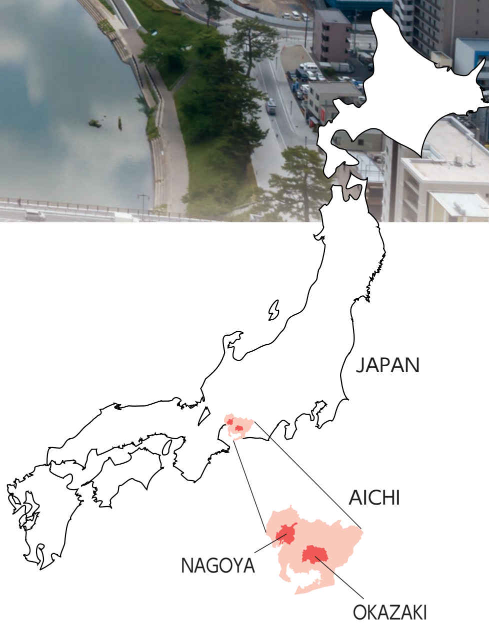
THE OKAZAKI SHINKIN BANK

ANNUAL REPORT 2026

Year ended March 31. 2026

THE OKAZAKI SHINKIN BANK



The Okazaki Shinkin Bank was established in 1924 in Okazaki City, Aichi Prefecture to serve small and medium-sized companies and their employees. Under its corporate mission of sincerely striving for the prosperity of society and the development of regional industry, the Bank continues to maintain sound operations, and is steadily widening its business scope. The Bank currently enjoys an overwhelming share of deposits and loans in Okazaki City, and is one of the top-ranked shinkin banks in Japan.

Amid the present dramatic changes in the financial sector, the Bank reaffirms its customer-focused business stance. We are continuing to improve our services and lineup of financial products, streamline our corporate organization, raise operational efficiency, and further reinforce our risk management capability and earning power.

As March 31, 2026, The Bank's network – covering the whole of Aichi Prefecture – comprised 101 branches. The network was staffed by 1,637 employees serving 122,408 members. The total balance of deposits stood at ¥3,647,881 million (US$22,816 million), and loans and bills discounted totaled ¥1,790,469 million (US$11,198 million).
(exchanging ¥159.88, end of March 2026)

Profile of The Okazaki Shinkin Bank

(As of March 31, 2026)

- Established: July 1924
- Head Office: 41 Motosuga, Sugo-cho, Okazaki
- Members: 122,408
- Capital: 3,037.2 million yen
- Deposits: 3,647.8 billion yen
- Loans: 1,790.4 billion yen
- Full-time employees: 1,637
- Location: 101 locations

Number of Offices by Area

Okazaki Area	31
Nagoya Area	19
Owari Area	5
West-Mikawa Area	30
East-Mikawa Area	16

About the Representative System

Shinkin banks are the Japanese equivalent of a credit union, and are a form of financial institution with a cooperative structure based on the fundamental principles of "mutual trust" and "reciprocity" between members, and that maximizes the value of the opinions of each and every member. Each member of a shinkin bank therefore has a single voting right regardless of the number of asset accounts, and participates in the operation of the bank through the general meetings. However, because of the large number of members of the Okazaki Shinkin Bank, it is not possible in practice to actually hold general meetings. In order to maintain member consensus while ensuring the completeness of deliberations, a representative system is therefore used instead of general meetings.

The representatives committee is the highest-level decision-making body for deciding important issues such as approval of accounts or change to statutes of the bank, and appointment of the board of directors and auditors. The representatives committee therefore conducts business through representatives that are selected by some appropriate procedure from among the members, and the opinions of each and every member are therefore reflected in the running of the bank in the same way as a general meeting.

Furthermore, communication with representatives and members that occurs not only in the representative meetings, but also in everyday operations is treated as important, and is incorporated into various improvements in the running of the bank.

