

Giving our all, for TOKYO.



TOKYO Kiraboshi Financial Group 2026

Integrated Report

Tokyo **Kiraboshi** Financial Group, Inc.

Through Integrated Solutions by the Entire Kiraboshi Group, We will Address the Challenges of TOKYO*.

TOKYO symbolizes all persons, regions, and issues based in the metropolitan area surrounding Tokyo to whom the Kiraboshi Group offers various values.

Vision of the Future



Comprehensive service business that is also strong in finance

Built on banking functions (deposits and loans), our business model brings together more than 20 Group companies in areas such as consulting, digital bank (UI Bank), securities, fintech, and advertising to provide multifaceted solutions to issues faced by customers and local communities.

Purpose

Giving our all, for TOKYO.



We will fulfill the mission of the Kiraboshi Group by working as one to sincerely address the challenges of TOKYO, including the realization of a sustainable society, the creation of new social values and industries, and the responses to the issues accompanying progress in digitalization.

Management Philosophy

To be a financial group for small and medium-sized enterprise customers and individual customers in the Tokyo metropolitan area that will contribute to the development of local communities through comprehensive financial services.

Kiraboshi Philosophy

Contributing to society, seeking growth of the organization, achieving self-fulfillment and realizing one's own happiness

This defines the mindset, values, and approach that all officers and employees should have in common for us to promote the establishment of a sustainable growth model through business structural reforms and Group collaboration, and to enhance the feasibility of achieving this goal.

Kiraboshibito Action Guidelines

- An individual with “high aspirations” (philosophy and sense of mission)
- An individual who always thinks “how it can be done” (creativity and persistence)
- An individual who is committed to results, who continuously takes on courageous challenges (responsibility and courage)

These are the three action guidelines for “Kiraboshibito” who possess the spirit of self-interest and altruism, think and act based on action guidelines, and put the “Kiraboshi Philosophy” into practice.

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Editorial Policy

Guided by the purpose, “Giving our all, for TOKYO,” the Group is committed to creating value that supports the sustainable development of local communities. This report has been prepared to clearly and transparently communicate these efforts to all stakeholders.

This report was compiled with reference to the framework provided by the International Integrated Reporting Council (IIRC), the Guidance for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry, and other relevant materials.



Reporting Period

April 1, 2025 - March 31, 2026
(Includes certain information up to July 2026)

Reporting Scope

Tokyo Kiraboshi Financial Group and Its Group Companies

Definition of Notations

FG : Tokyo Kiraboshi Financial Group

BK : Kiraboshi Bank

UI : UI Bank

KLD : Kiraboshi Life Design Securities

PB : Private Banking

PE Fund : Private Equity Fund

LP : Limited Partner

Business Finance : LBO Finance and Real Estate Non-Recourse Loans

FA : Financial Advisor

Message from the CEO



Toward the Next Stage of Growth

We will further enhance the comprehensive strengths of the Group in preparation for a new stage of growth and dedicate ourselves to solving the challenges of TOKYO and improving corporate value.

Hisanobu Watanabe

President, Group CEO, Tokyo Kiraboshi Financial Group, Inc.
President, Kiraboshi Bank, Ltd.

Cancellation of All Preferred Shares Completed, Moving to the Next Stage of Growth

In May 2026, we completed the cancellation of all preferred shares that had been issued by the Group. Ten years have passed since the management integration of our predecessor, Tokyo TY Financial Group, and the former ShinGinko Tokyo, Limited in 2016, and eight years since the merger of the Tokyo Tomin Bank, Limited, the Yachiyo Bank, Limited and the ShinGinko Tokyo, Limited to form the new Kiraboshi Bank in 2018. Back in 2018, when I was serving as President of Kiraboshi Bank, I felt the strong need to sincerely address the three management challenges that we had been facing prior to the merger: high costs, low profitability, and insufficient capital.

At the time of the merger, the redemption of preferred shares was by no means an easy target. Each of the three former banks had its own history, corporate culture, customer base, and human resources. On the other hand, if we were to demonstrate our presence as a new bank, we needed new ideas that were not

merely extensions of the past. At the time, I told our officers and employees that we should all think of ourselves as having joined a new bank called Kiraboshi Bank and set out to create new value together. Having boarded a new ship, we needed to take on challenges that had previously not been possible and provide our customers with services of higher quality. It was with this intention that the Kiraboshi Group of today began its journey.

Under the First Medium-Term Business Plan (FY2018-2020), our first task was to remedy our high-cost structure. Through initiatives such as amalgamating nearby branches, integrating systems, and streamlining headquarters functions, we were able to achieve significant cost reductions. If management makes decisions with determination, we can achieve transformation. I believe that this realization also led to an awareness among our officers and employees that “we can do anything if we put our minds to it.”

Under the Second Medium-Term Business Plan (FY2021-2023), we tackled the challenge of low profitability head-on. Instead of merely building up our loan balance, we worked on commercial

finance, private equity, and other projects that would lead to business succession and M&As. In addition to Kiraboshi Consulting, Kiraboshi Capital, Kiraboshi Life Design Securities, and UI Bank, we established and restructured Group companies that perform functions other than banking. We have established a framework that is able to meet a wide range of customer needs in addition to their financial service needs.

Now, under the current Third Medium-Term Business Plan (FY2024-2026), we are addressing the challenge of insufficient capital by working to control risk-weighted assets with a focus on RORA* and to improve the profitability of Group companies. We believe making efficient use of limited capital to generate ROE* that steadily exceeds cost of capital is fundamental to increasing corporate value.

Over the past eight years, the Group has reached a variety of targets ahead of schedule. Net income has expanded from ¥4.9 billion immediately after the merger to a record-high ¥42.3 billion in FY2025. We were also able to achieve the redemption of preferred shares ahead of our initial schedule. I view this as the result of each and every officer and employee developing a stronger awareness that they have changed since we became Kiraboshi Bank, gaining confidence in what they are able to achieve, and continuing to take on new challenges.

Until now, the Group has placed its greatest priority on the accumulation of internal reserves for the redemption of preferred shares. With the completion of the cancellation of the full amount, we will now be able to implement more agile capital policies. Of course, even after the cancellation of the preferred shares, the proper accumulation of equity capital remains a key management challenge. While balancing growth investment and internal reserves with shareholder returns, we will swiftly make the investments necessary in an era of rapid change, including in AI, cybersecurity, and the development of new products and services.

Trust Matters in a Positive Interest Rate Environment

As the Group charts its next stage of growth, I would like to offer my own summary of the

market environment in which we operate, looking back on the past along the way.

During the prolonged era of low and negative interest rates, it was difficult for banks to grow their earnings solely through interest margins on deposits and loans. Throughout this period, to meet the diverse needs of its customers, the Group expanded the functions of Group companies and built an earnings base that was not reliant on deposit and lending operations. Currently, the Group's 22 companies are working together to establish a structure that will allow us to help customers solve their issues in our four business areas: Financial Business, Digital Business, Solutions Business, and Promotion/Overseas Business.

Meanwhile, there have been significant changes in the financial environment. As policy interest rates have risen and we have returned to a world with positive interest rates, the ability to attract deposits has become a key factor affecting the competitiveness of financial groups. We expect competition for deposits to become increasingly intense going forward. Offering high interest rates alone will not lead to sustainable competitiveness. It is important to develop services and products that our customers will use on a daily basis and that will naturally attract funds, and steadily build a portfolio of low-cost, sticky ordinary deposits.

In this regard, a significant feature of the Group is the existence of our digital bank, UI Bank. In addition to competitive loan products, UI Bank provides BaaS* and AtoA payment* functions. UI Bank handles non-face-to-face financial services that require no human intervention, while Kiraboshi Bank handles solution-based activities that involve face-to-face consultation with customers. Further, customers who are unfamiliar with digital services can obtain support at Kiraboshi Bank branches. This provision of services that integrate digital and real elements is a unique strength of the Group.

The Tokyo metropolitan area is Japan's largest market, with a high concentration of population, businesses, and assets. While competition is extremely fierce, the region has the potential to far surpass other regions as a business foundation. Although the mega banks and financial institutions from other regions have also expanded into Tokyo, the Kiraboshi Group has

*RORA: Return on Risk-weighted Assets

*ROE: Return on Equity

*BaaS (Banking as a Service): Refers to a non-financial business entity providing financial services integrated with its own services by linking to a bank's API

*AtoA (Account to Account) payment: A payment method in which funds are transferred from the user's bank account directly into the business operator's bank account.

Message from the CEO



spent many years establishing contact points with local customers, and we are in the position to serve as their primary bank for everyday use. As a local financial group, we hope to deepen our relationships with our customers and, while co-existing and cooperating with other financial institutions as necessary, fulfill the role of a hub in the Tokyo market.

The cycle for improving the Group's profitability hinges on the promotion of primary banking relationships. We will secure client companies' accounts and, while coordinating the functions of the individual Group companies, cultivate not only corporate customers but also their workplaces and owners' transactions. We will expand deposit, lending, and fee income by offering complex solutions tailored to customers' needs, such as business succession, M&A, asset management, DX, and overseas expansion. Encouraging customers to use the Kiraboshi Group for more than just banking transactions is what will lead to the enhancement of customer value. This is the kind of presence that we aspire to be.

Consolidated net income in FY2025 amounted

to ¥42.3 billion, an increase of ¥10.9 billion over the previous fiscal year. This includes ¥7.4 billion in gain on sale of securities allocated to the redemption of preferred shares; however, even excluding this special factor, at ¥34.8 billion, the upward trend in income has been maintained. In regard to the management targets of the Third Medium-Term Business Plan as well, we have made smooth progress in net income, ROE, core OHR*, and capital ratio. Profit of Group companies in FY2025 was ¥3.4 billion, and we are at the stage of further enhancing the quality of our operations to achieve our FY2026 target of ¥6.6 billion.

Improving RORA and Strengthening Cost-of-Capital Management

Improving both ROE and PER* is key to increasing corporate value. The Group has adopted an approach of improving ROE through the improvements of RORA and appropriate financial leverage controls, while also raising PER by suppressing capital costs and increasing the expected growth rate.

We will continue to actively engage in lending at Kiraboshi Bank. However, excessively increasing the loan balance is not necessarily an efficient approach. It is important to secure profits while controlling risk-weighted assets by distributing the loans as necessary after their execution for effective rotation. In areas where the Group can demonstrate its expertise, such as business succession, M&As, LBO finance*, and structured finance*, the Group not only provides funds, but also combines consulting and equity investment services. In doing so, we will contribute to the enhancement of our customers' corporate value. Meanwhile, at UI Bank, in addition to increasing the loan balance as a growth strategy, we will expand its platform functions such as BaaS and AtoA payments. Amid the growing intensity of competition for deposits, increasing the number of accounts used on a daily basis, such as accounts for receiving salaries and pensions, accounts for loan repayments, and settlement accounts, will lead to the accumulation of sticky deposits.

The first business area that we will focus on over the medium to long term is support for business succession. The declining birthrate and aging population are steadily progressing even in the Tokyo metropolitan area, and many SMEs are facing challenges related to finding successors. If businesses are not successfully passed onto the next generation, the region's industries themselves will face decline. The Group will work with other parties to assist businesses with their succession issues, using equity as well as loans. In some cases, the Group may collaborate with multiple financial institutions, with the Kiraboshi Group serving in an arranger role.

We will also step up our efforts in the area of support for startups. While Tokyo is Japan's largest market, on the other hand, unless new industries continue to be created, it will not be able to achieve sustainable growth. The power of startups is essential to solving social issues and accelerating economic growth. The Group aims to become a hub that supports the growth of startups through initiatives such as equity investment, open innovation, pitch events, and an industry-government-academia-finance network. Transactions by high-net-worth individuals are another important growth area. The Tokyo metropolitan area is home to many high-net-worth individuals, who have complex and sophisticated needs, such as asset management, inheritance,

business succession, and real estate. Through combinations of Kiraboshi Life Design Securities, trust functions, and consulting functions, we will build long-term relationships with both individual owners and corporations.

Integrating Digital and Face-to-Face Services, and Financial and Non-financial Solutions

Digital transformation (DX) is an important theme for enhancing the Group's competitive advantage, increasing value, and continuing to achieve sustainable growth. While DX has aspects of operational improvement and productivity enhancement, the more important consideration for us is what kind of new services it will enable us to offer our customers. The core of the Group's digital strategy is to enhance the quality of the services provided by the Group companies in the digital domain, namely UI Bank and Kiraboshi Tech, Inc., and offer solutions that integrate financial and non-financial elements.

In April 2026, we established the Digitalization Strategy Headquarters. Going forward, this organization will play a central role in building collaboration schemes based on customer needs. For example, CQ BANK, a collaboration with The Kansai Electric Power Company, is a digital bank service that combines features that are considerate of the environment and society, such as green deposits and eco-friendly housing loans, with benefits for users. This service is built on UI Bank's BaaS platform. The service is a mechanism for creating a flow of funds into environmentally-friendly housing and the sustainable energy field through everyday financial transactions. It is an excellent example of how financial services can help solve social issues.

In another example, "PALM UI Pay," a collaboration with the Musashi-Koyama Shoppingstreet Promotion Association, uses UI Bank's AtoA payment function to provide a mechanism for payments to be transferred from the user's bank account directly to the store's bank account. This helps reduce payment-related costs on the merchant's side and also offers the convenience of easy payment by smartphone for the user. By integrating the community-based, face-to-face services offered by Kiraboshi Bank with UI Bank's digital technologies, this initiative supports the

*Core OHR (Overhead Ratio): An indicator showing the ratio of expenses to gross core business profit.

*PER (Price Earnings Ratio): An indicator showing how many times a company's share price represents its earnings per share.

*LBO (Leveraged Buyout) finance: An M&A financing approach whereby acquisition funds are raised from financial institutions, using the assets and future cash flows of the target company as collateral.

*Structured finance: A customized financing approach designed according to a company's specific assets and business value.

Message from the CEO

adoption of cashless payments and the sustainable development of local shopping districts.

Such services go beyond simply offering new digital products. They build new financial infrastructure through the flexible incorporation of banking functions to address the challenges of diverse customers and partners, including businesses, foreign residents, sporting associations, and local shopping districts. The Group's growth strategy is to expand platforms that transcend the boundaries of finance and help solve the challenges of local communities and companies. It also represents the practice of our Purpose, "Giving our all, for TOKYO."

Human Capital and Sustainability: Foundations for Growth

Above all else, human resources are the foundation of the Group's sustainable growth. In the early days after the merger, I imagine that our officers and employees, as well as our customers, felt uncertain about what the new Group would become. The reason that we have been able to proceed with our transformation from that point is because each and every officer and employee has taken on challenges as an active agent in creating new value. To earn our customers' trust even further going forward, it is imperative that we increase our employees' engagement and continue to hone their expertise.

In the Group's ongoing well-being survey, engagement score rose from 3.38 points in FY2024 to 3.42 points in FY2025. We have granted restricted stock for three consecutive years, providing a framework for officers and employees to view the improvement of corporate value with a sense of ownership. We have also established a new Well-Being Leave scheme, and we are aiming for a rate of employees taking annual leave of 90%. In FY2025, the rate of childcare leave taken reached 100% for both male and female eligible employees. Going forward, we will promote the creation of a more comfortable working environment, including the enhancement of the number of days' leave taken.

Diversity and inclusion are also important. The ratio of female managers reached 20.5% in FY2025, and there are also 24 foreign nationals employed in the Group. In the digital area in

particular, we are actively recruiting overseas human resources. Unless we are an organization in which diverse human resources can demonstrate their capabilities regardless of age, gender, nationality, or experience, we will not be able to address our customers' increasingly diverse and sophisticated issues. We will link investment in human capital to our growth strategy, including the promotion of active participation by senior employees and the development of specialized human resources.

As sustainability-related disclosure requirements become increasingly institutionalized, companies are now being called on to demonstrate their very stance on sustainability. At the Kiraboshi Group, in addition to Kiraboshi Bank's Scope 1 & 2 greenhouse gas emissions, we have also obtained third-party assurance for certain Scope 3 emissions, and we are working to enhance the reliability of our disclosures. Additionally, after declaring our support for the TNFD* Recommendations in FY2024, in FY2025, we analyzed the degree of dependence and impact on natural capital by industry of portfolio companies in Tokyo and Kanagawa Prefecture, our main business areas, and identified related risks and opportunities. Going forward, focusing on industries that have a significant dependence and impact and industries that account for a high proportion of our portfolio, we will select issues to be addressed as a priority and consider specific measures, taking into account the measures being taken by local governments in the region.

Strengthening of governance is also a never-ending challenge. Amid rapid changes in the business environment, we need to enhance the effectiveness of the Board of Directors and, including a review of our organizational structure, implement more appropriate decision-making and risk management. In the Board of Directors, while continuing with effectiveness evaluations through individual interviews by a third-party organization, we will strive to further enhance discussions of medium- to long-term strategies through a review of the annual agenda and improved allocation of deliberation time.

"Giving our all, for TOKYO." — The Next Ten Years of Growth

Under our Purpose of "Giving our all, for TOKYO," in coordination with the Tokyo Metropolitan



Government and other local governments, we have worked on the development and support of SMEs in the Tokyo area, thus contributing to the advancement of the region. Our future vision of "comprehensive service business that is also strong in finance" is not a rejection of the banking business. On the contrary, it is an approach that, while based on our financial expertise, seeks to offer comprehensive services that address even customer issues that cannot be resolved by finance alone.

Our journey since the merger has been a series of trial and error. However, by addressing the challenges of high costs, low profitability, and insufficient capital, enhancing the functions of Group companies, turning consulting into a starting point for transactions, and creating services that integrate digital and real elements, we are putting preparations in place to advance to the next stage.

In such a large market as the Tokyo metropolitan area, the Group cannot handle everything on its

own. For this very reason, working in co-existence and collaboration with industry, government, academia, and financial institutions, as well as sporting associations, businesses, and other financial institutions, we will serve as a hub for addressing the challenges faced by local communities.

The cancellation of the entire amount of preferred shares is a significant milestone for the Group. However, this is not a goal, but the beginning of a new stage of growth. We will continue to make the most of the Group's comprehensive strengths to provide greater value to our customers, shareholders, business partners, employees, local communities, the environment, and all our stakeholders.

To remain a presence that will be chosen into the future, we will continue to go beyond the common wisdom of finance, remain committed to solving our customers' issues, and continue to be a financial group that is dedicated to the sustainable development of TOKYO.

*TNFD: Taskforce on Nature-related Financial Disclosures

Message from the CFO



Challenge Toward a New Stage

— Investment in growth areas and shareholder returns for the improvement of corporate value

Hidenori Tsunehisa
Deputy President and Group CFO

1. Review of Financial Results for FY2025

	FY2023	FY2024	FY2025		Medium-Term Business Plan	FY2026	
				YoY		Single-year Plan	YoY
Net income (FG, consolidated)	¥25.6 billion	¥31.3 billion	¥42.3 billion	+¥10.9 billion	¥30.0 billion	¥40.0 billion	(¥2.3 billion)
Reference Net income (FG, consolidated) excluding special factor	¥25.6 billion	¥31.3 billion	¥34.8 billion ^(*)	+¥3.5 billion	—	¥40.0 billion	+¥5.1 billion
*Net income excluding special factor (Gain on sale of securities, etc. of ¥7.4 billion recorded as funds for the redemption of preferred shares)							
Group company profit (FG, consolidated) *excluding Kiraboshi Bank	(¥0.3 billion)	¥1.4 billion	¥3.4 billion	+¥1.9 billion	¥5.0 billion	¥ 6.6 billion	+¥3.2 billion
ROE (FG, consolidated)	7.4%	8.5%	10.6%	+ 2.1%pt	High 7.0 % range	9.1%	(1.4%pt)
Core OHR (Kiraboshi Bank, non-consolidated)	57.8%	57.9%	55.2%	(2.7%pt)	Mid-50 % range	55.0%	(0.1%pt)
Capital ratio (FG, consolidated)	8.2%	8.7%	9.5%	+ 0.8%pt	8.3%	8.3%	(1.1%pt)
Reference Preferred shares	¥55.0 billion	¥55.0 billion	¥55.0 billion	—	¥31.25 billion	Cancellation complete	(¥55.0 billion)

FY2025 saw a moderate recovery trend, primarily in domestic demand, supported by an improvement in the labor environment and rising wages. On the financial front, moves by the Bank of Japan to normalize monetary policy progressed, and economic and financial conditions remained firm. On the other hand, downside risks stemming from external factors such as prolonged geopolitical risks remain, necessitating careful monitoring of developments both domestically and overseas going forward.

Under these circumstances, with the promotion of primary banking relationships and strengthened customer relationships, net interest on loans and deposits and fund income increased. FG net income increased significantly year on year to ¥42.3 billion. One factor contributing to the increase in income was the recording of gains on sale of bonds and shares of ¥13.5 billion.

With regard to securities, we restructured the portfolio to make it less susceptible to valuation loss even in a rising interest-rate environment by selling long-term yen bonds with maturities of over ten years and hedging interest-rate risk on medium-term yen bonds with maturities of six to ten years. Profit of Group companies increased by ¥1.9 billion year on year, with major growth in the Digital Business by UI Bank and Kiraboshi Tech. In Kiraboshi Bank's general and administrative expenses, although business outsourcing expenses and personnel expenses increased year on year, productivity improvements resulted in an increase in gross profit, bringing the expense ratio to 55.2%, an improvement of 2.7 percentage points from the previous fiscal year. ROE increased to 10.6%, and the capital ratio was 9.5% due to the accumulation of retained earnings.

2. FY2026 Plan

In May 2026, we converted the First Series Class I Preferred Shares (¥15 billion) to common shares of the Company and cancelled them, and acquired and cancelled Class II preferred shares (¥40 billion). The cancellations of the First Series Class I preferred shares and Class II preferred shares were completed on May 27, 2026 and May 25, 2026 respectively. We expect to achieve all our targets under the current Medium-Term Business Plan for the fiscal year ending March 31, 2027. With the conversion of the First Series Class I preferred shares to common shares, we have secured strategic capital, which we will use to strengthen our profitability and increase ROE.

In response to customers' business succession needs, we will build up a pipeline of capital transactions that will lead to future capital gains and secure commission income while controlling risk-weighted assets through asset rotation. In market investments, we will continue to secure income through investment income from short-term bonds and gains on sale of securities held in our flexible positions.

UI Bank will contribute to the further expansion of the Group's interest margins on deposits and loans by increasing loans and sticky ordinary deposits based on low-cost operations. Profit of Group companies is expected to increase by approximately ¥3 billion year on year.

As a result of these measures and an increase in net interest income stemming from rising policy interest rate, we expect net income for FY2026 to increase by approximately ¥5 billion compared with net income for FY2025 after excluding the special factor*.

In addition, although the capital ratio will decrease due to the lump-sum redemption of Class II preferred shares, it will be kept at 8.3% or more.

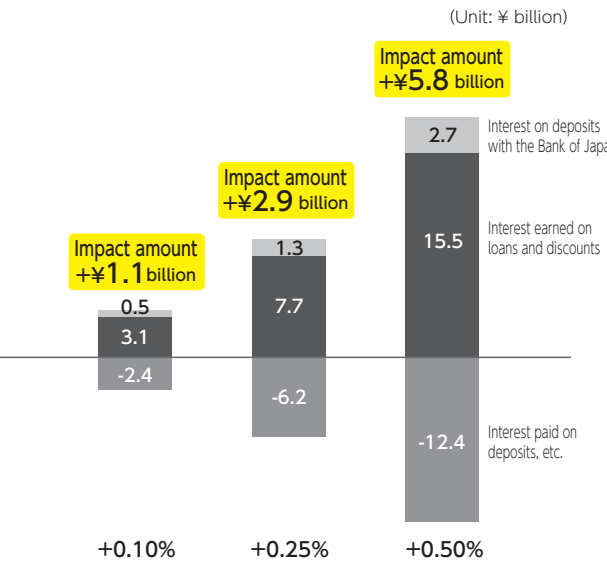
*Special factor: Gain on sale of securities, etc. of ¥7.4 billion recorded as funds for the redemption of preferred shares in the fiscal year ended March 31, 2026

● Impact on Income of Rising Yen Interest Rates

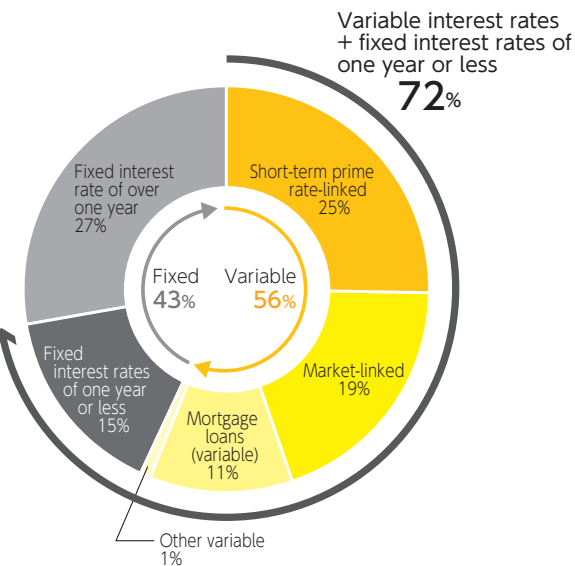
If the policy interest rate rises by 0.1%, we expect a full-year increase in revenue of ¥1.1 billion, comprising a ¥0.6 billion increase in net interest on loans and deposits and a ¥0.5 billion increase in interest on deposits with the Bank of Japan. The FY2026 plan assumes that the policy interest rate increased by +0.25% in June 2026. The pass-through rate assumptions for this estimate are 65% for loans, 40% for ordinary deposits, and 100% for time deposits. (The ratio of variable interest rates, including fixed interest rates of one year or less, to fixed interest rates is approximately 7:3.)

Estimated impact of interest rate rises

■ Impact on interest on loans and deposits in the event of policy interest rate hike



<Reference> Composition of loans



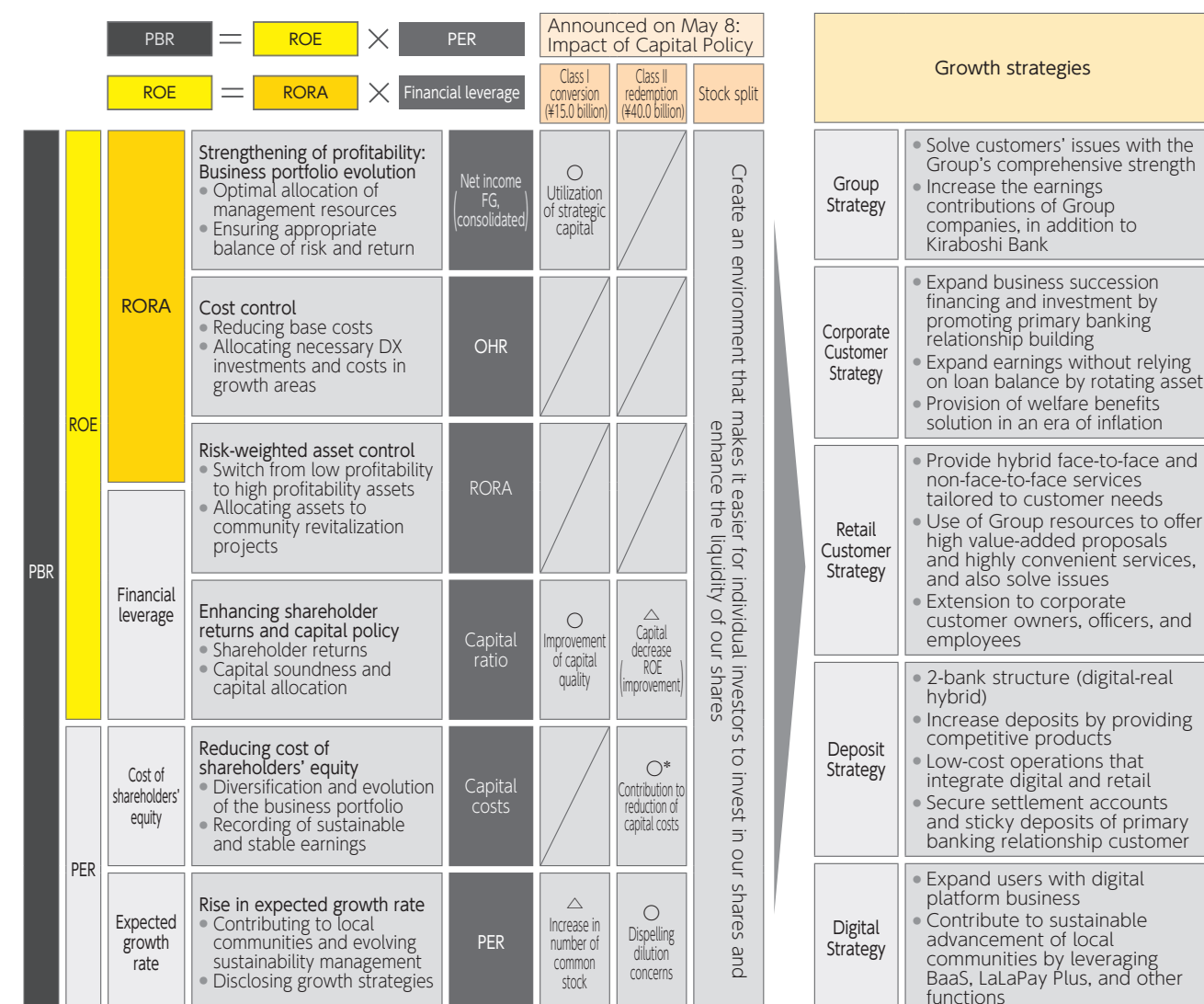
Assumptions

- Estimated annual (12 months) amount if policy interest rate rises by 0.10%–0.50%
- Based on a pass-through rate of 65% for loans, 40% for liquid deposits, and 100% for fixed deposits
- Impact on Kiraboshi Bank (non-consolidated) (impact of UI Bank's deposits and loans not taken into account)
- Balances of loans and deposits are calculated based on actual figures at end of FY2025

Message from the CFO

3. Initiatives for the Improvement of Corporate Value

Logic tree for PBR improvement



*Expect a decrease in the fluctuation range (β) of corporate value attributable to common shareholders due to redemption of preferred shares (Cost of shareholders' equity: Risk-free rate + β (share price sensitivity) $\times$ (Market expected rate of return - Risk-free rate))

In FY2025, we achieved the Medium-Term Business Plan targets for net income and ROE, and PBR was approximately 0.9 as of March 31, 2026. With ROE as a key indicator, we operate in a manner that balances RORA with capital ratio.

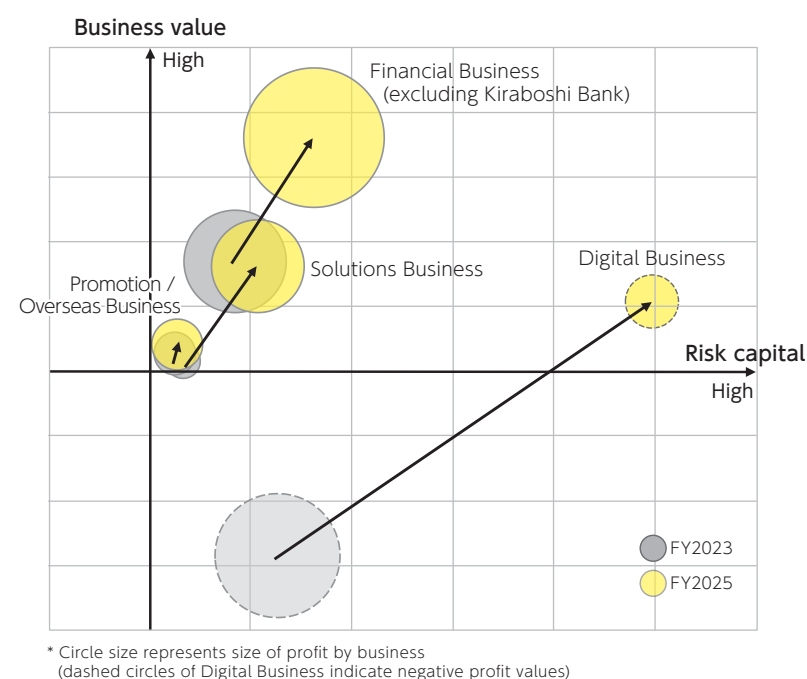
The impact on PBR-related indicators of the preferred shares actions in May 2026 is summarized in the table above. The conversion of the First Series Class I preferred shares to common shares of the Company will improve the quality of capital, and our growth strategy leveraging strategic capital will help strengthen our profitability. Although the acquisition and cancellation of Class II preferred shares will cause a reduction in capital, it will help improve capital efficiency. The redemption of preferred shares is expected to result in the reduction of capital costs due to a decrease in the range of fluctuation in corporate value attributable to common shares, and dilution concerns arising from their conversion into common shares will be dispelled.

In addition, as a result of the stock split resolved at the General Meeting of Shareholders in June 2026, we will create an environment that makes it easier for shareholders and investors to invest, thereby further expanding our investor base. Through our growth strategies, including the Group strategy, corporate and retail strategies, and digital strategy, we will promote the building of primary banking relationships based on solutions to customer issues, and aim to create new industries and develop financial platforms.

We will secure settlement accounts and sticky deposits from primary banking relationship customers through low-cost operations that integrate digital and real elements, and increase RORA through high value-added lending. In digital platform businesses such as BaaS, we will expand the number of users by improving customer convenience and contribute to the sustainable advancement of local communities with the Group's comprehensive strengths.

3-1. Business portfolio evolution

We use capital generated through asset control to invest in growth areas, based on verification with business evaluation indicators that reflect cost of capital, thereby strengthening the Group's profitability. The Digital Business, which is centered on UI Bank and Kiraboshi Tech, recorded a full-year profit in FY2025. In the digital retail business, which integrates digital and real elements, in addition to retail business targeting individuals, we will consider expanding this business to include SMEs and micro enterprises in future. We will reduce procurement costs by capturing sticky deposits through low-cost operations in our efforts to improve the Group's net interest income. In the equity investment business of the Financial Business, we coordinate with the Solutions Business and others to strengthen high value-added, hands-on support.

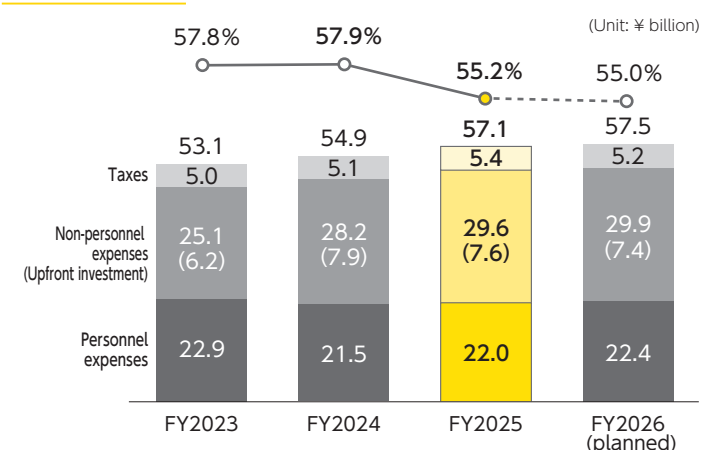


Financial	■ Tokyo Kiraboshi Lease, Inc. ■ Kiraboshi Capital Co., Ltd. ■ Kiraboshi Life Design Securities Co., Ltd. ■ Kiraboshi Servicer, Ltd. ■ Kiraboshi Insurance Agency CO., LTD. ■ Kiraboshi JCB Co., Ltd. ■ Kiraboshi Credit Guarantee Co., Ltd. ■ Yachiyo Credit Guarantee Co., Ltd.
	▶ Improved business value through the promotion of primary banking relationships by integrating the Financial Business with non-financial businesses such as consulting
Digital	■ UI Bank Co., Ltd. ■ Kiraboshi Tech, Inc.
	▶ UI Bank's income situation improved, leading to increase in business value ▶ Achieve profit in FY2025 and aim for further increase in business value
Solutions	■ Kiraboshi Consulting Co., Ltd. ■ Kiraboshi System, Inc. ■ ITC Co., Ltd. ■ Kiraboshi business office service, Inc.
	▶ Profit expanded due to provision of management consulting and DX solutions through Group cooperation, leading to increase in business value
Promotion / Overseas	■ Be. Brave, Inc. ■ Kiraboshi Business Service Co., Ltd. ■ Kiraboshi Business Consulting Shanghai Co., Ltd. ■ StarBridge business consulting (Beijing) Co., Ltd. ■ KIRABOSHI BUSINESS CONSULTING VIETNAM Co., Ltd.
	▶ Detailed support for client companies' overseas expansion and deployment of marketing strategies

3-2. Cost control

Although Kiraboshi Bank's expenses increased in FY2025, productivity improvements brought the expense ratio down to 55.2%. The main causes of the increase in non-personnel expenses included increases in management fees paid to FG and business outsourcing expenses paid to Group companies, as well as the costs of establishing the Digital Lab, which is a new branch format. Personnel expenses increased due to increases in base pay, etc. We have made upfront investments of ¥7-8 billion per year toward future growth, and we are working to improve the efficiency and productivity of operational processes with the use of AI and other technologies.

Core OHR/costs



Factors of YoY change (FY2025 → FY2026)		(¥ billion)
Non-personnel expenses	① Business outsourcing expenses / Management fees +0.5	② Upfront investment (0.2)
Personnel expenses	③ Increase in base pay, etc. +0.5	④ Retirement benefit expenses (0.2)

Message from the CFO

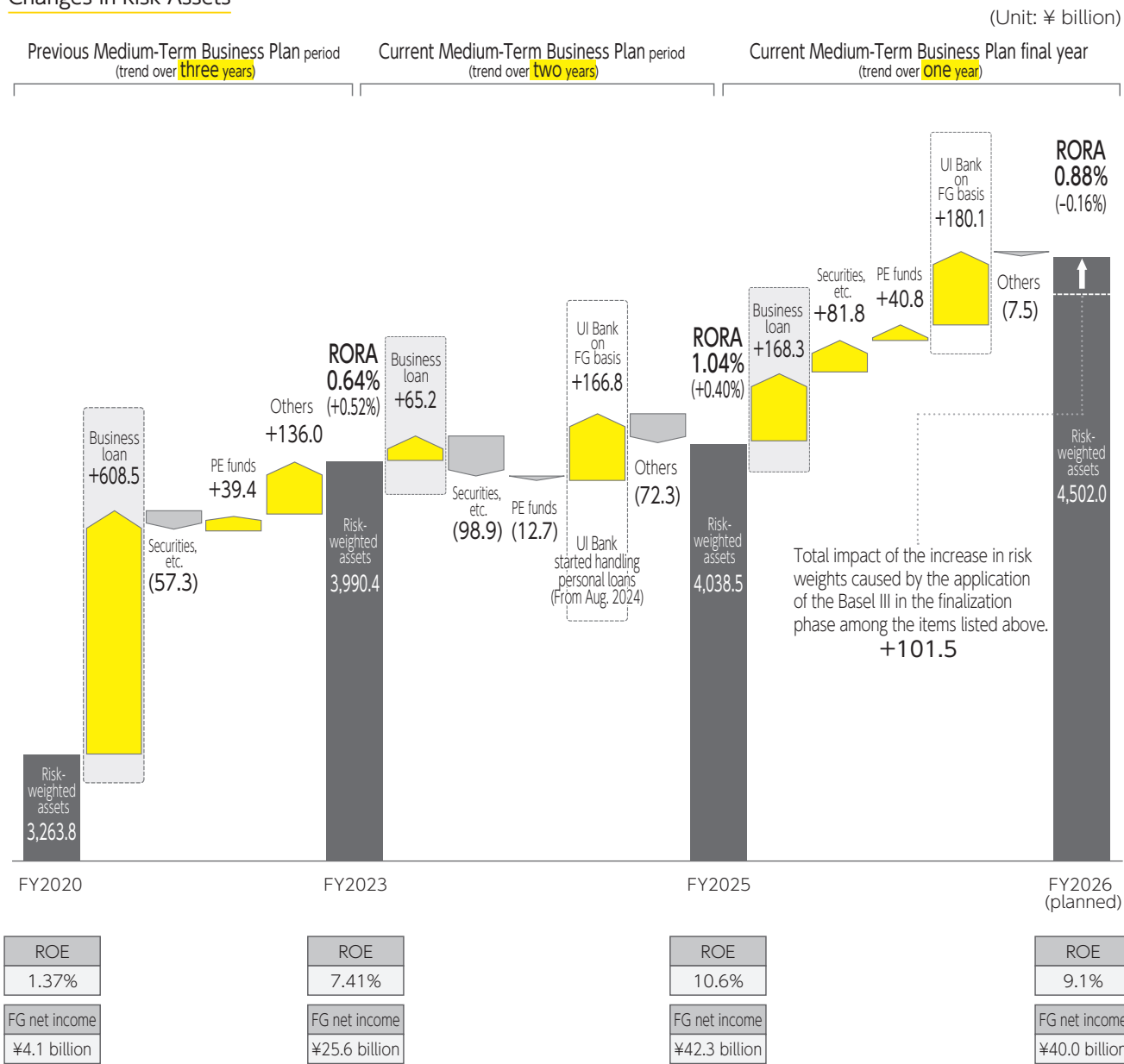
3-3. Risk-weighted asset control

For the improvement of ROE, we are operating with a consciousness of RORA, which is an indicator of the profitability of risk-weighted assets. Through monitoring, we have reduced assets with low profitability and are concentrating our efforts on highly profitable businesses and growth areas.

- Businesses that can be expected to generate complex earnings through the promotion of primary banking relationships
- Equity investment business tailored to customer needs
- Digital retail business, a growth area of UI Bank and Kiraboshi Tech

To provide customers with high added value starting with consulting, we will build a business portfolio with optimal allocation of management resources, as well as strengthening our Group strengths, in our aim to diversify the Group's revenue base and make our income structure more resilient.

