THE KYOTO CHUO SHINKIN BANK
ANNUAL REPORT 2026

Company profile of the Kyoto Chuo Shinkin Bank

Customers/ members

Number of members: 218,775
Capital: 18.9 billion yen

Deposits
Capital

Head Office: 91 Kankoboko-cho, Shijo-dori Muromachi Higashi-iru, Shimogyo-ku, Kyoto City, Kyoto Prefecture
Established: June 18, 1940
Deposit: 5,532.6 billion yen
Loan balance: 3,522.1 billion yen
Ordinary profit: 8.8 billion yen
Net profit: 16.2 billion yen
Capital adequacy ratio: 11.26%
Number of employees: 2,438
Number of branches: 135

Loans
Support services

Customers/ members

(Year ended March 2026)

The Kyoto Chuo Shinkin Bank is a cooperative financial institution that operates under the shared philosophy of prosperity for all, including for local SMEs and individuals. The Kyoto Chuo Shinkin Bank serves Kyoto City and parts of Kyoto, Shiga, Osaka and Nara prefectures.
The deposits we look after for our customers in the community are used for investments in customers that require capital, such as venture corporations, in order to foster the continued development of local economies and businesses.
Moreover, we have formed a strong network characterized by close ties to the community. With a broad branch system, we provide products and services in-line with the demand of customers and assist them in improving their lives.
We are also actively involved in activities designed to help the cultivation of human resources and engage in activities geared toward protecting and passing on to the next generation the local natural environment, scenery, and traditional culture in our community, including within an international city of culture and tourism; Kyoto. Thus, we contribute to development in our community not just financially, but in other various ways as well.

We are actively involved in activities that contribute to a society to which we are thankful.

Unlike city-based commercial banks, which do business on a national scale, credit associations are limited in their terms of where they do business. As such, credit associations cannot hope for their own development without the development of the communities where they do business. The Kyoto Chuo Shinkin Bank (as a financial institution headquartered in the land of the Kyoto Protocol) not only serves to help the region prosper through financial institution activities, but is also actively involved with environmental issues and continuously engages in various activities that contribute to a society we are grateful for.

Fund procurement and management

Deposit balances by account type

(Unit : million yen)

	Year ended March 2025	(Component ratio)	Year ended March 2026	(Component ratio)	Changes	
Current deposits	120,364	(2.22%)	112,213	(2.02%)	△8,151	(△0.19%)
Ordinary deposits	2,829,158	(52.33%)	2,835,464	(51.24%)	6,305	(△1.08%)
Savings deposits	53,494	(0.98%)	51,102	(0.92%)	△2,391	(△0.06%)
Deposits at notice	67,322	(1.24%)	53,528	(0.96%)	△13,794	(△0.27%)
Time deposits	2,257,537	(41.76%)	2,393,443	(43.26%)	135,905	(1.49%)
Fixed savings deposits	24,918	(0.46%)	21,922	(0.39%)	△2,995	(△0.06%)
Other deposits	52,834	(0.97%)	64,966	(1.17%)	12,132	(0.19%)
Total deposit reserve	**5,405,630**	(100.00%)	**5,532,640**	(100.00%)	**127,009**	(-)
Certificate of deposit	0	(0.00%)	0	(0.00%)	0	(-)
Total	**5,405,630**	(100.00%)	**5,532,640**	(100.00%)	**127,009**	(-)

(Note) Foreign currency deposits are included in “Other deposits.”

Deposit balances by depositor

(Unit : million yen)

	Year ended March 2025	(Component ratio)	Year ended March 2026	(Component ratio)	Changes	
Individual customers	3,595,541	(66.51%)	3,619,618	(65.42%)	24,077	(△1.09%)
Corporate customers	1,420,262	(26.27%)	1,487,495	(26.88%)	67,233	(0.61%)
Public institutions	167,151	(3.09%)	181,529	(3.28%)	14,377	(0.18%)
Financial institutions	222,675	(4.11%)	243,997	(4.41%)	21,321	(0.29%)
Total deposit reserve	**5,405,630**	(100.00%)	**5,532,640**	(100.00%)	**127,009**	(-)
Certificate of deposit	0	(0.00%)	0	(0.00%)	0	(-)
Total	**5,405,630**	(100.00%)	**5,532,640**	(100.00%)	**127,009**	(-)

Loan balances by account type

(Unit : million yen)

	Year ended March 2025	Year ended March 2026	Changes
Bills discounted	1,599	901	△697
Loans on bills	72,768	6,389	△66,378
Loans on deeds	3,246,516	3,417,453	170,937
Overdrafts	94,671	97,365	2,694
Total	**3,415,554**	**3,522,110**	**106,555**

(Note) The Bank does not distinguish between domestic and international operations.