Efforts towards Compliance (Adhering to Laws)

Fundamental Compliance Policy

The Okazaki Shinkin Bank has established a fundamental policy of prioritizing compliance as our most important management issue, and all of our executives and employees are active in efforts to comply with laws and regulations, etc.

A set of "in-house rules for supervising compliance" have been established based on the compliance policy, and these rules determine the basic items related to preparations for complying with laws, etc. A strong management system has also been built with the board of directors at the top.

In terms of actions, the "compliance program" that details specific implementation plans is decided every year. Through this program, all of our executives and employees strive to be active in each of the areas for improving employee awareness and building systems for complying with laws, etc.

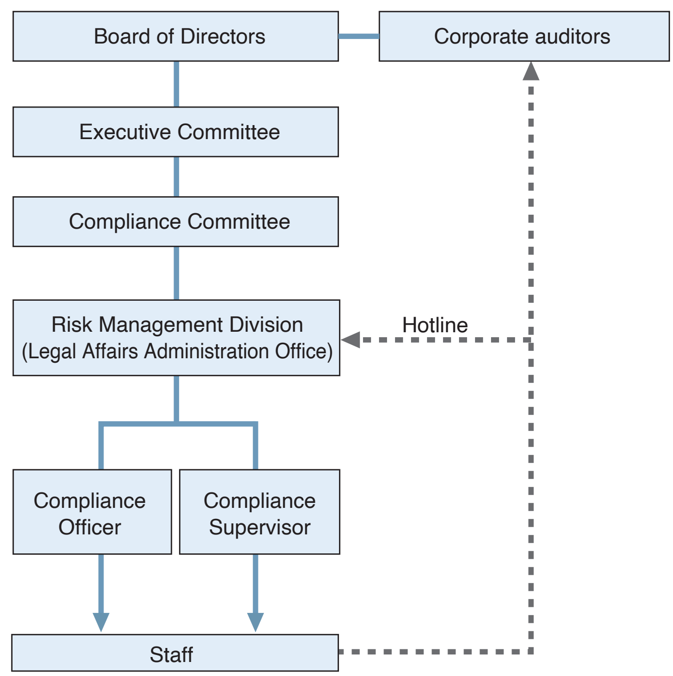
Compliance Management System

The final decision-making body in relation to compliance is the board of directors. In addition to deciding on our fundamental policies and compliance standards, the board of directors appropriately evaluates the range of compliance measures in addition to the state of compliance. The compliance committee was established in accordance with our compliance policy and is involved in investigating, planning, and evaluating from the standpoint of comprehensive business management.

Furthermore, the risk management division (legal affairs administration office) has been established as the supervising office, and in addition to performing business and planning related to compliance measures, also undertakes guidance and training, and responds to questions and consultations.

Regarding the organization of each position, a "compliance officer" is stationed in the primary work supervision role, and a "compliance supervisor" is stationed in each branch. They provide instruction, guidance, and verification related to the work within their branch and to the staff within their branch.

In order to respond swiftly and appropriately in the rare event that a violation of the law occurs, there is a system in place to facilitate a prompt response, so that when a staff member becomes aware of a compliance violation or that there is a risk of a compliance violation, the staff member is to notify a compliance officer or compliance supervisor, and in addition, there is a hotline through which the risk management division (legal affairs administration office), corporate auditors or advising lawyers can be notified directly.



Compliance-Related Activities

Through the annual compliance program, in addition to training workshops being held, efforts are progressing towards appropriate work management, such as holding periodic study seminars that utilize tools such as the compliance manual.

Efforts to Strengthen the Risk Management System

Credit Risk

Credit risk is the risk of loss to a financial institution if the value of assets held by the financial institution is reduced or destroyed by worsening financial conditions, bankruptcy, etc. of borrowers.

At the Okazaki Shinkin Bank, the basic attitude that executives and staff take part in our credit business is established by our "Credit Policy," and we strive to maintain a suitable screening and management system based on it.