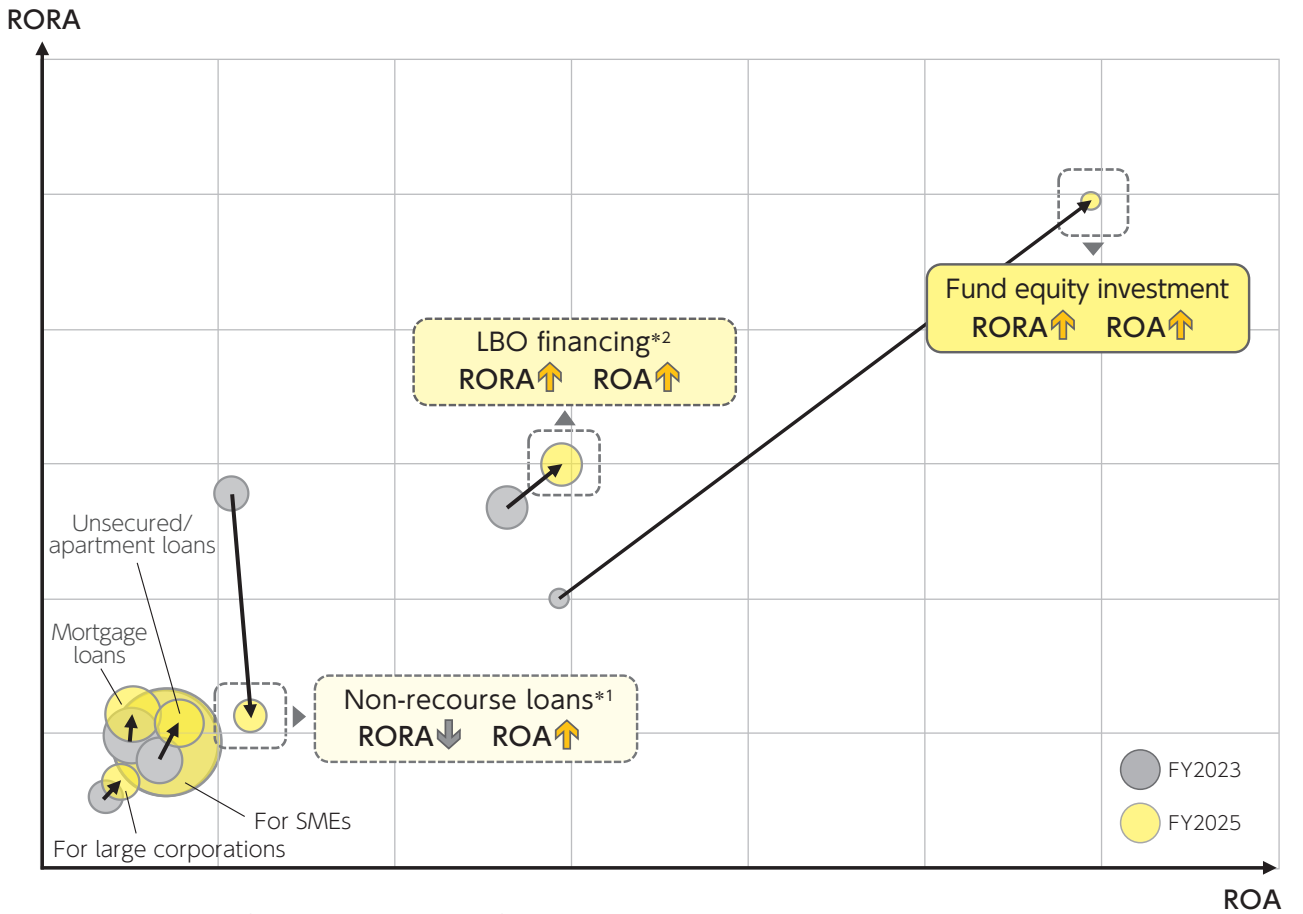
Changes in Risk Assets



*UI Bank on FG basis: Amount obtained by subtracting loans to Kiraboshi Bank and deposit risk-weighted assets from UI Bank's (non-consolidated) credit risk-weighted assets
*Business loans and securities, etc. do not include UI Bank's risk-weighted assets.

3-4. Risk-weighted asset control (by category)

The graph below plots the relationship between ROA and RORA. We are building an asset portfolio that improves the balance of risk and return by implementing asset controls in each risk category. RORA in March 2026 improved as a result of initiatives that took the balance of risk and return into consideration, particularly in LBO finance and equity investments in response to customers' business succession needs (RORA fell for non-recourse loans due to the increase in risk weight resulting from the response to Basel III). In lending to SMEs, while continuing with operations that are conscious of RORA, at the same time, we are supporting client companies closely and conducting initiatives to solve customers' diverse management issues. In lending to large corporations, we take factors such as strategic significance and profitability into account. We will continue our efforts to improve RORA through meticulous risk-weighted asset control.



*1: Non-recourse loans (NRL): Loans whose repayment source is solely the cash flow generated by a specific business or asset
*2: LBO financing: Acquisition of companies and businesses using debt financing

*ROA :
(Annual interest + Commission income) /
Loan balance
RORA :
(Annual interest + Commission income) /
Risk-weighted assets
*Circle size represents balance size
*Including fees and commissions

	RORA	ROA
For SMEs	➡	⬆
Unsecured/ apartment loans	⬆	⬆
Mortgage loans	⬆	⬆
For large corporations	⬆	⬆
Non-recourse loans	⬇	⬆
LBO financing	⬆	⬆
Fund equity investment	⬆	⬆

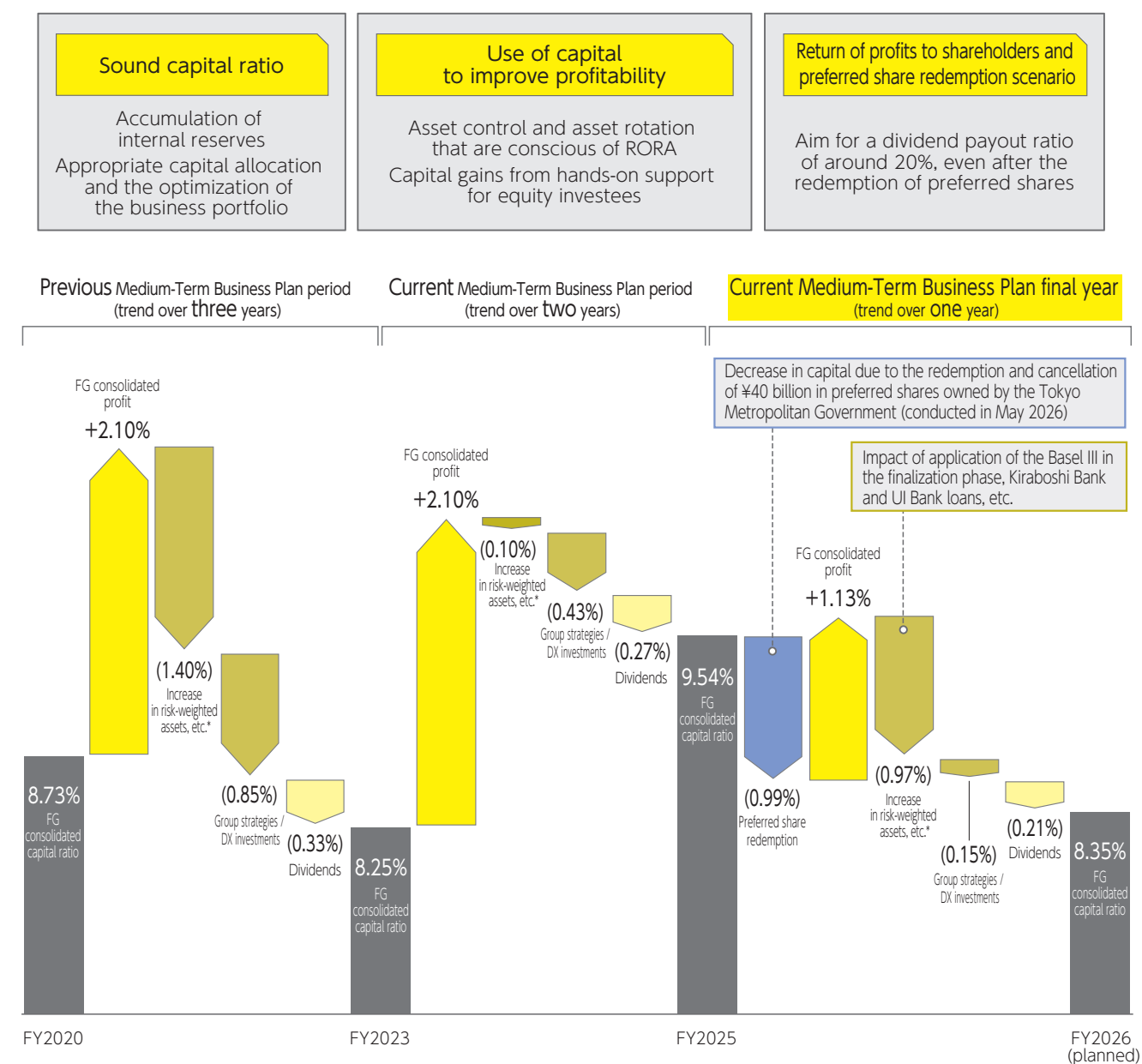
Message from the CFO

3-5. Capital management

Our basic capital policy is to ensure a sound capital ratio and maintain a balance between the use of capital to enhance profitability and the return of profits to shareholders. In FY2025, the capital ratio increased to 9.5% due to the accumulation of internal reserves for the redemption of preferred shares. In May 2026, we converted the First Series Class I Preferred Shares (¥15 billion) to common shares of the Company, and acquired Class II preferred shares (¥40 billion).

Going forward, internal reserves that had previously been accumulated for the redemption of preferred shares will be allocated to strategic investments and shareholder returns. In FY2026, we will use the strategic capital secured by the conversion of First Series Class I preferred shares to common shares to accumulate highly profitable assets and allocate capital to growth areas with future potential. We will enhance the Group's profitability by investing in the digital bank business to attract deposits through low-cost operations and in equity investment businesses that meet business succession needs. With regard to dividend payout ratio, while ensuring a sound capital ratio, we will strive to be able to meet the expectations of our shareholders.

We will continue to aim for the improvement of ROE and corporate value through capital management that balances investments in growth areas with shareholder returns and enhancement of equity capital.



*Loans, equity investments, etc.

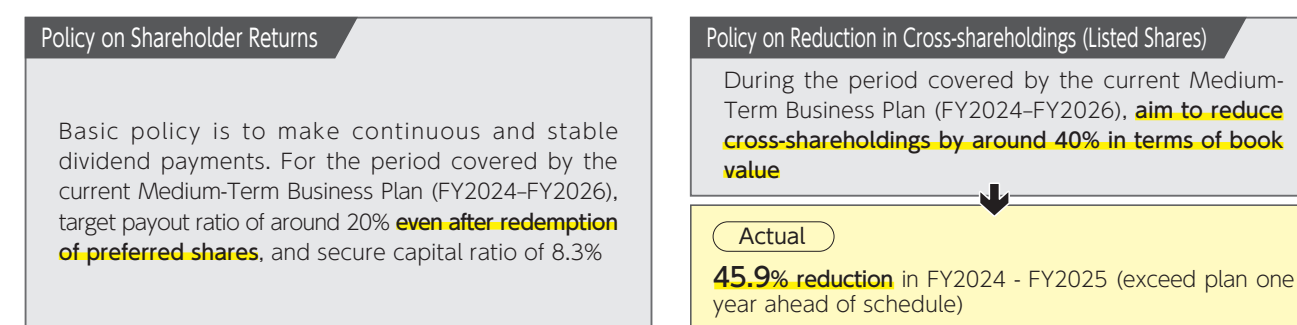
4. Cross-shareholdings Policy and Stakeholder Dialogue

We have adopted a policy of reducing cross-shareholdings. The reduction of cross-shareholdings is an important initiative from the perspectives of capital efficiency and risk-weighted asset control.

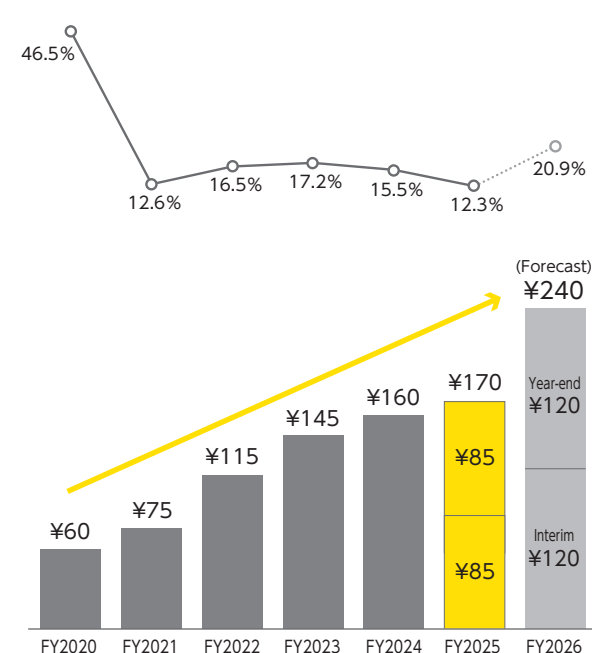
In the current Medium-Term Business Plan (FY2024-2026), we set targets of reducing cross-shareholdings by approximately 40% on a book value basis and to reduce the book value balance to approximately ¥9 billion in FY2026, compared with approximately ¥15 billion in FY2023. As of March 31, 2026, we had achieved a reduction of 45.9% on a book value basis against our target of 40%. In addition, the ratio of cross-shareholdings to net assets on a market value basis was 6.1%. Making effective use of the capital generated by the reduction of cross-shareholdings, we will strengthen the initiatives needed to solve the issue of our customers and society.

Our basic policy is to ensure continuous and stable distribution of dividends, and we are striving to enhance shareholder returns. The dividend payout ratio in FY2026 is expected to be around 20%. We will take action in light of future business performance, capital conditions, the market environment, and other factors.

To help shareholders understand our strategies, we provide accurate and timely explanations of our strategies and business activities to our shareholders and other stakeholders. By providing sufficient information, we aim to eliminate the information asymmetry with investors and reduce the cost of capital.

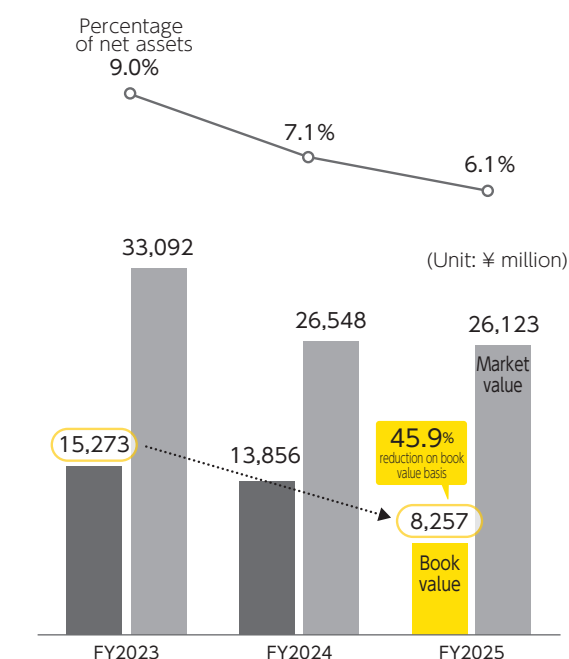


Annual dividend per share and dividend payout ratio



*Amount before adjustment for stock split with effective date of July 1, 2026

Balance of Cross-shareholdings(Listed Shares)



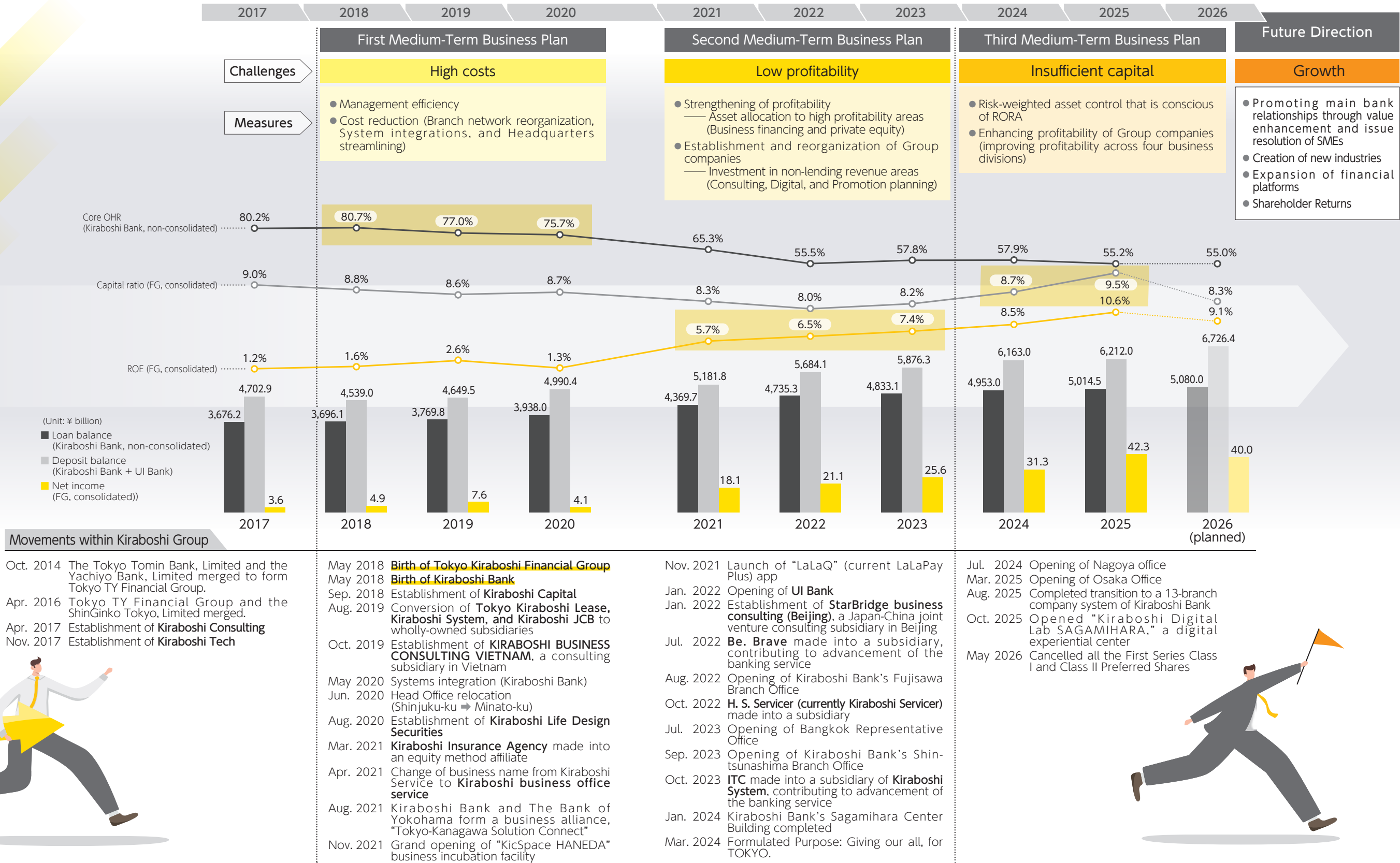
*Balance of cross-shareholdings held by Kiraboshi Bank

*Percentage of net assets is the percentage of FG consolidated net assets

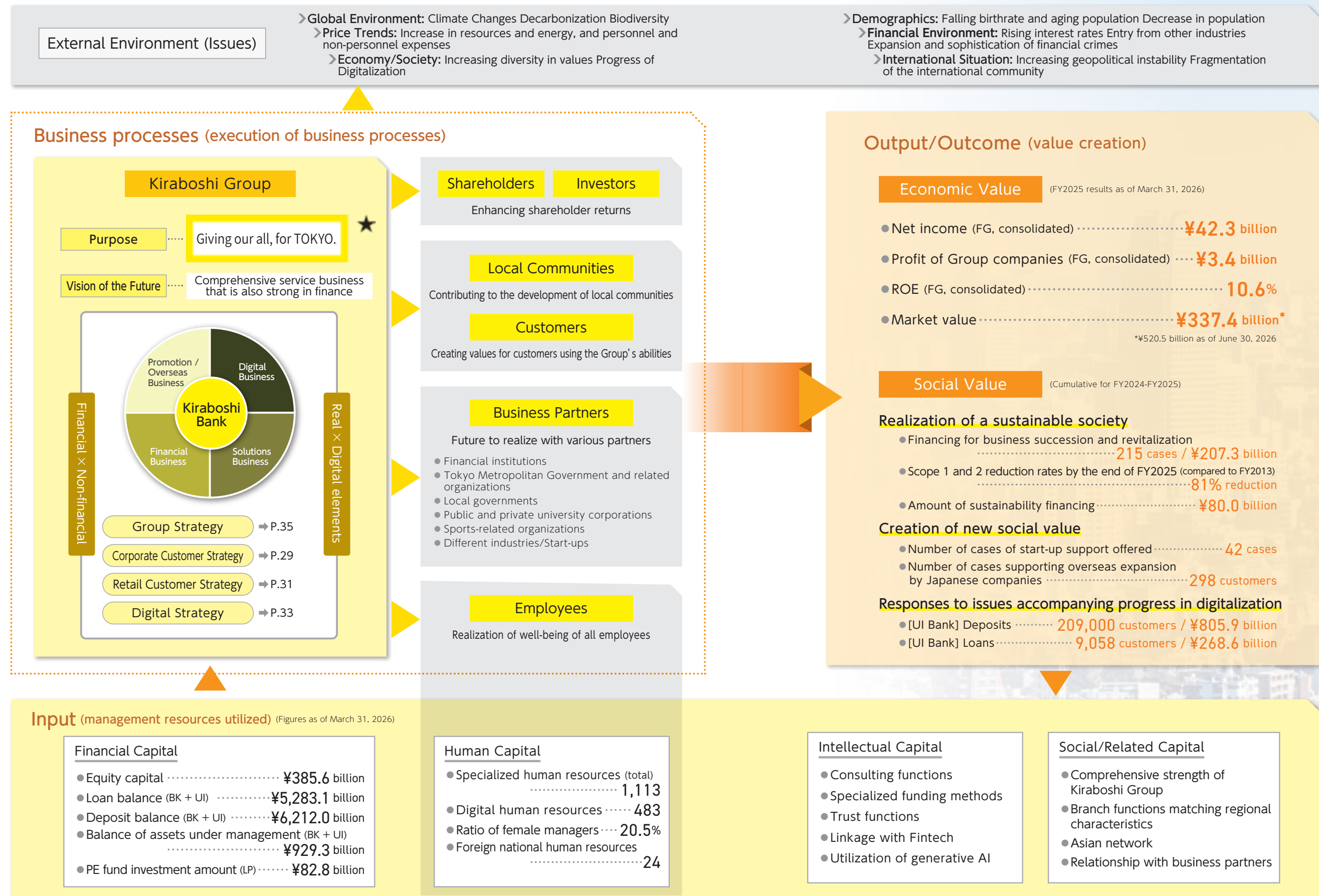
Driving Transformation and Delivering Growth Across the Kiraboshi Group

The Kiraboshi Group is a financial group that serves small and medium-sized enterprises (SMEs) and individual customers in the metropolitan area surrounding Tokyo. It was formed through the merger of the Tokyo Tomin Bank, Limited, the Yachiyo Bank, Limited and the ShinGinko Tokyo, Limited, three regional financial institutions headquartered in Tokyo. Since the three-bank merger, we have worked in collaboration with the Tokyo Metropolitan Government and other local governments to nurture and support SMEs across the metropolitan area. By contributing to regional development, we have built a sustainable business model that looks toward the future as a regional financial institution. Through initiatives such as system integrations, branch network

reorganization, promotion of primary banking relationship building with our customers, and expanding business financing, we have addressed the key management challenges inherited from before the merger: high costs, low profitability, and insufficient capital. As a result, net income increased significantly, from ¥3.6 billion prior to the merger to ¥42.3 billion. Over this period, we have also expanded the Group company functions and established a framework that enables us to respond more closely to increasingly diverse customer needs. Guided by our vision of the future “comprehensive service business that is also strong in finance,” we will continue to enhance our competitiveness in the Tokyo metropolitan market as an urban regional bank.



How We Create Value



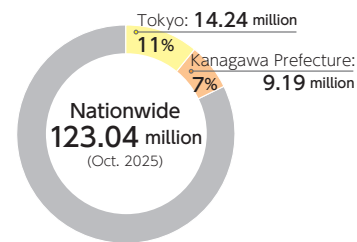
Sources of Competitiveness of Kiraboshi Group

Growth Potential of the Tokyo Metropolitan Area

The Tokyo metropolitan area is the largest market in Japan, attracting the highest concentration of people and businesses. Deposits and loans have continued to grow over the long term, and funding demand and investment opportunities are abundant. Leveraging the scale and dynamism of this market, the Kiraboshi Group will provide high value-added solutions that go beyond financing, thereby enhancing our customers' corporate value while achieving the Group's sustainable growth.

Population (estimate)

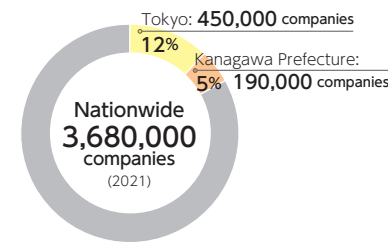
Approximately 19% of the population in Japan is concentrated



Source: Ministry of Internal Affairs and Communications, "Preliminary Counts of the Population and Households of the 2025 Population Census"

Number of companies, etc. (companies + individuals)

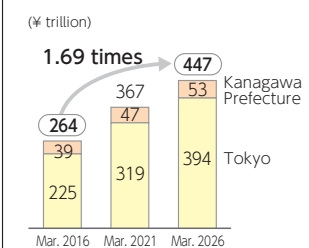
Approximately 17% of companies, etc. in Japan are concentrated



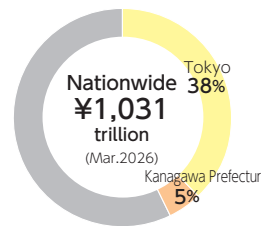
Source: Ministry of Internal Affairs and Communications, "2021 Economic Census for Business Activities" "2024 Economic Census for Business Frame - Complete Tabulation"

Deposits at Banks (Domestic Banks)

1.69 times growth in 10 Years



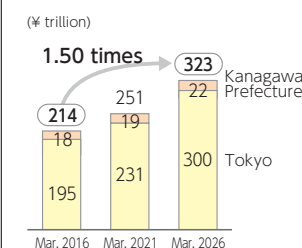
Approximately 43% of deposits nationwide are concentrated.



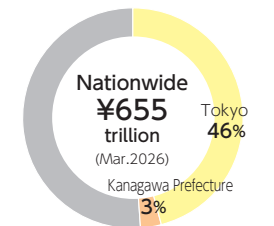
Source: Bank of Japan, "Deposits and Loans Market."

Loans receivable at Banks (Domestic Banks)

1.50 times growth in 10 years



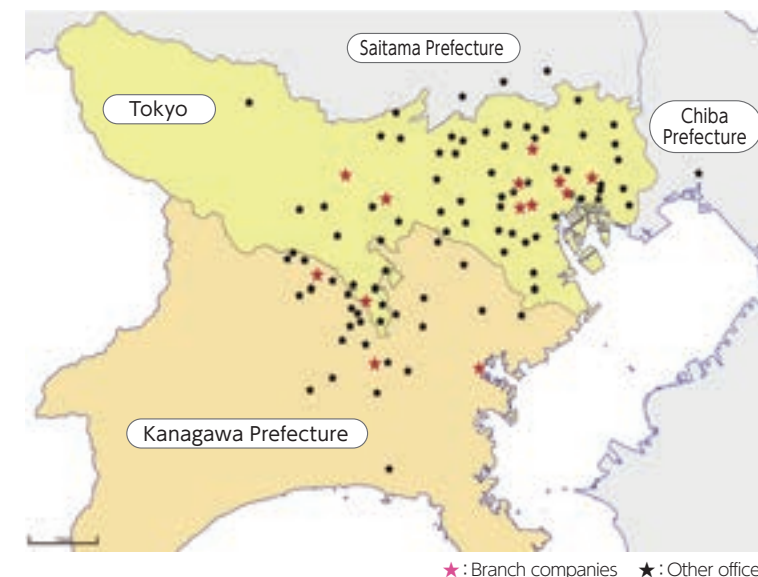
Approximately 49% of all loans in Japan are accumulated



Source: Bank of Japan, "Statistics on Deposits and Loans Market."

Community-based branch network

A community-based branch network provides one-stop support for daily transactions, asset building, and business consultations. By combining branches with diverse offices such as branch companies, lounges, and digital labs, we deliver the reassurance and swift response that only face-to-face service can provide leading to effective issue resolution.



Branches

Within Tokyo	118 branches
Within Kanagawa Prefecture	39 branches
Within Saitama Prefecture	3 branches
Within Chiba Prefecture	1 branch
Total	161 branches
	101 offices

Branch companies

13 Branch companies (Sagamihara, Nihonbashi, Kanda, Yamato, Fuchu, Machida, Joto, Ikebukuro, Shibuya, Shinjuku, Aoyama, Tama, Yokohama)

Offices, lounges* (No teller services)

Office (Shimokitazawa)	1
Lounges (Aibara, Onuma, Kitasuna)	3

*Lounge: An office for consulting services related to asset management, etc., and support services for digital shift such as opening of online accounts, etc.

Experiential Center

Digital Laboratory (Sagamihara)	1
---------------------------------	---

Collaboration Network to Accelerate Issue Resolution

In response to an increasingly diverse competitive environment and customer needs, the Group has been expanding collaboration across industry, government, academia, and finance. This includes financial institutions, local governments and public support agencies, universities, and sports and community organizations, enabling us to enhance both the speed and reliability of issue resolution through the power of collaboration.



Financial institutions

- Sumitomo Mitsui Trust Bank
- Mitsui Sumitomo Insurance Company
- The Bank of Yokohama
- Senshu Ikeda Holdings
- Jimoto Holdings
- Shinhan Bank Japan etc.



Public and private university corporations

- Chuo University
- Nihon University College of Art
- Aoyama Gakuin University
- Tokyo Metropolitan University
- Azabu University etc.



Tokyo Metropolitan Government and related organizations

- Tokyo Metropolitan Government
- Tokyo Metropolitan Small and Medium Enterprise Support Center
- Tokyo Foundation for Employment Services
- Tokyo Metropolitan Industrial Technology Research Institute
- Tokyo Chamber of Commerce and Industry
- Tokyo Labor Bureau etc.



Sports-related organizations

- FC Tokyo
- Tokyo Yakult Swallows
- Kubota Spears Funabashi Tokyo Bay
- Sunrockers Shibuya
- Tokyo Great Bears
- Tokyo Marathon Foundation
- Japan Football Association "Dream Class"
- Japan Sumo Association
- Badminton Association of Japan
- Tohto University Baseball League Association etc.



Local governments

- Minato-ku
- Ota-ku
- Toshima-ku
- Inagi City
- Machida City
- Kawasaki City
- Sagamihara City
- Ayase City etc.



Different industries and start-ups

- The Kansai Electric Power Company
- MCD3
- Start-ups etc.

Driving Execution through Expertise and Diversity

The Group has a large number of employees categorized as specialized human resources in such fields as digital, consulting, finance, private banking, and business revitalization. We are also fostering an environment in which individuals can thrive regardless of gender, age, or nationality, enabling us to translate the strengths of each individual into the execution capability of our teams.



Specialized human resources

Digital human resources	Consulting human resources	Corporate finance human resources	Private bankers	Business revitalization human resources
483 (+83 YoY)	132 (+5 YoY)	168 (+9 YoY)	97 (+9 YoY)	233 (+16 YoY)



Diverse human resources

Ratio of female managers	Ratio of those employed as mid-career professions	Foreign national human resources	Employees aged 65 and over (Kiraboshi Bank)
20.5% (+1.6pt YoY)	19.9% (+1.7pt YoY)	24 (+3 YoY)	260 (+23 YoY)

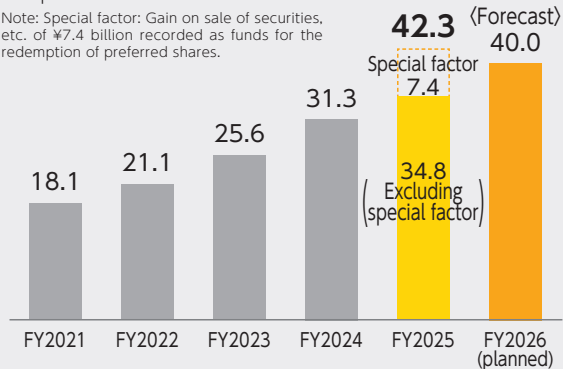
Financial/Non-financial Highlights

Financial Highlights/Financial Targets (KGIs) under the Medium-Term Business Plan

1. Net income <FG, consolidated> (¥ billion)

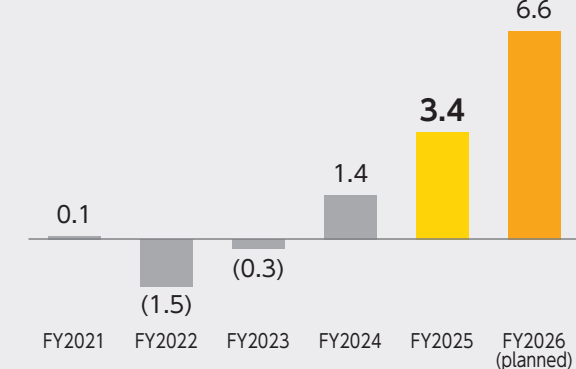
Kiraboshi Bank recorded a net income of ¥42.3 billion due to an increase in interest on loans, fund income, and gain on sales of shares at Kiraboshi Bank, and increased profit at Group companies.

Note: Special factor: Gain on sale of securities, etc. of ¥7.4 billion recorded as funds for the redemption of preferred shares.



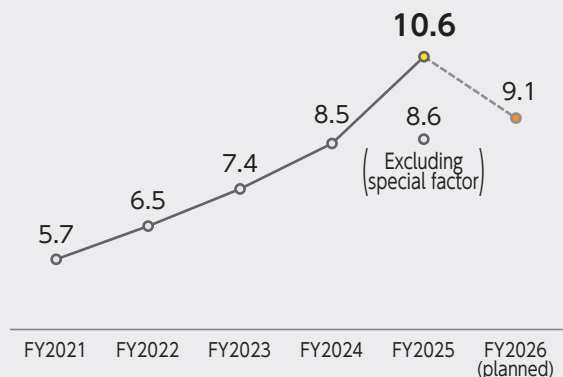
2. Group company profit <FG, consolidated> (¥ billion) *excluding Kiraboshi Bank

Profit exceeded the plan for the fiscal year of ¥3.0 billion and reached ¥3.4 billion due to the Digital Business turning a profit and increased profits posted by the Financial Business and Solutions Business.



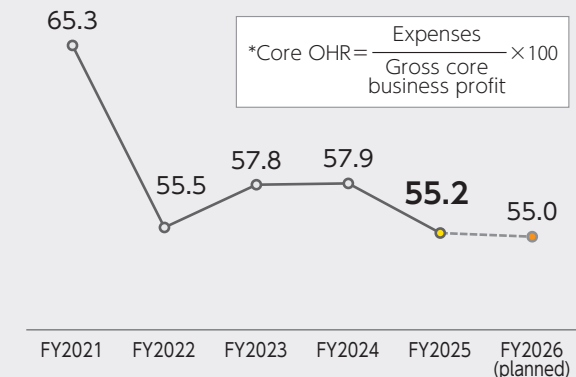
3. ROE <FG, consolidated> (%)

As a result of management that balanced profitability, capital efficiency, and financial soundness, ROE increased by 2.1 percentage points year on year to 10.6%.



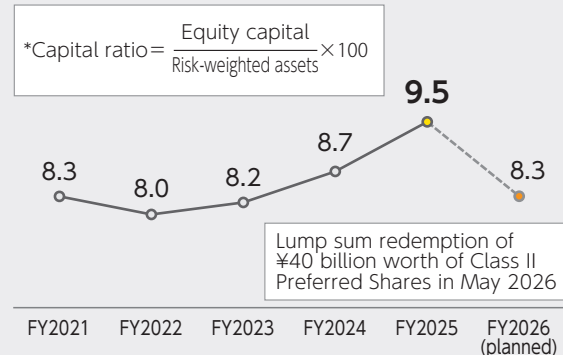
4. Core OHR <Kiraboshi Bank, non-consolidated> (%)

Despite an increase in expenses such as non-personnel expenses, core OHR improved by 2.7 percentage points year on year to 55.2% due to an increase in gross core business profit.



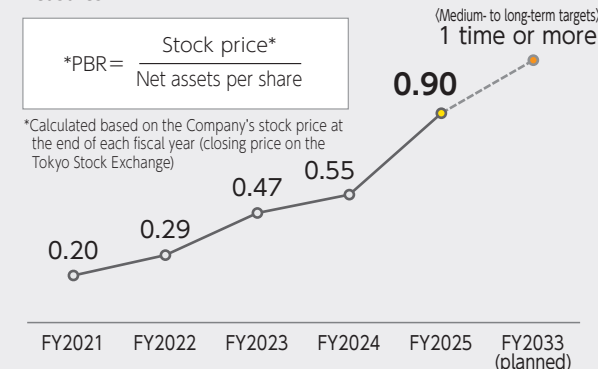
5. Capital ratio <FG, consolidated> (%)

Capital ratio improved by 0.8 percentage points year on year to 9.5% due to an increase in equity capital resulting from accumulated profits, despite an increase in risk-weighted assets.



Reference PBR (price-book ratio) (times)

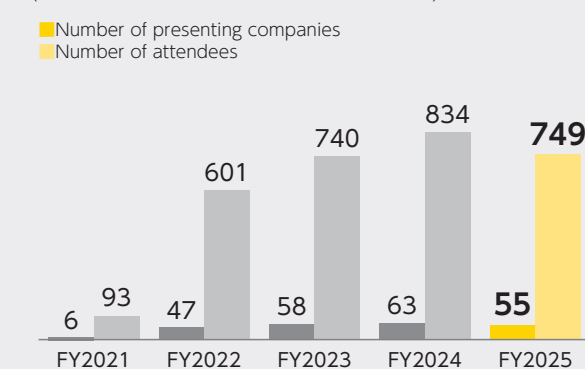
In addition to improving ROE through strengthened profitability and risk-weighted asset optimization, we aim to improve PBR by reducing the cost of shareholders' equity and other measures.



Non-financial Highlights

Number of presenting companies and attendees at Kiraboshi Pitch (companies, persons)

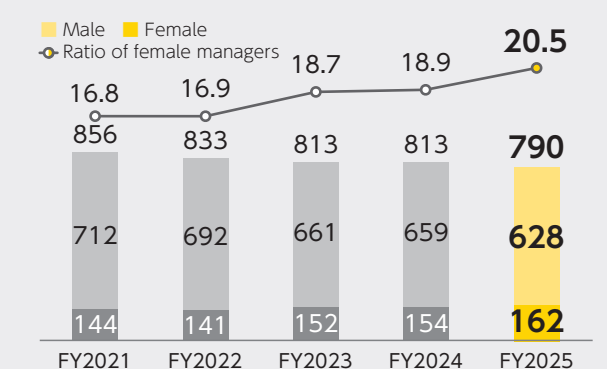
Under the slogan, "Creating unicorn companies from Tokyo," we hold pitch events every month at KicSpace HANEDA (located within HANEDA INNOVATION CITY).



Ratio of female managers* (persons, %)

*Managers: Section manager level and above

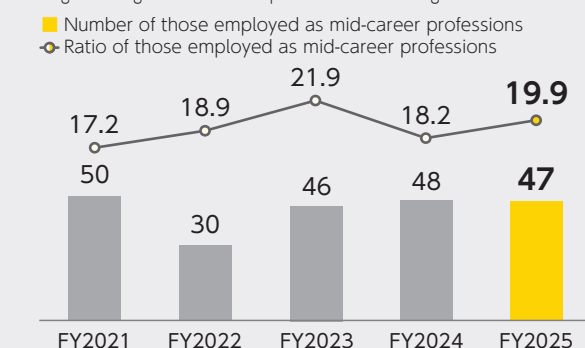
We are promoting the creation of a workplace where women can play an active role as a matter of course, and fostering female leaders who can drive the organization forward.



Number of those employed as mid-career professions and their ratio to all managers* (persons, %)

*Managers: Section manager level and above

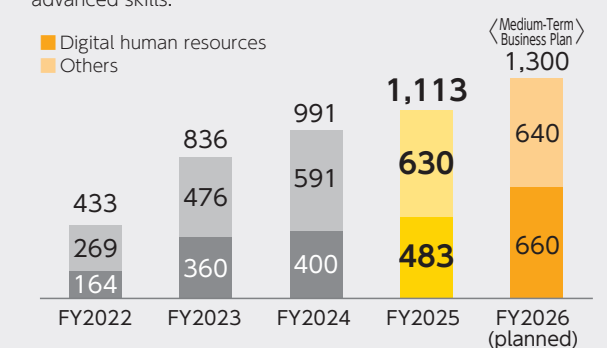
We are strengthening our efforts to acquire specialized human resources with a variety of backgrounds, including through direct recruiting methods and the hiring of high school graduates with the potential to become digital human resources.



Specialized human resources* (persons)

*Specialized human resources: Refers to human resources specialized in one of five fields: digital, consulting, corporate finance, private banking, and business revitalization

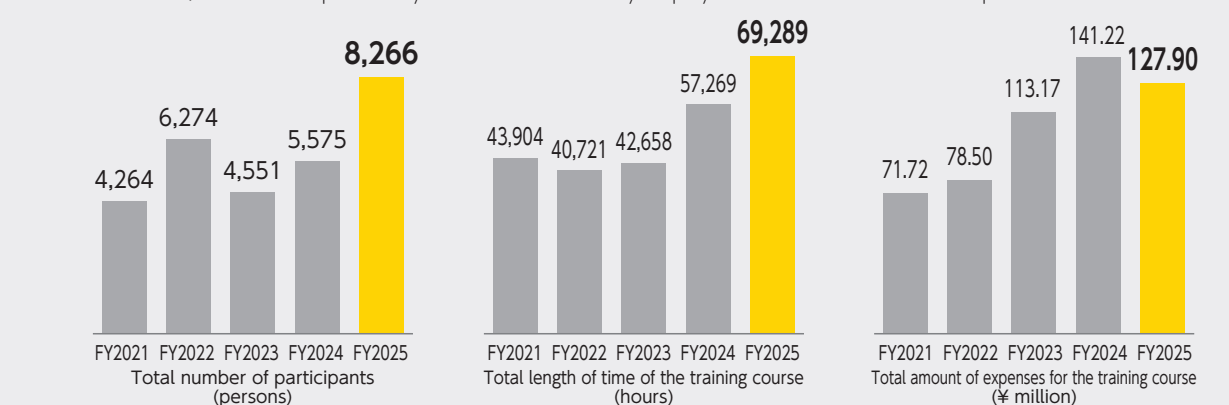
To provide customers with truly valuable services, we recruit specialized human resources with diverse backgrounds and advanced skills.



Total number of participants, total length of time of the training course, and total amount of expenses for the training course*

*Training course: New employee training, career development training, rank-specific training, etc.

To provide customers with truly valuable services, we have established a system for the development of management and specialized human resources, and invested proactively so that each and every employee can demonstrate their full potential.



Tracking Progress of the FY2024-FY2026 Medium-Term Plan

Overview of the Medium-Term Business Plan

When Kiraboshi Bank was established as a result of the merger of three banks in 2018, the Kiraboshi Group faced three major challenges: High costs, low profitability, and insufficient capital. In the Third Medium-Term Business Plan launched in FY2024, under our newly established purpose, "Giving our all, for TOKYO," we will steadily implement our growth strategy in response to these challenges, work on solutions to social issues through our business, and contribute to the realization of a sustainable society and the revitalization of regional economies.

Fiscal Year		2018	2019	2020	2021	2022	2023	2024	2025	2026
		First Medium-Term Business Plan			Second Medium-Term Business Plan			Third Medium-Term Business Plan (current plan)		
		Performance appraisal								
Three challenges	High costs	◎	Substantial cost reduction through system integrations, branch network reorganization, streamlining of headquarters operations and other measures						▶	Further efficiency improvement
	Low profitability	○	Improvement in profitability through business financing, promotion of transactions for primary banking relationship building and other activities						▶	Strengthening of profitability
		△	Profitability of Group companies							Review of income structure
	Insufficient capital	△	Decline in capital ratio due to accumulation of risk-weighted assets							
		△	Redemption (Repayment) of preferred shares						▶	Enhancement of equity capital

Further efficiency improvement

One of the Kiraboshi Group's basic concepts is to "provide comprehensive range of services that integrate digital and real elements." To achieve this, we will revise our branch strategy and sales structure.

Consolidation of loan handling functions	- Consolidate our loan handling locations down to 13 branch companies servicing both corporate and retail customers - By consolidating specialized knowledge and expertise alongside the development of human resources, provide high value-added services through cooperation between specialized headquarters departments and sales offices
Optimization of branches and channels	- Reduce the number of locations overall while expanding the number of sales offices specializing in retail customers - Promote the use of digital services such as UI Bank, while utilizing real locations where we can have face-to-face contact with customers

Strengthening of Profitability and Review of Income Structure

Under the current Medium-Term Business Plan, we will place importance on building a business model that does not depend on income from loans, from the perspective of appropriate risk-weighted asset control. We will strengthen the functions of Group companies and work to expand non-interest income.

