

Annual Report 2026

The Yokohama Shinkin Bank

Year Ended
March 31, 2026



The Yokohama Shinkin Bank

About Us

Established in 1923, the Yokohama Shinkin Bank is a regional cooperative financial institution that converted to a shinkin bank in 1951 when the Shinkin Bank Act was enacted.

With its base in Yokohama, an international trading port with a long tradition, Yokohama Shinkin Bank is playing an important role as a financial institution that supports a sustainable local community and regional economy.

Our mission is to provide high quality financial services to small and medium-sized businesses and individual customers in the region.



Shigeru Omae
Shigeru Omae
Chairman



Takashi Kasuga
Takashi Kasuga
President

Basic Policy

- 1** We will always be aware of our social responsibility and public mission and strive to establish trust through sound business operations.
- 2** We will contribute to the development of the local community through our daily work.
- 3** We will always be grateful to our customers and members and build a truly community friendly Bank.
- 4** We will strive to comply with laws, regulations and rules, and to conduct our business operations with integrity and fairness in a manner that does not violate social norms.
- 5** We will create a mutually compatible, rewarding and positive workplace.

Our Logo

The three circles that surround the “Y” of Yokohama Shinkin Bank represent “local community,” “customers and members,” and “officers and employees and their families.” Our logo represents the hope that we will be mutually compatible and united by strong ties to move forward without limit as a regional financial institution.



General Situation of the Bank

Overview of the Bank

As of March 31, 2026

Date of Establishment: July 19, 1923
Share Capital (Paid-in Capital): ¥1,600 million
Deposits: ¥2,114,023 million
Loans and Bills Discounted: ¥1,233,379 million
Number of Employees and Officers: 1,264
Head Office:
 2-16-1, Onoe-cho, Naka-ku, Yokohama 231-8466, Japan
Telephone: 045-651-1451

Number of Branches: 63
Sales Areas - Kanagawa Prefecture:
 Yokohama-shi, Kawasaki-shi, Yokosuka-shi, Kamakura-shi, Fujisawa-shi, Chigasaki-shi, Zushi-shi, Miura-shi, Sagami-hara-shi, Atsugi-shi, Yamato-shi, Ebina-shi, Zama-shi, Ayase-shi, Miura-gun, Koza-gun, Aiko-gun Aikawamachi Tokyo: Ota-ku, Machida-shi

Main Business Activities

Deposit business	Deposits	Current deposits, ordinary deposits, savings deposits deposits at notice, time deposits, installment savings separate deposits, tax reserve deposits foreign currency deposits, etc.
	Negotiable certificates of deposit	Transferable deposits
Lending business	Loans	Loans on bills, loans on deeds, loans on electronically recorded monetary claims, overdrafts
	Discounts on bills and electronically recorded monetary claims	Banker's acceptances, commercial notes documentary bills, discounts on electronically recorded monetary claims
Securities trading business	Trading in public bonds such as Japanese Government Bonds	
Securities investment business	Investment in Japanese Government Bonds, local government bonds, corporate bonds, stocks and other securities for preparation for deposit payment and fund management	
Domestic exchange business	Money orders, transfers, bill collection, etc.	
Foreign exchange business	Export, import, and foreign remittances and other foreign exchange-related business	
Fiduciary business for public bonds and corporate bonds	Public bond offerings, management and fiduciary business for corporate bonds (privately-placed bonds)	
Ancillary business	Agency business	(i) Revenue agent services for the Bank of Japan and agency business for Japanese Government Bonds (ii) Handling public funds for local public organizations (iii) Agency services for trusts, etc. (iv) Accepting agency for payments for stock and stock dividends and payment agency for public bond principal and interest (v) Agency lending on behalf of Japan Finance Corporation, Japan Housing Finance Agency, etc.
	Safe deposit box business	
	Securities lending	
	Obligation guarantees	
	Public bond underwriting	
	Over-the-counter sales of public bonds such as Japanese Government Bonds and investment trusts	
	Insurance product solicitation operations (insurance solicitation based on the Insurance Business Act)	
	Services in accordance with the Defined Contribution Pension Act	
	Business related to electronically recorded monetary claims	
	Mutual aid solicitation operations	

Board of Directors and Auditor

As of June 30, 2026

Chairman	Shigeru Omae (*)	Director	Shigeki Umeno
President	Takashi Kasuga	Director	Masahiro Yamazoe
Senior Managing Director	Kenji Naito	Director	Kunji Morihira
Managing Director	Atsushi Noda	Director	Kiyoshi Yoshihara
Managing Director	Atsushi Miyashita	Director	Tetsuo Ishikawa
Director	Masaru Sawano	Corporate Auditor	Masaki Tomizawa

The director of the Bank marked with an asterisk (*) is a non-employee director in accordance with the shinkin banks' "Industry Agreement on Measures to Improve the Functioning of General Meetings."

