


Tokyo Kiraboshi Financial Group

Results Briefing for the Fiscal Year Ended March 31, 2023



May 30, 2023

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The Key Points of Today's Briefing Session

Business Results for the Fiscal Year Ended March 31, 2023

- FG's consolidated profit achieved a second consecutive year of increase, up ¥2.9 billion YoY to ¥21.1 billion.
 - Kiraboshi Bank's non-consolidated net income increased significantly YoY, both including and excluding special factors.
- Kiraboshi Bank's profit from customer business (profit from main line business) increased significantly by ¥8.9 billion or 70.8% YoY, to ¥21.6 billion.
 - Loan balance increased substantially reflecting efforts notably in transactions for main bank relationship building and business financing activities such as business succession. There was also an increase in loan-deposit yield difference.
- Securities balance largely of government bonds and foreign securities decreased by ¥149.7 billion YoY when interest rates were on the rise. Interest rate risk volume was reduced.
 - Approximately ¥53 billion of foreign bonds were sold, avoiding negative spreads and bringing risks to an adequately controllable level.
- Dividend per share was increased to ¥115 yen annually, up ¥40 from the previous fiscal year, for the second consecutive year of dividend increase.
 - Paid out annual dividend of approximately 1.9 times higher than in the final fiscal year of the previous Medium-Term Business Plan (¥60)

Status of Progress on the Medium-Term Business Plan

- KGI: Income-related targets on track
 - [ROE] 6.5% (+0.7% pt YoY), [consolidated profit] ¥21.1 billion (+¥2.9 billion YoY), [profit from customer business] ¥21.6 billion (+¥8.9 billion YoY)
 - Issues are earnings contribution from Group companies and consolidated capital ratio
- KPI: Generally in line with the 2024/3 plan, with productivity targets and corporate customer strategy targets in particular making strong progress

The Kiraboshi Group's Actions for the Future

- Deepen efforts to create new values through digital-based fusion of "face-to-face and non-face-to-face" and "financial and non-financial."
 - Development of diverse operations such as expansion of UI Bank's and Kiraboshi Tech's functions, organic cooperation between the two, and BaaS-type services for foreigners
 - Collaboration with the Shinhan Group in retail, digital, and financial ICT businesses
 - Provision of Kiraboshi Group's digital financial functions based on business alliance with Mitsubishi Corporation
 - Progress of Tokyo-based platform concept
- Launch of the new brand project
 - Launch of "Let's commit, to TOKYO" project to instill the Group's mission both internally and externally.

Status of Progress on the Medium-Term Business Plan

Financial Targets (KGIs)

<Achievement level: ◎...Surpassed; ○...Achieved or nearly achieved; △...More work needed>
MTBP = Medium-Term Business Plan

(Monetary unit: ¥100 million)	2022/3 <Results>	2023/3 <MTBP>	2023/3 <Results>	vs plan	Achievement level
① ROE <consolidated>	5.7%	5.0%	6.5%	+1.5% ^{pt}	○
② Core OHR <Kiraboshi Bank non-consolidated>	65.3%	59.8%	55.5%	+4.3% ^{pt}	○
[Ref] Expenses (Including non-personnel expenses)	514	485	504	¥(1.9) billion	—
	237	203	238	¥(3.5) billion	—
③ Net income <consolidated>	181	160	211	+¥5.1 billion	○
④ Profit from customer business <Kiraboshi Bank non-consolidated>	126	205	216	+¥1.1 billion	○
⑤ Contribution of subsidiaries to consolidated income <consolidated>	1.2	4	(15)	¥(1.9) billion	△
⑥ Capital ratio <consolidated>	8.4%	8.3%	8.1%	(0.2)% ^{pt}	△

Excluding
special
factors

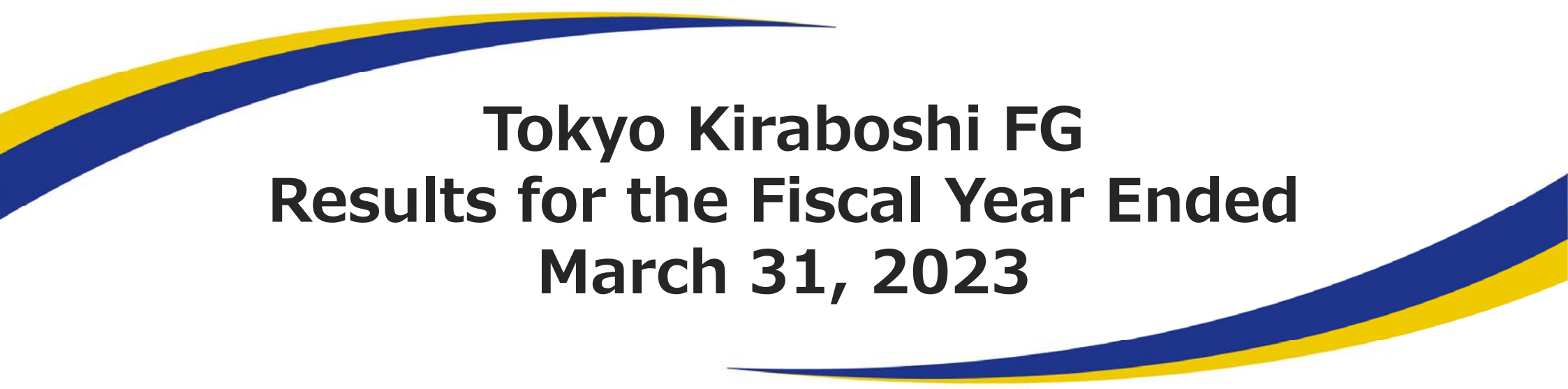
Excluding special factors		2024/3 <MTBP>
	2023/3 <Results>	
①	5.4%	5.9%
②	62.7%	57.3%
	504	467
	238	205
③	175	200
④	216	234
⑤	(15)	23
⑥	8.0%	8.3%

Medium-Term Business Plan KPIs

<Achievement level: ◎...Surpassed; ○... Achieved or nearly achieved; △...More work needed>

		2021/3 <Results>	2022/3 <Results>	2023/3 <Results>	<Rate of progress>	Progress Assessment	2024/3 <MTBP>
① Branch strategy	Offices for corporate and retail customers, and offices specializing in corporate customers	91 offices	50 offices	49 offices	-	○	54 offices
	Retail-focused branches	20 offices	56 offices	55 offices	-	○	34 offices
② Productivity	Gross core business profit per head	¥25 million	¥29 million	¥35 million	111%	◎	¥32 million
③ Life plan support business	Number of transactions with business owners	-	+1,780	+2,838	283%	◎	1,000
	Balance of transactions with business owners	-	+¥17.9 billion	+¥41.7 billion	83%	○	¥50.0 billion
	Kiraboshi Package (*)	-	27,107	44,997	75%	○	60,000
④ DX	Internet banking users	76,000 users	151,000 users	246,000 users	61%	△	400,000 users
⑤ Corporate customer strategy	Number of loans to customers with main bank relationship having annual sales of ¥300 million or more	-	+799	+2,130	355%	◎	600
	Amount of loans to customers with main bank relationship having annual sales of ¥300 million or more	-	+¥300.0 billion	+¥734.3 billion	122%	◎	¥600.0 billion
	Number of business succession support customers	-	388	692	69%	○	1,000
	Number of medical transaction support customers	-	210	412	103%	◎	400

(*) Kiraboshi Package: Products and services mainly to address property management and property succession needs in the older adult segment



Tokyo Kiraboshi FG Results for the Fiscal Year Ended March 31, 2023

Summary of Business Results for the Fiscal Year Ended March 31, 2023

Kiraboshi Bank results (non-consolidated)

(¥100 million)

* For signs used in year-on-year comparison, "+" indicates increase in income, "-" indicates decrease in income

		2023/3 full-year results			
		① 2022/3 (Actual)	② 2023/3 (Initial plan)	③ 2023/3 (Actual)	YoY (③-①) Plan achievement rate (③/②)
1	Gross core business profit	786	849	907	+120 106.9%
2	Net interest income	656	715	744	+87 —
3	Interest on loans and discounts	498	553	572	+74 —
4	Interest on securities	151	187	192	+40 —
5	Other interest income	6	(25)	(21)	(27) —
6	Non-interest income	129	133	163	+33 —
7	Expenses	(514)	(485)	(504)	+9 —
8	Net core business income	272	364	403	+130 110.7%
9	Credit-related costs	(63)	(60)	(20)	+43 —
10	Gains (losses) on bonds	(1)	10	(50)	(48) —
11	Gains (losses) on stocks and other securities	44	10	48	+3 —
12	Other non-recurring profit (loss)	8	(8)	(15)	(23) —
13	Ordinary profit	260	315	365	+105 116.0%
14	Extraordinary profit (loss)	(1)	(1)	15	+17 —
15	Income taxes	(73)	(76)	(107)	(33) —
16	Net income	184	237	274	+89 115.7%

Kiraboshi Bank

Gross core business profit

¥90.7 billion
(+15.3% YoY)

Net core business income

¥40.3 billion
(+47.8% YoY)

Ordinary profit

¥36.5 billion
(+40.5% YoY)

Net income

¥27.4 billion
(+48.3% YoY)

Tokyo Kiraboshi FG results (consolidated)

(¥100 million)

		2023/3 full-year results			
		① 2022/3 (Actual)	② 2023/3 (Initial plan)	③ 2023/3 (Actual)	YoY (③-①) Plan achievement rate (③/②)
1	Ordinary profit	249	278	307	+58 110.6%
2	Profit attributable to owners of parent	181	195	211	+29 108.4%

Tokyo Kiraboshi FG

Profit attributable to owners of parent

¥21.1 billion
(+16.3% YoY)

Summary of Business Results for the Fiscal Year Ended March 31, 2023 (excluding special factors)

Kiraboshi Bank's net income was **+¥8.4** billion YoY due largely to increase in interest on loans and discounts and decrease in credit-related costs

Tokyo Kiraboshi FG's profit increased significantly over the previous fiscal year, **+¥5.9** billion YoY

Kiraboshi Bank results (non-consolidated)

(¥100 million)

		①			②		
		2022/3 (Actual)	Of which, special factors	Results excluding special factors	2023/3 (Initial plan)	Of which, special factors	Plan excluding special factors
1	Gross core business profit	786	30	756	849	64	784
2	Net interest income	656	30	626	715	64	—
3	Interest on loans and discounts	498	—	498	553	—	—
4	Interest on securities	151 ^{*1}	30	121	187 ^{*4}	64	—
5	Other interest income	6	—	6	(25)	—	—
6	Non-interest income	129	—	129	133	—	—
7	Expenses	(514)	—	(514)	(485)	—	—
8	Net core business income	272	30	242	364	64	299
9	Credit-related costs	(63)	—	(63)	(60)	—	—
10	Gains (losses) on bonds	(1)	—	(1)	10	—	—
11	Gains (losses) on stocks and other securities	44 ^{*2}	42	1	10	—	—
12	Other non-recurring profit (loss)	8	—	8	(8)	—	—
13	Ordinary profit	260	72	187	315	64	250
14	Extraordinary profit (loss)	(1)	—	(1)	(1)	—	—
15	Income taxes	(73) ^{*2}	(13)	(60)	(76)	—	—
16	Net income	184	59	125	237	64	172

* For signs used in year-on-year comparison, "+" indicates increase in income, "-" indicates decrease in income

2023/3 full-year results

		③				
		2023/3 (Actual)	Of which, special factors	Results excluding special factors	YoY (③ - ①)	Achievement Rate (③ / ②)
		907	103	803	+47	102.5%
		744	64	679	+52	
		572	—	572	+74	
		192 ^{*4}	64	127	+5	
		(21)	—	(21)	(27)	
		163 ^{*5}	39	124	(5)	
		(504)	—	(504)	+9	
		403	103	299	+56	100.1%
		(20)	—	(20)	+43	
		(50) ^{*6}	(39)	(11)	(9)	
		48	—	48	+46	
		(15)	—	(15)	(23)	
		365	64	300	+113	120.3%
		15	—	15	+17	
		(107)	—	(107)	(46)	
		274	64	209	+84	121.8%

*1: Received retained earnings of ¥3.0 billion as special dividends from subsidiaries (two credit guarantee companies).

*2: ¥4.2 billion as gain on transfer of Kiraboshi Tech shares from Kiraboshi Bank to Tokyo Kiraboshi FG. Associated income taxes of ¥1.3 billion (special factor).

*3, *4: In FY2022/3, Tokyo Kiraboshi FG posted ¥6.5 billion of equity method investment profit (profit from sale of real estate by a subsidiary of an equity method affiliate), which Kiraboshi Bank received in FY2023/3 and posted as ¥6.4 billion in dividend.

*5: ¥3.9 billion posted as gains from derivatives transactions associated with unwinding of asset swaps, etc.

*6: *5 is posted to this item as net amount.

*7: ¥3.5 billion in profit from sale of real estate by a subsidiary of an equity method affiliate posted as equity method investment profit.

Tokyo Kiraboshi FG results (consolidated)

(¥100 million)

		①			②		
		2022/3 (Actual)	Of which, special factors	Results excluding special factors	2023/3 (Initial plan)	Of which, special factors	Plan excluding special factors
1	Ordinary profit	249	65	184	278	35	243
2	Profit attributable to owners of parent	181	65	116	195	35	160

*3

*7

*7

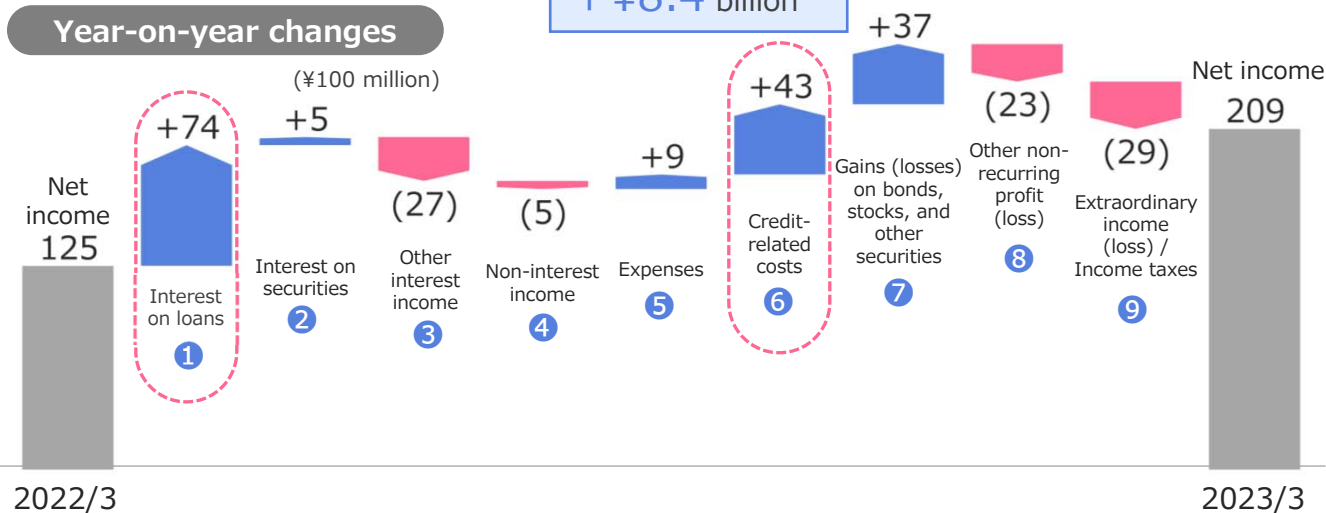
2023/3 full-year results

		③				
		2023/3 (Actual)	Of which, special factors	Results excluding special factors	YoY (③ - ①)	Achievement rate (③ / ②)
		307	35	272	+87	111.9%
		211	35	175	+59	109.9%

Factors Affecting Net Income (Kiraboshi Bank), Excluding Special Factors

	Main Items	YoY	Key Points
①	Interest on loans	+7.4 billion	+¥7.4 billion YoY due to increase in loan balance that largely reflected initiatives such as promotion of transactions for main bank relationship building and business financing activities, as well as rise in loan yield.
②	Interest and dividends on securities	+¥0.5 billion	+¥0.5 billion YoY due notably to higher yields on securities
③	Other interest income	¥(2.7) billion	¥(2.7) billion YoY partly due to an increase in foreign currency funding costs and interest payment to UI Bank on borrowed money.
④	Non-interest income	¥(0.5) billion	¥(0.5) billion YoY due in part to a decrease in domestic remittance fees resulting from reduction in fund transfer charges and other causes.
⑤	Expenses	+¥0.9 billion	+¥0.9 billion YoY partly reflecting ¥3.7 billion of proactive investments such as in DX initiatives, while personnel expenses decreased as a result notably of headcount decrease due to cutback on hiring aimed at improving management efficiency.
⑥	Credit-related costs	+¥4.3 billion	Credit-related costs improved by ¥4.3 billion YoY, attributable to such factors as reduced provision rate due to lower default rate, reversal of additional provision made in consideration of the impact of Russia-Ukraine situation (+¥0.6 billion) and other ongoing efforts to enhance the credit management system.
⑦	Gains (losses) on bonds, stocks, and other securities	+¥3.7 billion	+¥3.7 billion YoY due largely to increase in gain on sale of stocks held for investment purposes.
⑧	Other non-recurring profit (loss)	¥(2.3) billion	
⑨	Extraordinary income (loss) / Income taxes	¥(2.9) billion	+¥1.7 billion YoY in extraordinary income attributable largely to +¥1.5 billion in gain on return of assets from retirement benefit trust, while income taxes were ¥(4.6) billion YoY.

+¥8.4 billion



Diff. b/w consolidated and non-consolidated

	(¥100 million)
Kiraboshi Bank (non-consolidated) net income	209
Group's consolidated net income [of which, effects of start-up deficit of newly-established companies, etc.: ¥(3.4) billion]	(16)
Elimination of internal transactions between consolidated Group companies	(18)
Variance in gain on sale due to variance in book value of securities, etc. (¥(1.5) billion)	
Tokyo Kiraboshi FG (consolidated) net income	175

(Note) For signs before the numbers, "+" indicates increase in income, "()" indicates decrease in income

Profit from Customer Business (Kiraboshi Bank)

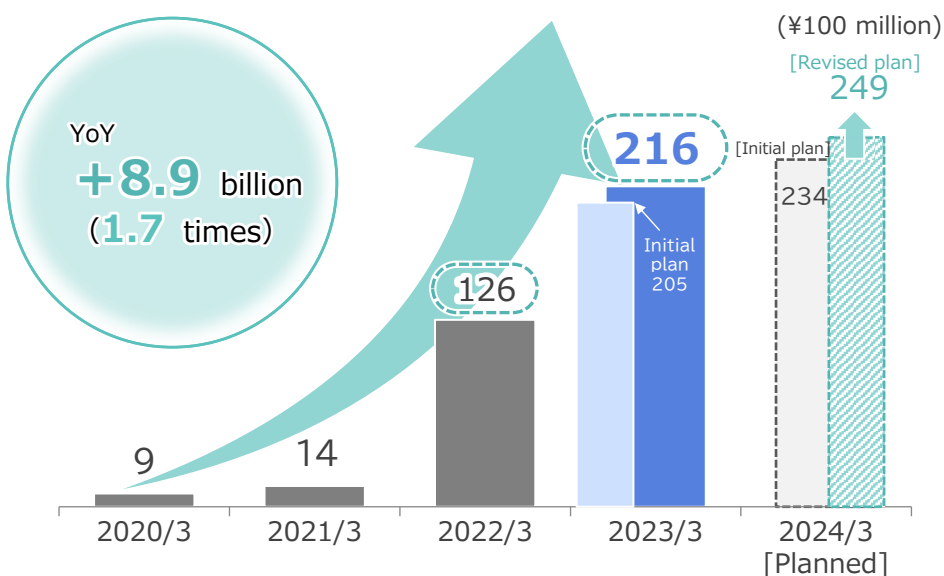
Profit from customer business

- Profit from customer business (profit from main line business) was **+¥8.9 billion YoY (+70.8%)**

➤ **Loan balance (closing balance)** was **+¥365.6 billion YoY**

➤ **Income from fees and commissions** was **+¥1.2 billion YoY**

→ Domestic remittance fees decreased resulting partly from reduction in fund transfer charges, while **commission income from corporate customers increased by ¥1.8 billion YoY** due notably to fee income from transactions for main bank relationship building and business financing activities



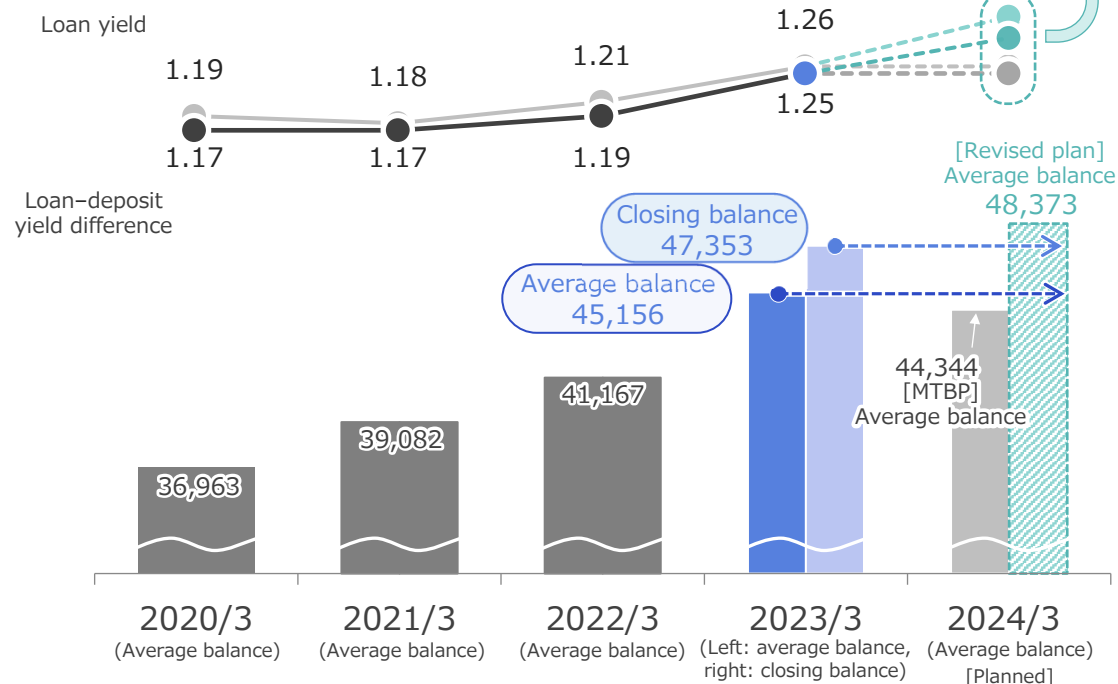
Breakdown of factors

		(¥100 million, %)		
		2022/3	2023/3	YoY
①	Loan balance (closing balance)	43,697	47,353	+3,656
②	Loan-deposit yield difference	1.19	1.25	+0.05
③	Income from fees and commissions	115	127	+12
④	General and administrative expenses (expenses + temporary treatment of retirement benefit expenses, etc.)	511	503	+7
⑤	Profit from customer business (①×②+③-④)	126	216	+89