Expansion of digital services	● Improve the quality and quantity of digital services provided by UI Bank and Kiraboshi Tech
Strengthening of solutions functions	● Strengthen solution functions centered on Kiraboshi Consulting and Kiraboshi System
Expansion of services that closely support life cycles	● Expand services tailored to customers' life cycles, mainly through Kiraboshi Capital, Kiraboshi Life Design Securities, and Tokyo Kiraboshi Leasing

Enhancement of equity capital

Our basic capital policy under the Medium-Term Business Plan is to ensure a sound capital ratio and maintain a strong balance between the use of capital to enhance profitability and the return of profits to shareholders. Under this policy, while securing the funds for the redemption of preferred shares and dividend payouts, we are targeting a consolidated capital ratio of 8.3% (in FY2026) on the FG consolidated basis, even after the redemption of preferred shares.

Progress of Management Targets (KGI)

Under the Medium-Term Business Plan, the Kiraboshi Group has established the following five key goal indicators (KGI) on the financial front as management targets from the perspective of sustainably enhancing corporate value. In FY2025, net income and ROE exceeded the initial targets of the Medium-Term Business Plan. In FY2026, the final year of the Medium-Term Business Plan, we will continue to work as a unified group to achieve the plan under the above policy.

Main Targets (KGI)	FY2023 (actual)	FY2024 (actual)	FY2025 (actual)	YoY	(Medium-Term Business Plan)	FY2026 (Single-year Plan)	YoY
Net income (FG, consolidated)	¥25.6 billion	¥31.3 billion	¥42.3 billion	+¥10.9 billion	¥30.0 billion	¥40.0 billion	(¥2.3 billion)
Net income (FG, consolidated) excluding extraordinary factors	¥25.6 billion	¥31.3 billion	¥34.8 billion*	+¥3.5 billion	—	¥40.0 billion	+¥5.1 billion
Group company income (FG, consolidated) *excluding Kiraboshi Bank	(¥0.3 billion)	¥1.4 billion	¥3.4 billion	+¥1.9 billion	¥5.0 billion	¥6.6 billion	+¥3.2 billion
ROE (FG, consolidated)	7.4%	8.5%	10.6%	+2.1pt	High 7% range	9.1%	(1.4pt)
Core OHR (Kiraboshi Bank, non-consolidated)	57.8%	57.9%	55.2%	(2.7pt)	Mid- 50% range	55.0%	(0.1pt)
Capital ratio (FG, consolidated)	8.2%	8.7%	9.5%	+0.8pt	8.3%	8.3%	(1.1pt)

* Net income excluding special factors (Gain on sale of securities, etc. of ¥7.4 billion yen recorded as funds for the redemption of preferred shares)

Selection of Materialities and Progress and Evaluation of KPIs

The Group has identified issues faced by local communities from the perspective of consistency with our Purpose and importance to stakeholders and selected social issues that need to be addressed with priority (materiality). We have also established policies for resolving each issue and set KPIs to measure progress. In the progress evaluation for FY2025, we identified challenges relating to three KPIs. Following this, we analyzed the current situation, identified the problems and their causes, and considered improvement measures. We will steadily strengthen and expand the partners with which we collaborate by utilizing Banking as a Service (BaaS) and march firmly toward the achievement of the plan.

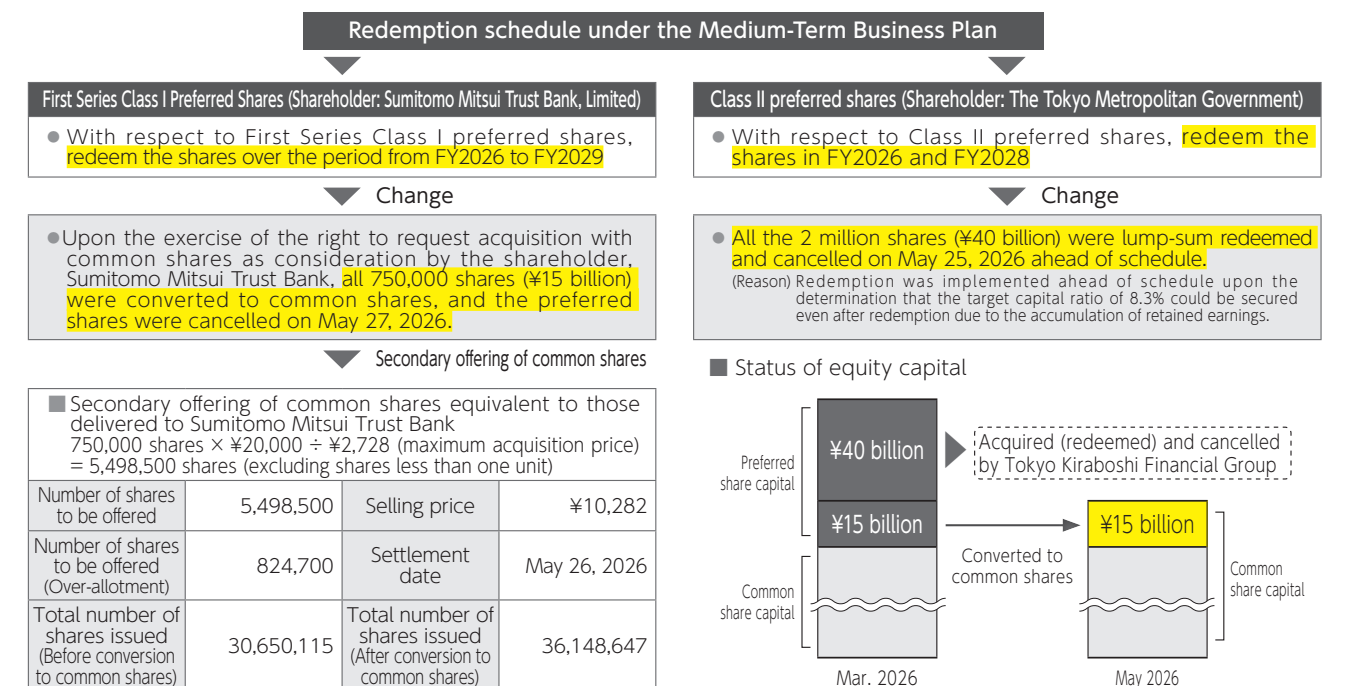
* Evaluation: ◎...Significantly achieved, ○...Achieved/Almost achieved, △...Issues remain

Social issues to be addressed and our responses (materialities)		KPIs for achieving our management targets (Cumulative targets for FY2024-FY2026)		Cumulative targets for FY2024-FY2025 (actual)	Evaluation*	FY2026 (Medium-Term Business Plan)
Realization of a sustainable society	- Support for SMEs in improving their business value - SMEs decarbonization projects - Support for medical institutions (management) - Support for older adults and the child-rearing generation	Number of FA (M&A) cases		45	◎	30
		Financing for business succession and revitalization (Number of cases)		215	◎	120
		Financing for business succession and revitalization (Amount)		¥207.3 billion		¥180.0 billion
		Scope 1 and 2 reduction rates by the end of FY2026 (compared to FY2013)		81% reduction	○	80% reduction
		Amount of sustainability financing		¥80.0 billion	○	¥100.0 billion
Creation of new social values and industries	- Group-wide contribution to regional development - Start-up support - Support for overseas expansion from the TOKYO market	Number of financial assets of ¥50 million or more		4,470 customers	○	4,000 customers
		Amount of factoring* for medium, small, and micro enterprises		¥0.81 billion	△	¥5.0 billion
		Number of start-up support measures (new business creation, commercialization support, etc.)		92	○	100
		Number of cases supporting overseas expansion by start-ups		42 customers	◎	30 customers
		Number of cases supporting overseas expansion by Japanese companies		298 customers	○	300 customers
Responses to issues accompanying progress in digitalization	- Provision of new financial functions - Social infrastructure (security and safety) - Financial services support for the elderly and the younger generation - Ensuring foreign nationals have access to financial services	Number of cases supporting expansion into Tokyo by overseas companies		92 customers	◎	30 customers
		UI Bank deposits (number of customers)		209,000 customers	△	700,000 customers
		UI Bank deposits (amount)		¥805.9 billion	◎	¥780.0 billion
		UI Bank loans (number of customers)		9,058 customers	◎	6,000 customers
		UI Bank loans (amount)		¥268.6 billion	◎	¥220.0 billion
		UI Bank annual revenue from BaaS partners (in collaboration with Kiraboshi Tech)		¥0.02 billion	△	¥0.85 billion

* Factoring: A method of financing whereby accounts receivables are sold and converted into cash before the due date for payment

Change in Approach to Preferred Shares and Capital Allocation

The Group has changed its approach to preferred shares in the current Medium-term Business Plan. On the premise of maintaining a sound capital ratio, we will allocate a portion of the internal reserves previously accumulated as funds for the redemption of preferred shares to shareholder returns, and in the future, we will gradually increase the payout ratio and aim for the sustainable improvement of shareholder value.



Sales Strategy

The Group's Comprehensive Strength for Providing Services that Lead to the Resolution of Customers' Issues

To provide thoroughly needs-based issue resolution services, the Kiraboshi Group has brought together banking, securities, consulting, digital, and other functions to build a Group structure that currently consists of 22 companies. To realize the three strategies (corporate, retail, and digital) set forth in the Medium-Term Business Plan, we will reorganize our customer segments into three categories (SMEs, high-net-worth individuals, and retail), and provide comprehensive solutions that combine financial and non-financial services to address the four major challenges and needs of customers.

Strategy	Corporate Customer Strategy, Retail Customer Strategy, and Digital Strategy			
Customer segments	SMEs		High-net-worth	Retail
Issue / needs type	Increase corporate value	Business succession	Asset succession / inheritance and wills	Deposits / foreign exchange / loans / asset management
Quality of required services Service provision channels	High-level expertise/high added value Mainly face-to-face sales			High convenience / economic rationality Mainly non-face-to-face sales
Examples of needs / issue resolution services	Rollups (company / business acquisitions) → FA (Kiraboshi Consulting) → Equity (Kiraboshi Capital) → Loans (Kiraboshi Bank) Carve-outs (business transfers) → FA (Kiraboshi Consulting) Expand sales channels → Branding (Be. Brave) → Overseas expansion (Kiraboshi Consulting) Improving operational efficiency / digitalization / in-house management systems → ICT consulting (Kiraboshi Consulting) → SaaS provision (Kiraboshi business office service) → AtoA payment service provision (UI Bank) → Recruitment (Kiraboshi Consulting) Business revitalization → Assignment and receipt of debt (Kiraboshi Servicer) → Plan formulation (Kiraboshi Consulting)	Equity / business transfers → FA (Kiraboshi Consulting) MBO* → FA (Kiraboshi Consulting) → Equity (Kiraboshi Capital) → Loans (Kiraboshi Bank) Business discontinuation support → Plan formulation / specialist support (Kiraboshi Consulting) → Loans (Kiraboshi Bank)	Asset management → Securities services (Kiraboshi Life Design Securities) Inheritance measures → Plan formulation / specialist support (Kiraboshi Consulting) → Loans (Kiraboshi Bank / UI Bank)	Deposits / foreign exchange services → High-interest deposits / low-cost foreign exchange services (UI Bank) → Salary prepayment (Kiraboshi Tech) Loans → Low-cost loans (UI Bank) Asset management → Low-cost investment products (Kiraboshi Life Design Securities) BaaS → Integration of financial functions in companies from different industries (UI Bank) Face-to-face digital support → Support for operation of digital equipment at physical branches (Kiraboshi Bank)

* MBO (Management Buyout): An approach whereby a company's management acquires control of the company by purchasing the company's own shares.

Key points of Corporate Customer Strategy

Strengthening Our Revenue Base with Needs-based Total Solutions

The Kiraboshi Group has transitioned from providing product-out type services to a provider of needs-based issue resolution services. We provide high-value-added financial services that enable customers to resolve their issues. As a result, we have been able to build a portfolio that will serve as a sound revenue base. Going forward, we will continue to further provide issue resolution services on a need basis. To this end, we are working to thoroughly improve our operational efficiency, create systems for the seamless use of the Group's diverse functions, and improve the skills and expertise of each employee. In doing so, we will demonstrate our highly specialized consulting functions through earnest dialogue with our customers, and work to strengthen our fee income-based business through the provision of comprehensive solutions that make full use of Group-wide services and do not rely heavily on Kiraboshi Bank's income from loans.

Key points of Retail Customer Strategy

UI Bank leads digital retail services, while Kiraboshi Bank deepens value through consulting-based sales

UI Bank is a digital bank with no physical locations that utilizes an easily accessible and highly flexible system. We will make full use of these cost advantages to focus on the digital retail business. Specifically, alongside purpose-based loans and credit card loans, personal loans such as mortgages and real estate investment loans will be consolidated at UI Bank. Furthermore, by reinforcing collaboration with Kiraboshi Tech and external BaaS providers, we will aim to enhance UI Bank's functions as a service platform. Kiraboshi Bank will transition to a consulting-based sales approach that supports customers in resolving their issues in today's world with positive interest rates, and will continue to help enrich the lives of local communities and customers. To this end, we will standardize sales activities using digital devices, collect and analyze information, identify potential customer needs, and proactively respond to them. Valuing optimal communication through visits to customers and at our branches, we will also provide services that utilize the warmth of face-to-face communication.

Key Points of Digital Strategy

Enhancing Customer Experience and Productivity with Group DX

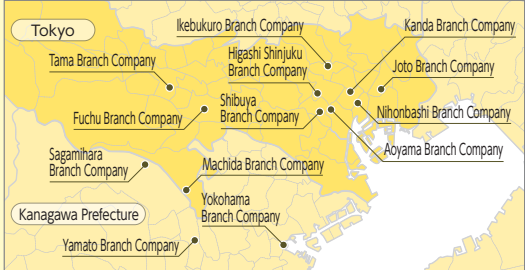
We have defined the basic concepts of the Kiraboshi Group's digital strategy as: Service delivery integrating digital and real elements; Service delivery integrating financial and non-financial elements; and Kiraboshi Group's DX promotion. Of these, in terms of service delivery integrating digital and real elements, we will aim to secure our competitive advantage by reinforcing collaboration between Kiraboshi Bank, UI Bank, and Kiraboshi Tech. For achieving service delivery integrating financial and non-financial elements, we will enhance UI Bank's lineup of products and services and provide BaaS solutions to service providers by improving the convenience of smartphone apps. Moreover, for Kiraboshi Group's DX promotion, we will work to improve productivity by strengthening the CRM system and utilizing AI, as well as promote the improvement of operational efficiency through strengthened collaboration with Kiraboshi System and ITC, and in turn aim to create further sales opportunities.

* CRM: Customer Relationship Management

Realization of area optimization: Consolidate sales personnel at branch companies

Under the Medium-Term Business Plan, in August 2025, Kiraboshi Bank completed the transition to a branch company system, in which sales personnel are consolidated at the branch companies. Personnel with specialized skills and a wealth of experience were assigned to each branch company, and a system was established to respond to highly challenging projects. Further, through the systematic sharing of their expertise with sales personnel, we are working to improve the consulting capabilities of the branch companies as a whole. Going forward, we will continue to use these branch companies as hubs for area strategies to increase the speed and accuracy of proposals and further contribute to solutions to the issues of customers in each region.

Kiraboshi Bank: 13 branch companies



Aims of the branch company system

- To enhance the quality of customer contact points
- To share the expertise of each Group company and department
- To strengthen human resources development (including OJT for junior employees)

Expected income

- Stable and high levels of income from gain on interest of loans and discounts
- Commission income and Group income
- Income from equity investments

To provide high-value-added services based on high levels of expertise

Sales Strategy

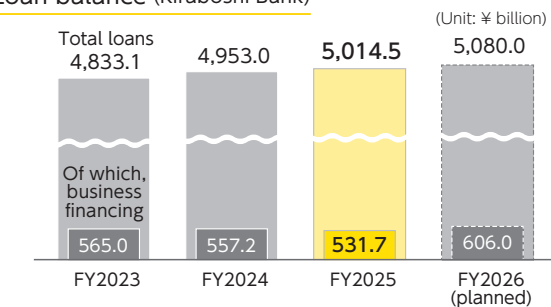
Corporate Customer Strategy

To respond to customers' issues (needs), such as corporate value enhancement and business succession, the pillar of our strategy is to provide high-value-added services based on high levels of expertise.

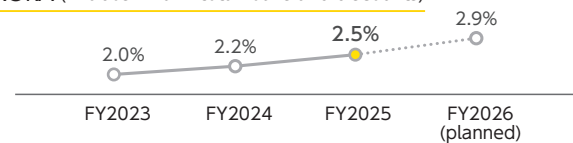
1. Realize profitability and asset control through RORA and asset rotation

In terms of loans, Kiraboshi Bank strives to maintain the pace of lending, focusing on the quality of the loan portfolio and asset efficiency, driven by RORA improvement, and to achieve both profitability and financial soundness through appropriate distribution (sales and transfers). Further, by providing business financing and other highly specialized financing functions, it has raised the loan yield, leading to increased gains on interest of loans and discounts.

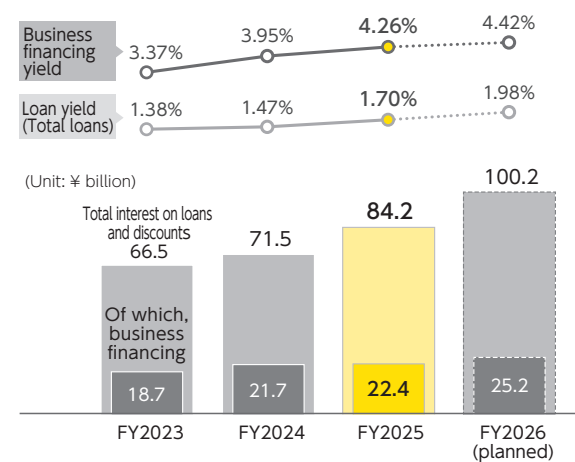
Loan balance (Kiraboshi Bank)



RORA (Kiraboshi Bank total loans and discounts)



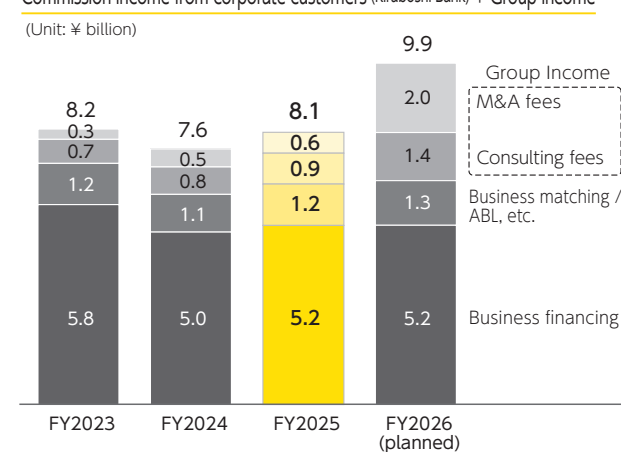
Loan interest and interest rates (Kiraboshi Bank)



2. Growing fee income-based business through the Group's comprehensive strength

While maintaining its loans and discounts at an appropriate level through distribution (sales and transfers), Kiraboshi Bank plans its commission income from corporate customers conservatively. On the other hand, by strengthening the creation of projects across the Group, with Kiraboshi Consulting as a key player, we expect an increase in Group income mainly in M&A (FA) and consulting fees through the resolution of issues related to business succession and corporate value enhancement. In addition, due to labor shortages and recruitment challenges, there is a growing need for operational efficiency improvements and support for digitalization among SMEs, which account for the majority of the Group's corporate customers. By capturing this need, we also expect ongoing growth in fees from ICT consulting and SaaS offerings. As a result, we will diversify and enhance the stability of earnings while reducing our reliance on loan income.

Commission income from corporate customers (Kiraboshi Bank) + Group income



Initiative Policy in Business Financing

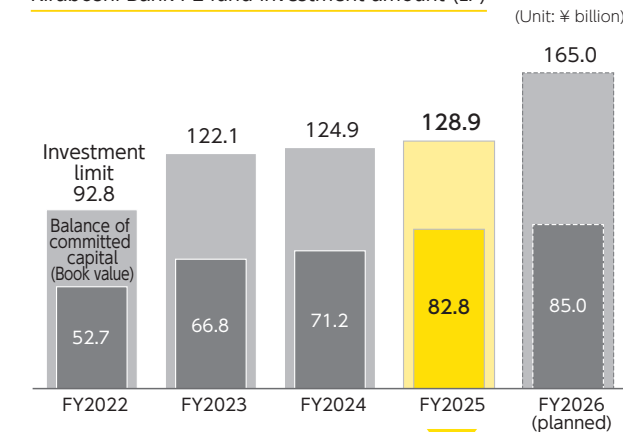
In the Tokyo metropolitan area, which is the Group's main market, there are abundant needs for LBO and other business financing. However, the financial institutions which engage in financing operations are limited, which makes increasing the number of financing institutions a pressing issue. Leveraging its operational expertise in LBO and its relationships with private equity funds, the Kiraboshi Group will contribute to the sound development of the LBO market in Japan through the development of human resources and support for projects for regional financial institutions.

3. Equity and mezzanine investments to support business succession and growth*

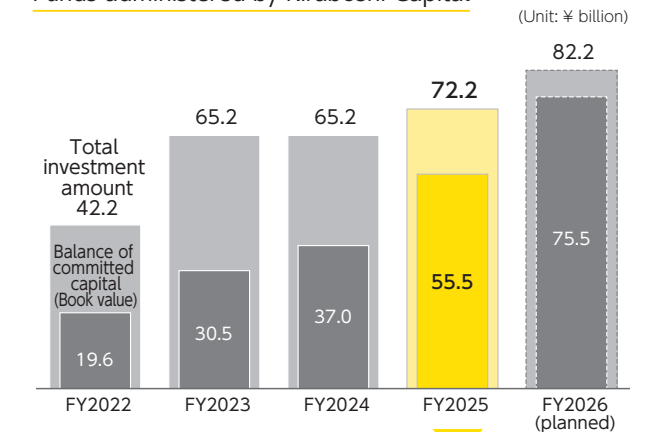
Equity and mezzanine investments are an effective option for business succession and corporate value enhancement. The Kiraboshi Group has prepared various funds in line with customers' different stages of growth and is building up its balance of committed capital. Going forward, we will continue to support our customers in solving their issues through the provision of equity and mezzanine investments, thereby securing a stable revenue base.

*Mezzanine investment: A financial method positioned halfway between regular loans and equity investment

Kiraboshi Bank PE fund investment amount (LP)



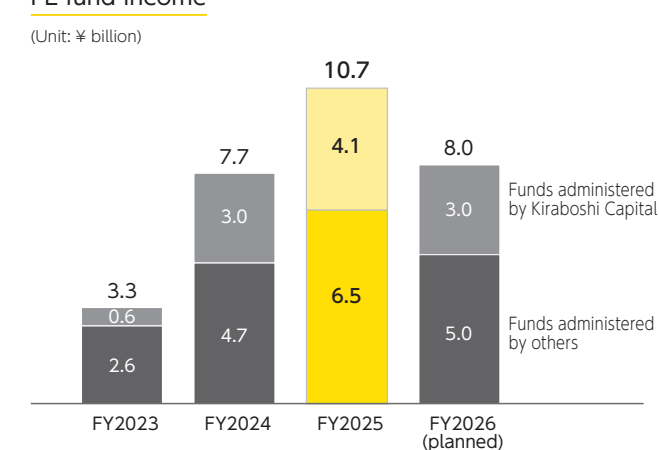
Funds administered by Kiraboshi Capital



Funds with investments as of March 31, 2026

Breakdown of funds invested	Number of funds	Investment limit
Venture funds	25	¥6.8 billion
Reconstruction and debt funds	9	¥3.0 billion
Buyout funds	75	¥39.5 billion
Others (infrastructure, etc.)	4	¥2.1 billion
Others (Kiraboshi Capital, Kiraboshi Consulting)	10	¥70.2 billion
Other (based outside Japan)	6	¥6.9 billion
Total	129	Total ¥128.9 billion

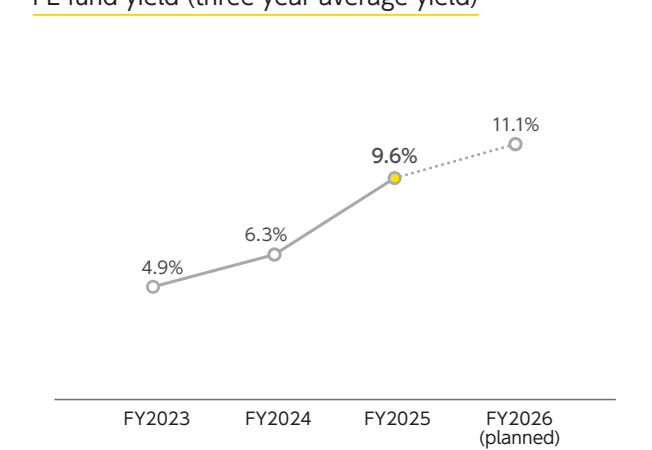
PE fund income



Funds managed as of March 31, 2026

Name	Description	Total investment amount
Yume Kagayaki Fund 1	Buyout investment	¥2.6 billion
KCP Buyout No. 1	Buyout investment	¥8.0 billion
Yume Habataki Fund 1	Start-up investment	¥2.0 billion
Yume Habataki Fund 2	Start-up investment	¥4.0 billion
A&KC Mezzanine Finance 1	Mezzanine finance	¥27.5 billion
A&KC Medical No. 1	Medical fund	¥3.0 billion
KCP Equity Assist No. 1	Equity investment (minority)	¥8.0 billion
KCP Equity Assist No. 2	Equity investment (minority)	¥5.0 billion
Tokyo Sparkle	Engagement investing	¥12.0 billion
Total	9	Total ¥72.2 billion

PE fund yield (three-year average yield)



Sales Strategy

Retail Customer Strategy

1. Provision of services that maximize the comprehensive strengths of the Group

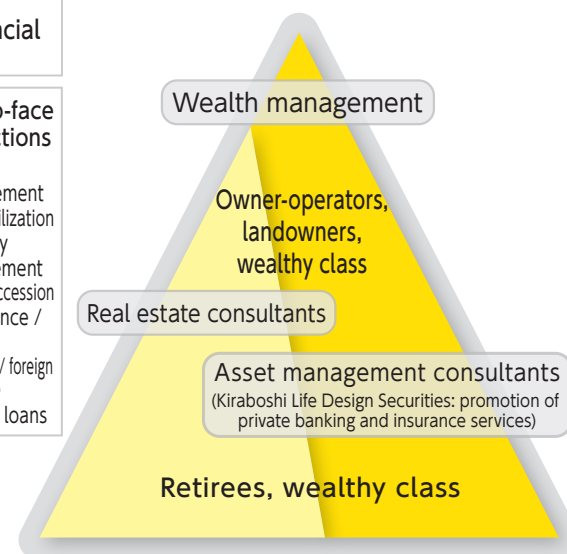
The basic concept at Kiraboshi Group is to provide comprehensive financial services that integrate digital and real elements, as well as financial and non-financial elements. For retail customers in need of services that require high levels of expertise, such as consultations regarding asset management in line with business successions and inheritance measures (core customers), Kiraboshi Bank's sales staff, dedicated headquarter departments, and Group companies such as Kiraboshi Consulting and Kiraboshi Life Design Securities work closely together to resolve their issues.

Meanwhile, for retail customers requiring highly convenient services or services with no time constraints, the digital UI Bank's app offers basic functions such as payments and loans, while also seamlessly providing financial functions via each of our Group companies, including Kiraboshi Tech's smartphone payment app, LaLaPay Plus.

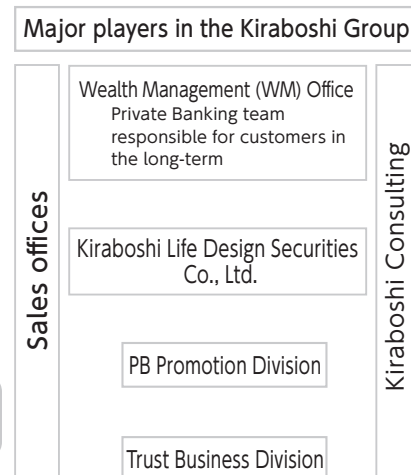
Moreover, using Kiraboshi Bank's branches and other physical locations, we are offering customers support for their digitalization activities. In this manner, using our strengths in both digital and real elements, we will work to provide services that truly meet customers' needs and in turn increase our balance of assets under management and fee income.

Provision of services tailored to customers' life cycle and needs

- Provide comprehensive customer-oriented financial services
- Non-face-to-face transactions
 - Account opening
 - Deposits / foreign exchange
 - Payment infrastructure
 - Unsecured loans
- Non-financial services
 - Medical care, nursing care, travel, leisure, housekeeping
- Face-to-face transactions
 - Asset management
 - Asset utilization
 - Property management
 - Asset succession
 - Inheritance / wills
 - Deposits / foreign exchange
 - Various loans

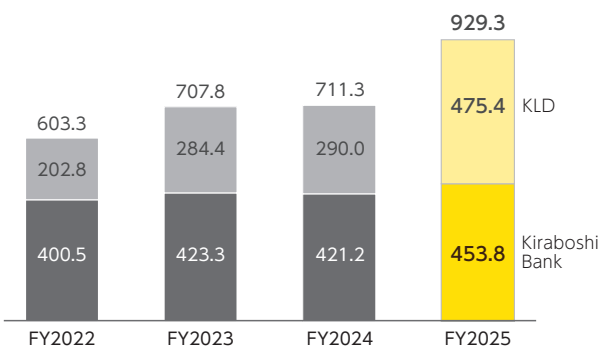


Support system that leverages the collective strengths of the Group



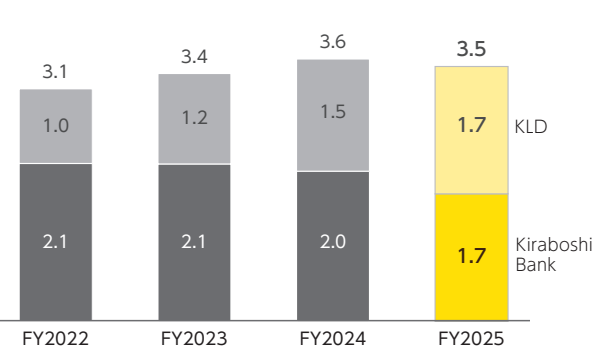
Balance of assets under management (Kiraboshi Bank + KLD Securities)

(Unit: ¥ billion)



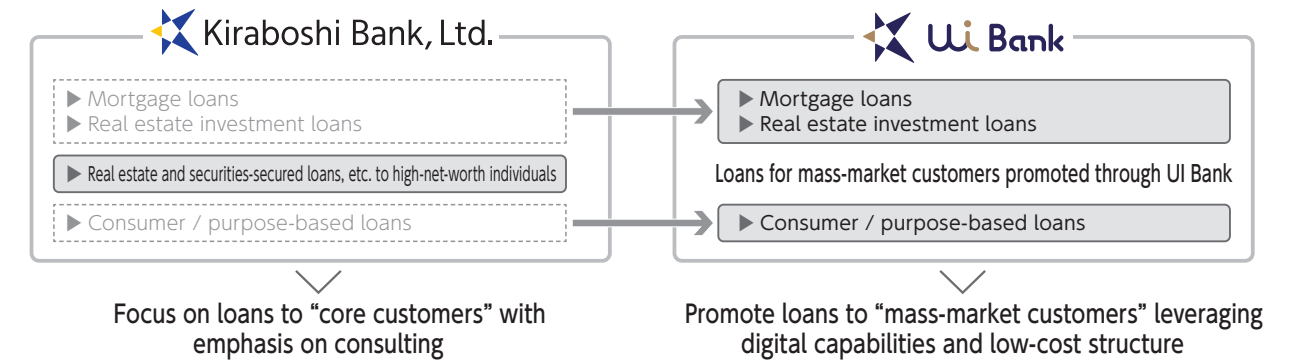
Commission income from retail customers (Kiraboshi Bank + KLD Securities)

(Unit: ¥ billion)

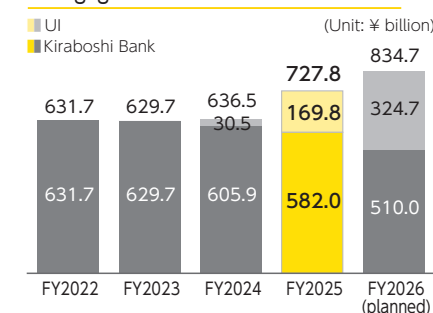


2. Personal Loans

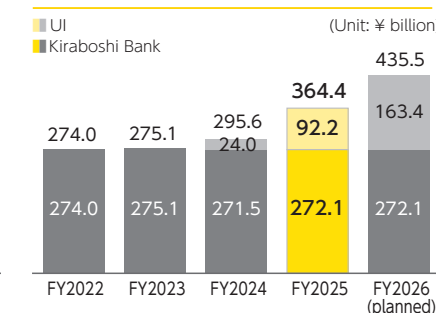
We are shifting the handling of personal loans targeted at mass-market customers, including mortgage loans, real estate investment loans, and consumer loans, to UI Bank, leveraging its digital capabilities and low-cost structure.



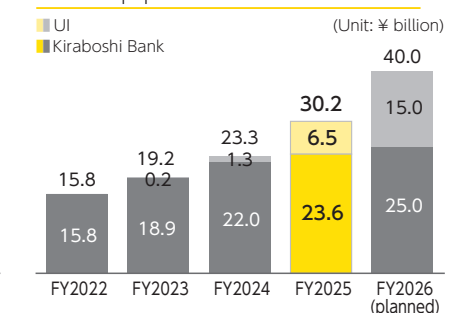
Mortgage loans (Kiraboshi Bank + UI Bank)



Real estate investment loans (Kiraboshi Bank + UI Bank)



Consumer / purpose-based loans (Kiraboshi Bank + UI Bank)



New types of locations that embody the integration of digital and real channels

Kiraboshi Bank is expanding new points of contact with customers by developing new types of locations where customers can receive consultation services, digital experiences, and digital support in their daily lives.

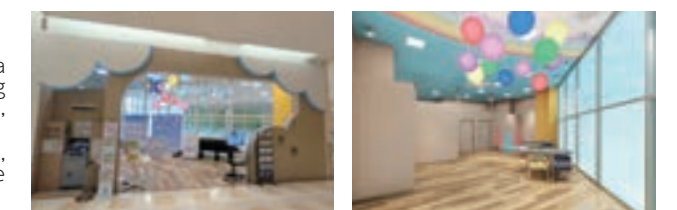
Kiraboshi Digital Lab SAGAMIHARA

- Provide real-time voice translation, remote consultation, and app experiences as a digital experience-based location
- Communicate regional and financial information
- Hold events that can be enjoyed by people of all ages



Kiraboshi Lounge Kitasuna

- As a branch specializing in consulting located in a large commercial facility, in addition to consulting on asset management and various types of loans, provides support for UI bank apps
- Equipped with a kids' space and other amenities, allowing customers with children to take their time with their consultations
- Also holds seminars for retail customers and consultations on mortgage loans



Shin-tsunashima Branch Office

- Cashless branch directly connected to a train station
- While improving operational efficiency through the use of avatar-based bank staff, face-to-face consultation on asset management and various loans is also available
- Open until 7:00 p.m. on weekdays, making it convenient for customers to visit after work

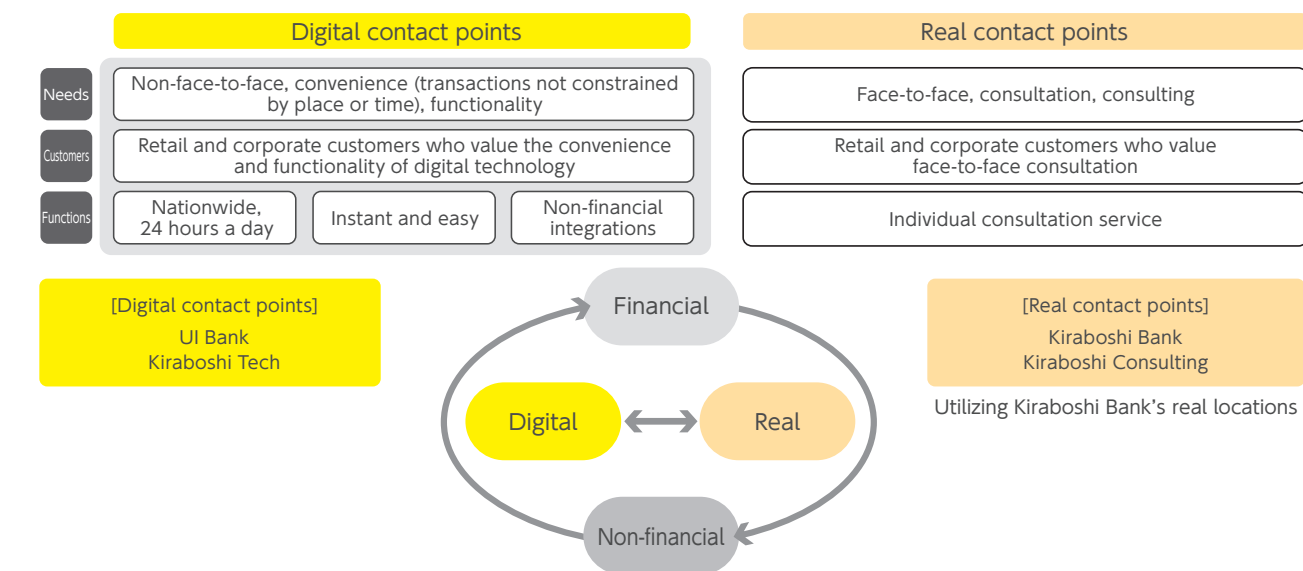


Sales Strategy

Digital Strategy

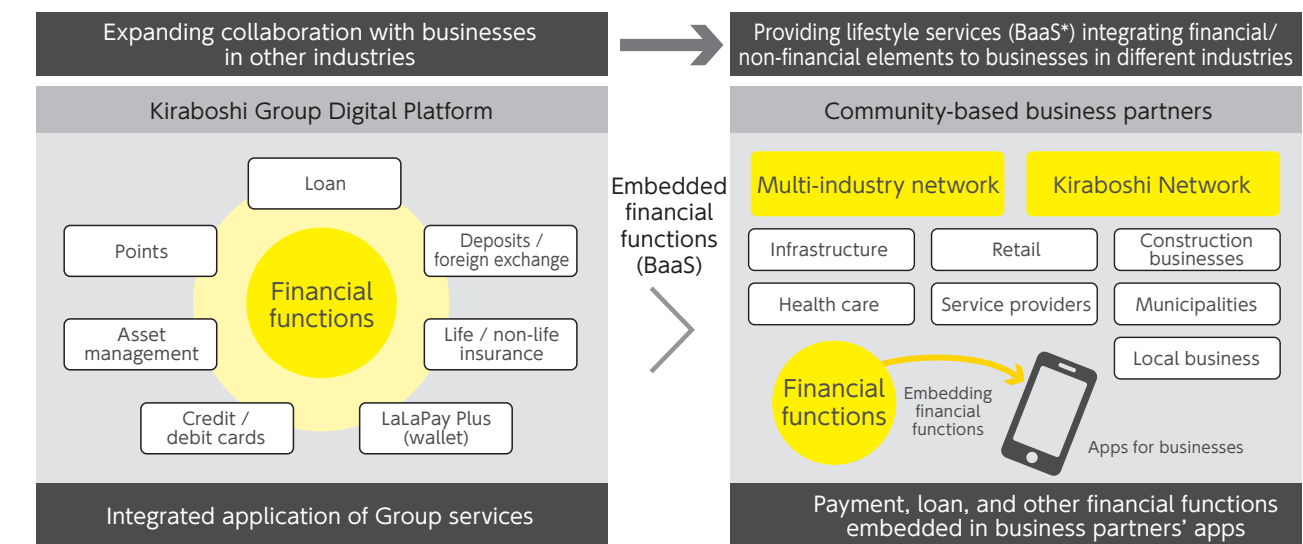
1. Developing Comprehensive Services that Integrate Digital and Real Contact Points

Kiraboshi Group provides customers with comprehensive financial services in line with their needs. These services are offered via digital contact points, such as UI Bank's app and Kiraboshi Tech's wallet services, and real contact points, such as discussions and consultation services offered by Kiraboshi Bank and Kiraboshi Consulting. This improves both the accessibility to and convenience of financial services offered by the Kiraboshi Group, while also allowing customers to experience high-level consulting services face-to-face. In addition, we are also offering face-to-face consultations at Kiraboshi Bank branches for customers who are not confident using UI Bank's app and other smartphone services.



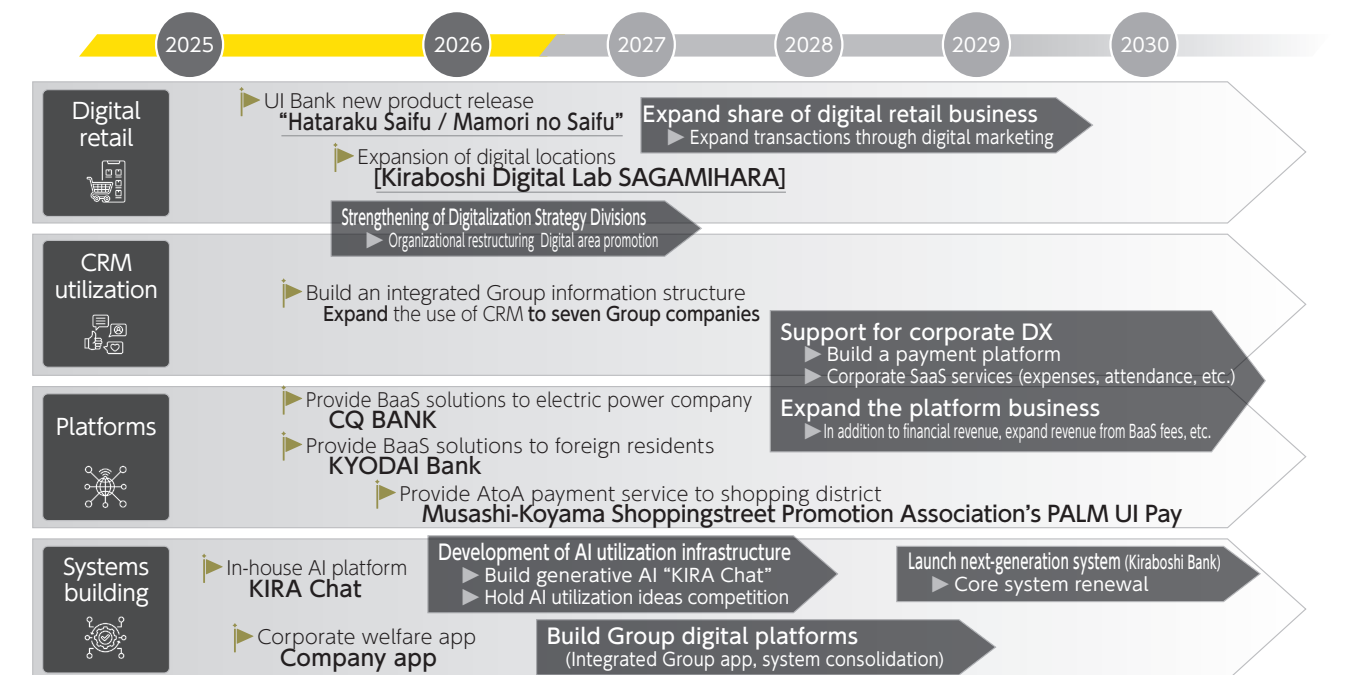
2. Developing Comprehensive Services that Integrate Financial and Non-financial Services

By combining the Group's financial functions, including the UI Bank app and LaLaPay Plus, with the non-financial functions of external business partners, the Kiraboshi Group will establish a platform integrating financial and non-financial elements. In addition to using the platform to provide Kiraboshi Group functions, we will aim to roll out it out as comprehensive services for regional businesses and their customers, such as by integrating the platform with the services of regional businesses and offering BaaS solutions.



