



Tokyo Kiraboshi Financial Group
Results Briefing for the Fiscal Year
Ended March 31, 2024

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1. Summary of Business Results for the Fiscal Year Ended March 31, 2024

Summary of Business Results for the Fiscal Year Ended March 31, 2024

Tokyo Kiraboshi FG (consolidated)

Results for the Fiscal Year Ended March 31, 2024

(¥100 million)

		A 2023/3 (Actual)	B 2024/3 (Actual)	YoY (B - A)	C 2024/3 (Revised forecast)	Rate of progress (B / C)
1	Ordinary profit	307	329	+21	301	109.5%
2	Profit attributable to owners of parent	211	256	+45	240	106.8%

2024/3 Profit attributable to owners of parent

Percent change **+21.2%** YoY
(¥21.1 billion → ¥25.6 billion)

* Revised full-year forecasts as of November 1, 2023 (net income of ¥22.0 billion → ¥24.0 billion)

Kiraboshi Bank (non-consolidated)

Results for the Fiscal Year Ended March 31, 2024

(¥100 million)

		A 2023/3 (Actual)	B 2024/3 (Actual)	YoY (B - A)	C 2024/3 (Revised forecast)	Rate of progress (B / C)
1	Gross core business profit	907	919	+11	909	101.1%
2	Net interest income	744	814	+70	794	—
3	Interest on loans and discounts	572	665	+92	651	—
4	Interest on securities	192	197	+4	195	—
5	Other interest income	(21)	(47)	(26)	(52)	—
6	Non-interest income	163	104	(58)	115	—
7	Expenses	(504)	(531)	(27)	(529)	—
8	Net core business income	403	387	(15)	380	102.0%
9	Net core business income (excluding special factors)	299	352	+53	345	102.1%
10	Credit-related costs	(20)	(19)	+1	(26)	—
11	Gains (losses) on bonds	(50)	(36)	+13	(35)	—
12	Gains (losses) on stocks and other securities	48	63	+15	48	—
13	Other non-recurring profit (loss)	(15)	(24)	(9)	(35)	—
14	Ordinary profit	365	369	+4	332	111.4%
15	Ordinary profit (excluding special factors)	300	334	+33	297	112.6%
16	Extraordinary profit (loss)	15	(1)	(17)	(1)	—
17	Income taxes	(107)	(65)	+41	(50)	—
18	Net income	274	303	+28	279	108.6%
19	Net income (excluding special factors)	209	267	+58	244	109.7%

2024/3 Ordinary profit

Percent change **+1.1%** YoY
(¥36.5 billion → ¥36.9 billion)

2024/3 Net income

Percent change **+10.4%** YoY
(¥27.4 billion → ¥30.3 billion)

1 Net core business income (excluding special factors)

* Amounts indicated exclude the special factors below

(¥100 million)	2023/3	2024/3
A. Dividends from affiliates	64	35
B. Gains from derivatives transactions, etc.	39	—
Total (A + B)	103	35

A. Dividend received from an equity-method affiliate sourced from sale of real estate by the said equity-method affiliate
B. Gains from derivatives transactions associated with unwinding of asset swaps, etc.

2 Ordinary profit (excluding special factors), net income (excluding special factors)

* Amounts indicated exclude the special factors below

(¥100 million)	2023/3	2024/3
A. Dividends from affiliates	64	35

A. Dividend received from an equity-method affiliate sourced from sale of real estate by the said equity-method affiliate

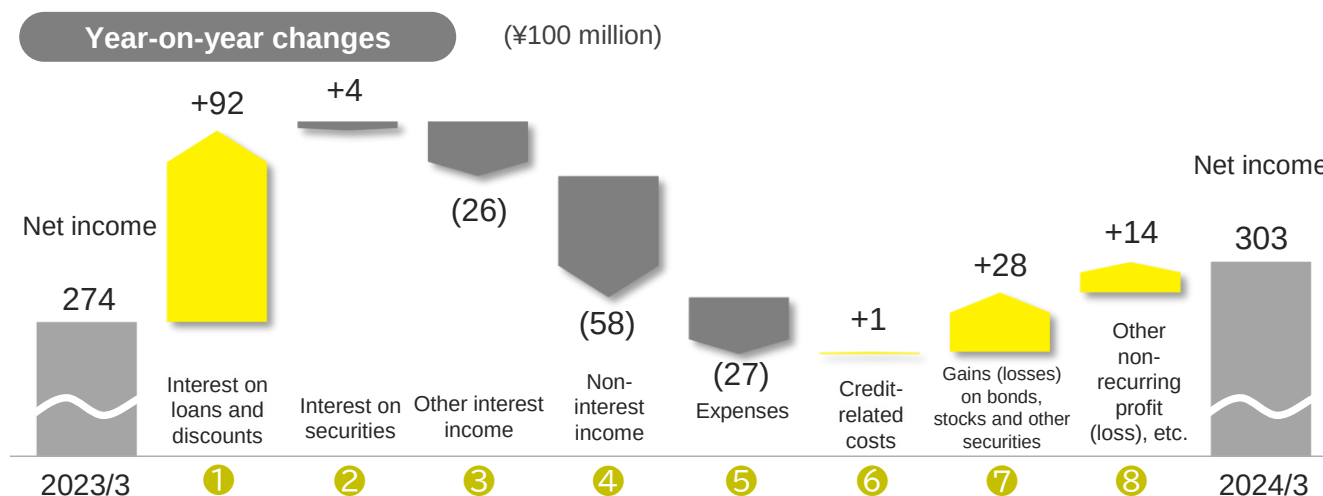
Note: For signs used in year-on-year comparison, "+" indicates increase in income, "-" indicates decrease in income

* Revised full-year forecasts as of November 1, 2023 (net income of ¥24.5 billion → ¥27.9 billion)

Factors Affecting Net Income (Kiraboshi Bank)

* For signs before the numbers on this page, "+" indicates increase in income, "(" indicates decrease in income

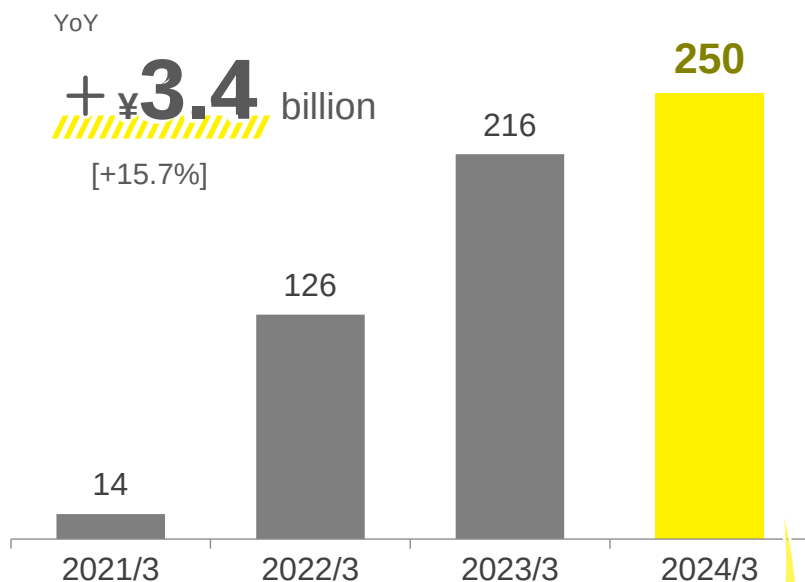
	Main Items	YoY	Key Points	(Reference) Year-on-year change excluding special factors
1	Interest on loans and discounts	+¥9.2 billion	+¥9.2 billion YoY due to continued increase in loan balance that largely reflected initiatives such as promotion of transactions for main bank relationship building and business financing activities, as well as rise in loan yield	+¥9.2 billion
2	Interest and dividends on securities	+¥0.4 billion	Despite ¥(2.9) billion YoY in special factors (*1) that were posted , overall result was +¥0.4 billion YoY due in part to increased interest from foreign securities and fund income	+¥3.4 billion
3	Other interest income	¥(2.6) billion	¥(2.6) billion YoY partly due to an increase in foreign currency funding costs (¥(0.5) billion) and an increase in interest payments to UI Bank on borrowed money (¥(1.2) billion)	¥(2.6) billion
4	Non-interest income	¥(5.8) billion	¥(5.8) billion YoY overall reflecting factors such as recording ¥(1.4) billion in loss on foreign exchange transactions and the absence of gains from transactions associated with unwinding of asset swaps, etc. (¥3.9 billion) recorded in the previous year	¥(1.9) billion
5	Expenses	¥(2.7) billion	¥(2.7) billion YoY partly due to an increase in personnel expenses resulting from an increase in base pay	¥(2.7) billion
6	Credit-related costs	+¥0.1 billion	+¥0.1 billion YoY partly due to lower actual ratio of the provision of general allowance for loan losses	+¥0.1 billion
7	Gains (losses) on bonds, stocks and other securities	+¥2.8 billion	+¥2.8 billion YoY partly due to decrease in loss on sales of foreign bonds and increase in gain on sale of stocks held for investment purposes	¥(1.0) billion
8	Other non-recurring profit (loss) Extraordinary income (loss) / Income taxes	+¥1.4 billion	+¥1.4 billion YoY partly due to a decrease in income taxes as a result in higher expected recovery of deferred tax assets in tax effect accounting (+¥2.3 billion)	+¥1.4 billion
	Total	+¥2.8 billion	*1: Dividend received from an equity-method affiliate sourced from sale of real estate by the said equity-method affiliate (¥6.4 billion in 2023/3 → ¥3.5 billion in 2024/3)	Total +¥5.8 billion



Diff. b/w consolidated and non-consolidated (¥100 million)	
Kiraboshi Bank (non-consolidated) net income	303
Group consolidated net income (of which, effects of start-up deficit of newly-established companies, etc.: ¥(2.7) billion)	(3)
Elimination of internal transactions between consolidated Group companies (such as dividend of ¥3.5 billion mentioned in *1 above)	(44)
Tokyo Kiraboshi FG (consolidated) net income	256

Profit from Customer Business (Kiraboshi Bank)

1. Profit from customer business (¥100 million)



Key increases

1

Loan balance (closing balance) **+¥97.7 billion YoY**

2

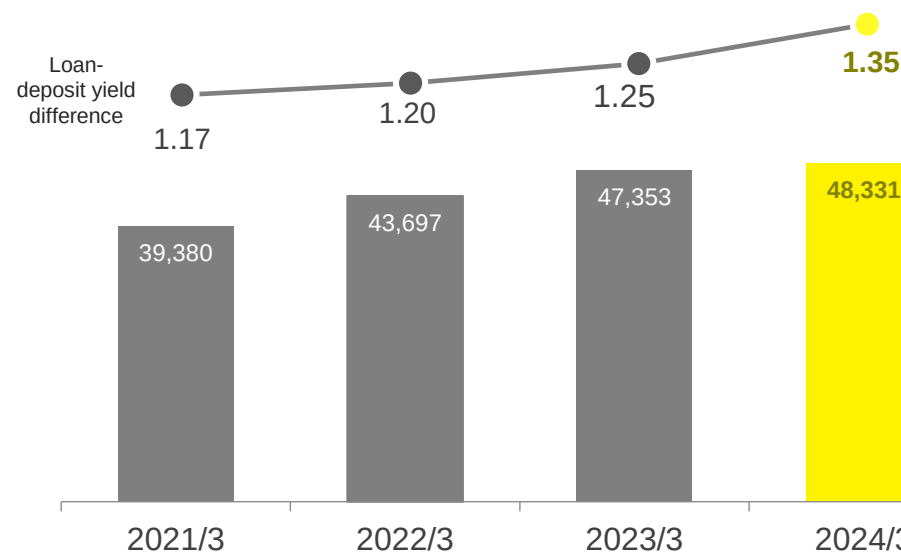
Loan-deposit yield difference **+0.10 pct pts YoY**

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

Breakdown of factors (¥100 million, %)

		2022/3	2023/3	2024/3	YoY
A	Loan balance (closing balance)	43,697	47,353	48,331	+977
B	Loan-deposit yield difference	1.19	1.25	1.35	+0.10
C	Income from fees and commissions	115	127	126	(1)
D	General and administrative expenses (expenses + temporary treatment of retirement benefit expenses, etc.)	511	503	530	(26)
	Profit from customer business (A×B+C-D)	126	216	250	+34

Loan balance / Loan-deposit yield difference (¥100 million, %)

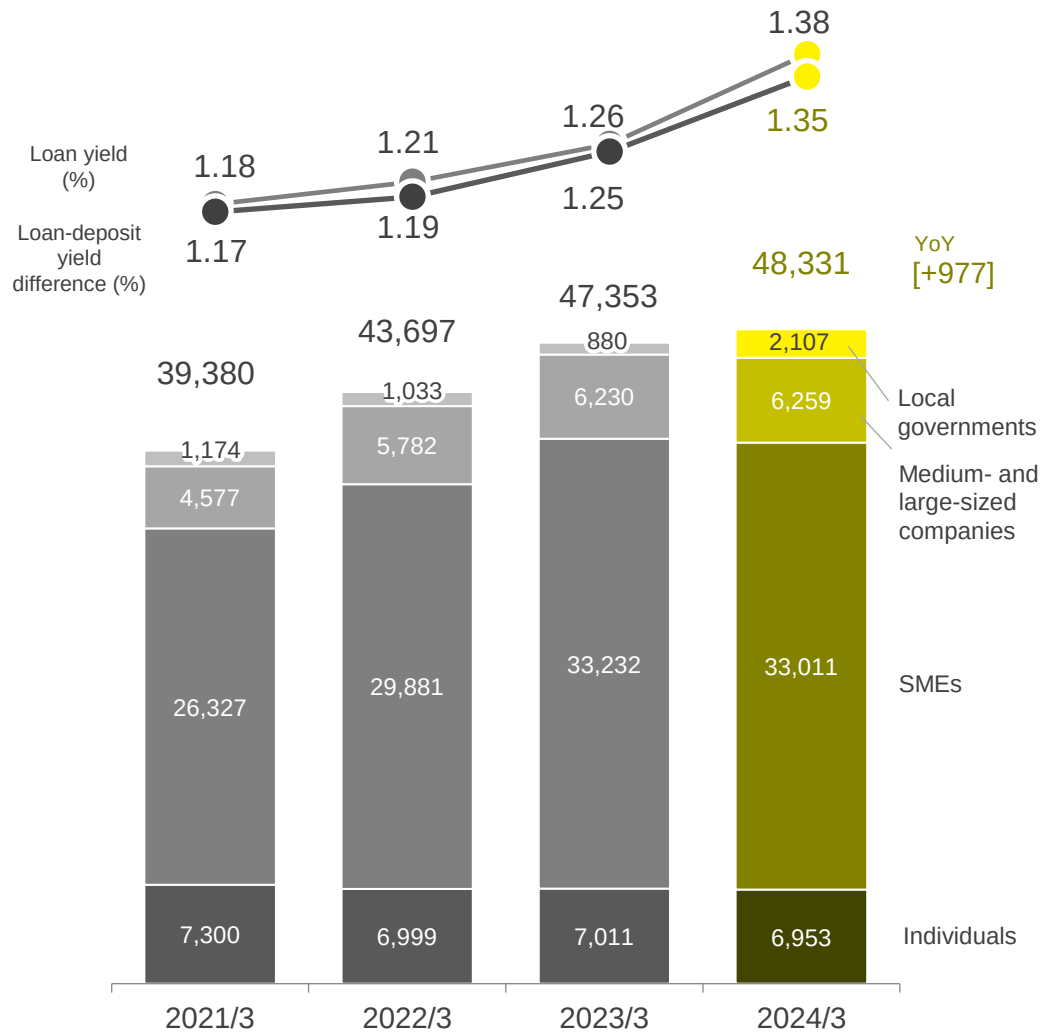


Loans and Trust Assets (Kiraboshi Bank)

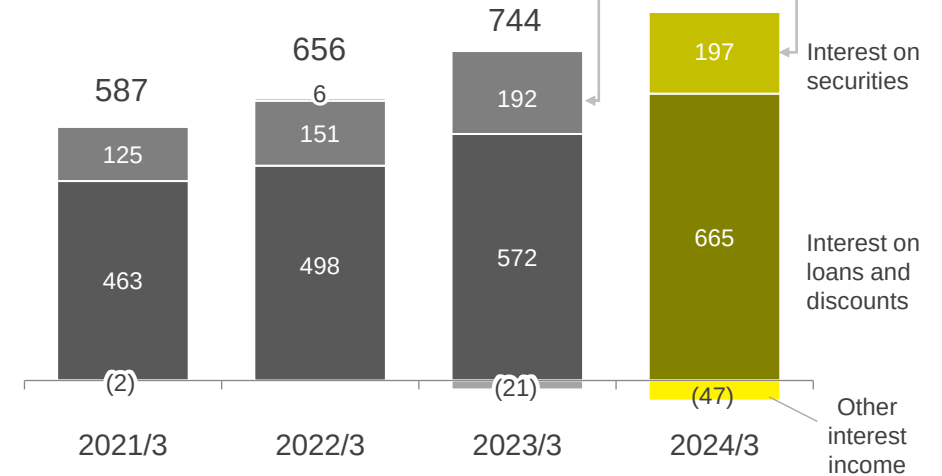
Continued yield increases due to efforts in promotion of transactions for main bank relationship building and business financing activities, etc.

While loan balances are on an increasing trend, loans to SMEs are slightly decreasing due to the implementation of distribution, etc.