Furthermore, for all borrowers, a calculation of the credit risk is carried out by a VaR through the applicable credit rating based on the business conditions by considering quantitative information such as financial information, and qualitative information such as the strength of the business, and a rigorous asset assessment is carried out based on the "rules related to self-assessment" in order to ensure the soundness of loan assets. In addition to this, monitoring is performed periodically to ensure that there is no bias of credit to particular borrowers or industries (credit concentration risk) and the risk is dispersed.

The Okazaki Shinkin Bank endeavors to appropriately manage the credit risk associated with market transactions by internal regulations decided by the bank.

Market Risk

Market risk is the risk of loss to a financial institution if the value of assets or debts held by the financial institution, such as deposits and loans and securities, fluctuates due to changes in interest rates or variations in the market. Specific examples of market risk include the interest risk that occurs when interest rates change, value variation risk that occurs when the value of securities, etc. change, and exchange risk due to variations in exchange rates.

At the Okazaki Shinkin Bank, a cross-checking system has been established where the investment department that performs the market transactions (front office), and business administration department that performs the business processing (back office) are separate, and the risk management department (middle office) is organizationally separate from these market departments. Furthermore, the bank adheres to the appropriate risk limit (the limiting value on the amount of risk) that suits the equity capital approved by the board of directors, and the position limits (the limits on the amount invested and the amount retained).

Furthermore, for the market risk, which varies daily due to market trends, rigorous management is performed by periodically monitoring the amount of risk as calculated by a VaR.

Liquidity Risk

Liquidity risk is the risk of loss out of the necessity to obtain funds at much higher interest rates than are normally used to procure funds in the event that the required funds become difficult to secure and there is a shortfall in cash as a result of unexpected losses in liquid funds due to market turmoil or worsening of the financial conditions of the bank.

In addition to taking care to hold securities that have a highly liquid market, such as national and municipal bonds, in order that sudden demands for cash can be handled adequately, strict management is made to ensure that surplus funding reserves are held, and that the liquidity risk is not actualized.

Operational Risk

Operational risk is a collective term for risks that have a major impact on operations and where losses are caused by errors in business process, the activities of managers and employees, computer system processing, etc. or from changes in external conditions.

In response to operational risk, the Okazaki Shinkin Bank decides the basic policies for risk management each year for system risks and administrative risks and proceeds with preparations and maintenance, and also the relevant departments take efforts to prevent the occurrence of other risks, including legal risks, personal risks, tangible asset risks, and reputation risks.

●System Risk

System risk is the risk of loss due to damage, incorrect operation due to malfunctions, illicit usage, information leaks, cyber-attacks, etc. involving our computer system.

The Okazaki Shinkin Bank endeavors to ensure the stability and reliability of hardware and software based on the "Computer System Safety Guidelines for Financial Institutions" in order to provide stable, high quality, and appropriate system functionality.

Furthermore, as measures for dealing with disasters such as large-scale earthquakes, the Okazaki Shinkin Bank has duplicated the system circuitry, and strives to ensure the effectiveness of emergency response by carrying out system failure training.

●Administrative Risk

Administrative risk is the risk of loss due to any executive or employee neglecting to properly carry out their duties, or due to accidents or illegal activities.

At the Okazaki Shinkin Bank, the Operations Management Division periodically updates the "Administrative Procedure Guidelines", and also strives to maintain an internal environment in which administrative work is carried out correctly and where employee knowledge of administrative procedures is acquired and improved through education, training, and in-branch lecture.

Furthermore, when an administrative error occurs, the cause of the error is investigated, and all employees are notified of how to handle the situation in the future in order to prevent the mistake from occurring again. In addition, an internal control structure has been setup to prevent mistakes whereby each branch conducts a monthly internal inspection, and internal audits are carried out periodically by the Audit Division.

●Other Risk

Efforts are made to maintain the appropriate administrative readiness and reduce risks during normal business operations.

