

TOKYOに、つくそう。



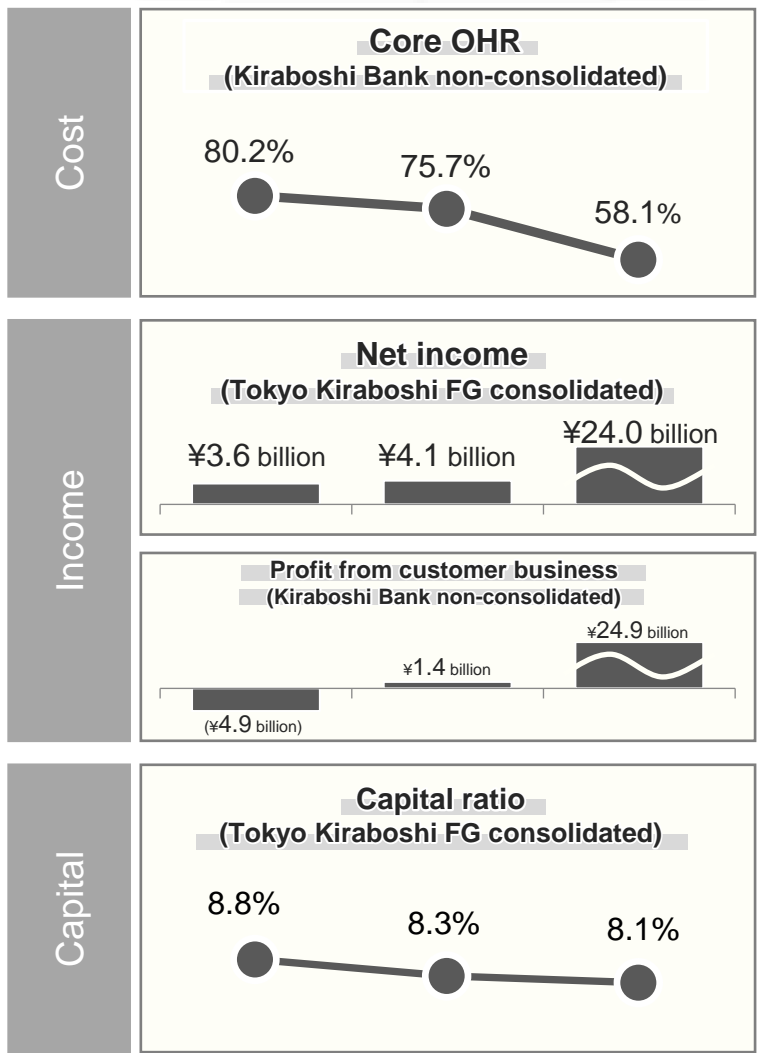
Giving our all, for TOKYO.

**Tokyo Kiraboshi Financial Group  
Medium-Term Business Plan  
(FY2024–FY2026)  
[Outline]**

# Review of Previous Medium-Term Business Plans



## Three challenges



### Performance review

Substantial cost reduction through systems integration, branch network reorganization, streamlining of headquarters operations and other measures

Improvement in profitability through business financing, promotion of transactions for main bank relationship building and other activities

**Profitability of Group companies**

**Decline in capital ratio due to accumulation of risk-weighted assets**

**Redemption (Repayment) of preferred shares**

### 2024/4 Kiraboshi Third Medium-Term Business Plan (current plan)

**Further efficiency improvement**

- Improve productivity through consolidation of branches for corporate customers and use of highly specialized human resources

**Strengthening of profitability**  
Review of income structure

- Strengthen profitability of Group companies
- Exit equity investments
- Monetize digital strategy

**Enhancement of equity capital**

- Accumulate internal reserves to secure funds for redemption (repayment) of preferred shares
- Control risk-weighted assets being mindful of RORA

# Purpose / Social issues to be addressed

## Establishment of purpose

### Purpose

**TOKYOに、つくそう。** ★

Giving our all, for TOKYO.