Breakdown of loan balances by business type

(Unit : number, million yen)

	Year ended March 2025			Year ended March 2026		
	Number of borrowers	Loan balance	Component ratio	Number of borrowers	Loan balance	Component ratio
Manufacturing	2,481	159,099	4.65%	2,442	154,515	4.38%
Agriculture, forestry	70	1,335	0.03%	68	1,583	0.04%
Fishing	–	–	–	–	–	–
Mining, quarrying, sand and gravel gathering	8	8,062	0.23%	7	12,963	0.36%
Construction	4,466	184,090	5.38%	4,539	183,066	5.19%
Electricity, gas, heat supply, water	46	3,407	0.09%	40	3,179	0.09%
Telecommunications	297	9,360	0.27%	305	9,078	0.25%
Transportation, postal industry	512	44,522	1.30%	495	43,731	1.24%
Wholesale business	1,436	100,787	2.95%	1,394	97,378	2.76%
Retail business	1,827	71,423	2.09%	1,822	73,340	2.08%
Finance, insurance	86	202,870	5.93%	88	205,414	5.83%
Real estate	7,441	904,400	26.47%	7,656	981,153	27.85%
Rental industry	78	7,719	0.22%	75	8,869	0.25%
Scientific research, specialist/ technical services	737	19,820	0.58%	751	20,971	0.59%
Accommodation industry	175	19,016	0.55%	182	19,073	0.54%
Restaurant industry	1,711	44,016	1.28%	1,705	42,547	1.20%
Lifestyle-related service industries, entertainment industry	824	54,272	1.58%	841	52,162	1.48%
Education, study support industry	195	21,243	0.62%	189	30,619	0.86%
Medicine, welfare	1,197	79,291	2.32%	1,197	77,883	2.21%
Other services	1,559	75,794	2.21%	1,552	78,925	2.24%
Subtotal	**25,146**	**2,010,538**	**58.86%**	**25,348**	**2,096,458**	**59.52%**
Local public entities	28	194,091	5.68%	31	203,485	5.77%
Individual (housing, consumption, tax payment funds, etc.)	113,257	1,210,924	35.45%	111,496	1,222,166	34.69%
Total	**138,431**	**3,415,554**	**100.00%**	**136,875**	**3,522,110**	**100.00%**

(Notes) 1. Business categories are based on the large classification of Japan Standard Industrial Classification.
2. Loans outside Japan are classified in the same manner as those in Japan and are included within their respective business category.

Fund management and securities business

Average balance by type of security

● Securities

(Unit : million yen)

	Year ended March 2025	Year ended March 2026	Changes
Japanese government bonds	479,625	406,717	△72,907
Local government bonds	425,120	371,217	△53,902
Corporate bonds	532,065	504,706	△27,358
Stocks	51,809	60,694	8,884
Foreign securities	173,999	156,866	△17,133
Other securities	121,312	127,259	5,947
Total	**1,783,933**	**1,627,462**	**△156,470**

Other indicators

Foreign exchange transaction handling performance

(Unit : million US$)

	Year ended March 2025	Year ended March 2026	Changes
Export exchange	62	77	14
Import exchange	136	130	△6
Total	**199**	**207**	**7**

Foreign currency denominated assets balance

(Unit : million US$)

	Year ended March 2025	Year ended March 2026	Changes
Balance of foreign currency denominated assets	347	343	△4

About the capital-to-asset ratio

Consolidated capital-to-asset ratio (Basel III domestic framework)

(Unit : million yen)

Item			Year ended March 2025	Year ended March 2026	Changes
Fundamental items related to core capital (A)	Member accounts related to ordinary investment		323,840	340,056	16,216
		(Investments and capital surplus)	19,210	18,991	△ 219
		(Earned surplus)	307,221	323,649	16,427
		(Predicted outflow (△))	690	681	△ 8
		(Other)	△ 1,901	△ 1,901	△ 0
	General reserve for possible loan loss		5,721	5,033	△ 687
	Fundamental items related to core capital among non controlling interest		–	–	–
	(A)		**329,561**	**345,090**	**15,529**
Adjusted items related to core capital (B)	Intangible fixed assets		2,085	1,940	△ 144
	(B)		**2,085**	**1,940**	**△ 144**
Owned capital (C)	(A) − (B)		**327,476**	**343,150**	**15,673**
Risk assets, etc. (D)	Trust risk assets		2,773,374	2,900,766	127,392
	Amount derived by dividing the total amount equivalent to market risk by 8%		–	–	–
	Amount derived by dividing the total amount equivalent to operational risk by 8%		103,928	111,439	7,510
	(D)		**2,877,303**	**3,012,206**	**134,902**
Consolidated capital-to-asset ratio	$\frac{(C)}{(D)}$		**11.38%**	**11.39%**	**0.01%**