Loan balance / yield

(¥100 million, %)

	MTBP	Revised Plan
Loan yield	1.26%	1.33%
Yield difference	1.25%	1.30%

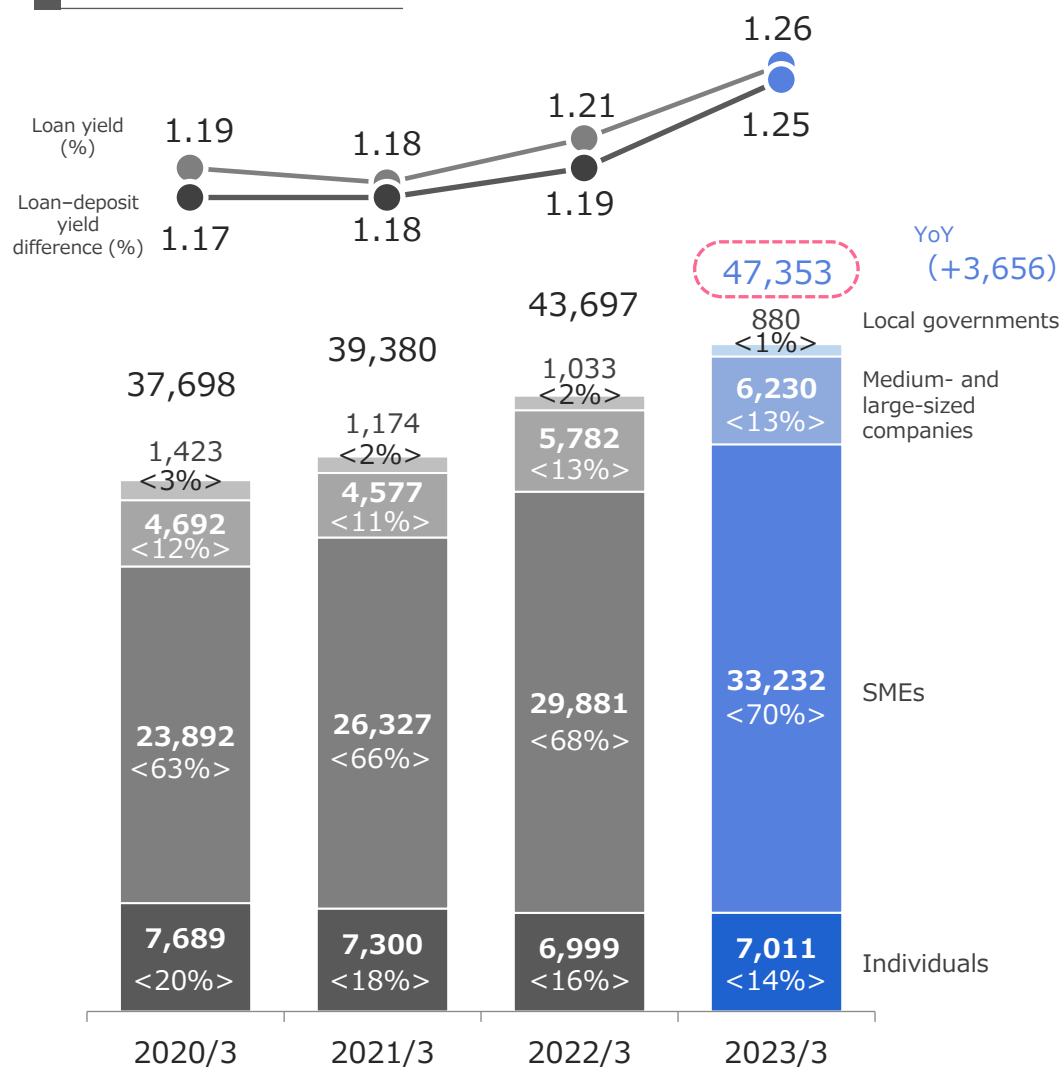


* Calculation method: (loan balance x loan and deposit rate margin) + income from fees and commissions - general and administrative expenses

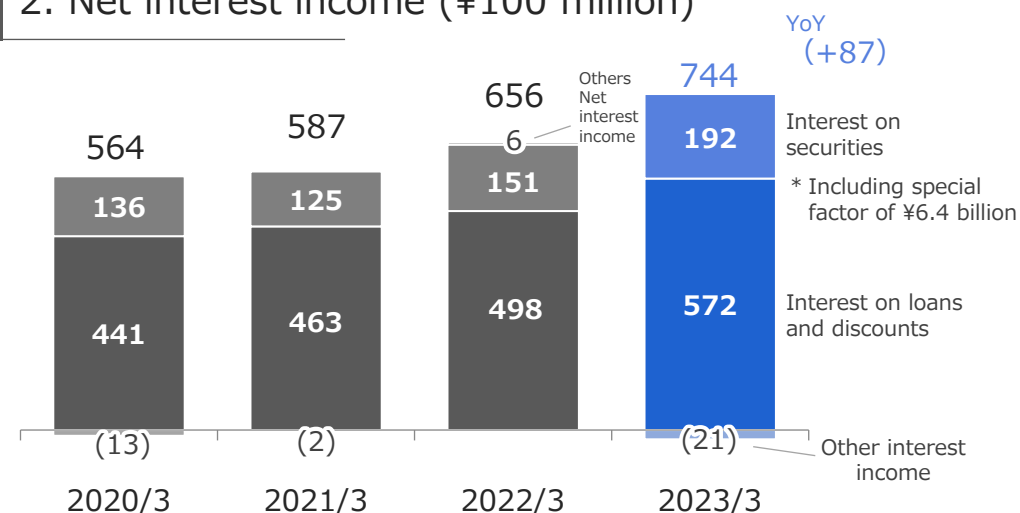
Loans and Trust Assets

Loan balance increased as a result largely of efforts in promotion of transactions for main bank relationship building and business financing activities, while loan yield rose
Balance of trust assets showed solid growth, led by real estate management trust against the backdrop of the real estate market in the Tokyo area

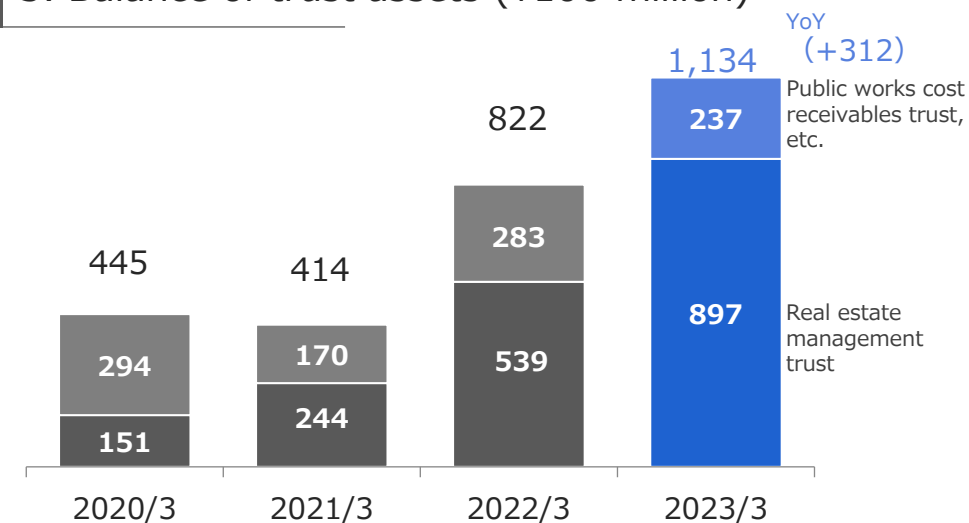
1. Loan balance by type of customer (¥100 million)



2. Net interest income (¥100 million)



3. Balance of trust assets (¥100 million)



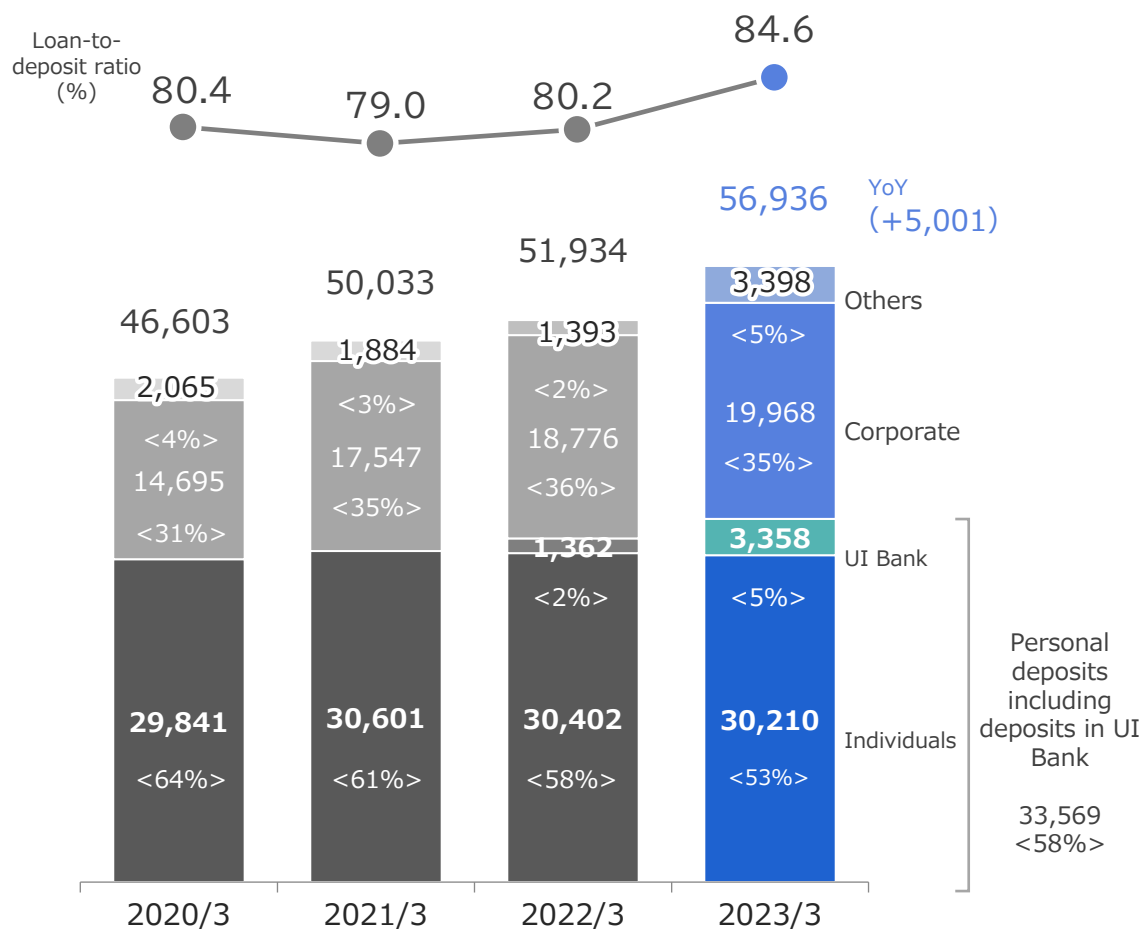
* Excluding UI Bank

* Figures in < > indicate composition ratio

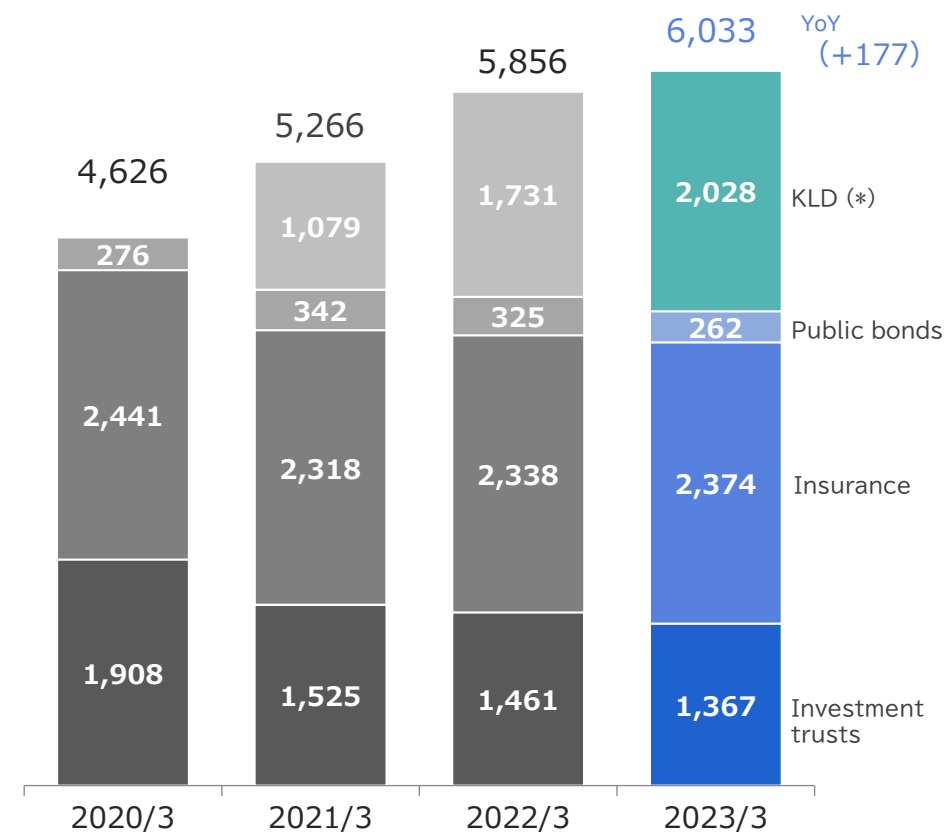
Balance of Deposits and Assets under Management (Kiraboshi Bank + UI Bank + KLD Securities)

Robust accumulation of deposit balance at UI Bank (¥335.8 billion as of Mar. 31, 2023); + ¥500.1 billion YoY for the Group as a whole
Balance of assets under management on the rise, led by Kiraboshi Life Design Securities

1. Deposit balance by type of customer (Kiraboshi Bank + UI Bank) (¥100 million)



2. Balance of assets under management by item (Kiraboshi Bank + KLD) (¥100 million)



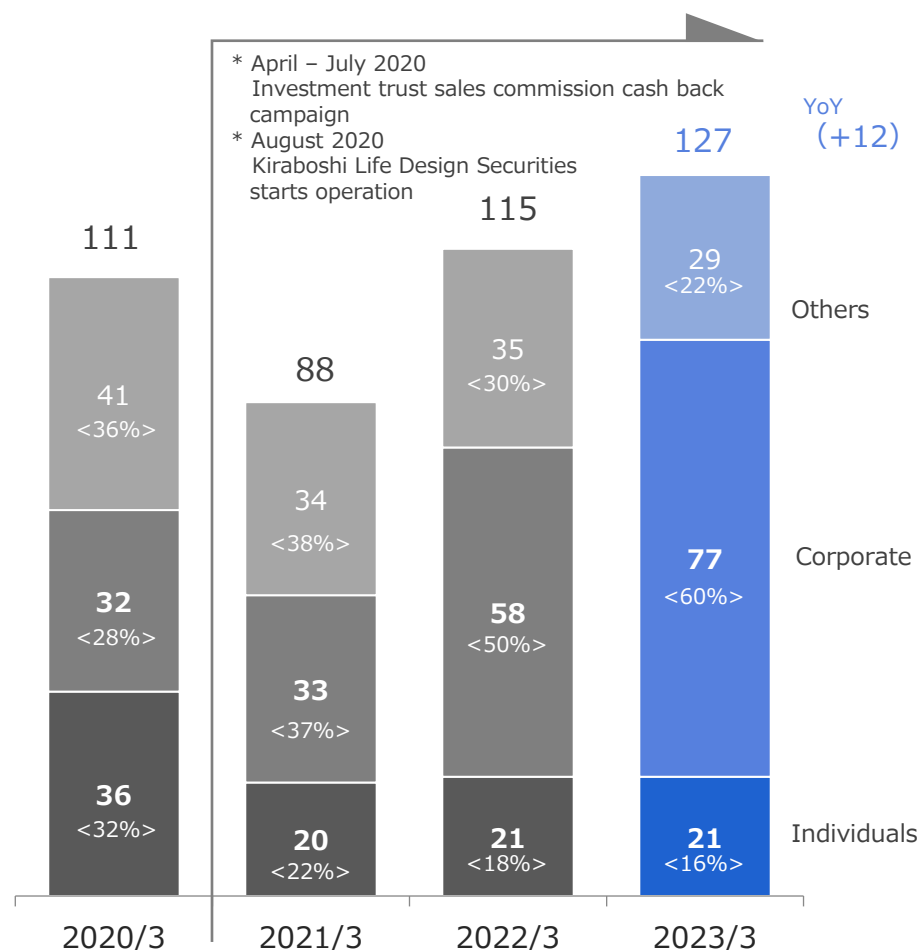
* Loan-to-deposit ratio is calculated from the sum of Kiraboshi Bank and UI Bank (based on average amount outstanding)
Excluding loans from UI Bank to Kiraboshi Bank
* Deposit balance includes balance of negotiable certificates of deposit
* UI Bank started operation in January 2022
* Figures in < > indicate composition ratio

* KLD: Kiraboshi Life Design Securities Co., Ltd.
* Kiraboshi Life Design Securities started operation in August 2020

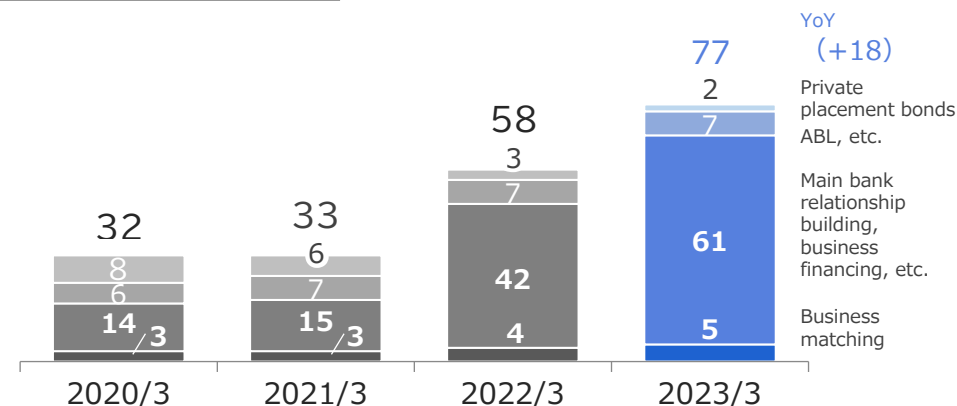
Income from Fees and Commissions

Growing trend notably in commission income from corporate customers reflecting promotion of transactions for main bank relationship building, business financing activities and other initiatives
Commission income from retail customers remaining generally flat due to shift to sales approach focusing on outstanding balance and not dependent on sales commissions

1. Income from fees and commissions (Kiraboshi Bank) (¥100 million)

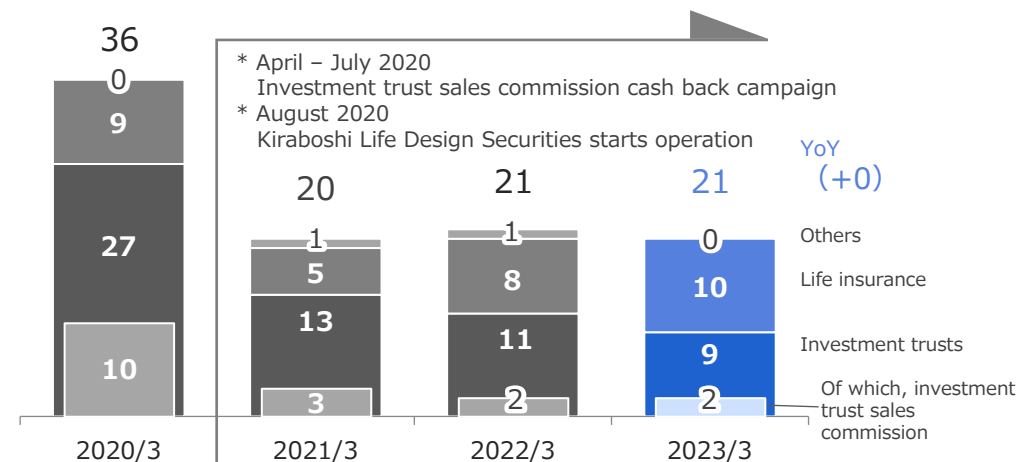


2. Commission income from corporate customers (Kiraboshi Bank) (¥100 million)



* Breakdown is based on management accounting figures

3. Commission from retail customers (excluding Kiraboshi Life Design Securities) (¥100 million)



* Breakdown is based on management accounting figures

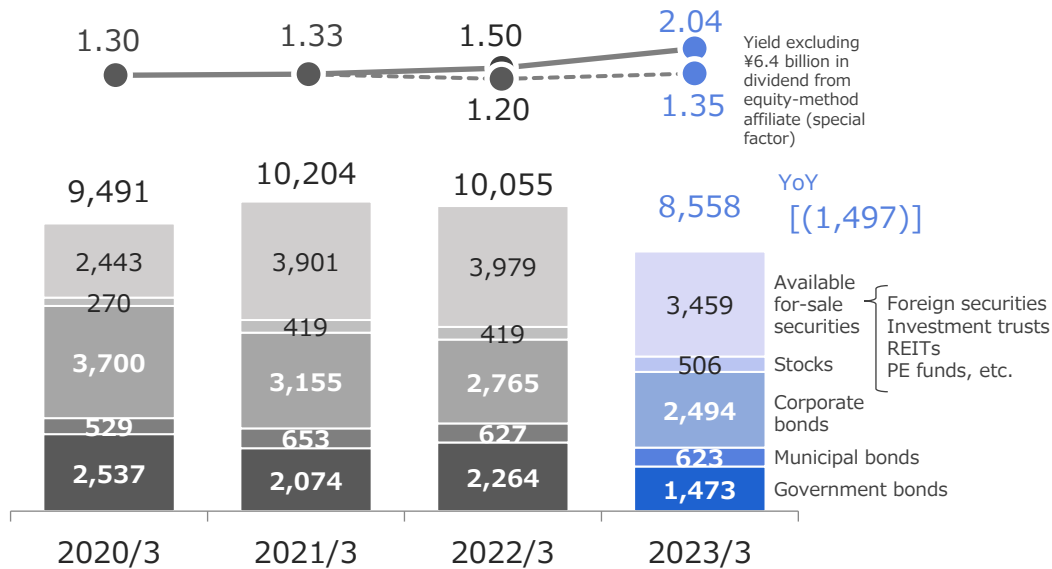
* Figures in < > indicate composition ratio

(Ref) Kiraboshi Life Design Securities' income ¥0.2 billion ¥0.8 billion ¥1.0 billion

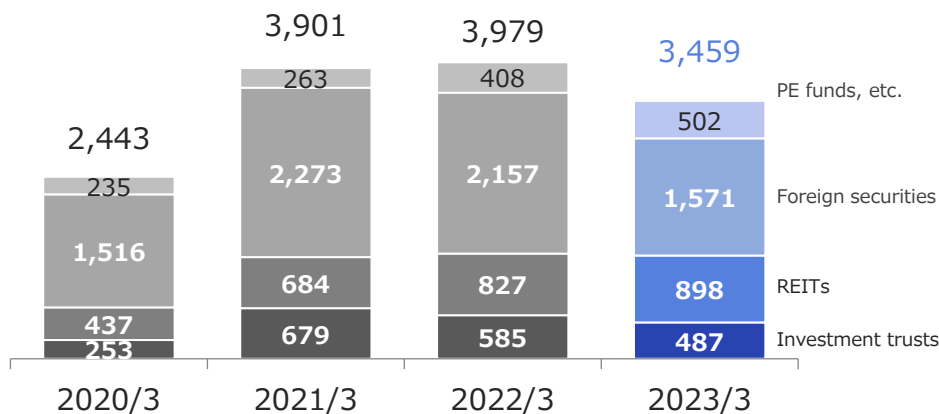
Securities

Securities balance mainly of government bonds and foreign securities decreased as interest rates were on the rise. Interest rate risk volume was reduced.

