under amounts redeemable “Within 1 year.”

*2. Loans do not include those of ¥1,535 million (\$9 million) with no expected schedule of redemption, including those to Bankrupt Borrowers, Substantially Bankrupt Borrowers and Probably Bankrupt Borrowers.

As of March 31, 2025

	Millions of Yen					
	Within 1 year	Over 1 year, within 3 years	Over 3 years, within 5 years	Over 5 years, within 7 years	Over 7 years, within 10 years	Over 10 years
Due from Banks (*1)	18,851,746	—	—	—	5,000	5,000
Bills Bought and Call Loan	638,312	—	—	—	—	—
Receivables under Resale Agreements	83,635	—	—	—	—	—
Receivables under Securities Borrowing Transactions	—	—	—	—	—	—
Monetary Claims Bought	—	—	1,356	42,387	63,785	152,224
Securities						
Held-to-Maturity Debt Securities	40,008	310,961	902,445	38,353	857,827	2,572,698
Japanese Government Bonds	30,000	210,000	503,000	—	351,100	2,064,000
Municipal Government Bonds	—	61,328	233,529	8,000	405,287	—
Short-Term Corporate Bonds	—	—	—	—	—	—
Corporate Bonds	7,900	36,888	163,131	29,180	101,440	500
Foreign Bonds	2,108	2,745	2,785	1,173	—	508,198
Other Securities with Maturities	829,241	1,856,117	770,104	1,808,244	732,611	4,278,562
Japanese Government Bonds	60,000	800,000	175,000	65,000	81,498	1,490,000
Municipal Government Bonds	295,326	329,923	123,715	259,317	74,597	—
Short-Term Corporate Bonds	—	—	—	—	—	—
Corporate Bonds	305,128	373,478	136,207	43,506	34,072	304,881
Foreign Bonds	168,787	352,715	335,181	1,440,420	542,442	2,483,681
Loans and Bills Discounted (*2)	4,917,065	1,750,514	1,392,358	597,306	490,791	136,127
Total	25,360,010	3,917,593	3,066,264	2,486,292	2,150,015	7,144,613

*1. Current deposits, ordinary deposits, deposits at notice, and transfer deposits, included in “Due from Banks,” are stated under amounts redeemable “Within 1 year.”

*2. Loans do not include those of ¥1,788 million with no expected schedule of repayment, including those to Bankrupt Borrowers, Substantially Bankrupt Borrowers and Probably Bankrupt Borrowers.

Note 3: Amounts of deposits, debentures and other interest bearing debt scheduled for repayment after the balance sheet date

As of March 31, 2026

	Millions of Yen					
	Within 1 year	Over 1 year, within 3 years	Over 3 years, within 5 years	Over 5 years, within 7 years	Over 7 years, within 10 years	Over 10 years
Deposits (*)	15,701,081	8,668,127	1,687,329	719,100	1,537,050	1,164,600
Debentures	249,240	506,580	473,490	—	—	—
Borrowed Money	1,075,600	2,522,400	—	—	—	—
Bills Sold and Call Money	3,442,788	—	—	—	—	—
Payables under Repurchase Agreements	2,703,350	—	—	—	—	—
Payables under Securities Lending Transactions	3,002,928	—	—	—	—	—
Total	26,174,988	11,697,107	2,160,819	719,100	1,537,050	1,164,600

	Millions of U.S. Dollars					
	Within 1 year	Over 1 year, within 3 years	Over 3 years, within 5 years	Over 5 years, within 7 years	Over 7 years, within 10 years	Over 10 years
Deposits (*)	98,223	54,226	10,555	4,498	9,615	7,285
Debentures	1,559	3,169	2,962	—	—	—
Borrowed Money	6,728	15,779	—	—	—	—
Bills Sold and Call Money	21,537	—	—	—	—	—
Payables under Repurchase Agreements	16,911	—	—	—	—	—
Payables under Securities Lending Transactions	18,785	—	—	—	—	—
Total	163,747	73,175	13,517	4,498	9,615	7,285

* Demand deposits, included in “Deposits,” are stated under amounts payable “Within 1 year.”

As of March 31, 2025

	Millions of Yen					
	Within 1 year	Over 1 year, within 3 years	Over 3 years, within 5 years	Over 5 years, within 7 years	Over 7 years, within 10 years	Over 10 years
Deposits (*)	14,398,418	11,016,339	2,204,697	534,000	1,997,250	1,154,500
Debentures	251,950	512,880	485,580	—	—	—
Borrowed Money	1,052,500	2,870,200	424,600	—	—	—
Bills Sold and Call Money	2,255,269	—	—	—	—	—
Payables under Repurchase Agreements	3,680,937	—	—	—	—	—
Payables under Securities Lending Transactions	2,788,631	—	—	—	—	—
Total	24,427,706	14,399,419	3,114,877	534,000	1,997,250	1,154,500

* Demand deposits, included in “Deposits,” are stated under amounts payable “Within 1 year.”

3. Breakdown of financial instruments by the fair value hierarchy level

The fair value of financial instruments is classified into the following three levels on the basis of the observability and significance of the inputs used to calculate the fair value.

Level 1 fair value:

Fair value measured by using quoted market prices in active markets as observable inputs related to fair value measurement for assets or liabilities subject to fair value measurement

Level 2 fair value:

Fair value measured by using observable inputs related to fair value measurement other than those for Level 1

Level 3 fair value:

Fair value measured by using unobservable inputs related to fair value measurement

If multiple inputs that have a material effect on the fair value measurement are used, the fair value is classified into the level with the lowest priority in the fair value measurement among the levels to which each input is assigned.

(1) Financial instruments recorded at fair value in the consolidated balance sheet

As of March 31, 2026

	Millions of Yen			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary Claims Bought	—	—	189,890	189,890
Trading Assets (Trading Securities)	22,501	223,895	—	246,396
Money Held in Trust (Trading Purposes, Others)	—	45,385	—	45,385
Securities (Other Securities) (*1)	6,064,172	6,728,627	87,434	12,880,235
Stocks	88,611	—	—	88,611
Japanese Government Bonds	2,599,939	—	—	2,599,939
Municipal Government Bonds	—	923,811	—	923,811
Corporate Bonds	—	864,560	—	864,560
Foreign Bonds	3,294,761	2,806,332	87,434	6,188,529
Investment Trusts	80,859	2,133,923	—	2,214,782
Total Assets	6,086,673	6,997,909	277,325	13,361,908
Trading Liabilities (Trading Securities)	21,989	—	—	21,989
Total Liabilities	21,989	—	—	21,989
Derivatives (*2)	0	361,491	—	361,491
Interest-Rate-Related Transactions	—	534,878	—	534,878
Currency-Related Transactions	—	(173,387)	—	(173,387)
Bond-Related Transactions	0	—	—	0

Millions of U.S. Dollars

	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary Claims Bought	—	—	1,187	1,187
Trading Assets (Trading Securities)	140	1,400	—	1,541
Money Held in Trust (Trading Purposes, Others)	—	283	—	283
Securities (Other Securities) (*1)	37,936	42,093	546	80,577
Stocks	554	—	—	554
Japanese Government Bonds	16,264	—	—	16,264
Municipal Government Bonds	—	5,779	—	5,779
Corporate Bonds	—	5,408	—	5,408
Foreign Bonds	20,611	17,556	546	38,714
Investment Trusts	505	13,349	—	13,855
Total Assets	38,077	43,777	1,734	83,590
Trading Liabilities (Trading Securities)	137	—	—	137
Total Liabilities	137	—	—	137
Derivatives (*2)	0	2,261	—	2,261
Interest-Rate-Related Transactions	—	3,346	—	3,346
Currency-Related Transactions	—	(1,084)	—	(1,084)
Bond-Related Transactions	0	—	—	0

*1. Investment trusts to which the treatment that a net asset value (NAV) is regarded as the fair values has been applied in accordance with Paragraphs 24-3 and 24-9 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021) are not included in the above table. The carrying value of investment trusts whose investment trust property is financial instruments based on the provision stipulated in Paragraph 24-3 as of March 31, 2026 amounted to ¥192,029 million (\$1,201 million), and the carrying value of investment trusts whose investment trust property is real estate based on the provision stipulated in Paragraph 24-9 as of March 31, 2026 amounted to ¥64,258 million (\$401 million).

*2. Derivative transactions stated in Trading Assets and Liabilities, and Other Assets and Liabilities are presented collectively. The amount of receivables and payables derived from derivative transactions is presented net. Sums that represent net payables are shown in parentheses.

As of March 31, 2025

	Millions of Yen			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary Claims Bought	—	—	246,018	246,018
Trading Assets (Trading Securities)	10,593	205,193	—	215,787
Money Held in Trust (Trading Purposes, Others)	—	45,032	—	45,032
Securities (Other Securities) (*1)	5,234,079	6,640,124	59,714	11,933,919
Stocks	69,211	—	—	69,211
Japanese Government Bonds	2,413,985	—	—	2,413,985
Municipal Government Bonds	—	1,051,025	—	1,051,025
Corporate Bonds	—	1,158,960	—	1,158,960
Foreign Bonds	2,705,160	2,329,679	59,714	5,094,554
Investment Trusts	45,722	2,100,459	—	2,146,182
Total Assets	5,244,673	6,890,351	305,733	12,440,757
Trading Liabilities (Trading Securities)	19,133	—	—	19,133
Total Liabilities	19,133	—	—	19,133
Derivatives (*2)	(37)	209,632	—	209,595
Interest-Rate-Related Transactions	—	289,777	—	289,777
Currency-Related Transactions	—	(80,145)	—	(80,145)
Bond-Related Transactions	(37)	—	—	(37)

*1. Investment trusts to which the treatment that a net asset value (NAV) is regarded as the fair values has been applied in accordance with Paragraphs 24-3 and 24-9 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021) are not included in the above table. The carrying value of investment trusts whose investment trust property is financial instruments based on the provision stipulated in Paragraph 24-3 as of March 31, 2025 amounted to ¥158,270 million, and the carrying value of investment trusts whose investment trust property is real estate based on the provision stipulated in Paragraph 24-9 as of March 31, 2025 amounted to ¥58,880 million.