(Note) The above is calculated based on the "Standards for judging whether the owned capital Shinkin Bank or Shinkin Bank Association holds is appropriate according to the assets they possess based on the regulations in Article 14-2 of the Banking Act applying to Article 89, Section 1 of the Shinkin Bank Act (Financial Services Agency announcement 21 of 2006)." Our group has adopted a domestic framework.

Consolidated Financial Statements

Consolidated balance sheet

(Unit : million yen)

(Assets)	As of March 31, 2025	As of March 31, 2026	Changes
Cash and due from banks	1,146,214	1,017,704	△ 128,510
Bills bought and call loans	149	164	14
Monetary claims purchased	10,000	10,000	–
Trust funds	0	0	△ 0
Trading securities	441	342	△ 98
Investment securities	1,570,449	1,485,811	△ 84,637
Loans	3,413,516	3,518,732	105,216
Foreign exchange	632	844	212
Other assets	39,751	39,828	76
Tangible fixed assets	64,462	87,939	23,477
Buildings	12,015	19,126	7,110
Land	44,526	60,418	15,891
Leased assets	2	1	△ 0
Construction work in progress	3,033	1,628	△ 1,405
Other tangible fixed assets	4,883	6,764	1,880
Intangible fixed assets	2,922	2,730	△ 191
Software	2,020	2,289	269
Other intangible fixed assets	901	441	△ 460
Deferred tax assets	30,378	28,915	△ 1,463
Customers' liabilities for acceptances and guarantees	1,810	1,521	△ 289
Reserve for possible loan loss	△ 15,308	△ 14,829	478
Reserve for investment loss	△ 83	△ 75	8
Total assets	6,265,338	6,179,631	△ 85,707

(Liabilities)	As of March 31, 2025	As of March 31, 2026	Changes
Deposits	5,391,409	5,518,915	127,506
Borrowings	333,066	316,333	△ 16,733
Bills sold and call money	19,213	–	△ 19,213
Bond lending transaction collateral received	195,834	–	△ 195,834
Foreign exchange	328	292	△ 36
Other liabilities	26,733	27,508	775
Reserve for bonuses	11	11	△ 0
Retirement benefit liability	11,446	11,630	184
Reserve for retirement bonuses for directors	796	715	△ 81
Reserve for reimbursement of deposits	216	233	17
Reserve for contingent losses	576	757	180
Deferred tax liabilities as for land revaluation	4,670	4,204	△ 465
Acceptances and guarantees	1,810	1,521	△ 289
Total liabilities	5,986,114	5,882,123	△ 103,991
(Net assets)			
Investments	19,164	18,944	△ 219
Capital surplus	46	46	–
Earned surplus	307,221	323,649	16,427
Unsettled equity	△ 1,901	△ 1,901	△ 0
Total members' equity	324,530	340,738	16,207
Net unrealized gains on available-for-sale securities	△ 54,429	△ 50,659	3,769
Deferred hedging gains and losses	764	–	△ 764
Land revaluation surplus	8,263	7,331	△ 931
Total amount on valuation and translation	△ 45,401	△ 43,328	2,073
Non controlling interest	94	97	2
Total net assets	279,223	297,507	18,283
Total liabilities and net assets	6,265,338	6,179,631	△ 85,707

Consolidated Financial Statements

Consolidated statement of income

(Unit : thousand yen)