Compliance Initiatives

As a financial institution trusted by our customers, we strictly comply with laws, regulations and rules, and always conduct our business with integrity and fairness, never violating social norms.

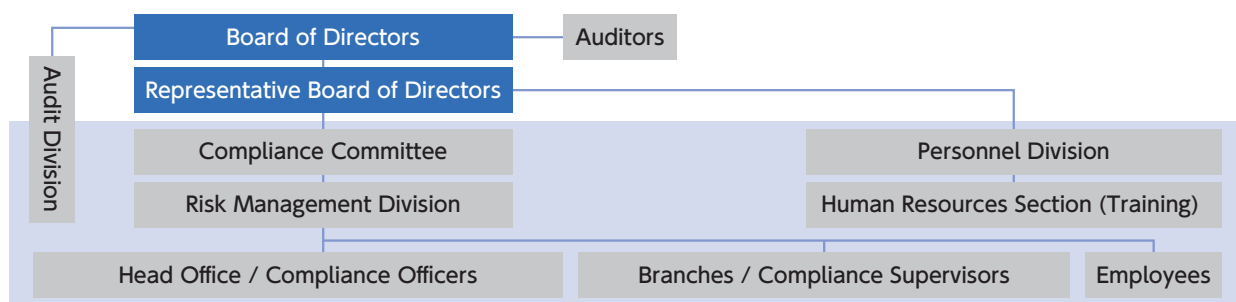
The Bank has established a "Basic Policy" and "Code of Conduct" to guide officers and employees. The Bank has also established a "Compliance Basic Policy" and "Compliance Rules" to foster a compliance mindset. In addition, the Bank establishes and maintains various regulations that must be followed in accordance with the "Compliance Program," which is formulated each year, and conducts training for employees to ensure that they are well understood.

Compliance Basic Policy

In order to achieve the principles of the Bank's Basic Policy and Code of Conduct, we have established the following basic policies related to compliance.

1. We will always be aware of our social mission and public nature as a regional financial institution, position the establishment of a compliance framework as one of the most important management issues, and strive to maintain and improve our organizational structure.
2. We will strictly comply with all laws, regulations and rules, and strive to establish and improve rules and regulations to ensure that our business operations are always conducted with integrity and fairness in a manner that does not violate social norms.
3. We will cut off any relationships with anti-social forces that threaten social order and safety, and actively work to establish a framework to eliminate illegal activities.
4. We are working to enhance the prevention of money laundering, financing of terrorism, financing for the proliferation of weapons of mass destruction (proliferation financing), and violations of sanctions based on foreign exchange laws and regulations (hereinafter collectively referred to as "money laundering, etc.>").
5. We will work to develop and improve our training and other systems, including our whistleblower system and monitoring system, to foster compliance awareness.

Compliance Framework



Efforts to Cut Off Relations with Anti-Social Forces

The Bank has established the "Basic Policy on the Handling of Anti-social Forces" and the "Rules for Handling Anti-social Forces," and has been further strengthening efforts to cut off relations with anti-social forces. We ask our customers for their cooperation in signing and sealing the "Attestation on not being an Anti-social Force."