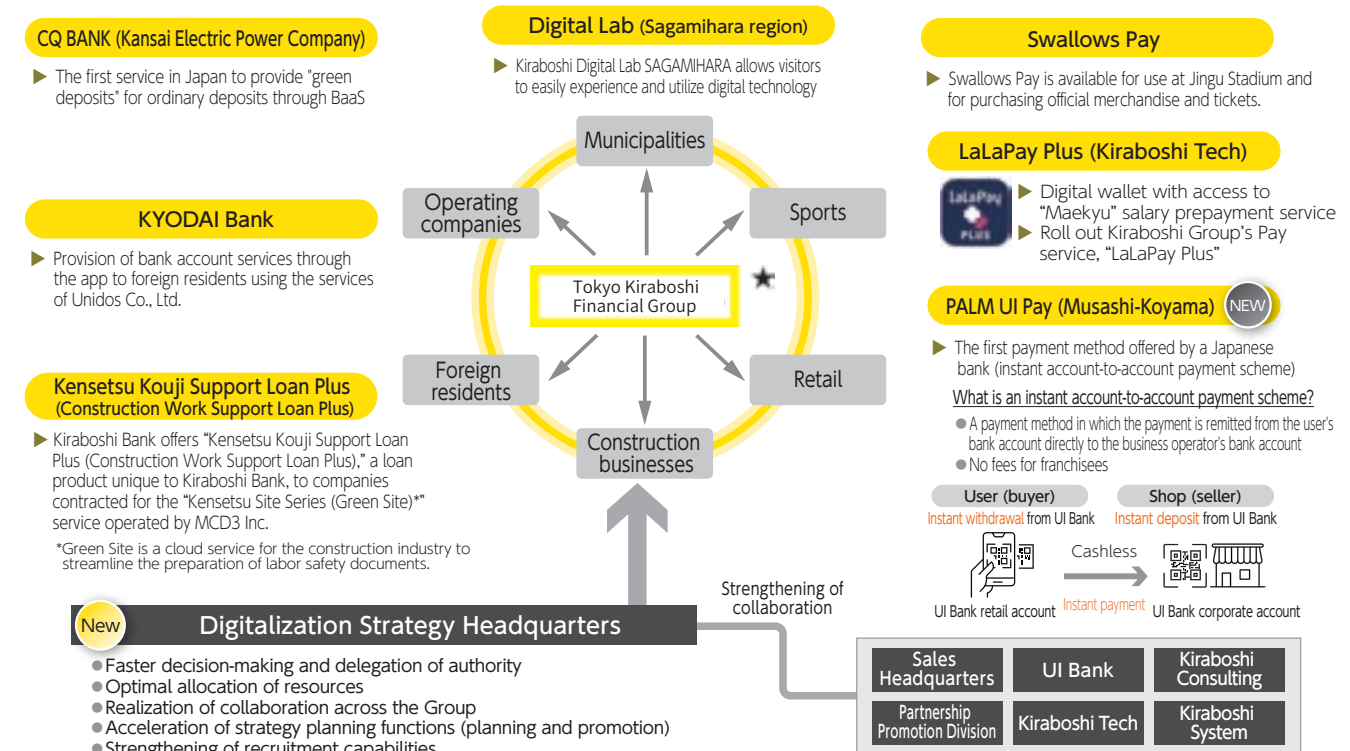
3. Roadmap for digital strategy

The Kiraboshi Group's digital strategy under the current Medium-Term Business Plan is to promote initiatives in the following four areas across the Group and build a foundation for full-scale monetization.



4. Revitalize digital platform business

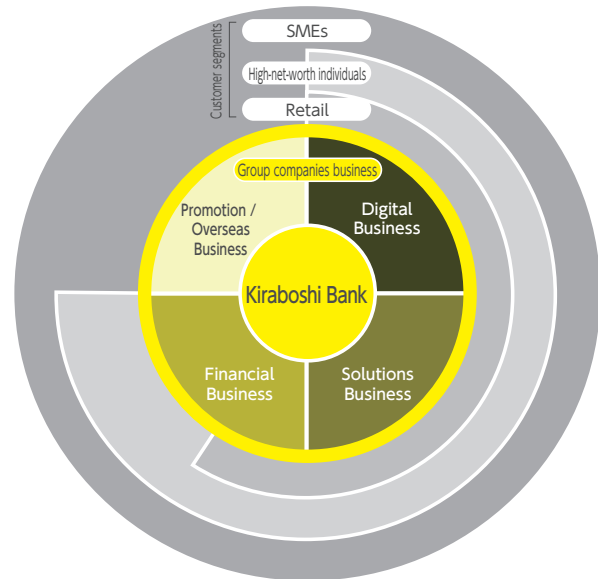
Through UI Bank's BaaS services such as "CQBANK" and "KYODAI Bank," as well as Kiraboshi Bank's "PALM UI Pay," the first instant account-to-account payment scheme offered by a Japanese bank, we aim to revitalize the digital platform business by developing services that contribute to the business expansion of each business operator and the improvement of user convenience.



Group Strategy

Four Business Divisions

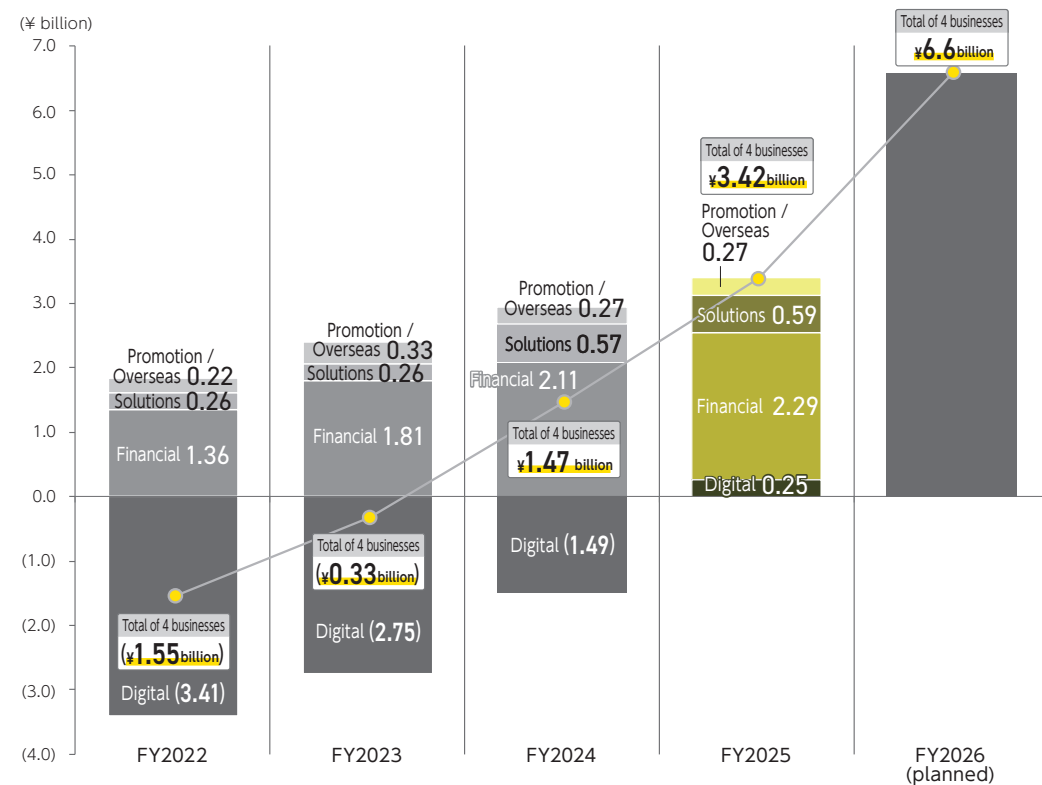
Here we introduce the Group company functions, by business category, that will enable us to achieve the three strategies in the Medium-Term Business Plan: (1) Corporate customer strategy; (2) Retail customer strategy; and (3) Digital strategy.



Financial Business
Supporting customer needs with a focus on financial businesses such as leasing, asset management, and financing
Digital Business
Providing digital solutions with unparalleled convenience and cost competitiveness
Solutions Business
Providing high value-added solutions to customer issues through Groupwide efforts
Promotion / Overseas Business
Supporting promotions contributing to sales channel expansion

Profit of Group Companies by Business

In FY2025, profit for Group companies, excluding Kiraboshi Bank, increased by ¥1.9 billion year on year to ¥3.4 billion due to the return to profitability posted by the Digital Business, which was the biggest challenge we faced, and higher profits posted by the Financial Business and Solutions Business. Going forward, we will aim to further demonstrate group synergies by providing combined solutions through collaboration among Group companies.



Financial Business

Making full use of our position as a financial group, we will respond to customers' diverse needs through leasing, asset management, financing, and other services as core functions that will enable us to achieve our vision of becoming a comprehensive service business that is also strong in finance.

Company name	Business description	Strengths
Tokyo Kiraboshi Lease, Inc.	General leasing business	Contributes to local communities through the active leasing of equipment for SMEs, particularly in the medical/welfare and environmental fields
Kiraboshi Capital Co., Ltd.	Structuring and administration of funds	Provides hands-on support to customers in various life stages through equity and mezzanine investments
Kiraboshi Life Design Securities Co., Ltd.	Securities business	Supports sustainable asset formation based on long-term and diversified investments
Kiraboshi Servicer, Ltd.	Claim management and collection business	Caters in a professional manner to customers as a comprehensive servicer of financial groups
Kiraboshi JCB Co., Ltd.	Credit card business	Provides cashless services to corporations and individuals in the Tokyo metropolitan area
Kiraboshi Credit Guarantee Co., Ltd. Yachiyo Credit Guarantee Co., Ltd.	Credit guarantee operations	Provides credit guarantee operations for Kiraboshi Bank's mortgages and other consumer loans

Financial Business Tokyo Kiraboshi Lease, Inc.

Tokyo Kiraboshi Lease's philosophy is to contribute to local communities by supporting the modernization of equipment at SMEs through its leasing business. As part of these efforts, Tokyo Kiraboshi Lease is proactively addressing environmental issues through the leasing of energy-saving equipment and the offering of Kiraboshi SDGs Leases. It also focuses on support for customers in the medical/welfare fields.

Strengths of Tokyo Kiraboshi Lease

Kiraboshi Lease collaborates with Kiraboshi Bank's Medical and Welfare Business Division to actively handle leasing services for customers in the medical care and nursing care fields.

Examples of solutions

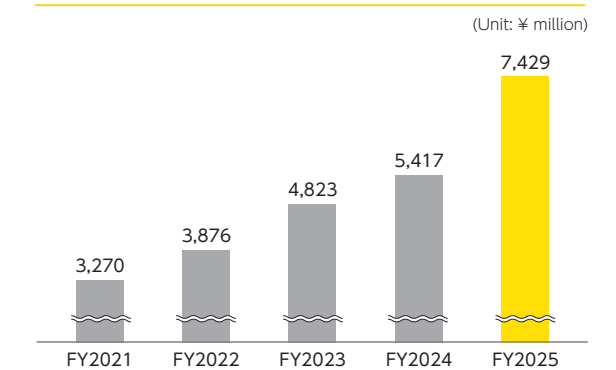
- Leases
- Payment outsourcing
- Purchasing support
- Japanese Operating Lease (JOLCO)
- Installment sales
- Kiraboshi SDGs Leases
- Factoring

Example initiatives

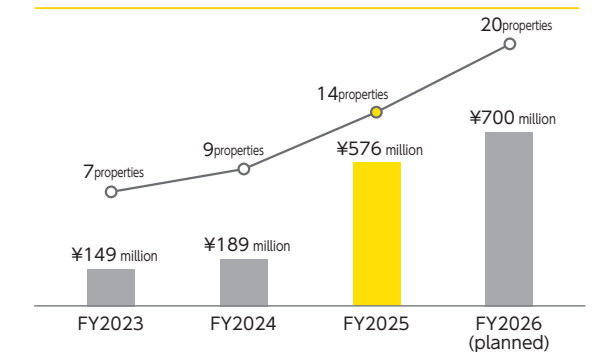
Initiatives with Kiraboshi SDGs Leases (Donation-type)

As part of our environmental initiatives, we donate 0.2% of the lease amount for properties leased by customers through Kiraboshi SDGs Leases to organizations engaged in SDG-related activities.

Lease balance for customers in the medical/welfare fields



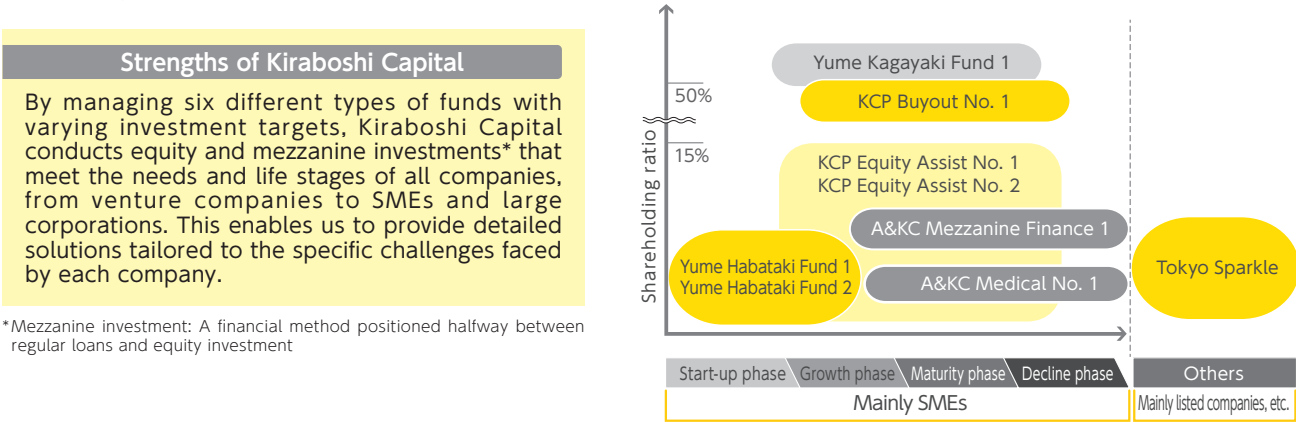
Number and amount of Kiraboshi SDGs Lease contracts



Group Strategy

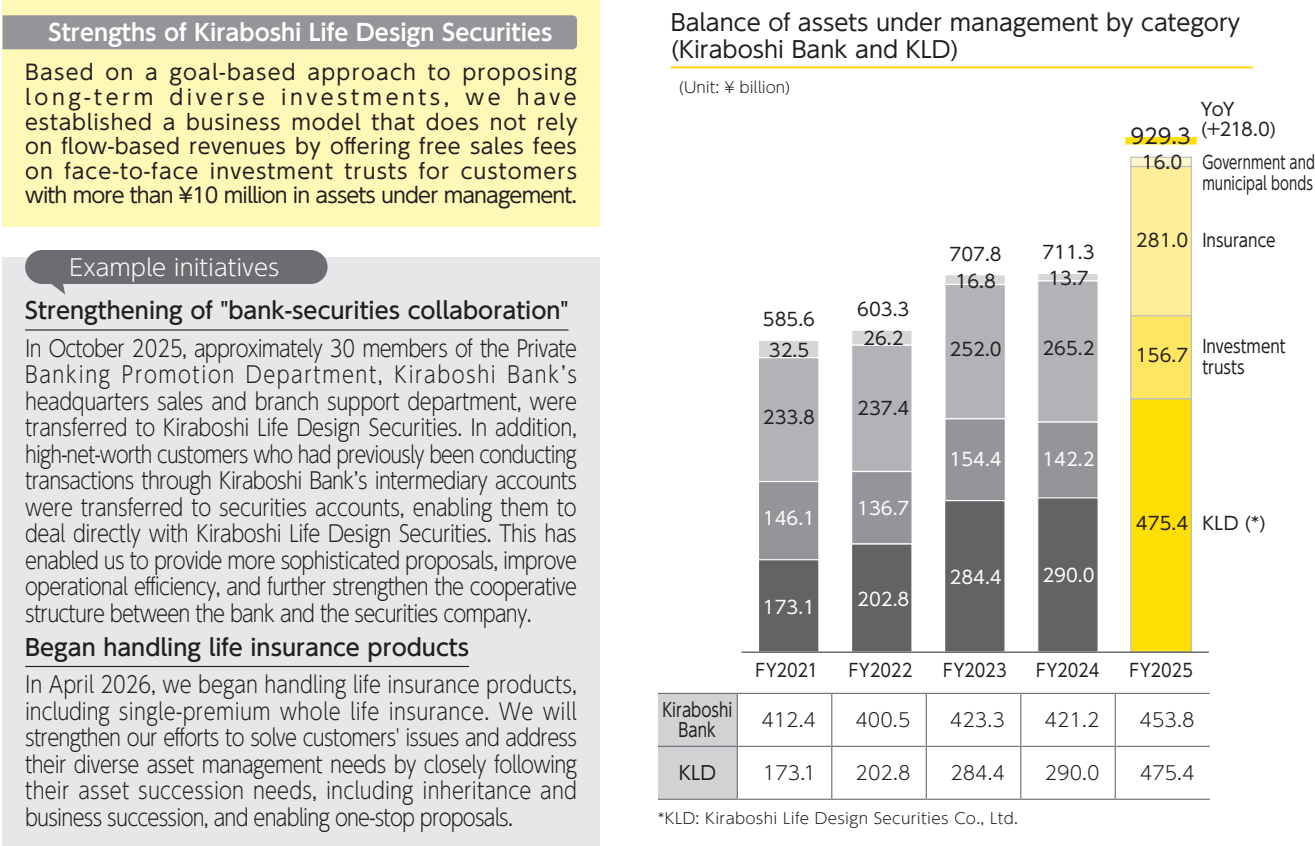
Financial Business Kiraboshi Capital Co., Ltd.

As of March 31, 2026, Kiraboshi Capital operates a total of nine funds of six types, and conducts equity and mezzanine investments for customers in various life stages. To resolve the issues that our investees are facing, Kiraboshi Capital collaborates with each Kiraboshi Group company to provide hands-on support, working alongside officers and employees at investees to increase corporate value. To date, the cumulative invested amount across all our operated funds has surpassed ¥55.5 billion. In line with the equity investment business measures in the Medium-Term Business Plan, in addition to continued proactive new investments, we will further enhance our hands-on support, and aim to secure fund profit through investees' exit strategies.



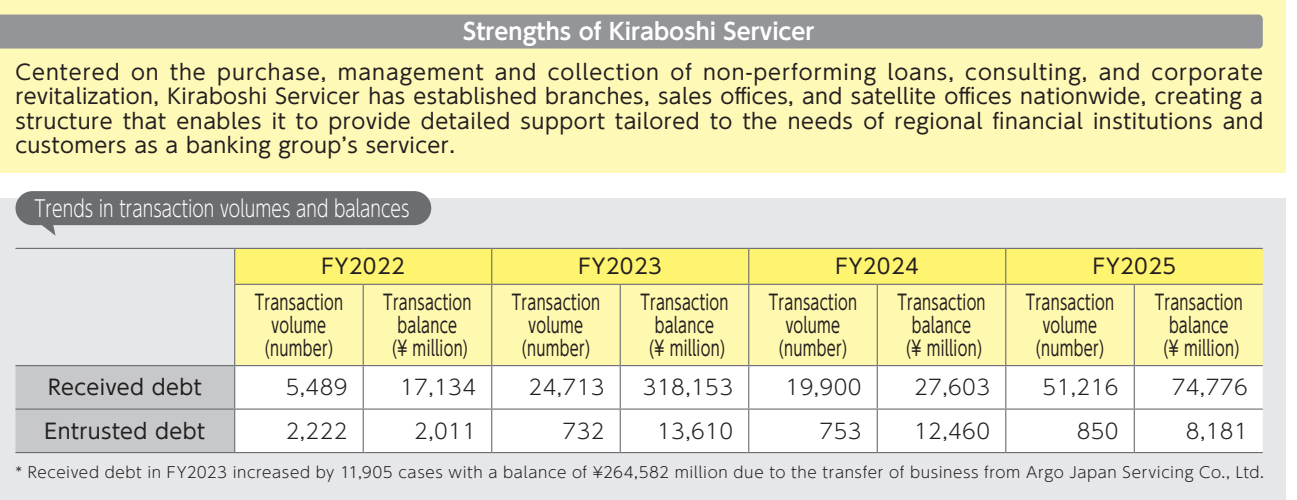
Financial Business Kiraboshi Life Design Securities Co., Ltd.

Kiraboshi Life Design Securities offers proposals mainly for long-term, diverse investments through fund wraps and investment trusts. Moreover, through support for asset formation and the provision of optimal financial services and solutions, Kiraboshi Life Design Securities strives to alleviate any worries or concerns customers may have. Kiraboshi Life Design Securities also continues with follow-up services in addition to providing appropriate information, with the aim of becoming a securities company that can earnestly support the achievement of customers' individual goals.



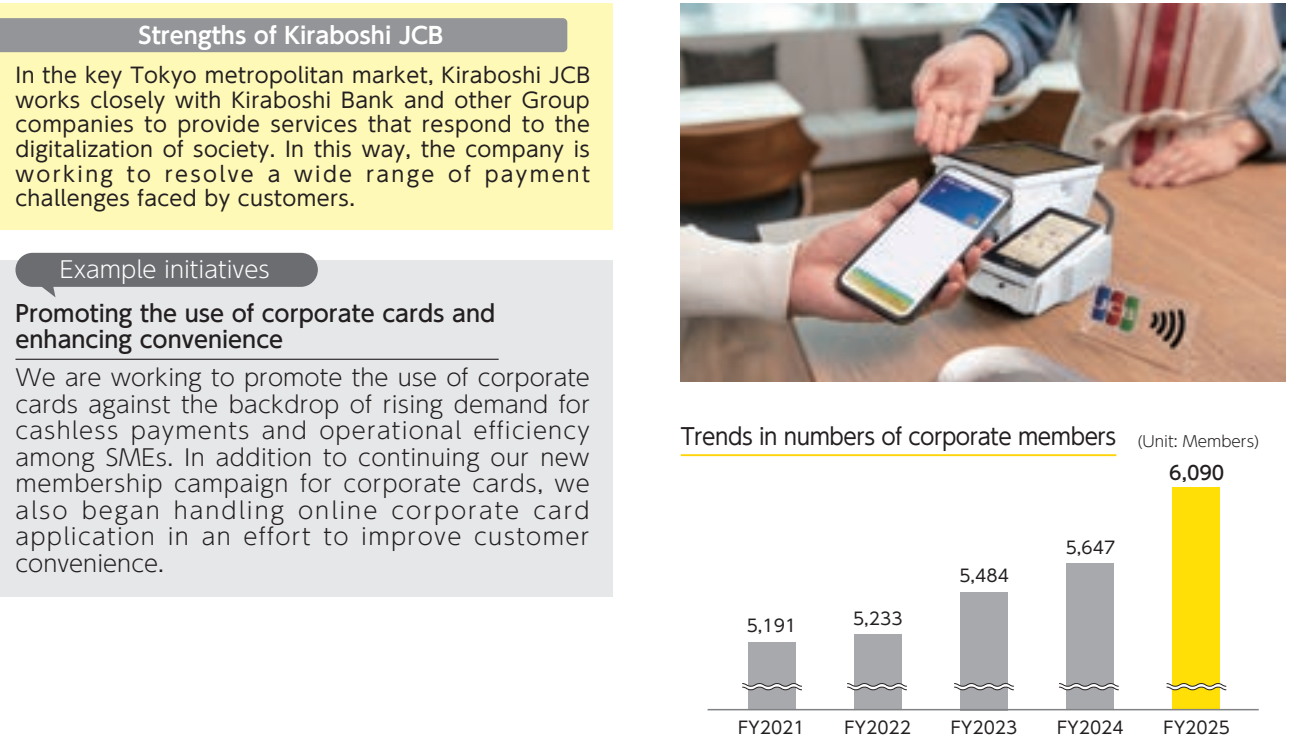
Financial Business Kiraboshi Servicer, Ltd.

Kiraboshi Servicer was approved as Japan's 110th debt collection agency (servicer) by the Ministry of Justice and began operating in February 2007. It joined the Kiraboshi Group in October 2022 and became a servicer for the Banking Group. From claim management and collection business, guided by our principle of responding appropriately to debtors, to corporate revitalization business that leverage our servicer capabilities to support the revitalization of companies, Kiraboshi Servicer provides a broad range of high-quality services with the aim of becoming a comprehensive servicer that can cater to the servicing needs of various customers and clients in a professional manner.



Financial Business Kiraboshi JCB Co., Ltd.

As cashless payments become more widespread, Kiraboshi JCB, the Kiraboshi Group's card company, issues JCB-branded credit cards to individual and corporate customers. Furthermore, in order to meet the diverse payment needs of business operators, we are also focusing on providing merchant services that support various payment methods.



Group Strategy

Digital Business		
We will provide digital solutions that lead to the resolution of customers' issues, with a central focus on the incredible convenience and cost competitiveness of UI Bank, which utilizes an easily accessible and highly flexible system, as well as the Maekyu service platform operated by Kiraboshi Tech.		
Company name	Business description	Strengths
UI Bank Co., Ltd.	Banking business	As the Kiraboshi Group's core retail financial services provider, offers various digital financial services that are fully accessible from smartphones
Kiraboshi Tech, Inc.	Fintech services	Provides Fintech services such as Maekyu (salary prepayment service) and a wallet service

Digital Business UI Bank Co., Ltd.

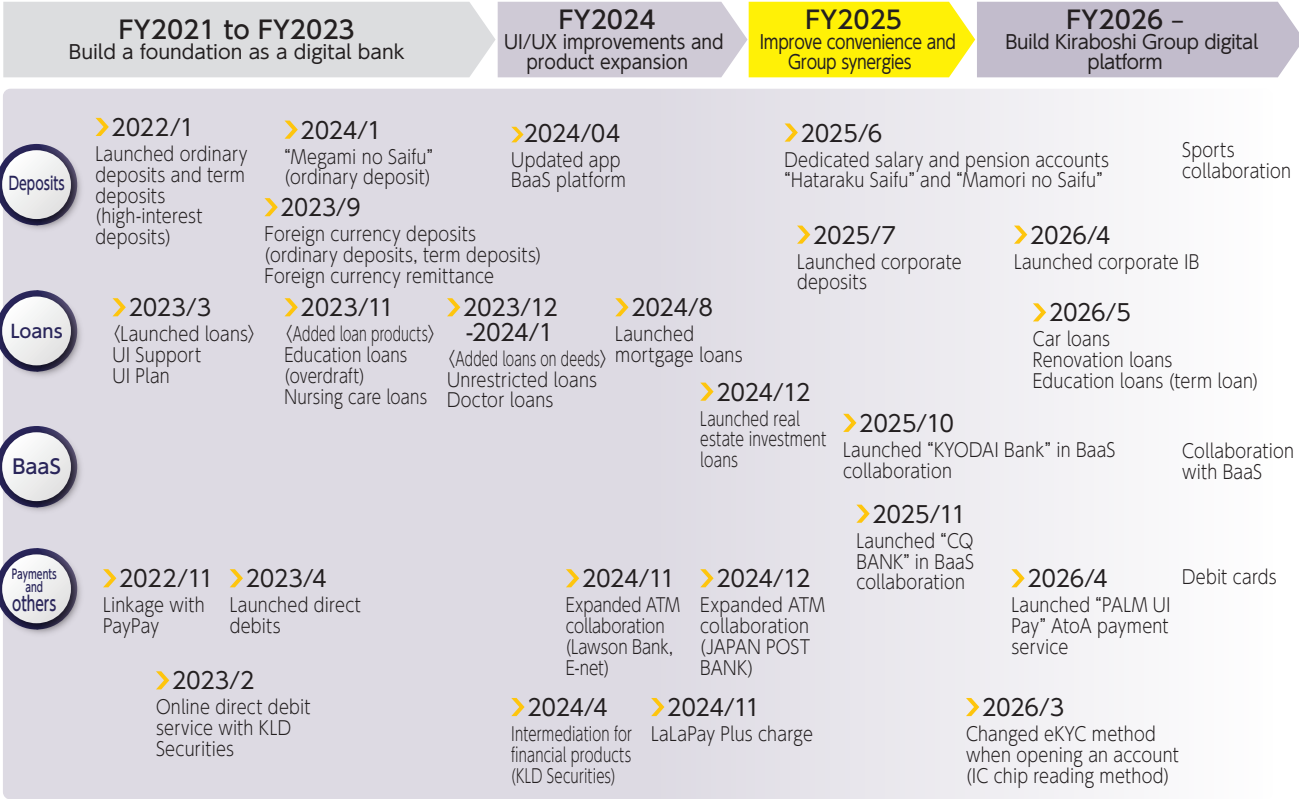
UI Bank is a digital bank designed to offer the convenience of accessing banking services anytime, anywhere, and enables customers to complete all transactions using their smartphone. It also serves to enhance customer satisfaction and convenience through service integration with Kiraboshi Bank, and to thereby improve the productivity of the Group as a whole.

In FY2025, in light of the return to a world with positive interest rates and the progress of digitalization, we worked to increase the number of ordinary deposit accounts available to customers, while also promoting mortgage loans and investment condominium loans as part of customers' asset formation. We also began providing BaaS (Banking as a Service) and other banking services for non-financial business operators.

Through such initiatives and the expansion of securities investment, we have emerged from the losses that had continued since our establishment in 2022.

Strengths of UI Bank
UI Bank works together with Kiraboshi Bank to provide banking services through both face-to-face and non-face-to-face channels, in its efforts to enhance customer convenience. It also aims to build digital platforms that will benefit non-financial business operators, with a focus on financial functions and Group services.

Example initiatives
Began providing dedicated salary and pension accounts "Hataraku Saifu" and "Mamori no Saifu" (both ordinary deposit accounts) In addition to the "Megami no Saifu" ordinary deposit account that supports women's participation and advancement in the workplace, we began offering "Hataraku Saifu," an ordinary deposit account exclusively for receipt of salary payments, and "Mamori no Saifu," an ordinary deposit account exclusively for receipt of pension payments.
Began handling corporate ordinary deposit accounts With a focus on Kiraboshi Bank's client companies, we began handling corporate ordinary deposits to meet asset management needs.
Began providing financial services for foreign residents In a collaboration with the app of Unidos Co., Ltd., which operates the "Kyodai Remittance" overseas remittance service, we began handling the "KYODAI Bank" ordinary deposit account, which provides deposit account opening and domestic remittance services for foreign residents in Japan.
Began providing BaaS to the Kansai Electric Power Company on a white-label basis In support of the Kansai Electric Power Company's goal of realizing a zero-carbon society, we began providing "CQ BANK," a banking service that leverages the green deposit framework.
Began providing "PALM UI Pay," a QR code payment service that leverages bank transfer function In collaboration with the Musashi-Koyama Shoppingstreet Promotion Association, we began providing the AtoA (Account to Account) payment service, "PALM UI Pay."
Prevention of fraudulent account use and improvement of convenience through use of IC chips for identity verification We added a method to verify the identity of the individual using the Individual Number Card when opening an account.



Roadmap to Achieving the Long-term Vision

We have positioned Medium-Term Business Plan period (FY2024-2026) as the "Growth phase," and will actively promote our digital retail business.

	FY2022-2023 Establishment phase	FY2024 Functions and services expansion phase	FY2025 Growth phase toward monetization	FY2026 - Margin expansion phase
Changes in market environment	Evolution of digital financial services begins	User (customer) needs diversify	Inter-platform collaboration enters growth phase	Arrival of era of purchasing power, i.e., profitability impacts on sales strategies
Mission	Entry into digital retail business	Expansion of retail services	Central hub for DX promotion	Build a digital platform
Group functions	- Group procurement function through specialization in deposit and foreign exchange operations - Complementary function supporting BIB* promotion	- Provision of highly convenient functions through enhanced UI/UX - Secure highly sticky retail customers	Promote collaborations with other platforms to expand business area	- Build a unique hybrid (face-to-face/non-face-to-face) economic zone - Deploy marketing based on data analysis and utilization
Actual & Planned	2024/3 actual: 112,000 users Deposit balance: ¥403.4 billion Loan balance: Before launch	2025/3 actual: 169,000 users Deposit balance: ¥695.2 billion Loan balance: ¥55.9 billion	2026/3 actual: 209,000 users Deposit balance: ¥805.9 billion Loan balance: ¥268.6 billion	2027/3 planned: 360,000 users Deposit balance: ¥1,006.6 billion Loan balance: ¥503.1 billion

*BIB (Branch in Branch): An approach whereby multiple branches operate within a single building

Group Strategy

Digital Business Kiraboshi Tech, Inc.

Guided by our conviction that ‘the future of work should be more flexible and more comfortable,’ Kiraboshi Tech provides solutions that bring positivity to people’s working lives. By leveraging human-centered digital technology to continually create new “Bonds” between companies and their employees, it contributes to building a better society. Its main businesses are “Maekyu,” a salary prepayment service, and “LaLaPay Plus,” a smartphone payment app, as well as the “Kaisha App” business, an information sharing portal app released in September 2025.

Strengths of Kiraboshi Tech

Maekyu was launched in 2005 as an industry pioneer in salary prepayment services, and maintains a leading market share. Further, LaLaPay Plus is a digital wallet that can be topped up from Maekyu, making it convenient for everyday use such as shopping. Kiraboshi Tech also offers the Kiraboshi Digital Payment, a wallet charging service, and is strengthening collaboration with welfare service providers. By providing diverse and convenient services, we contribute to improving employee satisfaction at client companies.

Example initiatives

Launch of Kaisha App (September 2025)

We launched the “Kaisha App,” an information-sharing portal app available to all employees, including both full-time permanent and non-regular employees. With a focus on “communicating” and “streamlined functionality,” this easy-to-use information-sharing portal app serves as a “new point of contact” between companies and employees, supporting the creation of a convenient and comfortable working environment.

Three Focus Points

What we avoided (1)

Chat feature

Important information gets buried in conversations ...

What we avoided (2)

Feature overload

Too many features make management complicated ...

What we avoided (3)

Overly complex functionality

Users struggle to make full use of all features ...

What we focused on (1)

Notification feature

Messages sent to everyone and receipt confirmation means important information definitely gets through!

What we focused on (2)

Necessary features only

Focus only on information that truly matters, with priority on ease of use!

What we focused on (3)

Portal feature

Access the information you need, effortlessly!

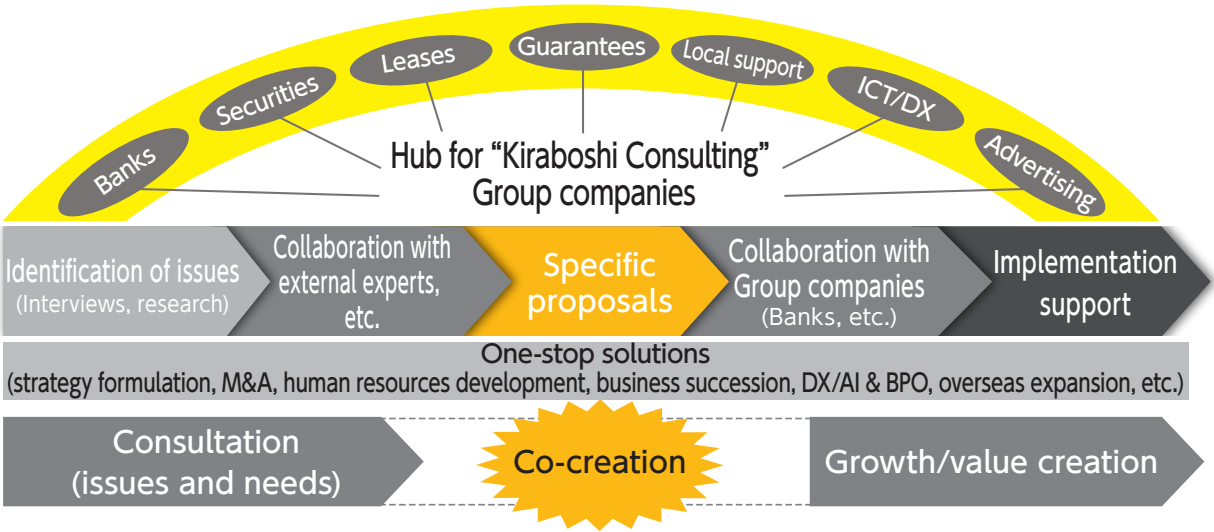
Solutions Business

We will provide high-added-value solutions as a unified Group to resolve customers’ issues through earnest dialogue.

Company name	Business description	Strengths
Kiraboshi Consulting Co., Ltd.	Consulting	Leverages the comprehensive strengths of the Kiraboshi Group to offer sophisticated consulting services for a broad range of customer needs
Kiraboshi System, Inc.	System processing outsourcing	Establishes, maintains, operates robust system infrastructure and offers security services in a manner that is only possible for a financial group
ITC Co., Ltd.	System support and development	Provides systems engineering services as a team of experts in the IT and digital area
Kiraboshi business office service, Inc.	Payroll operations, etc.	Provides back-office-related services, mainly for payroll operations

Solutions Business Kiraboshi Consulting Co., Ltd.

Kiraboshi Consulting provides hub functions for all 22 Group companies as a “management partner of our customers.” We connect our diverse functions, including regional support, education, ICT/DX consulting, and personnel introductions, to provide optimal solutions that go beyond consulting to address even the most complex management challenges. In addition, we utilize these Group functions in operating “Kiraboshi Club,” a premium membership service that provides total content, from management support to welfare programs.



Example initiatives

Kiraboshi Club

The Kiraboshi Club, launched in February 2025, is a premium membership service that brings together the full strengths of the Kiraboshi Group, whose vision is to become a “comprehensive service business that is also strong in finance” in order to meet the trust of forward-looking companies and business leaders. As a consultant to member companies and advisor to business leaders, we provide comprehensive support from the resolution of management issues to human resources, general affairs, and welfare.

Pioneering the future together as management partners
KIRABOSHI CLUB

Group Strategy

Solutions Business ITC Co., Ltd.

ITC is a systems company with strengths in IT infrastructure. Until now, its main business had been the systems engineering service (SES) business, which supplies the engineers required for continuing operations for the design, establishment, maintenance, and management of servers and networks. However, in light of recent changes in needs and markets, it is shifting and expanding its technology into fields such as systems development, security, and the cloud. ITC also offers ICT/DX consulting services to middle-sized companies and SMEs, thereby providing support in alleviating their concerns about digitalization.

Strengths of ITC

ITC has numerous employees with expert digital skills in areas such as the latest trends, technologies, and security. In addition, as a multi-vendor with strengths in IT infrastructure, ITC provides one-stop, end-to-end services ranging from ICT consulting to proposals, design, construction, maintenance, operations, and even product sales.

Examples of solutions

Provides security docks (security examinations)

The security docks involve the assessment of not only system vulnerabilities and antivirus measures, but also human factors and the degree of compliance with security rules, and provide a report describing appropriate measures and a roadmap for implementing them.

Information systems outsourcing

We provide comprehensive outsourcing and support services, ranging from the maintenance and management of systems, PCs, licenses, and security, to help desk services, troubleshooting, and ICT/DX-consulting, working closely with customers to support continuous improvements.

DX promotion (digital transformation)
High convenience / productivity

Security measures
High security

System

Solutions Business Kiraboshi business office service, Inc.

Kiraboshi business office service is dedicated to improving the efficiency of back-office operations for Group companies and customers. Within the Group, we undertake payroll calculations, financial settlements, and data processing, while also utilizing Robotic Process Automation (RPA) to automate operations. For external customers, we offer proposals to streamline customers' human resource management, payroll calculations, attendance management, expense settlements, and accounting operations.

Strengths of Kiraboshi business office service

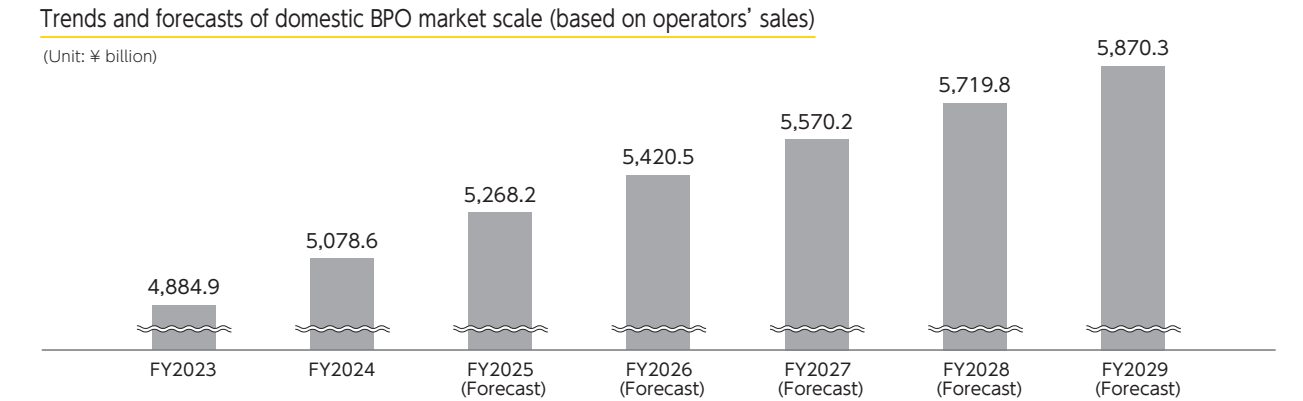
We offer proposals mainly to streamline payroll calculations and related operations. By utilizing the strengths of the Group, we offer a unique system that efficiently handles payroll calculations, salary transfers, and resident tax payments.

Example initiatives

Launched payroll outsourcing services

In FY2025, we started offering payroll outsourcing services. The outsourcing industry is expected to expand due to factors such as a declining working-age population and the burden of human resources development. We are also catering to a variety of other BPO* needs, including accounting and administrative services.

*BPO (Business Process Outsourcing): Outsourcing part or all of a company's business processes to external parties



Source: Yano Research Institute Ltd. "BPO (Business Process Outsourcing) Market in Japan: Key Research Findings 2025," published November 26, 2025
Note: Combined values of IT-related BPO and non-IT-related BPO; figures for FY2025 and beyond are forecasts.

Promotion / Overseas Business

We support product promotion, etc. aimed at expanding sales channels, which is a task faced by numerous SMEs.

Company name	Business description	Strengths
Be. Brave, Inc.	Advertising agency / Advertising planning and production business	Fulfills the role of an in-house agency for Kiraboshi Group, while providing side-by-side support to customers in the comprehensive marketing area
Kiraboshi Business Service Co., Ltd.	Centralized administrative services	Provides various business-related services covering everything from preparing commemorative mementos and gifts to printing various documents
Kiraboshi Business Consulting Shanghai Co., Ltd.	Consulting	Offers full support for customers' businesses within China, from conducting market research in China to assisting them in expanding into or withdrawing from the country
KIRABOSHI BUSINESS CONSULTING VIETNAM Co., Ltd.	Consulting	Supports customers in creating new businesses in Vietnam, such as with expansion into the country and building partnerships with Vietnamese companies

Promotion Business Be. Brave, Inc.

Be. Brave is an advertising agency that joined the Kiraboshi Group in July 2022. It offers advertising agency and production and planning services, planning and marketing support, creative production, promotional support, PR communication support, and product planning and development.

Strengths of Be. Brave

As many of its customers had been working with it for many years before it joined the Group, Be. Brave and its customers have a deep understanding of each other. This has allowed it to exceed expectations in responding to customers' requests and needs in terms of both speed and value, thereby cultivating a relationship of mutual trust. Leveraging 30 years' worth of insights and know-how, it will strive to deliver optimized solutions also to Kiraboshi Group customers.