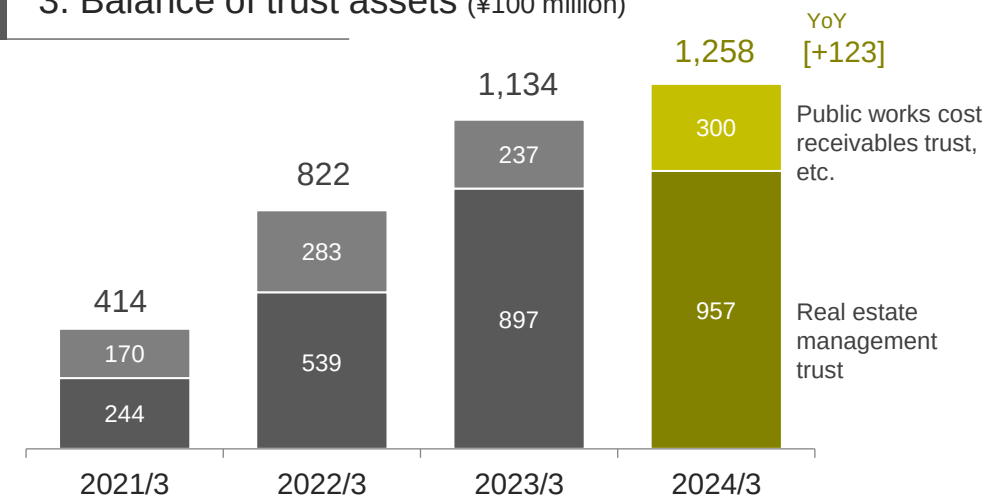
1. Loan balance by type of customer (¥100 million)



2. Net interest income (¥100 million)



3. Balance of trust assets (¥100 million)



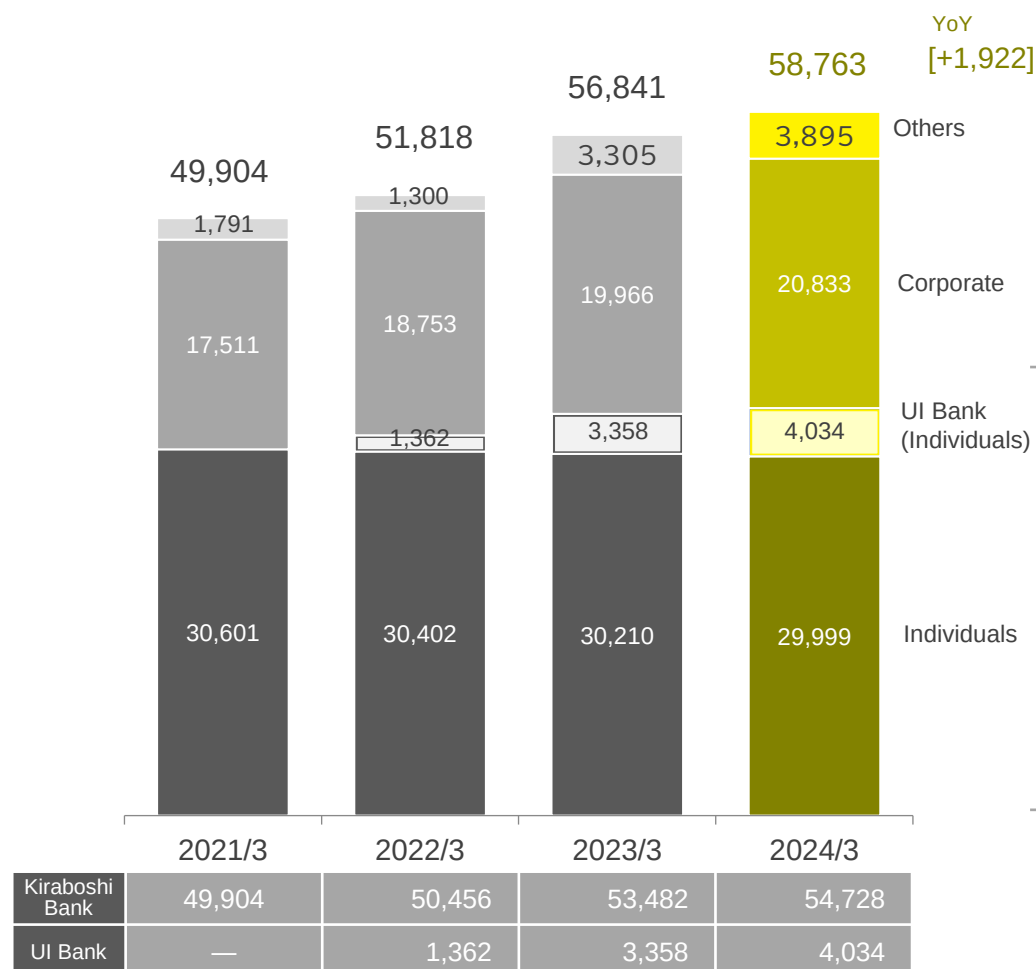
* See p. 25 for distribution results for FY2023

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

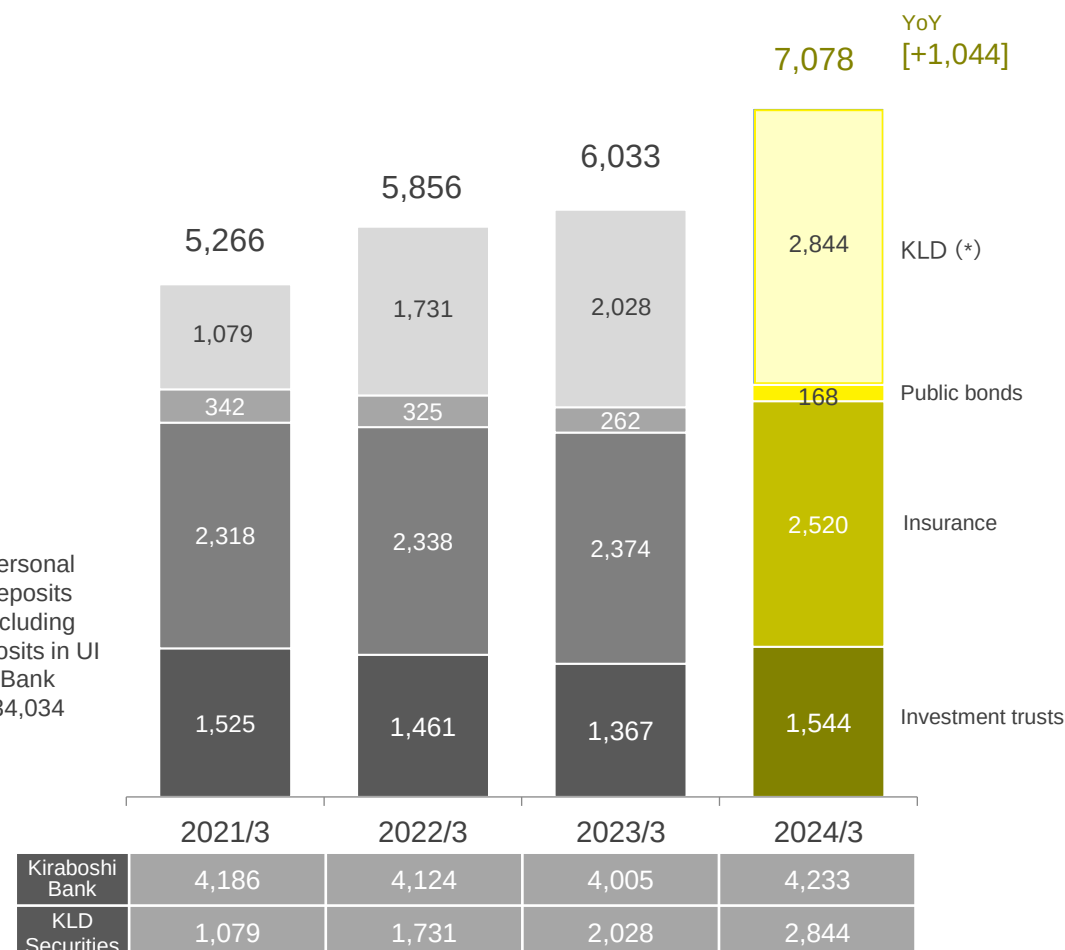
Robust accumulation of deposit balance at UI Bank (¥403.4 billion as of Mar. 31, 2024); +¥192.2 billion YoY for the Group as a whole

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)



* Negotiable certificates of deposit not included

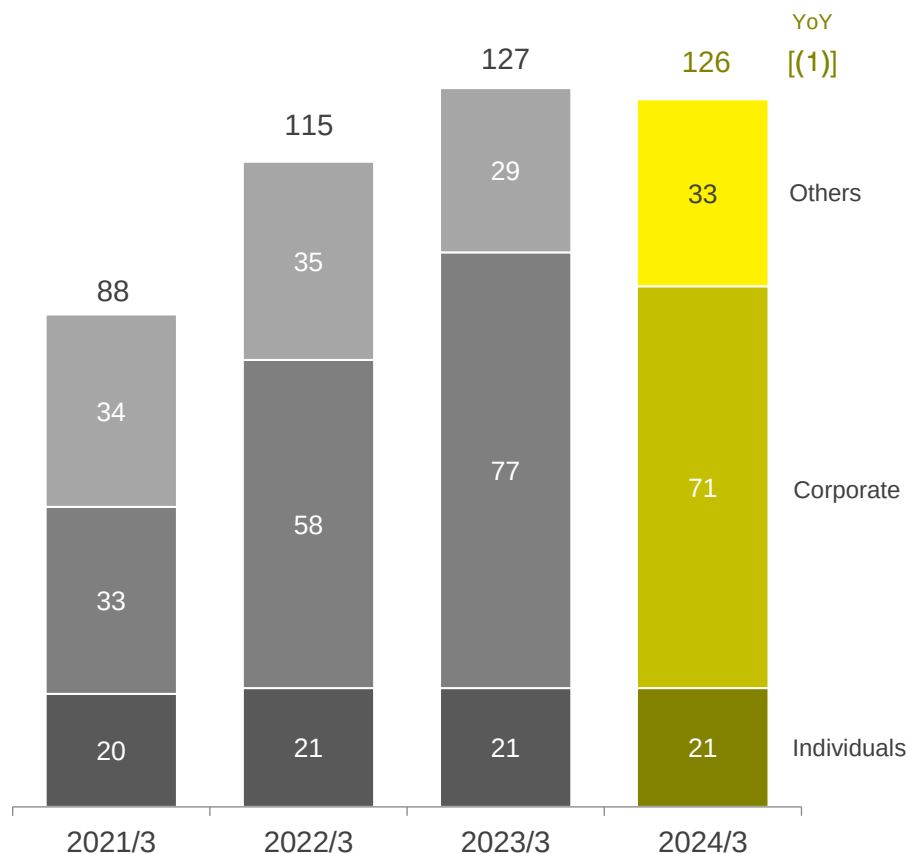
* UI Bank started operation in January 2022

* KLD: Kiraboshi Life Design Securities Co., Ltd.

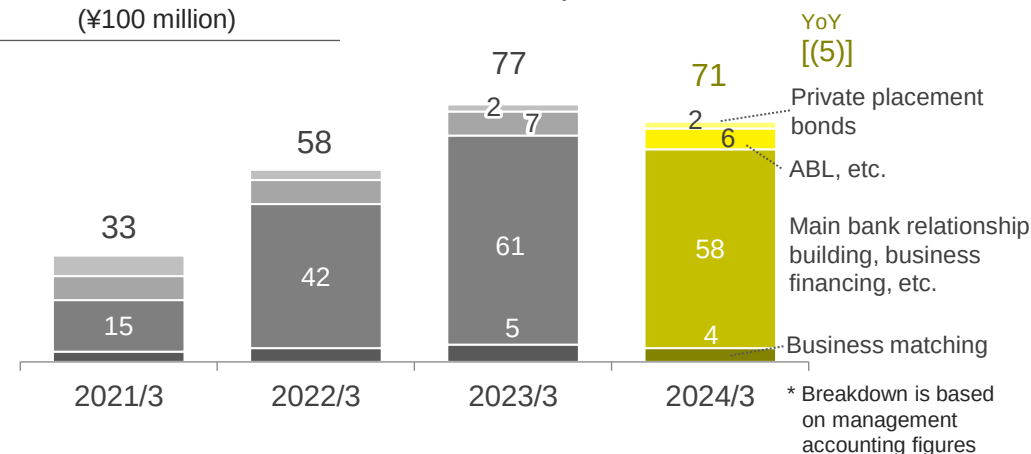
Income from Fees and Commissions (Kiraboshi Bank)

Commission income from retail customers remained generally flat due to shift to sales approach focusing on outstanding balance and not dependent on sales commissions, despite commission income from corporate customers declining compared to the previous fiscal year, when revenues grew significantly due to business finance, etc.

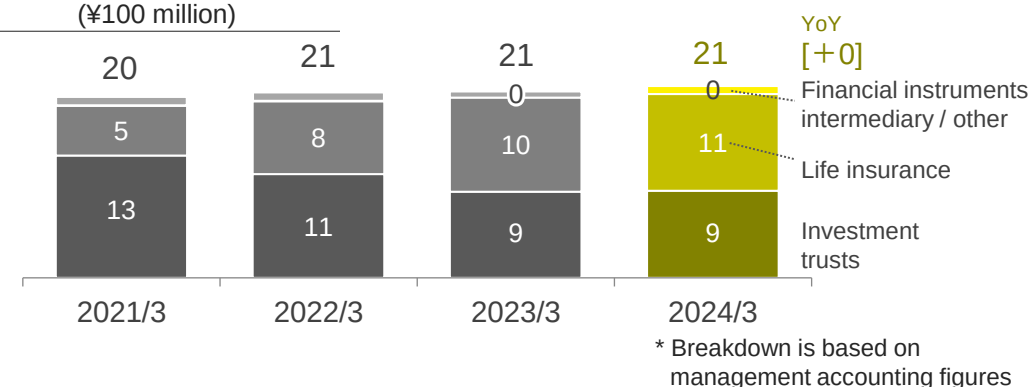
1. Income from fees and commissions (¥100 million)



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

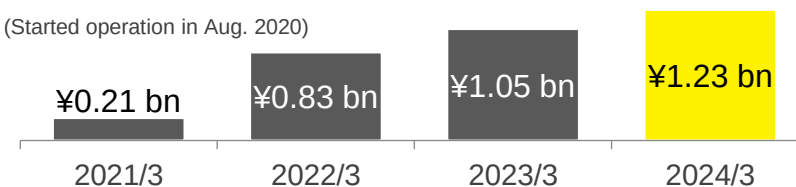


3. Commission income from retail customers (¥100 million)



[Ref] Kiraboshi Life Design Securities' commission income
(* not included in commission income from retail customers above)

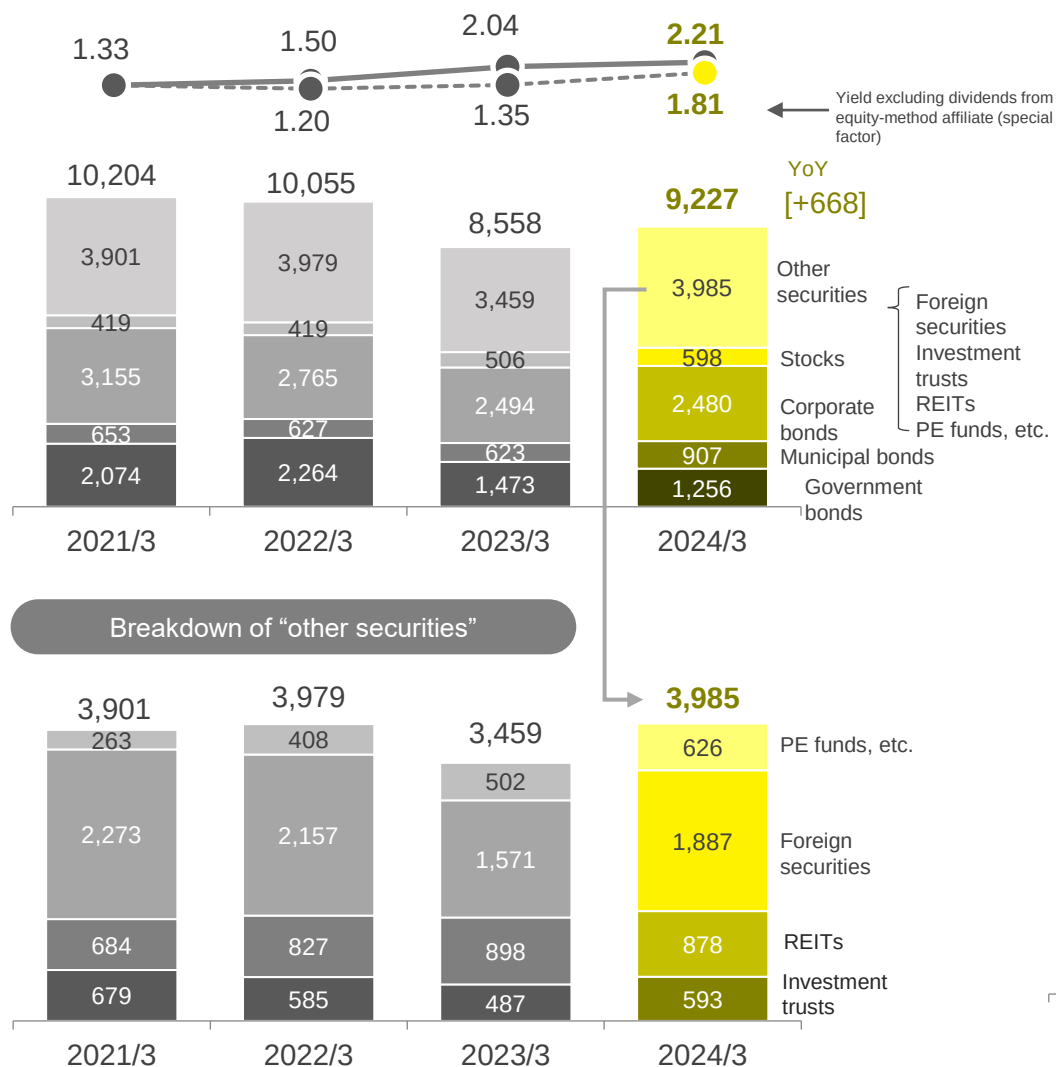
(Started operation in Aug. 2020)



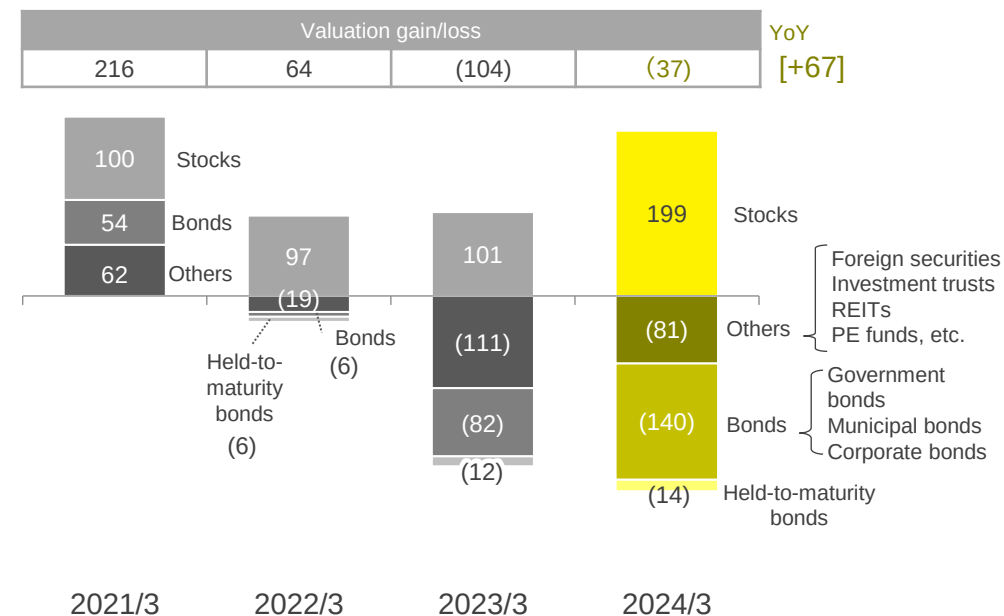
Securities (Kiraboshi Bank)

Proceeded with disposal of low-coupon bonds, replaced yen bonds with municipal bonds, etc., and replaced foreign bonds with floating-rate bonds