	April 1, 2024 through March 31, 2025	April 1, 2025 through March 31, 2026	Changes
Ordinary income	**92,935,729**	**109,816,119**	**16,880,390**
Fund management income	**62,395,985**	**72,127,843**	**9,731,858**
Interest on loans	40,214,511	48,125,847	7,911,335
Interest on deposits	4,256,731	4,452,420	195,688
Interest on bills purchased and call loans	34,083	6,123	△ 27,959
Interest and dividends on securities	17,355,516	18,971,277	1,615,760
Other interest income	535,142	572,175	37,033
Fees and commissions	**8,834,632**	**10,077,489**	**1,242,857**
Other operating income	**13,843,652**	**10,971,792**	**△ 2,871,859**
Other ordinary income	**7,861,459**	**16,638,993**	**8,777,533**
Reversal of allowance for doubtful debt accounts	–	29,591	29,591
Bad debt recovered	760,430	721,638	△ 38,792
Other ordinary income	7,101,028	15,887,763	8,786,734
Ordinary expenses	**72,952,390**	**100,457,390**	**27,505,000**
Financing expenses	**6,453,615**	**16,682,234**	**10,228,619**
Interest on deposits	5,068,573	15,671,669	10,603,096
Interest on fixed savings deposits	5,643	14,947	9,303
Interest on borrowings	48,166	375,160	326,993
Interest on bills sold and call money	106,631	54,719	△ 51,911
Interest paid in bond lending transactions	833,455	352,725	△ 480,730
Other interest expenses	391,145	213,013	△ 178,132
Fees and commissions	**6,883,862**	**7,252,722**	**368,859**
Other operating expenses	**21,057,835**	**36,768,401**	**15,710,566**
Expenses	**34,441,457**	**37,889,514**	**3,448,056**
Other ordinary expenses	**4,115,618**	**1,864,517**	**△ 2,251,101**
Provision of allowance for doubtful debt accounts	1,568,506	–	△ 1,568,506
Other ordinary expenses	2,547,112	1,864,517	△ 682,595
Ordinary profit	**19,983,339**	**9,358,728**	**△ 10,624,610**
Extraordinary profit	**329,181**	**12,638,745**	**12,309,563**
Gain on disposal of fixed assets	329,181	12,638,745	12,309,563
Extraordinary loss	**214,454**	**262,733**	**48,279**
Loss on disposal of fixed assets	151,119	262,733	111,613
Impairment losses	63,334	–	△ 63,334
Net income before taxes and other adjustments	**20,098,066**	**21,734,739**	**1,636,673**
Corporate tax, inhabitant tax and business tax	**5,755,851**	**5,752,742**	**△ 3,109**
Adjustment with corporate tax, etc.	**△ 520,399**	**△ 197,305**	**323,093**
Total corporate tax, etc.	**5,235,452**	**5,555,436**	**319,983**
Net income	**14,862,613**	**16,179,303**	**1,316,690**
Profit attributable to non-controlling interests	**△ 4,318**	**△ 7,197**	**△ 2,879**
Profit attributable to owners of parent	**14,866,932**	**16,186,501**	**1,319,569**

Consolidated statement of retained earnings

(Unit : thousand yen)

(Capital surplus)	April 1, 2024 through March 31, 2025	April 1, 2025 through March 31, 2026	Changes
Capital surplus balance at beginning of year	**46,756**	**46,756**	–
Increase in capital surplus	–	–	–
Decrease in capital surplus	–	–	–
Capital surplus balance at end of year	**46,756**	**46,756**	–
(Earned surplus)			
Earned surplus balance at beginning of year	**293,198,444**	**307,221,375**	**14,022,931**
Increase in earned surplus	**14,722,791**	**17,118,323**	**2,395,531**
Profit attributable to owners of parent	14,866,932	16,186,501	1,319,569
Reversal of revaluation reserve for land	△ 144,140	931,821	1,075,962
Decrease in earned surplus	**699,860**	**690,549**	**△ 9,311**
Dividends	699,860	690,549	△ 9,311
Earned surplus balance at end of year	**307,221,375**	**323,649,149**	**16,427,773**

Segment information by business type

Some consolidated companies conduct credit guarantee business, etc., in addition to credit association business, but because the ratio of these business activities to all segments is minimal, segment information by business type is not included here.

Status of Loan Assets

Self-assessment and write-off/allowance

For ensuring the health of assets, the Bank has rigorously implemented "self-assessment" in order to scrutinize its own assets individually, as well as "write-off and allowance" in accordance with it.
In the self-assessment, the Bank assesses the repayment capacity of borrowers based on their financial condition, cash position and profitability. In accordance with the results of the assessment, they are classified into one of five groups consisting of "Normal entities," "Entities requiring caution," "Potentially bankrupt entities," "Entities bankrupt in substance" and "Bankrupt entities." Then, the Bank classifies each individual loan into one of four groups consisting of "Unclassified," "Classification II," "Classification III" and "Classification IV," based on the degree of the risk inherent in collection of the loan or based on the risk of damage to the value of the loan. The Bank has fully established regulations for write-off and allowance. It processes based on the classification of borrowers and loans.