Services and functions offered by Be. Brave

Advertising agency / Advertising planning and production services, marketing, creative work production, IR, promotion support

Strength in delivering comprehensive solutions and providing side by side support

Marketing and sales support for Group companies

Be. Brave organizes teams designed to tackle the specific issues faced by each Group company, and takes part in projects as a member of the relevant department. This allows it to provide support in human resources and sales activities to resolve the companies' medium- to long-term issues.

In-house agency functions

Be. Brave focuses on internal promotions and branding for the Group as a whole, and cooperates with Public Relations departments to provide support in areas such as advertisement production, branding planning, and event production activities.

Advertising and sales promotion support for the Kiraboshi Group's customers

Be. Brave cooperates with Kiraboshi Bank's sales offices to provide advertising and sales promotion services to their customers. Depending on the customer's needs, it also cooperates with other Group companies to provide comprehensive solutions to their issues.

Example initiatives

UI Bank

Kiraboshi Tech

Tokyo Kiraboshi FG

Kiraboshi Bank

Customers of sales offices

- Online promotions to encourage the opening of accounts
- Sales support for acquiring opening of new accounts
- Maekyu sales support
- Sales support for digital payments
- Giving our all, for TOKYO. Advertising agency services
- Support with production of various sponsored events (sports sponsorship, exhibitions, etc.)
- TV commercial production, event production, promotion design, etc.

Overseas Business

The Kiraboshi Group utilizes its offices in China, Vietnam, and Thailand, and its overseas partners to provide total support for the overseas operations of business partners. This includes support for SMEs and start-ups expanding overseas, collaborating with overseas companies, and withdrawing from overseas markets.

Support with overseas offices and partner institutions

- Overseas offices (China, Vietnam, Thailand)
- Overseas partners (Shinhan Financial Group, Tan Long Group, etc.)
- Overseas funds (Singapore, northern Europe, South Korea, China)

Northern Europe

- Invested in a venture fund in northern Europe
- Exhibited at the largest start-up event in northern Europe

East Asia

- StarBridge business consulting (Beijing) Co., Ltd. (local consulting subsidiary in Beijing, China)
* Joint venture with Zhaotai Group of China
- Joint support for start-ups with Shinhan Bank
- Invested in a venture fund in China
- Invested in a Japan-Korea venture fund

Southeast Asia

- Kiraboshi Business Consulting Shanghai Co., Ltd. (local consulting subsidiary in Shanghai, China)
- Alliance with Tan Long Group in Vietnam
- Alliance with Nissin Electric
- Invested in local funds in Singapore

Other Offices:

- Bangkok (Thailand) Representative Office
- KIRABOSHI BUSINESS CONSULTING VIETNAM COMPANY LIMITED (local consulting subsidiary in Vietnam)

Other Strategies for Further Value Creation

Deposit Strategy

Amid rising interest rates and increasing customer selection with regard to deposits, the Group is expanding contact points with customers and building up balances primarily through sticky deposits by combining the real channels of Kiraboshi Bank's physical branches with the digital channels of UI Bank.

Kiraboshi Bank will steadily build up both corporate customer deposits and retail customer deposits by focusing on acquiring checkable deposits from target customers for primary banking relationship building, and providing attentive face-to-face proposals to key corporate clients, high-net-worth individuals, and corporate owners.

Meanwhile, UI Bank aims to acquire highly utilized sticky deposits by encouraging customers with mortgage loans to use services such as payroll transfers and by collaborating with digital platforms such as BaaS.

As a result, since the launch and full-scale operation of UI Bank in FY2022, the Group's deposit balance has grown at a pace significantly exceeding that of regional banks.

Going forward, we will continue to leverage our strengths in both real and digital channels to foster "accounts that continue to be used," and support the growth of local communities and customers with a solid financial foundation.

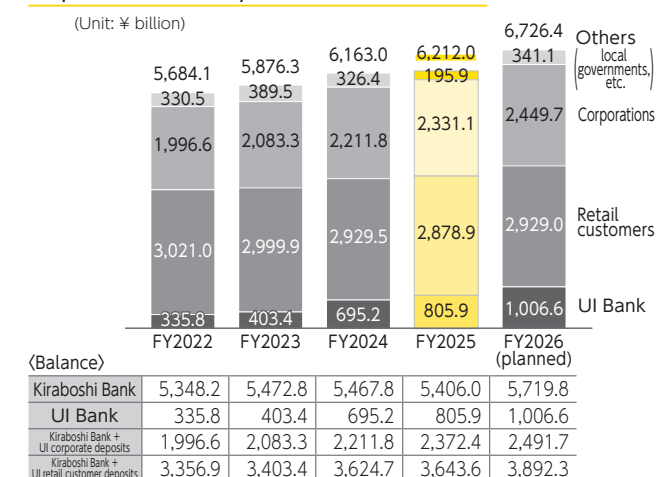
Kiraboshi Bank

- Acquire checkable deposits from target customers for primary banking relationship building and acquire deposits from workplace customers
- Acquire deposits commensurate with loan share
- Strengthen approach to high-net-worth individuals and corporate owners
- Promote the use of pension receipt and salary receipt, etc.

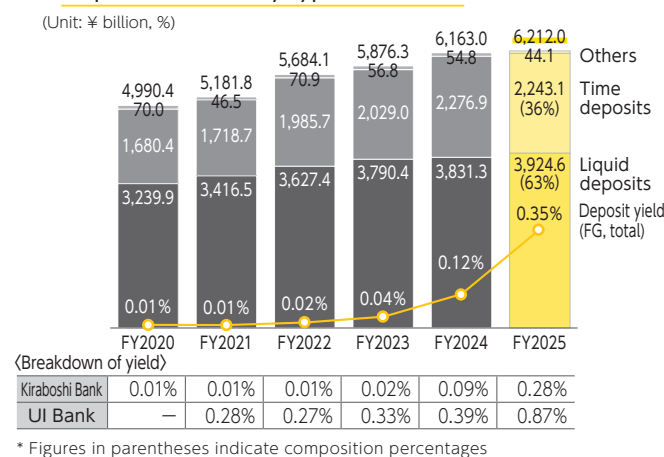
UI Bank

- Acquire deposits through multiple transactions with Group customers
- Promote the use of payroll transfers, etc., among customers with mortgage loans
- Acquire deposits by building digital platforms such as BaaS

Deposit balance by customer (FG, total)



Deposit balance by type (FG, total)

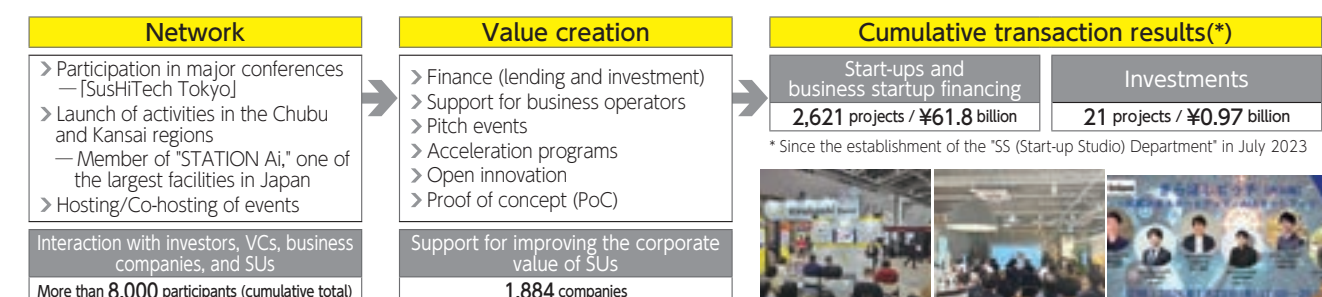


Start-up (SU) support

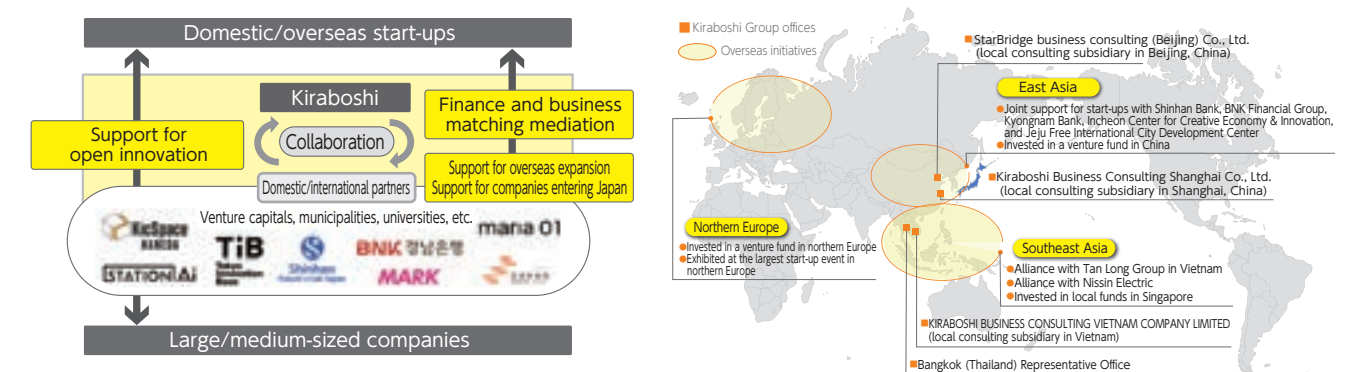
The Group, centered around the SS (Start-up Studio) Department, a specialized department, collaborates with Kiraboshi Consulting, Kiraboshi Capital, and various domestic and overseas networks to provide strong support for the growth of startups.

By participating in major conferences and undertaking activities in the Chubu and Kansai regions, we have expanded our network and supported over 1,800 companies in improving their corporate value to date. In addition, we have developed a system to support challenges in Japan and overseas through collaboration with overseas offices and overseas partners.

The Kiraboshi Group will continue to actively support the growth of startups that aim to solve social issues.



Support for SUs in collaboration with domestic and international partners



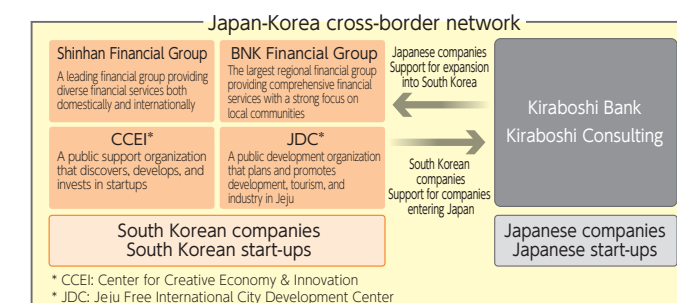
Overseas Strategy

The Group is expanding its collaborations with local organizations and companies overseas, supporting Japanese companies' overseas ventures and foreign companies expansion into Japan. In South Korea, we have partnered with start-up support organizations to build a Japan-Korea cross-border network connecting two-way expansion. We are also working with local companies in Vietnam and other countries to further expand our initiatives. In addition to consulting, we will also utilize equity investments to strengthen our outbound and inbound hub functions that link our domestic network with our Asian network.

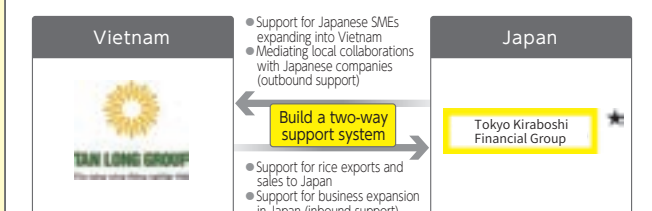
Supporting overseas expansion

- Signed a memorandum of understanding (MOU) with a South Korean start-up support organization to strengthen support for startups recommended by the organization in expanding into Japan
- Leverage the Japan-Korea cross-border network to support overseas expansion by Japanese companies

Establish an overseas support system for Japanese and South Korean companies in collaboration with South Korean support organizations (Japan-Korea cross-border network)



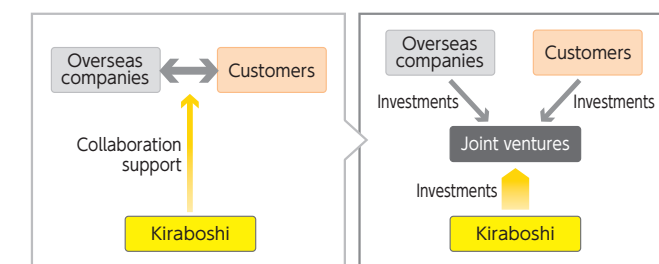
Support for business expansion in Japan and Vietnam in collaboration with local Vietnamese companies



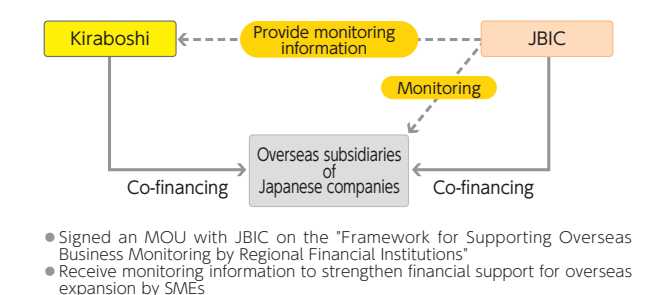
Equity investments and financial support

- Create new businesses overseas by supporting collaboration between customers and overseas companies
- In addition to providing consulting support, provide hands-on support for the success of overseas businesses through equity investments in new businesses

Provide equity investments and hands-on support for overseas businesses



Financial collaboration with the Japan Bank for International Cooperation (JBIC)



Our Commitment to Sustainability

Advancing Sustainability

The Group recognizes that the realization of a sustainable society is a top management issue. In addition to addressing decarbonization and natural capital conservation for itself, the Group is also committed to contributing to the enhancement of regional resilience and realization of nature-positive (nature restoration) through side-by-side support to its customers and regional cooperation. The Group will also promote information disclosure with high level of transparency based on international frameworks such as TCFD (for climate change risk disclosure) and TNFD (for natural capital and biodiversity risk disclosure).

1. Sustainability Policies and Guidelines

Sustainability Policy	We have formulated the “Basic Policy on Social Responsibility (Sustainability Policy)” to indicate our overall policy on sustainable management and declare our involvement in development of local communities and solution of issues faced by sustainable society, based on the Group’s management philosophy.
Environmental Policy	Based on our Sustainability Policy, we have formulated an “Environmental Policy” to clarify our consideration for the global environment and our contribution to the sustainable development of society.
SDG Declaration	In our SDG Declaration, we declared environmental protection to be one of the themes of our initiatives, and we will work to reduce greenhouse gas emissions in the Group and to support local communities in addressing climate change.
Environmentally and Socially Friendly Investment and Loans Policy	In order for the Group to contribute to the realization of sustainable local communities as a regional financial group, we have formulated the “Environmentally and Socially Friendly Investment and Loans Policy” as an investment and loan policy for businesses which have environmental and social impacts including climate change.

2. Sustainability Governance

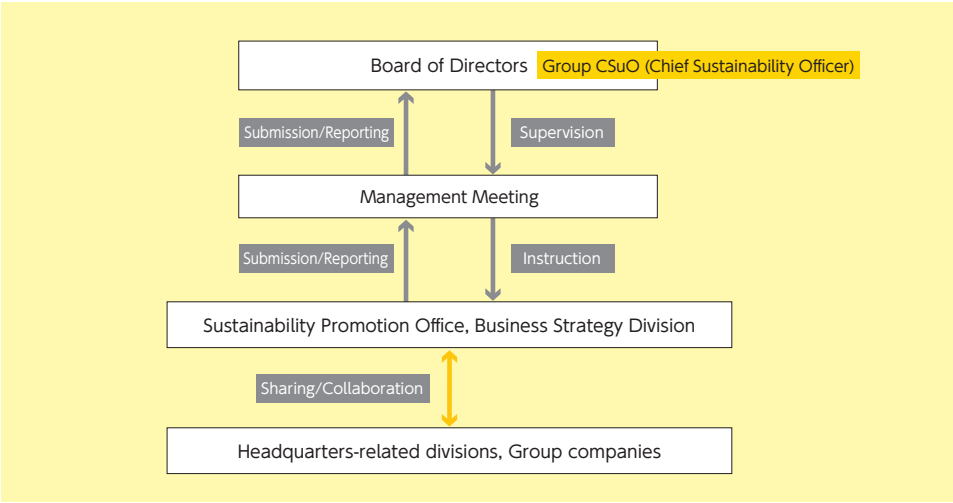
(1) Governance system

- The “Sustainability Promotion Office,” which is responsible for planning and overall management of matters related to climate change, was established in the Business Strategy Division. Based on various policies, the Office plans and formulates the Group’s initiatives for addressing climate change and engages in coordination with parties including Group companies and relevant departments. The Sustainability Promotion Office is responsible for climate change responses and submits related proposals and reports to the Management Council and to the Board of Directors.
- A Director with expertise in addressing climate change is designated as the “Chief Sustainability Officer (CSuO).”
- In order to respond to climate change-related risks and opportunities in accordance with the “Basic Policy on Social Responsibility (Sustainability Policy)” which lays out our involvement in development of local communities and solution of issues faced by sustainable society, moving forward, we will engage in initiatives to mitigate and adapt to climate change risks of local communities and customers through the provision of comprehensive financial services with high added value.

(2) Sustainability management and promotion system

- The Group is strengthening its management and promotion systems for initiatives aimed at sustainable local communities and the sustainable growth of the Group.
- The Management Meeting submits proposals and reports on measures, policies, and status of initiatives related to environmental issues (climate change responses, etc.) as sustainability issues (at least once a year). The Board of Directors is responsible for the appropriate oversight of reported details concerning sustainability-related proposals (policy formulation, goal setting, progress of initiatives, etc.).

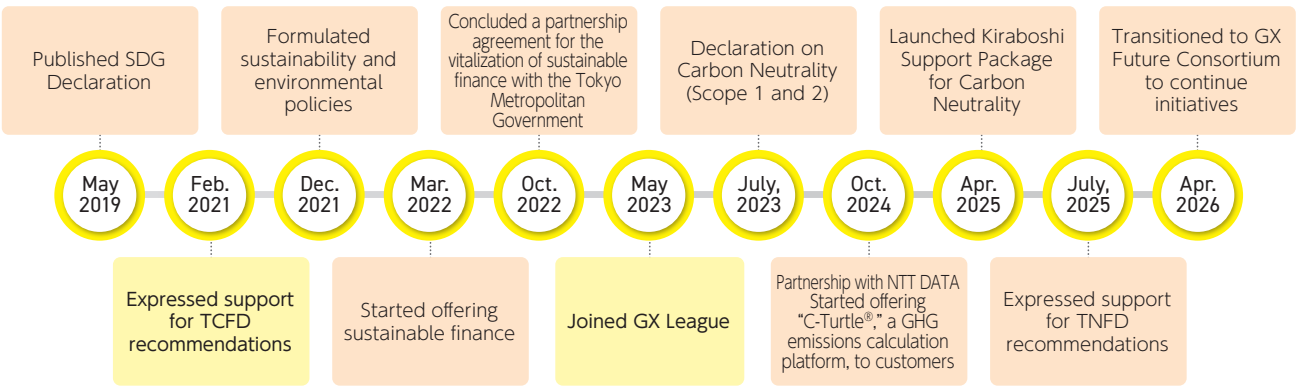
Sustainability promotion framework



3. Integrated Risk Management

- We regard climate change risk and risks concerning natural capital as significant business risks, and will work to build a system enabling management under the framework of integrated risk management, taking into account the degree of impact and probability. For climate change risk, we conduct scenario analysis in line with the TCFD framework, and for natural capital, we conduct quantitative and qualitative assessments using methods such as TNFD’s LEAP approach and ENCORE.
- In order for the Group to contribute to the realization of sustainable local communities as a regional financial group, we have formulated the “Environmentally and Socially Friendly Investment and Loans Policy” as an investment and loan policy for businesses which have environmental and social impacts such as climate change and impacts on natural capital. This policy states that it covers coal-fired power generation businesses, deforestation businesses, and palm oil plantation development businesses, and we make decisions based on the dependency and impact assessments.
- Going forward, we will proceed with constructive dialogue (engagement) with customers based on risk analysis results, etc. In the course of the dialogue, we will identify business opportunities and strengthen risk management of the Group and customers by understanding issues and needs of customers and providing solutions.

4. Sustainability Journey



5. Participation in Sustainability Initiatives



Our Commitment to Sustainability

TCFD Disclosures

The Group regards addressing climate change as one of the important matters in its management strategies. Accordingly, in February 2021, the Group voiced support for the TCFD* recommendations. In accordance with the TCFD framework, we will continue to identify climate-related risks and opportunities, reflect them in our strategies, and disclose information in a highly transparent manner. Specifically, we will promote decarbonization in tandem with support for local businesses and strengthen our side-by-side support through financial services.

*TCFD (Task Force on Climate-related Financial Disclosures): A taskforce on disclosure of climate-related financial information led by the private sector established by the FSB (Financial Stability Board).

1. Strategy

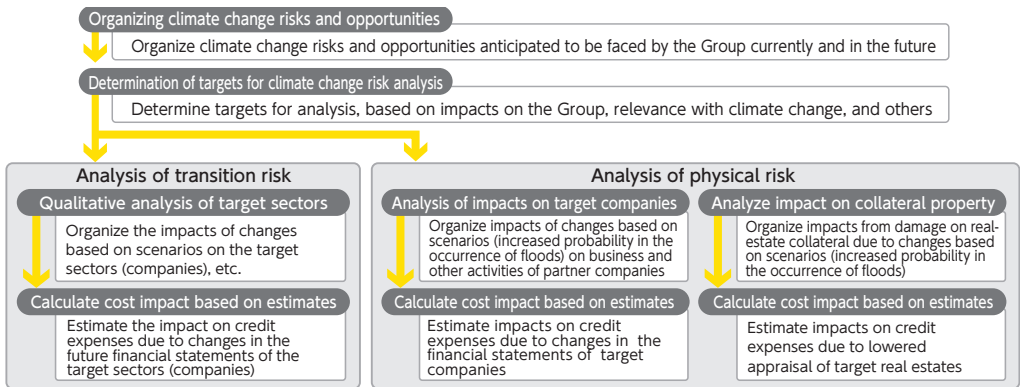
(1) Sustainability Strategy

- In order to move forward in addressing the risks and opportunities resulting from climate change, we aim to deepen our dialogue with customers and local communities, and contribute to the realization of sustainable local communities.
- The Group will create common value with local communities and customers and promote initiatives for the sustainable growth of the local economy through the use of sustainable finance, loans based on business evaluations, various funds, etc., and the provision of high value-added comprehensive financial services tailored to the life stages of customers, such as start-ups, founding, sales channel expansion, and business succession.
- We will support our customers' initiatives that contribute to decarbonization and business transformation aimed at climate risk mitigation and adaptation.

(2) Climate-related Risks and Opportunities

《Analysis process》

- Analyze each sector's risks (transition risks and physical risks) and opportunities
- Determine sectors subject to transition risk scenario analysis
- Establish scenarios for both transition risks and physical risks, depending on the subject of analysis and analyze the impact on credit costs



- We have identified risks and opportunities associated with climate change facing the Group currently and in the future as follows, using the timeframes of short term (5 years), medium term (10 years), and long term (30 years).
- Going forward, we will work to identify and mitigate the climate change risks to the Group and its customers, and turn the opportunities arising from response to climate change into the growth of the Group.

Transition risks	Laws and regulations	Occurrence of credit risk as a result of adverse impacts on customers' finance due to tightened regulations and policy changes associated with decarbonization and other efforts	Medium to long term
	Technology and markets	Occurrence of credit risk as a result of adverse impacts on customers' finance due to failure to stay current with a rapid shift in technologies associated with the transition to decarbonized society and inability to respond to fluctuations in demand for products and services with specific features	Short to long term
	Reputation	Occurrence of credit risk as a result of adverse impacts on customers' finance due to declined reputation for not being able to adapt to the transition to decarbonized society	Medium to long term
Physical risks	Acute	Occurrence of credit risk as a result of adverse impacts on customers' finance due to damage to real estate security of customers affected by the occurrence of storms, floods, and other sudden meteorological events	Short to long term
		Occurrence of operational risk caused by a disaster affecting the head office and branches and/or data centers of the Group	Short to long term
	Chronic	Occurrence of credit risk as a result of adverse impacts on customers' finance due to changes in long-term climate patterns such as rising temperature, diminishing cryosphere, and rising sea level	Long term
Opportunities	Services	Increase of business opportunities such as provision of services to support customers in the transition to decarbonized society and in addressing environmental issues	Short to long term
	Products	Increase of business opportunities by offering financial products and sustainable finance	Short to long term
	Resource efficiency & energy sources	Decline in the Company's business costs owing to resource and energy saving	Short to long term
	Reputation	Higher evaluation from investors and capital markets that attach great importance to ESG factors	Short to long term

(3) Scenario Analysis

Having conducted the scenario analysis, we recognized the importance of promoting customers' business transformation in preparation for transition to decarbonized society. Going forward, we will perform quantitative analysis of other sectors to understand the impact of each sector's climate change risk on the Group, and support our customers' sustainable management through dialogue (engagement) with customers in the target sectors.

《Results of quantitative analysis of transition risk》

We conducted quantitative risk scenario analysis for the targeted sectors shown below on the assumption of certain conditions, and estimated a maximum amount of increase in credit expenses which may be incurred by 2050.

Target of analysis	Electricity, gas, petroleum, coal, transportation and vehicle sectors
Description of analysis	Calculated an amount of increase in credit expenses of relevant business operators upon determining the debtor category based on their financial forecast until 2050.
Scenario used	International Energy Agency (IEA)'s NZE scenario (1.5° C scenario) *Figures from APS scenario were used as substitute for data not available.
Amount of increase in credit expenses	Approximately ¥17.8 billion at a maximum

《Results of quantitative analysis of physical risk》

We conducted quantitative risk scenario analysis for the targeted sectors shown below on the assumption of certain conditions, and estimated a maximum amount of increase in credit expenses which may be incurred by 2050.

Theme	Financial impact from suspension of operation	Amount of damage to real-estate collateral
Target of analysis	Businesses of all borrowers	All borrowers
Description of analysis	We calculated an expected cumulative amount of damage until 2050, and then calculated an amount of increase in credit expenses that would be incurred based on the financial forecast made by the relevant business operators.	We calculated an expected cumulative amount of damage until 2050, and then calculated an amount of increase in credit expenses that would be incurred due to damage.
Scenario used	Intergovernmental Panel on Climate Change (IPCC) RCP 2.6 scenario (2°C scenario) and RCP 8.5 scenario (4°C scenario)	
Amount of increase in credit expenses	Approximately ¥3.9 billion at a maximum	

(4) Credit Exposure to Carbon-related Assets

- We have developed a system based on the October 2021 version of the TCFD recommendations, and the target sectors for calculation were energy (excluding photovoltaic power and renewable energy related companies), transportation, materials and buildings, and agriculture, food and forest products.
- We will proceed with constructive dialogue (engagement) with business partners in the target sectors, and thereby make efforts such as identifying the amount of carbon emissions and supporting their business restructure to mitigate impacts of climate change.

Total for the carbon-related sectors	¥2,296.7 billion
Ratio to the total	45.4%

*The business-type categories of the disclosure target sectors are based on the Global Industry Classification Standard (GICS), and aggregation is made based on the business-type classification used at Kiraboshi Bank.

2. Group Initiatives to Reduce Greenhouse Gas Emissions

(1) Roadmap to Carbon Neutrality

Fiscal Year	2022	2023	2024	2025	2026	2027	2028	2029	2030
Scope 1, 2	Decarbonization of sales vehicles (switching to environmentally friendly vehicles)								
	Reduction in energy use (changing air conditioning temperature settings, switching to high-efficiency equipment, etc.)								
	Switch to LED lighting								
	Introduction of electricity generated using renewable energy								
	Installation of solar power generation equipment and consideration and implementation of PPA at each sales Office								
Scope 3	Consideration and implementation of low-carbon renovation of the Company's own buildings								
	Promote customer engagement in decarbonization and support decarbonization efforts of customers								
Offset	Consideration and implementation of reduction measures based on carbon offsets and technology trends								
	Consideration of Carbon Credit Market of Tokyo/J-credit utilization								
	Various initiatives through participation in the GX League								
Others	Promote customer engagement in decarbonization and support decarbonization by customers								
	Continuation of forest conservation activities (Kiraboshi Forest)								

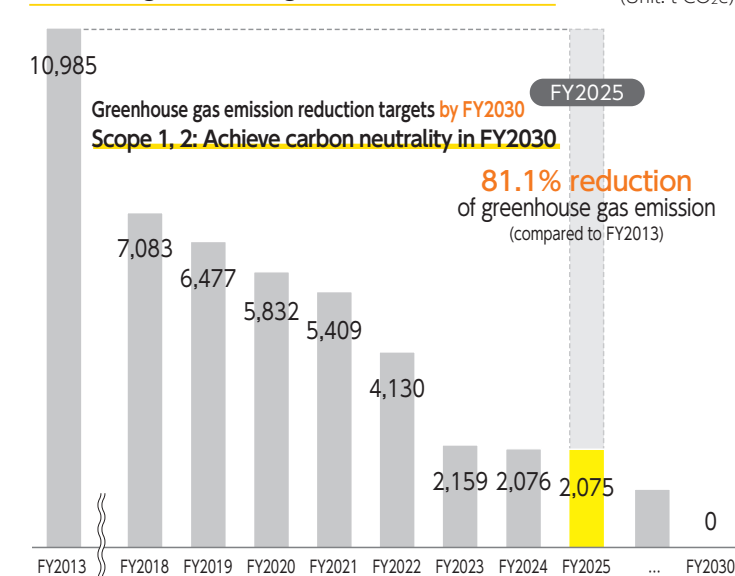
Our Commitment to Sustainability

(2) Scope 1 and 2 Emissions

We will work to reduce Scope 1 and Scope 2 emissions so as to contribute to the region's efforts toward carbon neutrality.

- Initiatives we have been engaged in, including the transition to LED lighting, replacement with environmentally friendly vehicles, and the shift to electricity from renewable energy sources, have resulted in an 81.1% reduction in FY2025 compared to FY2013.
- We will push forward with our efforts to reduce greenhouse gas emissions.

Trends in greenhouse gas emission reductions



* For the amounts of gasoline used, actual figures in FY2021 are used in or before 2020.
 * The figure for FY2013 represents a combined total of the former Tokyo Tomin Bank, Limited and the former Yachiyo Bank, Limited prior to the merger.

(3) Scope 3 Emissions

We will also work to reduce Scope 3 (indirect emissions that occur in the value chain) emissions so as to contribute to the region's efforts toward carbon neutrality.

Greenhouse gas emissions (Scope 3)

Category	FY2025 (Unit: t-CO ₂ e)
1. Purchased goods and services	21,404
2. Capital goods	4,739
3. Fuel use	898
4. Transportation and distribution (Upstream)	63

* The scope of calculation for Scope 3 emissions covers the Kiraboshi Bank.
 * For methods of calculation, please visit the URL below.
 (https://www.tokyo-kiraboshifg.co.jp/sustainability/tcfd/pdf/criteria2025.pdf) (in Japanese)
 * Items marked with a tick are backed by third-party assurance conducted by Ernst & Young ShinNihon LLC.
 (https://www.tokyo-kiraboshifg.co.jp/sustainability/tcfd/pdf/independent_assurance_report2025.pdf) (in Japanese)

Category 15 (Investee companies and loan customers) emissions by industry

Industry	FY2025 (Unit: t-CO ₂ e)	DS*
Agriculture	10,391	4.0
Paper and forestry products	66,724	3.8
Processed food and processed meat	135,335	3.2
Beverages	23,871	3.9
Metals and mining	252,737	3.4
Chemicals	213,525	2.8
Petroleum and gas	51,664	2.9
Capital goods	2,175,237	3.7
Construction materials	104,950	3.6

* Emissions in category 15 (investee companies and loan customers) are calculated in accordance with the PCAF* standards.
 * Calculations were performed in "bottom-up method" for customers whose data were available from published emissions figures, and in "top-down method" for customers whose data were not available.
 * Utilizing the outcome of calculations in our engagement with customers, we will drive the initiatives toward carbon neutrality.
 * DS (Data Quality Score): In the PCAF method, reliability of data used is assessed and rated as data quality on a five point scale. A score of 1 indicates the highest data quality, and higher the number, lower the data quality.
 * PCAF: Partnership for Carbon Accounting Financials

Energy use

Item (unit)	FY2025
City gas (1,000 m ³)	77 ✓
Gasoline (kL)	96 ✓
Electricity (1,000 kWh)	11,641 ✓
Heat (GJ)	443 ✓

Greenhouse gas emissions (Scope 1, 2)

Item	FY2025 (Unit: t-CO ₂ e)
Scope 1	380 ✓
Scope 2	Market-based 1,695 ✓ Location-based 4,948 ✓
Scope 1 + 2	Market-based 2,075 ✓ Location-based 5,328 ✓

* The scope of energy use data collection and Scope 1 and 2 emissions calculations cover the Kiraboshi Bank.
 * For methods of calculation, please visit the URL below.
 (https://www.tokyo-kiraboshifg.co.jp/sustainability/tcfd/pdf/criteria2025.pdf) (in Japanese)
 * Items marked with a tick are backed by third-party assurance conducted by Ernst & Young ShinNihon LLC.
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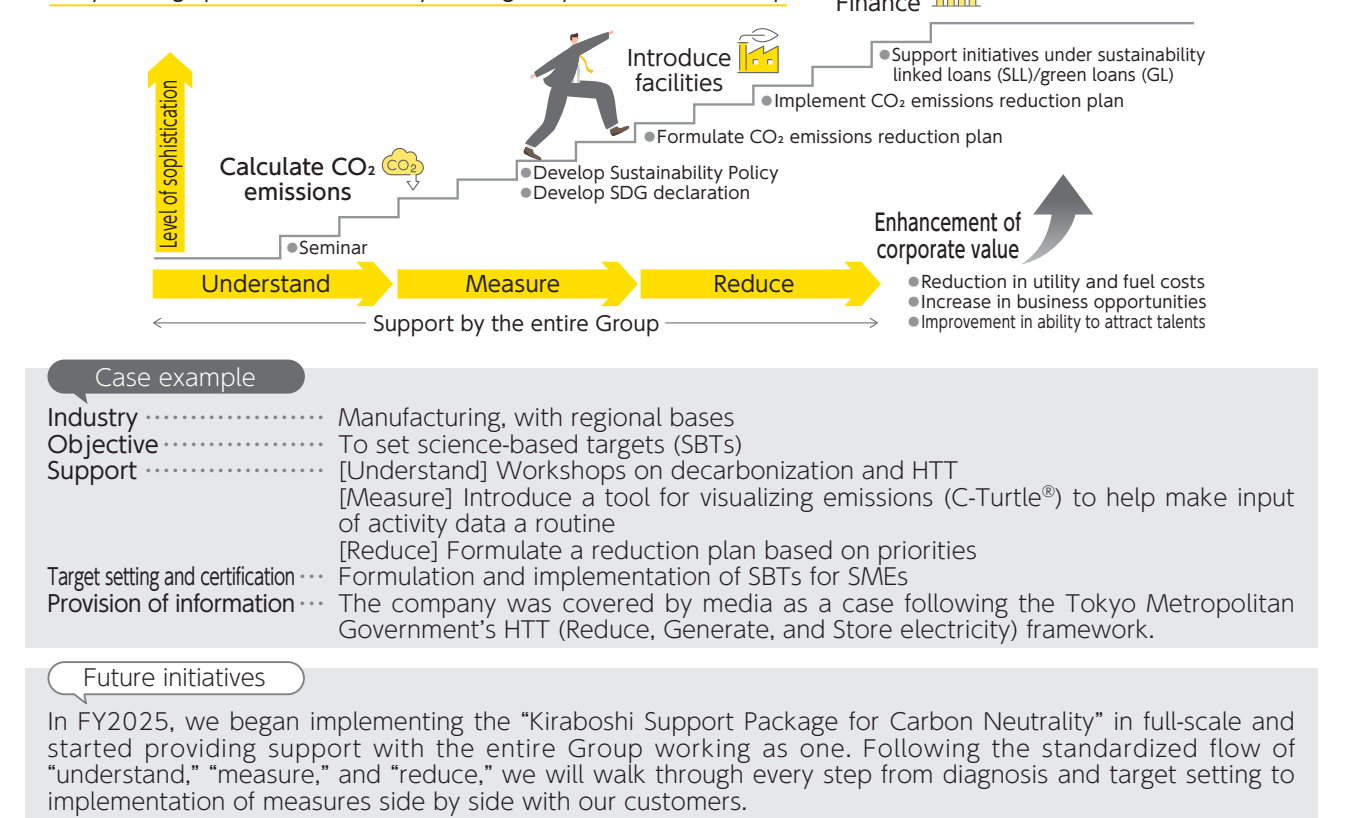
Category	FY2025 (Unit: t-CO ₂ e)
5. Waste generated in operations	204
6. Business travel	315 ✓
7. Employee commuting	1,528 ✓
15. Emissions of investee companies and loan customers	7,167,041
Total	7,196,192

Industry	FY2025 (Unit: t-CO ₂ e)	DS*
Automobiles and parts	38,502	3.5
Electric utilities	157,199	2.2
Real estate management and development	410,805	3.7
Trucking service	204,639	3.9
Railway transportation	3,237	1.6
Marine transportation	58,574	3.0
Air freight	9,146	4.0
Passenger aviation	11,509	4.0
Others	3,238,998	3.5
Total	7,167,041	3.6

(4) Supporting Customers in Achieving Carbon Neutrality

As a way to support customers' efforts in achieving carbon neutrality, in FY2025, the Group began offering "Kiraboshi Support Package for Carbon Neutrality," which provides comprehensive support for customers' transition to carbon neutrality from both financial and non-financial perspectives, following the steps of "understand," "measure," and "reduce."

Story leading up to carbon neutrality envisaged by the Kiraboshi Group



(5) Future initiatives for Local Communities

Looking ahead, the Group will calculate greenhouse gas emissions of local companies in cooperation with local authorities and other partners and promote the initiatives to support greenhouse gas emissions reduction in the region, taking into consideration issues and characteristics of each region.

3. Metrics and Targets

Setting of targets for environment-related investments and loans (sustainable finance)*

Aiming to support the regional efforts towards decarbonization and carbon neutrality in the financial aspect, the Group has set targets for environment-related investments and loans. We will continue to proactively provide environment-related investments and loans by supporting customers' efforts such as response to climate change.

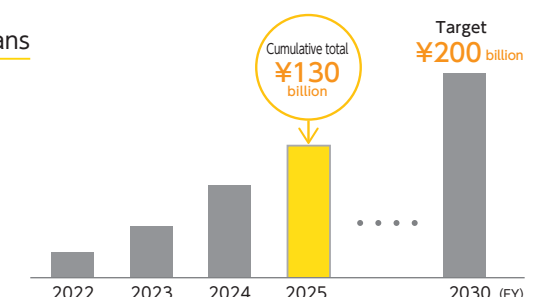
Environment-related investments and loans from FY2022 to FY2030: ¥200 billion

* Loans related to renewable energy (photovoltaic power, biomass power generation, wind power-generation facilities, etc.), funds for introducing environmentally friendly vehicles and facilities, etc., loans implemented in compliance with sustainability linked loan (SLL) and other various principles, investment in bonds, related trust beneficiary right, investment in funds related to climate change countermeasures, etc.

Environment-related investments and loans

Environment-related investments and loans to be made by FY2030

Target: **¥200 billion**
 (FY2022 to FY2030)



Our Commitment to Sustainability

TNFD Disclosures

In line with the principles of the TNFD Recommendations, the Group is conducting analysis to understand its dependencies, impacts, risks and opportunities related to natural capital, by combining the regional characteristics of Tokyo and Kanagawa Prefecture, which are its main business bases, with the characteristics of the industry sectors to which investee companies and loan customers belong. As a financial institution, we believe it is important to understand not only the direct impacts of our operations, but also how we are connected to the local economy through investee companies and loan customers. Therefore, we decided to begin analysis with focus on our corporate customers. In this round of analysis, we identified both the impact of natural capital on the Group and its customers, and the impact of customers' business activities on nature. We will utilize the results of analysis in constructive dialogue (engagement) with customers, provision of financial and non-financial services, and cooperation with local communities, with the aim of reducing nature-related risks and creating new opportunities.

1. Analytical Approach

In the analysis, we used the LEAP approach recommended by TNFD as a reference. Based on information on the locations and industry sectors of the investee companies and loan customers, we utilize ENCORE and data on natural capital to identify the industry sectors and regions that are heavily dependent on or have significant impacts on nature, and organize risks, opportunities, and future responses.

Phases of LEAP	Analysis by the Group
Locate the interface with nature	We looked for the interface of the locations of investee companies and loan customers with natural environment and ecosystems, mainly in Tokyo and Kanagawa Prefecture, which are our main business bases, and identified sectors that should be checked with priority using ENCORE and natural capital-related metrics.
Evaluate dependencies and impacts	Using ENCORE and natural capital-related metrics, we identified for each industry sector the level of dependency on vital ecosystem services and the magnitude of natural impact drivers, and for priority sectors, the ecosystem services on which they are dependent and municipalities that are subject to high impacts.
Assess risks and opportunities	We identified risks and opportunities in sectors that require priority attention, based on the degree of dependencies and impacts, regional characteristics, and portfolio importance.
Prepare to respond and report	As our response to the dependencies, impacts, risks, and opportunities identified, we explored policies for their utilization in dialogues with customers, financial and non-financial services, regional cooperation, risk management, and enhancement of disclosure.

* LEAP: A framework for analyzing nature-related issues recommended by TNFD. LEAP comprises the following four phases: Locate the interface with nature; Evaluate dependencies and impacts; Assess risks and opportunities; and Prepare to respond and report.
* ENCORE: An analytical tool for identifying sector-by-sector dependencies and impacts on natural capital.

2. Scope of Analysis and Priority Sectors

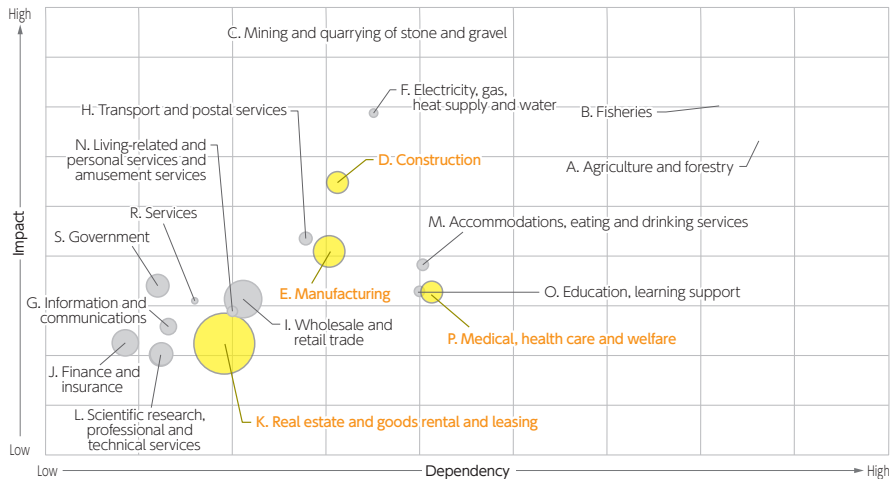
Nature-related issues vary in terms of the ecosystem services they depend on and the impact they have on nature, depending on the industry sector. The Group has identified the following four sectors as priority sectors to be checked, taking into consideration their dependence on and impact on nature, regional characteristics, and portfolio importance.