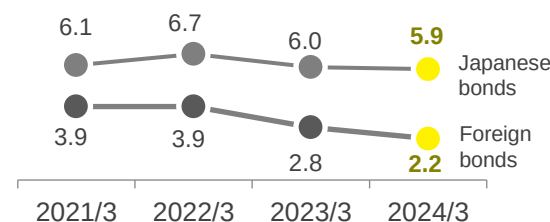
1. Securities balance / yield (¥100 million, %)



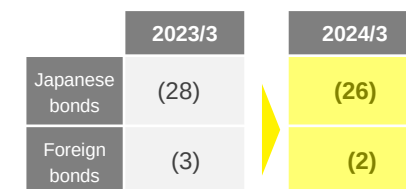
2. Valuation gain/loss on securities (¥100 million)



3. Duration (years)



4. Interest rate sensitivity (¥100 million)



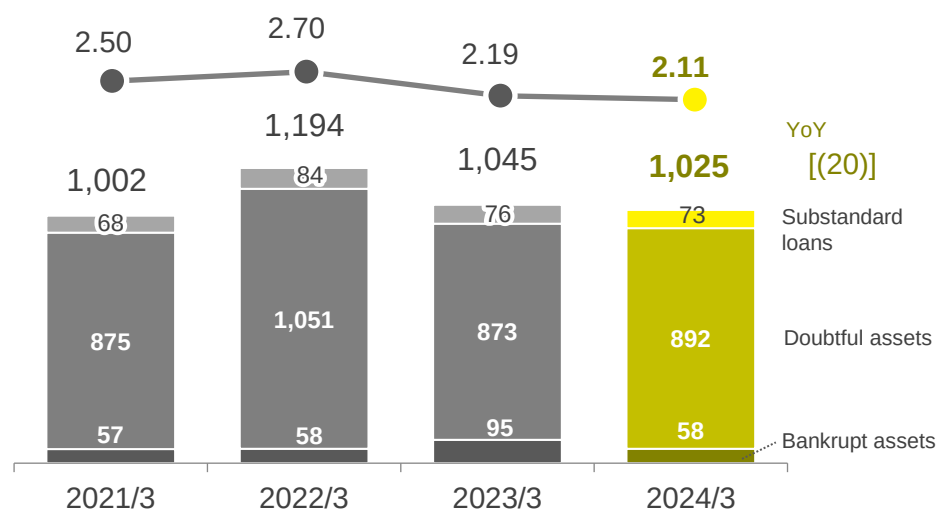
* Effect of an upward parallel shift of interest rate by 10bp
* Excluding investment trusts

Problem Assets Subject to Disclosure under the Financial Reconstruction Act and Capital Ratio

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

While risk-weighted assets increased, equity capital increased due to the accumulation of profits, and the capital ratio rose year on year

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

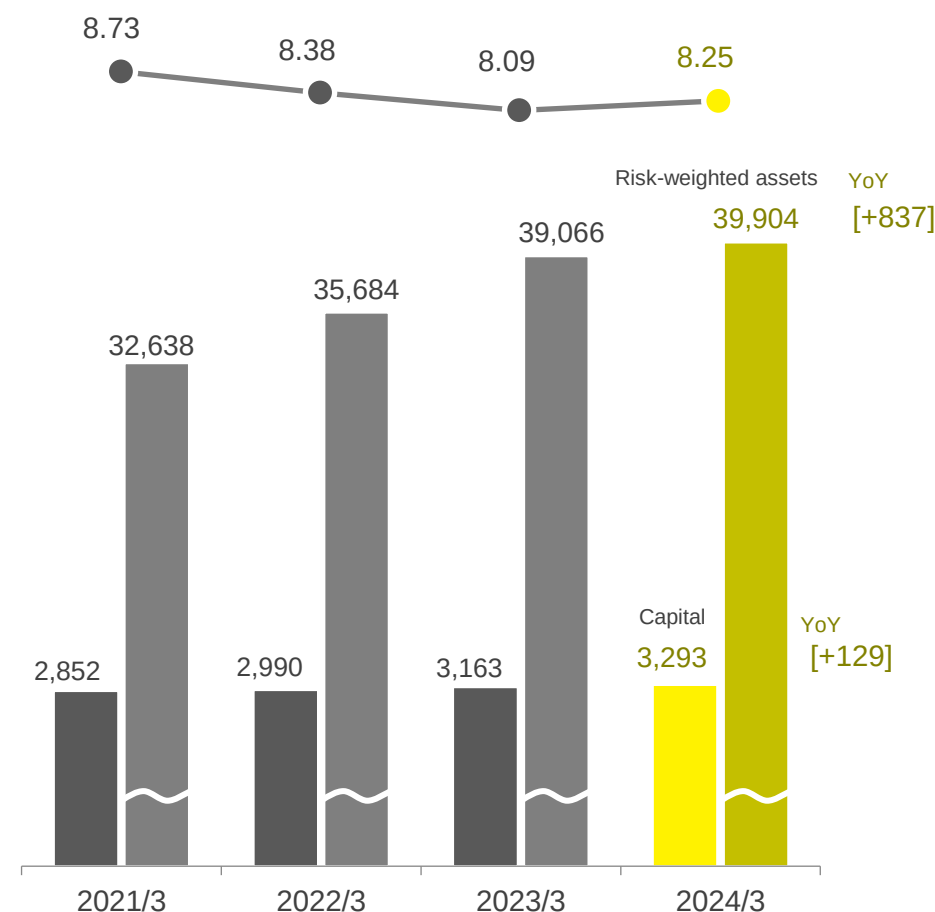


* Figures are after partial direct write-offs.

2. Credit-related costs (¥100 million)

	2023/3	2024/3	YoY
A. Provision of general allowance for loan losses	(25)	(29)	(3)
B. Disposal of non-performing loans	46	48	+2
Of which, provision of allowance for individual loan losses	42	41	(0)
C. Reversal of allowance for loan losses	—	—	—
Credit-related costs (A+B-C)	20	19	(1)

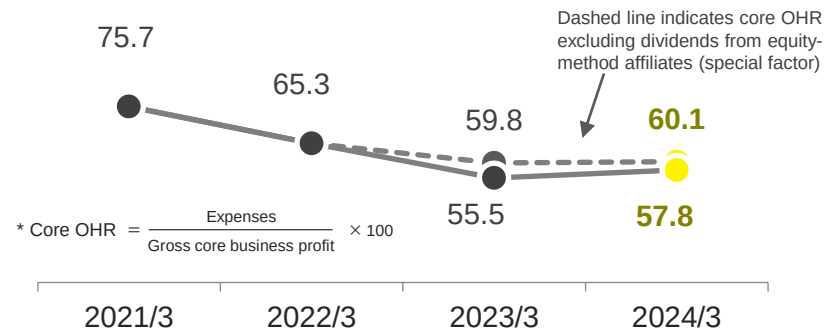
3. Capital ratio (Tokyo Kiraboshi FG consolidated) (¥100 million, %)



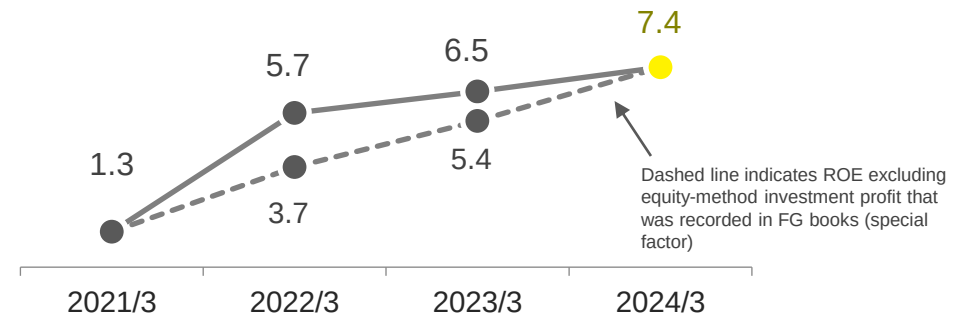
Core OHR / ROE / Dividends

ROE continues to increase, as in the previous fiscal year, and the annual dividend per share for FY2024/3 has increased for the third consecutive year

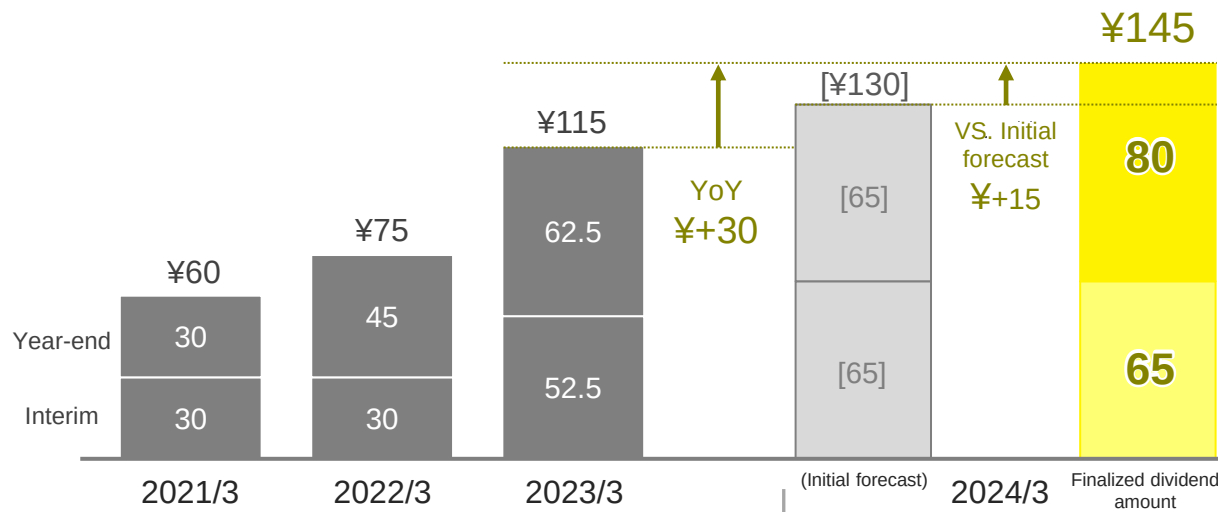
1. Core OHR (Kiraboshi Bank) (%)



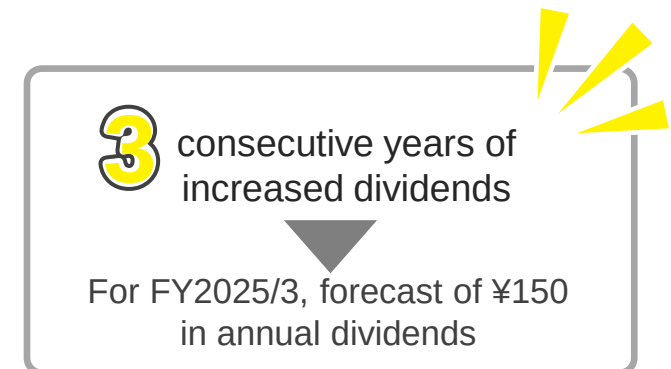
2. ROE (Tokyo Kiraboshi FG consolidated) (%)



3. Annual dividend per share (Tokyo Kiraboshi FG) (yen)



----- Payout ratio of 20% vs. initial plan of ¥22.0 billion net profit*



* Refers to profit attributable to owners of parent of ¥22.0 billion in the plan announced May 12, 2023

Plan for the Fiscal Year Ending March 31, 2025

Tokyo Kiraboshi FG (consolidated)

		2024/3 (Actual)	2025/3 (Planned)	YoY
1	Ordinary profit	329	321	(8)
2	Profit attributable to owners of parent	256	245	(11)

Kiraboshi Bank (non-consolidated)

		2024/3 (Actual)	2025/3 (Planned)	YoY
1	Gross core business profit	919	876	(43)
2	Net interest income	814	799	(15)
3	Interest on loans and discounts	665	676	+11
4	Interest on securities	197	181	(16)
5	Other interest income	(47)	(58)	(11)
6	Non-interest income	104	77	(27)
7	Expenses	(531)	(530)	+1
8	Net core business income	387	346	(41)
9	Credit-related costs	(19)	(50)	(31)
10	Gains (losses) on bonds	(36)	6	+42
11	Gains (losses) on stocks and other securities	63	28	(35)
12	Other non-recurring profit (loss)	(24)	(26)	(2)
13	Ordinary profit	369	304	(65)
14	Extraordinary profit (loss)	(1)	24	+25
15	Income taxes	(65)	(100)	(35)
16	Net income	303	228	(75)

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

Key points in the plan for FY2025/3

Kiraboshi Bank

Profit at Kiraboshi Bank (non-consolidated) to decrease mainly due to the factors below (1–3)

		2024/3 (Actual)	2025/3 (Planned)	YoY	
	Net income	303	228	(75)	
Main factors for profit decrease					Remarks
1	Special factors (Dividends from affiliates)	35	—	(35)	Special factors (see p. 4) are not expected to be recorded in FY2025/3
2	Credit-related costs	(19)	(50)	(31)	Costs were conservatively estimated at the time of the initial plan
3	Income taxes	(65)	(100)	(35)	Absence of decrease in income taxes due to tax effect accounting from the fiscal year ended March 31, 2024 (see p. 5)
1–3 total				(101)	

Tokyo Kiraboshi FG

Building an income structure not heavily dependent on Kiraboshi Bank's earnings by providing solutions as a unified Group in accordance with the policies of the medium-term business plan

	2024/3 (Actual)	2025/3 (Planned)	YoY
Profit of Group companies (* excluding Kiraboshi Bank)	(3)	15	+18

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, 2024

Deposit balance **¥403.4** billion

Balance			Ordinary savings account / Term deposit account breakdown		Number of ordinary savings accounts (number of customers)		
2023/3	2024/3	YoY	2024/3		2023/3	2024/3	YoY
¥335.8 billion	¥403.4 billion	+20.1 %	Of which, ordinary savings	¥39.0 billion	73,000 accounts	112,000 accounts	+51.8 %
			Of which, term deposits	¥363.1 billion			

Initiatives for expanding UI Bank services

Apr. 2024: Mobile app overhauled
Apr. 2024: Launched financial instruments intermediary business (Kiraboshi Life Design Securities Co., Ltd.)

<News Releases>

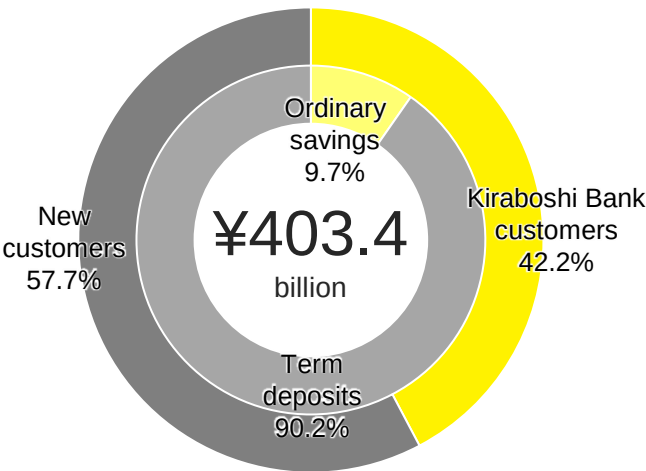


App overhaul

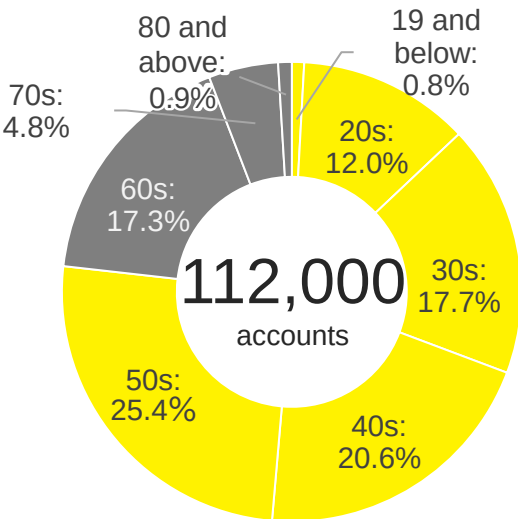


Launch of financial instruments intermediary business

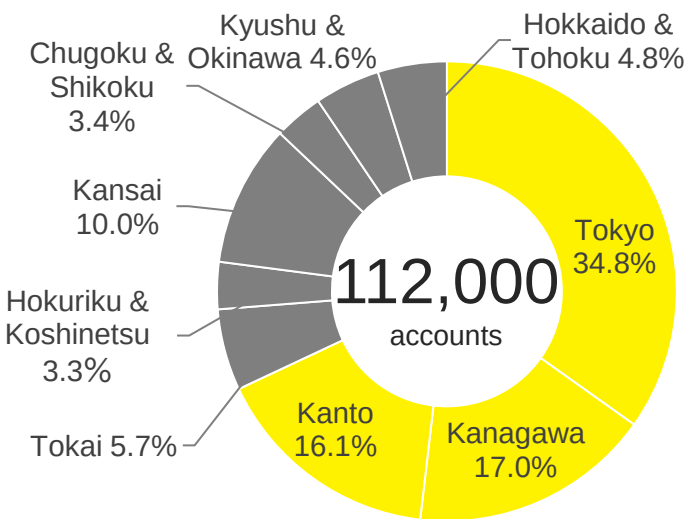
Breakdown of deposit balance



Distribution of accounts by age group



Distribution of accounts by region



TOKYOに、つくそう。

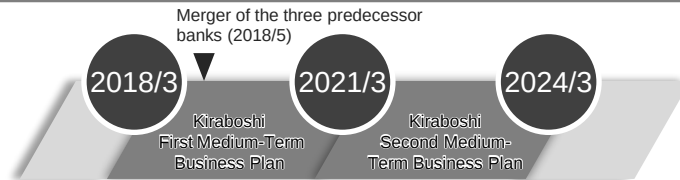


Giving our all, for TOKYO.