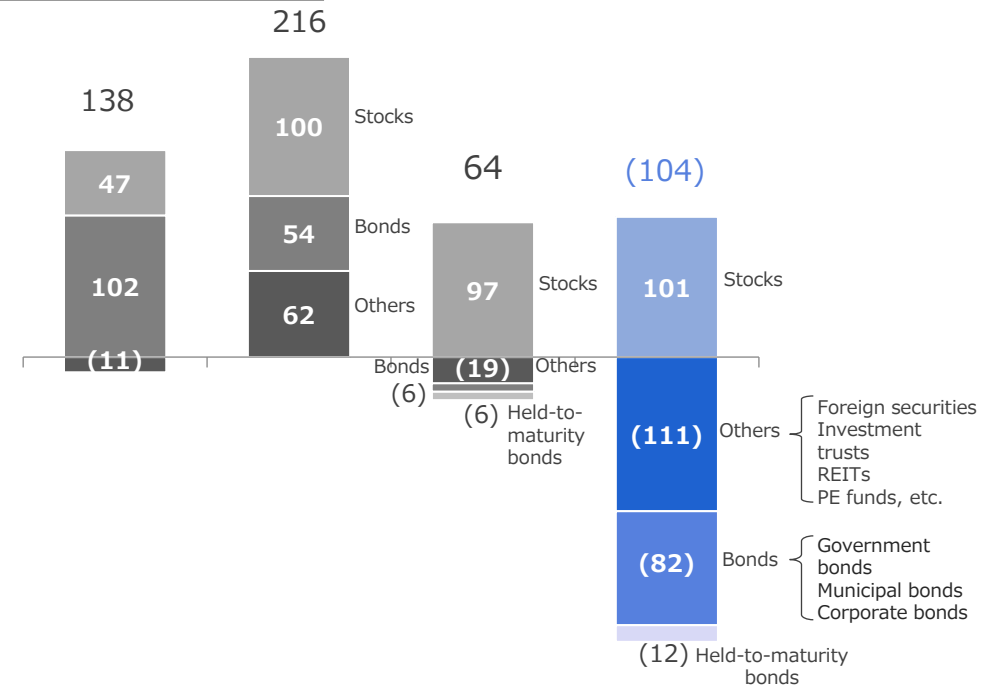
1. Securities balance / yield (¥100 million, %)



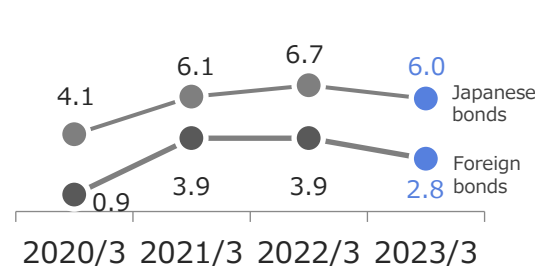
Breakdown of "available-for-sale securities"



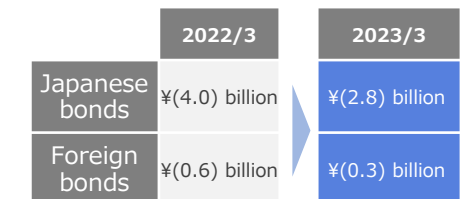
2. Valuation gain/loss on securities (¥100 million)



3. Duration (years)



4. Interest rate sensitivity

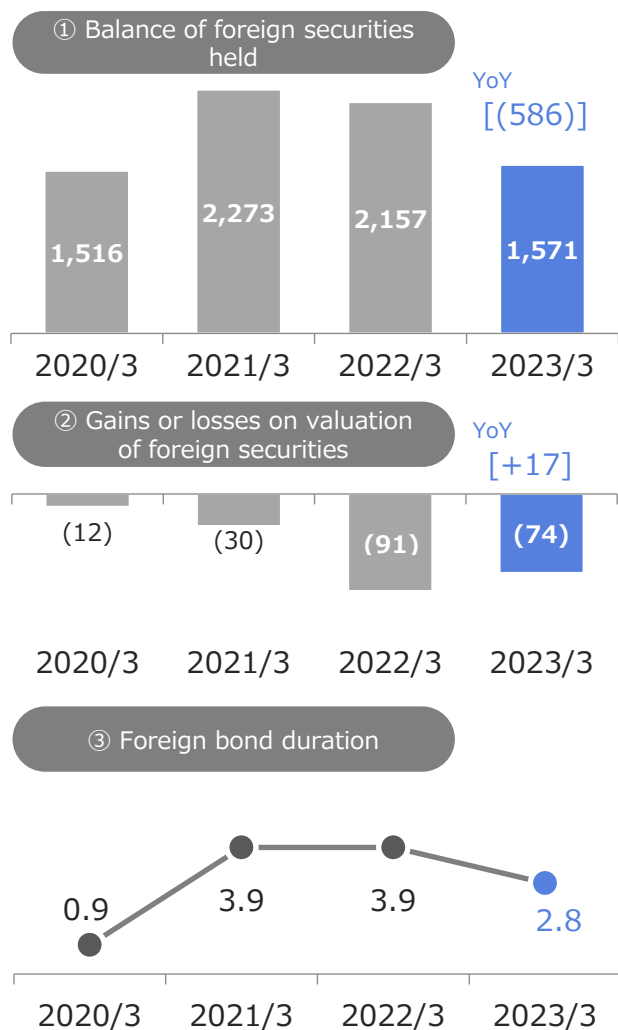


* Effect of an upward parallel shift of interest rate by 10bp
* Excluding investment trusts

Securities (Foreign Securities)

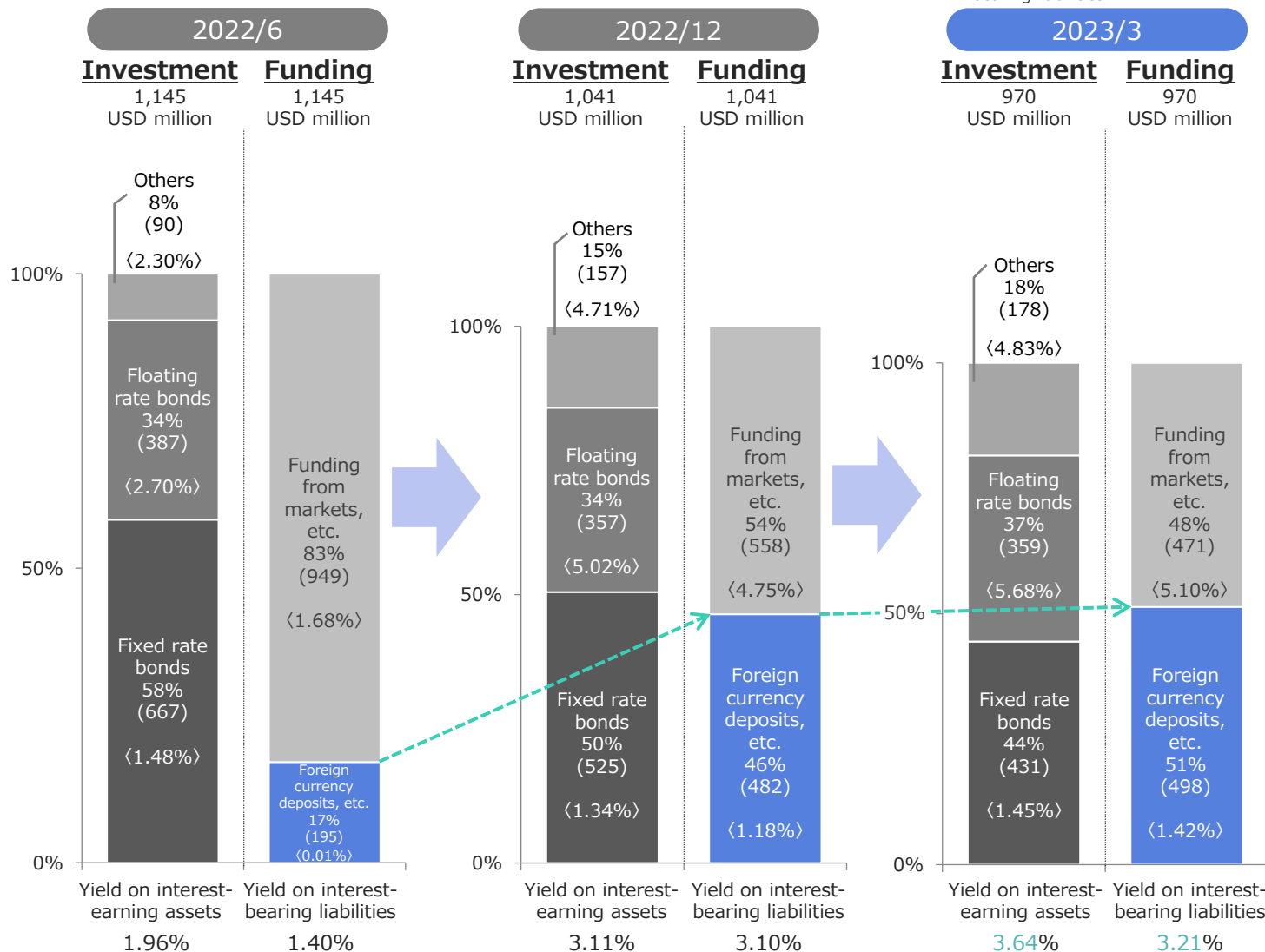
A loss of ¥7.3 billion was recorded from sale of approx. ¥53 billion of foreign bonds
 Moved forward with funding from relatively low-cost foreign currency deposits, through which
 it has been possible to **avoid negative spread** in FY2022

1. Foreign securities (¥100 million, year)



2. Composition of investment and funding in U.S. dollars

* Figures in () indicate balance (USD million), figures in < > indicate average yield on interest-bearing liabilities

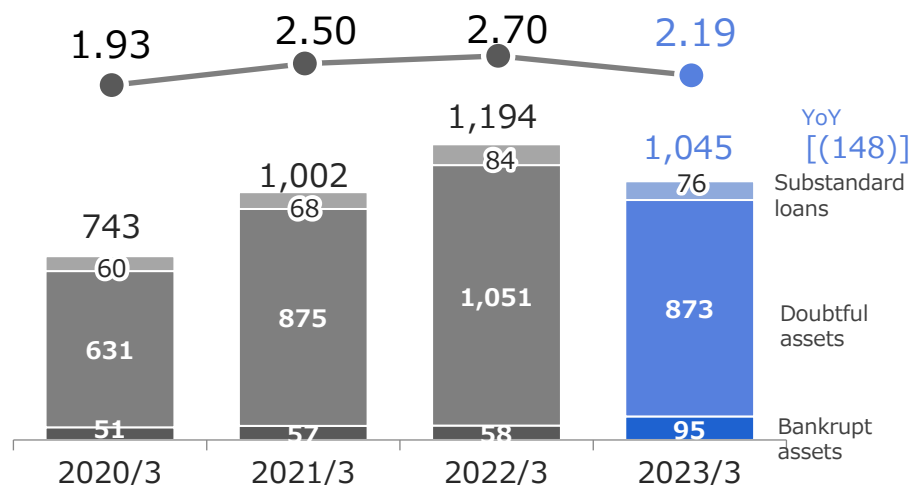


Problem Assets Subject to Disclosure under the Financial Reconstruction Act and Credit-Related Costs

Ratio of problem assets subject to disclosure decreased significantly YoY due partly to an increase in normal assets and improvement in some customers' credit category

Credit-related costs were restrained substantially YoY as a result of enhancement of the credit management system and other efforts

1. Value and ratio of problem assets subject to disclosure (¥100 million, %)



* Figures are after partial direct write-offs

2. Coverage status of problem assets subject to disclosure (¥100 million)

	2022/3	2023/3
Covered amount (A)	1,053	917
Reserve for possible loan losses	236	211
Collaterals, guarantees, etc.	817	705
Total of substandard loans and below (B)	1,334	1,178
Coverage ratio (A) / (B)	78. 9%	77. 8%

3. Credit-related costs (¥100 million)

	2022/3	2023/3	YoY
Provision of general allowance for loan losses	16	(25)	(42)
Disposal of non-performing loans	47	46	(1)
Of which, provision of allowance for individual loan losses	44	42	(1)
Reversal of allowance for loan losses	—	—	—
Credit-related costs	63	20	(43)

[Value and ratio of problem assets subject to disclosure]

Value of problem assets subject to disclosure decreased due partly to improvement in some customers' credit category. Ratio of problem assets subject to disclosure decreased by 0.51 percentage points YoY due to increase in normal assets and a decrease in problem assets subject to disclosure.

[Credit-related costs]

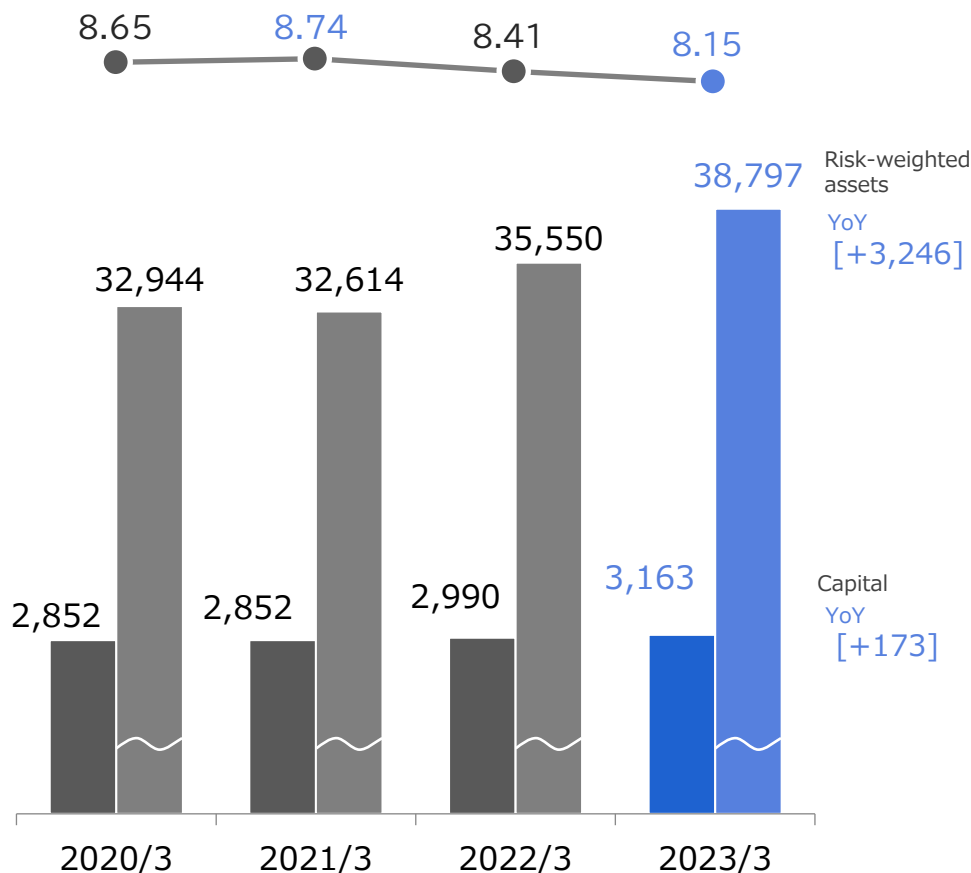
- Allowance ratio decreased due to decline in the default rate.
- Reversed additional provision made at the end of the previous fiscal year in consideration of the Russia-Ukraine situation. Combined with continued efforts to enhance the credit management system, credit-related costs improved by ¥4.3 billion YoY.

* UI Bank is excluded from all figures on this page

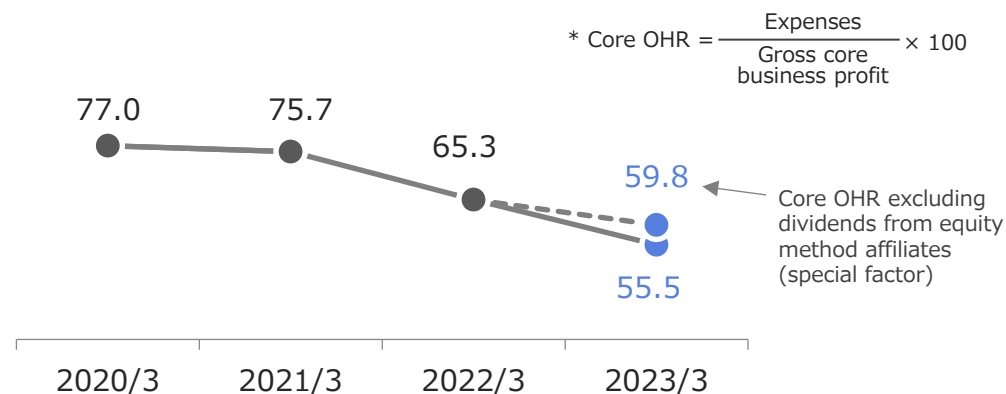
Capital Ratio/Core OHR/ROE

Capital increased, while capital ratio declined due to increase in risk assets notably exposure to corporate customers
OHR and ROE improved significantly during the current Medium-Term Business Plan period (from FY2021) reflecting improved management efficiency and profitability

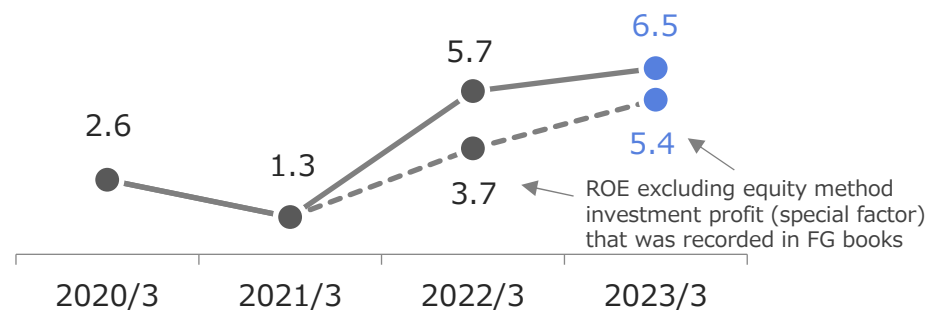
1. Capital ratio (Tokyo Kiraboshi FG consolidated) (¥100 million, %)



2. Core OHR (Kiraboshi Bank) (%)



3. ROE (Tokyo Kiraboshi FG consolidated) (%)



Fiscal Year Ending March 31, 2024 Plan

Kiraboshi Bank's net income (excluding special factors) is projected to remain generally flat in view of such factors as proactive investment in DX and other initiatives, and conservative estimate of credit costs, although interest on loans and discounts is expected to increase significantly.

Tokyo Kiraboshi FG's profit (excluding special factors) is expected to increase by ¥2.9 billion YoY.