Priority sectors	Main viewpoints
Real estate and goods rental and leasing	Identified the potential impact of urban green spaces and landscapes, flood and landslide disasters, heat islands, etc. on property value and rental demand.
Manufacturing	Highly dependent on water supply, maintenance of water flow, and water purification, and impact of its emissions and pollutants on surrounding ecosystems require attention.
Construction	While dependent on nature's disaster reduction functions in terms of safety during construction and business continuity, identified the potential impact of the industry's land modification and use of materials on nature.
Medical, health care and welfare	Identified benefits from natural capital on securing clean water, continuing services in the event of a disaster, and the quality of the healing and therapeutic environment provided by green spaces and landscapes, etc.

[Assessment of dependencies and impacts on natural capital and size of investments and loans by industrial sector]

The degree of dependency and impact (magnitude of impacts of corporate activities on natural capital) and the scale of investments and loans (degree of the Group's dependency on natural capital), for each sector among the Group's investees and borrowers, are visualized.

* The horizontal axis represents the degree of dependency on natural capital, and the vertical axis represents the degree of impact on natural capital. The closer the graph is to the upper right, the higher the degree of both dependency and impact on natural capital.



3. Key Findings and Nature-related Risks and Opportunities

(1) Key Findings

Theme (Ecosystem services / impact drivers)	Main findings
Landscape and green space (Visual amenity services, Spiritual, artistic and symbolic services)	In real estate and goods rental and leasing and medical, health care and welfare sectors, pleasant landscapes and green spaces were found to potentially contribute to asset value, user satisfaction, healing and therapeutic environment, etc.
Water resources (Water purification, Water supply, Water flow maintenance)	Manufacturing and medical, health care and welfare sectors are heavily dependent on water supply, water flow maintenance, and water purification, and therefore, it is important to identify water quantity risk and water quality risk.
Mitigation of natural disaster (Soil and sediment retention, Flood mitigation services, Storm mitigation, Rainfall pattern regulation)	In construction and medical, health care and welfare sectors, functions for mitigating flood, landslide and other natural disasters are related to business continuity and ensuring safety.
Management of impacts on biodiversity (Pollution, Air pollutant emissions, Noise and light pollution)	In manufacturing and construction sectors, effluents, land modification, noise and light pollution, etc. may potentially affect surrounding ecosystems, and therefore, need to be managed in accordance with regional characteristics.

(2) Nature-related Risks and Opportunities by Priority Sector

Priority sector	Main risks	Opportunities and direction of responses
Real estate and goods rental and leasing	Impacts of flood and landslide disasters, landscape deterioration, heat island, etc. on property value and occupancy rate	Increase in value added through biodiversity-conscious properties, greening and switching to wood-based materials, environmental certification, etc.
Manufacturing	Water quantity / quality risk, pollutant regulations, instability of raw materials and supply chains, reputational risk	Recycling of water, improvement of resource efficiency, development of products with low environmental impact, greening of factory surroundings and regional conservation activities
Construction	Costs incurred by extension of construction period and safety measures due to disasters, changes in construction material prices, regulatory and reputational risks associated with land modification	Utilization of green infrastructure, solutions utilizing nature, recyclable building materials, and sustainable finance
Medical, health care and welfare	Service interruption caused by flooding and water outage, water stress, deterioration of healing and therapeutic environment due to reduction in green spaces	Development of favorable healing and therapeutic environment, resource saving and waste reduction, creation of a regional environment that combines disaster prevention functions with welfare

4. Future Approach

Strategy	The Group recognizes the impact of nature-related issues on its business activities and regional economies as important management issues. As a regional financial institution, the Group will advance the sophistication of strategies for the conservation of natural capital and biodiversity and the realization of sustainable regional economies, while taking into consideration TNFD's approaches, trends in systems and guidance in Japan and overseas, the status of development of nature-related metrics, etc. To achieve these goals, we will strengthen cooperation with local governments and regional stakeholders, and promote nature-related initiatives that take regional characteristics into consideration, in line with the "Tokyo Biodiversity Strategy for 2030," the "Kanagawa Biodiversity Plan," etc. We will also support the sustainable management of our customers and contribute to achieving a nature-positive future for the local communities.
Initiatives for FY2026 and beyond	In Tokyo and Kanagawa, which are the Group's business bases, we will identify regional issues and nature-related themes to be addressed with priority through dialogue and cooperation with local governments and regional stakeholders, and materialize initiatives based on regional characteristics. We will also work to identify and assess nature-related risks and opportunities on a more advanced level by making use of knowledge obtained through cooperation with local communities, and taking into consideration nature-related metrics and valuation methods that are expected to be developed and enhanced in the future. At the same time, we will consider setting targets and indicators (KPIs) in a phased manner.

Respect for Human Rights

In accordance with our Basic Policy on Social Responsibility, we respect the human rights and individuality of all people, and we are committed to contributing to the sustainable development of local communities through "contributions to local communities," "self-fulfillment," and "organizational growth."

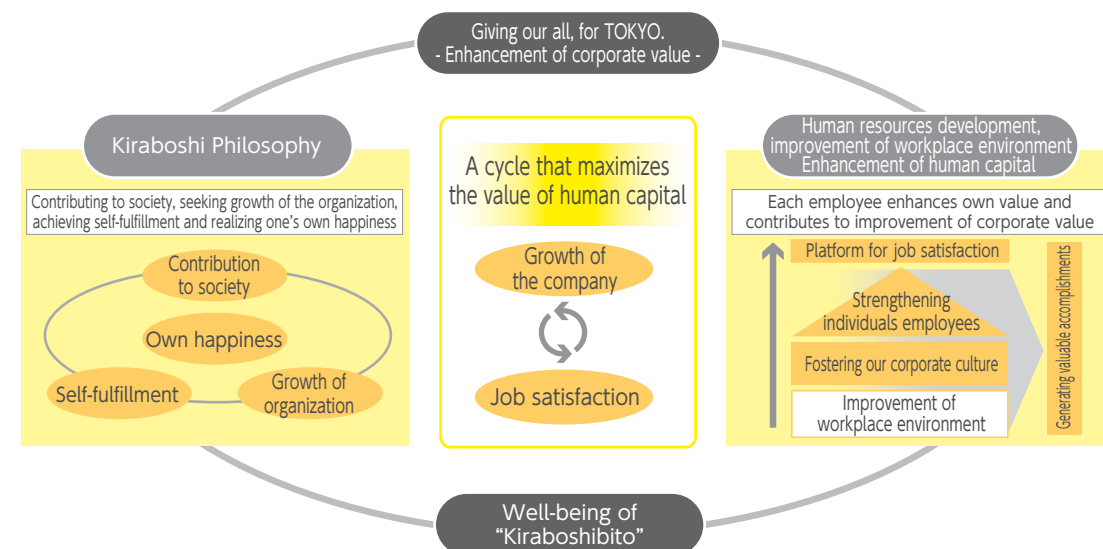
Respect for human rights	We respect the basic principle of the SDGs "Leave no one behind." We also clarify our policy of respecting human rights while recognizing the potential impact of our activities on human rights, and we carry out our business operations accordingly.
Maintaining order in the workplace	We strive to ensure a comfortable work environment and maintain workplace order in which all officers and employees are respected as individuals and can trust each other.
Prohibition of harassment	We respect the human rights and individuality of each and every person, strive to protect their privacy, and do not engage in any form of harassment including discrimination or harassment on the grounds of appearance, gender, age, nationality, race, ethnicity, politics, religion, creed, social status, disability, or illness, etc., or inappropriate use of social media (websites, blogs, social media platforms, etc.).

- **We do not invest in or finance companies or projects that have a negative impact on human rights**
The Board of Directors, Management Council and other organs verify the effectiveness of the investment and loan policies and the status of compliance, and investments or financing will not be made in businesses with significant humanitarian concerns.
- **Human rights awareness activities targeting all employees**
In order to raise awareness about human rights among employees, we invite all employees to propose human rights slogans once a year as part of human rights enlightenment activities.
- **Prevention of sexual and power harassment**
We respect the human rights and individuality of each and every person, and strictly prohibit sexual harassment and power harassment of any kind. To prepare for occurrence of harassments, the Company has established an internal contact point for consultation, in addition to the "Hotline System," which responds to reports and consultations from employees regarding organizational or personal illegal acts, etc., and works to prevent harassment in coordination with employee assistance program (EAP) provided by an external organization.

Well-Being and Human Capital Management

Well-being of Kiraboshi People

For the Kiraboshi Group, the most important capital is Kiraboshibito, i.e. our employees. By committing earnestly to the well-being of Kiraboshibito and maximizing the value of our human capital, we will endeavor to realize our purpose, “Giving our all, for TOKYO,” and create a virtuous cycle that leads to the well-being of our customers and local communities.



**Kiraboshibito* are people who possess the spirit of self-interest and altruism, think and act based on action guidelines, and put the “Kiraboshi Philosophy” into practice.

Well-being Across the Kiraboshi Group

At the Kiraboshi Group, we define well-being as “an all-inclusive concept that encompasses engagement, health and productivity management, etc., and refers to multifaceted happiness, i.e., a situation in which people can enjoy fulfilled lives not only in terms of their work, but also with respect to factors including family, health, money.” To realize the well-being of employees, which is the starting point for increasing our corporate value, we visualize the well-being of each employee through a survey, and identify issues by comparing the benchmarks. We also participate in a corporate consortium that is at the forefront of promoting well-being, and by utilizing the knowledge and information we have gained, we are developing concrete initiatives to achieve well-being. Through these efforts, we aim to improve the survey results every fiscal year.

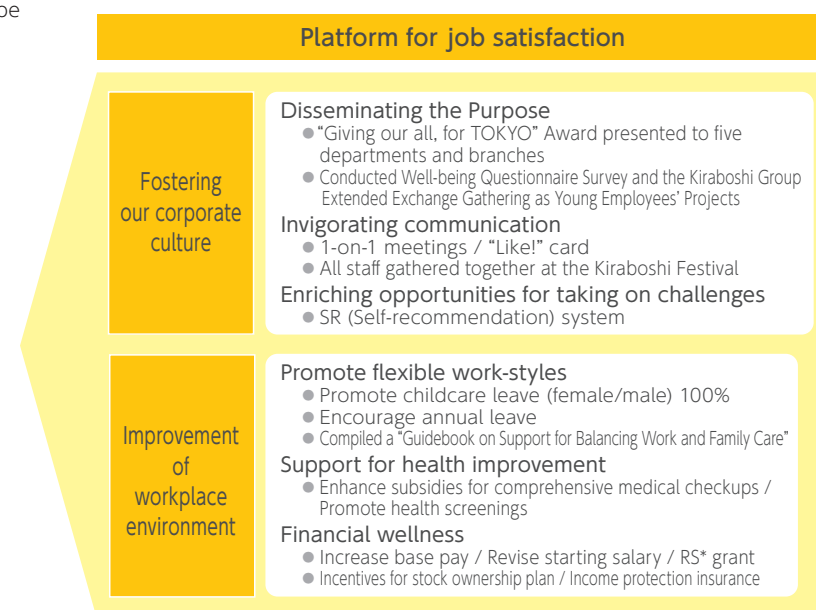
Well-being management KPIs

Selected questions from the survey that should be given particular emphasis, and set them as KPIs.

Elements that comprise PERMA, a framework for the realization of well-being		
P	Positive Emotion	Positive emotion
E	Engagement	Concentrating on work
R	Relationships	Friendly relationship with others in the workplace
M	Meaning	Being cognizant of the meaning of work
A	Accomplishment	Sense of growth
FY2025 survey results*		
3.42pt / 5.00pt		
Conduct regular surveys		
Aim for results to improve every fiscal year		

* FY2024: 3.38pt/5.00pt

Specific initiatives to realize well-being



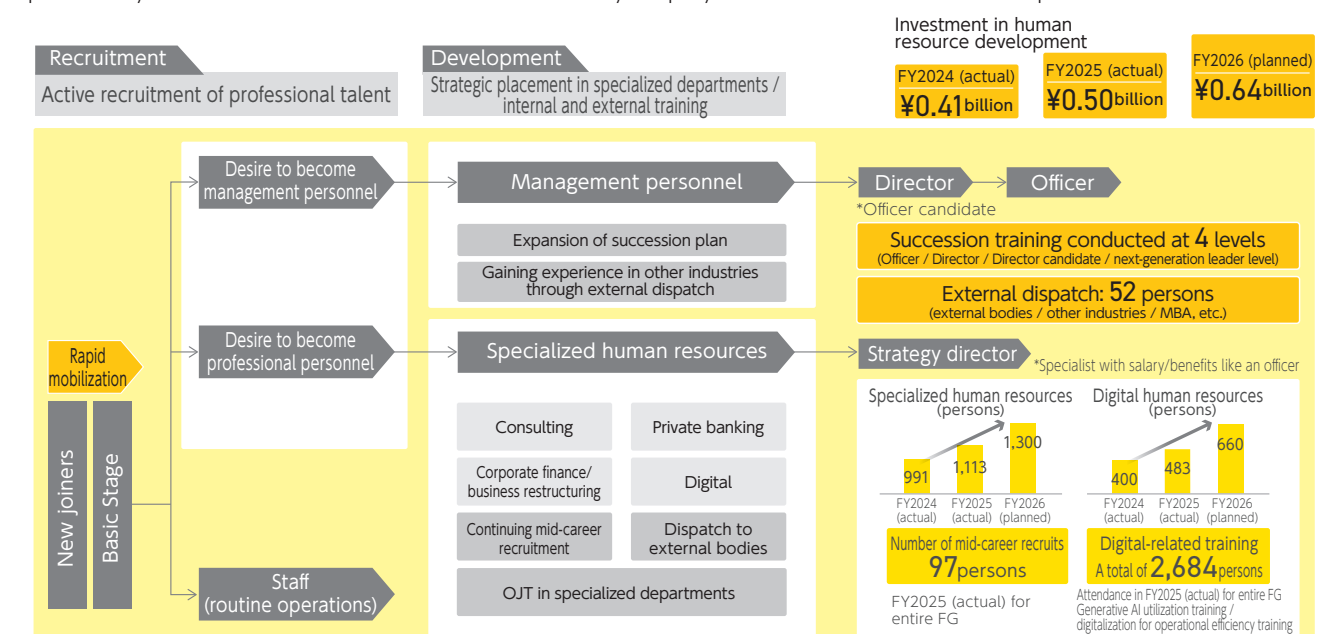
*RS: Restricted Stock

Enhancing Human Capital

At the Kiraboshi Group, under the basic approach to human resources that each employee enhances their own value and contributes to the improvement of corporate value, we realize a rewarding workplace for employees by setting strengthening individual employees, fostering our corporate culture, and fair opportunities and a positive working environment as the three pillars of human capital management. By continuing to maximize the individuality of each person (optimal allocation of human capital), our employees who are Kiraboshibito aim to realize the well-being of our customers and local communities.

Initiatives to Strengthen Individual Capabilities

To provide customers with truly valuable services, we recruit highly diverse talents who possess advanced skills. We have also established a system for the development of management and specialized human resources, and invested proactively in human resources so that each and every employee can demonstrate their full potential.



Recruitment and Development of Digital and Professional Talent

We define digital human resources as “Human resources who can utilize IT and plan, promote, and run operations in the introduction of information systems, and provide new value by making use of cutting-edge digital technologies.” We will endeavor to achieve efficiency improvement, labor-saving, and labor system improvement in existing businesses, strengthening planning and proposal capabilities to develop new services and operations, and building systems in-house through an increase in digital human resources.

As measures to improve employees’ literacy in leading-edge digital technologies, in FY2025 we conducted trainings on utilization of generative AI and organized Generative AI Utilization Awards to strengthen the development of human resources capable of utilizing generative AI.

As for specialized human resources in IT and digital fields, in addition to mid-career recruitment, we are actively recruiting new graduates for “digital career path.” We are also continuing recruitment of specialized human resources from various backgrounds, including consulting and corporate finance.



Induction ceremony

Main initiatives in digital human resource development

Generative AI utilization training	Conduct training for all employees, from full-time employees to part-timers, in which they learn the basics of generative AI and examples of its use.
Generative AI Utilization Awards	Once in every six-month period, we gather from all employees’ examples of having increased efficiency or achieved advancement in business operations with the use of generative AI, and recognize outstanding examples.
Training on digitalization for operational efficiency improvement	Hold hands-on training to learn techniques for operational efficiency improvement and how to use digital tools, as a way of developing human resources for promoting digital transformation.



Training for digital career path recruits

Well-Being and Human Capital Management

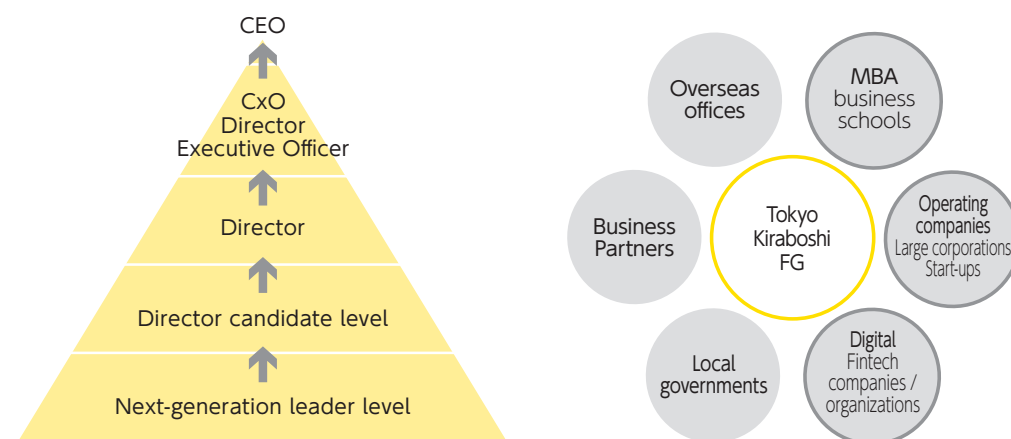
Development of Management Talent

Enhancement of Succession Planning

While offering a learning program for officers and directors, we also run the Kiraboshi Management School as a means of developing the next generation of management human resources. We have also implemented the Next Leader Program aimed at developing leaders for the generation after the next, thereby engaging in a systematic effort regarding our human resource development.

Strengthening External Assignments for Employee Development

We will increase employees' desire for growth by enabling them to acquire expertise through diverse experiences and come into contact with different organizational cultures and values.



Fostering Corporate Culture

Based on our Purpose of "Giving our all, for TOKYO," our aim is to foster a culture in which all employees will be the embodiment of Kiraboshibito, spur each other on, and respect each other with a climate of mutual encouragement and a spirit of altruism.

Diversity and Inclusion

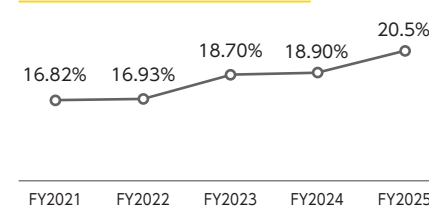
In addition to promoting the active participation of women and senior employees, we are working to secure diversity by recruiting and promoting various talents such as mid-career recruits with different backgrounds, foreign nationals, and persons with disabilities, in order to keep up with changes of the times.

Diverse human resources

Mid-career recruits (actual)*	47 persons
Foreign national human resources	24 persons
Employees aged 65 and over	260 persons
Percentage of employees with disabilities	2.21%

* Actual number hired in FY2025

Ratio of female managers



Initiatives for promoting women's participation and advancement in the workplace

We implement support program for employees returning from childcare leave, and actively dispatch personnel to external training programs as part of our efforts to promote women's participation and advancement in the workplace through career development programs for women and the development of female executives.



Dispatch to external programs aimed at female executive development	Participants attended a cross-industry exchange program designed to develop female executive candidates who can contribute not only to their own company but also to society by learning frontline business skills and the presence required of executives.
Exchange meeting for employees returning from childcare leave	A system is in place for employees who have taken childcare leave to smoothly return to work by introducing to them the support systems for balancing work and family care and holding networking events featuring talks by those who have experienced returning from childcare leave.

Kiraboshi Festival

The Kiraboshi Festival was held for all officers and employees of the Kiraboshi Group with the aim of promoting interaction among employees and deepening bonds with their families. Around 2,900 people participated in the event, which included an awards presentation, a barbecue, baseball clinic for children and their parents, and a bingo tournament, providing an opportunity for participants to come together in unity.



Hospitality Mind (HM)

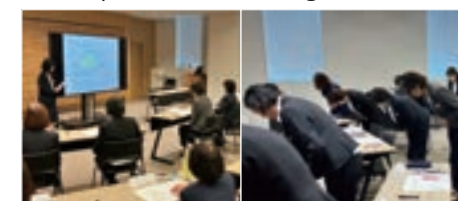
Fostering a hospitality mindset as an essential attribute of Kiraboshibito

As Kiraboshibito, each and every employee will act with politeness, dignity, and respect.

Measures for promoting a hospitality mindset

- External HM branch visit surveys (4 times a year)
- HM improvement trainings (18 group sessions, 332 participants)
- Branch visits by the HM Office (73 branches)
- Web meetings (6 times)
- Establishment and activities of HM Improvement Committee (at each location)

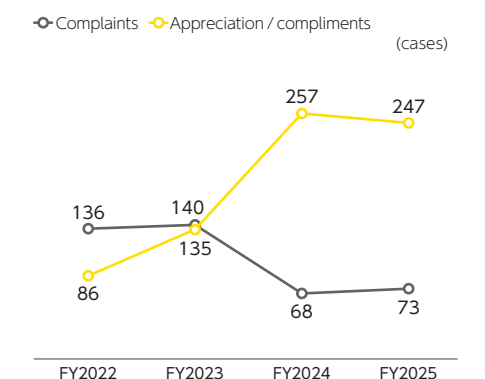
[HM improvement training]



Initiatives for promoting a hospitality mindset through videos



Complaints / appreciation / compliments with respect to customer interaction



Equitable Opportunities and an Inclusive Workplace

We constantly seek to create a positive working environment and support the health and welfare of our employees and their families. Furthermore, we will help employees feel not only physically and mentally healthy, but also feel secure in terms of their future financial security, thereby improving corporate value creation and productivity.

Promoting Health Management, Financial Wellness and Employee Benefits

We are working to encourage employees to take childcare leave, and are promoting the use of flextime and remote work, etc., based on our policy on maintenance of a positive internal environment by "constantly seeking to create a positive working environment to enhance the job satisfaction of each and every employee."

In addition, as measures for increasing financial wellness among employees, we provide incentives for the employee stock ownership plan, and have begun granting restricted stock. Through these measures, we aim to help employees feel secure in terms of their future financial security. To encourage employees to utilize these systems, we have compiled the "Welfare Benefits Handbook," which lists a variety of welfare services, and regularly disseminate information.



Encouraging the Use of Paid Leave

We have set a target of 90% annual leave usage rate for FY2026 and introduced a Well-being Leave scheme to facilitate usage. By creating a comfortable working environment, we aim to achieve the well-being of our employees.

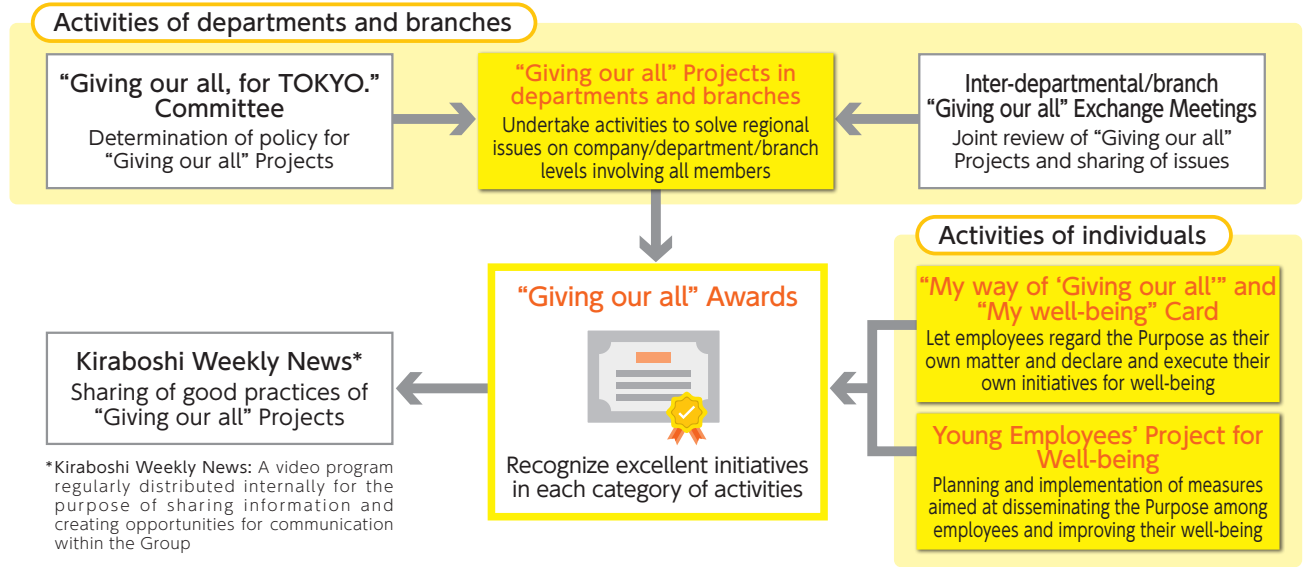
Establishing a Policy on Customer Harassment

In April 2025, we formulated and published a basic policy for dealing with customer harassment. We aim to ensure the safety of employees and build good relationships with customers by identifying and analyzing the status of occurrences of harassments and considering and implementing necessary measures.

Initiatives to Embed Our Purpose

FY2025 “Giving our all, for TOKYO.” Initiatives

The aim of Kiraboshi Group’s initiatives to disseminate its Purpose across the group is to strengthen the organizational culture and enhance the well-being by deepening the understanding of the Purpose among the Group’s officers and employees and making them resonate with the Purpose and regard it as their own matter. In order to realize a sustainable society, each of us will work on his/her own initiative and in accordance with the Purpose to tackle the social issues facing TOKYO.



In-Branch “Giving our all” Initiatives

Objective	To consider the reason of our existence in the region and address regional issues, with officers, departments and branches working as one.
Details of implementation	Each sales department and office, branch company, headquarters, and Group company prepares and implements a proposal regarding regional issues and initiatives to address them (may also take the form of “joint project,” in which a single plan is implemented in collaboration among different branches, departments, and Group companies).
Content of proposals	① Regional issues: Issues in the region where the sales department/office or branch company is located. Headquarters and Group companies are to choose issues in the Tokyo market. ② Policy, etc.: Policy of the department/office or branch company in addressing the regional issues ③ Specific measures: Collaboration with regional stakeholders (government agencies, local governments, local influential persons, educational corporations, business partners, Kiraboshi Group companies, etc.), etc.
Awards	Commendation of departments and branches that have made outstanding efforts to “Giving our all” for customers and local communities (5 proposals (departments / branches) were selected from a total of 298 proposals)

Key Initiatives from Award-Winning Branches

[Fuchu Branch Company and Inagi Branch/Inagi Koyodai Branch] Building a local community of mutual support and cooperation

Regional issue	Connections between local residents are weakening and relationships of mutual aid are fading.
Initiative	Held a “Handmade Tofu Workshop” in cooperation with a business partner of Inagi Branch



Achievements in addressing regional issues	As a way of creating a place where people of all generations can mingle, the team held a “Handmade Tofu Workshop,” which was attended by residents of a wide range of ages, from the young generation with children to the elderly. In collaboration with staff from Inagi Branch, hosts and participants enjoyed tofu making and cooking. All participants tasted the finished pancakes, soy milk miso soup, soy milk, and deep-fried Tofu grilled with cheese, and deepened exchanges over meal. The event contributed to building local community.
Points of commendation	The project not only served for local community building but also as a publicity opportunity for the business partner. In addition, for customers who live in areas where we no longer have a branch due to the branch network reorganization, we were able to build relationships with local residents so that they can casually seek exchange of information and consult us if they have any problem.

“My Giving my All” and “My Well-Being” Cards

Objective	Share in the workplace each employee’s “Giving our all” behavior and what he/she feels as well-being, in order to facilitate their individual-based “Giving our all” initiatives for the local community, and to foster mutual understanding among employees.
Details of implementation	Employees write down their own FY2025 “Give our all” activities for ①,② and ③ below and ④ “My well-being.” ① Local community (area where my workplace or residence is located) ② Customers (business partners or people related to my area of residence) ③ Employees (colleagues who I work with on “My way of ‘Giving our all’,” people who are close to me) ④ My well-being (well-being I feel at the workplace)



Young Employees’ Well-Being Project

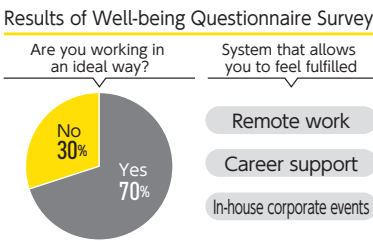
The “Young Employee’s Project for Well-being,” which consists of eight young employees selected from sales offices of Kiraboshi Bank and Group companies, held proposal review meetings and events, with the aim of improving the well-being of employees toward achieving the Purpose.

● Details of initiatives in FY2025

1. Sharing Information through Kiraboshi Weekly News

Episode 1	Introduction of project members, dissemination of information on well-being, and announcement of Well-being Questionnaire Survey
Episode 2	Results of Well-being Questionnaire Survey and announcement of Extended Exchange Gathering
Episode 3	Report on “The Kiraboshi Group Extended Exchange Gathering for the New Year Presented by the Young Employees’ Well-being Team”

1 Well-being Questionnaire Survey
Conducted a questionnaire survey to promote activities based on the real voices of employees.



2 Kiraboshi Group Extended Exchange Gathering
Provided a place to deepen ties with others “regardless of year of joining or position,” which was attended by around 40 people.



2. Proposals from the Perspective of Young Employees, Inspired by a Year of Activities

Young Employees’ Well-being Team

- ① Introduction of Well-being Leave
Develop a paid leave-friendly workplace environment
- ② Improve the convenience of web conferencing
Unify virtual background and utilize functions
- ③ Revision of Personal Appearance Guidelines
Increase flexibility from the viewpoint of recruitment and health and productivity management

Propose

FG Personnel Division Officers

Results of consideration of proposals submitted to the Personnel Division and officers of FG

- ①Spurred by the proposal, in April 2026, we introduced the Well-being Leave, which can be taken 11 times per year.
- ②In cooperation with relevant headquarters departments, we began considering the realization of the plan.
- ③The proposal was considered among headquarters departments in charge. Consideration will continue on the revision of the Guidelines and the timing of its implementation aimed at giving the Guidelines the flexibility to suit different regions and operations.

“Giving our all” Awards

After one year of activities, we looked back on the initiatives of the year and presented awards to departments, branches and employees that had achieved excellence with their initiatives, the details of which were shared across the entire Group.

FY2025 Award ceremony



Communication with Stakeholders

Communication with Customers

The Kiraboshi Group aims to further improve customer satisfaction through the delivery of higher-quality hospitality, customer care, and customer service, and is strengthening its systems to cultivate a hospitality mindset befitting our "comprehensive service business." We have established the "HM (Hospitality Mind) Office" and the "HM (Hospitality Mind) Committee," which are specialized departments, and are working to create shared value with our customers.

Communication with Shareholders and Investors

To ensure the continued development of the Company and increase shareholder value, we are committed to improving the transparency and objectivity of management, strengthening our corporate governance system, and ensuring thorough compliance, while also contributing to the development of local communities.

Information Disclosure Policy

Guided by our Purpose, "Giving our all, for TOKYO," and our Management Philosophy, "To be a financial group for small and medium-sized enterprise customers and individual customers in the Tokyo metropolitan area that will contribute to the development of local communities through comprehensive financial services," the Kiraboshi Group aims to improve its trust and reputation among shareholders by disclosing and providing information in a timely, appropriate, and easy-to-understand manner, including not only financial information but also non-financial information such as management strategies, management issues, risks, and governance. Furthermore, the Group has formulated an Information Disclosure Policy, and strives to ensure the fair and equitable disclosure of information.

Main dialogue channels

FY2024	FY2025
Company briefing sessions 1on1 Twice 21 companies for the full year	Company briefing sessions 1on1 Twice Securities company-hosted conferences Once 40 companies for the full year

Main dialogue themes

- ▶ Preferred shares (redemption schedule, early redemption)
- ▶ Shareholder returns (dividend payout ratio)
- ▶ UI Bank (business results and future business development)
- ▶ Initiatives and medium- to long-term targets, etc. for improving corporate value

Investor Briefings

The Kiraboshi Group conducts IR activities on an ongoing basis, including briefing sessions for analysts and institutional investors, on-demand presentations, and individual meetings, to promote understanding of the Group's business performance, etc.

* Briefing sessions for investors in FY2025 were conducted in a hybrid format, combining face-to-face sessions with video streaming.

Communication with Employees

Utilizing the Talent Management System

The Kiraboshi Group believes that its most important asset is its "Kiraboshibito," and is committed to human capital management aimed at realizing the well-being of its customers and local communities. With the aim of revitalizing internal communication, etc., the Company has introduced a talent management system, utilizing the employee communication platform "STAR BOX" to foster a culture in which employees spur each other on, and respect each other with a climate of mutual encouragement and a spirit of altruism.

Internal Communications through Video

In order to share information and create opportunities for communication within the Group, a 10-minute in-house video called "Kiraboshi Weekly News" is broadcast every Friday (except the second Friday of the month). Videos are also used as a tool to convey information from each Group company and departments in an easy-to-understand and accurate manner.

Management-Employee Dialogue Sessions

In line with the transition to a branch company system, Kiraboshi Bank holds "dialogue sessions" at each branch company to engage in dialogue with the management team, and strives to understand and respond to the realities of the frontline of sales.

Contributing to Local Communities through Education

"Venture Business Project"—An Industry-Academia Collaborative Course with Chuo University (14 Sessions per Year)

Since FY2021, Kiraboshi Bank has dispatched employees of the Kiraboshi Group, who have been involved in corporate management support and startup support, as practical instructors to provide opportunities to learn the business fundamentals necessary for "startups and founding" from the perspective of a financial institution, as well as the basic knowledge required to make a business viable. In the final lecture in January 2026, participants were asked to transform their business concepts into formal business plans, and create a presentation.



Participants, lecturers and judges



Dream Teacher: Ms. Ayumi Kataoka (baseball)



Dream Teacher: Mr. Takeshi Matsuda (swimming)

Japan Football Association "JFA Kokoro Project"

Kiraboshi Bank has been sponsoring the "JFA Kokoro Project" since 2011, supporting the operation of the "Dream Classes," which target mainly fifth-grade elementary school students. At the "Dream Classes," current and former athletes communicate "the importance of having dreams" in their role as "Dream Teachers."

Financial Seminars at Partner Universities, etc.

The Kiraboshi Group, in collaboration with partner universities and business partners, holds financial seminars with programs tailored to different target audiences, with the aim of disseminating accurate financial knowledge regarding asset formation and improving financial literacy that contributes to the prevention of financial crime. Going forward, we will continue and expand our financial education activities in collaboration with local governments and community associations.



Azabu University



Long-distance Group, Track and Field Club, Chuo University



Financial seminar for elementary school students



Workshop

Various events at Kiraboshi Digital Lab SAGAMIHARA

Kiraboshi Bank opened "Kiraboshi Digital Lab SAGAMIHARA," a digital service experience center, in Sagami City in October 2025. The center features an avatar-based customer service experience and an interactive corner where visitors can try the banking app. It also hosts a wide range of events for people of all ages, including financial seminars for elementary school students, smartphone classes for beginners, and seminars for seniors on end-of-life planning and inheritance. It also holds workshops for local parents and children.

Communication with Stakeholders

Contributing to Local Communities through Sports

Kiraboshi Athletes

Kiraboshi Bank has two "Kiraboshi Athletes": Shingo Sawa, a men's pole vaulter, and Dan Iwasa, a short track speed skater. The entire Group is committed to supporting and encouraging both athletes as they strive for even greater success as top athletes, while also strongly supporting their activities as working professionals.



Track and Field: Men's pole vault

Shingo Sawa

Main achievements

- Japan Representative, 11th Asian Indoor Athletics Championships
- 2nd place at the 107th Japan Track and Field National Championships
- 1st place at the 71st All Japan Industrial Track and Field Championships



Speed skating: Short track

Dan Iwasa

Main achievements

- Japan Representative, Olympic Winter Games Milano-Cortina 2026 / 7th place in 5,000m relay
- Participated in international competitions for four consecutive years (ST World Tour, World Championships, etc.) / Multiple medal wins
- 2025 World Tour Japan National Team Selection Competition: 2nd place in 1,000m / 3rd place in 500m
- 11th Japan Trophy Championship: 1st place in 1,500m / 3rd place in 500m

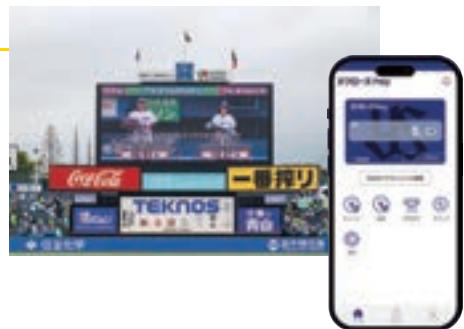


Soccer: J. League Club, "FC Tokyo"

Kiraboshi Bank has been collaborating with TOKYO FOOTBALL CLUB Co., Ltd. (operator of the J. League club "FC Tokyo") since 2010, with the aim of realizing community-based engagement and contributions to local communities, and currently serves as FC Tokyo's premium partner. In May 2026, Kiraboshi Bank held its sponsored match "Kiraboshi Day" at AJINOMOTO STADIUM. A booth was set up at the venue, and events were held, including a raffle and a photo spot.

Professional baseball: "Tokyo Yakult Swallows"

As a business partner of the Tokyo Yakult Swallows, the Company has been sponsoring the team since 2024, with the aim of improving the satisfaction of stakeholders, including fans, and contributing to community revitalization. In April 2026, we held "Kiraboshi DAY" at Jingu Baseball Stadium, where we conducted events such as presenting bouquets to players, holding practice viewings, and conducting a raffle. In addition, Kiraboshi Tech is promoting enhanced satisfaction among fans, and cashless payments within Jingu Baseball Stadium and the surrounding area through its operational support for "Swallows Pay," a digital wallet service within the official Tokyo Yakult Swallows app.





JAPAN RUGBY LEAGUE ONE: "Kubota Spears Funabashi/Tokyo Bay"

Kiraboshi Bank has been sponsoring "Kubota Spears Funabashi/Tokyo Bay," a JAPAN RUGBY LEAGUE ONE team, since 2022, with the aim of strengthening ties with the local community through sports support, community revitalization, and cooperating in the promotion of SDGs. At the "Kiraboshi Bank Special Match" held at Spears Edoriku Field (Edogawa City Track & Field Stadium) in March 2026, we made donations to Edogawa Ward, Funabashi City, and Fuchu City for the promotion of sports. We also held various events including a para-rugby experience session.



Volleyball SV. League: "Tokyo Great Bears"

The Company has had an official partnership agreement with the "Tokyo Great Bears," a team in the SV. League, which is Japan's leading volleyball league, since 2024. On January 10th and 11th, 2026, we held "Kiraboshi Day," the Group's first sponsored match. Going forward, we will continue in our aim to connect people, communities, and the world through volleyball.





Tokyo Legacy Half Marathon

The Company has been sponsoring the Tokyo Legacy Half Marathon, organized by the Tokyo Marathon Foundation, since 2023, with the aim of contributing to the promotion of health and the creation of a vibrant city through the popularization of running sports. In October 2025, we exhibited a booth at the Tokyo Legacy Half Marathon EXPO 2025 held at the Japan National Stadium. Furthermore, employees of the Group participated as entrants in the Tokyo Legacy Half Marathon 2025.

MINATO City Half Marathon

Kiraboshi Bank has been sponsoring the MINATO City Half Marathon (organized by the Minato City Marathon Executive Committee and the Tokyo Athletics Association) since 2021, with the aim of realizing a community-based inclusive society through sports that can be enjoyed by many residents of Minato-ku, from children to the elderly, regardless of nationality or disability. At the November 2025 marathon, we set up a booth offering our regular experience of creating original wooden medals. Some of the bank employees also participated as entrants.



Collaboration with Local Communities

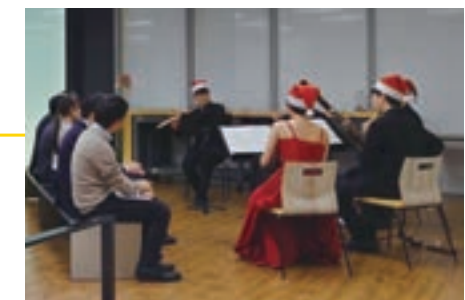


Hana no Odori by the Akasaka Geigi Troupe

Kiraboshi Bank, in collaboration with Minato-ku, has been holding "Hana no Odori (Flower Dance) by the Akasaka Geigi Troupe," with the aim of preserving local traditional culture. In May 2026, we held the 5th annual "Hana no Odori," which was attended by approximately 300 people, including our business partners and residents of Minato-ku, where the Akasaka Geigi Troupe performed traditional dances.

Christmas Concert

Kiraboshi Bank, in collaboration with Musashino Academia Musicae, held its 6th Christmas Concert in December 2025 at the Bank's 1F atrium. The concert was attended by local residents, who enjoyed a woodwind performance by four students from the university.



Message from an Outside Director

An Inside-Out Approach Creating Value by Empowering “Kiraboshibito”

Yuki Takahashi Outside Director

More Dynamic and Substantive Discussions by the Board of Directors

Looking back on the past year at the Kiraboshi Group, I believe that discussions by the Board of Directors have steadily deepened toward achieving the goals of the Medium-Term Business Plan, while governance has evolved from a focus on form to a focus on substance. One particularly significant change has been the increasing attention given to intangible assets—including human capital, organizational culture, and digital strategies—as sources of medium- to long-term corporate value, alongside financial matters. Reflecting on the changes I have witnessed since becoming an Outside Director in 2018, I feel that this past year saw the most dynamic and substantive discussions at the Board of Directors.

In Board meetings, there are increasingly more occasions when Directors and Executive Officers express their views and intentions openly and candidly. Identifying issues in their own words and continuing to put forward potential solutions, without being overly concerned about whether an idea is right or wrong, will further enhance the effectiveness of the Board of Directors.

People Are Not Costs or Numbers; They Represent Potential

My highest priority at the Kiraboshi Group is to transform human capital management into a source of genuine competitive advantage. In a society facing a declining population, I believe that people are a company's greatest asset. In particular, “Kiraboshibito”—the people who embody the Kiraboshi Philosophy—represent the Group's greatest source of value.

People are not simply costs or numbers; they represent potential. If human capital initiatives become merely formal exercises, they may instead place an additional burden on employees. True human capital management, in my view, means creating an organizational culture in which employees think and act autonomously, take on challenges, and experience personal and professional growth.

The foundation for this is well-being, an area that I have long advocated and promoted within the Company. Well-being means being in a state where individuals are able to create their own sense of happiness. When Kiraboshibito believe in their own potential and find fulfillment and a sense of growth in their work, that sense of fulfillment can spread throughout the organization, enabling human capital management to evolve from “form” to “substance.”

The Company conducts various internal surveys, but the surveys themselves are not the objective. What matters is how the results lead to meaningful dialogue, and how that dialogue translates into new challenges and changes in behavior. I believe this process is key to realizing well-being management across the Group.

For Financial Institutions, “Who Makes the Proposal” and “Who Delivers It” Matter

To achieve the next phase of our long-term goals toward FY2033, I believe it is essential to strategically accumulate investments for the future. Rather than simply pursuing numerical targets, we need to envision the future and connect our digital strategies, investments in human capital, and co-creation with local communities in ways that enhance corporate value over the medium to long term.

In particular, I believe that investment in people is the



most reliable investment for future growth. It will strengthen relationships with customers, enhance our ability to address their challenges, and ultimately contribute to greater profitability over the medium to long term.