Efforts to Prevent Money Laundering and Financing of Terrorism

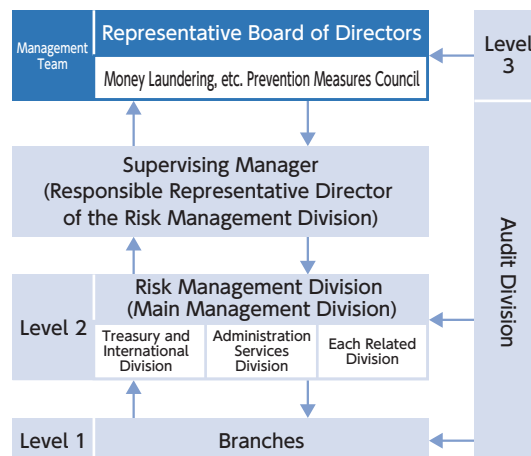
The Bank has positioned the prevention of money laundering, etc. as one of the most important issues, established the "Basic policy on the Prevention of Money Laundering etc." and with the proactive involvement of the management team, implemented effective mitigation measures in accordance with the risks.

Basic policy on the Prevention of Money Laundering etc.

We have established the following basic policies in order to enhance the prevention of money laundering and financing of terrorism in the face of the threats posed by terrorism and other threats to the international community.

1. We will position the prevention of money laundering, etc., as one of the most important issues for management, and develop and enhance the Bank's organizational structure with the proactive involvement of the management team.
2. We will identify and assess the risks the Bank faces in a timely and appropriate manner, taking into account factors such as our business environment and management strategies, and implement effective mitigation measures in accordance with the risks.
3. In accordance with the Act on Prevention of Transfer of Criminal Proceeds, we will properly confirm the identity of our customers and customer management information and implement continuous customer management.
4. In accordance with the Act on Prevention of Transfer of Criminal Proceeds, we will promptly notify the authorities of any transactions we deem to be suspicious and maintain a framework for this in the Bank.
5. We will raise awareness of the prevention of money laundering, etc., by providing appropriate and ongoing education bank-wide while retaining and cultivating staff with expertise and role suitability.
6. We will regularly conduct internal audits on the status of prevention of money laundering, etc., and strive to further improve our framework based on the results of these audits.

Structural Chart of the Money Laundering, etc. Prevention System



Risk Management Framework

Risk Management Framework

Risk management is the foundation of a financial institution's ability to conduct its business in a sound manner. We recognize risk management as an important management issue in the Bank and are continuously working to strengthen and enhance our management system.

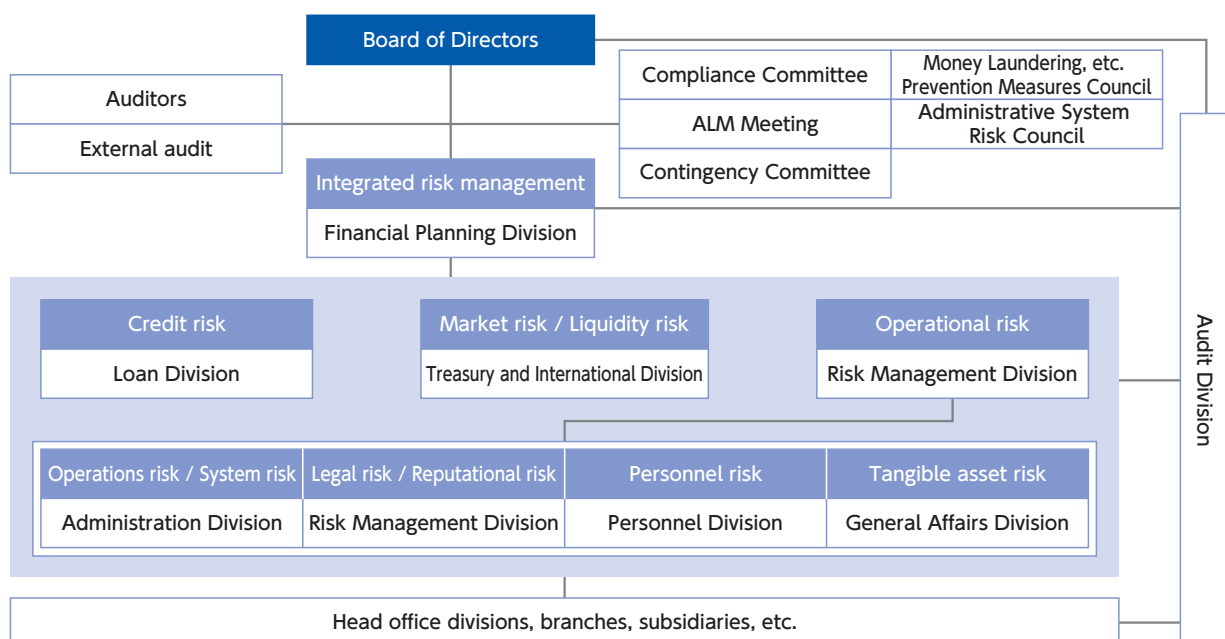
Currently, the Financial Planning Division is at the center of the Bank's efforts to establish a system to control and centrally manage various risks (credit risk, market risk, liquidity risk, operational risk, etc.). Together with quantifying and understanding these risks within a common framework to the greatest extent possible, we are implementing integrated risk management and manage risks in relation to our management strength such as capital.