2. Medium-Term Business Plan Overview

Review of Previous Medium-Term Business Plans

- ✓ Achieved substantial cost reduction through system integration and branch network reorganization under the previous medium-term business plan
- ✓ Profitability greatly enhanced by business financing and main bank relationship building; capital adequacy, including preferred share redemptions, remains a challenge



Three challenges	Performance appraisal		
	Cost	Income	Capital
	Core OHR (Kiraboshi Bank non-consolidated) 80.2% → 75.7% → 57.8%	Net income (Tokyo Kiraboshi FG consolidated) ¥3.6 billion → ¥4.1 billion → ¥25.6 billion Profit from customer business (Kiraboshi Bank non-consolidated) (¥4.9 billion) → ¥1.4 billion → ¥25.0 billion	Capital ratio (Tokyo Kiraboshi FG consolidated) 9.0% → 8.7% → 8.2%
	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
	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 from 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

Previous Medium-Term Business Plan KPIs

I. 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)	2023/9 actual	Progress level
Strategy (1) Branch strategy	  	Transformation of all branches to next-generation branch setup, self-service and paperless operations	Retail-focused branches: 34 offices	Retail-focused branches; 52 offices	○
Strategy (2) Improvement of operational efficiency	  	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 ¥37.7 million	○
Strategy (3) Human resources development	  	New personnel system, strengthening of specialization, reform of organizational culture	Make use of external talents	Mid-career hires: 126 (Cumulative total from FY2021)	—

II. 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	  	Fusion of “face-to-face and non-face-to-face,” “financial and non-financial” Digital Bank, IT support for older customers	Number of individual internet banking users: 400,000 users	Number of individual internet banking users: 370,000 users	△
DX	  	Centralization of routine office work and alliance marketing, optimal allocation of personnel			

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

Strategy (5) Services for the business owner segment and older adult segment	  	Life plan support, transactions with business owners Inheritance, property management	Assets under management of business owner customers Increase of 1,000 customers and ¥50.0 billion	Number of customers increased by 3,218 Outstanding balance increased by ¥55.9 billion	◎ ○
Strategy (6) Promote main bank relationship building	  	Business succession, M&As, business financing, overseas expansion, startup support, Group functions	Financing to customers with main bank relationship* Increase of 600 customers and ¥600.0 billion in loan amount Kiraboshi Package: 60,000 customers Business succession support: over 1,000 customers	Number of customers increased by 3,287 Loan amount increased by ¥1,114.9 billion Kiraboshi Package: 60,000 customers Business succession support 1,005 customers	◎ ◎ ○ ○
Strategy (7) Medical institutions	  	Support for medical institutions by specialized teams Medical platform in cooperation with business partners	Support to medical institutions: over 400 institutions	Support to medical institutions 624 institutions	◎

Enhancement of corporate governance	 	Establishment of GSuO (Group Chief Sustainability Officer) position Revision of credit policy, establishment of investment and loans policy	* Annual sales of ¥300 million or more	Achievement level of each indicator ◎...Surpassed; ○... Achieved or nearly achieved; △...More work needed	
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Purpose / Social Issues To Be Addressed

☑ Defined our purpose: “Giving our all, for TOKYO” Resolving social issues in TOKYO with comprehensive solutions by the entire Group

Establishment of purpose

Purpose

Giving our all, for TOKYO.

TOKYOに、つくそう。



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”

People who have high aspirations
People who always think “how it can be done”
People committed to results and who continuously take on courageous challenges

Future vision

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, young people, and foreigners
- ★ Digital promotion via real channels using sales offices

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

トーキョーの星は、空の下にある。

トーキョーの空に、星はない。
その空の下にこそ、星たちはいる。
イマという瞬間を、懸命に輝こうとする人がある。
夢に向かって、走る人。誰かのために、汗を流す人。
新しい人生を、踏み出す人があるだろう。

人が集まる。だからこそ、課題も集まる。
この街は、課題先進都市だ。
中小企業の後継者不足、子育て世代や若者たちの
お金にまつわる問題、医療、カーボンニュートラル……。
そのとき、トーキョー発の私たちにできることは何か。

TOKYOに、つくそう。

金融の常識を超えて、サービスを考えよう。
この街で培ってきたネットワークを活かす。ノウハウを届ける。
グループの壁を超えて、全力をつくそう。
デジタルも、コンサルティングも、ぜんぶ手段にすぎない。
目の前の人に、会社に、心をつくそう。
この街で生きる、すべての人のために。

トーキョーは、空の下がいっぱい輝く。そう信じて。

TOKYOに、つくそう。

Brand Statement

☑ From June 2023, the Kiraboshi Group will publicly announce a brand statement for each priority issue

(1) Declaration



トーキョーの星は、
空の下にある。

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デジタルも、コンサルティングも、ぜんぶ手段にすぎない。
目の前に、会社に、心をつくそう。
この街で生きる、すべての人のために。

トーキョーは、空の下がいちばん輝く。そう信じて。

TOKYOに、つくそう。

(2) Business succession



2025年、
トーキョーの会社が消える。

2025年問題が迫っている。それは、団塊世代たちが75歳以上を迎え、超高齢化社会の入り口に立つ瞬間だ。
こんな予測もある。日本企業の1/3が後継者不在となり、倒産リスクが増えるという。継ぎたい、けれど、後継者がいない。
未来に残るべき会社が、技術までもが失われてしまう。
トーキョーが、「事業承継」の壁にぶつかると。

ただ誰かに引き継ぎたい。答えは、そんな単純じゃない。
経営の見直し、株式などの相続。後継者の育成。そして、目に見えない資産もリレーできるか。長年積み重ねてきたノウハウを守るために。
企業文化を残しながら、働く人が前を向けるために。
会社の、人の将来を思えば思うほど、課題は広がっていく。

今こそ、金融を超えたチカラが試されている。
きらびしグループは、その総合力を活かして。
資産マネジメント、経営コンサルティング、人材ネットワーク……。
金融も金融以外も、あらゆる知恵をふり絞りながら、
複雑化する事業承継に解決策を導きだしていく。

きらびしグループのある担当者は言った。
過去のデータで判断しない。その会社の、未来を見て動きたい。
2025年まで、あともうすぐ。今日も、現場は走っている。

TOKYOに、つくそう。

(3) Start-up support



トーキョーよ、
夢を見ているか。

トーキョーには、夢が密集している。
多くのスタートアップが集まるこの街で、ちゃんと夢は羽ばたいて
いるのだろうか。スタートアップから、時価総額10億ドル以上の
ユニコーン企業に成長したのは、日本でわずか6社だ。
それが、トーキョーの能力なのか。
0から1を生み出す、ビジネスアイデアは大事だ。
しかし、その次の課題なのだ。事業を1から10へ、100へと
育てる環境づくりが必要になってくる。

あるオフィスに、Tシャツ家の銀行員がいる。
きらびしグループが運営している、インキュベーション拠点
「KieSpace HANEDA」だ。日々、さまざまなスタートアップと向きあう。
ビジネスマッチングの機軸として、国内外の顧客や出資元、
パートナー企業とつなぐ。財務のメンターから、知財対策などの
サポートまで行う。資金だけが支援ではない。きらびしグループは、
本物の成長を願っている。コンサル・ITにも広がるグループ力。
大手企業や海外とのネットワーク……目に見えない融資とともに。

きらびしグループの担当者は語った。
起業家と同じ言葉で、同じスピードで話せる。
今までの銀行には、そんな人材が足りなかったんです。
まっすぐな想いに、きっとスーパースターはきゅう星だ。

TOKYOに、つくそう。

(4) Sustainability



トーキョーは、
ぼくらの未来に
真剣ですか。

トーキョーは、「脱炭素」という課題を抱えている。2030年までに
温室効果ガス50%削減を目指した、「カーボンパフ」を受ける。
経済と環境、その両立を実現するために、壁を築るのは、中小企業だ。
しかし、脱炭素化に取り組む企業は半分に満たない。

ウチがやっても、世の中は変わらない。そんな経営者の空気を
変えていかなくては、真剣な面持ちでそう語るのは、
きらびしグループのカーボンニュートラル支援担当者の一人だ。
脱炭素化は、経営の足かせではない。むしろ、その歩みを加速させる
ことを伝えたい。コスト削減につながる。補助金の仕組みもある。
新たなビジネスアイデアを発見するケースもある。さらに、海外市場や
若い世代を引きつける力にも、向き合った後は、責任をもって
背中を押す。きらびしグループは、情報発信からコンサルティング、
ファイナンスまで、自治体との連携にも積極的に動く。
時代を追い越せる変化ではなく、次の時代をつくる進化へ。

今の子どもたちが、大人になったとき。
その目に映るトーキョーは、世界に誇るクリーンな都市だろうか。
温暖化ではない、地球が清浄化している。
そう宣言された現在、トーキョーは未来に試されている。

TOKYOに、つくそう。

(5) Digital support



トーキョーは、若い。

トーキョーは、新陳代謝をくり返す。
急速に進むデジタル化もそのひとつだろう。それは、同時に
新しい課題も連れてくる。デジタル格差だ。
世代や事業規模の壁を超えて、すべての個人や企業の幸福に
結びつために。いま、トーキョーが試されている。

金融という立場から、きらびしグループは、
シニア世代へのデジタル支援を積極的に行っている。
その中心は、スマホ。手のひらですべてが完結すると同時に、
リスクとの距離も近くなる。デジタルネイティブの若い行員たちが、
お客さまを助け、丁寧にレクチャーしている。
支援は、シニアだけではない。中小企業の50%以上が
DXに注力できない中、IT人材供給やシステム構築など、
きらびしグループならではの総合力を届ける。
それらのコミュニケーションのあり方は、効率化を求める
金融業界の慣れとは真逆のものかもしれない。しかし、デジタル化に
必要なのは、目を見張るテクノロジーだけだろうか。
いや、違う。目の前の課題に寄り添う、人のチカラがなくては。

「アナログですよ(笑)でも、必要としてくれる人がいるから」。
今日も入社1年目の担当者が、スマホの使い方を懸命に伝える。
時代が進む速度にのせて、人も歩みつづけようとする。
わたむきに前へ、前へ。だからこそ、トーキョーは若い。

TOKYOに、つくそう。

Management Targets

- ☑ Aim for FG consolidated profit of ¥30 billion and FG consolidated ROE in the upper 7% range in FY2026 by improving the Group's profitability
- ☑ Accumulated retained earnings, with a capital ratio of 8.3% after redemption of preferred shares

	FY2023	FY2026
Net income (FG consolidated)	¥25.6 billion	¥30.0 billion
Profit of Group companies (FG consolidated) * excluding Kiraboshi Bank	(¥0.3 billion)	¥5.0 billion
ROE (FG consolidated)	7.4%	High 7% range
Core OHR (Kiraboshi Bank non-consolidated)	57.8%	Mid-50% range
Capital ratio (FG consolidated)	8.2%	8.3%

Strengthening of profitability and review of income structure

- Group company strategy
 - Strengthen integrated solutions capability applying digital, solutions and other businesses
 - Build a business model that does not depend on Kiraboshi Bank's loan income
- Corporate customer strategy
 - Strengthen various solutions functions
 - Provide hands-on support for equity investees
- Retail customer strategy
 - Provide consultation-based comprehensive services
 - Respond flexibly to customer needs through diverse channels
- Digital strategy
 - UI Bank to promote digital-driven retail areas (deposits/loans)
 - Strengthen functions and services as a platform for new businesses

Further efficiency improvement

- Branch strategy
 - Optimum personnel allocation through consolidation of branches for corporate customers and expansion of offices specializing in retail customers
 - Headquarters and sales offices working together to provide high value-added services

Enhancement of equity capital

- Financial strategy
 - Accumulation of internal reserves to secure funds for redemption (repayment) of preferred shares
 - Risk-weighted asset control that is mindful of RORA

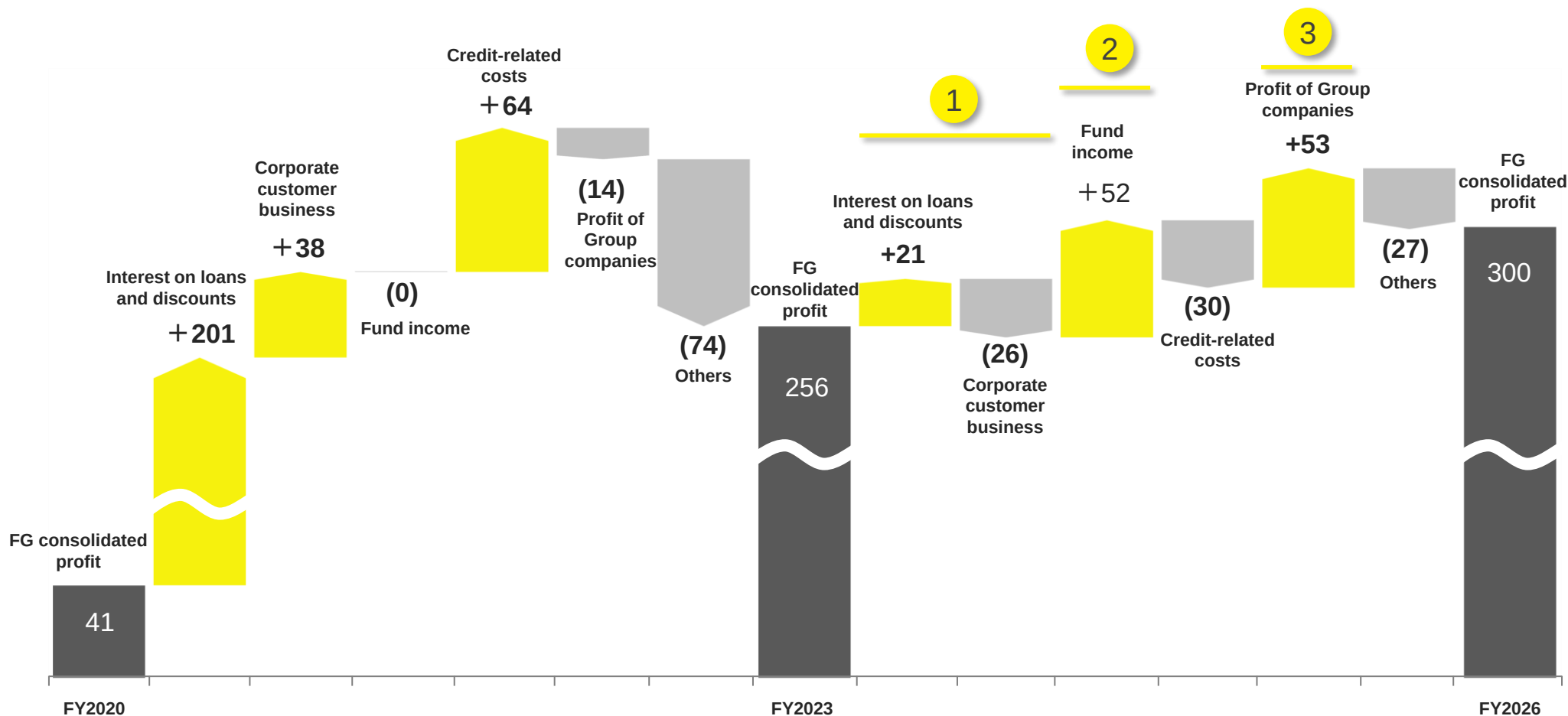
Transformation of Income Structure

- 1 While controlling assets, particularly loan balance, transform business model to ensure a certain level of fee income
- 2 Equity investment and hands-on support to respond to the needs in business succession and business transfer
- 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)



TOKYOに、つくそう。



Giving our all, for TOKYO.

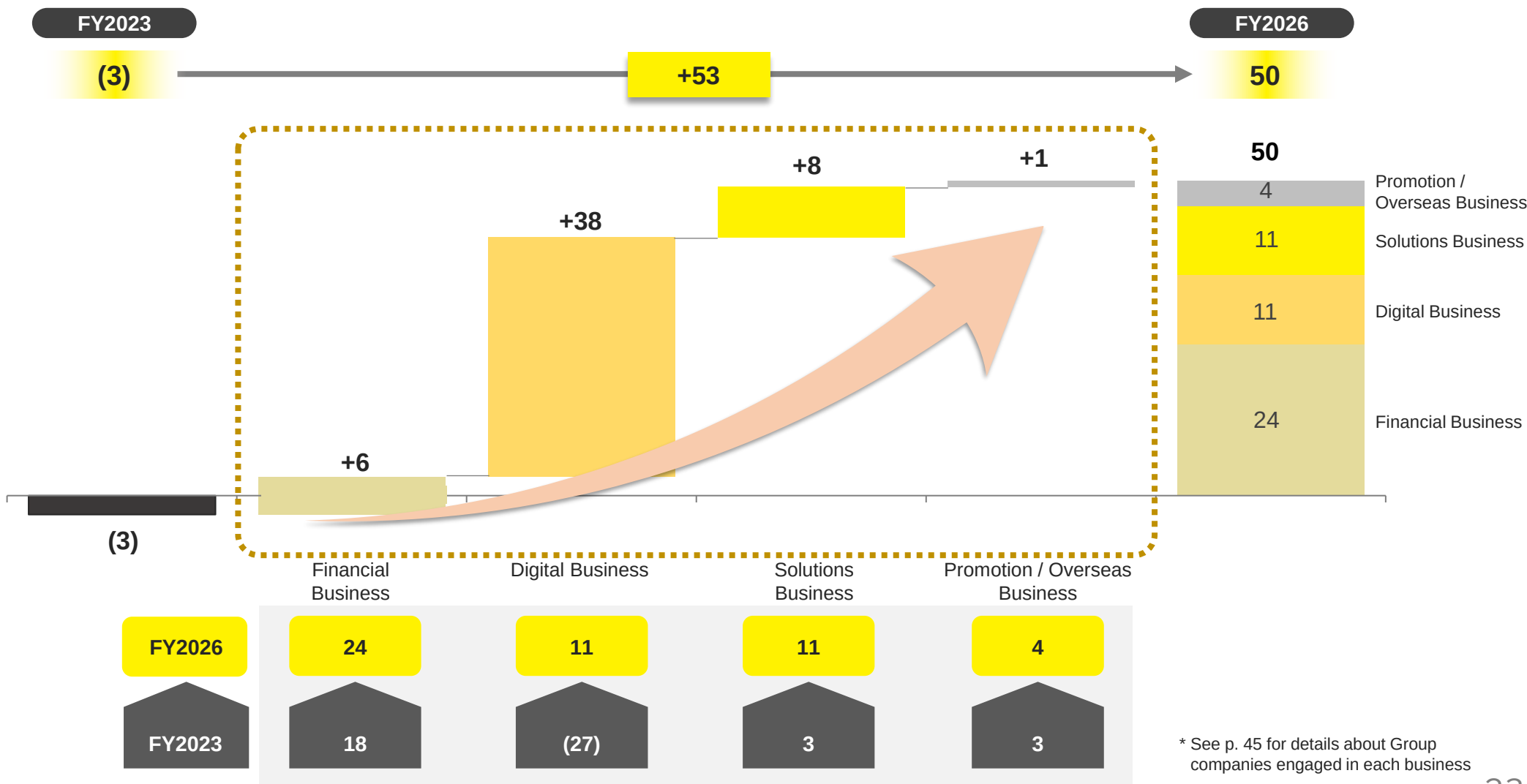
3. Review of Income Structure

Group Strategy 1

- ☑ Unified Group response to customer needs
- ☑ Improving Group profitability, particularly in the financial, digital, and solutions businesses

Group company profit plan (excluding Kiraboshi Bank)

(in ¥100 million)