*2. Derivative transactions stated in Trading Assets and Liabilities, and Other Assets and Liabilities are presented collectively. The amount of receivables and payables derived from derivative transactions is presented net. Sums that represent net payables are shown in parentheses.

(2) Financial instruments other than financial instruments recorded at fair value in the consolidated balance sheet

As of March 31, 2026

Millions of Yen				
Fair Value				
	Level 1	Level 2	Level 3	Total
Monetary Claims Bought	—	—	—	—
Securities (Held-to-Maturity Debt Securities)	2,656,320	1,648,399	—	4,304,720
Japanese Government Bonds	2,656,320	—	—	2,656,320
Municipal Government Bonds	—	675,809	—	675,809
Corporate Bonds	—	315,356	—	315,356
Foreign Bonds	—	657,233	—	657,233
Loans and Bills Discounted	—	—	12,128,505	12,128,505
Total Assets	2,656,320	1,648,399	12,128,505	16,433,225
Deposits	—	29,428,185	—	29,428,185
Debentures	—	1,202,445	—	1,202,445
Borrowed Money	—	3,533,917	—	3,533,917
Total Liabilities	—	34,164,548	—	34,164,548
Derivatives (*)	—	215,782	—	215,782
Interest-Rate-Related Transactions	—	215,782	—	215,782

Millions of U.S. Dollars				
Fair Value				
	Level 1	Level 2	Level 3	Total
Monetary Claims Bought	—	—	—	—
Securities (Held-to-Maturity Debt Securities)	16,617	10,312	—	26,929
Japanese Government Bonds	16,617	—	—	16,617
Municipal Government Bonds	—	4,227	—	4,227
Corporate Bonds	—	1,972	—	1,972
Foreign Bonds	—	4,111	—	4,111
Loans and Bills Discounted	—	—	75,874	75,874
Total Assets	16,617	10,312	75,874	102,804
Deposits	—	184,098	—	184,098
Debentures	—	7,522	—	7,522
Borrowed Money	—	22,107	—	22,107
Total Liabilities	—	213,728	—	213,728
Derivatives (*)	—	1,349	—	1,349
Interest-Rate-Related Transactions	—	1,349	—	1,349

* The fair value of interest rate swaps for exceptional treatment of interest rate swaps is shown.
The amount of receivables and payables derived from derivative transactions is presented net. Sums that represent net payables are shown in parentheses.

As of March 31, 2025

	Millions of Yen			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary Claims Bought	—	—	—	—
Securities (Held-to-Maturity Debt Securities)	2,949,798	1,524,355	—	4,474,154
Japanese Government Bonds	2,949,798	—	—	2,949,798
Municipal Government Bonds	—	679,849	—	679,849
Corporate Bonds	—	327,544	—	327,544
Foreign Bonds	—	516,962	—	516,962
Loans and Bills Discounted	—	—	9,218,273	9,218,273
Total Assets	2,949,798	1,524,355	9,218,273	13,692,427
Deposits	—	31,239,248	—	31,239,248
Debentures	—	1,230,243	—	1,230,243
Borrowed Money	—	4,274,034	—	4,274,034
Total Liabilities	—	36,743,527	—	36,743,527
Derivatives (*)	—	46,328	—	46,328
Interest-Rate-Related Transactions	—	46,328	—	46,328

* The fair value of interest rate swaps for exceptional treatment of interest rate swaps is shown.

The amount of receivables and payables derived from derivative transactions is presented net. Sums that represent net payables are shown in parentheses.

Note 1: Explanation on valuation techniques used to measure fair value and inputs used in fair value measurement

Assets

- Monetary Claims Bought

Of the Monetary Claims Bought, the beneficiary rights in trust accounted for in the same way as securities adopt the valuation price obtained from a third party, such as a broker, as the fair value. If significant unobservable inputs, such as the default rate, recovery rate and prepayment rates, are used for valuation, the fair value is classified as Level 3 fair value, otherwise it is classified as Level 2 fair value. The fair value of Monetary Claims Bought other than these beneficiary rights in trust is calculated by the same method as for loans, and is classified as Level 3 fair value.

- Trading Assets

Securities such as bonds held for trading purposes are classified as Level 1 fair value, if the unadjusted quoted market price in active markets is available. If the market is not active even if the published market price is used, or if the fair value is estimated by discounting the future cash flows to the present value using the market interest rate as of the valuation date, the fair value is classified as Level 2 fair value.

- Money Held in Trust

For securities managed as trust assets in Money Held in Trust whose main purpose is to trade securities, the fair value of stocks is based on prices traded at exchanges, and that of bonds is based on quoted market prices, etc. They are classified into Level 2 fair value based on the level of the main components of the trust assets.

Notes regarding the trust of money for each purpose of holding are described in "Money Held in Trust."

- Securities

Securities are classified as Level 1 fair value, if the unadjusted quoted market price in active markets is available. These securities mainly include listed stocks and government bonds. If the market is not active even if the published market price is used, or if the fair value is estimated by discounting the future cash flows to the present value using the market interest rate as of the valuation date, the fair value is classified as Level 2 fair value. These securities mainly include municipal bonds, short-term corporate bonds and corporate bonds.

If the quoted market price is not available, the valuation price obtained from a third party such as a broker is used. When the valuation uses important unobservable inputs, such as default rate, recovery rate, prepayment rates and credit spread, the fair value is classified as Level 3 fair value.

The fair value of investment trusts for which transaction price in active markets is used is classified as Level 1 fair value. If there are no quoted market prices and there are no material restrictions for which market participants would ask to bear the cost of risk with respect to such redemption or repurchase requests, the fair value of investment trust is based on a published net asset value (NAV) or the like and classified as Level 2 fair value.

Notes regarding securities for each purpose of holding are described in "Securities."

- Loans and Bills Discounted

Of the Loans and Bills Discounted, those with floating interest rates reflect the market interest rate in a short period of time. For this reason, as long as the creditworthiness of the borrower does not change significantly after drawdown, the fair value approximates the carrying value. Accordingly, the carrying value is used as the fair value. For Loans and Bills Discounted with fixed interest rates, the fair value is determined by category based on loan type and credit rating, discounting the total amount of principal and interest using the interest rates, determined by reflecting credit spread and other factors on market interest rates, that are expected when granting similar loans. For Loans and Bills Discounted under short-term contracts, the carrying value is used as the fair value since the fair value approximates the carrying value.

With regard to loans to Bankrupt Borrowers, Substantially Bankrupt Borrowers or Probably Bankrupt Borrowers, the Bank estimates loan loss based on the present value of estimated future cash flows or the estimated recoverable value from collateral and guarantees. Since the fair value therefore approximates the total loan value on the consolidated balance sheet at the closing date less the total recorded value of the reserve for possible loan losses, this value is used for the fair value. The fair values determined are classified into Level 3 fair value.

Liabilities

- Deposits

For demand deposits, the amount payable upon demand on the balance sheet date (carrying value) is used as fair value. Of term deposits, those with floating interest rates reflect the market interest rate in a short period of time. For this reason, the fair value approximates the carrying value. Accordingly, the carrying value is used as the fair value. For term deposits with fixed interest rates, the fair value is calculated by discounting future cash flows using the interest rate that would be applicable to newly taken deposits. The fair values determined are classified into Level 2 fair value.

- Debentures

The fair value of debentures issued by the Bank is based on the quoted market price, and is classified as Level 2 fair value in consideration of market liquidity.

- Trading Liabilities

The fair value of trading bonds sold is based on the unadjusted quoted market price in an active market and is classified as Level 1 fair value.

- Borrowed Money

For borrowed money, the present value is calculated by type, discounting the total amount of principal and interest using the expected interest rate for similar borrowings. If the impact of unobservable inputs on the fair value is important, the fair value is classified as Level 3 fair value, and otherwise it is classified as Level 2 fair value.

For Borrowed Money under short-term contracts, since the fair value approximates the carrying value, the carrying value is used as the fair value and is classified as Level 2 fair value.

Derivative Transactions

For derivative transactions, exchange-traded transactions are valued on the basis of closing prices on exchanges, etc., while over the counter transactions are valued using discounted present value or calculation models for option prices, etc. The inputs used in the valuation technique for calculating the value of over the counter transactions are mainly interest rates, exchange rates and volatility. The fair value of exchange-traded transactions is classified as Level 1 fair value, and that of over the counter transactions is classified as Level 2 fair value if unobservable inputs are not used or their impact is not significant.