Legal Risk

This is the risk of loss due to an executive or employee violating the law or behaving inappropriately while performing their duties.

Personal Risk

This is the risk of loss due to employment problems with executives and employees or occupational injuries in the workplace.

Tangible Asset Risk

This is the risk of loss due to the tangible assets being held by the Okazaki Shinkin Bank being destroyed by natural disasters, etc.

Reputation Risk

This is the risk of loss due to a dramatic drop in the level of trust in the Okazaki Shinkin Bank due to rumors of poor financial conditions or due to the words and actions of executives and employees.

Initiatives to Combat Money Laundering and Terrorist Financing and Proliferation Financing

Actions against money laundering, etc.

The Bank has prioritized combat money laundering and terrorist financing and proliferation financing as issues that are important to management, and works to maintain effective risk management systems regarding combat money laundering and terrorist financing and proliferation financing grounded on a risk-based approach. Moreover, the Bank regularly verifies the effectiveness of policies related to measures against combat money laundering and terrorist financing and proliferation financing, and continuously enhances and strengthens relevant management systems, and this includes making improvements as necessary.

Actions against antisocial forces

In order to sever relations with antisocial forces, which threaten the public order and the public safety and hinder sound economic and social development, the Bank rejects unreasonable demands with a resolute attitude, based on taking both civil and criminal legal countermeasures, etc., and does not associate with such antisocial forces with regard to funding, inappropriate or unusual transactions, or the provision of benefits. The Bank has set forth these and other matters in a "Basic Policy regarding Antisocial Forces," and upholds this policy.

The Okazaki Shinkin Bank
Nonconsolidated Balance Sheets
March 31, 2026 and 2025

	Millions of yen				Thousands of U.S. dollars	
	2026		2025		2026	
Assets:						
Cash	¥	19,310	¥	28,683	$	120,781
Due from banks		965,042		890,253		6,036,043
Call loans		137,500		170,500		860,020
Monetary receivables purchased		1,520		1,645		9,510
Money held in trust		998		965		6,242
Investment securities		958,179		987,051		5,993,118
Loans and bills discounted		1,790,469		1,782,332		11,198,835
Foreign exchange assets		575		682		3,597
Other assets		21,776		22,943		136,205
Tangible fixed assets		41,382		40,061		258,832
Intangible fixed assets		1,265		473		7,912
Prepaid pension cost		9,267		8,793		57,963
Deferred tax assets		6,336		12,695		39,635
Customers' liabilities for acceptances and guarantees		1,751		1,739		10,956
Reserve for possible loan losses		(2,259)		(2,301)		(14,132)
Total assets	¥	3,953,116	¥	3,946,518	$	24,725,522
Liabilities:						
Deposits	¥	3,647,881	¥	3,625,934	$	22,816,373
Borrowed money		20,400		38,800		127,595
Payables under securities lending transactions		49,123		71,229		307,254
Foreign exchange liabilities		295		409		1,847
Other liabilities		13,287		8,318		83,108
Reserve for employee bonuses		278		278		1,743
Reserve for severance indemnities for directors and corporate auditors		425		309		2,659
Reserve for reimbursement of deposits		102		102		638
Reserve for contingent losses		427		352		2,676
Deferred tax liabilities for land revaluation		2,395		2,395		14,982
Acceptances and guarantees		1,751		1,739		10,956
Total liabilities	¥	3,736,369	¥	3,749,869	$	23,369,835
Net assets:						
Paid-in members’ capital	¥	3,037	¥	3,061	$	18,996
Retained earnings:						
Legal reserve		3,061		3,068		19,146
Special reserve		183,941		183,952		1,150,495
Unappropriated retained earnings		37,030		33,234		231,616
Total retained earnings		224,033		220,255		1,401,258
Total members’ equity		227,070		223,316		1,420,255
Net unrealized gains on available-for-sale securities		(15,783)		(32,127)		(98,723)
Land revaluation excess		5,460		5,460		34,154
Total valuation and translation adjustments		(10,323)		(26,666)		(64,568)
Total net assets	¥	216,747	¥	196,649	$	1,355,687
Total liabilities and net assets	¥	3,953,116	¥	3,946,518	$	24,725,522