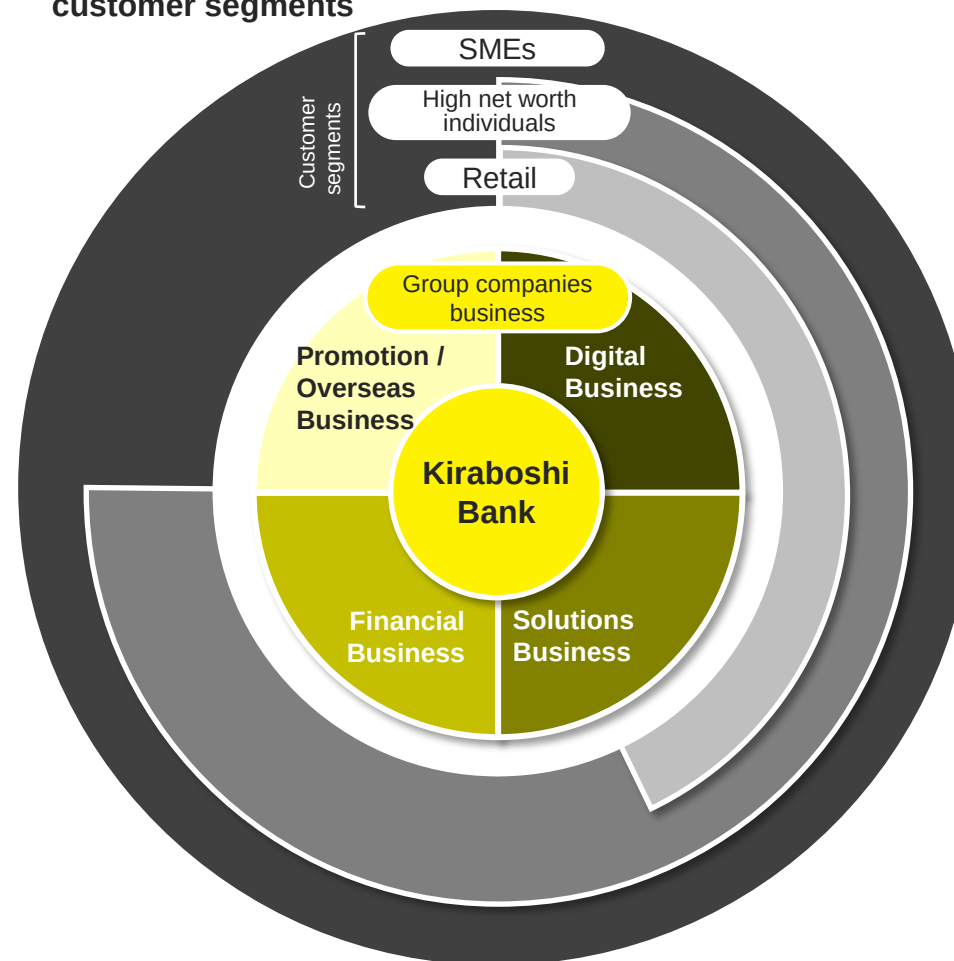


Group Strategy 2: Provide Solutions to Customer Issues

☑ Providing high value-added solutions to customer issues through Group-wide efforts (1. Corporate Customer Strategy, 2. Retail Customer Strategy, 3. Digital strategy)

☑ Enhancing the convenience of daily life by building a digital platform

Group company businesses and corresponding customer segments



1. Corporate Customer Strategy

- Pivot to a solution business model with asset control
- Provide financing and hands-on support to meet clients' M&A and business succession needs

2. Retail Customer Strategy

- Offer life plan support for individual customers
- Unified consulting-oriented business with corporations and retail customers (Expand transactions with estate heirs and deepen transactions with business owners)

3. Digital Strategy

- Transition Kiraboshi Bank's retail operations to UI Bank, improve customer convenience
- Provide embedded financial services with BaaS functionality

Digital Business

Providing digital solutions with unparalleled convenience and cost competitiveness

Solutions Business

Providing high value-added solutions to customer issues through Group-wide efforts

Financial Business

Supporting customer needs with a focus on financial businesses such as leasing, asset management, and financing

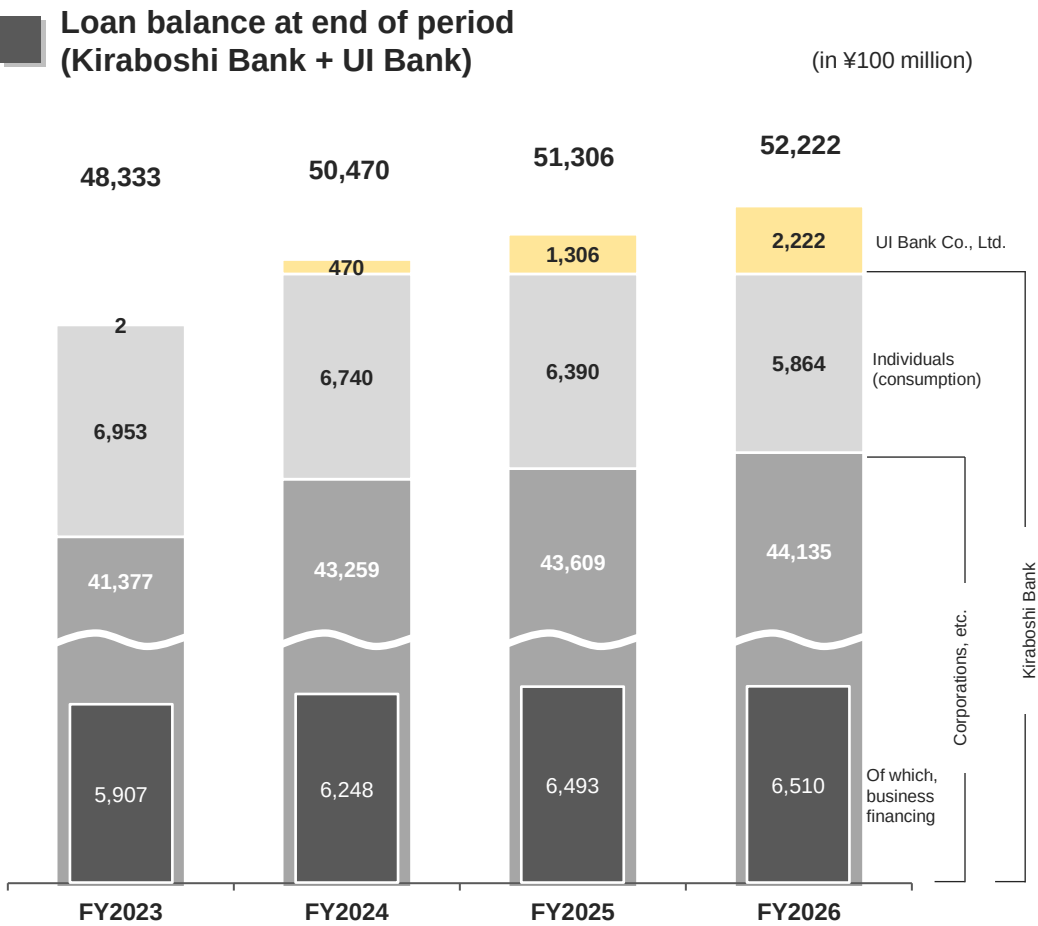
Promotion Business / Overseas Business

Supporting promotions contributing to sales channel expansion

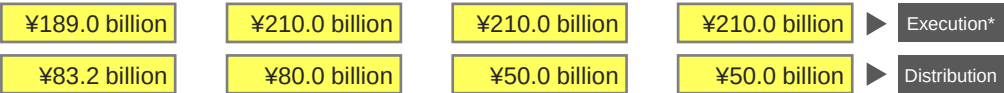
* See p. 45 for details about Group companies engaged in each business

Corporate Customer Strategy 1: Loans

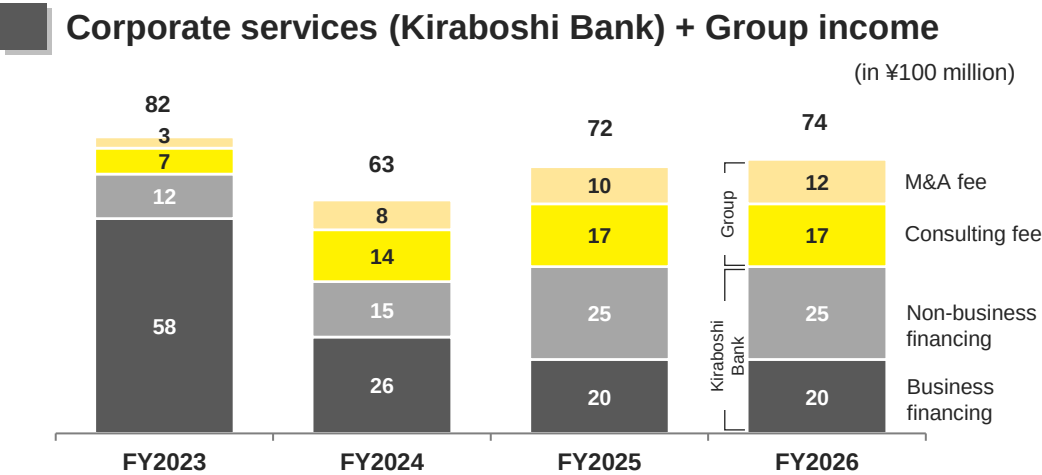
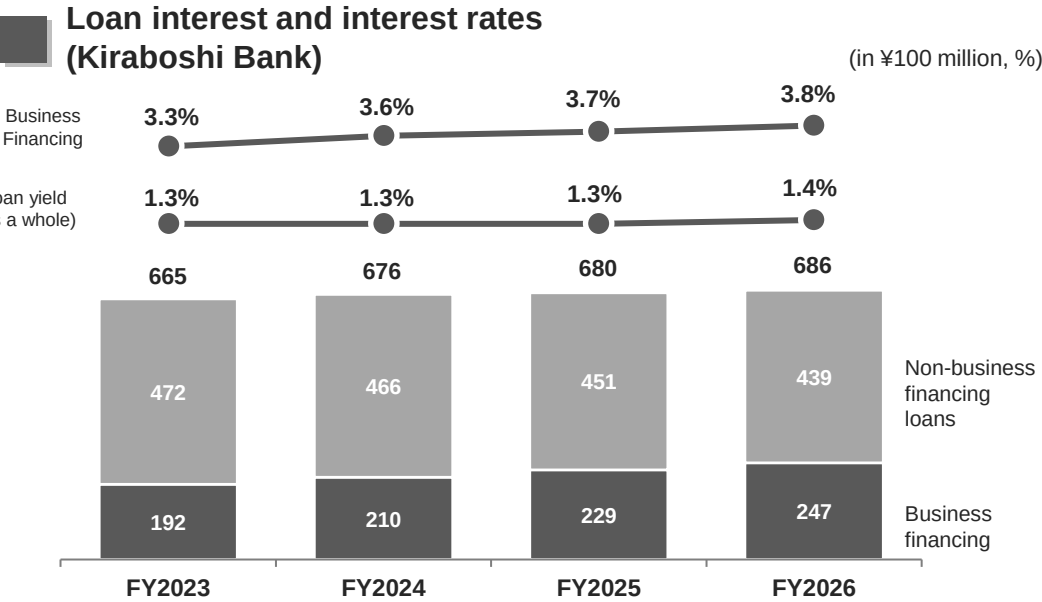
- ✔ Business financing balances execution, repayment, and distribution for an effective asset cycle
- ✔ Improving yield and profitability of non-business financing loans by replacing them with highly profitable assets (emphasizing RORA)
- ✔ Shifting to an income structure that is not heavily dependent on business financing by enhancing the Group's strength



● Results and plan for execution* and distribution



* Execution amount for business financing



Corporate Customer Strategy 2: Building a Scheme for LBO Market Development

- ✓ Establishing new fund with various financial institutions in the LBO market in collaboration with new external funds
- ✓ Accepting LP investment and human resources from regional financial institutions in the new fund and creating a scheme to develop the LBO market

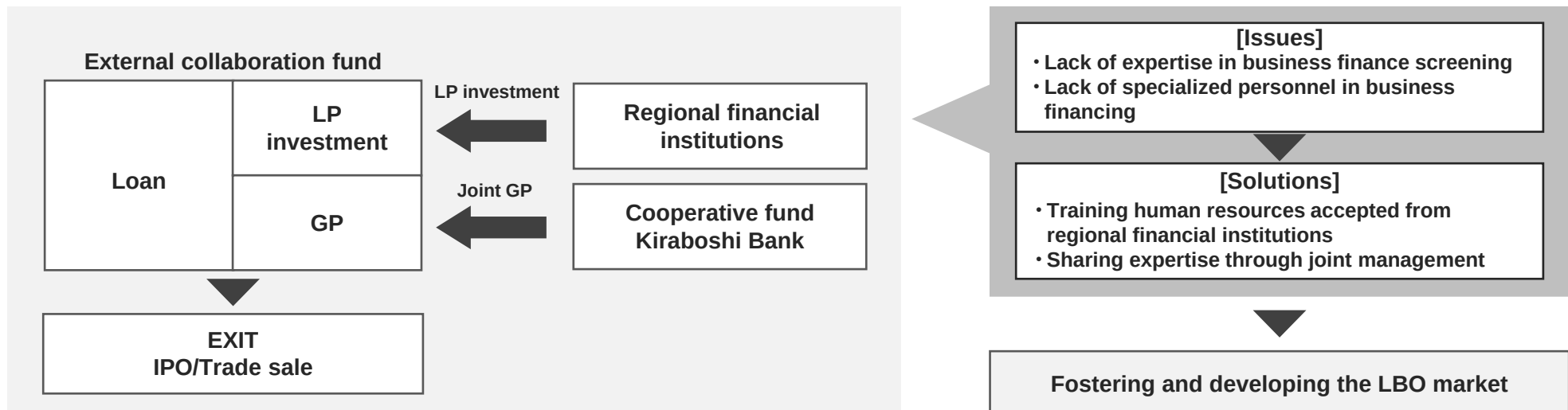
Overview of collaboration scheme

Consulting and financing (debt/equity) for business succession and business transfer needs

Underwriting financing and distributing to regional financial institutions, etc.

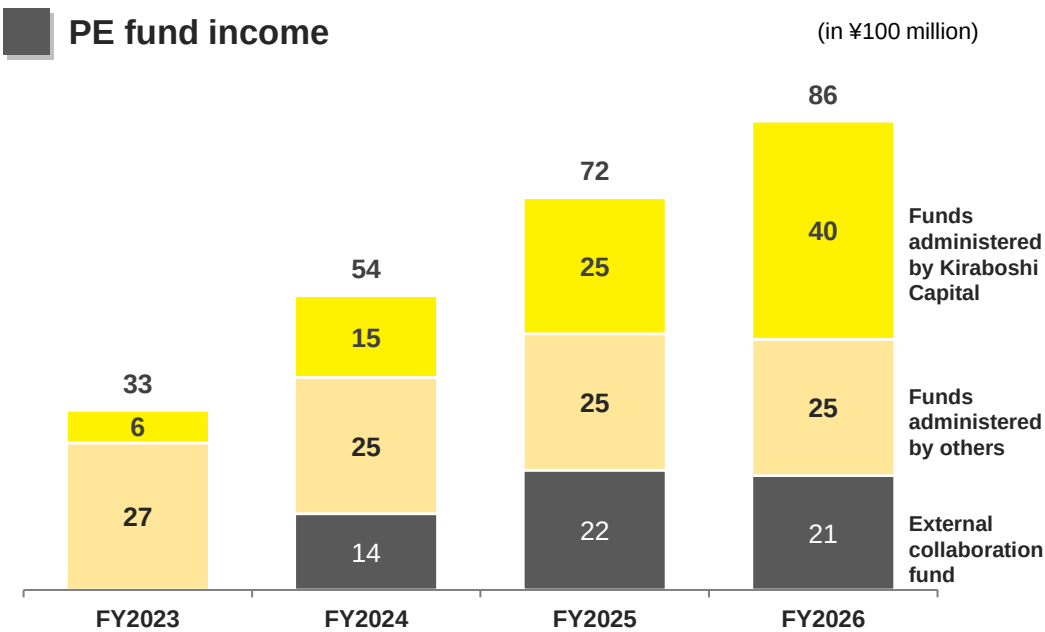
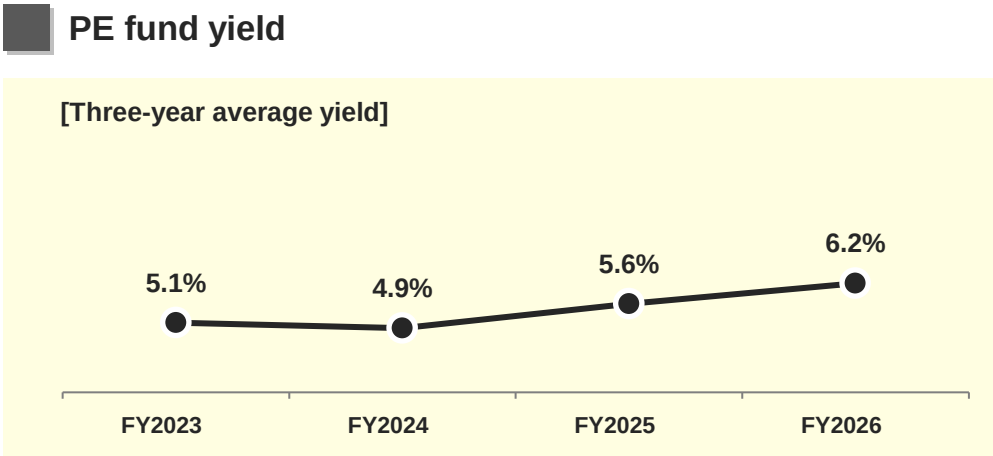
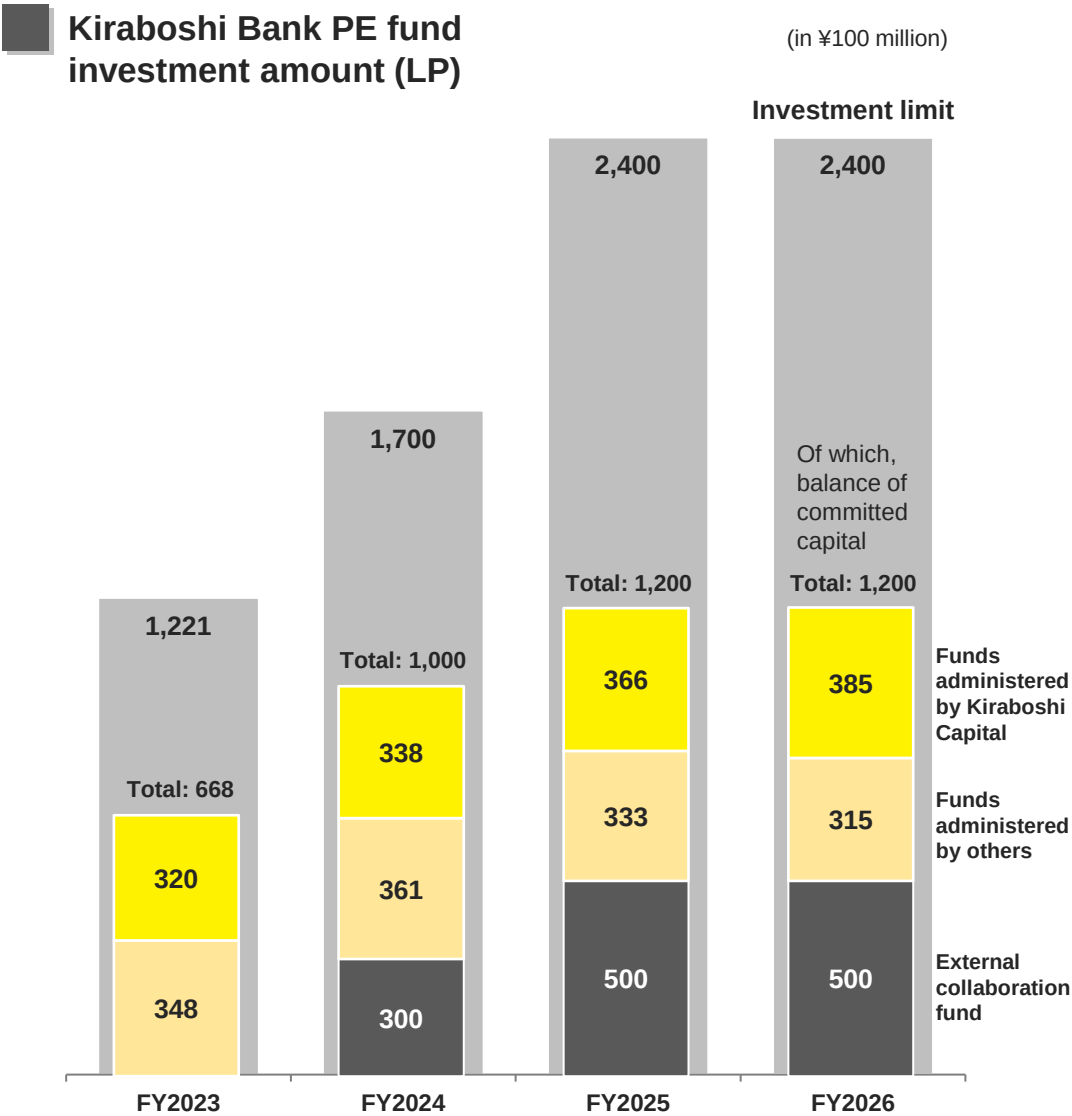
Building a scheme for LBO market development