Kiraboshi Bank (non-consolidated) plan

(¥100 million)

		2023/3 (Actual)	2024/3 (Planned)	YoY
1	Gross core business profit	907	885	(22)
2	Net interest income	744	756	+12
3	Interest on loans and discounts	572	643	+70
4	Interest on securities	192	162	(29)
5	Other interest income	(21)	(49)	(28)
6	Non-interest income	163	128	(34)
7	Expenses	(504)	(530)	(26)
8	Net core business income	403	354	(48)
9	Credit-related costs	(20)	(50)	(29)
10	Gains (losses) on bonds	(50)	8	+58
11	Gains (losses) on stocks and other securities	48	8	(40)
12	Other non-recurring profit (loss)	(15)	(22)	(7)
13	Ordinary profit	365	297	(67)
14	Extraordinary profit (loss)	15	(1)	(17)
15	Income taxes	(107)	(50)	+56
16	Net income	274	245	(29)

Plan excluding special factors

Kiraboshi Bank (non-consolidated) plan

(¥100 million)

Maruboshi Bank (non-consolidated) plan			Results excluding special factors	<Ref> 2024/3 full-year earnings plan excluding special factors		
			2023/3 (Actual)	2024/3 (Planned)	Special factors that are excluded	YoY
1	Gross core business profit		803	850	35	+46
2		Net interest income	679	721	35	+41
3		Interest on loans and discounts	572	643	—	+70
4		Interest on securities	127	127	*1 35	(0)
5		Other interest income	(21)	(49)	—	(28)
6		Non-interest income	124	128		+4
7	Expenses		(504)	(530)	—	(26)
8	Net core business income		299	319	35	+20
9	Credit-related costs		(20)	(50)	—	(29)
10	Gains (losses) on bonds		(11)	8	—	+19
11	Gains (losses) on stocks and other securities		48	8	—	(40)
12	Other non-recurring profit (loss)		(15)	(22)	—	(7)
13	Ordinary profit		300	262	35	(38)
14	Extraordinary profit (loss)		15	(1)	—	(17)
15	Income taxes		(107)	(50)	—	+56
16	Net income		209	210	35	+0

*1: Kiraboshi Bank to receive, as dividend, ¥3.5 billion of equity method investment profit (profit from sale of real estate by a subsidiary of an equity method affiliate) posted in Tokyo Kiraboshi FG's books in FY2023/3

Tokyo Kiraboshi FG (consolidated) plan

(¥100 million)

		2023/3 (Actual)	2024/3 (Planned)	⑤ - ① YoY
1	Ordinary profit	307	281	(26)
2	Profit attributable to owners of parent	211	220	+8

Tokyo Kiraboshi FG (consolidated) plan

(¥100 million)

Tokyo Kiraboshi FG (consolidated) plan			(¥100 million)		
			<Ref> 2024/3 full year earnings plan excluding special factors		
			2024/3 (Planned)	Special factors that are excluded	YoY
1	Ordinary profit	272	266	*2 15	(5)
2	Profit attributable to owners of parent	175	205	15	+29

*2: To be posted as equity method investment profit (¥1.5 billion)

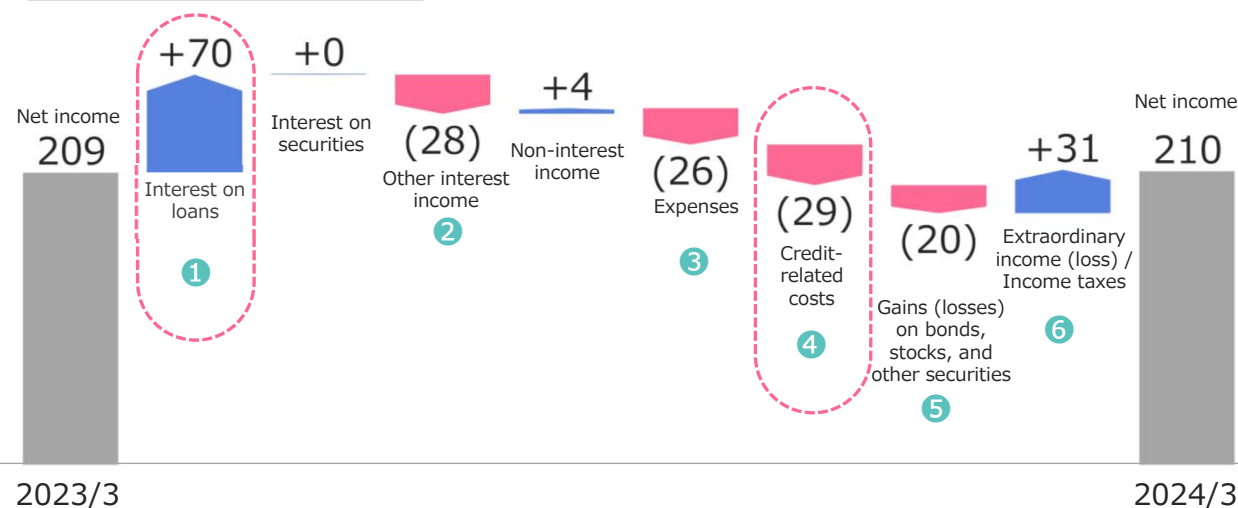
* For signs used in year-on-year comparison, "+" indicates increase in income, "-" indicates decrease in income

Factors Affecting Net Income (Planned) Excluding Special Factors (Kiraboshi Bank)

	Main Items	YoY	Key Points
①	Interest on loans	+¥7.0 billion	+¥7.0 billion YoY anticipated in interest on loans, on the back of increase in loans resulting from promotion of transactions for main bank relationship building, business financing activities, and other initiatives, as well as rising yields, leading to improved profitability of main line business.
②	Other interest income	¥(2.8) billion	¥(2.8) billion YoY projected as a result notably of an increase in foreign currency funding costs due in part to impacts of macro environment and interest payment to UI Bank on borrowed money.
③	Expenses	¥(2.6) billion	¥(2.6) billion YoY projected as a result largely of human capital investment and continued proactive investment in DX initiatives aimed at improving management efficiency and sophistication.
④	Credit-related costs	¥(2.9) billion	¥(2.9) billion YoY based on conservative estimate in the full-year plan, although allowance ratio is on the decline given decrease in the default rate and other factors.
⑤	Gains (losses) on bonds, stocks, and other securities	¥(2.0) billion	¥(2.0) billion YoY based on conservative estimate of gain on sale of stocks held for investment purposes.
⑥	Extraordinary income (loss) / Income taxes	+¥3.1 billion	+¥3.1 billion YoY as a result notably of reduction in income taxes due to tax effect accounting (+¥5.6 billion), despite absence of gain on return of retirement benefit trust (¥1.5 billion) recorded in the previous fiscal year.

Year-on-year changes

(¥100 million)



Proactive investment

	2022/3	2023/3	2024/3 (Planned)	Total
Equity method investment profit (special factor)	64	35	15	115
Proactive investment in DX promotion and other initiatives	35	37	42	114

Diff. b/w consolidated and non-consolidated

Kiraboshi Bank (non-consolidated) net income		210
Group's consolidated net income [of which, effects of start-up deficit of newly established companies, etc.: ¥(2.4) billion]		+0
Elimination of internal transactions between consolidated Group companies		(5)
Amortization of bonds held, etc.		
Tokyo Kiraboshi FG (consolidated) net income		205

(Note) For signs before the numbers, "+" indicates increase in income, "()" indicates decrease in income

<Reference> UI Bank Results

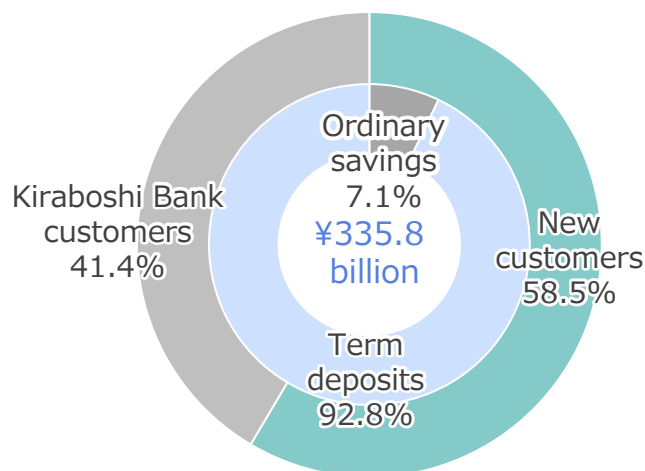
Progress made in reaching out to the younger generation, with which Kiraboshi Bank's transactional relationship has been weak. Acquired users from all over Japan, centering on the Kanto region.

Results of the fiscal year ended March 31, 2023

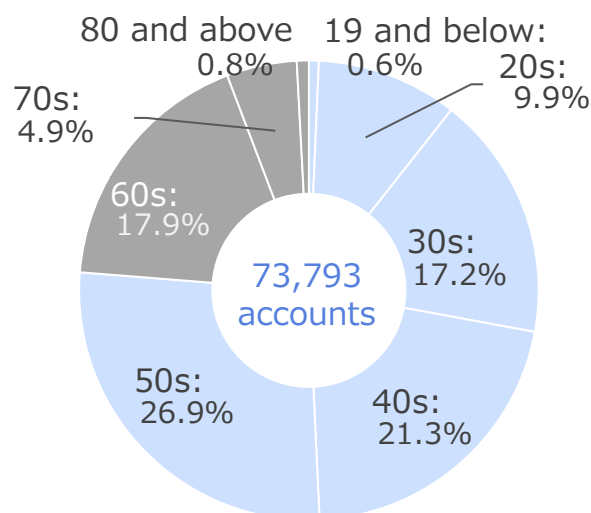
Deposit balance **¥335.8 billion**

Balance				Ordinary savings account / Term deposit account breakdown		Number of ordinary savings accounts (number of customers)		
2022/3	2023/3	YoY	Achievement rate	2023/3		2022/3	2023/3	Achievement rate
¥136.2 billion	¥335.8 billion	+146.5%	93.5% * Plan: ¥359.1 billion	Ordinary savings	¥23.8 billion	23,000 accounts	73,000 accounts	42.9% * Plan: 172,000 accounts
				Term deposits	¥311.9 billion (133,000 accounts)			

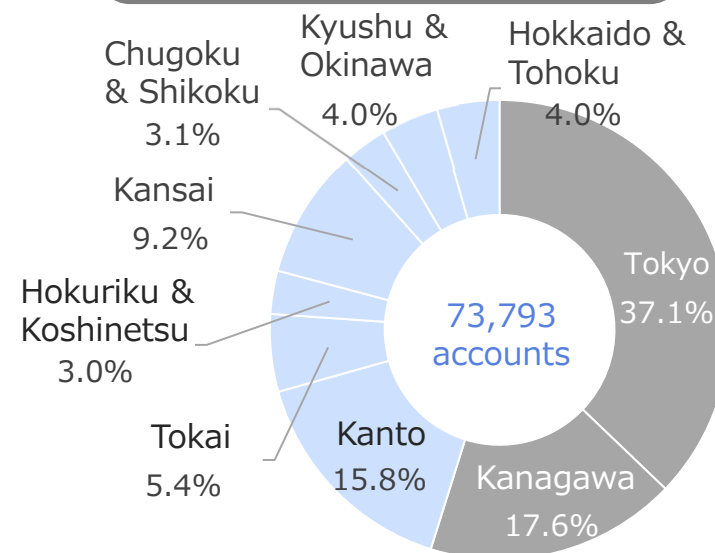
Breakdown of deposit balance



Distribution of accounts by age group



Distribution of accounts by region





Progress on the Medium-Term Business Plan

Overview of the Tokyo Kiraboshi Financial Group

①



Tokyo Kiraboshi Financial Group, Inc.

(as of March 31, 2023)

Location of head office	3-10-43 Minami Aoyama, Minato-ku, Tokyo
Capital	¥27.5 billion
Consolidated total assets	¥6,742.1 billion

②



Kiraboshi Bank, Ltd.

(as of March 31, 2023)

Location of head office	3-10-43 Minami Aoyama, Minato-ku, Tokyo
Capital	¥43.7 billion
Total assets	¥6,688.4 billion

(Group companies)

Company name		Business description
③	Kiraboshi Credit Guarantee Co., Ltd.	Guarantee operations
④	Yachiyo Credit Guarantee Co., Ltd.	Guarantee operations
⑤	Kiraboshi Business Service Co., Ltd.	Centralized administrative services
⑥	Kiraboshi Business Consulting Shanghai Co., Ltd.	Consulting
⑦	KIRABOSHI BUSINESS CONSULTING VIETNAM CO., Ltd	Consulting
⑧	Kiraboshi Servicer, Ltd.	Claim management and collection business

(Equity-method affiliate)

⑱	Kiraboshi Insurance Agency CO., LTD.	Insurance agency business
⑳	StarBridge business consulting (Beijing) Co., Ltd.	Consulting

(Group companies)

Company name		Business description
⑨	UI Bank Co., Ltd.	Banking business
⑩	Tokyo Kiraboshi Lease, Inc.	General leasing business
⑪	Kiraboshi System, Inc.	System processing outsourcing
⑫	Kiraboshi Consulting Co., Ltd.	Consulting
⑬	Kiraboshi JCB Co., Ltd.	Credit card business
⑭	Kiraboshi Tech, Inc.	Fintech services
⑮	Kiraboshi Capital Co., Ltd.	Structuring and administration of funds
⑯	Kiraboshi Life Design Securities Co., Ltd.	Securities business
⑰	Kiraboshi business office service, Inc.	Payroll operations, etc.
⑱	Be.Brave, Inc.	Advertising planning and production business

(Equity-method affiliate)

㉑	Sky Ocean Asset Management Co., Ltd.	Commissioned investment trust services
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Management Base of Kiraboshi Group

Accelerate the promotion of transactions for main bank relationship building and business financing activities against the backdrop of a rich market

Japan

Tokyo

Population
(estimate)

124.86 million
(as of December 1,
2022)

14.04 million
(as of December 1,
2022)

(Proportion:
approx. **11%**)

Gross domestic product
(nominal)
Tokyo gross municipal
product (nominal)

¥550.5 trillion
(FY2021)

¥109.6 trillion
(FY2020)

(Proportion:
approx. **19%**)

Number of
companies
(Companies + individuals)

3,390 thousand
companies
(2021)

422 thousand
companies
(2021)

(Proportion:
approx. **12%**)

Number of offices
(Private business offices)

5,078 thousand
offices
(2021)

616 thousand
offices
(2021)

(Proportion:
approx. **12%**)

Balance of bank
loans
(Japanese banks)

¥570.3 trillion
(As of March 31, 2023)

¥246.9 trillion
(As of March 31, 2023)

(Proportion:
approx. **43%**)

Balance of bank
deposits
(Japanese banks)

¥957.1 trillion
(As of March 31, 2023)

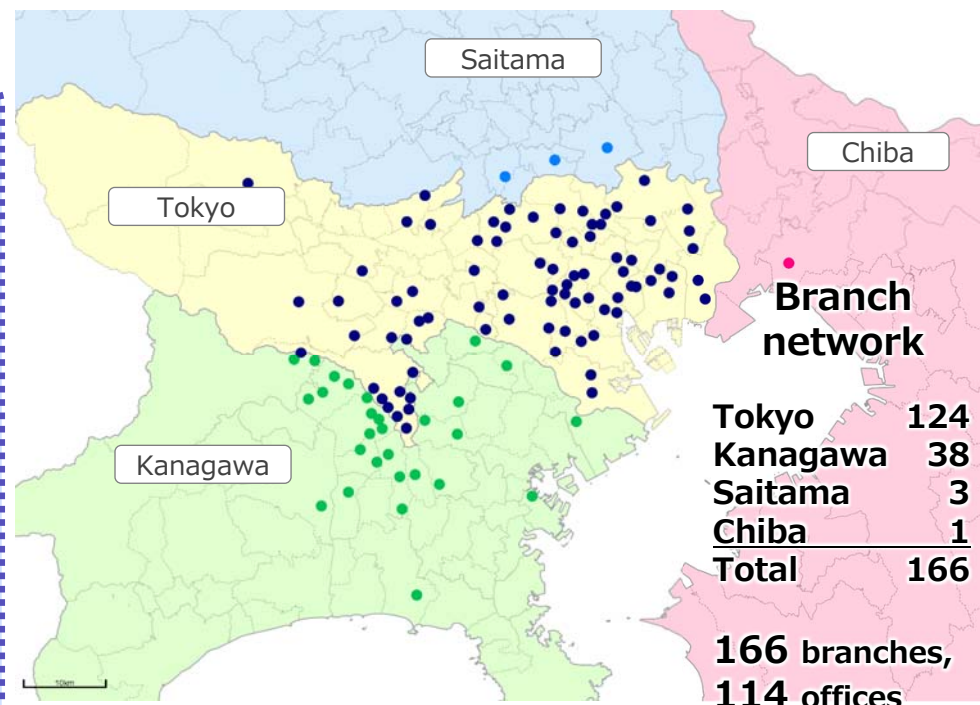
¥350.0 trillion
(As of March 31, 2023)

(Proportion: approx.
36%)

(Remarks)

Ministry of Internal Affairs and Communications population estimates, Tokyo Metropolitan Government population (estimates) of Tokyo, Cabinet Office *Annual Report on National Accounts for 2021*, Tokyo Metropolitan Government *Tokyo Statistical Yearbook* (fiscal 2020), Ministry of Internal Affairs and Communications *2021 Economic Census for Business Activity Preliminary Tabulation*, Bank of Japan Statistics: *Deposits and Loans Market*

Kiraboshi Bank Branch Network



Number of Kiraboshi Bank customers with main bank transaction relationship

	Number of companies (denominator)	Number of customers with main bank relationship	Share
Tokyo	231,678	7,075	3.05%
Kanagawa	78,938	2,832	3.58%
Total	310,616	9,907	3.18%

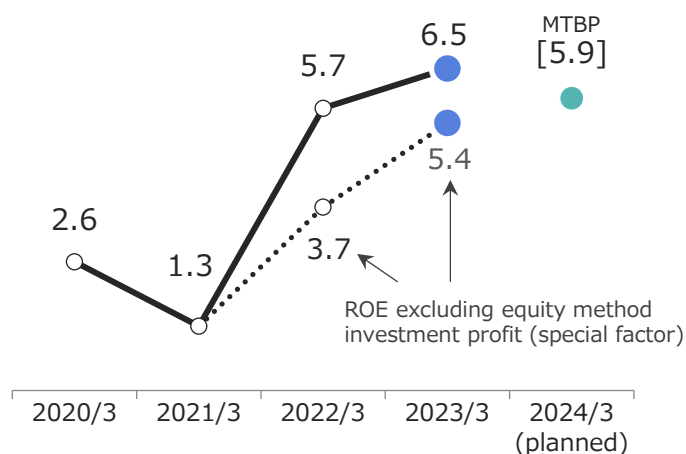
(Reference) Prepared based on a 2022 survey by TOKYO SHOKO RESEARCH, LTD.
(The number of companies is based on the TOKYO SHOKO RESEARCH, LTD. database)

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

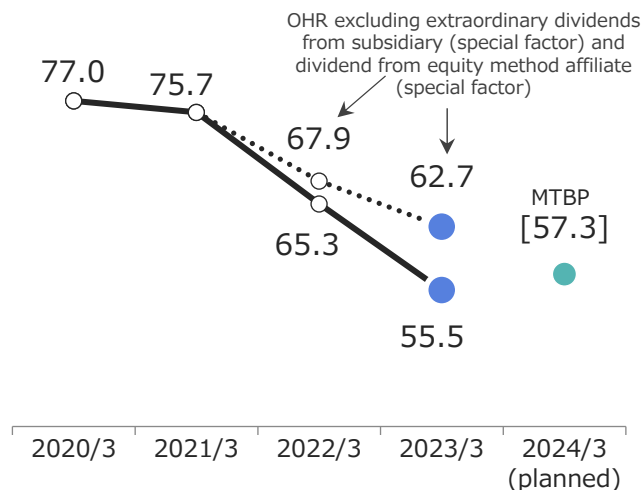
Profit items such as ROE, profit/net income, profit from customer business are increasing steadily, leading to steady improvement in profitability

Issues are contribution of subsidiaries to consolidated income and capital ratio. Efforts will be made to achieve profitability of the digital subsidiary as soon as possible and to accumulate retained earnings.