The allocation of risk capital is a fundamental management process at the Bank. Specifically, risk capital is allocated to the four main categories of credit risk, market risk, interest rate risk, and operational risk, with the amount of risk capital allocated to each category being managed so that the amount of risk does not exceed the amount of risk capital allocated. Each risk amount is continuously monitored at monthly ALM Meetings, the total amount and allocation of risk capital is reviewed annually and, furthermore, the metrics are reviewed and verified in an effort to ensure the effectiveness and enhancement of risk management.

Risks to Be Managed

Credit risk	Risk of loss due to factors such as the deterioration of the financial condition of the recipient of credit (lending), which could reduce or eliminate the value of the Bank's assets.
Market risk	Risk of loss due to fluctuations in the value of assets held by the Bank as a result of changes in various market risk factors such as interest rates, prices of securities, and exchange rates.
Liquidity risk	Risk of incurring a loss due to an unexpected outflow of funds leading to financial difficulty, or being forced to borrow funds at a significantly higher-than-normal interest rate (funding risk). The risk of incurring a loss due to not being able to trade on the market or being forced to trade at a significantly less favorable price due to factors such as market confusion (market liquidity risk).
Operational risk	Risk of loss due to inappropriate processes in a financial institution's operations, the activities of its officers and employees or systems, and exogenous events.
Operations risk	Risk of loss due to negligence on the part of an officer or employee to perform duties correctly or to cause an accident or fraud.
System risk	Risk of suffering losses due to system failures, such as computer system downtime or malfunction, and further risk of suffering losses due to unauthorized use of computers.
Legal risk	Violation of laws, regulations, internal rules, etc., or the threat of such violations may result in a loss of confidence in the Bank and the risk of loss or damage to the Bank.
Reputational risk	Risk of loss or damage from loss of credibility due to damage to reputation or the spread of rumors.
Personnel risk	Risk of loss or damage from discrimination or injustice (compensation, benefits, termination, etc.) in the management of human resources and sexual harassment, etc.
Tangible asset risk	Risk of loss due to damage to tangible assets or deterioration in the quality of the work environment etc., as a result of factors such as disasters and defective asset management.

Risk Management System Organization Chart



Financial Statements (Non-Consolidated)

Balance Sheets

Millions of yen

Accounts	The 74th period (as of March 31, 2025)	The 75th period (as of March 31, 2026)	Thousands of U.S. dollars
ASSETS:			
Cash	16,703	16,009	100,134
Due from Banks	449,295	501,513	3,136,814
Monetary Claims Purchased	25	19	120
Money Held in Trust	4,118	4,194	26,235
Trading Account Securities	310	248	1,553
Trading Account Local Government Bonds	310	248	1,553
Securities	473,187	424,342	2,654,128
Japanese Government Bonds	67,203	44,704	279,609
Local Government Bonds	84,127	74,469	465,781
Corporate Bonds	220,236	217,122	1,358,034
Stocks	13,889	10,349	64,731
Other Securities	87,730	77,697	485,970
Loans and Bills Discounted	1,193,007	1,233,379	7,714,408
Bills Discounted	5,481	3,005	18,798
Loans on Bills	41,530	42,528	266,002
Loans on Deeds	1,107,472	1,144,934	7,161,208
Overdrafts	38,523	42,911	268,398
Foreign Exchange	2,333	2,211	13,835
Due from Foreign Banks	601	503	3,151
Foreign Bills of Exchange Bought	1,731	1,708	10,683
Other Assets	14,562	16,287	101,874
Domestic Exchange Settlement Account, Debit	634	729	4,563
Investment in the Shinkin Central Bank	10,446	10,446	65,339
Accrued Income	1,614	2,319	14,510
Derivative Financial Instruments	110	942	5,894
Other	1,757	1,849	11,566
Tangible Fixed Assets	20,819	21,557	134,836
Building	7,451	7,326	45,824
Land	12,015	12,453	77,892
Lease Assets	193	209	1,309
Construction in progress	26	15	97
Other Tangible Fixed Assets	1,131	1,552	9,711
Intangible Fixed Assets	1,996	2,176	13,613
Software	1,770	1,951	12,206
Other Intangible Fixed Assets	226	225	1,407
Deferred Tax Assets	9,160	9,983	62,442
Customers Liabilities for Acceptances and Guarantees	1,311	1,573	9,844
Reserve for Possible Loan Losses	△ 2,979	△ 2,988	△ 18,691
(Individual Reserve for Possible Loan Losses)	(△ 1,716)	(△ 1,926)	(△ 12,049)
Total Assets	2,183,853	2,230,509	13,951,150