Note 2: Information about the Level 3 fair value of financial instruments recorded at fair value in the consolidated balance sheet

(1) Reconciliation of beginning balance to ending balance, unrealized gains (losses) recognized in profit (loss) for the fiscal years ended March 31, 2026 and 2025

As of March 31, 2026

Millions of Yen

	Balance as of April 1, 2025	Profit (Loss) or Other Comprehensive Income for the fiscal year ended March 31, 2026		Net of purchases, sales, issuances, and settlements	Transfers to Level 3 fair value (*3)	Transfers from Level 3 fair value	Balance as of March 31, 2026	Amount of unrealized gains or losses on financial assets and liabilities held at March 31, 2026 that is recognized in Profit (Loss) for the fiscal year ended March 31, 2026
		Recognized in Profit (Loss) (*1)	Recognized in Other Comprehensive Income (*2)					
Monetary Claims Bought	246,018	0	(14,303)	(41,824)	—	—	189,890	—
Securities (Other Securities)	59,714	165	71	(12,231)	39,715	—	87,434	—
Foreign Bonds	59,714	165	71	(12,231)	39,715	—	87,434	—

Millions of U.S. Dollars

	Balance as of April 1, 2025	Profit (Loss) or Other Comprehensive Income for the fiscal year ended March 31, 2026		Net of purchases, sales, issuances, and settlements	Transfers to Level 3 fair value (*3)	Transfers from Level 3 fair value	Balance as of March 31, 2026	Amount of unrealized gains or losses on financial assets and liabilities held at March 31, 2026 that is recognized in Profit (Loss) for the fiscal year ended March 31, 2026
		Recognized in Profit (Loss) (*1)	Recognized in Other Comprehensive Income (*2)					
Monetary Claims Bought	1,539	0	(89)	(261)	—	—	1,187	—
Securities (Other Securities)	373	1	0	(76)	248	—	546	—
Foreign Bonds	373	1	0	(76)	248	—	546	—

*1. Mainly included in “Other Operating Income” and “Other Operating Expenses” in the consolidated statement of income.

*2. Included in “Net Unrealized Gains (Losses) on Other Securities” in “Other Comprehensive Income” in the consolidated statement of comprehensive income.

*3. These are transfers from Level 2 fair value to Level 3 fair value due to a lack of observable market data resulting from reduced market activities for foreign bonds.

The transfers are made on the last day of the fiscal year.

As of March 31, 2025

Millions of Yen

	Balance as of April 1, 2024	Profit (Loss) or Other Comprehensive Income for the fiscal year ended March 31, 2025		Net of purchases, sales, issuances, and settlements	Transfers to Level 3 fair value	Transfers from Level 3 fair value (*3)	Balance as of March 31, 2025	Amount of unrealized gains or losses on financial assets and liabilities held at March 31, 2025 that is recognized in Profit (Loss) for the fiscal year ended March 31, 2025
		Recognized in Profit (Loss) (*1)	Recognized in Other Comprehensive Income (*2)					
Monetary Claims Bought	259,163	0	(7,526)	(5,619)	—	—	246,018	—
Securities (Other Securities)	101,621	(186)	(112)	(39,620)	—	(1,986)	59,714	—
Foreign Bonds	101,621	(186)	(112)	(39,620)	—	(1,986)	59,714	—

*1. Mainly included in “Other Operating Income” and “Other Operating Expenses” in the consolidated statement of income.

*2. Included in “Net Unrealized Gains (Losses) on Other Securities” in “Other Comprehensive Income” in the consolidated statement of comprehensive income.

*3. These are transfers from Level 3 fair value to Level 2 fair value because observable data for foreign bonds became available. The transfers are made on the last day of the fiscal year.

(2) Explanation on the fair value measurement process

The fair value calculation department of the Group has established the policies and procedures for fair value measurement and determines fair value in accordance with these policies and procedures. In determining fair value, the Group uses the method that can most appropriately reflect the nature, characteristics and risks of each asset. Regarding the fair value measurement results and level classification, the Group verifies the appropriateness of the valuation techniques and inputs used for the fair value measurement by comparing prices between same type of products, checking price trend of the same securities and matching with benchmarks published in the market for consistency. In addition, when using the prices obtained from a third party, the Group verifies the appropriateness of those prices by confirming the valuation techniques and inputs and comparing them with the fair values of similar financial products.

Note 3: Information about investment trusts to which the treatment that a net asset value (NAV) is regarded as the fair values has been applied

(1) Reconciliation of beginning balance to ending balance, unrealized gains (losses) recognized in profit or loss for the fiscal years ended March 31, 2026 and 2025

As of March 31, 2026

Millions of Yen

	Balance as of April 1, 2025	Profit (Loss) or Other Comprehensive Income for the fiscal year ended March 31, 2026		Net of purchases, sales and redemption	Amount of investment trusts whose net asset value (NAV) is regarded as fair value	Amount of investment trusts whose net asset value (NAV) is not regarded as fair value	Balance as of March 31, 2026	Amount of unrealized gains or losses on investment trusts held at March 31, 2026 that is recognized in Profit (Loss) for the fiscal year ended March 31, 2026
		Recognized in Profit (Loss) (*1)	Recognized in Other Comprehensive Income (*2)					
Investment trusts whose investment trust property is financial instruments	158,270	9,954	9,378	10,908	3,516	—	192,029	—
Investment trusts whose investment trust property is real estate	58,880	634	1,328	3,415	—	—	64,258	—

Millions of U.S. Dollars

	Millions of U.S. Dollars							
	Balance as of April 1, 2025	Profit (Loss) or Other Comprehensive Income for the fiscal year ended March 31, 2026		Net of purchases, sales and redemption	Amount of investment trusts whose net asset value (NAV) is regarded as fair value	Amount of investment trusts whose net asset value (NAV) is not regarded as fair value	Balance as of March 31, 2026	Amount of unrealized gains or losses on investment trusts held at March 31, 2026 that is recognized in Profit (Loss) for the fiscal year ended March 31, 2026
		Recognized in Profit (Loss) (*1)	Recognized in Other Comprehensive Income (*2)					
Investment trusts whose investment trust property is financial instruments	990	62	58	68	22	—	1,201	—
Investment trusts whose investment trust property is real estate	368	3	8	21	—	—	401	—

*1. Mainly included in “Other Operating Income” and “Other Operating Expenses” in the consolidated statement of income.

*2. Included in “Net Unrealized Gains (Losses) on Other Securities” in “Other Comprehensive Income” in the consolidated statement of comprehensive income.

As of March 31, 2025

Millions of Yen

	Millions of Yen							
	Balance as of April 1, 2024	Profit (Loss) or Other Comprehensive Income for the fiscal year ended March 31, 2025		Net of purchases, sales and redemption	Amount of investment trusts whose net asset value (NAV) is regarded as fair value	Amount of investment trusts whose net asset value (NAV) is not regarded as fair value	Balance as of March 31, 2025	Amount of unrealized gains or losses on investment trusts held at March 31, 2025 that is recognized in Profit (Loss) for the fiscal year ended March 31, 2025
		Recognized in Profit (Loss) (*1)	Recognized in Other Comprehensive Income (*2)					
Investment trusts whose investment trust property is financial instruments	144,672	(1,686)	8,039	10,533	—	(3,288)	158,270	—
Investment trusts whose investment trust property is real estate	52,424	(62)	597	5,920	—	—	58,880	—

*1. Mainly included in “Other Operating Income” and “Other Operating Expenses” in the consolidated statement of income.

*2. Included in “Net Unrealized Gains (Losses) on Other Securities” in “Other Comprehensive Income” in the consolidated statement of comprehensive income.

(2) Breakdown of restrictions related to redemption and repurchase requests of investment trusts whose investment trust property is financial instruments

As of March 31, 2026

	Millions of Yen	Millions of U.S. Dollars
Restrictions related to redemption or repurchase requests	Carrying value	Carrying value
Restrictions that require a certain period for redemption or repurchase due to factors such as limited redemption or repurchase dates	192,029	1,201

As of March 31, 2025

	Millions of Yen
Restrictions related to redemption or repurchase requests	Carrying value
Restrictions that require a certain period for redemption or repurchase due to factors such as limited redemption or repurchase dates	158,270

28. Fair Value of Securities and Money Held in Trust:

1. Securities

The following tables contain information relating to Securities, Trading Assets (trading account securities and short-term corporate bonds), Cash and Due from Banks (negotiable certificates of deposit) and Monetary Claims Bought (beneficiary rights in trust) in the consolidated balance sheet.

(1) Trading Securities

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Net Unrealized Gains (Losses)			
Recognized as Income	(155)	(81)	(0)

(2) Held-to-Maturity Debt Securities

As of March 31, 2026

		Millions of Yen		
		Carrying Value	Fair Value	Unrealized Gains (Losses)
Securities with Fair Value Exceeding Carrying Value	Japanese Government Bonds	365,591	369,706	4,115
	Municipal Government Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	—	—	—
	Others	342,983	343,378	395
	Total	708,575	713,085	4,510
Securities with Fair Value not Exceeding Carrying Value	Japanese Government Bonds	2,739,936	2,286,614	(453,322)
	Municipal Government Bonds	724,596	675,809	(48,787)
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	332,983	315,356	(17,626)
	Others	314,444	313,854	(590)
	Total	4,111,962	3,591,635	(520,326)
Total		4,820,537	4,304,720	(515,816)

		Millions of U.S. Dollars		
		Carrying Value	Fair Value	Unrealized Gains (Losses)
Securities with Fair Value Exceeding Carrying Value	Japanese Government Bonds	2,287	2,312	25
	Municipal Government Bonds	—	—	—
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	—	—	—
	Others	2,145	2,148	2
	Total	4,432	4,460	28
Securities with Fair Value not Exceeding Carrying Value	Japanese Government Bonds	17,140	14,304	(2,835)
	Municipal Government Bonds	4,532	4,227	(305)
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	2,083	1,972	(110)
	Others	1,967	1,963	(3)
	Total	25,723	22,468	(3,255)
Total		30,156	26,929	(3,226)