### Management Philosophy

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

### Kiraboshi Philosophy

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

### Principles of action guideline for "Kiraboshibito"

Have high aspirations  
Always think "how it can be done"  
Be committed to results and continuously take on courageous challenges

Vision of the future

Comprehensive service business that is also strong in finance

## Social issues to be addressed and our responses

### Realization of a sustainable society

- ★ Support for SMEs in improving their business value
- ★ Support for SMEs in their decarbonization efforts
- ★ Medical (management) support
- ★ Support for the elderly and child raising generation

### Creation of new social values and industries

- ★ Group-wide contribution to regional development
- ★ Start-up support
- ★ Support for overseas expansion from the TOKYO market

### Responses to issues accompanying progress in digitalization

- ★ Delivery of new financial functions  
Social infrastructure (security and safety)
- ★ Financial services support for the elderly and young people
- ★ Ensuring that foreigners have access to financial services

Kiraboshi Group's collective efforts to provide integrated solutions and resolve TOKYO's issues



## Key strategies

- Group strategy
- Corporate customer strategy
- Retail customer strategy
- Digital strategy
- Branch strategy
- Financial strategy

# Management Targets

	FY2023 (outlook)	FY2026	
<b>Net income</b> (FG consolidated)	¥24.0 billion	¥30.0 billion	<b>Strengthening of profitability and review of income structure</b> <ul style="list-style-type: none"> <li>■ Group company strategy                             <ul style="list-style-type: none"> <li>➢ Strengthen integrated solutions capability applying digital, solutions and other businesses</li> <li>➢ Build a business model that does not depend on Kiraboshi Bank's loan income</li> </ul> </li> <li>■ Corporate customer strategy                             <ul style="list-style-type: none"> <li>➢ Strengthen various solutions functions</li> <li>➢ Provide hands-on support for equity investees</li> </ul> </li> <li>■ Retail customer strategy                             <ul style="list-style-type: none"> <li>➢ Provide consultation-based comprehensive services</li> <li>➢ Respond flexibly to customer needs through diverse channels</li> </ul> </li> <li>■ Digital strategy                             <ul style="list-style-type: none"> <li>➢ UI Bank to promote digital-driven retail areas (deposits/loans)</li> <li>➢ Strengthen functions and services as a platform for new businesses</li> </ul> </li> </ul>
<b>Profit of Group companies</b> (FG consolidated) <small>* excluding Kiraboshi Bank</small>	(¥0.3 billion)	¥5.0 billion	
<b>ROE</b> (FG consolidated)	7.1%	High 7% range	
<b>Core OHR</b> (Kiraboshi Bank non-consolidated)	58.1%	Mid-50% range	
<b>Capital ratio</b> (FG consolidated)	8.1%	8.3%	
			<b>Further efficiency improvement</b> <ul style="list-style-type: none"> <li>■ Branch strategy                             <ul style="list-style-type: none"> <li>➢ Optimum personnel allocation through consolidation of branches for corporate customers and expansion of offices specializing in retail customers</li> <li>➢ Headquarters and branches working together to provide high value-added services</li> </ul> </li> </ul>
			<b>Enhancement of equity capital</b> <ul style="list-style-type: none"> <li>■ Financial strategy                             <ul style="list-style-type: none"> <li>➢ Accumulation of internal reserves to secure funds for redemption (repayment) of preferred shares</li> <li>➢ Risk-weighted asset control that is mindful of RORA</li> </ul> </li> </ul>