Derivative Financial Instruments

We record a valuation gain or loss resulting from the deemed settlement of a derivative transaction. A valuation gain is recorded on an asset account, while a valuation loss is recorded on a liability account.

Deferred Tax Assets

When there is a temporary difference between financial and tax accounting as a result of the application of tax effect accounting, the deferred tax asset is the tax equivalent amount that has the effect of reducing taxable income when the difference is eliminated in the future.

Deferred Tax Liabilities for Land Revaluation

If the land is revalued in accordance with the Act on Revaluation of Land, and the book value after the revaluation exceeds the book value before the revaluation, the difference is multiplied by the effective statutory tax rate.

Accounts	The 74th period (as of March 31, 2025)	The 75th period (as of March 31, 2026)	Thousands of U.S. dollars
LIABILITIES:			
Deposits	2,070,383	2,114,023	13,222,566
Current Deposits	86,574	95,108	594,871
Ordinary Deposits	1,307,064	1,336,481	8,359,279
Savings Deposits	18,236	17,059	106,699
Deposits at Notice	5,106	3,320	20,771
Time Deposits	607,461	616,622	3,856,782
Installment Savings	24,071	22,957	143,594
Other Deposits	21,869	22,473	140,567
Call Money	299	—	—
Other Liabilities	5,748	7,675	48,008
Domestic Exchange Settlement Account, Credit	1,128	1,234	7,724
Accrued Expenses	1,272	2,198	13,749
Reserve for Replenishing Benefits	5	13	81
Income Taxes Payable	450	818	5,119
Unearned Income	643	731	4,572
Unsettled Drawback	31	41	257
Deposits from Employees	656	604	3,783
Derivative Financial Instruments	142	19	121
Cash Collateral Received for Financial Instruments	72	628	3,927
Lease Obligations	211	230	1,440
Asset Retirement Obligations	507	512	3,204
Other	626	643	4,026
Reserve for Employee Bonuses	989	981	6,140
Reserve for Executive Bonuses	26	30	187
Reserve for Employee Retirement Benefit	10,636	10,255	64,143
Reserve for Executive Retirement Allowances	445	515	3,221
Reserve for Reimbursement of Deposits	49	47	298
Reserve for Contingencies	1,153	1,405	8,790
Deferred Tax Liabilities for Land Revaluation	1,133	1,133	7,088
Acceptances and Guarantees	1,311	1,573	9,844
Total Liabilities	2,092,176	2,137,641	13,370,288
NET ASSETS:			
Share Capital	1,633	1,600	10,009
Common Shares	1,633	1,600	10,009
Retained Earnings	104,155	107,341	671,389
Legal Retained Earnings	2,282	2,282	14,275
(Excess Reserve for Legal Retained Earnings)	(648)	(682)	(4,265)
Other Retained Earnings	101,872	105,059	657,113
Special Reserve	98,583	100,774	630,313
(Reserve for Reduction Entry of Fixed Assets)	(186)	(186)	(1,169)
Balance at End of the Year	3,289	4,284	26,800
Disposal of Outstanding Equities	△ 2	△ 6	△ 37
Total Members' Equity	105,786	108,935	681,360
Unrealized Gains on Other Securities	△ 13,111	△ 15,538	△ 97,191
Deferred Gains or Losses on Hedges	58	527	3,301
Land Revaluation Excess	△ 1,056	△ 1,056	△ 6,609
Total Valuation and Translation Adjustments	△ 14,109	△ 16,067	△ 100,499
Total Net Assets	91,677	92,868	580,861
Total Liabilities and Net Assets	2,183,853	2,230,509	13,951,150