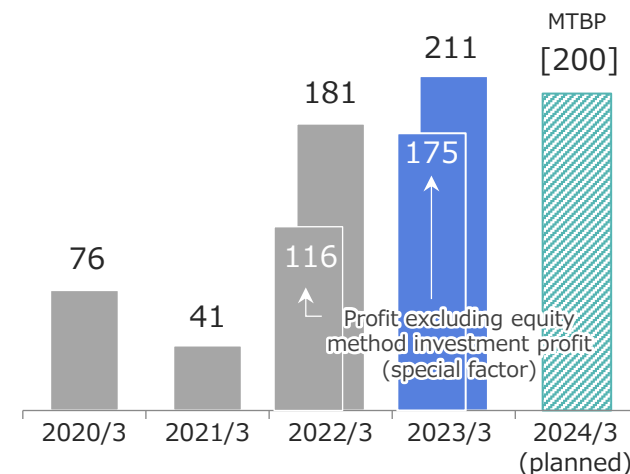
1. ROE <FG consolidated> (%)



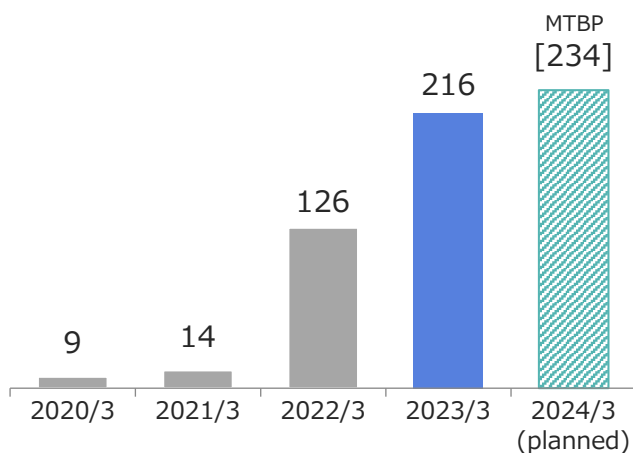
2. Core OHR <Kiraboshi Bank non-consolidated> (¥100 million, %)



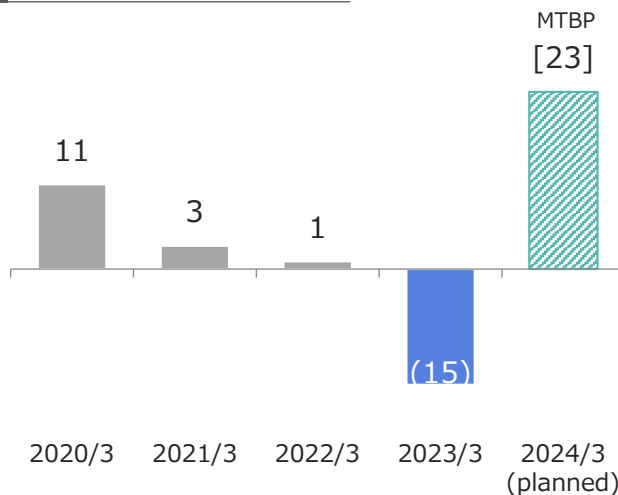
3. Profit <FG consolidated> (¥100 million)



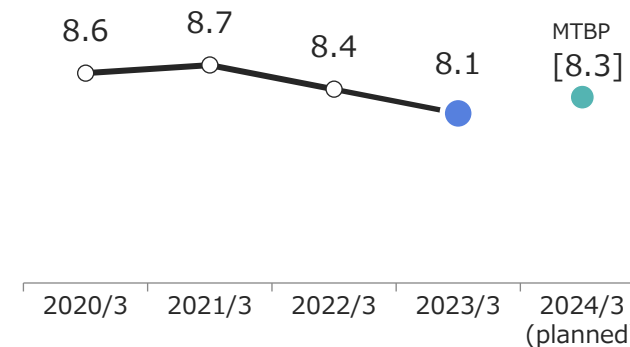
4. Profit from customer business <Kiraboshi Bank non-consolidated> (¥100 million)



5. Contribution of subsidiaries to consolidated income <FG consolidated> (¥100 million)



6. Capital ratio <FG consolidated> (%)



Strategy of the Medium-Term Business Plan and Related Indicators (KPIs) —Initiatives to Address ESG/SDGs

Branch reorganization and improvement of operational efficiency to free up management resources and improve customer convenience, human resources development, and self-fulfillment

Strategy	SDG targets	Specific action items	Related indicators (FY2023 targets)	FY2022 actual	Status of Progress
Strategy (1) Branch strategy	4 QUALITY EDUCATION, 5 GENDER EQUALITY, 7 AFFORDABLE AND CLEAN ENERGY	Transformation of all branches to next-generation branch setup, self-service, and paperless operations	Retail-focused branches 34 offices	Retail-focused branches 55 offices	○
Strategy (2) Business process re-engineering	8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES	Efficiency improvement in branch and headquarter operations, maximization of customer contact points	Gross core business profit per head ¥32 million	Gross core business profit per head ¥ 35.8 million	◎
Strategy (3) Human resources development	11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION, 15 LIFE ON LAND	New personnel system, strengthening of specialization, reform of organizational culture	Make use of external talents	Mid-career hires: 80 (Cumulative total from FY2021)	—

Personnel allocation and enhancement of financial and competitive strengths for providing high-value-added services and contributing to the sustainable growth of society

Strategy (4) Resource allocation	4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Fusion of “face-to-face and non-face-to-face,” “financial and non-financial” Digital Bank, LaLaPay, IT support for older customers	KGIs (Please refer to p4)	KGIs (Please refer to p4)	—
DX	10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES, 17 PARTNERSHIPS FOR THE GOALS	Centralization of routine office work and alliance marketing, optimal allocation of personnel	Number of Internet users 400,000 users	Number of Internet users 240,000 users	△

Provision of high-value-added work services by enhancing financial strength and with invested management resources, contribution to the sustainable growth of society

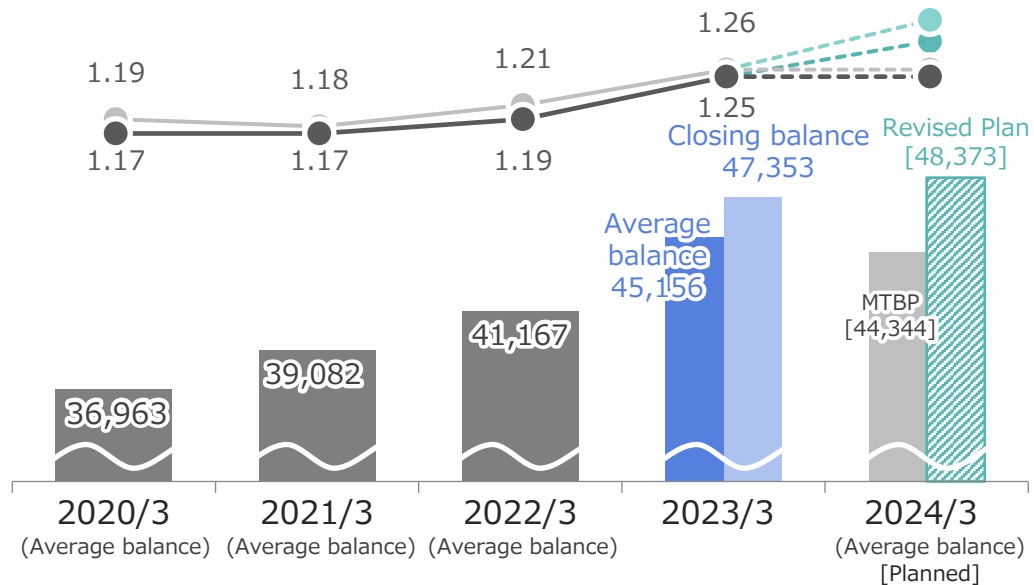
* Annual sales of ¥300 million or more

Strategy (5) Services for the business owner segment and older adult segment	4 QUALITY EDUCATION, 7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH	Life plan support, transactions with business owners Inheritance, property management	Assets under management of business owner customers 1,000 customers, ¥50.0 billion increase	Number of customers increased by 2,838 Outstanding balance increased by ¥ 41.7 billion	◎ ○
Strategy (6) Promote main bank relationship building	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES	Business succession, M&As, business financing, overseas expansion, start-up support, Group functions	Financing to customers with main bank relationship* +600 customers, increased by ¥600.0 billion Kiraboshi Package: 60,000 customers Business succession support: over 1,000 customers Support to medical institutions: over 400 institutions	Number of customers increased by 2,130 Loan amount increased by ¥ 734.3 billion Kiraboshi Package: 44,000 customers Business succession support: 692 customers Support to medical institutions: 412 institutions	◎ ◎ ○ ○ ◎
Strategy (7) Medical institutions	13 CLIMATE ACTION, 15 LIFE ON LAND, 17 PARTNERSHIPS FOR THE GOALS	Support for medical institutions by specialized teams Medical platform in cooperation with business partners			
Enhancement of corporate governance	5 GENDER EQUALITY, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Establishment of GSuO (Group Chief Sustainability Officer) position Revision of credit policy, establishment of investment and loans policy	Achievement level of each indicator ◎...Surpassed; ○... Achieved or nearly achieved; △...More work needed		

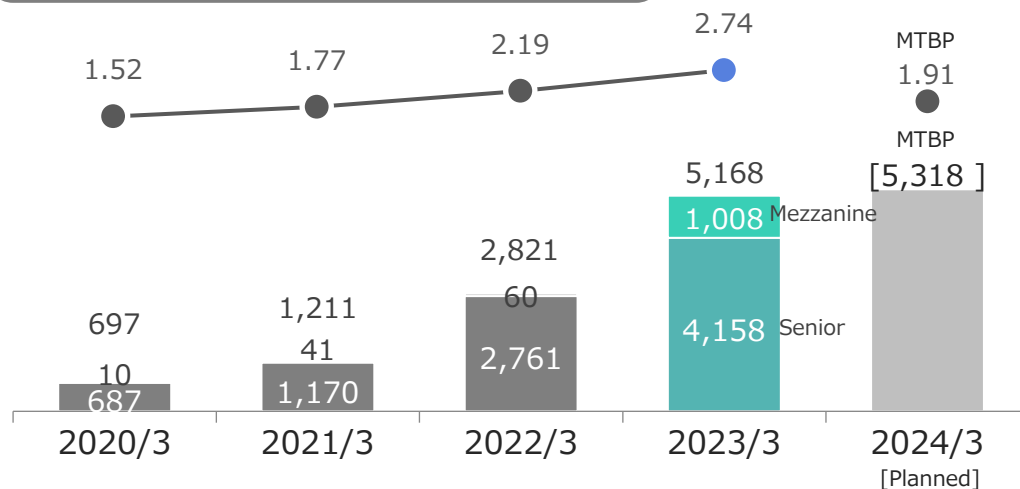
Corporate Customer Strategy ① (Loans)

Increase in loan balance largely through efforts in promoting transactions for main bank relationship building and business financing activities, rise in loan yields, and growth of interest on loans and discounts

1. Average loan balance and yield (¥100 million, %)



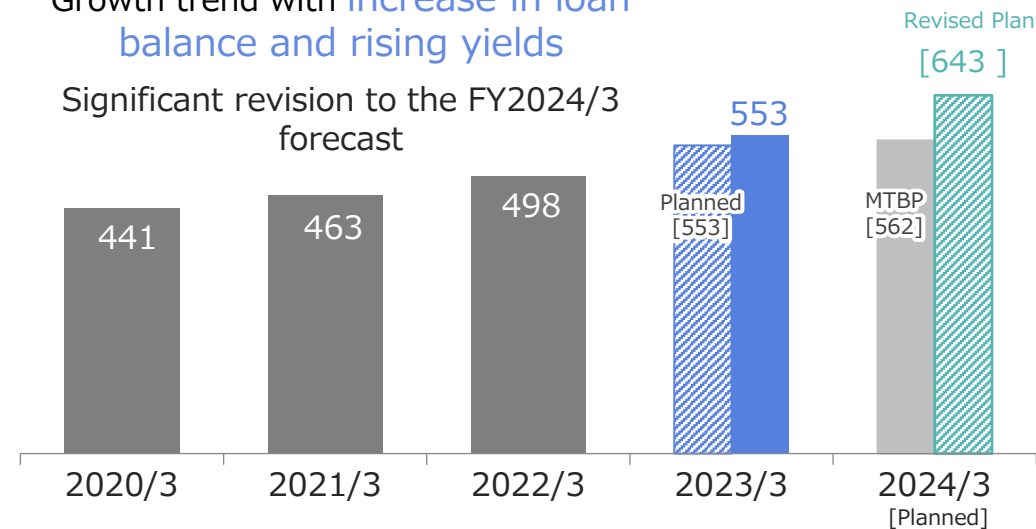
Of which, balance of business financing



2. Interest on loans and discounts (¥100 million)

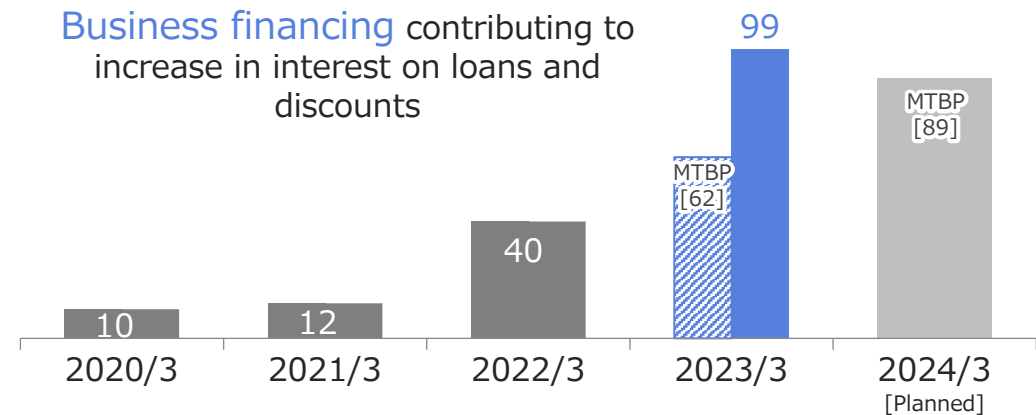
Growth trend with **increase in loan balance and rising yields**

Significant revision to the FY2024/3 forecast



Of which, interest on loans and discounts related to business financing

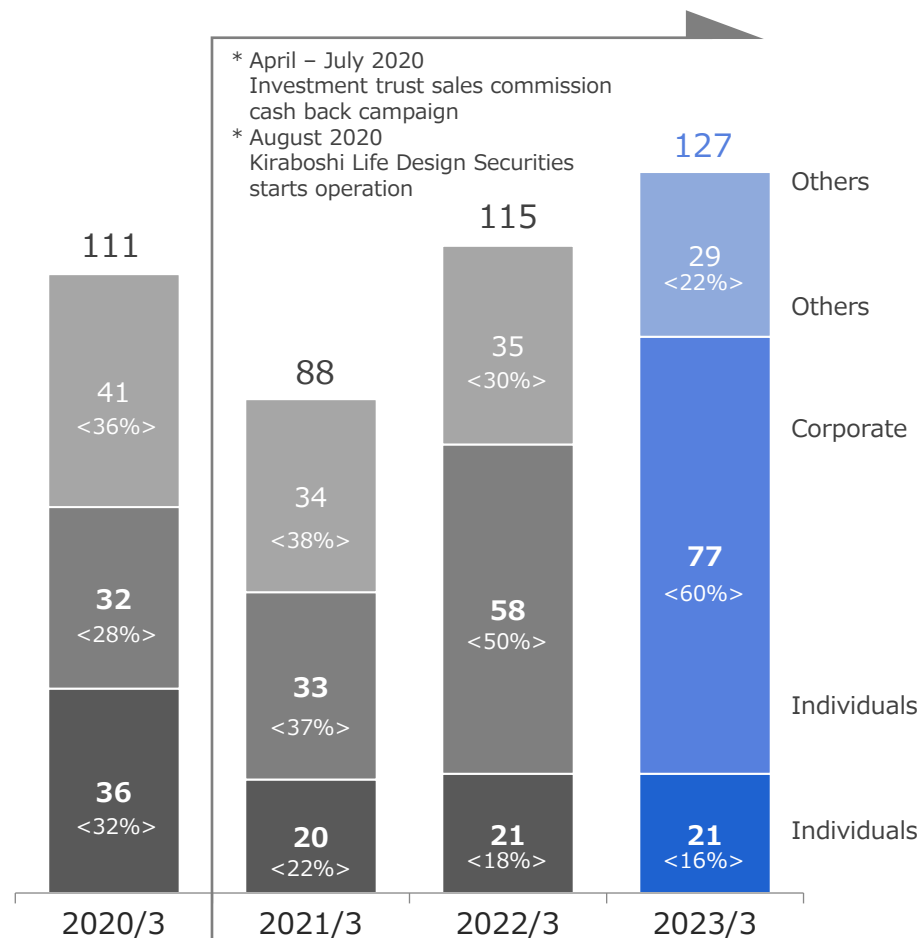
Business financing contributing to increase in interest on loans and discounts



Corporate Customer Strategy ② (Commission Income from Corporate Customers)

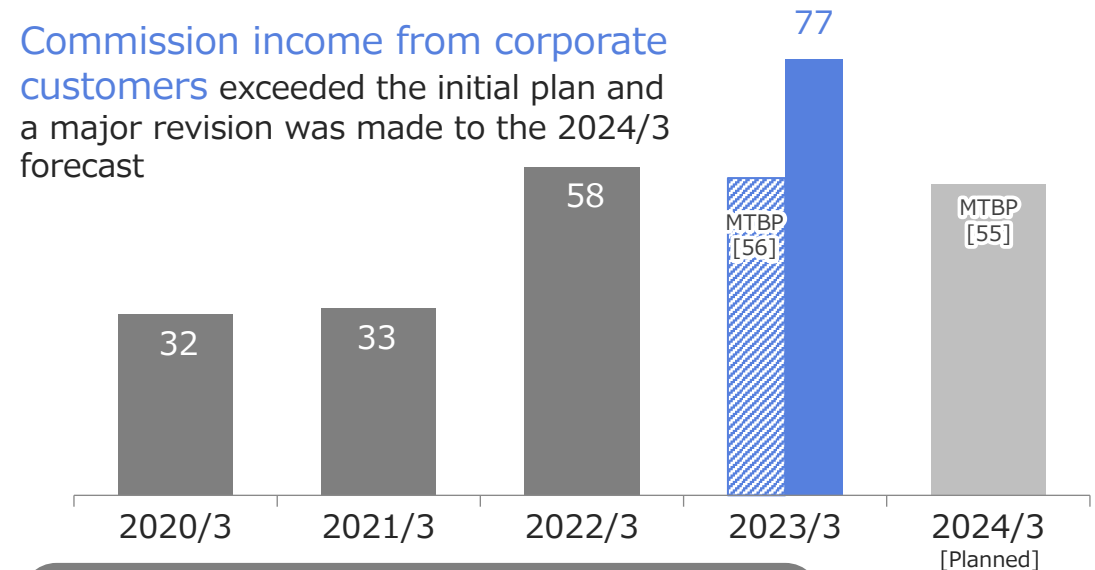
Fees and commissions in corporate customer business drove overall fee and commission income, led primarily by fee income associated with cross-selling arising from transactions in main bank relationship building and business financing

1. Income from fees and commissions (Kiraboshi Bank) (¥100 million)



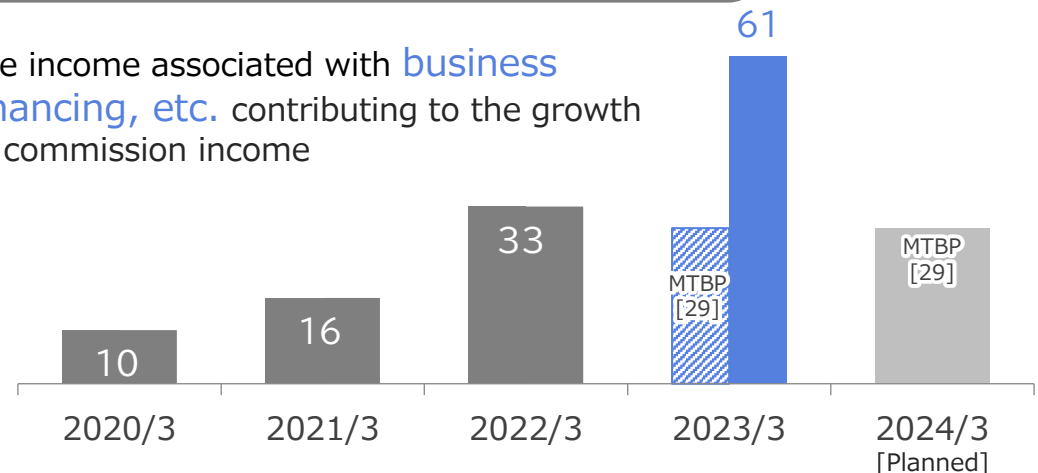
2. Commission income from corporate customers (¥100 million)

Commission income from corporate customers exceeded the initial plan and a major revision was made to the 2024/3 forecast



of which, commission income from corporate customers
(main bank relationship building, business financing)

Fee income associated with business financing, etc. contributing to the growth of commission income

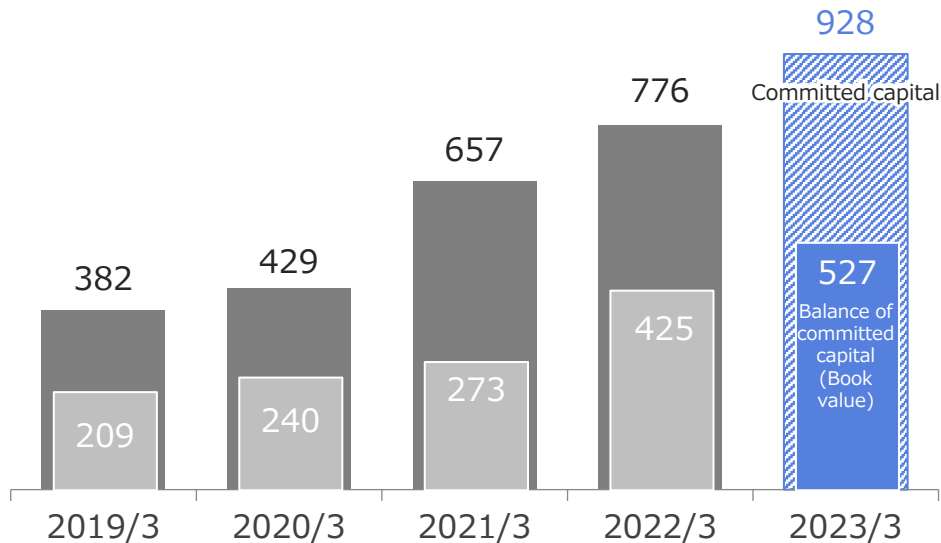


* Figures in < > indicate composition ratio

Corporate Customer Strategy ③ (Private equity investment / Kiraboshi Capital)

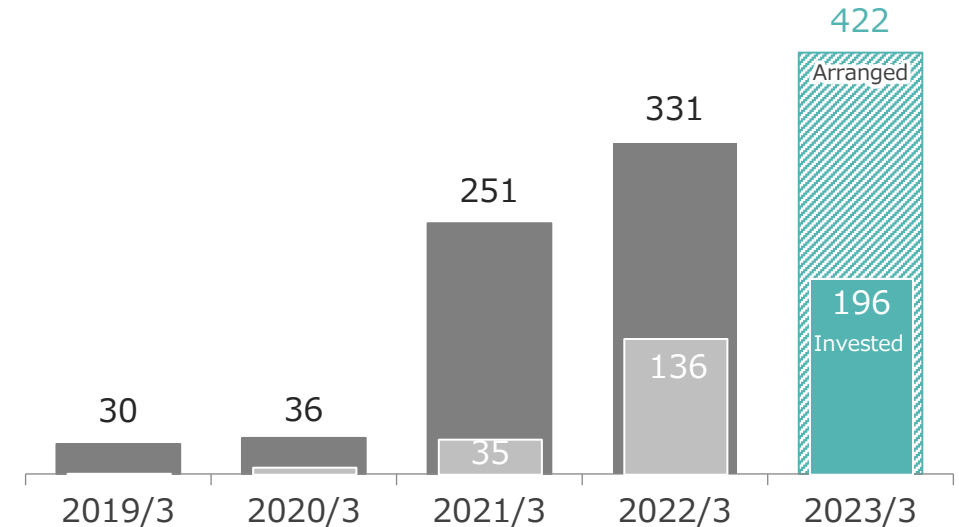
Support for SMEs to enhance their corporate value, through investment in private equity funds and Kiraboshi Capital

1. Status of investment in private equity funds (¥100 million)



Breakdown of funds invested	Number of funds	Capital commitment Balance
● Venture funds	6	¥1.1 billion
● Reconstruction and debt funds	6	¥2.9 billion
● Buyout funds	58	¥37.7 billion
● Others (real estate, infrastructure, etc.)	5	¥1.8 billion
● Others (funds of Kiraboshi Capital, policy-based investments, etc.)	25	¥49.1 billion
	Total 100	Total ¥92.8 billion