As of March 31, 2025

		Millions of Yen		
		Carrying Value	Fair Value	Unrealized Gains (Losses)
Securities with Fair Value Exceeding Carrying Value	Japanese Government Bonds	425,414	437,097	11,682
	Municipal Government Bonds	4,500	4,501	1
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	137	137	0
	Others	272,783	273,401	618
	Total	702,835	715,137	12,302
Securities with Fair Value not Exceeding Carrying Value	Japanese Government Bonds	2,709,301	2,512,700	(196,600)
	Municipal Government Bonds	702,985	675,347	(27,637)
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	338,255	327,406	(10,848)
	Others	244,117	243,561	(555)
	Total	3,994,660	3,759,016	(235,643)
Total		4,697,495	4,474,154	(223,341)

(3) Other Securities

As of March 31, 2026

		Millions of Yen		
		Carrying Value	Acquisition Cost	Unrealized Gains (Losses)
Securities with Carrying Value Exceeding Acquisition Cost	Stocks	86,886	31,447	55,439
	Bonds	9,655	9,613	42
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	9,538	9,496	42
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	116	116	0
	Others	4,277,942	4,126,788	151,154
	Total	4,374,484	4,167,849	206,635
Securities with Carrying Value not Exceeding Acquisition Cost	Stocks	1,725	2,048	(323)
	Bonds	4,378,655	4,882,977	(504,321)
	Japanese Government Bonds	2,599,939	2,979,387	(379,448)
	Municipal Government Bonds	914,272	956,852	(42,580)
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	864,444	946,737	(82,293)
	Others	4,607,555	4,967,368	(359,812)
	Total	8,987,936	9,852,393	(864,457)
Total		13,362,421	14,020,243	(657,821)

		Millions of U.S. Dollars		
		Carrying Value	Acquisition Cost	Unrealized Gains (Losses)
Securities with Carrying Value Exceeding Acquisition Cost	Stocks	543	196	346
	Bonds	60	60	0
	Japanese Government Bonds	—	—	—
	Municipal Government Bonds	59	59	0
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	0	0	0
	Others	26,762	25,816	945
Total		27,366	26,073	1,292
Securities with Carrying Value not Exceeding Acquisition Cost	Stocks	10	12	(2)
	Bonds	27,392	30,547	(3,154)
	Japanese Government Bonds	16,264	18,638	(2,373)
	Municipal Government Bonds	5,719	5,985	(266)
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	5,407	5,922	(514)
	Others	28,824	31,075	(2,250)
Total		56,227	61,635	(5,407)
Total		83,593	87,708	(4,115)

As of March 31, 2025

		Millions of Yen		
		Carrying Value	Acquisition Cost	Unrealized Gains (Losses)
Securities with Carrying Value Exceeding Acquisition Cost	Stocks	65,994	30,650	35,343
	Bonds	81,768	81,418	349
	Japanese Government Bonds	76,411	76,070	340
	Municipal Government Bonds	248	248	0
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	5,109	5,100	9
	Others	3,087,084	2,997,270	89,813
Total		3,234,846	3,109,340	125,506
Securities with Carrying Value not Exceeding Acquisition Cost	Stocks	3,217	3,669	(451)
	Bonds	4,542,202	4,843,388	(301,186)
	Japanese Government Bonds	2,337,574	2,562,072	(224,497)
	Municipal Government Bonds	1,050,777	1,083,606	(32,829)
	Short-Term Corporate Bonds	—	—	—
	Corporate Bonds	1,153,851	1,197,710	(43,858)
	Others	4,734,867	5,092,205	(357,337)
Total		9,280,288	9,939,263	(658,975)
Total		12,515,134	13,048,604	(533,469)

(4) Held-to-Maturity Debt Securities Sold during the Fiscal Year
Not applicable.

(5) Other Securities Sold during the Fiscal Year
For the Fiscal Year Ended March 31, 2026

	Millions of Yen		
	Amounts of Securities Sold	Aggregate Gains on Sale	Aggregate Losses on Sale
Stocks	6,451	2,743	—
Bonds	442,791	99	34,222
Japanese Government Bonds	408,719	99	33,432
Municipal Government Bonds	5,879	—	157
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	28,192	—	632
Others	322,257	1,326	16,849
Total	771,499	4,169	51,072

	Millions of U.S. Dollars		
	Amounts of Securities Sold	Aggregate Gains on Sale	Aggregate Losses on Sale
Stocks	40	17	—
Bonds	2,770	0	214
Japanese Government Bonds	2,556	0	209
Municipal Government Bonds	36	—	0
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	176	—	3
Others	2,015	8	105
Total	4,826	26	319

For the Fiscal Year Ended March 31, 2025

	Millions of Yen		
	Amounts of Securities Sold	Aggregate Gains on Sale	Aggregate Losses on Sale
Stocks	15,332	3,104	—
Bonds	2,087,458	182	5,886
Japanese Government Bonds	1,855,547	182	2,442
Municipal Government Bonds	127,672	—	1,804
Short-Term Corporate Bonds	—	—	—
Corporate Bonds	104,238	—	1,639
Others	226,410	1,043	8,718
Total	2,329,201	4,330	14,605

(6) Impaired Securities

Of Securities other than Trading Securities (excluding stocks and other equity securities with no market prices and investment in investment partnerships), those whose fair value significantly declines compared with the acquisition cost and is not expected to recover up to the acquisition cost, are devalued and the fair value is recorded as the carrying value on the consolidated balance sheet. In addition, the difference between the fair value and the acquisition cost is recognized as impairment losses in the current fiscal year. When determining that the fair value of stocks and investment trusts has significantly declined, the amount calculated based on the average market price for one month before the end of the current fiscal year is used.

In the case where the issuer is classified as a Bankrupt Borrower, Substantially Bankrupt Borrower, or Probably Bankrupt Borrower, impairment loss is recognized for securities when the market value is below the acquisition cost.

In the fiscal year ended March 31, 2026, there were no impairment losses.

In the fiscal year ended March 31, 2025, the amount of impairment losses on securities was ¥4 million (all impairment losses were incurred on stocks).

Furthermore, the criteria are set to determine whether the fair value declines significantly, and the general outline is as follows:

Bonds:

- The fair value is more than 50% and 70% or less of the acquisition cost, and changes in the fair value and the issuer's business condition meet certain requirements
- The fair value is 50% or less of the acquisition cost

Stocks and investment trusts:

- The fair value is 70% or less of the acquisition cost

2. Money Held in Trust

(1) Money Held in Trust for Trading Purposes

Not applicable.

(2) Held-to-Maturity Money Held in Trust

Not applicable.

(3) Other Money Held in Trust (Money Held in Trust other than Held for Trading Purposes or Held-to-Maturity)

As of March 31, 2026

Millions of Yen					
	Carrying Value	Acquisition Cost	Unrealized Gains (Losses)	Items with Carrying Value Exceeding Acquisition Cost	Items with Carrying Value not Exceeding Acquisition Cost
Other Money Held in Trust	45,385	50,000	(4,614)	—	(4,614)

Millions of U.S. Dollars					
	Carrying Value	Acquisition Cost	Unrealized Gains (Losses)	Items with Carrying Value Exceeding Acquisition Cost	Items with Carrying Value not Exceeding Acquisition Cost
Other Money Held in Trust	283	312	(28)	—	(28)

Note:

Breakdown of "Unrealized Gains (Losses)" is shown in "Items with Carrying Value Exceeding Acquisition Cost" and "Items with Carrying Value not Exceeding Acquisition Cost."

As of March 31, 2025

	Millions of Yen				
	Carrying Value	Acquisition Cost	Unrealized Gains (Losses)	Items with Carrying Value Exceeding Acquisition Cost	Items with Carrying Value not Exceeding Acquisition Cost
Other Money Held in Trust	45,032	50,000	(4,967)	—	(4,967)

Note:

Breakdown of “Unrealized Gains (Losses)” is shown in “Items with Carrying Value Exceeding Acquisition Cost” and “Items with Carrying Value not Exceeding Acquisition Cost.”

3. Net Unrealized Gains (Losses) on Other Securities and Other Money Held in Trust

Breakdown of Net Unrealized Gains (Losses) on Other Securities in the consolidated balance sheet is as follows:

As of March 31, 2026

	Millions of Yen	Millions of U.S. Dollars
Other Securities	(656,414)	(4,106)
Other Money Held in Trust	(4,614)	(28)
Net Unrealized Gains (Losses)	(661,028)	(4,135)
Deferred Tax Assets	189,907	1,188
Net Unrealized Losses (Prior to Equity Method Adjustment)	(471,120)	(2,947)
Non-Controlling Interests' Portion	—	—
Parent Company's Portion of Net Unrealized Gains (Losses) for Other Securities Held by Companies Accounted for by the Equity Method	—	—
Net Unrealized Gains (Losses)	(471,120)	(2,947)

Note:

Translation adjustments of foreign currency-denominated stocks and other equity securities with no market prices, and Unrealized Gains (Losses) on investment in investment partnerships are included in “Other Securities” within “Net Unrealized Gains (Losses).”

As of March 31, 2025

	Millions of Yen
Other Securities	(533,408)
Other Money Held in Trust	(4,967)
Net Unrealized Gains (Losses)	(538,375)
Deferred Tax Assets	154,855
Net Unrealized Gains (Prior to Equity Method Adjustment)	(383,519)
Non-Controlling Interests' Portion	—
Parent Company's Portion of Net Unrealized Gains (Losses) for Other Securities Held by Companies Accounted for by the Equity Method	—
Net Unrealized Gains (Losses)	(383,519)

Note:

Translation adjustments of foreign currency-denominated stocks and other equity securities with no market prices, and Unrealized Gains (Losses) on investment in investment partnerships are included in “Other Securities” within “Net Unrealized Gains (Losses).”