	Yen				U.S. dollars	
Net assets per member common share	¥	35,681.61	¥	32,120.33	$	223.18

The Okazaki Shinkin Bank
Nonconsolidated Statements of Income
For the Years Ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Income:			
Interest income:			
Interest on loans and discounts	¥ 21,415	¥ 16,652	$ 133,946
Interest and dividends on securities	16,371	13,393	102,399
Other interest income	6,508	4,817	40,710
Total interest income	44,295	34,863	277,057
Fees and commissions	6,468	6,702	40,459
Other operating income	1,915	1,369	11,977
Other income	17,784	11,035	111,234
Total income	¥ 70,463	¥ 53,969	$ 440,728
Expenses:			
Interest expense:			
Interest on deposits	¥ 8,968	¥ 3,333	$ 56,093
Other interest expense	1,358	2,663	8,497
Total interest expense	10,326	5,996	64,590
Fees and commissions	2,974	2,878	18,607
Other operating expenses	23,315	12,938	145,830
General and administrative expenses	24,143	23,024	151,007
Other expenses	4,363	4,482	27,292
Total expenses	¥ 65,123	¥ 49,320	$ 407,328
Income before income taxes	5,340	4,649	33,400
Income taxes: current	1,341	876	8,392
Income taxes: deferred	37	288	237
Total income taxes	1,379	1,164	8,629
Net income	¥ 3,960	¥ 3,484	$ 24,770
Unappropriated retained earnings:			
At beginning of year	¥ 33,234	¥ 29,802	$ 207,873
Changes during the year:			
Transfer to legal reserve	7	(3)	45
Cash dividends for member common shares	(182)	(91)	(1,140)
Reversal of land revaluation excess	0	32	0
Transfer from special reserve	10	10	67
At end of year	¥ 37,030	¥ 33,234	$ 231,616

	Yen		U.S. dollars
Net income per member common share	¥ 648.22	¥ 567.50	$ 4.05

Notes to Nonconsolidated Financial Statements

The amounts shown in millions of Japanese yen in the accompanying nonconsolidated financial statements have been rounded down to the nearest million yen in accordance with the disclosure regulations. Accordingly, the sum of each yen amount appearing in the accompanying nonconsolidated financial statements and these notes may not equal the sum of the individual account balances.

The translation of the Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2026, which was ¥159.88 to U.S. $1.00. Such translation should not be construed as a representation that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.

The Okazaki Shinkin Bank and Consolidated Subsidiaries
Consolidated Balance Sheets
March 31, 2026 and 2025