2. Status of Kiraboshi Capital's fund administration (¥100 million)



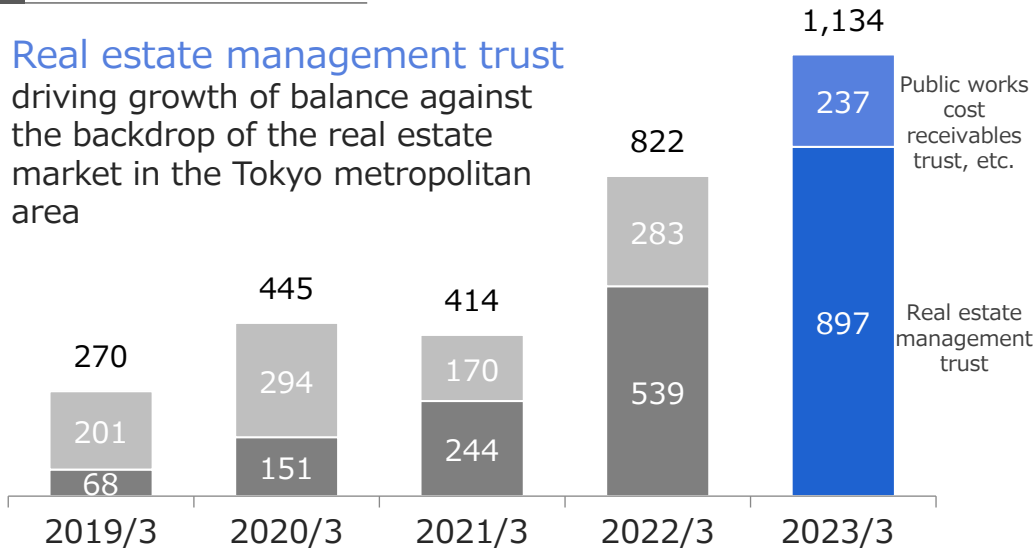
Name	Description	Total fund amount	Launched in
Yume Kagayaki Fund 1	Buyout investment	¥2.6 billion	November 2018
Yume Habataki Fund 1	Growth capital investment	¥2.0 billion	March 2019
Yume Yorisoi Fund 1	Mezzanine finance	¥12.5 billion	August 2020
Tokyo Sparkle	Engagement investing	¥10.0 billion	November 2020
A&KC Medical No. 1	Medical fund	¥3.0 billion	March 2021
KCP Equity Assist No. 1	Equity investment (minority)	¥8.0 billion	June 2021
Yume Habataki Fund 2	Growth capital investment	¥4.0 billion	February 2023
		Total ¥42.2 billion	

Corporate Customer Strategy ④ (Trust Business, Medical, Collaboration with Other Banks)

Increase in trust asset balance centering on real estate management trusts, expanded support for medical institutions by Medical and Welfare Business Division
Cumulative business impact of collaboration with Bank of Yokohama reached ¥6.6 billion in the second year, with an early achievement of the ¥10 billion target in sight

1. Trust asset balance (¥100 million)

Real estate management trust
driving growth of balance against the backdrop of the real estate market in the Tokyo metropolitan area

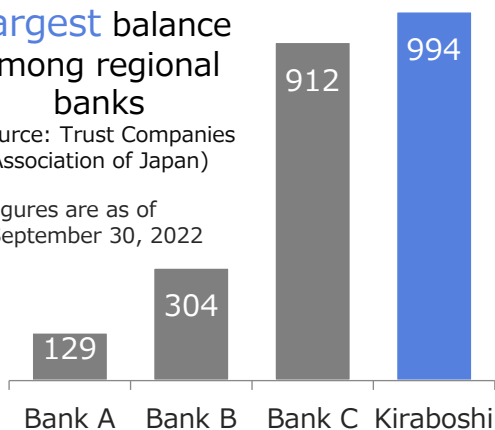


2. Trust assets of regional banks (¥100 million)

Largest balance among regional banks

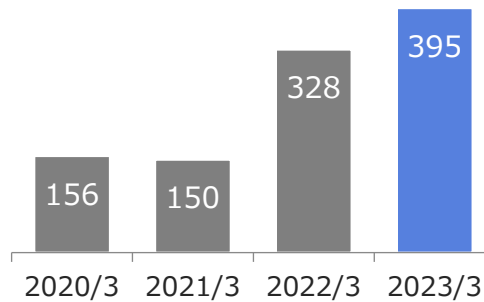
(Source: Trust Companies Association of Japan)

* figures are as of September 30, 2022

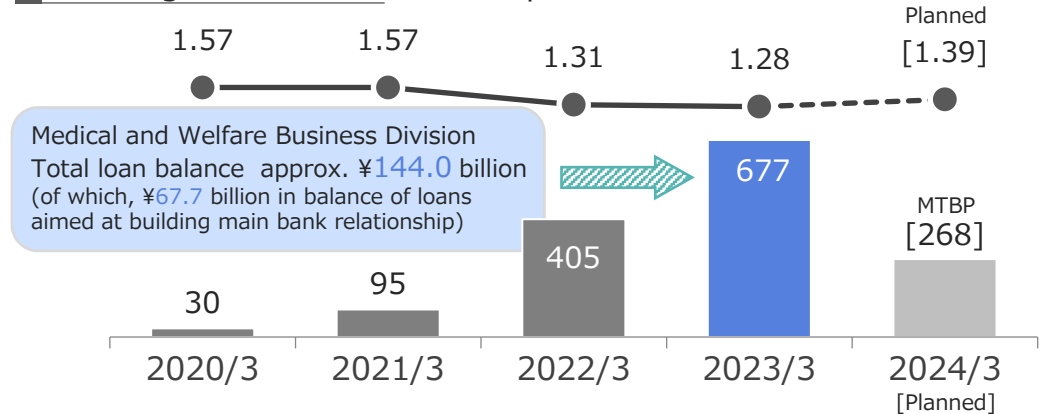


3. Trust fees (¥ million)

A key revenue source with solid growth



4. Balance of loans to medical institutions aimed at building main bank relationship (¥100 million) / Yield (%)



5. Business collaboration with Bank of Yokohama

Tokyo Kanagawa Solution Connect

Kiraboshi Bank, Ltd.



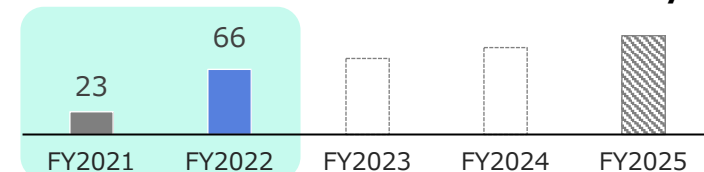
The Bank of Yokohama, Ltd.

LBOs and other collaboration in the structured finance field, etc.

Cumulative impact of collaboration (income)

¥6.6 billion in cumulative total

Targets
¥10.0 billion over 5 years



+ sharing of back office work

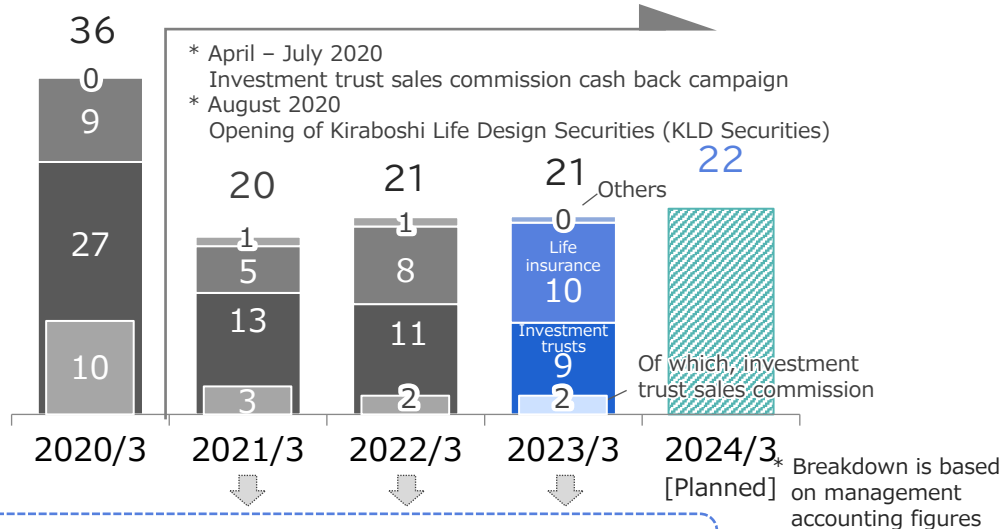
Cost reductions of ¥16 million per year

Partial introduction of joint delivery of cash, documents, etc.
(between sales offices in the West Tokyo area)

Retail Customer Strategy

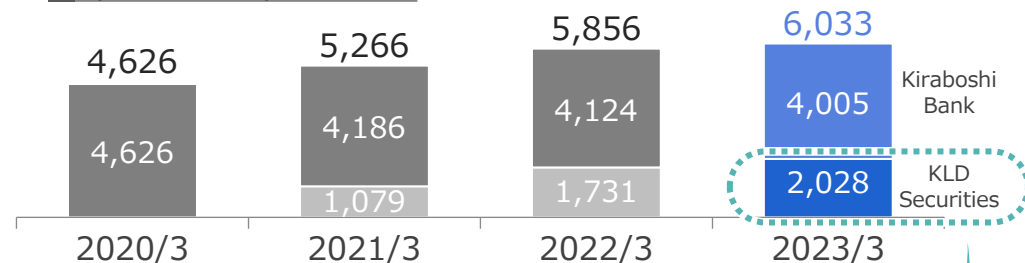
Established Wealth Management Office and started offering comprehensive support through long-term transactions targeting corporate owners and affluent individuals
Aim to enhance profitability of the Retail Division through unified sales activities of Group companies including securities and consulting subsidiaries

1. Fees and commissions from financial instruments (Kiraboshi Bank non-consolidated) (¥100 million)

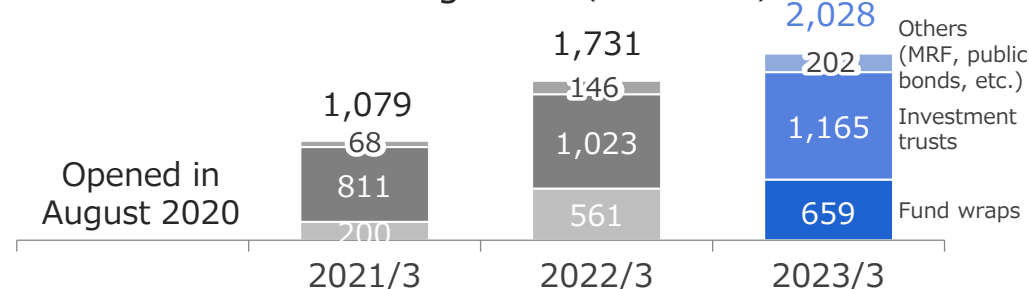


(Ref)
KLD Securities income ¥0.2 billion ¥0.8 billion ¥1.0 billion

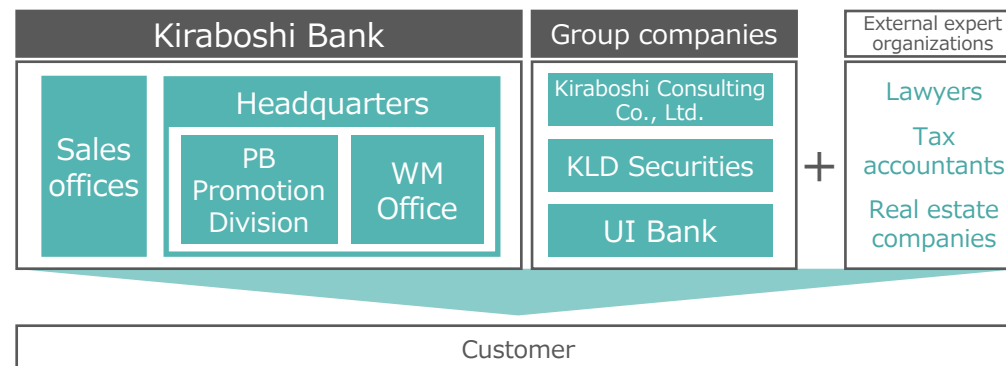
2. Group's balance of assets under management (¥100 million)



3. Breakdown of KLD Securities' balance of assets under management (¥100 million)



4. Group organization chart (retail sales)



New

WM Office (Kiraboshi Bank)

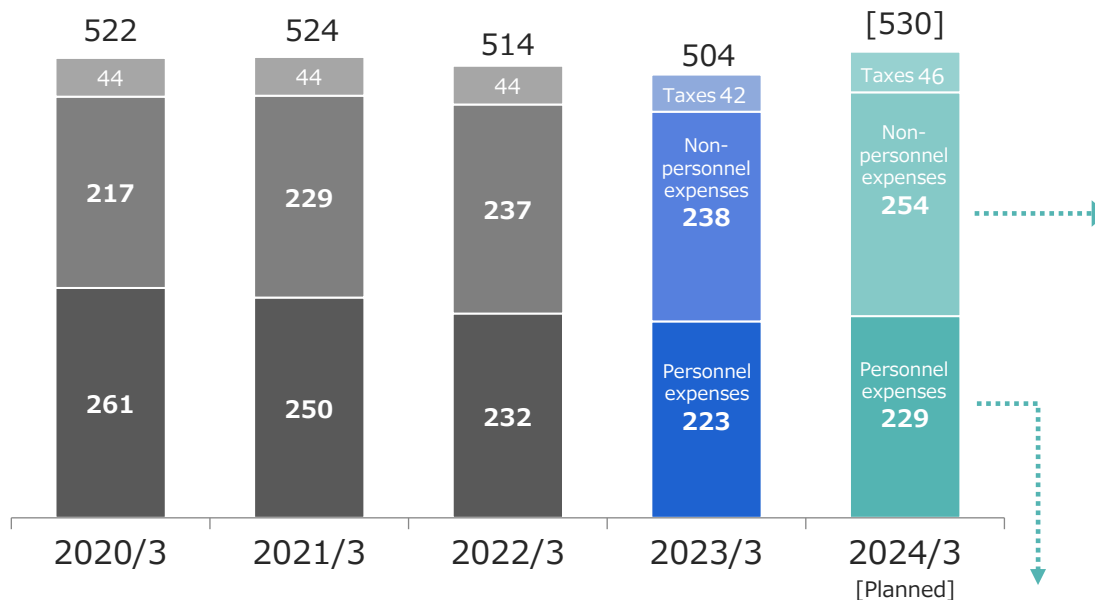
- **Wealth Management Office**
 - Established in April 2023
 - 8 employees
 - Long-term account management in charge of the very high net worth individual segment
- Providing pertinent and tailored advice on asset management inquiries in collaboration with sales offices as well as experts within and outside the Kiraboshi Group



Expenses

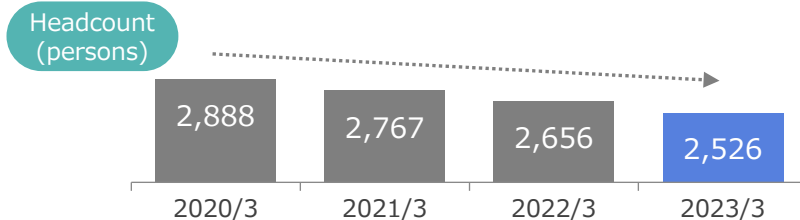
While controlling costs by cutting down personnel costs, branch expenses, and other costs through headcount reduction, push forward with efforts to improve management efficiency with proactive investment in such areas as DX

1. Breakdown of expenses (¥100 million)



Personnel expenses

- Personnel expenses on a downtrend due to decrease in headcount



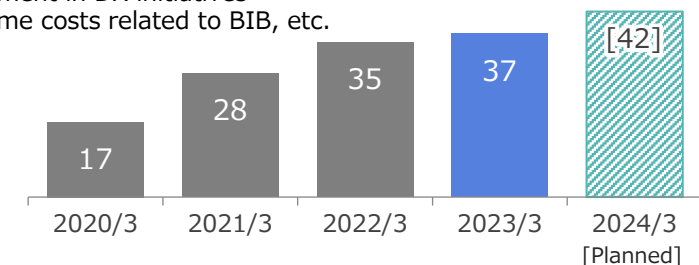
- However, personnel expenses are expected to increase in FY2023 due to proactive human capital investment including **base-pay increase (by 2.5%)** and **starting salary raise (by 50,000 yen)**

Non-personnel expenses

- Total non-personnel expenses in FY2023 are expected to increase as a result of proactive investment such as in the development of IT infrastructure that contributes to improvement of management efficiency, and in DX initiatives

Proactive investment (¥100 million)

- IT infrastructure investment
- Investment in DX initiatives
- One-time costs related to BIB, etc.



- In non-personnel expense items, **branch office rent has been on the downtrend** as a result of BIB (branch-in-branch) and other initiatives

Number of staffed offices

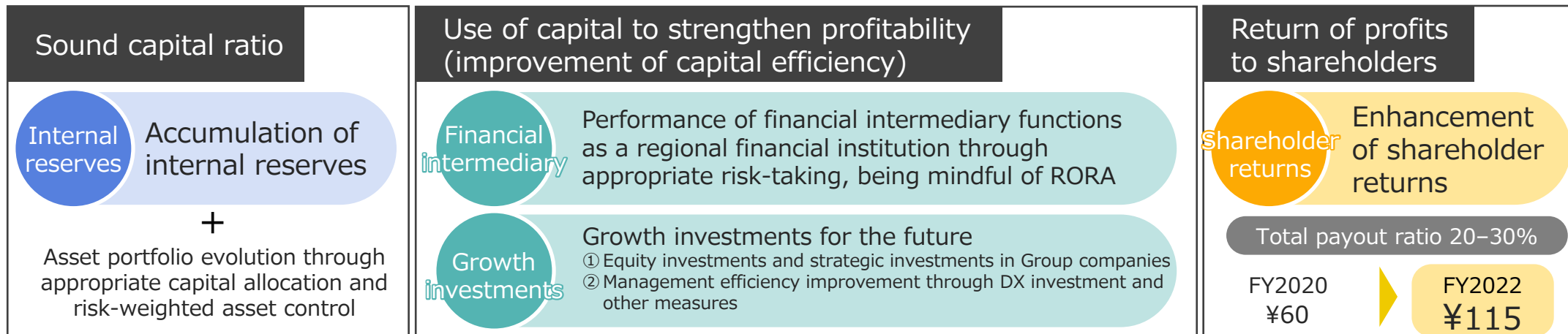
	2020/3	2021/3	2022/3	2023/3	2024/3 projection
Offices for corporate and retail customers	104	89	46	46	49
Retail-focused branches	14	20	56	55	48
Offices specializing in corporate customers	3	2	4	3	2
Sub-total (1)	121	111	106	104	99
Staffed sub-branches and offices (2)	13	12	10	9	4
Total of (1) + (2)	134	123	116	113	103

Capital Policy

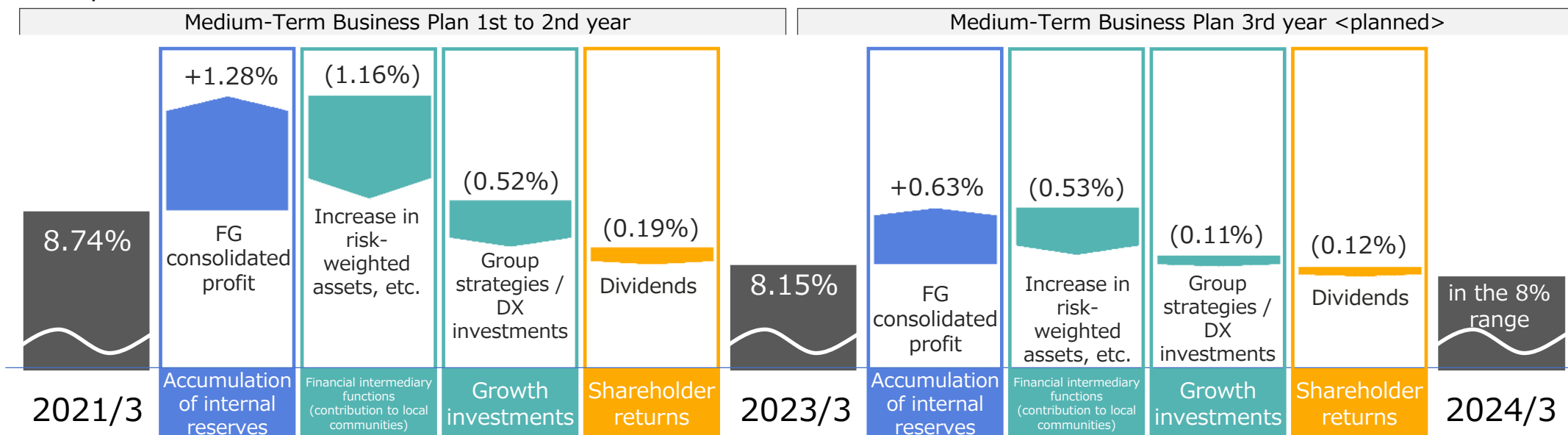
Ensure a “sound capital ratio” and implement a well-balanced approach in “use of capital to strengthen profitability” and “return of profits to shareholders”

In addition, start considering [repayment of preferred shares](#) in the next Medium-Term Business Plan and beyond (details to be disclosed in the next Medium-Term Business Plan).