Statements of Income

Thousands of yen

Accounts	The 74th period (from April 1, 2024 to March 31, 2025)	The 75th period (from April 1, 2025 to March 31, 2026)	Thousands of U.S. dollars
Ordinary Income	28,562,158	44,976,459	281,313
Interest Income	23,540,002	28,089,783	175,692
Interest on Loans and Bills Discounted	17,958,765	20,622,608	128,988
Interest on Deposits with Banks	1,009,227	2,244,576	14,039
Interest on Call Loans	20,334	34,286	214
Interest on Securities	4,313,662	4,907,604	30,695
Other Interest Income	238,012	280,707	1,755
Fees and Commissions	3,669,713	3,955,827	24,742
Fees and Commissions on Domestic and Foreign Exchanges	1,613,713	1,706,880	10,676
Other Fees and Commissions	2,055,999	2,248,946	14,066
Other Operating Income	189,532	1,299,544	8,128
Gain on Foreign Exchange Transactions	78,616	77,431	484
Derivative Financial Instruments Income	8,103	865,118	5,411
Gain on Sales of Bonds	—	212,233	1,327
Other	102,812	144,760	905
Other Income	1,162,911	11,631,304	72,750
Income from Recovery of Bad Debts	3,438	6,263	39
Gain on Sales of Stocks and Other Securities	1,128,521	11,480,411	71,806
Gain on Money Held in Trust	248	133,652	835
Other	30,701	10,977	68
Ordinary Expenses	25,421,487	40,610,028	254,003
Interest Expenses	1,494,157	4,582,067	28,659
Interest on Deposits	1,466,240	4,521,252	28,279
Provision for Compensation Reserve	3,402	16,575	103
Interest on Call Money	2,994	207	1
Interest expenses on Interest Rate Swaps	16,263	37,844	236
Other Interest Expenses	5,256	6,187	38
Fees and Commissions	1,497,725	1,569,235	9,815
Fees and Commissions on Domestic and Foreign Exchanges	328,117	370,080	2,314
Other Fees and Commissions	1,169,608	1,199,155	7,500

Accounts	The 74th period (from April 1, 2024 to March 31, 2025)	The 75th period (from April 1, 2025 to March 31, 2026)	Thousands of U.S. dollars
Other Operating Expenses	2,166,279	13,372,465	83,640
Loss on Trading Account Securities Transactions	6,354	1,236	7
Loss on Sales of Bonds	1,915,535	13,314,620	83,278
Loss on Redemption of Bonds	115,185	33,405	208
Loss on Financial Derivatives	107,075	—	—
Other	22,128	23,202	145
General and Administrative Expenses	19,328,828	20,006,645	125,135
Personnel Expenses	11,905,375	11,996,179	75,032
Non-personnel Expenses	6,724,500	7,269,119	45,466
Taxes	698,952	741,346	4,636
Other Expenses	934,496	1,079,614	6,752
Provision of Allowance for Loan Losses	25,404	168,740	1,055
Write-off of Loans	3,920	—	—
Loss on Sales of Stocks and Other Securities	—	26,099	163
Loss on Money Held in Trust	167,216	3,011	18
Amortization of Other Assets	78,784	96,966	606
Other	659,170	784,796	4,908
Ordinary Income	3,140,671	4,366,430	27,310
Extraordinary Income	72,276	99	0
Gain on Disposal of Non-current Assets	72,276	99	0
Extraordinary Losses	39,544	134,084	838
Loss on Disposal of Non-current Assets	35,767	130,100	813
Impairment Loss	3,777	3,983	24
Income Before Income Taxes	3,173,403	4,232,445	26,472
Income Taxes - Current	655,088	1,037,160	6,487
Income Taxes - Deferred	100,393	△ 40,089	△ 250
Total Income Taxes	755,481	997,070	6,236
Net Income	2,417,921	3,235,375	20,236
Balance Carried Forward (Balance at the Beginning of the Period)	1,033,238	1,049,481	6,564
Reversal of Revaluation Reserve for Land	△ 161,795	—	—
Balance at End of the Year	3,289,364	4,284,856	26,800