29. Derivatives:

1. Derivative Transactions to which Hedge Accounting is not Applied

The following tables summarize the notional amount or the contracted principal equivalents, fair values and net unrealized gains (losses) of the Bank's derivative transactions that do not qualify for hedge accounting as of the consolidated balance sheet date, which are classified by types of financial instruments. Please note that the notional amounts in themselves do not reflect the market risk associated with the Bank's derivative transactions.

(1) Interest-Rate-Related Transactions

As of March 31, 2026

	Millions of Yen			
	Total Notional Amount	Notional Amount (Over 1 Year until Settlement or Expiry)	Fair Value	Net Unrealized Gains (Losses)
Exchange-Traded Transactions				
Interest Rate Futures:				
Sold	—	—	—	—
Bought	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over the Counter Transactions				
Interest Rate Forwards:				
Sold	—	—	—	—
Bought	—	—	—	—
Interest Rate Swaps:				
Fixed Rate Receivable/Floating Rate Payable	17,508,966	13,650,747	(811,290)	(811,290)
Floating Rate Receivable/Fixed Rate Payable	17,176,505	12,988,297	731,164	731,164
Floating Rate Receivable/Floating Rate Payable	41,750	27,950	(13)	(13)
Fixed Rate Receivable/Fixed Rate Payable	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Others:				
Sold	2,643,100	1,862,100	(17,275)	(17,275)
Bought	2,717,780	1,976,380	119,864	103,150
Total			22,449	5,735

	Millions of U.S. Dollars			
	Total Notional Amount	Notional Amount (Over 1 Year until Settlement or Expiry)	Fair Value	Net Unrealized Gains (Losses)
Exchange-Traded Transactions				
Interest Rate Futures:				
Sold	—	—	—	—
Bought	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over the Counter Transactions				
Interest Rate Forwards:				
Sold	—	—	—	—
Bought	—	—	—	—
Interest Rate Swaps:				
Fixed Rate Receivable/Floating Rate Payable	109,533	85,397	(5,075)	(5,075)
Floating Rate Receivable/Fixed Rate Payable	107,453	81,253	4,574	4,574
Floating Rate Receivable/Floating Rate Payable	261	174	(0)	(0)
Fixed Rate Receivable/Fixed Rate Payable	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Others:				
Sold	16,534	11,649	(108)	(108)
Bought	17,002	12,363	749	645
Total			140	35

Note:

Transactions mentioned above are valued at fair value, and Net Unrealized Gains (Losses) are accounted for in the consolidated statement of income.

As of March 31, 2025

	Millions of Yen			
	Total Notional Amount	Notional Amount (Over 1 Year until Settlement or Expiry)	Fair Value	Net Unrealized Gains (Losses)
Exchange-Traded Transactions				
Interest Rate Futures:				
Sold	—	—	—	—
Bought	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over the Counter Transactions				
Interest Rate Forwards:				
Sold	—	—	—	—
Bought	—	—	—	—
Interest Rate Swaps:				
Fixed Rate Receivable/Floating Rate Payable	16,122,751	13,302,975	(367,793)	(367,793)
Floating Rate Receivable/Fixed Rate Payable	15,675,170	12,446,512	336,617	336,617
Floating Rate Receivable/Floating Rate Payable	61,750	41,750	(5)	(5)
Fixed Rate Receivable/Fixed Rate Payable	—	—	—	—
Interest Rate Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Others:				
Sold	3,625,200	2,547,200	3,350	3,163
Bought	3,852,480	2,588,280	52,143	40,855
Total			24,312	12,838

Note:

Transactions mentioned above are valued at fair value, and Net Unrealized Gains (Losses) are recognized in the consolidated statement of income.

(2) Currency-Related Transactions
As of March 31, 2026

	Millions of Yen			
	Total Notional Amount	Notional Amount (Over 1 Year until Settlement or Expiry)	Fair Value	Net Unrealized Gains (Losses)
Exchange-Traded Transactions				
Currency Futures:				
Sold	—	—	—	—
Bought	—	—	—	—
Currency Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over the Counter Transactions				
Currency Swaps:	800	800	41	41
Forward Foreign Exchange Contracts:				
Sold	215,209	1,316	(2,599)	(2,599)
Bought	143,050	1,438	2,568	2,568
Currency Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Others:				
Sold	—	—	—	—
Bought	—	—	—	—
Total			11	11

Millions of U.S. Dollars				
	Total Notional Amount	Notional Amount (Over 1 Year until Settlement or Expiry)	Fair Value	Net Unrealized Gains (Losses)
Exchange-Traded Transactions				
Currency Futures:				
Sold	—	—	—	—
Bought	—	—	—	—
Currency Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over the Counter Transactions				
Currency Swaps:	5	5	0	0
Forward Foreign Exchange Contracts:				
Sold	1,346	8	(16)	(16)
Bought	894	9	16	16
Currency Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Others:				
Sold	—	—	—	—
Bought	—	—	—	—
Total			0	0

Note:

1. Transactions mentioned above are valued at fair value, and Net Unrealized Gains (Losses) are recognized in the consolidated statement of income.
2. Fair value and Net Unrealized Gains (Losses) on currency swaps are stated at the amounts net of principal.

As of March 31, 2025

Millions of Yen				
	Total Notional Amount	Notional Amount (Over 1 Year until Settlement or Expiry)	Fair Value	Net Unrealized Gains (Losses)
Exchange-Traded Transactions				
Currency Futures:				
Sold	—	—	—	—
Bought	—	—	—	—
Currency Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over the Counter Transactions				
Currency Swaps:	823	823	27	27
Forward Foreign Exchange Contracts:				
Sold	231,053	1,591	(175)	(175)
Bought	450,289	1,913	1,719	1,719
Currency Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Others:				
Sold	—	—	—	—
Bought	—	—	—	—
Total			1,571	1,571

Note:

1. Transactions mentioned above are valued at fair value, and Net Unrealized Gains (Losses) are recognized in the consolidated statement of income.
2. Fair value and Net Unrealized Gains (Losses) on currency swaps are stated at the amounts net of principal.

(3) Stock-Related Transactions

Not applicable.

(4) Bond-Related Transactions
As of March 31, 2026

Millions of Yen				
	Total Notional Amount	Notional Amount (Over 1 Year until Settlement or Expiry)	Fair Value	Net Unrealized Gains (Losses)
Exchange-Traded Transactions				
Bond Futures:				
Sold	7,037	—	0	0
Bought	—	—	—	—
Bond Futures Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over the Counter Transactions				
Bond Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Others:				
Sold	—	—	—	—
Bought	—	—	—	—
Total			0	0

Millions of U.S. Dollars				
	Total Notional Amount	Notional Amount (Over 1 Year until Settlement or Expiry)	Fair Value	Net Unrealized Gains (Losses)
Exchange-Traded Transactions				
Bond Futures:				
Sold	44	—	0	0
Bought	—	—	—	—
Bond Futures Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over the Counter Transactions				
Bond Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Others:				
Sold	—	—	—	—
Bought	—	—	—	—
Total			0	0

Note:

Transactions mentioned above are valued at fair value, and Net Unrealized Gains (Losses) are recognized in the consolidated statement of income.

As of March 31, 2025

	Millions of Yen			
	Total Notional Amount	Notional Amount (Over 1 Year until Settlement or Expiry)	Fair Value	Net Unrealized Gains (Losses)
Exchange-Traded Transactions				
Bond Futures:				
Sold	7,990	—	(37)	(37)
Bought	138	—	(0)	(0)
Bond Futures Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Over the Counter Transactions				
Bond Options:				
Sold	—	—	—	—
Bought	—	—	—	—
Others:				
Sold	—	—	—	—
Bought	—	—	—	—
Total			(37)	(37)

Note:

Transactions mentioned above are valued at fair value, and Net Unrealized Gains (Losses) are recognized in the consolidated statement of income.

(5) Commodity-Related Derivative Transactions

Not applicable.

(6) Credit Derivative Transactions

Not applicable.

2. Derivative Transactions to which Hedge Accounting is Applied

The following summarizes the notional amount or the contracted principal equivalents and fair values of the Bank's derivative transactions that qualify for hedge accounting as of the consolidated balance sheet date, which are classified by types of financial instruments and methods for hedge accounting. Please note that the notional amounts in themselves do not reflect the market risk associated with the Bank's derivative transactions.