■ Basic Policy

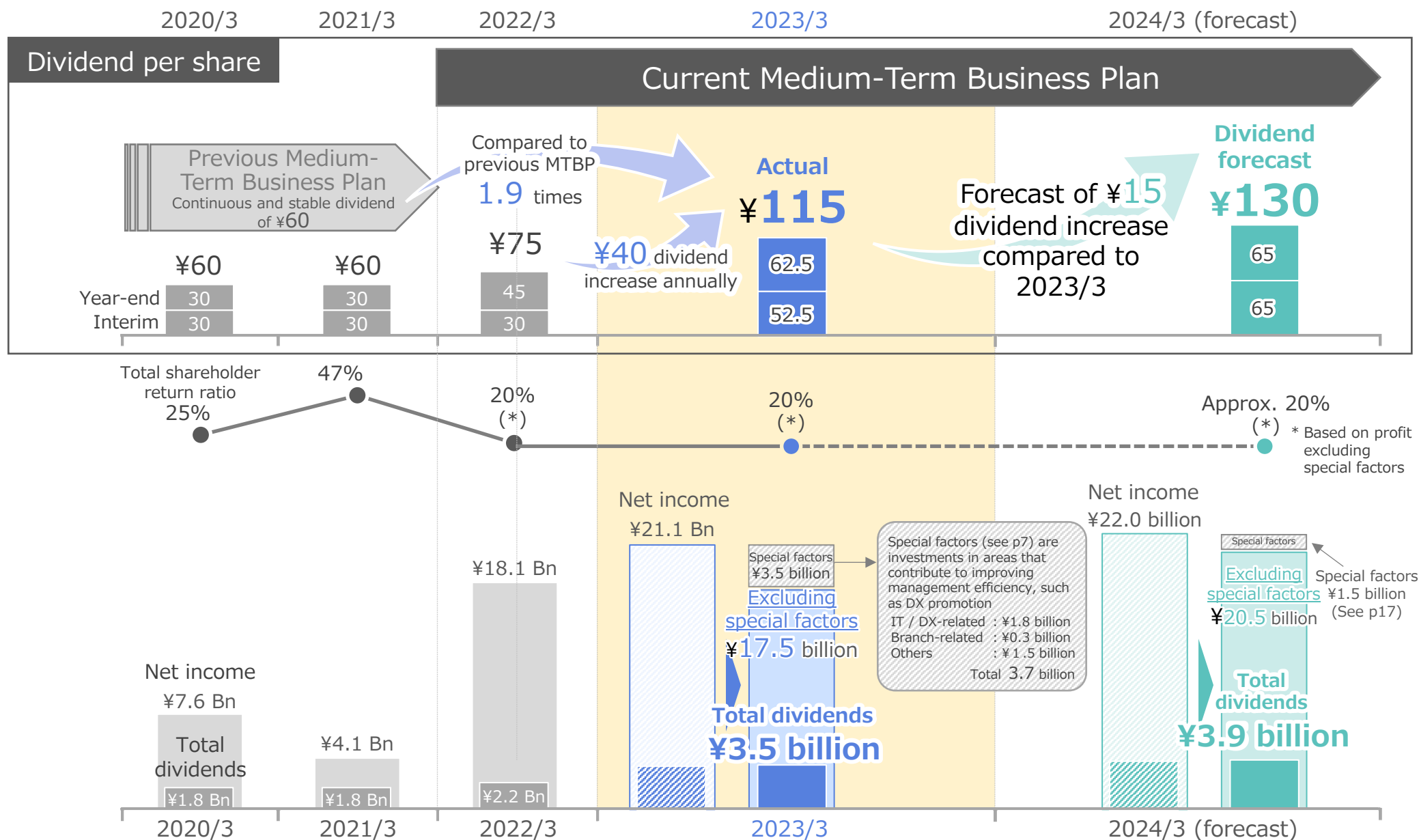


■ Capital allocation



Shareholder returns (dividends)

Paid out annual dividend 1.9 times higher than the previous Medium-Term Business Plan given steady accumulation of profits. ¥15 increase in dividend planned for FY2023

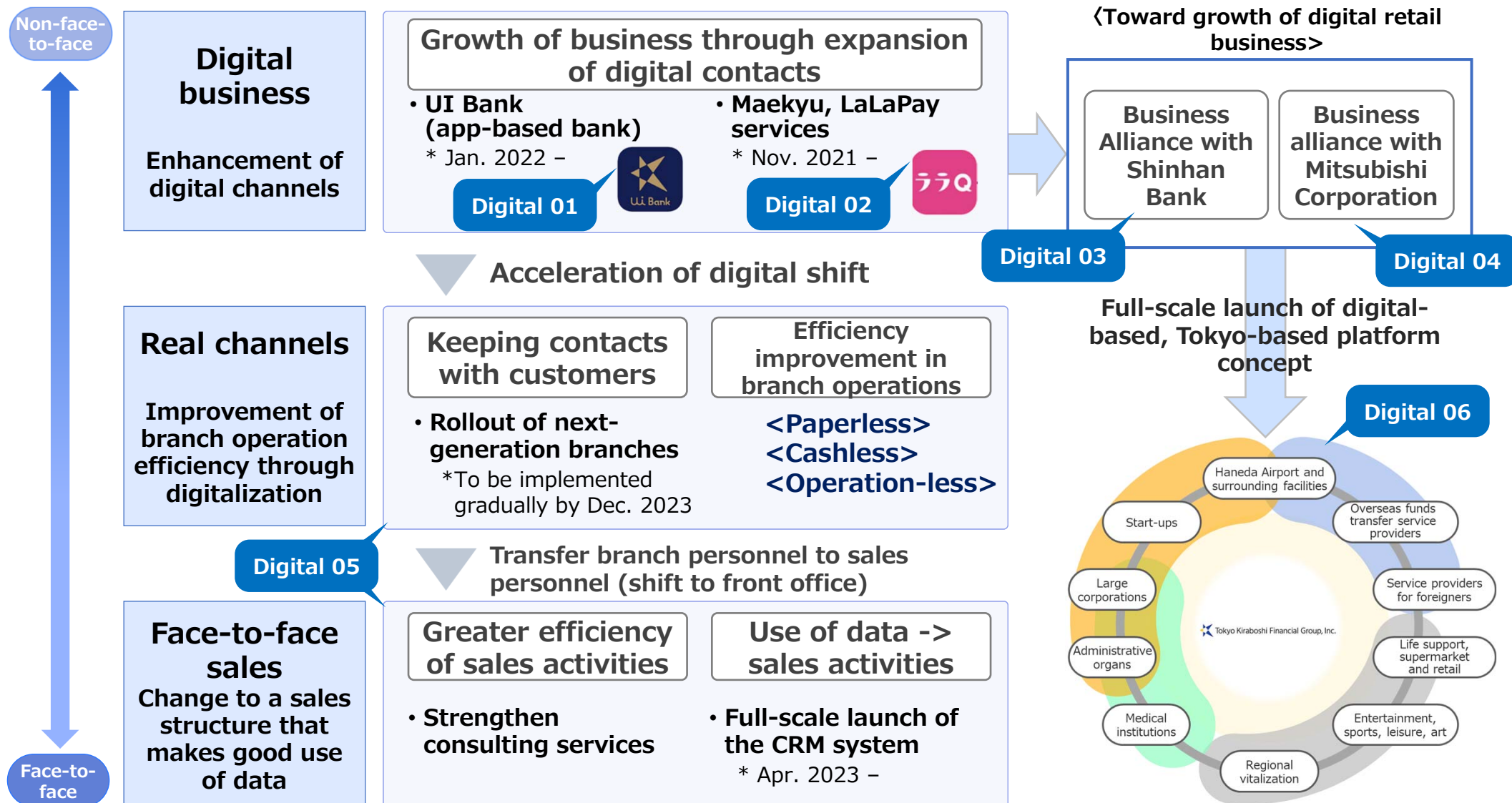




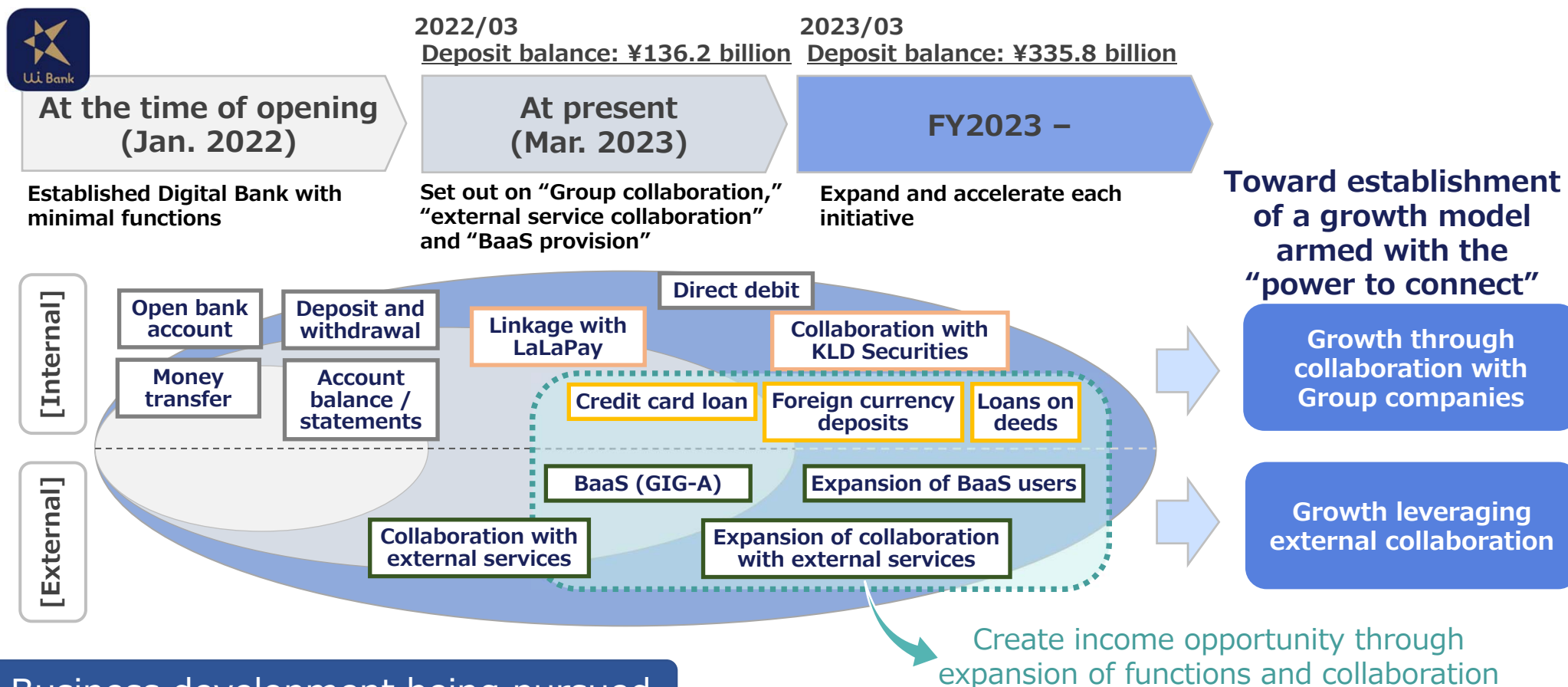
The Kiraboshi Group's Actions for the Future

Digital Strategy of Kiraboshi Group

- Using digital channels and real channels that leverage the strengths of regional bank, provide value by blending face-to-face with non-face-to-face, and financial with non-financial services



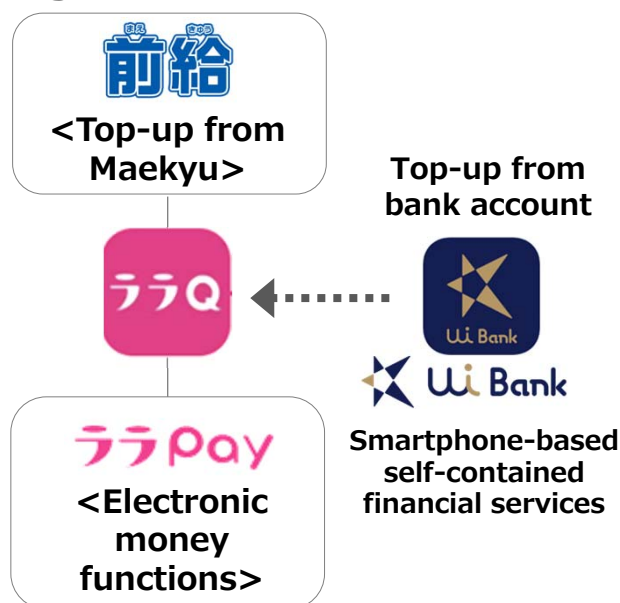
- Since establishment of UI Bank, achieved Group-wide collaboration and cooperation with external organizations in tandem with expansion of financial functions
This direction will be expanded and accelerated going forward, toward a two-way growth using internal and external assets



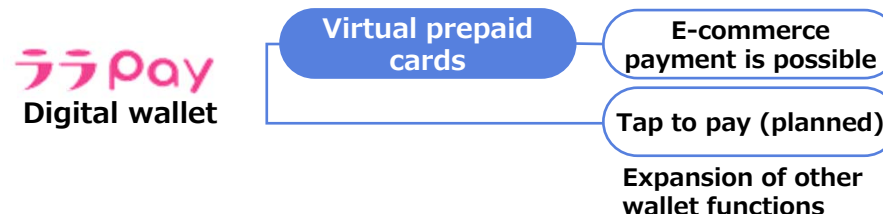
- Growth utilizing Kiraboshi Group’s management resources (Group retail strategy)
- Growth utilizing external assets such as partnership and alliance with other companies and banks (BaaS business strategy, etc.)
→Seamless provision of financial and non-financial services (improved convenience)

- With “Maekyu,” number of workers who have registered attendance is growing substantially. Continue to work on expanding user base, focusing on workplace activities.
- Use of digital wallet “LaLa Pay” in e-commerce payment made possible by loading virtual prepaid card. Aim for greater user convenience such as by introducing tap to pay and other functionalities to expand stores that accept LaLaPay payment.
- Organically link to financial functions of UI Bank to provide customer experience that integrates financial and non-financial services

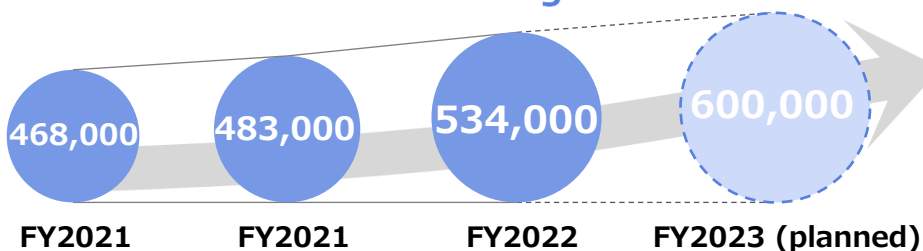
■ Digital financial functions around digital wallet



■ Increased convenience of digital wallet



■ Increase in Maekyu users: Changes in the number of attendance registrants



■ Expansion of benefit services

- Expanded opportunities for fee business
- Payment and money transfer
 - Finance
 - Corporate services

Business development being pursued

- Expand Maekyu and LaLaPay platforms, and aim for top market share in the salary prepayment market
- Move into matching business for part-time workers in order to address current labor shortage
- Provide new finance schemes utilizing attendance data and performance appraisal data

- Shinhan Bank is a South Korean megabank that has been expanding its retail business based on digital technology.
- Since establishment of business alliance between Shinhan Bank Japan, its subsidiary, and Kiraboshi Bank (July 2019), the two groups have been building a good relationship through various collaboration including introduction of UI Bank's core banking system.
- A memorandum of understanding on business alliance was concluded with the aim of strengthening strategic partnership and expanding financial ICT operation in Japan

Conclusion of a memorandum of understanding on business alliance

Description

- ✓ May 3, 2023
- ✓ Signing in Incheon, South Korea

Areas of cooperation

- ✓ Development of **retail, digital and ICT business strategies**
- ✓ Mutual cooperation in **financial ICT business**
- ✓ **Identification and materialization of cooperation projects** through composition of the Steering Committee



Business development being pursued

- Develop a growth strategy for the retail business in Japan in collaboration with Shinhan Bank, which is a "model of success in the retail field."
- Plan to conduct discussions on a wide range of fields, including "sharing of know-how in marketing and other digital retail strategies," "mobile application development," "use of CRM (customer relationship management system) data," and "startup support collaboration."



“Tokyo-based Platformer”

Value Proposition / Role



- Flexible, highly functional **digital financial infrastructure**
- Various **financial products and services**
- **Experience and expertise** in digital banking



Mitsubishi Corporation

“Utilizing Integrated EX/DX Initiatives to Promote Regional Revitalization”

Value Proposition / Role

- **Strong network** with industry and local government
- Wide exposure to **various industries**
- **Diverse talent** with DX capabilities



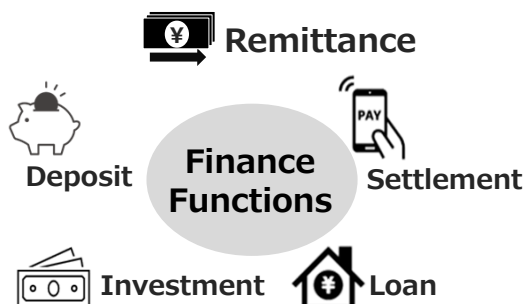
FinTech Partner

DX Partner

.....

Scope of Cooperation

Embedded Finance + Business Model
DX Consulting
Support for overseas expansion, etc.



Business operators well-established in the community



*include Kiraboshi Group customers

Community



Own service + Financial services
Provide a better customer experience by integrating non-financial and financial services

- Subsequent to signing of business alliance, work together to develop and promote a growth strategy, roll out an ecosystem throughout Japan that provides convenience to consumers

Outline of the Business Alliance Agreement

Objectives

- ✓ Tokyo Kiraboshi Financial Group and Mitsubishi Corporation to jointly engage in discussions aimed at further growth of digital banking business and other businesses utilizing their respective business assets, as well as personnel dispatch and customer referral.

Target businesses

- ✓ Digital banking business in general, DX consulting business, support for overseas business expansion, etc.

1. Expansion of UI Bank and Kiraboshi Tech businesses

- Develop solutions through use of Mitsubishi Corporation's management resources (personnel dispatch from Mitsubishi Corporation, DX capabilities).
- Realize prompt and flexible response to users' needs and strengthen cost competitiveness through in-house development.
- Improve UI Bank's UI/UX, provide diverse service menu by organically integrating the functions of UI Bank and Kiraboshi Tech.

2. Establishment of Tokyo-based Digital Platform

- Tokyo Kiraboshi Financial Group to provide solutions to cross-industry customer contact points in retail, infrastructure, and non-financial areas through collaboration with Mitsubishi Corporation Group, and promote the Tokyo-based platformer concept. Develop and expand the services across Japan through cooperation also with regional financial institutions.
- Through establishment of digital platform, contribute to creating new values and solving social issues of communities and industries.



Speedy profitability improvement of UI Bank and Kiraboshi Tech (improve subsidiaries' contribution to consolidated profits)

Building a sustainable business model (differentiation by means of comprehensive improvement of user convenience and cost competitiveness, solution to social issues)

Next-generation branches

Real channel: branches

Expand in-store tablet operations

➔ Improve branch operation efficiency while maintaining contact points with customers

- Benefits of branch operation efficiency improvement
 - Convert extra space to sales space
 - Streamline administrative personnel and strengthen sales personnel

<Reduce customers' burden to fill out forms>

Fill out paper forms -> Input data using in-store tablets



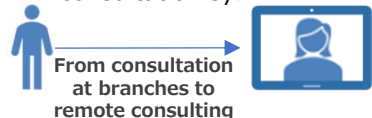
<Operation-less for bank employees>

Centralization of functions to headquarters etc. leading to elimination of voucher processing



<Strengthen in-store consulting operations>

Inheritance consultation using remote consultation system



<Lobby area to be used as consultation space>

Administrative space reduction -> Sales and procedures



Streamlining of branch administrative personnel
➔ strengthening of sales personnel

Transfer of personnel to front office

CRM system

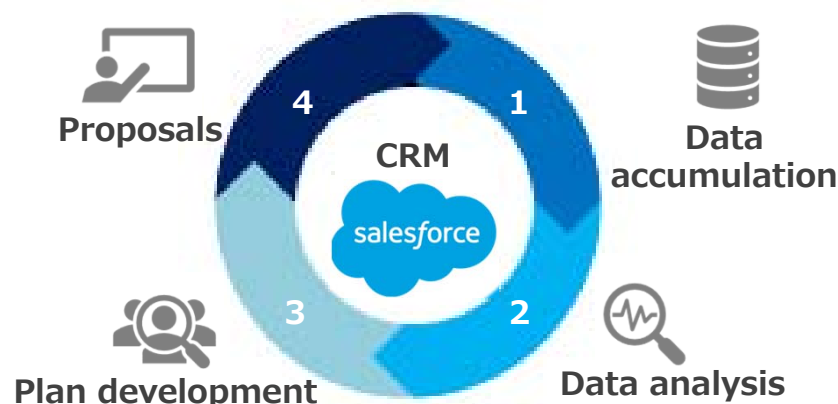
Face-to-face sales

Strengthen sales capabilities using CRM system

➔ Improve success rate of business negotiations with appropriate customer management

- Benefits of CRM system introduction in all sales offices
 - Accumulate and analyze sales data through employees
 - Shift to a sales approach based on data analysis