Unappropriated Retained Earnings

Thousands of yen

Accounts	The 74th period (from April 1, 2024 to March 31, 2025)	The 75th period (from April 1, 2025 to March 31, 2026)	Thousands of U.S. dollars
Balance at End of the Year	3,289,364	4,284,856	26,800
Total	3,289,364	4,284,856	26,800
Total Appropriations	2,239,882	3,236,836	20,245
Dividends	(3%/per annual) 48,882	(3%/per annual) 47,836	(3%/per annual) 299
Special Reserve	2,191,000	3,189,000	19,946
Balance Carried Forward (Balance at the End of the Period)	1,049,481	1,048,020	6,555

Audit by Accounting Auditor

The balance sheets, statements of income, and statements of retained earnings for the fiscal years ended March 31, 2025, and March 31, 2026, were audited by Grant Thornton Taiyo LLC in accordance with Article 38-2, paragraph (3) of the Shinkin Bank Act.

We have verified the appropriateness of the balance sheet, statement of income, and Unappropriated Retained Earnings (hereinafter the “financial statements”) for the fiscal year ended March 31, 2026 and the effectiveness of internal audits related to the preparation of the financial statements.

June 23, 2026

The Yokohama Shinkin Bank

Takashi Kasuga

Takashi Kasuga
President

Directory

Treasury and International Division

2-16-1, Onoe-cho, Naka-ku, Yokohama 231-8466, Japan

Telephone: 045-680-6927

Facsimile: 045-651-5282

Supplemental Consolidated Financial Information

The Yokohama Shinkin Bank and Consolidated Subsidiaries
Years Ended March 31, 2026 and 2025

	Millions of yen		Thousands of U.S. dollars
	2025	2026	2026
For the Fiscal Year:			
Total Income	¥ 30,407	¥ 46,242	\$ 289,232
Total Expenses	27,146	41,976	262,545
Income Before Income Taxes and Others	3,261	4,267	26,686
Net Income Attributable to Owners of Parent	2,454	3,250	20,325
At Year-End:			
Deposits	¥2,069,244	¥2,112,813	\$13,214,990
Loans and Bills Discounted	1,190,977	1,231,070	7,699,960
Securities	473,149	424,303	2,653,887
Total Assets	2,185,763	2,231,856	13,959,569
Total Net Assets	93,048	94,258	589,554

Notes: 1. The supplemental consolidated financial information includes the accounts of the Bank and its four consolidated subsidiaries and affiliates as of March 31, 2026.

2. U.S. dollar amounts are converted, solely for convenience, at the prevailing rate on March 31, 2026 of ¥159.88=US\$1.

Corporate Directory

The Yokohama Shinkin Bank
As of March 31, 2026

Company Name	Location	Paid-in Capital	Percentage Owned	Principal Business
Consolidated Subsidiaries:				
Yokoshin Supply Co., Ltd.	Kanagawa, Japan	¥10 million	100.0%	Office supply sales
Yokoshin Business Service Co., Ltd.	Kanagawa, Japan	¥10 million	100.0%	Clerical services
Consolidated Affiliate:				
Yokoshin Leasing Co., Ltd.	Kanagawa, Japan	¥30 million	45.3%	Leasing

Composition of the Business Group

* All four companies end their fiscal year in March.

Company Name	Address	Paid-in Capital	Principal Business	Date of Establishment	Percentage of Shares, etc. Owned by the Bank	Percentage of Shares, etc. Owned by Subsidiaries, etc.
Yokoshin Supply Co., Ltd.	2-17, Onoe-cho, Naka-ku, Yokohama	¥10 million	Office supply sales	April 9, 1984	100%	—
Yokoshin Business Service Co., Ltd.	4-103, Tori-cho, Minami-ku, Yokohama	¥10 million	Clerical services	April 18, 1988	100%	—
Yokoshin Leasing Co., Ltd.	2-17, Onoe-cho, Naka-ku, Yokohama	¥30 million	Leasing	December 15, 1984	45.3%	—