(1) Interest-Rate-Related Transactions

As of March 31, 2026

		Millions of Yen		
Method for Hedge Accounting	Items	Total Notional Amount	Notional Amount (Over 1 Year until Settlement or Expiry)	Fair Value
Basic Treatment	Interest Rate Swaps			
	Fixed Rate Receivable/Floating Rate Payable	4,475,000	50,000	(3,521)
	Floating Rate Receivable/Fixed Rate Payable	9,499,046	7,074,509	516,089
Exceptional Treatments for Interest Rate Swaps	Interest Rate Swaps			
	Fixed Rate Receivable/Floating Rate Payable	424,600	424,600	(9,323)
	Floating Rate Receivable/Fixed Rate Payable	2,273,137	2,097,883	225,105
Total				728,350

		Millions of U.S. Dollars		
Method for Hedge Accounting	Items	Total Notional Amount	Notional Amount (Over 1 Year until Settlement or Expiry)	Fair Value
Basic Treatment	Interest Rate Swaps			
	Fixed Rate Receivable/Floating Rate Payable	27,994	312	(22)
	Floating Rate Receivable/Fixed Rate Payable	59,424	44,257	3,228
Exceptional Treatments for Interest Rate Swaps	Interest Rate Swaps			
	Fixed Rate Receivable/Floating Rate Payable	2,656	2,656	(58)
	Floating Rate Receivable/Fixed Rate Payable	14,220	13,124	1,408
Total				4,556

Notes:

1. Most of hedged items subject to Basic Treatment are Interest-bearing assets and liabilities including Loans and Bills Discounted, Other Securities (Bonds) and Deposits.
2. Hedged items subject to Exceptional Treatments for Interest Rate Swaps include Loans and Bills Discounted, Held-to-Maturity Debt Securities and Debentures (Liabilities).
3. The deferred method of hedge accounting is primarily applied to the transactions mentioned above based on the Industry Committee Practical Guidelines No. 24.

As of March 31, 2025

		Millions of Yen		
Method for Hedge Accounting	Items	Total Notional Amount	Notional Amount (Over 1 Year until Settlement or Expiry)	Fair Value
Basic Treatment	Interest Rate Swaps			
	Fixed Rate Receivable/Floating Rate Payable	6,476,000	4,475,000	(19,962)
	Floating Rate Receivable/Fixed Rate Payable	7,182,264	7,063,747	285,558
Exceptional Treatments for Interest Rate Swaps	Interest Rate Swaps			
	Fixed Rate Receivable/Floating Rate Payable	424,600	424,600	(5,241)
	Floating Rate Receivable/Fixed Rate Payable	2,178,407	2,068,482	51,569
Total				311,923

Notes:

1. Most of hedged items subject to Basic Treatment are Interest-bearing assets and liabilities including Loans and Bills Discounted, Other Securities (Bonds) and Deposits.
2. Hedged items subject to Exceptional Treatments for Interest Rate Swaps include Loans and Bills Discounted, Held-to-Maturity Debt Securities and Debentures (Liabilities).
3. The deferred method of hedge accounting is primarily applied to the transactions mentioned above based on the Industry Committee Practical Guidelines No. 24.

(2) Currency-Related Transactions

As of March 31, 2026

		Millions of Yen		
Method for Hedge Accounting	Items	Total Notional Amount	Notional Amount (Over 1 Year until Settlement or Expiry)	Fair Value
Basic Treatment	Currency Swaps	1,738,831	1,146,955	(13,285)
	Forward Foreign Exchange Contracts:			
	Sold	83,955	—	(1,035)
	Bought	—	—	—
Total				(14,320)

		Millions of U.S. Dollars		
Method for Hedge Accounting	Items	Total Notional Amount	Notional Amount (Over 1 Year until Settlement or Expiry)	Fair Value
Basic Treatment	Currency Swaps	10,877	7,175	(83)
	Forward Foreign Exchange Contracts:			
	Sold	525	—	(6)
	Bought	—	—	—
Total				(89)

Notes:

1. Most of hedged items include foreign currency-denominated securities and Due from Banks.
2. The deferred method of hedge accounting is primarily applied to the transactions mentioned above based on the Industry Committee Practical Guidelines No. 25.
3. Fair value on currency swaps is stated at the amount net of principal.

As of March 31, 2025

Millions of Yen				
Method for Hedge Accounting	Items	Total Notional Amount	Notional Amount (Over 1 Year until Settlement or Expiry)	Fair Value
Basic Treatment	Currency Swaps	1,417,958	1,174,601	(13,111)
	Forward Foreign Exchange Contracts:			
	Sold	72,454	—	196
	Bought	—	—	—
	Total			(12,915)

Notes:

1. Most of hedged items are foreign currency-denominated securities, Due from Banks, etc.
2. The deferred method of hedge accounting is primarily applied to the transactions mentioned above based on the Industry Committee Practical Guidelines No. 25.
3. Fair value on currency swaps is stated at the amount net of principal.

(3) Stock-Related Transactions

Not applicable.

(4) Bond-Related Transactions

Not applicable.

30. Related Party Transactions:

There were no significant related-party transactions.

31. Revenue Recognition:

Disaggregation of Revenue from Contracts with Customers is provided in Note 32.

32. Segment Information:

(1) Description of Reportable Segments

The Group classifies the businesses of the Bank and its consolidated subsidiaries as single business segment, respectively. Among those business segments, the business of the Bank is determined as the reportable segment.

The Bank, as an individual financial institution, provides such services as deposits, debentures, lending, market fund management, trading operations, clearing and trust business. As the central financial institution for Shinkin Banks, the Bank complements the functions of the Shinkin Banks and operates the shinkin bank industry's own safety net, including the Shinkin Bank Management Reinforcement System. By doing so, the Bank strives to maintain an orderly financial system within the shinkin bank industry.

(2) Method of Calculating Amounts by Reportable Segment

The accounting methods of the reportable segment are consistent with those described in the "Significant Accounting Policies." Reportable segment profit is based on profit attributable to owners of parent.

(3) Amounts by Reportable Segment
For the Fiscal Year Ended March 31, 2026

(Millions of Yen)

	Reportable segment	Other	Total	Adjustment	Amount presented in the consolidated financial statements
	Shinkin Central Bank business				
Income					
External customers	625,691	40,743	666,435	(46)	666,388
Inter-segment	10,621	2,513	13,134	(13,134)	—
Total	636,312	43,256	679,569	(13,181)	666,388
Segment profit	48,671	2,300	50,971	(7,965)	43,006
Segment assets	46,559,619	381,959	46,941,579	(75,090)	46,866,489
Segment liabilities	44,978,492	287,424	45,265,917	(37,146)	45,228,771
Other items					
Depreciation	4,872	6,638	11,510	—	11,510
Interest Income	576,809	1,584	578,393	(7,704)	570,688
Interest Expenses	464,157	607	464,765	(70)	464,694
Income Taxes	14,861	999	15,860	(104)	15,756
Increase in Tangible and Intangible Fixed Assets	6,913	3,419	10,333	—	10,333

(Millions of U.S. Dollars)

	Reportable segment	Other	Total	Adjustment	Amount presented in the consolidated financial statements
	Shinkin Central Bank business				
Income					
External customers	3,914	254	4,169	(0)	4,168
Inter-segment	66	15	82	(82)	—
Total	3,980	270	4,251	(82)	4,168
Segment profit	304	14	318	(49)	269
Segment assets	291,270	2,389	293,660	(469)	293,190
Segment liabilities	281,379	1,798	283,177	(232)	282,945
Other items					
Depreciation	30	41	72	—	72
Interest Income	3,608	9	3,618	(48)	3,570
Interest Expenses	2,903	3	2,907	(0)	2,907
Income Taxes	92	6	99	(0)	98
Increase in Tangible and Intangible Fixed Assets	43	21	64	—	64

Notes:

- The “Other” is a business segment not included in our reportable segment and relates to businesses performed by consolidated subsidiaries.
The Bank’s consolidated subsidiaries provide such financial services as brokerage & dealing, regional business supports operations, overseas business support, consumer credit guarantees, asset management, investment and M&A advisory operations, and contracted data processing services.
- Adjustment comprises the following.
 - Within adjustment of segment profit, reduction of ¥7,965 million (\$49 million) comprises reduction of ¥408 million (\$2 million) on profit attributable to non-controlling interests and ¥7,557 million (\$47 million) on inter-segment eliminations, etc.
 - Within adjustment of segment assets, reduction of ¥75,090 million (\$469 million) comprises reduction of ¥44,295 million (\$277 million) on eliminations relating to capital consolidation and ¥30,794 million (\$192 million) on inter-segment eliminations, etc.
 - The adjustment for other items including reduction of ¥37,146 million (\$232 million) on the adjustment of segment liabilities comprises inter-segment eliminations, etc.
- Segment profit has been adjusted from profit attributable to owners of parent presented in the consolidated statement of income.

(Millions of Yen)

	Reportable segment	Other	Total	Adjustment	Amount presented in the consolidated financial statements
	Shinkin Central Bank business				
Income					
External customers	444,161	38,482	482,644	(60)	482,583
Inter-segment	2,972	2,468	5,440	(5,440)	—
Total	447,134	40,950	488,085	(5,501)	482,583
Segment profit	40,579	2,512	43,091	(642)	42,449
Segment assets	47,991,933	323,694	48,315,627	(76,738)	48,238,888
Segment liabilities	46,536,768	224,257	46,761,026	(34,576)	46,726,449
Other items					
Depreciation	4,494	6,453	10,948	—	10,948
Interest Income	398,997	931	399,929	(109)	399,819
Interest Expenses	318,659	73	318,733	(41)	318,691
Income Taxes	14,235	1,103	15,339	(4)	15,334
Increase in Tangible and Intangible Fixed Assets	6,837	12,261	19,098	—	19,098

Notes:

1. The “Other” is a business segment not included in our reportable segment and relates to businesses performed by consolidated subsidiaries.

The Bank’s consolidated subsidiaries provide such financial services as brokerage & dealing, regional business supports operations, overseas business support, consumer credit guarantees, asset management, investment and M&A advisory operations, and contracted data processing services.

2. Adjustment comprises the following.

(i) Within adjustment of segment profit, reduction of ¥642 million comprises reduction of ¥523 million on profit attributable to non-controlling interests and ¥119 million on inter-segment eliminations, etc.