Illustration of scheme



Corporate Customer Strategy 3: Equity Investment Business

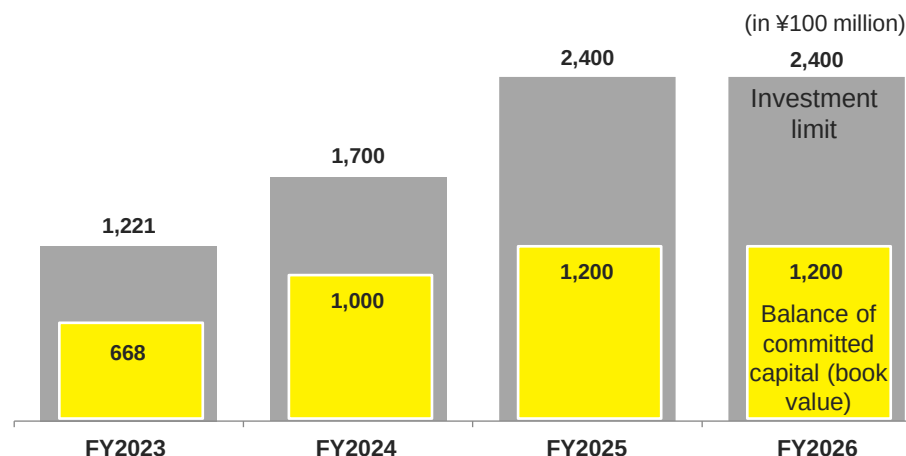
- By addressing business succession needs, the balance of equity investments and the number of prospective clients increased during the previous medium-term business plan period
- Yield is expected to increase to 6.2% during the period of the current medium-term business plan



Corporate Customer Strategy 4: Equity Investment Business

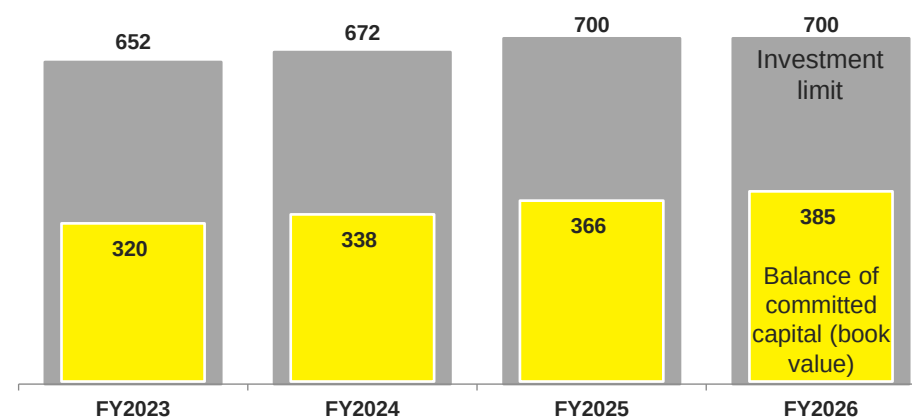
- ☑ In PE fund investments, the balance of funds administered by Kiraboshi Capital as GP increased
- ☑ Providing hands-on support as a unified Group for start-ups and SMEs to increase their corporate value

Kiraboshi Bank PE fund investment amount (LP)



Funds administered by Kiraboshi Capital

(in ¥100 million)



Funds with investments as of March 2024

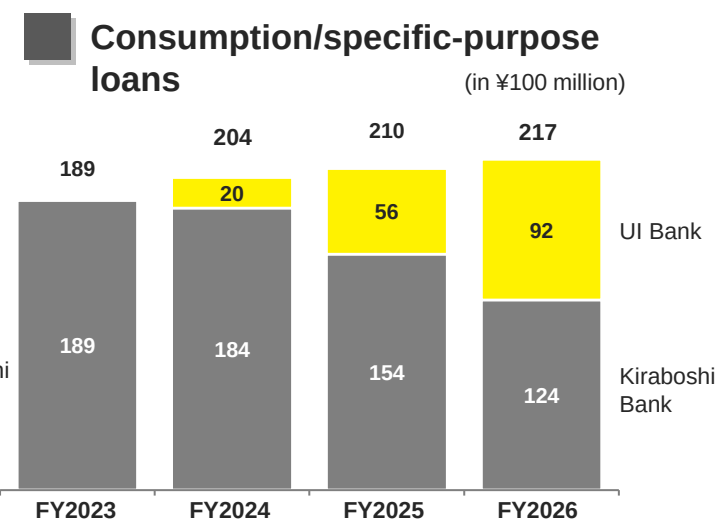
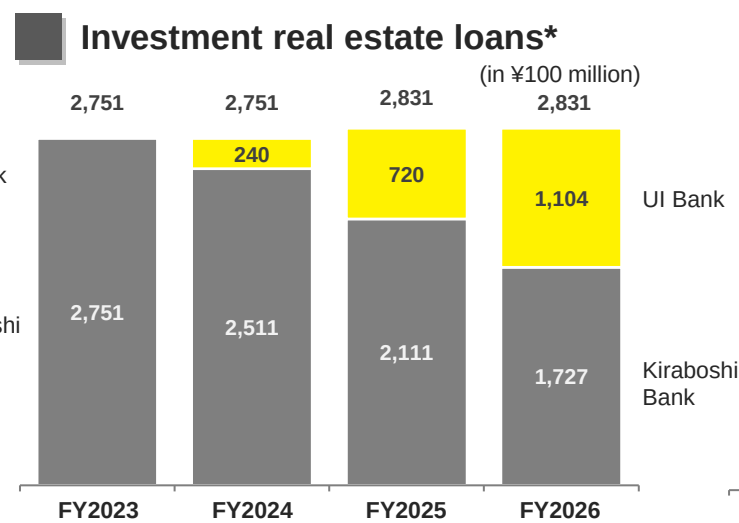
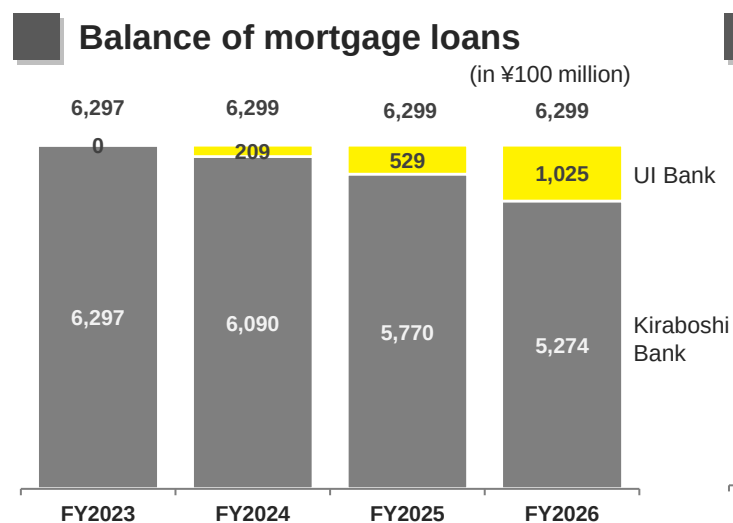
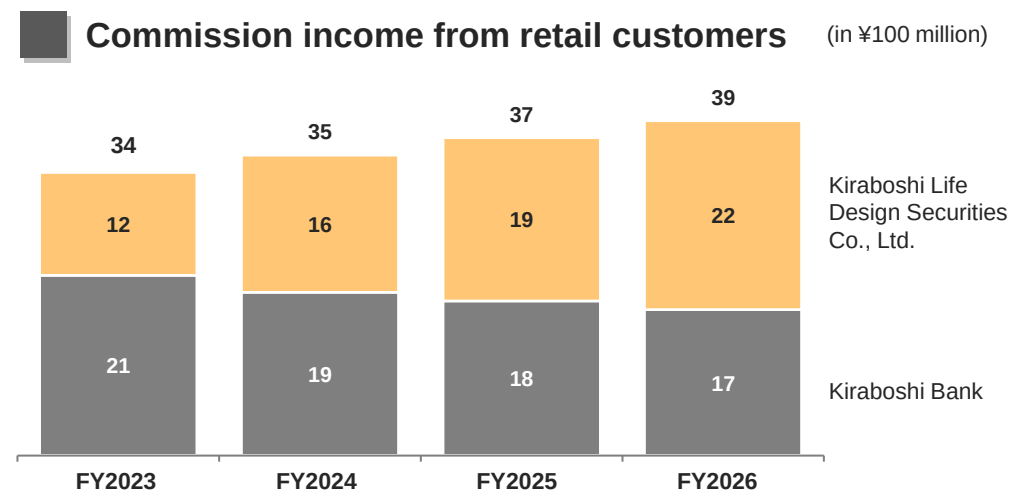
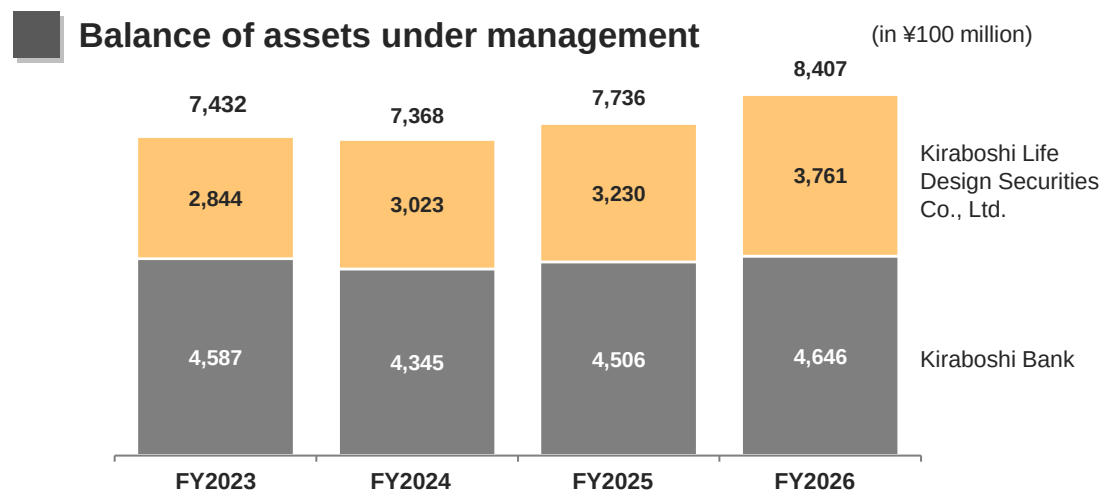
Breakdown of funds invested	Number of funds	Investment limit
● Venture fund	6	¥1.2 billion
● Reconstruction and debt funds	5	¥2.6 billion
● Buyout fund	66	¥39.4 billion
● Others (infrastructure)	6	¥2.7 billion
● Others (Kiraboshi Capital Co., Ltd. Kiraboshi Consulting Co., Ltd.)	9	¥62.9 billion
● Other (based outside Japan)	5	¥6.4 billion
● Others	22	¥6.9 billion
Total	119 funds	¥122.1 billion

Funds managed as of March 2024

Name	Description	Investment limit
● Yume Kagayaki Fund 1	Buyout investment	¥2.6 billion
● Yume Habataki Fund 1	Start-up investment	¥2.0 billion
● A&KC Mezzanine Finance 1	Mezzanine finance	¥22.5 billion
● Tokyo Sparkle	Engagement investing	¥20.0 billion
● A&KC Medical No. 1	Medical fund	¥3.0 billion
● KCP Equity Assist No. 1	Equity investment (minority)	¥8.0 billion
● Yume Habataki Fund 2	Start-up investment	¥4.0 billion
● KCP Buyout No. 1	Buyout investment	¥3.0 billion
Total	8	¥65.2 billion

Retail Customer Strategy 1

- ☑ Strengthening the balance of assets under management and commission income from retail customers by establishing a sales structure that integrates sales offices, headquarters (PB Promotion Division, WM Office, etc.), and Group companies (Kiraboshi Life Design Securities, etc.)
- ☑ UI Bank to promote personal loans in the future



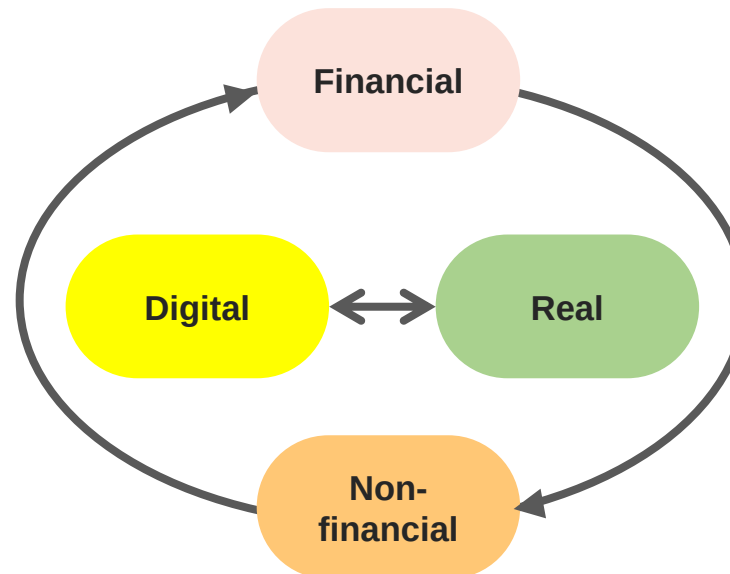
* These are not included in loans for individuals (consumption) in the "Loan balance at end of period" on p. 25 because they are business loans.

Digital Strategy 1: Developing Services that Integrate Digital/Real and Financial/Non-financial

- ✓ Providing comprehensive services that integrate digital/real and financial/non-financial services in line with customer needs
- ✓ Migrating transactions to digital services (UI Bank/Kiraboshi Tech) using Kiraboshi Bank's real locations and in-person events

	Digital services	Real contact points
Needs	Non-face-to-face, convenience (transactions not constrained by place or time), functionality	Face-to-face, consultation, consulting
Customers	Retail and corporate customers who value the convenience and functionality of digital technology	Retail and corporate customers who value face-to-face consultation
Functions	Nationwide, 24 hours a day Instant and easy Non-financial integrations	Individual consultation service

[Digital services]
UI Bank Co., Ltd.
Kiraboshi Tech, Inc.



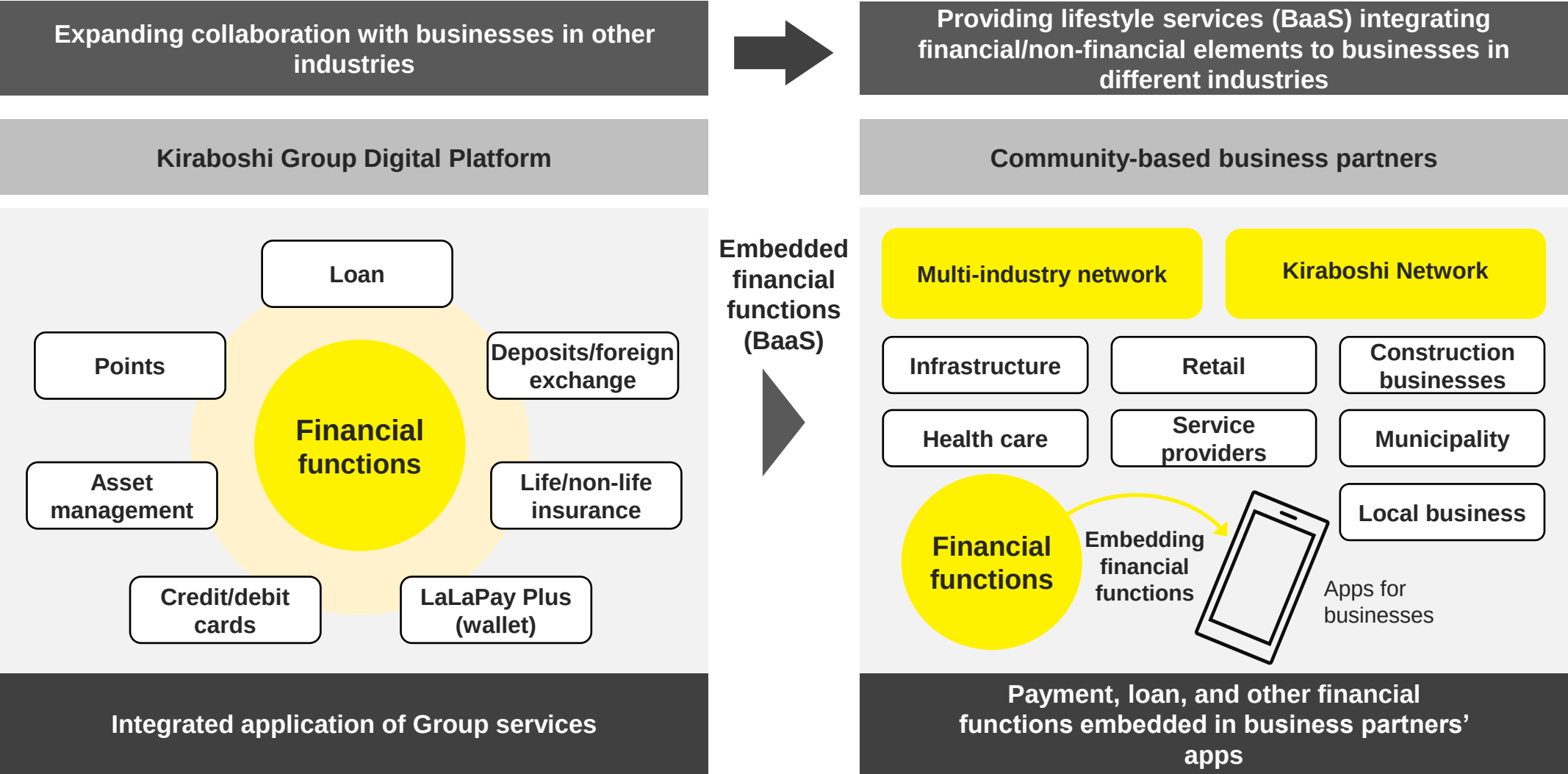
[Real contact points]
Kiraboshi Bank, Ltd.
Kiraboshi Consulting Co., Ltd.