For financial institutions, there are many situations in which who makes a proposal and who delivers it is more important than the product itself. As a corporate manager, I have come to recognize this very strongly. Developing human resources and cultivating a culture of hospitality do not necessarily produce immediate results. Nevertheless, I hope the Kiraboshi Group will continue to pursue its “inside-out” approach—developing people and organizations from within and transforming itself, rather than simply responding to external changes.

I believe that the shortest path to sustainably enhancing corporate value is to place Kiraboshibito at the heart of management, grow together with the organization, and leverage their strengths to create new value for customers and local communities.

I am also confident that promoting the empowerment of women will be an important management strategy for enhancing corporate value. At the heart of this effort is the extent to which the Company can provide meaningful opportunities for employees to gain experience.

When each individual's aspirations and capabilities are put into practice through experience, they can contribute significantly to enhancing the corporate value of the Kiraboshi Group. It is therefore important to deliberately expand opportunities for employees to take on challenges and assume greater responsibility, while creating an environment in which they can learn from mistakes and have access to role models they can look up to.

Supporting Management's Challenges While Asking Tough Questions

For a company to evolve and grow, discussions by the Board must go beyond simply identifying and pointing out risks. I believe that the role of an Outside Director is not limited to supervision. It also includes asking challenging questions when necessary and supporting management as it takes on new challenges.

From the perspective of addressing social issues, President Hisanobu Watanabe, who leads the current management team, has a clear vision for the Group's direction, shaped by his own experiences and learning. He has the leadership to move forward while listening carefully to the opinions and criticisms of those around him, seizing opportunities as they arise, and maintaining harmony without losing sight of people's feelings. I believe these qualities represent a unique source of potential for the Kiraboshi Group.

As an Outside Director, I will continue to support the Group—sometimes by asking challenging questions and sometimes by offering encouragement—so that customers will recognize Kiraboshibito as the greatest source of value within the Kiraboshi Group.

Monitoring the Development of an Effective Organizational Structure for Sustainable Management

Shuya Nomura Outside Director

Responding to Shareholders' Expectations as an “Ordinary Listed Bank”

I believe that the Kiraboshi Group's Board of Directors has become significantly more active and substantive than in the past. One factor behind this change has been the streamlining of matters previously brought before the Board, allowing more time to be devoted to important themes related to fundamental management policies.

Against a backdrop of growing public attention to corporate governance, including from the Financial Services Agency, I have consciously viewed the Board of Directors as a forum for examining the decision-making process and monitoring the execution of management. In particular, I have sought to deepen discussions on such issues as the redemption of preferred shares, enhancement of corporate value, adapting to a positive interest rate environment, securing stable and long-term deposits, and the effectiveness of the branch company system.

The most important issue for the Group today is how to enhance corporate value. With the redemption of the preferred shares, the Bank can, in a sense, be said to have taken an important step toward becoming an “ordinary listed bank.” This also means that the Bank must face squarely the risks of potential acquisition and the increasingly demanding expectations of shareholders, including activist investors.

To respond to these challenges, I believe it is important to create an environment in which every employee understands how their individual work contributes to enhancing corporate value. Ultimately, I believe that achieving a PBR above 1.0 should be a common goal shared by all employees.

Strengthening Core Banking Functions in a Positive Interest Rate Environment

In an environment of positive interest rates, the importance of business assessment—one of the fundamental roles of a bank—will become even greater. Even when a company's business performance temporarily deteriorates, a bank should provide the necessary funding if the company has the potential to generate future cash flows and recover its business.

Conversely, lending based solely on collateral could once again result in the accumulation of non-performing loans, as experienced in the past. The ability to accurately assess a company's future potential will therefore be fundamental to bank management going forward.

To achieve this, we need to transform our sales activities, operations, and organizational culture. First, it is essential to secure stable and long-term deposits and strengthen our core banking business centered on deposits and lending. At the same time, we need to leverage the capabilities of Group companies and subsidiaries to provide solutions to small and medium-sized enterprises (SMEs) in Tokyo and support areas that individual companies cannot address on their own.

Headquarters must provide practical tools and support to the front line rather than simply asking employees to “gather deposits” or “increase lending.” As soon as possible, we should establish systems that leverage digital and AI technologies to accumulate information on customers' interests, past interactions, and industry-specific challenges, enabling sales representatives to engage in more



confident and informed dialogue with customers. With regard to AI, it is important not only to improve operational efficiency but also to engage in strategic information disclosure so that customers recognize Kiraboshi as a financial institution they can turn to for advice on AI and digital transformation.

The Board of Directors will continue to monitor whether these initiatives—including frontline support, the effective use of AI, and work-style reforms—are being appropriately linked to the Group's management strategy and plan.

Redemption of Preferred Shares: A Positive Step Toward Future Growth

The full redemption of the preferred shares was completed ahead of schedule. Because the preferred shares had placed certain constraints on management flexibility, I believed it was desirable to redeem them as soon as possible.

The successful completion of the early redemption represents an extremely positive development for the Group, as it provides greater flexibility to formulate and execute a full-fledged growth strategy for the future.

I believe that President Hisanobu Watanabe possesses an unusually strong business sense for a banking executive—one that might be more commonly associated with an owner-manager of a retail business. His straightforward commitment to increasing profits and enhancing corporate value is also easy for employees to understand.

The Group must now move to the next stage. In other words, it is important to build an organization in which leadership does not rest solely with the President, but where each employee takes initiative and young employees continuously step forward to assume greater responsibility.

To achieve this, systematic talent development and succession planning are essential. Unlike owner-managed companies, banks need a system for selecting future management based not on personal compatibility, but on objective criteria. This means clearly defining the skills and qualities required to respond to the business environment at each point in time and selecting the most suitable candidates accordingly.

Organizational Design as the Foundation for Sustainable Management

From this perspective, I believe that organizational design is of critical importance. Whether through a statutory Nomination Committee, etc. in a company with a Nominating Committee system, or through a voluntary advisory body in a company with an Audit & Supervisory Committee, it is essential that the relevant nomination function operate effectively and that the selection of the next generation of management be based on objective criteria.

As an Outside Director, I will continue to carefully monitor whether the Group's organizational design is evolving appropriately and whether it is establishing a sustainable management structure capable of supporting its continued growth.

Messages from Outside Directors

Revitalizing Tokyo's Local Economy Is a Top Priority Supervising and Monitoring Management from the Perspective of the Overall Benefit

Haruhiko Kobayashi Outside Director

Comprehensive Partnership with the Tokyo Chamber of Commerce and Industry to Support Growth

I assumed the position of Outside Director in June 2025. In taking up this role, I have taken over from former Outside Director Shoji Nishio and have reviewed the strategies of Tokyo Kiraboshi Financial Group ("Kiraboshi FG"), including the processes through which they have been discussed and the relevant information.

At meetings of the Board of Directors, I have found that active discussions take place, led primarily by President Hisanobu Watanabe, and that the views of Outside Directors, including myself, are treated with respect. From my position at the Tokyo Chamber of Commerce and Industry, an economic organization supporting small and medium-sized enterprises (SMEs), I am able to bring firsthand perspectives on the challenges facing SMEs in Tokyo and believe that this enables me to contribute to the Board's discussions.

Among the Group's recent management achievements, I consider the early redemption of ¥40 billion in preferred shares held by the Tokyo Metropolitan Government to be particularly significant. While external factors, including the rise in policy interest rates, also played a role, I believe the achievement reflects the Group's proactive pursuit of distinctive initiatives, such as LBO financing and digital banking, areas in which many other banks have not taken the same approach, as well as its strong business performance.

The financial industry, with banks at its core, has entered an environment of positive interest rates, and financial markets have remained relatively robust alongside rising policy interest rates. At the same time, SMEs face a range of challenges, including labor shortages and the resulting pressure for higher wages, difficulties in passing increased costs on to customers, and rising costs for raw materials and energy amid the recent deterioration of the situation in the Middle East.

As a regional financial group, Kiraboshi FG has an important role to play in supporting the economy of the Tokyo metropolitan area. By continuing to develop and implement initiatives to support SMEs in Tokyo under the leadership of Kiraboshi FG, I believe the Group can contribute to the revitalization of SMEs, generating a ripple effect across Tokyo and the wider Japanese economy. In turn, this should lead to the sustainable enhancement of Kiraboshi FG's corporate value and give tangible meaning to the Group's Purpose: "Giving our all, for TOKYO."

The Tokyo Chamber of Commerce and Industry entered into a comprehensive partnership agreement with Kiraboshi FG and Kiraboshi Bank in 2019. Over the past seven years, we have strengthened our collaboration in areas including financing, market development, and human resources. I believe this collaboration has contributed to the growth of SMEs and the revitalization of the regional economy.

Going forward, we intend to further strengthen this partnership and create an environment in which both organizations—and the SMEs and communities we support—can grow together.

Providing Side-by-Side Support to SMEs to Address Their Management Challenge

To further enhance corporate value in pursuit of the Group's next long-term goals, increasing profitability is essential. However, focusing solely on profits can make it difficult to gain the understanding and support of stakeholders. For this reason, I intend to continue monitoring management from a broader perspective that considers the overall interests of the Group and its stakeholders.



Looking ahead, I would also like to actively engage in areas where the support and expertise of the Tokyo Chamber of Commerce and Industry can contribute to the Group's growth, including the advancement of its digital strategies.

The Tokyo Chamber of Commerce and Industry conducts an annual survey of SMEs regarding their management challenges. The four major issues currently facing SMEs in Tokyo are responding to wage increases, delays in passing higher costs on to customers, serious labor shortages, and business succession. Improving profitability and strengthening their earning capacity are therefore urgent priorities.

Financing is certainly one of their needs. However, I believe that what SMEs truly need is a willingness to work alongside them to address these management challenges and support them through to their resolution.

I believe that the Group's ability to provide seamless solutions to issues such as business succession, M&A, BPO, and overseas expansion—as a comprehensive service provider with strong financial capabilities—has helped differentiate it from the sales approaches of megabanks and other large financial institutions.

Of course, product-oriented services also have an important role to play. However, I believe customers particularly value the Group's ability to provide a broad range of solutions from a customer-centric perspective, while drawing on the expertise of Group companies and external partners.

DX Support as a Driver of True Regional Revitalization

I also have high expectations for the DX Support initiatives promoted by Kiraboshi FG.

In its recently published "Survey on the Status of Digital Transformation and DX among Small and Medium-sized Enterprises", the Tokyo Chamber of Commerce and Industry found that approximately 80% of companies undertaking digital transformation initiatives reported achieving tangible results. The survey analysis also suggests that companies making greater progress in digital transformation are seeing stronger results in areas such as creating higher added value and addressing labor shortages.

Against this backdrop, I am confident that supporting DX among SMEs will contribute to genuine regional revitalization.

Strengthening Governance in Response to Increasing Cybersecurity Risks

As has recently been widely reported in the media, even large corporations can experience significant disruptions to their operations when targeted by sophisticated cyberattacks, including those utilizing advanced AI.

The financial industry is, in a sense, part of the infrastructure of society. If financial institutions are affected by phishing attacks or other forms of cyberattack, the impact could extend beyond individual companies and potentially affect the wider Japanese economy.

While I understand that the Group has not experienced any significant damage to date, I believe it is essential to remain vigilant and continuously strengthen governance. This includes maintaining active discussions at the Board of Directors on emerging risks associated with frontier AI, cybersecurity, and other rapidly evolving technologies.

Corporate Governance

Directors and Audit & Supervisory Board Members of Tokyo Kiraboshi Financial Group



(Back row from left)

Haruhiko Kobayashi Outside Director	Yuki Takahashi Outside Director	Shuya Nomura Outside Director	Ryusuke Aya Full-time Outside Audit & Supervisory Board Member	Satoru Nobeta Audit & Supervisory Board Member	Hideki Uchida Audit & Supervisory Board Member	Noriko Ichiba Outside Audit & Supervisory Board Member
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(Front row from left)

Akiyuki Kagami Director Managing Executive Officer	Takeshi Yoshino Representative Director Senior Managing Executive Officer	Hisanobu Watanabe President	Hidenori Tsunehisa Deputy President	Tomoo Kimura Director Managing Executive Officer	Akihiro Kawasumi Director Executive Officer
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Basic Policy on Corporate Governance

The Company considers corporate governance to be one of the most important management issues, and utilizes the knowledge of outside officers and external experts to strengthen the Group business management system and supervisory functions while enhancing corporate governance functions to make transparent, fair, prompt, and decisive decisions as it conducts business and strives to sustainably increase corporate value. Furthermore, intending to embody our purpose

and management philosophy, we established the Basic Policy on Corporate Governance.

In order to put in place the "system that ensures properness of business operations" of the Company and Group companies pursuant to the Companies Act and the Ordinance for Enforcement of the Companies Act, the Board of Directors of the Company has resolved the "Basic Internal Control Policy" and endeavors to improve its effectiveness.



Status of establishment of basic policy and internal control system
related to corporate governance

<https://www.tokyo-kiraboshifg.co.jp/about/governance.html> (Written in Japanese)



Corporate Governance

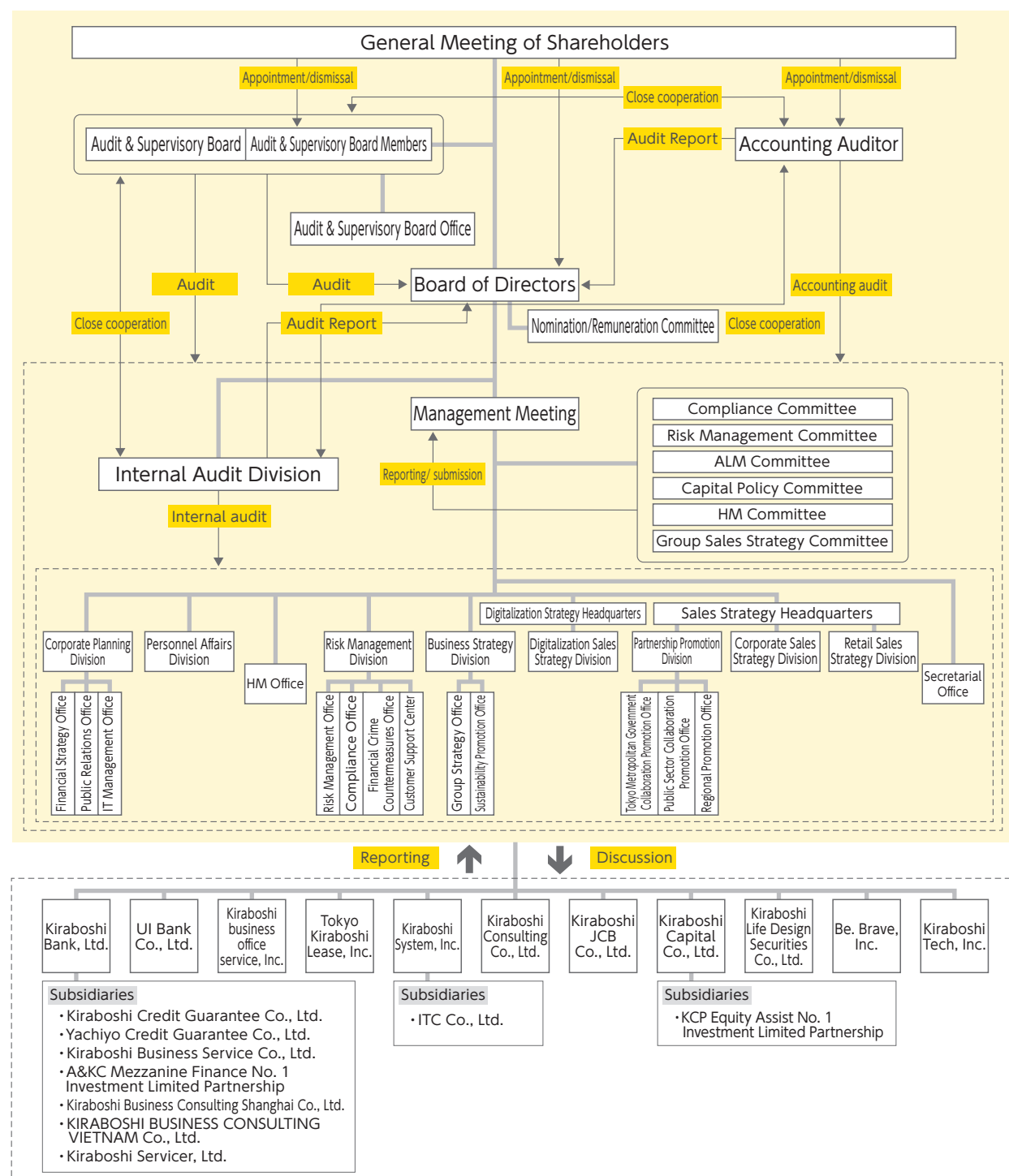
Overview of the Corporate Governance Structure

The Company is a company with Audit & Supervisory Board. The Board of Directors supervises the execution of duties by Directors, and Audit & Supervisory Board Members and the Audit & Supervisory Board audit the execution of duties by Directors. The Company believes that the appropriateness of management supervision and audit functions as well as a system for efficient business execution are ensured by effectively

utilizing the management supervisory function realized by the appointment of highly independent Outside Directors and Outside Audit & Supervisory Board Members and the audit function performed by Audit & Supervisory Board Members and the Audit & Supervisory Board, and by enhancing the effectiveness of corporate governance.

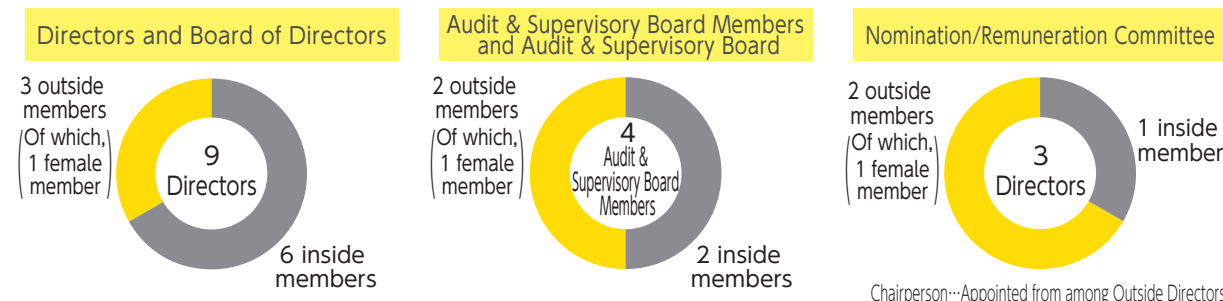
Corporate Governance Structure

(As of July 1, 2026)



Overview of the Corporate Governance System

Organization form	Executive remuneration structure
Company with Audit & Supervisory Board	Fixed remuneration Performance-linked remuneration (short-term performance) Performance-linked remuneration (medium- to long-term performance)



Ensuring independence and diversity

Ratio of outside officers	Ratio of female officers
5/13 — 38.4% 	2/13 — 15.3% 

Business execution and supervisory function

Directors and Board of Directors

The Board of Directors consists of nine Directors (including three independent Outside Directors (including one female member)). The Board of Directors has a system in place that enables the holding of one meeting in principle each month and other extraordinary meetings whenever the need arises in order to decide important matters such as management policies and strategies and to supervise the execution of duties by Directors through such measures as receiving reports on the status of business execution and other important matters.

Support for Outside Directors (Outside Audit & Supervisory Board Members)

A support system has been established for Outside Directors by providing advance explanations and supplementary materials on important proposals for the Board of Directors. Furthermore, Audit & Supervisory Board Member assistants are assigned to assist the duties of Audit & Supervisory Board Members as support for Outside Audit & Supervisory Board Members, and a support system has been established by providing advance explanations and supplementary materials, etc. for important proposals for the Board of Directors as with the case of Outside Directors.

Key Topics Discussed by the Board of Directors (FY2025)

- Tokyo Kiraboshi Financial Group's consolidated profits plan
 - Progress of KGIs and KPIs under the Medium-Term Business Plan
 - Activity report and next fiscal year's activity policy of Group Chief Officers (CxO)
 - The System Development and Operation Status Based on the "Basic Internal Control Policy" (Companies Act)
 - Formulation of the "FY2026 Personnel Allocation" for the Allocation of Management Resources across the Group
 - Results of examination of economic rationality and necessity of cross-shareholdings and status of exercise of voting rights
 - Evaluation of the effectiveness of the Board of Directors
 - Disclosures based on TCFD and TNFD recommendations
 - AML/CFT* Risk Management Framework
 - Group Risk Assessment and KRI*
 - Approval of the internal audit plan
 - Review of the transition to a branch company system

*AML/CFT: Anti-Money Laundering/Countering the Financing of Terrorism

*KRI: Key Risk Indicator

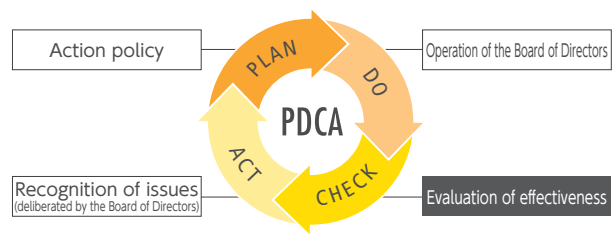
Corporate Governance

Evaluation of the effectiveness of the Board of Directors

The Company conducts self-evaluation on the effectiveness of the Board of Directors, with the aim of improving functions of the Board of Directors and increasing corporate value. We conduct questionnaire surveys as well as individual interviews by third-party organizations of all Directors and Audit & Supervisory Board Members who are members of the Board of Directors in regard to the composition, operation, discussion, monitoring functions, etc. of the Board of Directors, and the Nomination/Remuneration Committee, and the Board of Directors holds discussions and conducts evaluation based on the results of analysis by third party organizations. In addition, officers submit their questionnaire results directly to third-party organizations in order to ensure anonymity. The overall effectiveness of the Board of Directors in FY2025 is generally assessed as effective based on surveys and interviews. At the same time, some opinions highlighted areas for improvement, including “ensuring an appropriate number of agenda items” and “enhancing discussions on medium- to long-term strategies.” The Company will further enhance the effectiveness of the Board of Directors by reviewing the selection process for important agenda items and formulating an annual agenda schedule that reflects management issues.

FY2026 action policy to promote essential discussions

➤ Review of the selection process for important agenda items and formulation of an annual agenda schedule that reflects management issues



Audit and Supervisory Functions

Audit & Supervisory Board Members and Audit & Supervisory Board

The Audit & Supervisory Board strives to strengthen the audit structure by ensuring effective monitoring functions for Directors’ decision-making and business execution. Each Audit & Supervisory Board Member conducts audits on execution of duties by Directors, internal control, and other related matters by engaging in such activities as attending the Board of Directors’ meetings and other important meetings, reviewing important approval and other documents, and conducting audits of each division of the Company and investigations on

Nomination and Remuneration Committee

The Company has voluntarily established the Nomination/Remuneration Committee as an advisory body with the intent of securing objectivity and transparency regarding personnel matters and remuneration of Directors. The Nomination/Remuneration Committee consists of four Directors or less (including at least two Outside Directors) appointed by the resolution of the Board of Directors, and examines personnel matters, appointment and dismissal of Directors of the Company and its Group companies, as well as the amount of remuneration for Directors, and reports the results to each company’s Board of Directors.

Management Meeting

Under the Board of Directors, the Company has established the Management Council that consists of Directors, and holds one meeting in principle each week and other extraordinary meetings whenever the need arises. The Management Council decides important matters other than those to be resolved by the Board of Directors and matters delegated by the Board of Directors, and receives reports on the status of business execution and other important matters.

Committees

The Company has set up the “Compliance Committee,” the “Risk Management Committee,” the “ALM Committee,” the “Capital Policy Committee,” the “HM Committee,” and the “Group Sales Strategy Committee” as the subordinate organizations to the Management Meeting for each area of important management issues, and has established a system that increases expertise and agility. Each Committee meets regularly and at any time whenever the need arises in accordance with their respective rules.

Group Management Structure

The Company has introduced a “Group Chief Officer (CxO) system.” Under the overall supervision by Group CEO, Group Chief Officers are appointed as officers responsible for areas under their control, thereby establishing a Group-wide business management system. In addition, the appropriateness of Group management is ensured through the appointment of officers in charge of each Group company and the internal audit of Group companies conducted by the Company’s Internal Audit Division.

subsidiaries, in accordance with audit policies and plans established by the Audit & Supervisory Board. In addition, an “Audit & Supervisory Board Members” contact desk has been established as a whistleblowing contact point, which is independent of the management team. Audit & Supervisory Board Members and the Audit & Supervisory Board are striving for effective audits by maintaining close cooperation with the internal audit departments and the Accounting Auditor and exchanging opinions on priority audit issues through regular meetings with Representative Directors and other executives.

Policy on the Appointment of Directors and Audit & Supervisory Board Members

Directors

For candidates for Director, it is our basic policy to consider a mix of human resources with diverse expertise and backgrounds in order to make important decisions on the medium- to long-term management direction and business strategies and to conduct highly effective supervision. Candidates for Director are considered by the “Nomination/Remuneration Committee” and determined after being reviewed by the Company’s Board of Directors based on the results of the consideration.

Audit & Supervisory Board Members

Candidates for Audit & Supervisory Board Members are determined after deliberation by the Company’s Board of Directors with the consent of the Company’s Audit & Supervisory Board. Furthermore, Audit & Supervisory Board Members must have excellent personality, knowledge and ability, extensive experience and high ethical standards, in addition to the necessary finance, accounting and legal knowledge.

Reasons for Appointing Outside Directors and Outside Audit & Supervisory Board Members

Name	Reasons for appointment
Yuki Takahashi Outside Director	Ms. Yuki Takahashi serves as a corporate manager of a housekeeping services provider, and due to her wealth of experience, including regarding the promotion of women’s participation and advancement in the workplace, lifestyle reform and creation of new businesses, she also holds key positions at various organizations. The Group has concluded that her knowledge can be reflected to improve the Group’s products and services, and therefore she has been appointed as Outside Director.
Shuya Nomura Outside Director	Mr. Shuya Nomura has specialized knowledge as a professor of a graduate school and also engages in corporate legal affairs as an attorney. As he also held a number of various positions in public service, and possesses extensive insight and abundant experience. The Group has concluded that his knowledge can be utilized for the overall management of the Group, and therefore he has been appointed as Outside Director.
Haruhiko Kobayashi Outside Director	Mr. Haruhiko Kobayashi served as General Manager of General Affairs Division, General Manager of Industrial Policy Division 2, and Managing Director of The Tokyo Chamber of Commerce and Industry. He has extensive experience in conducting interviews and research studies with business operators on various themes related to management of SMEs. The Group has concluded that his knowledge can be utilized in business management support to the Group’s transaction partners and for measures to improve services, and therefore he has been appointed as Outside Director.
Ryusuke Aya Outside Audit & Supervisory Board Member	Mr. Ryusuke Aya has extensive experience and wealth of insight gained through his long-standing involvement in the field of risk management at Mizuho Financial Group. As the Group expects him to reflect his experience and insight in the Group’s auditing structure, he has been appointed as an Outside Audit & Supervisory Board Member.
Noriko Ichiba Outside Audit & Supervisory Board Member	Ms. Noriko Ichiba possesses advanced expertise as a certified public accountant and has served as an outside auditor for multiple companies. As the Group expects her to reflect her wealth of insight into management, gained through her experience as a corporate manager, in the Company’s auditing structure, she has been appointed as an Outside Audit & Supervisory Board Member.

Skill matrix of Directors and Audit & Supervisory Board Members

The Group believes that the knowledge, experience, and abilities that the Board of Directors should have in order to achieve the Group’s Medium-Term Business Plan differ regarding some of the skills required of internal and outside officers, and has established the following eight skill items for internal

and outside officers, respectively. When appointing Directors, the Group bases its considerations on ensuring a combination of human resources with diverse knowledge and backgrounds, in order to make important decisions concerning the Group’s mid- to long-term management direction and business strategies, and to ensure a highly effective supervision.

● Internal Officers

Name	Position at the Company	Skill category							
		Corporate management	Sales/Marketing	Risk management/Compliance	Finance/Accounting	IT/Systems/DX	Sustainability	Human resource strategy	Markets
Hisanobu Watanabe	President	●	●	●	●	●	●	●	
Hidehiko Tsunehisa	Deputy President	●	●		●	●	●	●	●
Takeshi Yoshino	Director Senior Managing Executive Officer	●	●		●				
Tomoo Kimura	Director Managing Executive Officer	●		●	●				●
Akiyuki Kagami	Director Managing Executive Officer	●	●		●		●		
Akihiro Kawasumi	Director Executive Officer	●	●	●	●				
Satoru Nobeta	Audit & Supervisory Board Member	●		●	●	●			●
Hideki Uchida	Audit & Supervisory Board Member	●		●				●	

● Outside Officers

Name	Position at the Company	Skill category							
		Corporate management	Local economy/Government	Legal affairs	Finance/Accounting	IT/Systems/DX	Sustainability	Human resource strategy	Markets
Yuki Takahashi	Outside Director	●				●	●	●	
Shuya Nomura	Outside Director	●	●	●	●		●		
Haruhiko Kobayashi	Outside Director	●	●			●	●	●	
Ryusuke Aya	Full-time Outside Audit & Supervisory Board Member	●		●	●				●
Noriko Ichiba	Outside Audit & Supervisory Board Member	●			●				

(Note) The above matrix does not represent all the knowledge and experience possessed by each individual.

Corporate Governance

Executive Compensation System

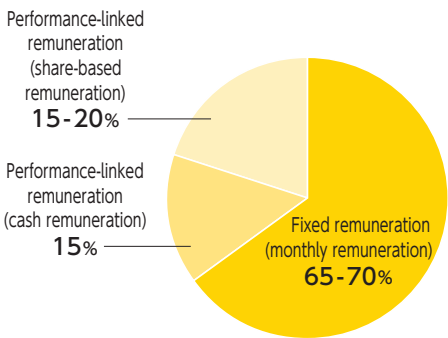
Basic approach
The Company's Board of Directors views the establishment of an environment supporting sound management and appropriate risk taking to be one of its main roles and responsibilities, and endeavors to make swift and bold decisions based on the approach of creating a new type of urban regional bank. Based on this approach, the remuneration of the Company's Directors (excluding Outside Directors) is

structured to be made up as follows with fixed remuneration (monthly remuneration) as base remuneration, in addition to a combination of cash remuneration which is linked with short-term business performance, etc. and share-based remuneration using a board benefit trust linked with medium- to long-term business performance, etc. to function as a healthy incentive aimed at sustainable growth of the Group.

Types of Remuneration

Fixed remuneration (monthly remuneration)	Base remuneration	Provided according to job rank, etc.
Performance-linked remuneration	Cash remuneration	Linked to short-term numerical targets in the Medium-Term Business Plan
	Share-based remuneration	Linked to medium- to long-term numerical targets in the Medium-Term Business Plan

Rough Percentages of Remuneration



Details of Remuneration

● Performance-linked remuneration (cash remuneration)

We calculate the amount of performance-linked remuneration (cash remuneration) to be paid by multiplying the amount predetermined for each job rank by the multiplying factor determined based on the indices linked with business performance and performance evaluation of a department for which the relevant individual is responsible. The calculation results are reviewed by the Nomination/Remuneration Committee, and based on the results of the review, the amount to be paid is determined after deliberation by the Board of Directors. It is our policy to make payments at a fixed point in time each year. The indices linked with business performance have been set as (i) Kiraboshi Bank's net core business income and (ii) the Company's net income for the relevant period subject to evaluation.

● Performance-linked remuneration (share-based remuneration)

We have introduced a share-based remuneration system utilizing board benefit trust as non-monetary remuneration. We calculate the number of points to be granted by using the multiplying factor determined according to the degree of achievement of performance targets, based on the base amount predetermined for each job rank and closing price of the Company's shares on March 31, 2024. Then the Nomination/Remuneration Committee discusses the calculation result. The Board of Directors decides the number of points to be granted upon deliberation based on the result of the discussion, and then a certain number of shares of the Company's stock equivalent to the number of such points will be delivered. The indices linked with business performance have been set as (i) Kiraboshi Bank's overhead ratio (OHR) and (ii) the Company's return on equity (ROE) for the relevant period subject to evaluation. The timing for receiving the delivery of shares of the Company's stock equivalent to the number of points granted shall be from on or after each date on which points are granted (which, as a general rule, occurs every fiscal year), and within a certain period of time (as a general rule, within the same fiscal year as the date on which points are granted), and we impose transfer restrictions on the shares until retirement. Audit & Supervisory Board Members only receive monthly remuneration, and are not subject to the performance-linked remuneration system from the perspective of ensuring the neutrality and independence of Audit & Supervisory Board Members.

Risk Governance Structure

Basic Policy

The Kiraboshi Group strives to establish corporate ethics based on its social mission as a regional financial group, and is working to ensure the soundness and appropriateness of its operations based on a basic policy of fostering the corporate culture that emphasizes compliance and is accredited by shareholders and trusted by customers and society. In order to achieve sustainable growth and development together with customers and local communities, we are promoting appropriate risk-taking and risk control through our Risk Appetite Framework (RAF).

Top Risk Management

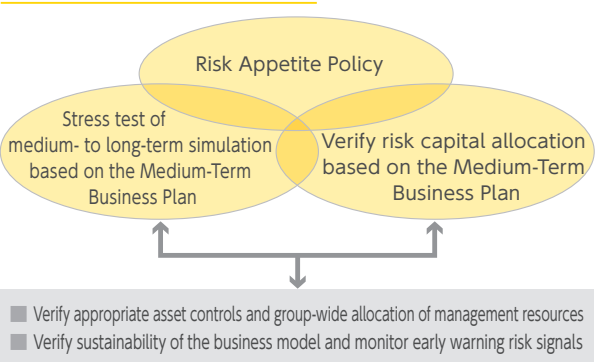
We have identified top risks, aiming to recognize and address risks that could have a significant impact on the management of the Group when various risk scenarios emerge in the execution of our Medium-Term Business Plan. Top risks are evaluated and reviewed at least once a year, and if there is a possibility of a significant impact on the soundness of management, various committees or the Management Council and Board of Directors discuss the situation and take necessary measures.



Risk Appetite Framework (RAF)

We have implemented a Risk Appetite Framework (RAF) that clarifies the scope and level of risk and provides a framework for integrated management of risk and return in order to practice risk management that supports business strategies and financial plans. Introduction of RAF improves the transparency of the management plans, enables a company to seek more profit opportunities and conduct business management while controlling risks. Based on our risk-taking policy, the Kiraboshi Group monitors the implementation of medium- and long-term simulations based on top risk and verification of risk capital allocation through the RAF in order to ensure the execution of the Medium-Term Business Plan, and practices optimal risk-return management and optimal allocation of management resources for the entire Group.

Construction of overall RAF



Crisis Management

The Kiraboshi Group has established a crisis management system for business continuity, such as providing safe and secure financial functions to customers and employees in the event of the occurrence of a natural disaster such as an earthquake or the spread of infectious disease. The Group has formulated contingency plans for the occurrence of disasters and has introduced a system for verifying the safety of employees, and has also

established systems such as implementing periodic disaster drills. In addition, we are maintaining the functions of buildings and facilities, etc. to be able to use facilities and systems, etc. in a continuous and stable manner while also implementing measures such as assessing facility aging, carrying out appropriate maintenance management to prepare for various types of disasters, accidents, and infectious diseases, etc.

Initiatives in Risk Management and Compliance

Risk Management and Compliance Framework

The Kiraboshi Group will continue to strengthen its governance structure and build a risk compliance system based on the following three main policies.

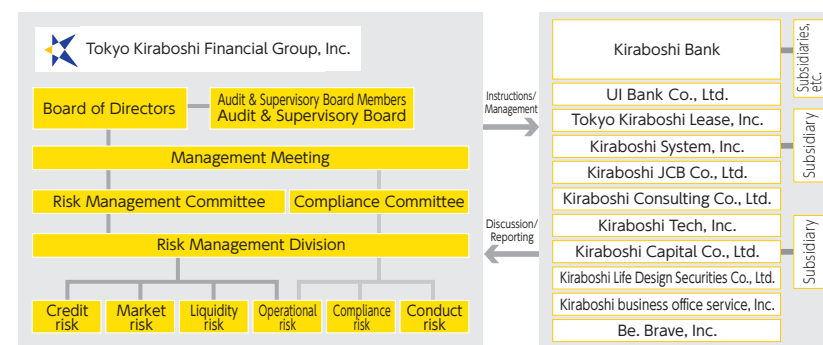
- Strengthen sustainable profitability by transforming the income structure, enhance capital through strategic financial controls, and achieve optimal allocation of management resources

- Establishment of a risk compliance management system to ensure business operations through properly managed risk-taking
- Meticulous attention to all Group businesses, visualization of risks through risk drivers (quantitative and qualitative indicators), and efforts to make management decisions based on the top risks

Group Risk Management Policy

- Considering risk management as the top priority management issue for the Kiraboshi Group, the Group will establish and accurately manage various risk management systems based on a thorough understanding of the characteristics and spread of each type of risk.
- The Group will conduct management to check that subsidiaries are performing appropriate risk management from the viewpoint of ensuring soundness.

Risk management framework



Development of the Group Risk Management Framework

The following risk management methods have been introduced in an effort to enhance our management system on each specified date.

- (Annual) • compliance program, Group Risk Assessment, KRI (Key Risk Indicator) plan, operational risk monitoring plan, RCSA (Risk Control Self-Assessment), periodic comprehensive evaluation of outsourced service providers
- (Semi-annual) • operational risk monitoring report, operational risk quantitative internal loss data report
- (Quarterly) • KRI quarterly report, quarterly residual risk “H” monitoring report

Initiatives in Integrated Risk Management

Integrated risk management within the Kiraboshi Group means to manage the risk in the Group as a whole, by integrating the management of various risks held by the Group companies, comprehensively identifying risks specific to the group system that individual Group companies alone cannot deal with, such as the spread of risk within the Group, and comparing the risk with the financial capability (net assets) of the entire Group. The Kiraboshi Group estimates the maximum potential loss involving credit risk, market risk, and operational risk based on the measured amount of risk.

Then, in order to use limited capital effectively, the Group allocates risk capital by using core capital as allocation source and compares the capital with the actual amount of risk to confirm that the Group has not taken excessive risks in comparison with its financial capabilities, thereby maintaining and ensuring the soundness of management.

Credit Risk Management

Credit risk means the risk of incurring losses due to decreased or lost asset value caused by a deterioration in the financial condition of the parties to which the credit has been granted.

The Kiraboshi Group strives to maintain the soundness of its credit portfolio by avoiding

concentration risk through such measure as keeping the percentage of credit in the total amount of credit below a certain level for large concentration risk that an excessive amount of credit is made available to a specific party or for industry concentration risk that credit is concentrated to a specific industry.

Market Risk Management

Market risk means the risk of incurring losses due to fluctuations in the value of assets and liabilities and in the amount of generated revenue as a result of fluctuations in various market risk factors such as interest rates, stock prices, and exchange rates. It is roughly divided into interest rate risk, price fluctuation risk, and exchange rate risk.

The Kiraboshi Group manages operations to keep loss amounts and market risk amounts within acceptable limits through such measures as setting limits for holdings and losses, monitoring the status of compliance, measuring the amount of risk such as VaR (Value at Risk, probable maximum loss), and comparing it with the allocated risk capital.

Liquidity Risk Management

Liquidity risk is the risk of incurring losses caused by difficulty in securing the necessary funds or being forced to raise funds at a significantly higher interest

rate than usual due to a mismatch between investment and funding periods or an unexpected outflow of funds (cash flow risk), and the risk of incurring losses caused by inability to trade in the market or being forced to trade at a significantly unfavorable price than usual due to market turmoil or other factor (market liquidity risk). The Kiraboshi Group takes every possible measure to manage liquidity risk through such measures as appropriately managing the status of fund investment and procurement, maintaining stable funding, and holding above a certain amount of assets that can be liquidated in a short period of time as current assets.

Operational Risk Management

Operational risk is a wide range of risks pertaining to business operations in general, including the risk of incurring losses caused by business processes,

improper activities by officers and employees or improper systems, or external events.

The Kiraboshi Group categorizes operational risk according to its characteristics into administrative risk, system risk, legal risk, or other risk. The Group has designated a division with overall responsibility for risk management and divisions responsible for each sub-risk, and centrally manages internal loss data through the Integrated Operational Risk Management System.

From the fiscal year ending March 2026, we have been enhancing operational risk management by applying an Internal Loss Multiplier (ILM) calculated based on actual internal loss data to determine the amount of operational risk equivalent used in the capital adequacy ratio.

Compliance Risk

Compliance risk is the risk of incurring severe damage such as the loss of Kiraboshi Group’s social confidence due to failure to comply with laws and regulations or “codes” such as the Group’s management philosophy and policy, and regulations.

The Kiraboshi Group has established a compliance program, and the management team takes the lead in an effort to prevent the occurrence and recurrence of actual risks and potential risks by taking steps such as disseminating and providing education on compliance matters required for appropriate business operation, and monitoring and controlling the status of

establishment and implementation.

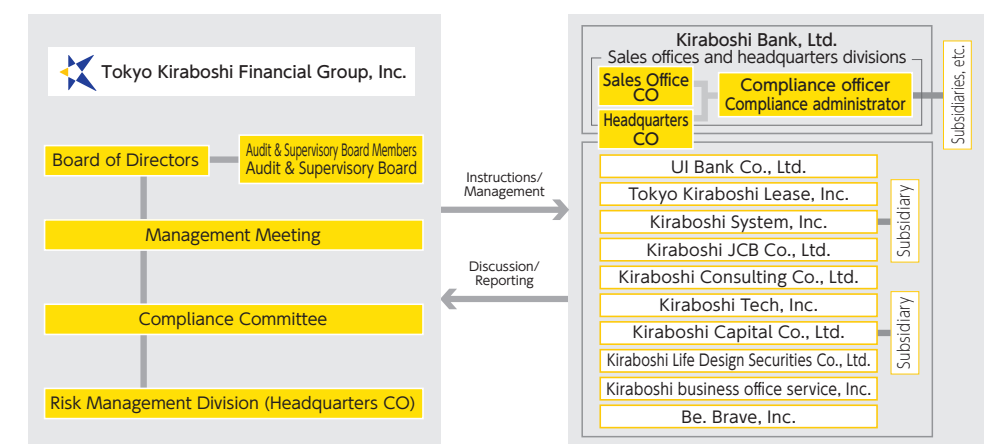
Furthermore, conduct risk is a risk where an officer or employee acts contrary to social norms, acts in violation of trade practices or market practices, or acts in a way that is detrimental from the perspective of users, and customers are inconvenienced, fairness of the market is harmed, or the reputation of the financial institution itself is harmed as a result. The Kiraboshi Group acts in compliance with not only laws, regulations and internal rules, etc., but also in compliance with the Kiraboshi Group’s philosophy and action guidelines.

Development of the Compliance Framework

The Kiraboshi Group establishes a compliance program for each fiscal year, and strives to monitor and strengthen control of the status of disseminating, training, and establishing compliance matters required for appropriate business operation and improvement of quality of clerical work. In addition, the management team takes the lead in an effort to prevent the occurrence and recurrence of various risks. The Kiraboshi Group also has established the Compliance Committee to strengthen and improve compliance functions by sharing information and initiatives related to compliance throughout the Group. In

addition, the Group has assigned the officer in charge of the Risk Management Division as the chief compliance officer, and made the Risk Management Division as the supervising division, thereby putting a system in place. Furthermore, we created a Headquarters Compliance Officer (Headquarters CO) role to enhance the Group’s ability to respond to compliance risk, and the Sales Office Compliance Officer (Sales Office CO) role to strengthen collaboration between sales offices and the headquarters, and are striving to develop a front compliance system.