Self-assessment, disclosed loans, and coverage conditions (non-consolidated basis)

(Unit : 100 million yen)

		Self-assessment			
		Unclassified	Classification II	Classification III	Classification IV*
Bankrupt entities	36	14	21	–	0
Entities bankrupt in substance	81	27	24	–	28
Potentially bankrupt entities	498	267	155	75	
Entities requiring caution	6,105	1,350	4,755		
Normal entities	28,528	28,528			
Total		35,250			

Loans and claims required to be disclosed by the Financial Reconstruction Law	
Classification	Year ended March 2026
Bankrupt and quasi-bankrupt loans and claims	117
Doubtful loans and claims	498
Substandard loans and claims	43
Subtotal	659
Normal loans and claims	34,628
Total	35,287

Loans and claims required to be disclosed by the Shinkin Bank Act	
Classification	Year ended March 2026
Bankrupt and quasi-bankrupt loans and claims	117
Doubtful loans and claims	498
Loans overdue for 3 months or more	–
Loans with eased lending conditions	43
Subtotal	659
Normal loans and claims	34,628
Total	35,287

Coverage conditions		
Collectible amount by collateral, guarantees, etc.	Reserve of the Bank	Coverage ratio
89	28	100.00%
422	60	96.98%
11	4	38.28%
523	94	93.65%

* Classification IV assessment off balance due to write-off is 900 million yen.
* The values of "Loans and claims required to be disclosed by the Financial Reconstruction Law" and "Loans and claims required to be disclosed by the Shinkin Bank Act" include the values of privately placed bonds that the Bank guarantees.
In addition, "Coverage conditions" show ratios in proportion to the values shown under "Loans and claims required to be disclosed by the Financial Reconstruction Law."
* Coverage ratio is rounded to the second decimal place.

Status of Loan Assets

Disclosure of loan assets

The Bank is obliged to disclose loans and claims based on the Financial Reconstruction Law and the Shinkin Bank Act.
The Bank has a total coverage ratio of 93.65% in combination with collateral, guarantees and reserves for disclosed claims based on the Financial Reconstruction Law (excluding normal loans and claims) and continues to maintain a sufficient level of reserves. The Bank believes that its mission is to contribute to the development of and support for the region, while securing sound management through establishing sufficient reserves.

Coverage conditions and reserve for loans and claims required to be disclosed by the Financial Reconstruction Law and the Shinkin Bank Act 【non-consolidated】

(Disclosure criteria specified in Article 6 and Article 7 of the Law Concerning Emergency Measures for the Reconstruction of the Functions of the Financial System)

(Unit : 100 million yen)

Classification		Year ended March 2025	Year ended March 2026
Bankrupt and quasi-bankrupt loans and claims		109	117
Doubtful loans and claims		486	498
Substandard loans and claims		58	43
	Loans overdue for 3 months or more	–	–
	Loans with eased lending conditions	58	43
Subtotal (A)		654	659
Coverage amount (B)		608	617
	Individual reserve for possible loan loss (C)	85	89
	General reserve for possible loan loss (D)	7	4
	Amount collectible by collateral, guarantee, etc. (E)	515	523
Coverage ratio (B) / (A) (%)		92.94%	93.65%
Reserve rate ((C) + (D)) / ((A) − (E)) (%)		66.70%	69.20%
Normal loans and claims (F)		33,569	34,628
Total credit balance (A) + (F)		34,224	35,287

* 1. The coverage ratio indicates the coverage ratio for the total amount of disclosed loans and claims (excluding normal loans and claims).
* 2. The reserve rate indicates the reserve rate for the unsecured balances within disclosed loans and claims (excluding normal loans and claims).
* 3. All rates within the table are rounded to the second decimal place.

Loans and claims required to be disclosed by the Shinkin Bank Act 【consolidated】

(Disclosure criteria specified in Article 89 of the Shinkin Bank Act)

(Unit : 100 million yen)

Classification	Year ended March 2025	Year ended March 2026
Bankrupt and quasi-bankrupt loans and claims	116	125
Doubtful loans and claims	488	498
Loans overdue for 3 months or more	–	–
Loans with eased lending conditions	58	43
Subtotal (A)	663	667
Normal loans and claims (B)	33,599	34,655
Total credit balance (A) + (B)	34,262	35,323