Utilizing Kiraboshi Bank's real locations

* UI Bank and Kiraboshi Tech services utilize Kiraboshi Bank's real locations

Digital Strategy 2: Developing Comprehensive Services that Integrate Financial/Non-financial

☑ Provide BaaS financial services in collaboration with regional business partners to roll out comprehensive services integrating financial/non-financial that help resolve social issues

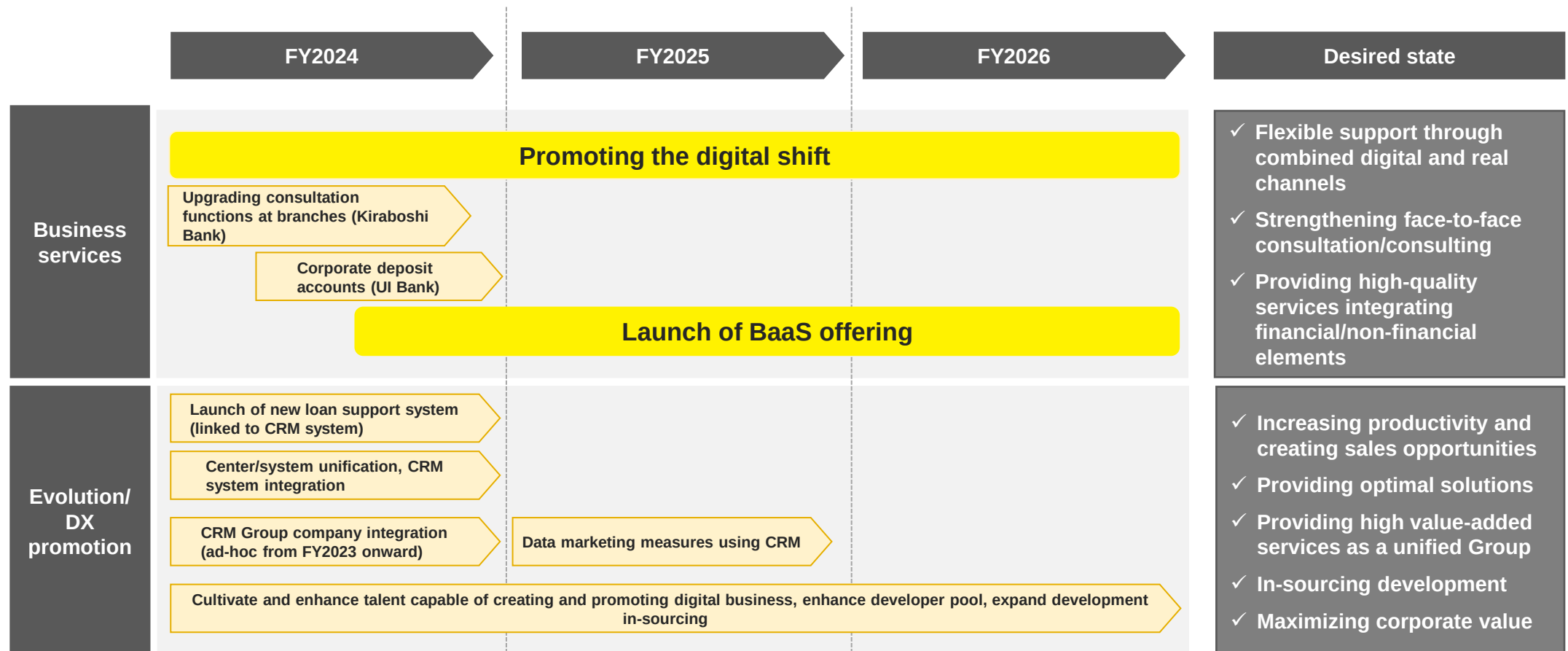


* BaaS (Banking as a Service): Refers to a non-financial business entity providing financial services integrated with its own services by linking to a bank's API
* We entered into a business alliance agreement with Mitsubishi Corporation for a contract period of one year. After a one-year business alliance, the contract was terminated when the business model for embedded finance was established; will be entering the execution phase going forward

Digital Strategy 3: System and Key Measures to Promote Digital Strategy

- ✓ Service delivery system integrating digital/real elements (digital-contact customers can also consult face-to-face utilizing Kiraboshi Bank locations)
- ✓ Service delivery system integrating financial/non-financial elements (improved usability of UI Bank apps, launch of BaaS offering)
- ✓ Group DX promotion structure (for greater business productivity and optimal personnel allocation)

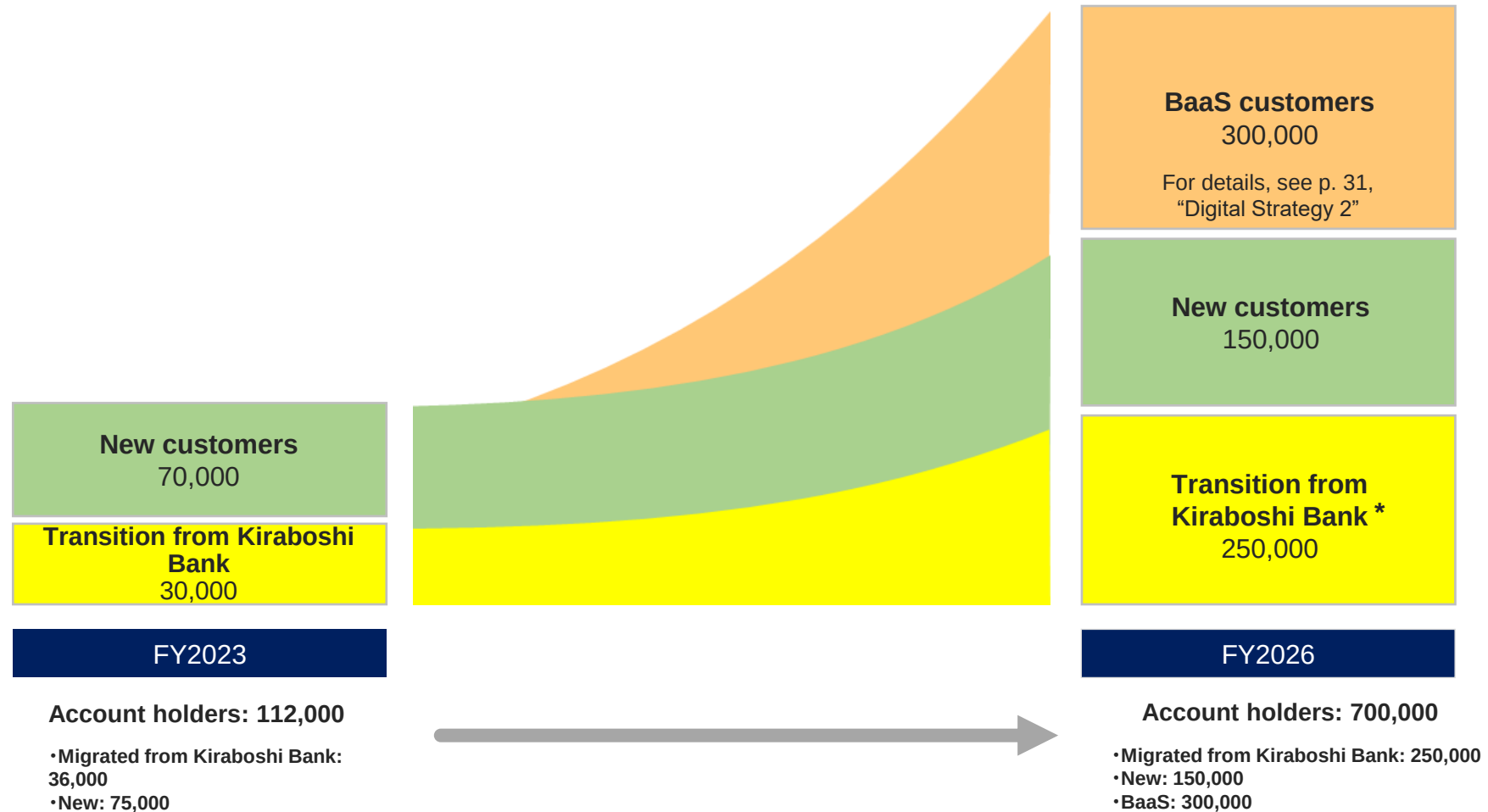
Roadmap for system development



Digital Strategy 4: UI Bank Strategy

- ☑ Seeking to add active users by shifting transactions from Kiraboshi Bank to UI Bank and acquiring new customers through BaaS deployment, etc.

■ Number of UI Bank customers

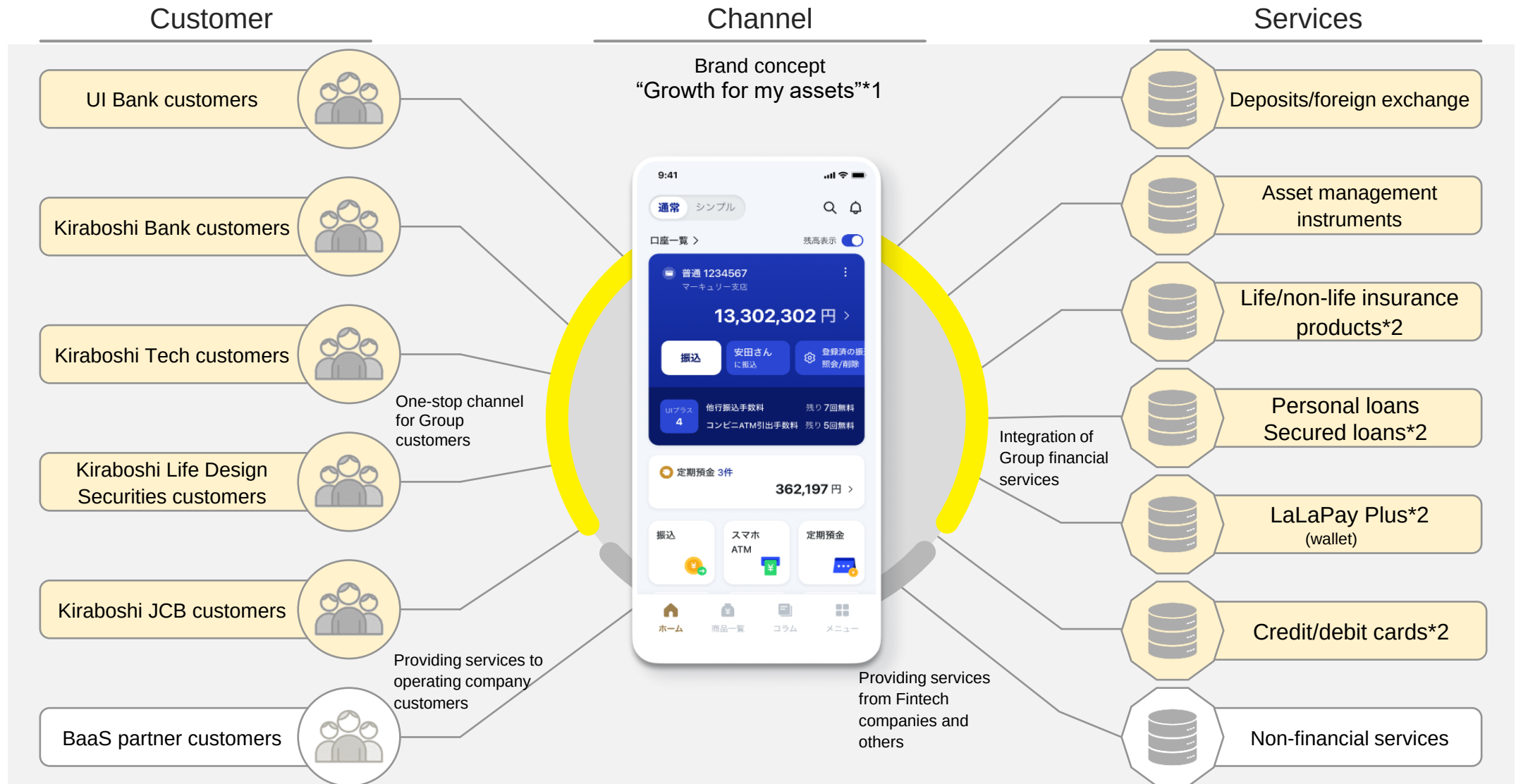


* Shifting Kiraboshi Bank customers to UI Bank through in-branch and workplace activities at Kiraboshi Bank sales offices

Digital Strategy 5: UI Bank Integrated App

✓ Providing a one-stop app for Group services integrating the Group's retail financial services

✓ Providing financial and non-financial services integrated into everyday life

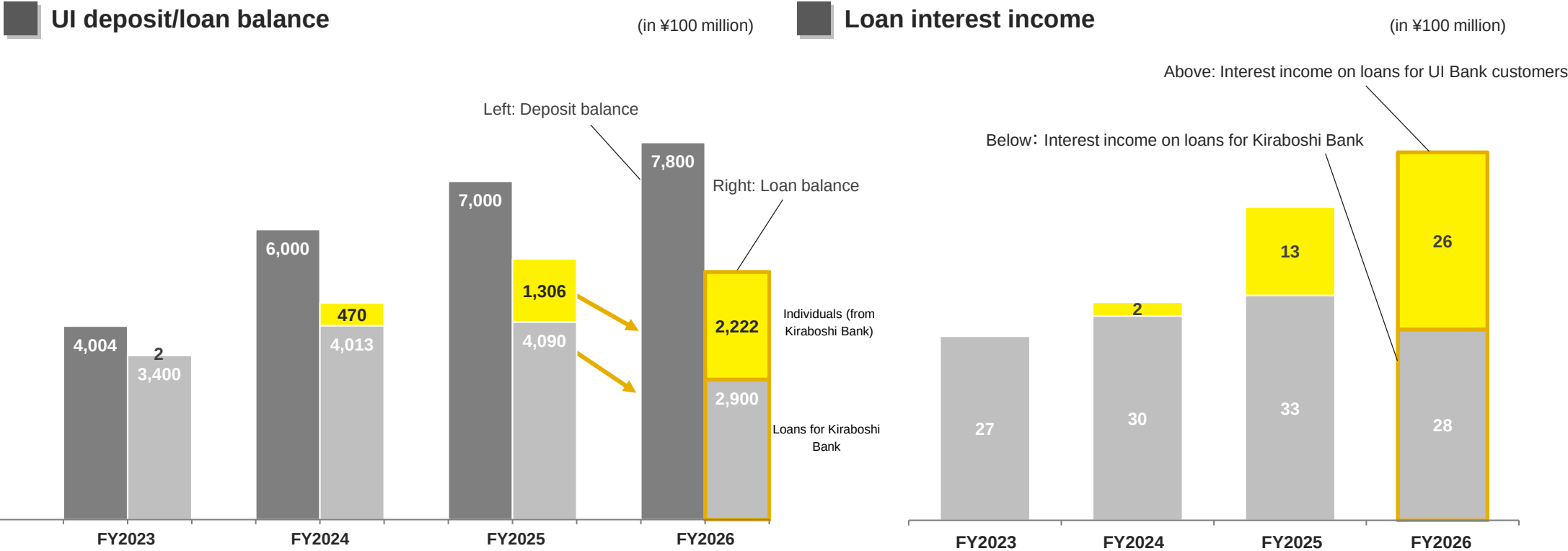
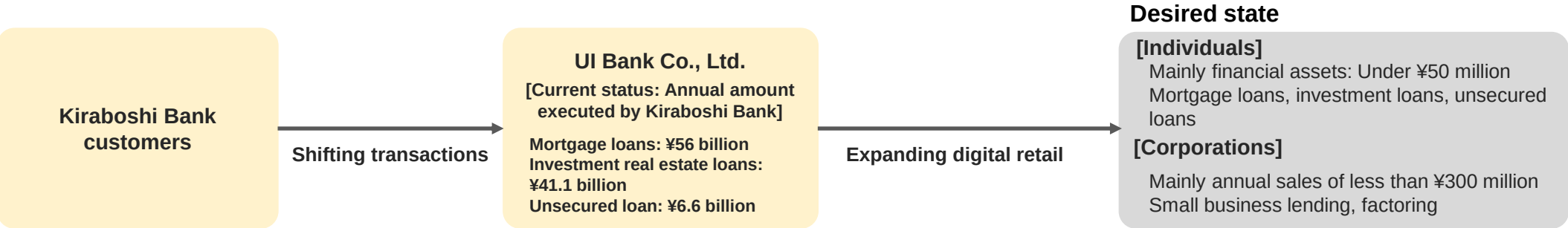


*1 "My assets": A generic term for a variety of assets necessary for each individual, including not only tangible assets such as money and a house, but also intangible assets such as memories and experiences needed to become the person they want to be

*2 Scheduled for phased launch from FY2024

Digital Strategy 6: UI Bank Management Strategy

- ✔ Retail tier is handled digitally, centered on UI Bank; going forward, corporate client transactions will be considered utilizing partnerships with other industries
- ✔ Going forward, the UI Bank will lead promotion of personal loans, projecting loan balance of approx. ¥220 billion in FY2026