Compliance framework



Initiatives in Risk Management and Compliance

Cyber Risk Management

Risks of information system outages, malfunctions, and external leaks, etc. are increasing due to cyberattacks which have become increasingly advanced and sophisticated over the years.

The Kiraboshi Group aims to provide highly convenient and secure services to customers by working on cyber security measures to ensure system safety and promoting financial services utilizing digital technology.

The Kiraboshi Group regards cyber risk as one of its top risks in management. To strengthen cybersecurity measures against cyberattacks, the Group has appointed a Group CIO (Chief Information Officer) and a Group CRO (Chief Risk Officer) and has clarified their respective responsibilities and authorities. The Group has also assigned persons in charge of cybersecurity to the Risk Management Division.

To further reinforce its cybersecurity measures, we share information with external organizations, gather intelligence on cyberattack trends and system vulnerabilities, and disseminate relevant information to Group companies while conducting system risk assessments, including vulnerability testing. Through these efforts, led by the Tokyo Kiraboshi Financial Group, we identify cyber risks across the Group, develop plans to address identified issues, and implement appropriate security measures.

In addition, as part of our efforts to improve the information literacy of officers and employees, we make attention-seeking announcements about increasingly sophisticated business e-mail frauds, virus-infected e-mails, etc. on a periodic basis, and conduct e-mail training assuming targeted attacks, etc., as well as tests to confirm basic knowledge related to cybersecurity. Through these and other efforts, we are striving to maintain and enhance awareness and basic response capabilities of cybersecurity within the Group.

Meanwhile, for specialized personnel responsible for cybersecurity response, we will continue to promote education and training aimed at building a framework capable of appropriately responding to the latest technological trends and increasingly sophisticated threats, with the side by side support of external experts.

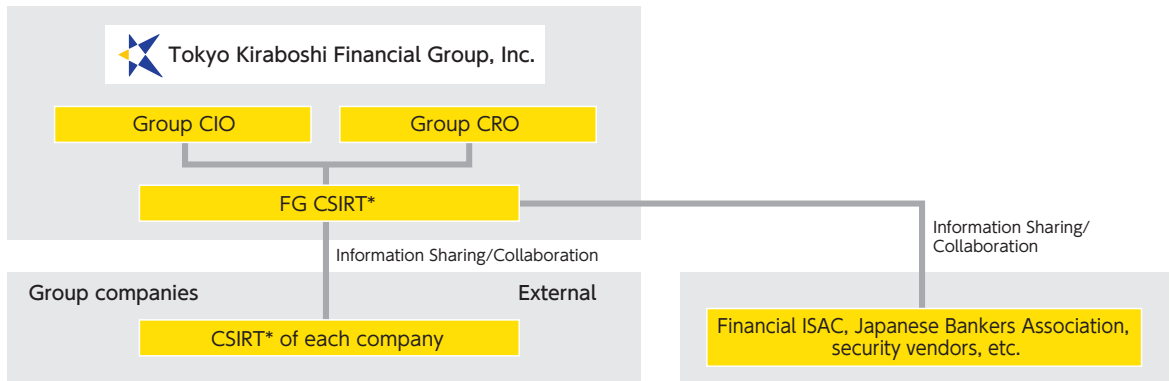
To ensure effectiveness in preparation for cyberattacks, we actively participate in exercises and training programs organized by the Financial Services Agency and the Financial ISAC, etc. and also continuously conduct our own Group-wide exercises and training programs, thereby strengthening the Group's management system.

In the event of a serious incident, a countermeasures headquarters is established with the involvement of senior management, enabling early response to minimize damage and ensure rapid recovery.

Kiraboshi Bank has introduced a phishing website detection service as a countermeasure against phishing frauds which are rapidly increasing in recent years. When a phishing website is detected, we provide attention-seeking information to customers. We also provide customers with a security software program (software equipped with measures against illegal remittance and phishing frauds) so that they can use our Internet banking service safely.

Risk event	Risk scenario	Major risk control
Cyberattack	Loss of social trust due to leakage of customer information, confidential information, etc. attributable to service suspension caused by a cyberattack	● Vulnerability diagnosis on websites, etc. and taking measures to deal with their issues ● Conducting drills, training and education for employees ● Formulation of contingency plans, etc. ● Formulation of measures to prevent recurrence after the occurrence of a failure, etc.

Cyber risk management framework



*CSIRT (Computer Security Incident Response Team): A team that specializes in responding to incidents in computer systems and networks.

Initiatives to Prevent Money Laundering, Terrorist Financing, Proliferation Financing, and Sanctions Violation Risks

As sophisticated financial fraud and threats of international terrorism are increasing, as well as risks related to proliferation financing* and violations of economic sanctions associated with nuclear and missile development becoming more apparent, the risk that financial institutions can get involved in money laundering and terrorism financing, proliferation financing, and sanctions violations has been increasing. The Kiraboshi Group considers the prevention of money laundering, etc., including responses to these risks, as one of the most important management issues. In April 2024, we established the AML/CFT Office within the Risk Management Division and, based on the allocation of management resources, we are strengthening monitoring and reinforcing cooperation with sales offices. Furthermore, as financial crimes become increasingly complex and diverse, we clarified a cross-organizational framework for managing "financial crime countermeasures," which encompass proliferation financing and sanctions violations in addition to conventional AML/CFT, and accordingly renamed the AML/CFT Office as the Financial Crime

*Proliferation financing: The act of providing funds or financial services to persons subject to asset-freezing measures for their involvement in the development, possession, or export of weapons of mass destruction and related activities

Countermeasures Office in April 2026. Furthermore, under the initiative of management, we are strengthening an effective management system that includes responses to proliferation financing and sanctions violations.

The Group not only adheres to confirmation at the time of transactions based on relevant laws and regulations including the "Act on Prevention of Transfer of Criminal Proceeds" and the "Foreign Exchange and Foreign Trade Act," but also appropriately responds to economic sanctions regulations and measures against proliferation financing. We are committed to continuously developing our system.

We continuously enact measures to mitigate risks by creating a risk assessment report to identify and assess risks related to money laundering and terrorism financing, as well as proliferation financing and sanctions violations. In addition, we implement internal training for all employees to enhance awareness of these risks, and work to maintain and enhance awareness and knowledge related to our business in order to maintain customer trust.

Framework for Eliminating Relationships with Antisocial Forces

The Kiraboshi Group takes group-wide initiatives to break any and all relationships with antisocial forces, etc. including transactions with them. Such initiatives include decisive refusal to provide funds to antisocial forces that threaten social order and safety of society and resolutely excluding undue demand and intervention by antisocial forces.

We have established the "Basic Policy on Dealing with

Antisocial Forces" and "Basic Rules on Dealing with Antisocial Forces," and are working to conduct training and education for officers and employees. The Risk Management Division centrally manages information related to antisocial forces and strives to collect and share information. On the other hand, in response to requests from police authorities, we are also working to open bank accounts for former crime group members.

Framework for Customer Protection and Customer Information Management

Based on the recognition that it is the Kiraboshi Group's social responsibility to handle personal information of customers in a proper and strict manner, we handle personal information in strict compliance with laws, regulations, and rules.

The Kiraboshi Group has established the "Customer Relations Center" as a specialized department to receive, collect and manage complaints from customers, and contracted with the "Japanese Bankers Association Consultation Office" to offer a "financial ADR system" (Alternative Dispute Resolution system in the financial sector) which facilitates the resolution of conflict through the involvement of a third party.

In addition, the Group collects and manages "customer feedback" provided through its website and via mail, and shares this information with officers and related departments at headquarters in an effort to improve various operations and quality. With regard to "customer service," the HM Office is taking the lead in working to improve hospitality by analyzing their true

causes, providing guidance to sales offices and providing training.

With respect to outsourcing, in order to reduce risks such as information leaks or system failures arising from outsourced service providers, we verify the compliance management and information management of such providers at the time of concluding outsourcing contracts, and conduct an annual Kiraboshi Group comprehensive evaluation to confirm the appropriateness of outsourcing. In addition, operational errors and system failures occurring at outsourced service providers are registered in the Integrated Operational Risk Management System for centralized management. In recent years, it has become necessary to manage third-party risks that extend beyond safety management measures and cloud management at outsourced service providers to include cyber risks and money-laundering risks, and we are working to establish a management system accordingly.

Whistleblowing (hotline) System

The Kiraboshi Group has established the "Hotline System" to enable officers and employees to report and seek advice about violations of laws and regulations and other improper compliance issues, including harassment. A contact point for whistleblowing has been established internally in the Compliance Office of the Risk Management Division and externally in a law firm.

Through the whistleblowing system, we strive to realize early detection, prevention and correction of compliance incidents while ensuring the confidentiality of whistleblowers in accordance with the Whistleblower Protection Act. The Group's internal regulations stipulate strict policies including prohibition of disadvantageous treatment of whistleblowers.

Consolidated Financial Statements

Tokyo Kiraboshi Financial Group, Inc. and its Consolidated Subsidiaries
March 31, 2026 and 2025

Consolidated Balance Sheets

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Assets			
Cash and due from banks.....	¥ 826,022	¥ 980,840	\$ 5,166,512
Call loans and bills bought.....	8,709	9,829	54,472
Monetary claims bought	67,755	70,165	423,786
Trading securities.....	1,396	1,190	8,731
Money held in trust.....	6,434	5,132	40,242
Securities.....	878,090	834,771	5,492,181
Loans and bills discounted.....	5,277,513	4,980,179	33,009,213
Foreign exchanges.....	5,683	5,658	35,545
Lease receivables and investments in lease.....	35,126	31,098	219,702
Other assets	100,433	71,586	628,177
Property, plant and equipment.....	58,976	58,439	368,876
Buildings.....	21,189	19,176	132,530
Land.....	30,423	31,672	190,286
Leased assets	1,955	1,507	12,227
Construction in progress	6	535	37
Other property, plant and equipment.....	5,401	5,546	33,781
Intangible assets	14,999	16,195	93,814
Software.....	9,753	11,054	61,002
Goodwill.....	3,416	3,916	21,366
Leased assets	373	331	2,332
Other intangible assets.....	1,455	892	9,100
Retirement benefit asset.....	50,529	35,812	316,043
Deferred tax assets	1,833	8,903	11,464
Customers' liabilities for acceptances and guarantees	7,581	7,822	47,416
Allowance for loan losses.....	(23,728)	(23,061)	(148,411)
Total assets	¥ 7,317,357	¥ 7,094,566	\$ 45,767,807
Liabilities			
Deposits.....	¥ 6,185,446	¥ 6,107,621	\$ 38,688,053
Negotiable certificates of deposit.....	403,200	328,200	2,521,891
Call money and bills sold.....	26,879	27,196	168,119
Cash collateral received for securities lent.....	108,051	128,696	675,825
Borrowed money	61,646	47,910	385,576
Foreign exchanges.....	816	560	5,103
Bonds payable	2,940	4,220	18,388
Other liabilities	92,175	67,190	576,526
Provision for bonuses	1,957	1,906	12,240
Provision for bonuses for directors (and other officers).....	234	180	1,463
Provision for share-based payments.....	485	395	3,033
Retirement benefit liability.....	89	138	556
Provision for retirement benefits for directors (and other officers).....	111	49	694
Provision for point card certificates.....	95	114	594
Provision for reimbursement of deposits.....	57	107	356
Provision for contingent loss	855	873	5,347
Reserves under special laws.....	0	0	0
Deferred tax liabilities	1,294	66	8,093
Acceptances and guarantees	7,581	7,822	47,416
Total liabilities	¥ 6,893,917	¥ 6,723,250	\$ 43,119,320
Net Assets			
Share capital.....	¥ 27,500	¥ 27,500	\$ 172,004
Capital surplus	151,099	151,024	945,077
Retained earnings	235,927	199,225	1,475,650
Treasury shares.....	(1,181)	(1,309)	(7,386)
Total shareholders' equity	413,344	376,440	2,585,339
Valuation difference on available-for-sale securities	(17,624)	(18,299)	(110,232)
Deferred gains or losses on hedges.....	9,974	2,498	62,384
Revaluation reserve for land.....	(242)	(242)	(1,513)
Foreign currency translation adjustment.....	57	36	356
Remeasurements of defined benefit plans	17,860	10,845	111,708
Total accumulated other comprehensive income.....	10,025	(5,161)	62,703
Share acquisition rights.....	9	9	56
Non-controlling interests.....	60	28	375
Total net assets	423,440	371,316	2,648,486
Total liabilities and net assets	¥ 7,317,357	¥ 7,094,566	\$ 45,767,807

U.S. dollar amounts are the yen equivalent, calculated for convenience only, at the rate of ¥159.88 = U.S. \$1.

Consolidated Income Statements and Consolidated
Statements of Comprehensive Income

Consolidated Income Statements

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Ordinary income			
Interest income.....	¥ 199,262	¥ 160,872	\$ 1,246,322
Interest on loans and discounts.....	113,347	96,393	708,950
Interest and dividends on securities.....	86,061	71,489	538,284
Interest on call loans and bills bought	21,687	22,272	135,645
Interest on deposits with banks	225	240	1,407
Other interest income	4,579	1,727	28,640
Trust fees.....	793	663	4,959
Fees and commissions	433	362	2,708
Other operating income.....	28,826	24,240	180,297
Other ordinary income.....	6,157	5,258	38,510
Recoveries of written-off receivables.....	50,496	34,617	315,836
Others	1	41	6
Ordinary expenses	138,783	119,219	868,044
Interest expenses.....	50,495	34,575	315,830
Interest on deposits	26,262	10,275	164,260
Interest on negotiable certificates of deposit	21,670	6,744	135,539
Interest on call money and bills sold	1,714	597	10,720
Interest on cash collateral received for securities lent	195	134	1,219
Interest on borrowed money.....	1,969	2,009	12,315
Interest on corporate bonds	594	471	3,715
Other interest expenses	22	31	137
Fees and commissions payments	95	285	594
Other operating expenses.....	5,033	4,146	31,479
General and administrative expenses	12,081	13,164	75,562
Other ordinary expenses.....	69,580	65,540	435,201
Provision of allowance for loan losses.....	25,825	26,092	161,527
Other ordinary expenses.....	4,044	2,790	25,293
Ordinary profit	60,478	41,652	378,271
Extraordinary income	505	4,252	3,158
Gain on disposal of non-current assets	505	4,252	3,158
Extraordinary losses	136	157	850
Loss on disposal of non-current assets.....	136	157	850
Profit before income taxes	60,848	45,747	380,585
Income taxes - current	17,802	12,600	111,346
Income taxes - deferred	678	1,785	4,240
Total income taxes	18,481	14,385	115,592
Profit	42,366	31,362	264,986
Profit or loss attributable to non-controlling interests	8	0	50
Profit attributable to owners of parent	¥ 42,357	¥ 31,361	\$ 264,929

Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Profit	¥ 42,366	¥ 31,362	\$ 264,986
Other comprehensive income	15,186	(19,819)	94,983
Valuation difference on available-for-sale securities.....	640	(19,983)	4,003
Deferred gains or losses on hedges.....	7,475	2,895	46,753
Foreign currency translation adjustment.....	20	(3)	125
Remeasurements of defined benefit plans	7,014	(2,715)	43,870
Share of other comprehensive income of entities accounted for using equity method...	34	(12)	212
Comprehensive income	57,552	11,542	359,969
(Breakdown)			
Comprehensive income attributable to owners of parent.....	¥ 57,543	¥ 11,542	359,913
Comprehensive income attributable to non-controlling interests.....	8	0	50

U.S. dollar amounts are the yen equivalent, calculated for convenience only, at the rate of ¥159.88 = U.S. \$1.

Consolidated Financial Statements

Consolidated Statements of Changes in Net Assets

	Millions of yen													
	2026													
	Shareholders' equity				Accumulated other comprehensive income									
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gain on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of the year ...	27,500	151,024	199,225	(1,309)	376,440	(18,299)	2,498	(242)	36	10,845	(5,161)	9	28	371,316
Changes of items during the reporting period ...														
Dividends of surplus			(5,655)		(5,655)									(5,655)
Profit attributable to owners of parent...			42,357		42,357									42,357
Acquisition of treasury shares...				(94)	(94)									(94)
Disposition of treasury shares...		74		222	297									297
Net changes of items other than shareholders' equity during the reporting period					—	675	7,475	—	20	7,014	15,186	—	32	15,219
Total changes of items during the reporting period...	—	74	36,701	128	36,904	675	7,475	—	20	7,014	15,186	—	32	52,123
Balance at end of period	27,500	151,099	235,927	(1,181)	413,344	(17,624)	9,974	(242)	57	17,860	10,025	9	60	423,440

	Millions of yen													
	2025													
	Shareholders' equity				Accumulated other comprehensive income									
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gain on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of the year ...	27,500	150,974	172,896	(936)	350,434	1,696	(397)	(242)	40	13,561	14,658	9	27	365,129
Changes of items during the reporting period ...														
Dividends of surplus.....			(5,032)		(5,032)									(5,032)
Profit attributable to owners of parent...			31,361		31,361									31,361
Acquisition of treasury shares...				(890)	(890)									(890)
Disposition of treasury shares...		49		517	567									567
Net changes of items other than shareholders' equity during the reporting period					—	(19,995)	2,895	—	(3)	(2,715)	(19,819)	—	0	(19,819)
Total changes of items during the reporting period...	—	49	26,329	(372)	26,005	(19,995)	2,895	—	(3)	(2,715)	(19,819)	—	0	6,186
Balance at end of period	27,500	151,024	199,225	(1,309)	376,440	(18,299)	2,498	(242)	36	10,845	(5,161)	9	28	371,316

	Thousands of U.S. Dollars													
	2026													
	Shareholders' equity				Accumulated other comprehensive income									
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gain on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of the year ...	172,004	944,608	1,246,090	(8,187)	2,354,515	(114,454)	15,624	(1,513)	225	67,832	(32,280)	56	175	2,322,466
Changes of items during the reporting period...														
Dividends of surplus.....			(35,370)		(35,370)									(35,370)
Profit attributable to owners of parent...			264,929		264,929									264,929
Acquisition of treasury shares...				(587)	(587)									(587)
Disposition of treasury shares...		462		1,388	1,857									1,857
Net changes of items other than shareholders' equity during the reporting period					-	4,221	46,753	-	125	43,870	94,983	-	200	95,190
Total changes of items during the reporting period...	-	462	229,553	800	230,823	4,221	46,753	-	125	43,870	94,983	-	200	326,013
Balance at end of period	172,004	945,077	1,475,650	(7,386)	2,585,339	(110,232)	62,384	(1,513)	356	111,708	62,703	56	375	2,648,486

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Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Cash flows from operating activities			
Profit before income taxes	¥ 60,848	¥ 45,747	\$ 380,585
Depreciation.....	7,464	7,370	46,685
Amortization of goodwill	500	500	3,127
Share loss (profit) of entities accounted for using equity method.....	(11)	(11)	(68)
Increase (decrease) in allowance for loan losses	667	(3,802)	4,171
Increase (decrease) in provision for bonuses.....	51	91	318
Increase (decrease) in provision for bonuses for directors (and other officers)	54	4	337
Increase (decrease) in provision for share-based payments.....	89	6	556
Decrease (increase) in retirement benefit asset.....	(14,717)	(1,119)	(92,050)
Increase (decrease) in net defined benefit liability	(49)	56	(306)
Increase (decrease) in provision for retirement benefits for directors (and other officers) ...	62	(69)	387
Increase (decrease) in provision for point card certificates	(19)	19	(118)
Increase (decrease) in provision for reimbursement of deposits	(50)	(66)	(312)
Increase (decrease) in reserve for contingent loss	(18)	(12)	(112)
Interest income.....	(113,347)	(96,393)	(708,950)
Interest expenses.....	26,262	10,275	164,260
Gain (loss) on securities	(18,827)	(3,183)	(117,757)
Net losses (gains) on money held in trust	(99)	76	(619)
Foreign exchange losses (gains).....	(11,567)	(2,123)	(72,348)
Net loss (gain) on disposal of non-current assets	(369)	(4,095)	(2,307)
Net decrease (increase) in trading securities.....	(206)	(128)	(1,288)
Net decrease (increase) in loans and bills discounted.....	(292,444)	(158,884)	(1,829,146)
Net increase (decrease) in deposits.....	71,917	277,326	449,818
Net increase (decrease) in negotiable certificates of deposit.....	75,000	257,200	469,101
Net increase (decrease) in borrowed money (excluding subordinated loans) ...	13,735	(6,026)	85,908
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan) ...	652	(260)	4,078
Net decrease (increase) in call loans	3,530	(2,445)	22,079
Net increase (decrease) in call money.....	(317)	(627,672)	(1,982)
Net increase (decrease) in cash collateral received for securities lent.....	(20,644)	(26,555)	(129,121)
Net decrease (increase) in foreign exchanges (assets).....	(25)	(800)	(156)
Net increase (decrease) in foreign exchanges (liabilities)	256	(452)	1,601
Net decrease (increase) in lease receivables an investments in lease	(4,027)	(2,765)	(25,187)
Increase (decrease) due to issuance and redemption of straight bonds.....	(1,280)	(1,628)	(8,006)
Net increase (decrease) in borrowed money from trust account.....	—	(609)	—
Proceeds from fund management	102,226	89,861	639,392
Payments for finance.....	(22,937)	(8,131)	(143,463)
Other.....	14,689	29,592	91,875
Subtotal	(122,949)	(229,109)	(769,008)
Income taxes paid	(14,897)	(8,648)	(93,176)
Income taxes refund.....	33	380	206
Cash flows from operating activities	(137,813)	(237,377)	(861,977)
Cash flows from investing activities			
Purchase of securities	(399,050)	(298,408)	(2,495,934)
Proceeds from sales of securities	320,999	261,364	2,007,749
Proceeds from redemption of securities	74,729	104,424	467,406
Payments due to increase in money held in trust.....	(1,200)	(700)	(7,505)
Decrease in money held in trust	—	8	—
Purchase of property, plant and equipment.....	(5,087)	(3,473)	(31,817)
Payments for retirement of property, plant and equipment	(141)	(25)	(881)
Proceeds from sales of property, plant and equipment.....	1,841	5,621	11,514
Purchase of intangible assets	(3,122)	(2,957)	(19,527)
Proceeds from sale of Intangible assets.....	—	7	—
National subsidy income, etc.....	—	11	—
Net cash provided by (used in) investing activities	(11,031)	65,873	(68,995)
Cash flows from financing activities			
Cash dividends paid	(5,226)	(4,616)	(32,687)
Purchase of treasury shares	(94)	(56)	(587)
Proceeds from sale of treasury shares	4	4	25
Decrease (increase) in money held in trust for purchase of treasury shares.....	—	(835)	—
Repayments of lease obligations	(4)	(3)	(25)
Net cash provided by (used in) financing activities	(5,319)	(5,507)	(33,268)
Effect of exchange rate changes on cash and cash equivalents	0	(0)	0
Net change in cash and cash equivalents	(154,164)	(177,012)	(964,248)
Allowance for loan losses	977,758	1,154,770	6,115,574
Cash and cash equivalents at end of year	¥ 823,593	¥ 977,758	\$ 5,151,319

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Tokyo Kiraboshi Financial Group Officers (As of July 1, 2026)

FG : Financial Group

Directors



Hisanobu Watanabe,
President

Group CEO

Career Summary
Apr. 1985 Joined the Tokyo Tomin Bank, Limited
Jun. 2014 Executive Officer and General Manager of Loan Administration Division, the Tokyo Tomin Bank, Limited
Jun. 2015 Executive Officer and General Manager of Nihonbashi Branch Office, the Tokyo Tomin Bank, Limited
Jun. 2017 Director and Managing Executive Officer, the Tokyo Tomin Bank, Limited
Jun. 2017 Director, Tokyo TY Financial Group, Inc. (currently Tokyo Kiraboshi Financial Group, Inc.)
May 2018 Deputy President, Tokyo Kiraboshi Financial Group, Inc. (Representative Director), Kiraboshi Bank, Ltd. **current position**
Jun. 2020 President, Tokyo Kiraboshi Financial Group, Inc. **current position**



Hidenori Tsunehisa,
Deputy President

Group CFO

Career Summary
Apr. 1987 Joined The Mitsubishi Bank, Ltd.
Feb. 2001 Manager, PricewaterhouseCoopers Consultants Co., Ltd.
Apr. 2004 Joined the ShinGinko Tokyo, Limited
Jun. 2015 President and CEO, the ShinGinko Tokyo, Limited
Apr. 2016 Director, Tokyo TY Financial Group, Inc. (currently Tokyo Kiraboshi Financial Group, Inc.)
May 2018 Senior Managing Director, Kiraboshi Bank, Ltd.
Jun. 2021 Deputy President, Tokyo Kiraboshi Financial Group, Inc. **current position**
Apr. 2023 Deputy President (Representative Director), Kiraboshi Bank, Ltd.



Takeshi Yoshino,
Director and Senior Managing Executive Officer

Group CSO

Career Summary
Apr. 1992 Joined the Tokyo Tomin Bank, Limited
Apr. 2021 Executive Officer, General Manager of Kanda Chuo Branch, Kiraboshi Bank, Ltd.
Oct. 2022 General Manager of Internal Audit Division, Tokyo Kiraboshi Financial Group, Inc.
Jun. 2023 General Manager of Internal Audit Division, Kiraboshi Bank, Ltd.
Apr. 2023 General Manager of Corporate Planning Division, Tokyo Kiraboshi Financial Group, Inc. Director and Executive Officer, Kiraboshi Bank, Ltd.
Jun. 2023 Director and Executive Officer, Tokyo Kiraboshi Financial Group, Inc.
Apr. 2024 Director and Managing Executive Officer, Kiraboshi Bank, Ltd.
Jun. 2024 Director and Managing Executive Officer, Tokyo Kiraboshi Financial Group, Inc.
Apr. 2025 Director and Senior Managing Executive Officer (Representative Director), Kiraboshi Bank, Ltd. **current position**
Jun. 2026 Director and Senior Managing Executive Officer, Tokyo Kiraboshi Financial Group, Inc. **current position**



Tomoo Kimura,
Director and Managing Executive Officer

Group CIO

Career Summary
Apr. 1989 Joined the Tokyo Tomin Bank, Limited
Jul. 2019 General Manager of Market Finance Division, Kiraboshi Bank, Ltd.
Apr. 2021 Executive Officer and General Manager of Market Finance Division, Kiraboshi Bank, Ltd.
Apr. 2023 General Manager of Internal Audit Division, Tokyo Kiraboshi Financial Group, Inc. Executive Officer and General Manager of Internal Audit Division, Kiraboshi Bank, Ltd.
Apr. 2024 Corporate Secretary, Tokyo Kiraboshi Financial Group, Inc. Executive Officer and Corporate Secretary, Kiraboshi Bank, Ltd.
Jul. 2024 General Manager of Corporate Planning Division, Tokyo Kiraboshi Financial Group, Inc. Executive Officer, General Manager of Corporate Planning Division, Kiraboshi Bank, Ltd.
Apr. 2025 Director and Managing Executive Officer, Kiraboshi Bank, Ltd. **current position**
Jul. 2025 Corporate Secretary, Tokyo Kiraboshi Financial Group, Inc.
Jun. 2026 Director and Managing Executive Officer, Tokyo Kiraboshi Financial Group, Inc. **current position**



Akiyuki Kagami,
Director and Managing Executive Officer

Group CSuO

Career Summary
Apr. 1991 Joined the Industrial Bank of Japan, Limited
Apr. 2018 General Manager of Financial Institutions Banking Department, Mizuho Bank, Ltd.
May 2021 General Manager of Business Management Department, Mizuho Research & Technologies, Ltd.
Apr. 2022 General Manager of Strategy Consulting Department, Mizuho Research & Technologies, Ltd.
Nov. 2023 Joined Kiraboshi Bank, Ltd. General Manager of Partnership Promotion Division
Apr. 2024 Executive Officer, General Manager of Business Strategy Division, Tokyo Kiraboshi Financial Group, Inc.
General Manager of Corporate Planning Division, Kiraboshi Bank, Ltd.
Jun. 2025 Director and Executive Officer, Tokyo Kiraboshi Financial Group, Inc.
Jun. 2026 Director and Managing Executive Officer, Tokyo Kiraboshi Financial Group, Inc. **current position**



Akihiro Kawasumi,
Director and Executive Officer

Career Summary
Apr. 1998 Joined the Tokyo Tomin Bank, Limited
Apr. 2019 General Manager of Toda Branch, Kiraboshi Bank, Ltd.
Apr. 2024 General Manager of Internal Audit Division, Tokyo Kiraboshi Financial Group, Inc. Executive Director, General Manager of Internal Audit Division, Kiraboshi Bank, Ltd.
Apr. 2025 Executive Officer, General Manager of Internal Audit Division, Kiraboshi Bank, Ltd.
Apr. 2026 Director and Executive Officer, Kiraboshi Bank, Ltd. **current position**
Jun. 2026 Director and Executive Officer, Tokyo Kiraboshi Financial Group, Inc. **current position**



Yuki Takahashi,
Outside Director

Career Summary
Dec. 2003 Joined Bears Co., Ltd. Senior Managing Director
Oct. 2016 Vice President and Director, Bears Co., Ltd. **current position**
Jun. 2017 Outside Director, Tokyo TY Financial Group, Inc. (currently Tokyo Kiraboshi Financial Group, Inc.) **current position**
Apr. 2018 Vice Chairman, The Tokyo New Business Conference **current position**
Apr. 2019 Chairman, National Housekeeping Service Association **current position**
Aug. 2022 Director, YEEY Inc. **current position**
Nov. 2025 Vice Chairman, The Tokyo Chamber of Commerce and Industry **current position**
Special Advisor, The Japan Chamber of Commerce and Industry **current position**
Vice Chairman, Tokyo Chamber of Commercial Federation **current position**



Shuya Nomura,
Outside Director

Career Summary
Apr. 1998 Professor, Faculty of Law, Chuo University
Apr. 2004 Professor, Graduate School of Law, Chuo University **current position**
Attorney, Mori Hamada & Matsumoto **current position**
Jun. 2014 Outside Director, Mitsubishi UFJ Trust and Banking Corporation
Jun. 2016 Outside Director, Audit and Supervisory Committee Member, Mitsubishi UFJ Trust and Banking Corporation
Jun. 2021 Outside Director, Tokyo Kiraboshi Financial Group, Inc. **current position**



Haruhiko Kobayashi,
Outside Director

Career Summary
Apr. 1987 Joined The Tokyo Chamber of Commerce and Industry
Apr. 2012 General Manager of General Affairs Division, The Tokyo Chamber of Commerce and Industry
Apr. 2015 Executive Director, General Manager of Industrial Policy Division 2 and General Manager of Tosho Building Reconstruction Preparation Office, The Tokyo Chamber of Commerce and Industry
Apr. 2018 Executive Director, General Manager of Industrial Policy Division 2 and General Manager of Office Environment Division, The Tokyo Chamber of Commerce and Industry
Apr. 2019 Executive Director, Secretary General, The Tokyo Chamber of Commerce and Industry
Apr. 2021 Managing Director, The Tokyo Chamber of Commerce and Industry **current position**
Jun. 2025 Outside Director, Tokyo Kiraboshi Financial Group, Inc. **current position**

Audit & Supervisory Board Members



Ryusuke Aya,
Full-time Outside Audit & Supervisory Board Member

Career Summary
Apr. 1984 Joined the Industrial Bank of Japan, Limited
Apr. 2014 Managing Director, Head of Risk Management Group, Mizuho Bank, Ltd.
Jun. 2014 Member of the Board of Directors, Senior Managing Corporate Executive, Head of Risk Management Group, Mizuho Financial Group, Inc.
Jun. 2017 Member of the Board of Directors (Audit & Supervisory Committee Member), Mizuho Bank, Ltd.
Jun. 2019 Full-time Audit & Supervisory Board Member, Manuha Nichiro Corporation
Jun. 2025 Full-time Outside Audit & Supervisory Board Member, Kiraboshi Bank, Ltd.
Oct. 2025 Full-time Outside Audit & Supervisory Board Member, UI Bank Co., Ltd.
Jun. 2026 Full-time Outside Audit & Supervisory Board Member, Tokyo Kiraboshi Financial Group, Inc. **current position**
Outside Audit & Supervisory Board Member, UI Bank Co., Ltd. **current position**



Satoru Nobeta,
Audit & Supervisory Board Member

Career Summary
Apr. 1984 Joined the Industrial Bank of Japan, Limited
Jun. 2014 Director and Executive Officer, the Tokyo Tomin Bank, Limited
Apr. 2016 Managing Director, the Tokyo Tomin Bank, Limited
Jun. 2016 Director, Tokyo TY Financial Group, Inc. (currently Tokyo Kiraboshi Financial Group, Inc.)
Jun. 2017 Senior Managing Director, the Tokyo Tomin Bank, Limited
Jun. 2018 Full-time Audit & Supervisory Board Member, Tokyo Kiraboshi Financial Group, Inc.
Jun. 2020 Senior Managing Director, Tokyo Kiraboshi Financial Group, Inc.
Jun. 2021 Director and Senior Managing Executive Officer, Kiraboshi Bank, Ltd.
Apr. 2023 Director and Senior Managing Executive Officer (Representative Director), Kiraboshi Bank, Ltd.
Jun. 2023 Director and Senior Managing Executive Officer, Tokyo Kiraboshi Financial Group, Inc.
Jun. 2026 Audit & Supervisory Board Member, Tokyo Kiraboshi Financial Group, Inc. **current position**
Full-time Audit & Supervisory Board Member, Kiraboshi Bank, Ltd. **current position**



Hideki Uchida,
Audit & Supervisory Board Member

Career Summary
Apr. 1987 Joined Yachiyo Shinkin Bank
Jun. 2017 Executive Officer and General Manager of Human Resource Division, The Yachiyo Bank, Limited
May 2018 Executive Officer and General Manager of Human Resource Division, Kiraboshi Bank, Ltd.
Apr. 2020 Executive Officer, General Manager of Shinjuku Head Office Sales Division, General Manager of Higashi Shinjuku Branch, and General Manager of Nishi Ohkubo Branch, Kiraboshi Bank, Ltd.
Jun. 2022 Audit & Supervisory Board Member, Tokyo Kiraboshi Financial Group, Inc. **current position**
Full-time Audit & Supervisory Board Member, Kiraboshi Bank, Ltd. **current position**
Jun. 2026 Full-time Audit & Supervisory Board Member, UI Bank Co., Ltd. **current position**



Noriko Ichiba,
Outside Audit & Supervisory Board Member

Career Summary
Oct. 1992 Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
Aug. 1999 Joined Taiyo Audit Corporation (currently Grant Thornton Taiyo LLC)
Nov. 2002 Established Ichiba Certified Public Accountant Office
Oct. 2008 Established UPRISE Certified Tax Accountant's Co. Senior Partner, UPRISE Certified Tax Accountant's Co. **current position**
Jun. 2021 External Audit & Supervisory Board Member, DAIHO CORPORATION **current position**
Jul. 2022 Supervisory Director, Ichigo Office REIT Investment Corporation **current position**
Mar. 2023 Outside Audit & Supervisory Board Member, Nishinbo Holdings Inc. **current position**
Jun. 2026 Outside Audit & Supervisory Board Member, Tokyo Kiraboshi Financial Group, Inc. **current position**

Executive Officers

Tsutomu Mano,
Executive Officer

Kiyotaka Yagyu,
Executive Officer

Takao Kohashi,
Executive Officer

Group CRO

Taketoshi Doi,
Executive Officer

Yoshikazu Takano,
Executive Officer

Kazuto Omachi,
Executive Officer

Group CEO Chief Executive Officer

Group CFO Chief Financial Officer

Group CSO Chief Strategy Officer

Group CIO Chief Information Officer

Group CRO Chief Risk Officer

Group CSuO Chief Sustainability Officer

Kiraboshi Group Companies (as of July 1, 2026)

1 Tokyo Kiraboshi Financial Group, Inc.

Business name	Tokyo Kiraboshi Financial Group, Inc.
Main business description	1 Corporate management of a bank and companies that can be made subsidiaries pursuant to the Banking Act 2 All other operations incidental and related to the operations in the preceding item
Head office	3-10-43 Minami Aoyama, Minato-ku, Tokyo
Date of establishment	October 1, 2014
Capital	¥27,500 million
Exchange listing	Tokyo Stock Exchange, Prime Market (Securities Code: 7173)

Tokyo Kiraboshi Financial Group's Subsidiaries

2 Kiraboshi Bank, Ltd.

Hisanobu Watanabe Representative Director and President	
Main business description	Banking business
Head office	3-10-43 Minami Aoyama, Minato-ku, Tokyo
Date of establishment	December 6, 1924
Capital	¥43,734 million
Ratio of voting rights	100%

4 Kiraboshi business office service, Inc.

Hideo Miyakawa Representative Director and President	
Main business description	Back office operations, including payroll operations
Head office	3-10-43 Minami Aoyama, Minato-ku, Tokyo
Date of establishment	January 23, 1975
Capital	¥10 million
Ratio of voting rights	100%

6 Kiraboshi System, Inc.

Kazuto Omachi Representative Director and President	
Main business description	Computer-related services
Head office	Tomin Kanda Building 4F, 3-3 Kanda Ogawamachi, Chiyoda-ku, Tokyo
Date of establishment	January 29, 1980
Capital	¥20 million
Ratio of voting rights	100%

8 Kiraboshi JCB Co., Ltd.

Kenji Owada Representative Director and President	
Main business description	Credit card business
Head office	2-61-3 Higashi-Ikebukuro, Toshima-ku, Tokyo
Date of establishment	September 25, 1989
Capital	¥30 million
Ratio of voting rights	100%

10 Kiraboshi Life Design Securities Co., Ltd.

Yasushi Iwasaki Representative Director and President	
Main business description	Securities business
Head office	3-10-43 Minami Aoyama, Minato-ku, Tokyo
Date of establishment	December 27, 2019
Capital	¥3,000 million
Ratio of voting rights	100%

3 UI Bank Co., Ltd.

Nobuyuki Yasuda Representative Director and President	
Main business description	Banking business
Head office	3-10-43 Minami Aoyama, Minato-ku, Tokyo
Date of establishment	October 30, 2020
Capital	¥17,625 million
Ratio of voting rights	100%

5 Tokyo Kiraboshi Lease, Inc.

Naohiro Ichimura Representative Director and President	
Main business description	General leasing business
Head office	Tomin Kanda Building 7F, 3-3 Kanda Ogawamachi, Chiyoda-ku, Tokyo
Date of establishment	June 5, 1975
Capital	¥305 million
Ratio of voting rights	100%

7 Kiraboshi Consulting Co., Ltd.

Noriyoshi Toyota Representative Director and President	
Main business description	Comprehensive consulting services related to corporate management, and the organization of seminars and lectures
Head office	3-10-43 Minami Aoyama, Minato-ku, Tokyo
Date of establishment	July 10, 1984
Capital	¥50 million
Ratio of voting rights	100%

9 Kiraboshi Capital Co., Ltd.

Masato Otani Representative Director and President	
Main business description	Services related to the structuring and administration of investment business partnerships (funds)
Head office	3-10-43 Minami Aoyama, Minato-ku, Tokyo
Date of establishment	September 3, 2018
Capital	¥75 million
Ratio of voting rights	100%

11 Be. Brave, Inc.

Takeyoshi Furuya Representative Director and President	
Main business description	Advertising planning and production business
Head office	I & E Nihonbashi Building 5F, 3-5-14 Nihonbashi, Chuo-ku, Tokyo
Date of establishment	February 6, 1987
Capital	¥260 million
Ratio of voting rights	100%

12 Kiraboshi Tech, Inc.

Yohei Ogawa Representative Director and President	
Main business description	Funds transfer service
Head office	3-10-43 Minami Aoyama, Minato-ku, Tokyo
Date of establishment	November 1, 2017
Capital	¥100 million
Ratio of voting rights	95%

Equity-method Affiliate

14 Sky Ocean Asset Management Co., Ltd.

Main business description	Commissioned investment trust services
Head office	3-1-1 Minatomirai, Nishi-ku, Yokohama, Kanagawa
Date of establishment	November 25, 2014
Capital	¥300 million
Ratio of voting rights	15%

Kiraboshi Bank's Subsidiaries

15 Kiraboshi Credit Guarantee Co., Ltd.

Kuniyuki Hotani Representative Director and President	
Main business description	Credit guarantee operations
Head office	Tomin Kanda Building 6F, 3-3 Kanda Ogawamachi, Chiyoda-ku, Tokyo
Date of establishment	July 21, 1977
Capital	¥760 million
Ratio of voting rights	100%

17 Kiraboshi Business Service Co., Ltd.

Shoji Suzuki Representative Director and President	
Main business description	Mail, remittances, centralized administrative services, procurement and management of advertising materials, etc.
Head office	Takinogawa Building, 3-1-1 Takinogawa, Kita-ku, Tokyo
Date of establishment	August 31, 1989
Capital	¥10 million
Ratio of voting rights	100%

19 KIRABOSHI BUSINESS CONSULTING VIETNAM Co., Ltd.

Yusuke Konno Representative Director and President	
Main business description	Consulting
Head office	The Mett Building, 15 Tran Bach Dang Street, Thu Thiem Ward, Thu Duc City, Ho Chi Minh City, Vietnam
Date of establishment	August 9, 2019
Capital	USD 250,000
Ratio of voting rights	100%

Equity-method Affiliate

21 Kiraboshi Insurance Agency CO., LTD.

Main business description	Insurance agency business
Head office	I & E Shibuya Building 6F, 33-7 Udagawacho, Shibuya-ku, Tokyo
Date of establishment	October 8, 1953
Capital	¥2,530 million
Ratio of voting rights	37.7%

13 ITC Co., Ltd.*

Kazuhiro Isogai Representative Director and President	
Main business description	System development business
Head office	DaiyaGate Ikebukuro 10F, 1-16-15 Minami-Ikebukuro, Toshima-ku, Tokyo
Date of establishment	July 27, 1999
Capital	¥50 million
Ratio of voting rights	100%

*Wholly owned subsidiary of Kiraboshi System, Inc.

16 Yachiyo Credit Guarantee Co., Ltd.

Kuniyuki Hotani Representative Director and President	
Main business description	Credit guarantee operations
Head office	Tomin Kanda Building 6F, 3-3 Kanda Ogawamachi, Chiyoda-ku, Tokyo
Date of establishment	November 30, 1983
Capital	¥342 million
Ratio of voting rights	100%

18 Kiraboshi Business Consulting Shanghai Co., Ltd.

Kentaro Kondo Chairman	
Main business description	Consulting
Head office	24F/C1 Jiushi Fuxing Tower, 918 Huaihai Zhong Road, Huangpu District, Shanghai, People's Republic of China
Date of establishment	August 6, 2009
Capital	USD 250,000
Ratio of voting rights	100%

20 Kiraboshi Servicer, Ltd.

Atsuki Yagi Representative Director and President	
Main business description	Claim management and collection business
Head office	I & E Shibuya Building 4F, 33-7 Udagawacho, Shibuya-ku, Tokyo
Date of establishment	November 24, 2006
Capital	¥500 million
Ratio of voting rights	100%

Equity-method Affiliate

22 StarBridge business consulting (Beijing) Co., Ltd.

Main business description	Consulting
Head office	101-32, 1F, Building 5, Yard 2, Jinsheng Street, Daxing District, Beijing, People's Republic of China
Date of establishment	January 25, 2022
Capital	CNY 1 million
Ratio of voting rights	39%

*Although the A&KC Mezzanine Finance No.1 Investment Limited Partnership and the KCP Equity Assist No.1 Investment Limited Partnership have been included in the Tokyo Kiraboshi Financial Group's scope of consolidation from the fiscal year ending March 2026 due to their increased materiality, they are not listed in this company list.

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This document contains forward-looking statements on the Group's results. These statements are not intended to guarantee future results, as they are subject to risks and contain uncertainties. Please keep in mind that future results may differ due to factors including changes in the business environment.