Sales PDCA based on CRM

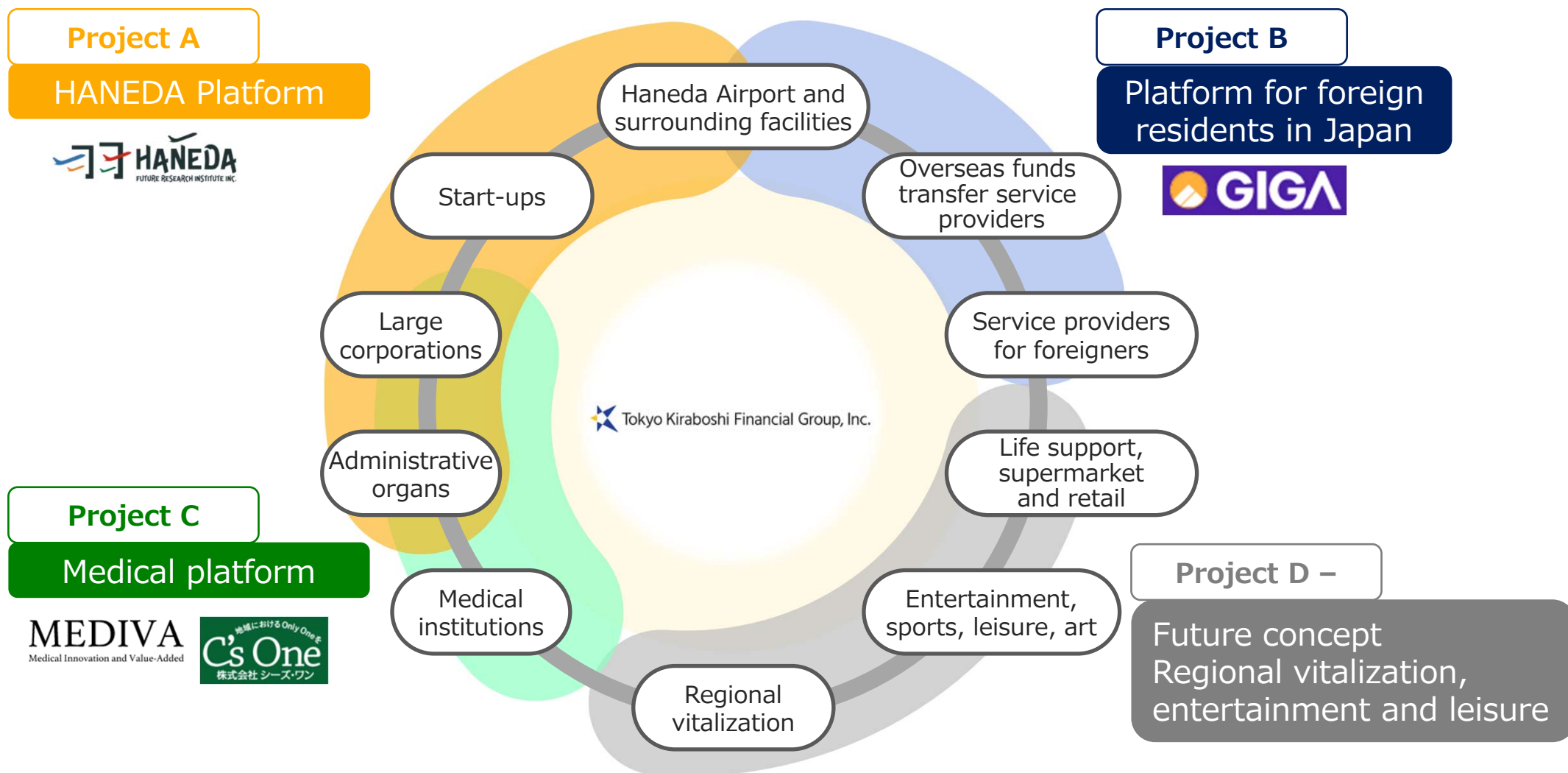


Move away from sales dependent on personal skills
➔ to data-based sales

Digital-based, Tokyo-based Platform Concept ①

Digital 06

- In March 2023, UI Bank started offering BaaS type services (as the first regional bank group to offer services for foreign residents in Japan using BaaS collaboration) to GIG-A Co., Ltd., a company that develops and operates subscription-based multilingual mobile financial services
- Aiming to realize the vision of Tokyo-based platform concept by providing financial and non-financial services in collaboration with partner companies



- Started providing BaaS of UI Bank's functions to GIG-A Co., Ltd, a multilingual mobile service provider for foreign residents in Japan
- For medical institutions, started promotion of community hospital through investment in Mediva Group's C's One, Inc. In addition, engaged in discussions on construction of a medical DX role model in collaboration with core hospitals of local communities

Platforms / Key partner companies

Project A

HANEDA Platform



Haneda Future Research Institute Incorporated
Conclusion of "Agreement on comprehensive partnership"

Project B

Platform for foreign residents in Japan



GIG-A Co., Ltd.
Provision of UI Bank's BaaS-type services

Project C

Medical platform



Investment in C's One, a subsidiary of Mediva, Inc.

Project D –

Future concept Regional vitalization, entertainment, etc.

In discussion with multiple non-financial companies on creation of a digital-based platform

Future platform development

- Roll out financial services at duty-free shops in Haneda Airport
- Promote open innovation from KicSpace HANEDA
- Expand BaaS business with service providers targeting foreign users
- Provide services through BaaS providers
 - ✓ Financial services: bank accounts, overseas remittances, loans, etc.
 - ✓ Non-financial services: housing, medical, food, etc.
- Start promotion of "Community Hospital" in cooperation with Mediva Group
- Build a role model for medical DX in collaboration with core hospitals of local communities
- Collaborate with non-financial service providers of entertainment, leisure, etc.
- Promote joint projects in embedded finance with companies focused on daily life, such as supermarkets and infrastructure

Launch of the New Brand Project ①

TOKYOに、つくそう。



Giving our all, for TOKYO.

The people of TOKYO are facing challenges like never before.

From lack of successors in small businesses to financial challenges facing young families.

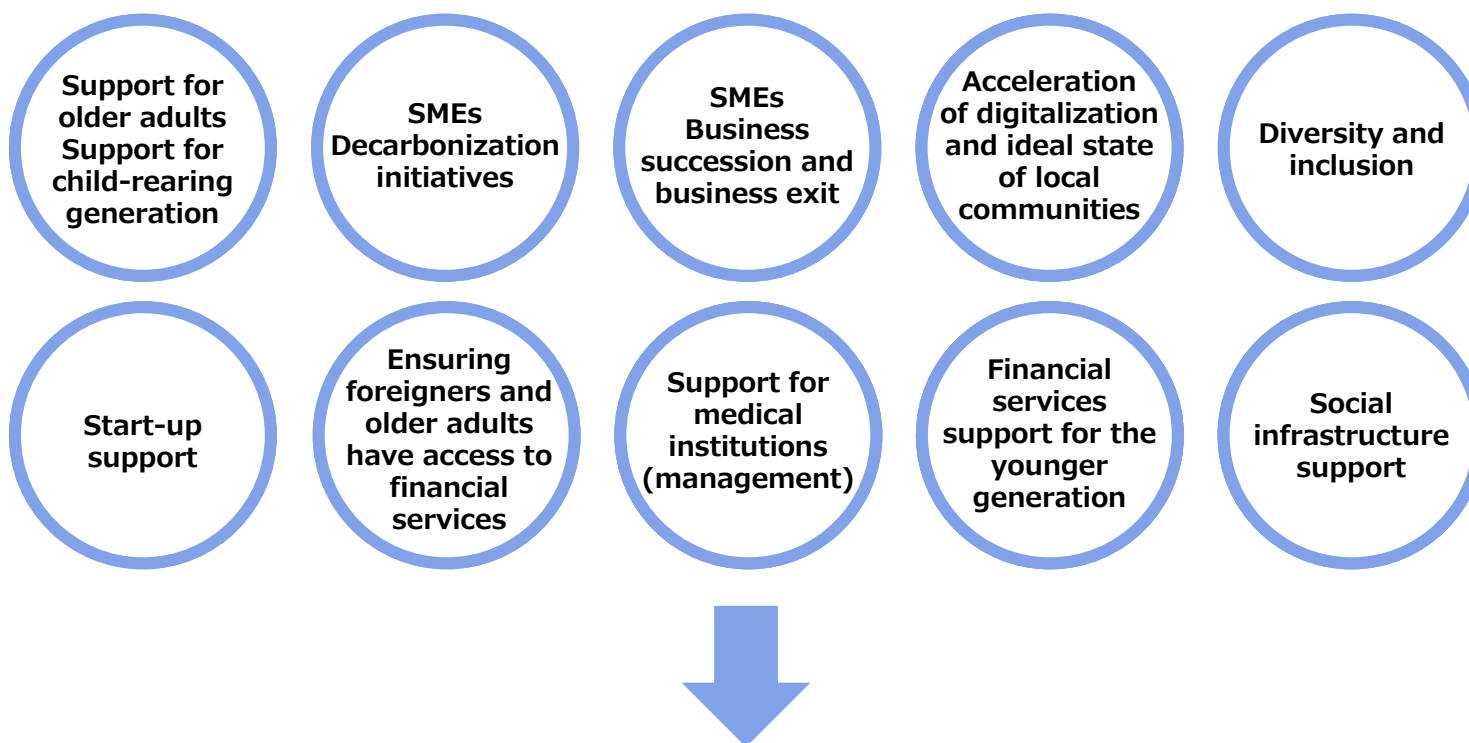
We see the struggle and are rallying our support.

That's why we are launching the "Giving our all, for TOKYO" project,
to spread this mission of the Kiraboshi Group, both internally and externally.

Launch of the New Brand Project ②

Giving our all, for TOKYO.

We are committed to the challenges facing Tokyo and helping everyone shine.

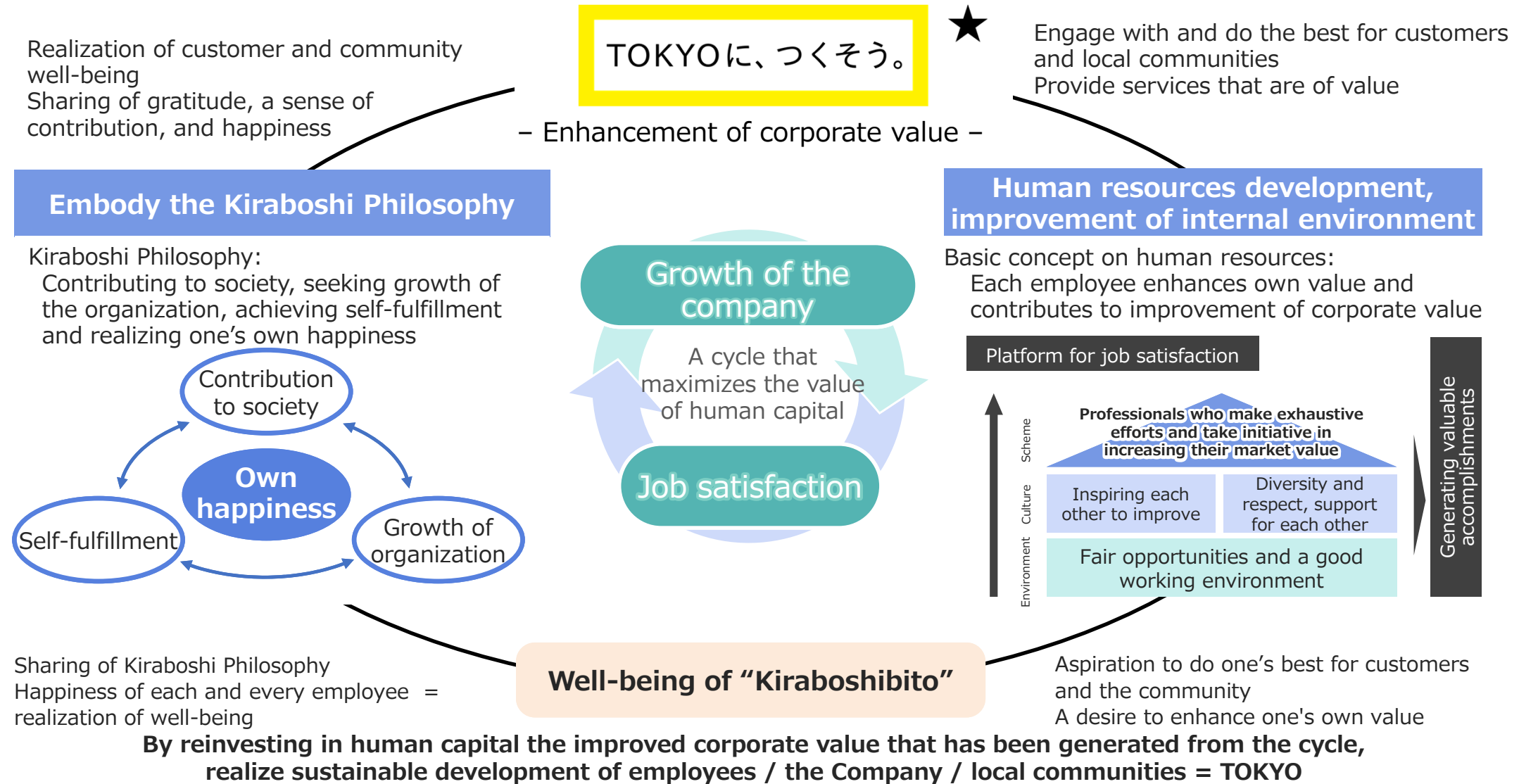


Focus on the various issues facing Tokyo and commit to solving them in a distinctively Kiraboshi Group way.

Through such approach and achievements, communicate the “new form of finance” that Kiraboshi aspires.

Sustainability (Well-being and Human Capital Management ①)

- “Kiraboshibito,” the most important capital asset of the Tokyo Kiraboshi Financial Group
- Kiraboshi Group’s employees, or “Kiraboshibito,” seek to realize the well-being of customers and local communities; it is each employee’s happiness = well-being that increases corporate value.



Sustainability (Well-being and Human Capital Management ②)

Human capital enrichment: each employee enhances own value and contributes to improvement of corporate value

◆ Human resources development

Upper row: FY2022 results (lower row: FY2023 targets set for major initiatives)

Strengthening of individuals				Fostering of corporate culture			
Development of in-house talents			Mid-career recruitment	Kiraboshibito	Organization embracing diversity	Enhancing each other	Gratitude
"Dojo" training participants 1,064 people (1,200 people)	Allocation to strategic divisions 295 people	Investment in human resources ¥78 million	Number of mid-career hires 30 people (50 people)	Training in corporate philosophy Participation by all regular employees	Percentage of women in management 16.93% (18%*)	Leadership training 21 people	Nice Work! Card 10,314 cards

* Target of 20% by end of FY2025

◆ Improvement of internal environment

Fair opportunities			Good working environment		
Performance appraisal	Human rights	Psychological safety and communication	Wellness	Diverse work styles	Benefits
Appraisal feedback interview implementation rate 85%	Number of submissions for human rights slogans to enhance awareness 1,444	One-on-one employee job satisfaction rate 92%	Participation in 360-degree survey training 787 people	Regular health checkups participation rate 100%	Employees taking childcare leave Female / male 100% (100%)
					Disability insurance Participation of all regular employees

Aiming for human resources and organization dedicated to serving customers through "human resource development" and "improvement of internal environment"

Management personnel

Senior executive candidates

- Directorship system
- Dispatch to external training programs

Next generation leaders

- Next Leader Program
- Dispatch to external training programs

Develop management personnel who will contribute to Kiraboshi's growth strategy

Professional personnel

Professional training => hands-on experience in specialized departments

- Finance: SF Dojo
- Private bankers: PB Dojo
- Consulting personnel: Consulting Dojo
- Trust specialists: Trust dojo

Develop professionals who can provide customers with high value

Digital personnel

Digital planning personnel

- Digital Dojo
- => Transfer to digital strategy division

Digital professionals

- Dispatch to external training programs
- => Dispatch to Kiraboshi System

Digital personnel active group
(digital-related departments)

Digital personnel standby group
(Digital Strategy Division)

Digital personnel potential group
(reserves)

Develop digital personnel who can plan and conceive solutions

Sustainability (Environment-Related)

1. Sustainability Policy

Tokyo Kiraboshi Financial Group strives to **contribute to sustainable development of local communities** and **increase medium- to long-term corporate value** through corporate activities based on its management philosophy. The Group strives to enhance information disclosure through dialogue with each and every stakeholder. Each and every one of Group officers and employees works to **increase customer value** and plays **an active role in addressing climate change and social issues**.

2. Partnership with administrative organs & sustainable finance

The **first regional financial institution** to sign a partnership agreement with the Tokyo Metropolitan Government for vitalization of sustainable finance

Partnership matters based on the agreement



- Support sustainability management promotion activities in cooperation with financial institutions
- Work on dissemination and promotion of sustainability management among SMEs
- Disseminate information on sustainability management such as cases of excellent initiatives

“Kiraboshi Sustainability-Linked Loan”

(2022/12 –)

Based on the agreement, the Tokyo Metropolitan Government will subsidize part of the expenses related to utilization of sustainable finance for SMEs in Tokyo (*)

* There will be screening prescribed by the Tokyo Metropolitan Government

2023/3 1 deal (¥200 million)

“Kiraboshi Decarbonization Support Loans”

(2022/6 –)

A preferential interest rate is applied for one year after loan execution to SMEs that submit “Tokyo Carbon Reduction Report” managed by the Bureau of Environment of the Tokyo Metropolitan Government

2023/3 10 deals (¥425 million)

3. SDGs management support for customers

Kiraboshi SDGs Evaluation Program (2022/3 –)

Evaluation and feedback on customers’ engagement with the SDGs, to respond to customer needs to ascertain their own level of SDGs engagement and commence engagement from a basic level, etc.

(Conducted at Kiraboshi Consulting)

2023/3 36 deals

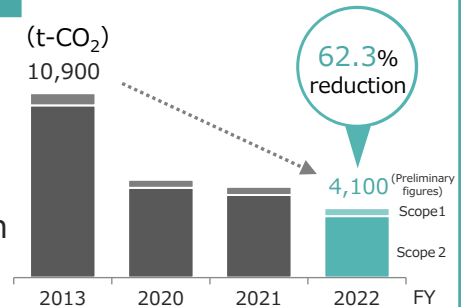
4. Sustainability targets

Greenhouse gas emissions

Reduction of greenhouse gas emissions by FY2030

Scope 1, 2

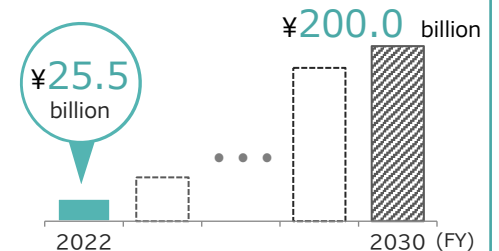
Target: **60% reduction**
(Compared with FY2013)



Environment-related investments and loans

Environment-related investments and loans up to FY2030

Target: **¥200.0 billion**
(FY2022 – FY2030)

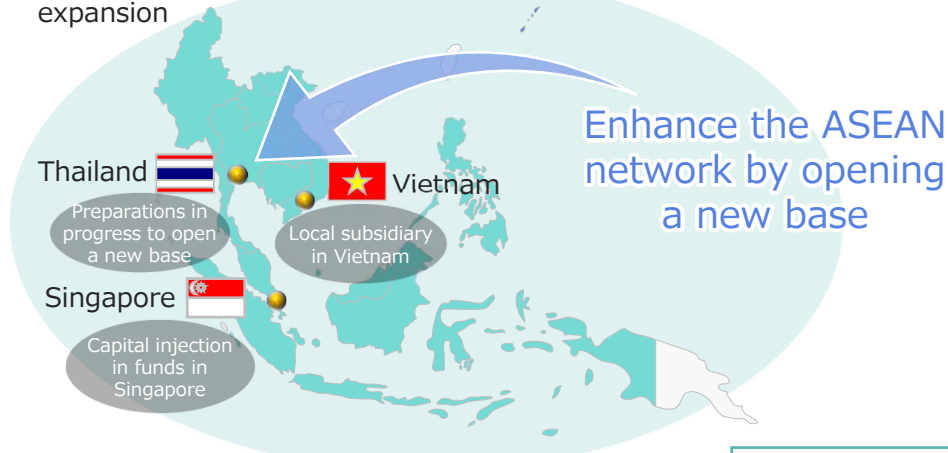


Sustainability (Overseas Support/Business Start-Up Support)

1. Establishment of an ASEAN Network (considering setting up a new ASEAN base)

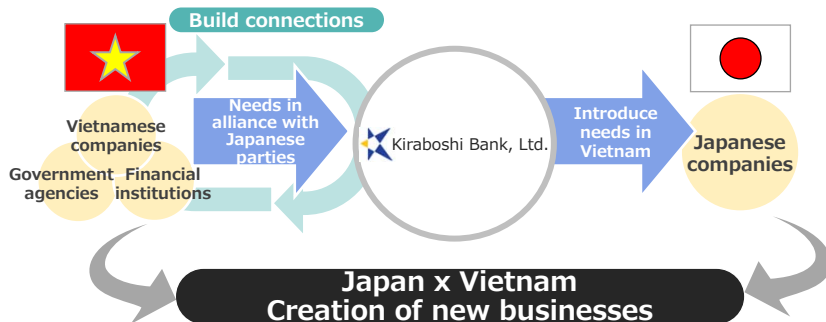
Preparations are underway to [open a new base of activities in Bangkok, Thailand](#)

- ① Expansion of market-oriented support areas for overseas business development
- ② Establishment of networks with ASEAN companies, government agencies, etc. and information gathering
- ③ Investments and loans associated with customers' overseas expansion



2. Example of a market-oriented support for overseas expansion

Introduce Japanese companies that match the needs in Vietnam to support creation of new businesses for both Japanese and Vietnamese companies

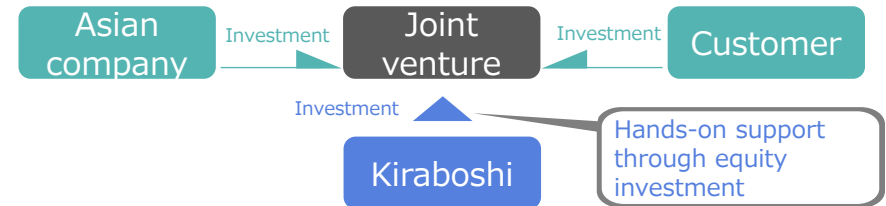


November 18, 2022

Signed a memorandum of understanding with Tan Long Group, a leading Vietnamese company, with the objective of contributing to further development of the economies of Japan and Vietnam and a more active cultural exchange between the two countries.

3. Hands-on support for equity investment in overseas businesses

In line with overseas market needs, Kiraboshi not only provides support to customers for their collaboration with Asian companies in overseas markets, but also provides hands-on support for their overseas business through equity investment.



4. Pitch event for startup support

Pitch event using "KicSpace Haneda" (*)

* An incubation facility operated by the Kiraboshi Group in Haneda Innovation City

FY2022 14 pitch events (Held periodically by theme, such as "mobility," "medical")

Open innovation pitch

Co-hosted with H.I.S. Co., Ltd.
Held an open innovation pitch event for startups aimed at co-creation projects that are not limited to travel business



Pitch event in a metaverse space

Startups took the platform, using web3.0 and Deeptech

Attendees participated through their avatars
Presentation materials were displayed on a monitor screen in the space



- ❑ Figures in this document are calculated in units of a million yen, but are presented in units of 100 million yen. The total amount therefore may not match the total for each item.
- ❑ Please note that some of the figures in this document are taken from preliminary reports.
- ❑ 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.

■ Please direct any comments or questions about these briefing materials or other IR topics to the IR office at the right.

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