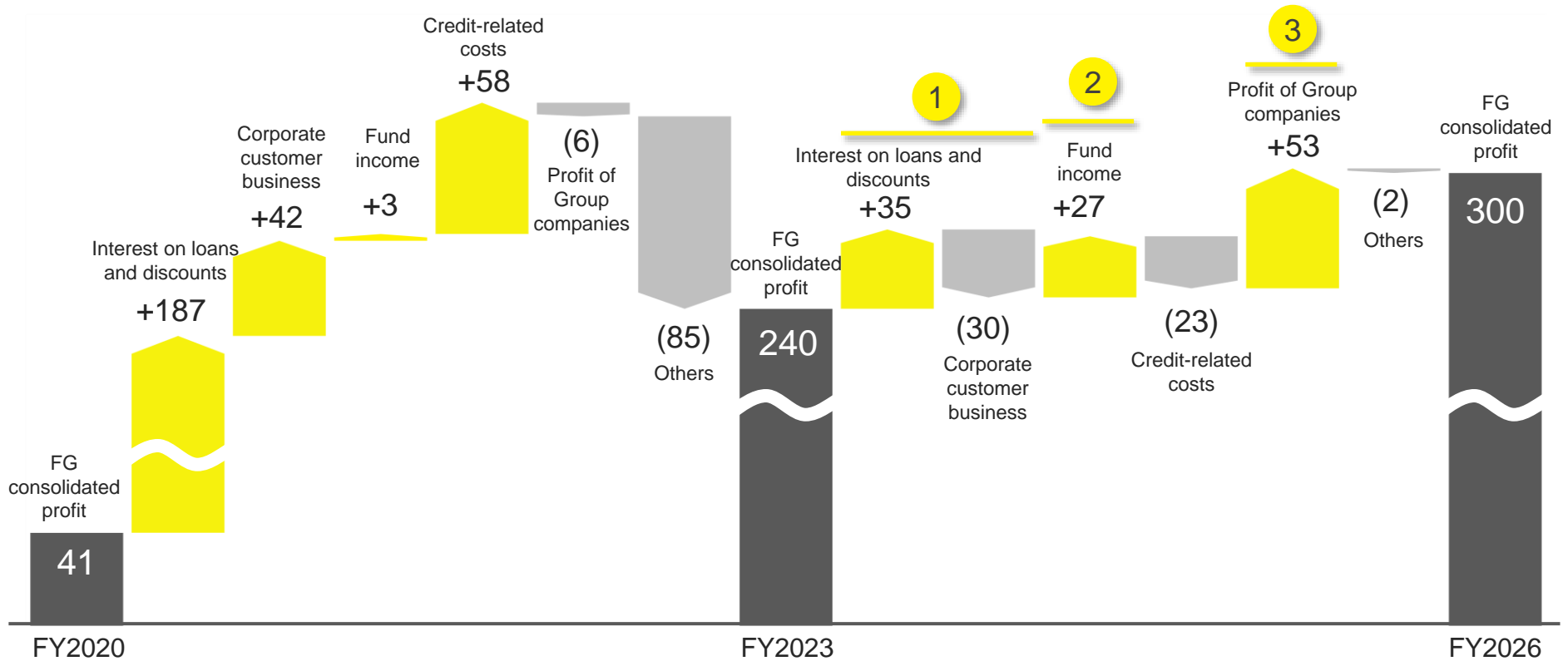
\* Figures for "FY2023 (outlook)" represent the outlook at the time of disclosure of the results for the first half of the fiscal year ended March 31, 2024

# Transformation of income structure

- 1 While controlling assets particularly loan balance, transform business model to ensure a certain level of fee income
- 2 Equity investment to respond to the needs in business succession and business transfer, and hands-on support
- 3 Respond to customers' diverse needs with the collective strength of the Group and seek improvement of Group companies' profitability

Previous Medium-Term Business Plan (FY2021 - FY2023)

Current Medium-Term Business Plan (FY2024 - FY2026) (in ¥100 million)



## Approach to preferred shares

After assessing the Company's business environment and with consideration for the status of internal reserve accumulation and capital ratio,

- with respect to First Series Class I preferred shares (\*1),  
Redeem the shares over the period from FY2026 to FY2029, and aim to complete redemption
- with respect to Class II preferred shares (\*2),  
Redeem the shares in FY2026 and FY2028, and aim to complete redemption

Consider completing redemption ahead of schedule depending on market environment

(\*1) Sumitomo Mitsui Trust Bank, Limited ¥15 billion (\*2) Tokyo Metropolitan Government ¥40 billion

## Policy on shareholder returns

Basic policy is to make continuous and stable dividend payments. For the period covered by the current Medium-Term Business Plan (FY2024–FY2026),

target payout ratio of around 20% even after redemption of preferred shares, and secure capital ratio of 8.3%

## Reduction in cross-shareholdings (listed shares)

During the period covered by the current Medium-Term Business Plan (FY2024–FY2026), aim to reduce cross-shareholdings by around 40% in terms of book value

(FY2023 book value balance approx. ¥15 billion → FY2026 book value balance approx. ¥9 billion)