(ii) Within adjustment of segment assets, reduction of ¥76,738 million comprises reduction of ¥44,295 million on eliminations relating to capital consolidation and ¥32,443 million on inter-segment eliminations, etc.

(iii) The adjustment for other items including reduction of ¥34,576 million on the adjustment of segment liabilities comprises inter-segment eliminations, etc.

3. Segment profit has been adjusted from profit attributable to owners of parent presented in the consolidated statement of income.

(4) Disaggregation of Revenue from Contracts with Customers

For the Fiscal Year Ended March 31, 2026

(Millions of Yen)

	Reportable segment	Other	Total	Adjustment	Amount presented on the consolidated statement of income
	Shinkin Central Bank business				
Investment Trust Commission	6,866	6,131	12,998	(2,655)	10,342
Trust Fees	2,493	—	2,493	—	2,493
Fund Transfer Operations Commission	1,389	—	1,389	(1)	1,388
Others	3,587	27,349	30,937	(2,009)	28,927
Revenue from Contracts with Customers	14,338	33,480	47,819	(4,666)	43,152
Other Income	621,974	9,775	631,750	(8,514)	623,235
Total Income	636,312	43,256	679,569	(13,181)	666,388

(Millions of U.S. Dollars)

	Reportable segment	Other	Total	Adjustment	Amount presented on the consolidated statement of income
	Shinkin Central Bank business				
Investment Trust Commission	42	38	81	(16)	64
Trust Fees	15	—	15	—	15
Fund Transfer Operations Commission	8	—	8	(0)	8
Others	22	171	193	(12)	180
Revenue from Contracts with Customers	89	209	299	(29)	269
Other Income	3,890	61	3,952	(53)	3,898
Total Income	3,980	270	4,251	(82)	4,168

Notes:

1. “Investment Trust Commission” mainly arises from investment trust management services and is recorded under “Fees and Commissions” in the consolidated statement of income.
2. “Trust Fees” mainly arise from trustee services for trust assets and are recorded under “Trust Fees” in the consolidated statement of income.
3. “Fund Transfer Operations Commission” mainly arises from fund transfer services and is recorded under “Fees and Commissions” in the consolidated statement of income.
4. “Others,” services not included in 1-3 above, mainly arise from contracted data processing services, etc. and are recorded under “Fees and Commissions” in the consolidated statement of income.

For the Fiscal Year Ended March 31, 2025

(Millions of Yen)

	Reportable segment	Other	Total	Adjustment	Amount presented on the consolidated statement of income
	Shinkin Central Bank business				
Investment Trust Commission	6,415	6,107	12,523	(2,671)	9,852
Trust Fees	2,581	—	2,581	—	2,581
Fund Transfer Operations Commission	1,411	—	1,411	(1)	1,409
Others	2,738	25,922	28,660	(1,900)	26,759
Revenue from Contracts with Customers	13,146	32,029	45,176	(4,573)	40,602
Other Income	433,987	8,920	442,908	(927)	441,980
Total Income	447,134	40,950	488,085	(5,501)	482,583

Notes:

1. “Investment Trust Commission” mainly arises from investment trust management services and is recorded under “Fees and Commissions” in the consolidated statement of income.
2. “Trust Fees” mainly arise from trustee services for trust assets and are recorded under “Trust Fees” in the consolidated statement of income.
3. “Fund Transfer Operations Commission” mainly arises from fund transfer services and is recorded under “Fees and Commissions” in the consolidated statement of income.
4. “Others,” services not included in 1-3 above, mainly arise from contracted data processing services, etc. and are recorded under “Fees and Commissions” in the consolidated statement of income.

(Related Information)

For the Fiscal Year Ended March 31, 2026

1. Information by service

(Millions of Yen)

	Securities investment operations	Lending operations	Other	Total
Income from external customers	398,488	78,420	189,478	666,388

(Millions of U.S. Dollars)

	Securities investment operations	Lending operations	Other	Total
Income from external customers	2,492	490	1,185	4,168

2. Information by geographic region

(1) Income

(Millions of Yen)

Japan	United States	Europe	Other	Total
292,284	236,693	27,283	110,128	666,388

(Millions of U.S. Dollars)

Japan	United States	Europe	Other	Total
1,828	1,480	170	688	4,168

Note: Income from derivative transactions and Trading income are included in Other.

(2) Tangible fixed assets

The Group's tangible fixed assets located in Japan account for over 90% of the tangible fixed assets presented in the consolidated balance sheet. Consequently, this information is omitted.

3. Information by principal customer

(Millions of Yen)

Name of customer	Income	Related segment
The Government of Japan	94,859	Shinkin Central Bank business

(Millions of U.S. Dollars)

Name of customer	Income	Related segment
The Government of Japan	593	Shinkin Central Bank business

For the Fiscal Year Ended March 31, 2025

1. Information by service

(Millions of Yen)

	Securities investment operations	Lending operations	Other	Total
Income from external customers	308,309	39,845	134,428	482,583

2. Information by geographic region

(1) Income

(Millions of Yen)

Japan	United States	Europe	Other	Total
181,793	190,864	12,249	97,677	482,583

Note: Income from derivative transactions and Trading income are included in Other.

(2) Tangible fixed assets

The Group's tangible fixed assets located in Japan account for over 90% of the tangible fixed assets presented in the consolidated balance sheet. Consequently, this information is omitted.

3. Information by principal customer

(Millions of Yen)

Name of customer	Income	Related segment
The Government of Japan	49,242	Shinkin Central Bank business

(Information related to Impairment Losses of Fixed Assets by Reportable Segment)

Not applicable.

(Information related to Amortization of Goodwill and Balance of Unamortized Goodwill by Reportable Segment)

Not applicable.

(Information related to Accrual of Income from Negative Goodwill by Reportable Segment)

Not applicable.

33. Amounts per Share:

	Yen		U.S. Dollars
	2026	2025	2026
Net Assets per Share	258,011.00	231,530.45	1,614.08
Net Income per Share	4,694.61	4,630.70	29.36
Net Income per Share after Adjustment for Common Share equivalents	—	—	—

Notes:

1. The basis for calculation of net assets per share is as follows:

		2026	2025	2026	
Total Net Assets	Millions of Yen	1,637,718	1,512,438	Millions of U.S. Dollars	10,245
Amount Deducted from Total Net Assets	Millions of Yen	422,945	422,342	Millions of U.S. Dollars	2,645
Non-Controlling Interests	Millions of Yen	14,820	14,217	Millions of U.S. Dollars	92
Preferred Dividends	Millions of Yen	2,124	2,124	Millions of U.S. Dollars	13
Dividend Attributable to Specific Common Shares	Millions of Yen	6,000	6,000	Millions of U.S. Dollars	37
Distribution of Residual Assets Attributable to Specific Common Shares	Millions of Yen	400,000	400,000	Millions of U.S. Dollars	2,502
Net Assets at Fiscal Year-end Used to Calculate Net Assets per Share	Millions of Yen	1,214,773	1,090,096	Millions of U.S. Dollars	7,599
Number of Share Units at Fiscal Year-end Used to Calculate Net Assets per Share	Unit	4,708,222	4,708,222	—	—
Number of General Common Share Units	Unit	4,000,000	4,000,000	—	—
Number of Preferred Share Units	Unit	708,222	708,222	—	—

* When calculating net assets per share, of dividend attributable to preferred shares, preferred dividends are deducted from total net assets whereas participating dividends are not deducted from total net assets.

Dividend attributable to specific common shares and distribution of residual assets attributable to specific common shares are deducted from total net assets, and the number of specific common share units is not included within the number of share units.

2. The basis for calculation of net income per share is as follows:

		2026	2025	2026	
Profit Attributable to Owners of Parent	Millions of Yen	43,006	42,449	Millions of U.S. Dollars	269
Amount Deducted from Profit Attributable to Owners of Parent	Millions of Yen	2,124	2,124	Millions of U.S. Dollars	13
Preferred Dividend	Millions of Yen	2,124	2,124	Millions of U.S. Dollars	13
Profit Attributable to Owners of Parent Used to Calculate Net Income per Share	Millions of Yen	40,881	40,325	Millions of U.S. Dollars	255
Average Number of Share Units for the Fiscal Year	Unit	8,708,222	8,708,222	—	—
Average Number of General Common Share Units	Unit	4,000,000	4,000,000	—	—
Average Number of Specific Common Share Units	Unit	4,000,000	4,000,000	—	—
Average Number of Preferred Share Units	Unit	708,222	708,222	—	—

* When calculating net income per share, of dividends attributable to preferred securities, dividends attributable to preferred shares are deducted from profit attributable to owners of parent whereas participating dividends are not deducted from profit attributable to owners of parent.

3. Net income per share after adjustment for common share equivalents is not listed as there are no dilutive securities.

34. Subsequent Events:

Not applicable.