	Millions of yen				Thousands of U.S. dollars	
		2026		2025		2026
Assets:						
Cash and due from banks	¥	984,353	¥	918,940	$	6,156,824
Call loans		137,500		170,500		860,020
Monetary receivables purchased		1,520		1,645		9,510
Money held in trust		998		965		6,242
Investment securities		957,662		986,972		5,989,886
Loans and bills discounted		1,780,107		1,774,232		11,134,024
Foreign exchange assets		575		682		3,597
Other assets		31,339		31,224		196,021
Tangible fixed assets		41,316		40,087		258,423
Intangible fixed assets		914		398		5,720
Net defined benefit asset		9,267		8,793		57,963
Deferred tax assets		6,517		12,839		40,765
Customers' liabilities for acceptances and guarantees		1,751		1,739		10,956
Reserve for possible loan losses		(2,493)		(2,590)		(15,597)
Total assets	¥	3,951,331	¥	3,946,429	$	24,714,357
Liabilities:						
Deposits	¥	3,641,213	¥	3,619,661	$	22,774,666
Borrowed money		20,400		38,800		127,595
Payables under securities lending transactions		49,123		71,229		307,254
Foreign exchange liabilities		295		409		1,847
Other liabilities		12,921		9,568		80,817
Reserve for employee bonuses		278		278		1,743
Net defined benefit liability		0		0		5
Reserve for severance indemnities for directors and corporate auditors		425		309		2,659
Reserve for reimbursement of deposits		102		102		638
Reserve for contingent losses		427		352		2,676
Deferred tax liabilities for land revaluation		2,395		2,395		14,982
Acceptances and guarantees		1,751		1,739		10,956
Total liabilities	¥	3,729,335	¥	3,744,846	$	23,325,843
Net assets:						
Paid-in members’ capital	¥	3,037	¥	3,061	$	18,997
Retained earnings		229,281		225,187		1,434,085
Undisposed equity		(0)		(0)		(0)
Total members' equity		232,318		228,248		1,453,082
Net unrealized gains on available-for-sale securities		(15,783)		(32,127)		(98,723)
Land revaluation excess		5,460		5,460		34,154
Total valuation and translation adjustments		(10,323)		(26,666)		(64,568)
Total net assets	¥	221,995	¥	201,582	$	1,388,513
Total liabilities and net assets	¥	3,951,331	¥	3,946,429	$	24,714,357

The Okazaki Shinkin Bank and Consolidated Subsidiaries
Consolidated Statements of Operations
For the Years Ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars
	2026	2025	2026
Income:			
Interest income:			
Interest on loans and discounts	¥ 21,331	¥ 16,602	$ 133,423
Interest and dividends on securities	16,397	13,418	102,563
Other interest income	6,508	4,817	40,710
Total interest income	44,238	34,839	276,697
Fees and commissions	6,707	6,965	41,953
Other operating income	5,421	4,564	33,912
Other income	17,784	10,988	111,234
Total income	¥ 74,152	¥ 57,357	$ 463,798
Expenses:			
Interest expenses:			
Interest on deposits	¥ 8,959	¥ 3,331	$ 56,037
Other interest expenses	1,358	2,663	8,497
Total interest expenses	10,317	5,994	64,535
Fees and commissions	2,974	2,878	18,607
Other operating expenses	26,448	15,948	165,428
General and administrative expenses	24,288	23,030	151,920
Other expenses	4,358	4,482	27,259
Total expenses	¥ 68,388	¥ 52,334	$ 427,750
Income before income taxes	¥ 5,763	¥ 5,023	$ 36,047
Income taxes: current	1,486	978	9,296
Income taxes: deferred	-	318	4
Total income taxes	1,487	1,297	9,301
Net income	¥ 4,276	¥ 3,726	$ 26,746
Retained earnings:			
At beginning of year	¥ 225,187	¥ 221,519	$ 1,408,479
Changes during the year:			
Cash dividends for member common shares	(182)	(91)	(1,140)
Reversal of land revaluation excess	-	32	-
At end of year	¥ 228,936	¥ 225,187	$ 1,431,929

	Yen		U.S. dollars
Net income per member common share	¥ 699.94	¥ 606.94	$ 4.37

Notes to Consolidated Balance Sheets and Consolidated Statements of Operations

The amounts shown in millions of Japanese yen in the accompanying consolidated balance sheets and the consolidated statements of operations are stated by omitting amounts less than one million yen. Accordingly, the sum of each yen amount appearing in the accompanying consolidated balance sheets and consolidated statements of operations may not be equal to the sum of the individual account balances.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at amounts March 31, 2026, which was ¥159.88 to U.S. $1.00. The translation should not be construed as a representation that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.

The accompanying consolidated balance sheets and consolidated statements of operations of The Okazaki Shinkin Bank include the accounts of the Bank and its subsidiaries, which are engaged primarily in the business of providing a wide range of financial services. At March 31, 2026 and 2025, respectively, nine subsidiaries were consolidated based on the Bank's ability to exert control over the enterprises rather than the Bank's holding a majority voting interest.