Independent Auditor's Report

The Board of Directors
Shinkin Central Bank

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Shinkin Central Bank and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2026, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Reasonableness of determination of the borrower classification and the appropriateness of the inputs applied to the cash flow estimate method

Description of Key Audit Matter	Auditor's responses
The Group extends loans to central and local governments, public service corporations, as well as domestic and overseas companies mainly including listed companies, and recorded Loans and Bills Discounted of ¥ 12,234,105 million, representing 26.1% of total assets, on its consolidated balance sheet as of March 31, 2026.	We performed the following audit procedures to examine the reasonableness of determination of the borrower classification and the appropriateness of the inputs applied to the DCF method, among others:

It is possible that these loans may default due to domestic and global economic situation, fluctuations in markets such as real estate and stock markets, and the impact of deterioration in the business conditions of individual borrowers. Consequently, the Group calculates the amount of expected losses from future defaults and records them as Reserve for Possible Loan Losses. As of March 31, 2026, the Group had Reserve for Possible Loan Losses of ¥ 23,667 million on its consolidated balance sheet. The specific principles to calculate reserve for possible loan losses are stated in Note 2 Significant Accounting Policies (9) Reserve for Possible Loan Losses and (20) Significant Accounting Estimates. The reserve for possible loan losses is calculated in accordance with the Group's internal rules for self assessment of asset quality and write-offs/provision, and the calculation process includes determination of the borrower classification in the self-assessment of asset quality based on the credit rating system, by which the Group evaluates the borrower's debt servicing capacity in terms of the borrower's repayment history, financial condition, business performance and prospects thereof. For certain borrowers' loans, the reserve for loan losses is calculated using the cash flow estimate method (hereinafter referred to as the "DCF method"). In determining the debtor classification, the Group makes assumptions based on its prospects of the business environments, in addition to the borrower's financial condition, industry characteristics, repayment history. In applying the DCF method, the expected loss amount is calculated based on key assumptions such as the repayment plan formulated by the borrower, credit status, lending policy, and the default rate according to the borrower's credit status.	• We evaluated the design and operating effectiveness of the Group's internal control over assignment of internal credit ratings and determination of the borrower classification as well as application of the DCF method. • We involved our credit risk assessment experts to examine the appropriateness of the credit rating system used as the basis for determining the borrower classification, by inspecting the results of the Group's validation of its internal rating model used in the credit rating system and comparing the internal rating model with industry practices. • In order to examine the appropriateness of the classification of individual borrowers, we selected sample borrowers, taking into account factors such as each borrower's industry, financial position, and operating performance, in addition to the monetary impact of the migration of the borrower classification on the amount of the reserve for possible loan losses. • In order to comprehend the recent repayment history, financial condition and operating performance of the borrowers selected as samples, we inspected the sets of the documents used for self-assessment of asset quality by the Group, depending on the business profile of the borrower. These documents include but are not limited to supporting materials on historical experiences of borrowing activities, supporting materials to understand the actual financial condition, financial statements and trial balances. In addition, we made inquiries of the lending division (primary assessment division) and the Credit Planning & Supervision Division (secondary assessment division) as necessary.
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Prospects of such factors as the individual borrowers' performance are highly uncertain because they are affected by changes in the business environment, and the outcome of the borrowers' business strategies. If the borrower classification is downgraded, the credit cost may increase, significantly affecting the financial performance and financial position of the Group. In addition, since the various inputs used in the DCF method cannot be objectively or uniquely determined, there is a high degree of reliance on management's judgment. Therefore, we have determined that the reasonableness of determination of the borrower classification and the appropriateness of the inputs applied to the DCF method are key audit matters.	• In order to examine the reasonableness regarding the Group's prospects of individual borrowers, we analyzed the trend from the past in respect of significant assumptions identified in forecasts of major income statement items, such as net sales and ordinary income, and major balance sheet items, such as shareholders' equity of the borrowers, depending on the business profile of the borrower, and compared the assumptions with the available external information on the industry in which the borrower operates. • In order to examine the appropriateness of the Group's assessment of the reasonableness and feasibility of plans such as repayment plans that underlie the future cash flows used as inputs for the DCF method, we compared the assumptions in such plans with available external information and the Group's lending policies, and compared the cash flows estimated in the previous year with the actual results. • In order to assess the reasonableness of the probability of default used as an input for the DCF method, we compared it with the default rates available in external information as necessary. Also, we recalculated the present value of the cash flows using those inputs.
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Other Information

The other information comprises the information included in the Annual Report that contains audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Corporate Auditors are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Corporate Auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2026 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Fee-related Information

The fees for the audits of the financial statements of Shinkin Central Bank and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2026 are 138 million yen and 27 million yen, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

September 18, 2026

Ryuji Takagi
Designated Engagement Partner
Certified Public Accountant

Mitsutaka Kumagai
Designated Engagement Partner
Certified Public Accountant

Non-Consolidated Balance Sheet

Shinkin Central Bank As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Assets			
Cash and Due from Banks	12,805,492	19,066,140	80,109
Call Loans	749,235	638,312	4,687
Receivables under Resale Agreements	22,968	65,943	143
Monetary Claims Bought	189,890	246,018	1,187
Trading Assets	868,841	550,502	5,435
Money Held in Trust	45,385	45,032	283
Securities	18,187,065	17,076,706	113,775
Loans and Bills Discounted	12,234,550	9,287,100	76,537
Foreign Exchanges Assets	33,802	25,195	211
Other Assets	1,280,919	813,493	8,013
Tangible Fixed Assets	74,317	71,772	464
Intangible Fixed Assets	6,628	7,386	41
Deferred Tax Assets	55,254	95,541	345
Customers' Liabilities for Acceptances and Guarantees	28,677	25,502	179
Reserve for Possible Loan Losses	(23,409)	(22,716)	(146)
Total Assets	46,559,619	47,991,933	291,270
Liabilities and Net Assets			
Liabilities			
Deposits	29,503,506	31,334,531	184,569
Debentures	1,229,810	1,250,410	7,693
Trading Liabilities	504,689	269,219	3,157
Borrowed Money	3,598,000	4,347,300	22,508
Call Money	3,368,788	2,226,269	21,074
Payables under Repurchase Agreements	2,670,288	3,662,501	16,704
Payables under Securities Lending Transactions	3,000,206	2,787,063	18,768
Foreign Exchanges Liabilities	1,235	897	7
Borrowed Money from Trust Account	40,768	43,977	255
Other Liabilities	997,305	553,131	6,239
Reserve for Employee Bonuses	1,448	1,382	9
Reserve for Directors' Bonuses	86	83	0
Reserve for Employee Retirement Benefits	27,360	27,889	171
Reserve for Directors' Retirement Allowances	412	424	2
Deferred Tax Liabilities for Land Revaluation	5,906	6,184	36
Acceptances and Guarantees	28,677	25,502	179
Total Liabilities	44,978,492	46,536,768	281,379
Total Net Assets	1,581,127	1,455,164	9,891
Total Liabilities and Net Assets	46,559,619	47,991,933	291,270

Non-Consolidated Statement of Income

Shinkin Central Bank For the year ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Income			
Interest Income:	576,809	398,997	3,608
Interest on Loans and Bills Discounted	78,417	39,849	490
Interest on Due from Banks	84,292	44,774	527
Interest on Call Loans	5,882	5,205	36
Interest on Receivables under Resale Agreements	175	58	1
Interest and Dividends on Securities	401,914	304,020	2,514
Others	6,126	5,089	38
Trust Fees	2,493	2,581	15
Fees and Commissions	12,401	11,056	77
Trading Income	4,029	12,045	25
Other Operating Income	34,011	18,466	212
Other Income	6,567	3,987	41
Total Income	636,312	447,134	3,980
Expenses			
Interest Expenses:	464,157	318,659	2,903
Interest on Deposits	156,770	80,073	980
Interest on Debentures	5,126	2,698	32
Interest on Borrowed Money	2,523	1,670	15
Interest on Call Money	14,327	4,355	89
Interest on Payables under Repurchase Agreement	75,726	61,430	473
Interest on Payables under Securities Lending Transactions	120,942	117,938	756
Interest Payable on Interest Rate Swaps	79,810	39,556	499
Others	8,931	10,937	55
Fees and Commissions	10,679	10,082	66
Trading Losses	116	-	0
Other Operating Expenses	60,093	28,282	375
General and Administrative Expenses	36,294	34,907	227
Other Expenses	1,437	387	8
Total Expenses	572,780	392,319	3,583
Income before Income Taxes	63,532	54,815	397
Income Taxes			
Current	15,018	14,695	93
Deferred	(157)	(460)	(0)
Total Income Taxes	14,861	14,235	92
Net Income	48,671	40,579	304

	Yen		U.S. Dollars
	2026	2025	2026
Net Income Per Share	5,345.15	4,415.90	33.43
Dividend Declared per Share (General Common Shares)	3,000.00	3,000.00	18.76
Dividend Declared per Share (Specific Common Shares)	1,500.00	1,500.00	9.38
Dividend Declared per Share (Preferred Shares)	6,500.00	6,500.00	40.66

Statement of Trust Account (Consolidated)

Shinkin Central Bank As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Assets			
Beneficiary Rights in Trust	2,291,849	2,580,671	14,337
Securities Held in Custody Accounts	19,600	63,000	122
Monetary Claims	345,420	342,591	2,160
Other Claims	1	0	0
Due from Banking Account	40,768	43,977	255
Cash and Due from Banks	104	120	0
Total Assets	2,697,744	3,030,362	16,876
Liabilities			
Money Trust	43,322	46,544	271
Investment Trusts	39,360	31,733	246
Money Held in Trust Other than Money Trust	5,101	5,033	31
Securities Trusts	52,700	66,100	329
Monetary Claims Trusts	345,472	342,646	2,161
Composite Trusts	2,211,786	2,538,304	13,836
Total Liabilities	2,697,744	3,030,362	16,876

(Note 1) The trust business pursuant to the “Act on Engagement in Trust Business Activities by Financial Institutions” has been conducted only by the Bank for the fiscal years ended March 31, 2026 and 2025.

(Note 2) The Bank had no balance of trust assets jointly managed by other companies as of March 31, 2026 and 2025.



SHINKIN CENTRAL BANK

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