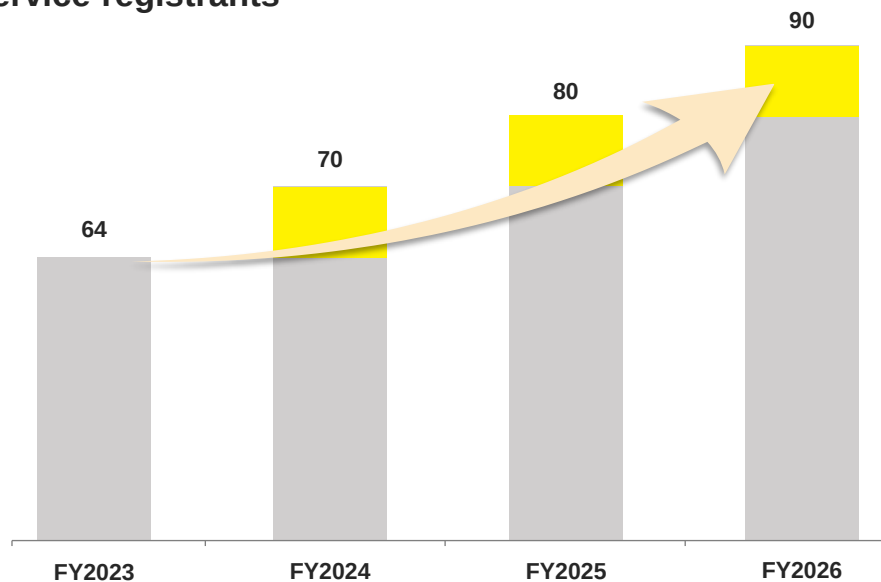


Digital Strategy 7: Kiraboshi Tech

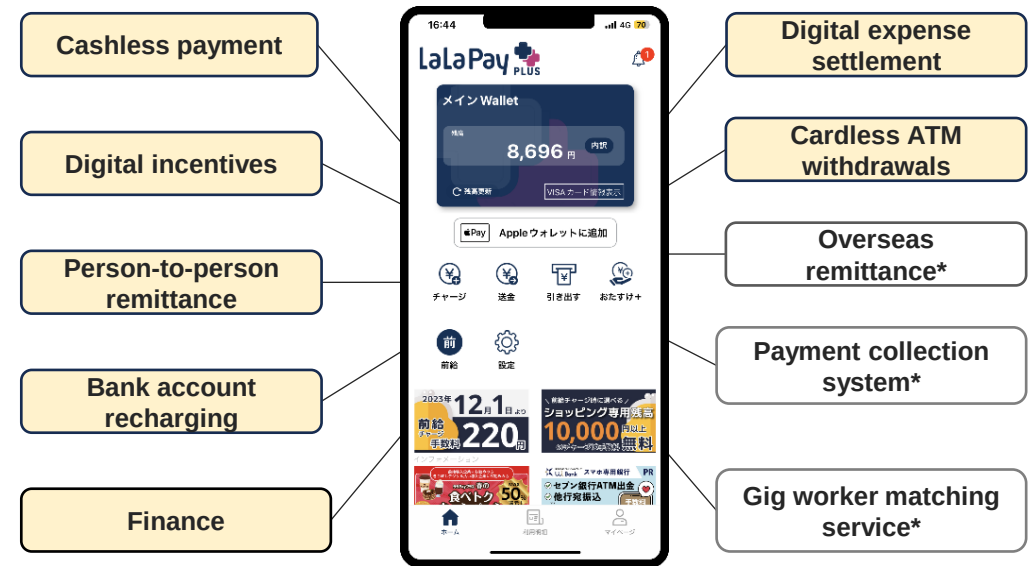
- ☑ Increasing the number of attendance registrants for salary prepayment services to 900,000 in FY2026 to increase sales and secure a pool of users for new services
- ☑ Developing new services to offer to the user pool developed by the salary prepayment service
- ☑ Providing platform services for workplaces, etc. using mobile payments

Number of salary prepayment service registrants

(in ten thousands of people)



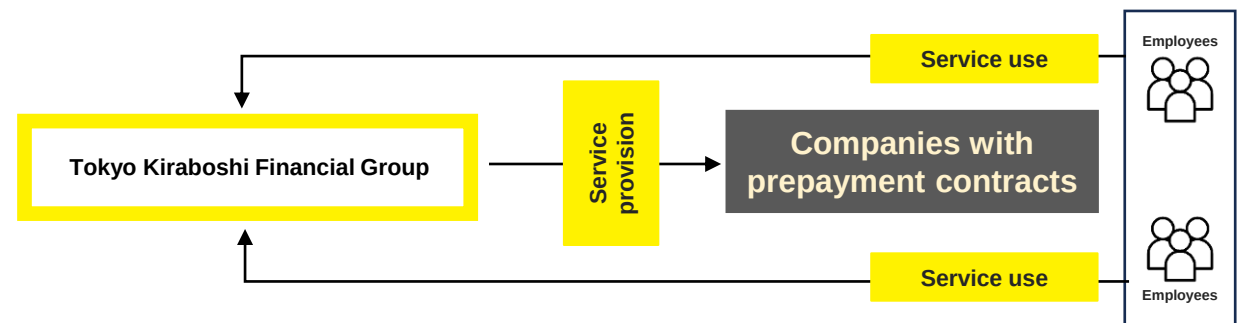
Mobile payment platform services for workplaces



* Scheduled for service launch from FY2024

Group synergies

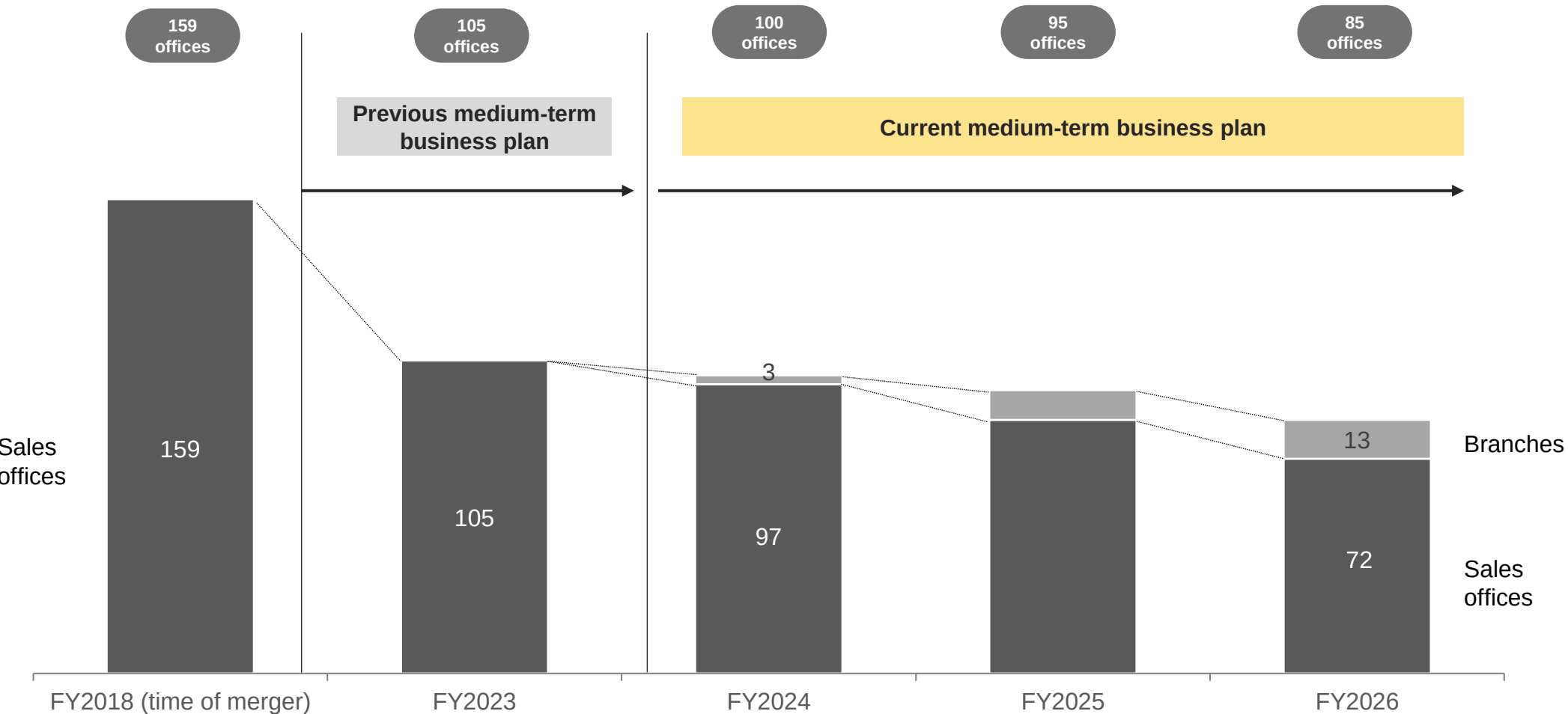
1. Providing Group company services to companies with prepayment (salary prepayment service) contracts
2. Introducing Group company services to employees of companies with prepayment contracts
3. Deploying Kiraboshi Tech services to corporate customers of Kiraboshi Bank



Branch Strategy

☑ Streamlining branches according to regional characteristics, reducing number of locations from 105 to 85 (in FY2026: 74 less locations vs. time of merger)

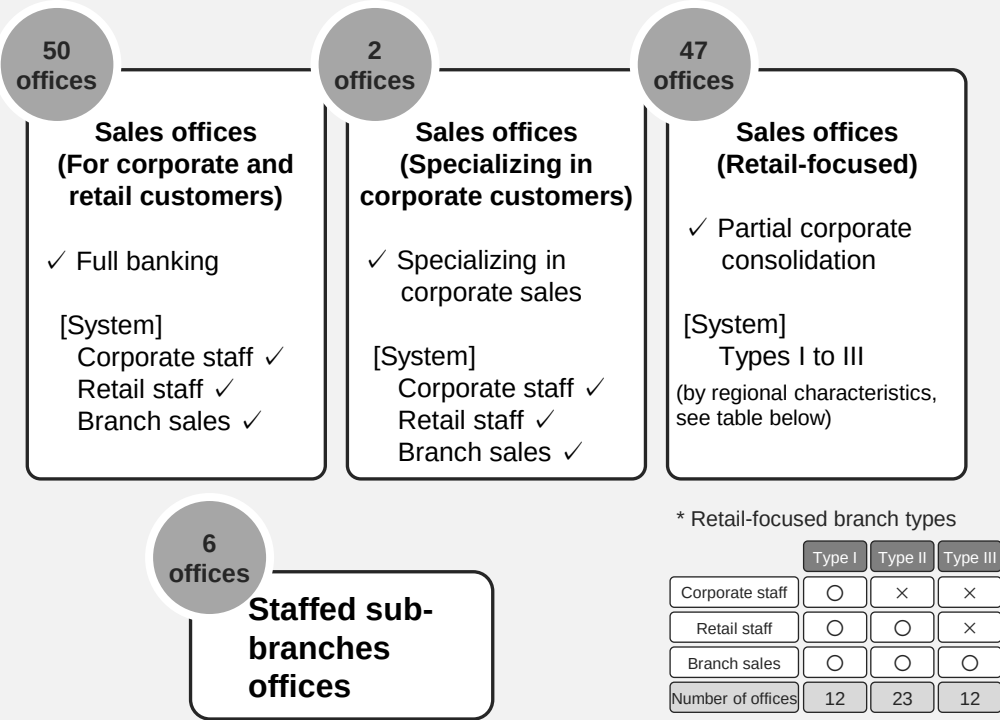
■ Number of locations



Branch strategy 2

- ✓ Reviewing the branch system with the aim of providing high value-added services through high-quality customer contact. In parallel, strengthening human resources development such as on-the-job training by consolidating facilities
- ✓ Loan handling locations were consolidated from 64 to 13 (-51 locations) to provide more specialized solutions

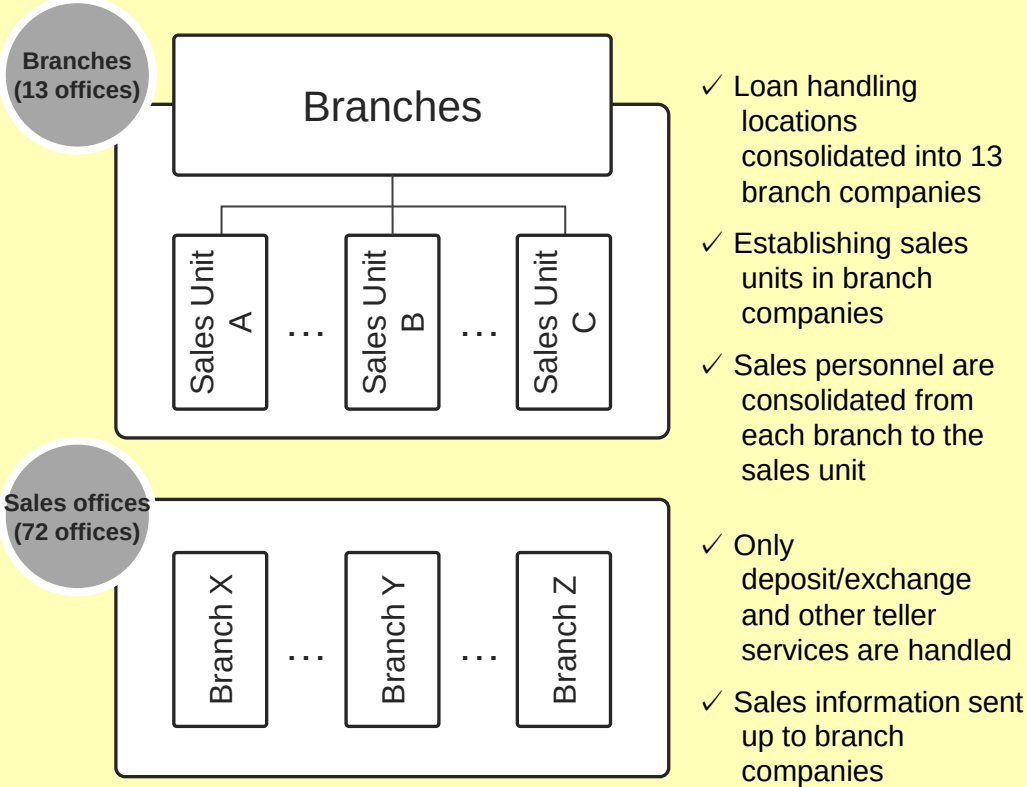
[Present]
FY2023



* 64 loan handling locations
Sales offices (For corporate and retail customers): 50
Sales offices (Specializing in corporate customers): 2
Sales offices (Retail-focused: type I): 12

Total: 105 locations

[Post-branch company system transition]
FY2026



Total: 85 locations

Market Investment

- ☑ Restructuring portfolio, mainly bonds, from a medium- to long-term perspective
- ☑ Strengthening investment in Japanese and other government bonds, municipal bonds, etc. and securing carry income mindful of RORA
- ☑ Controlling interest rate risk by adapting allocations to each situation

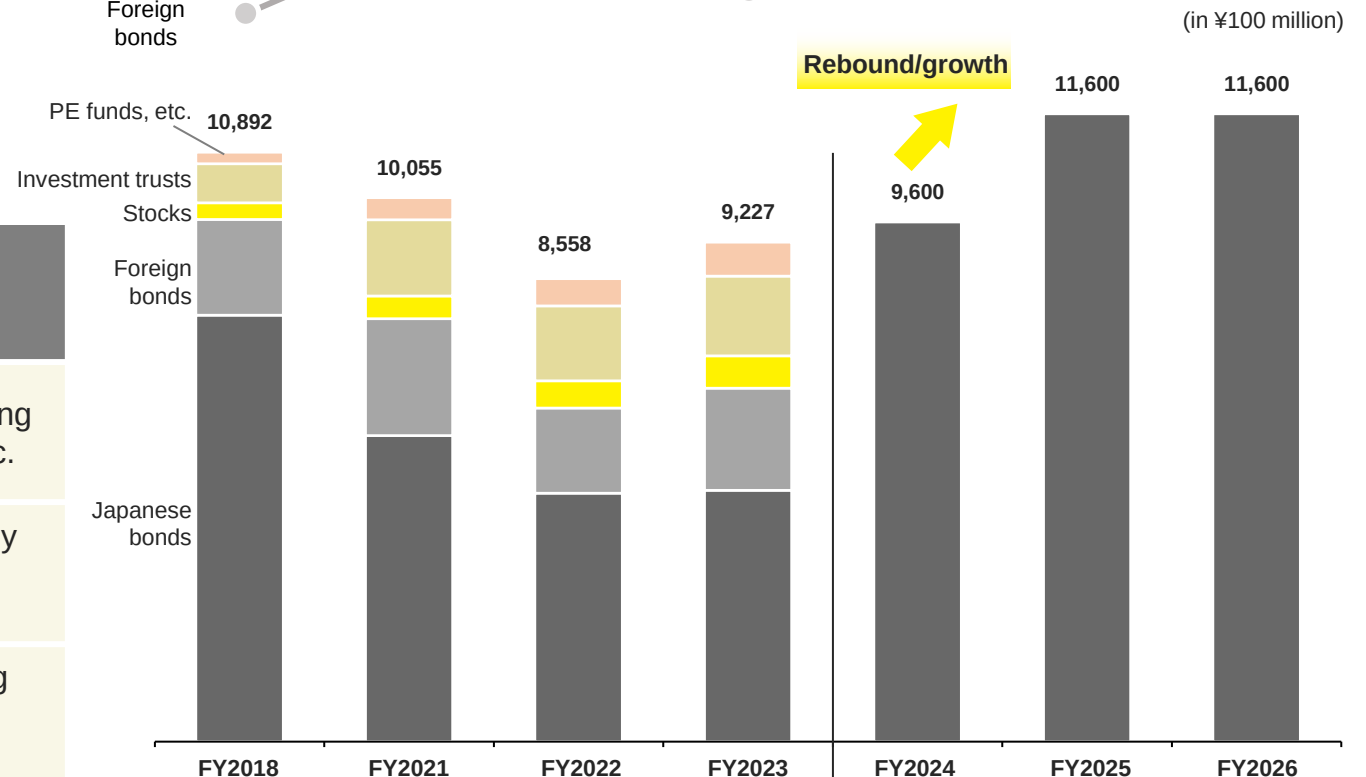
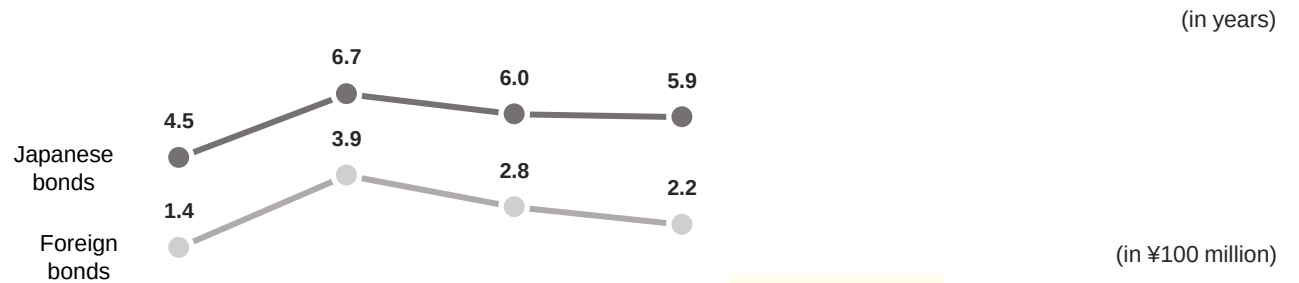
Market environment

- ▶ Japan returns to a **world with interest rates**
- ▶ The West shifts to a **phase of rate cuts**
- ▶ Assumption of economic recovery and **solid equity performance**

Investment policy

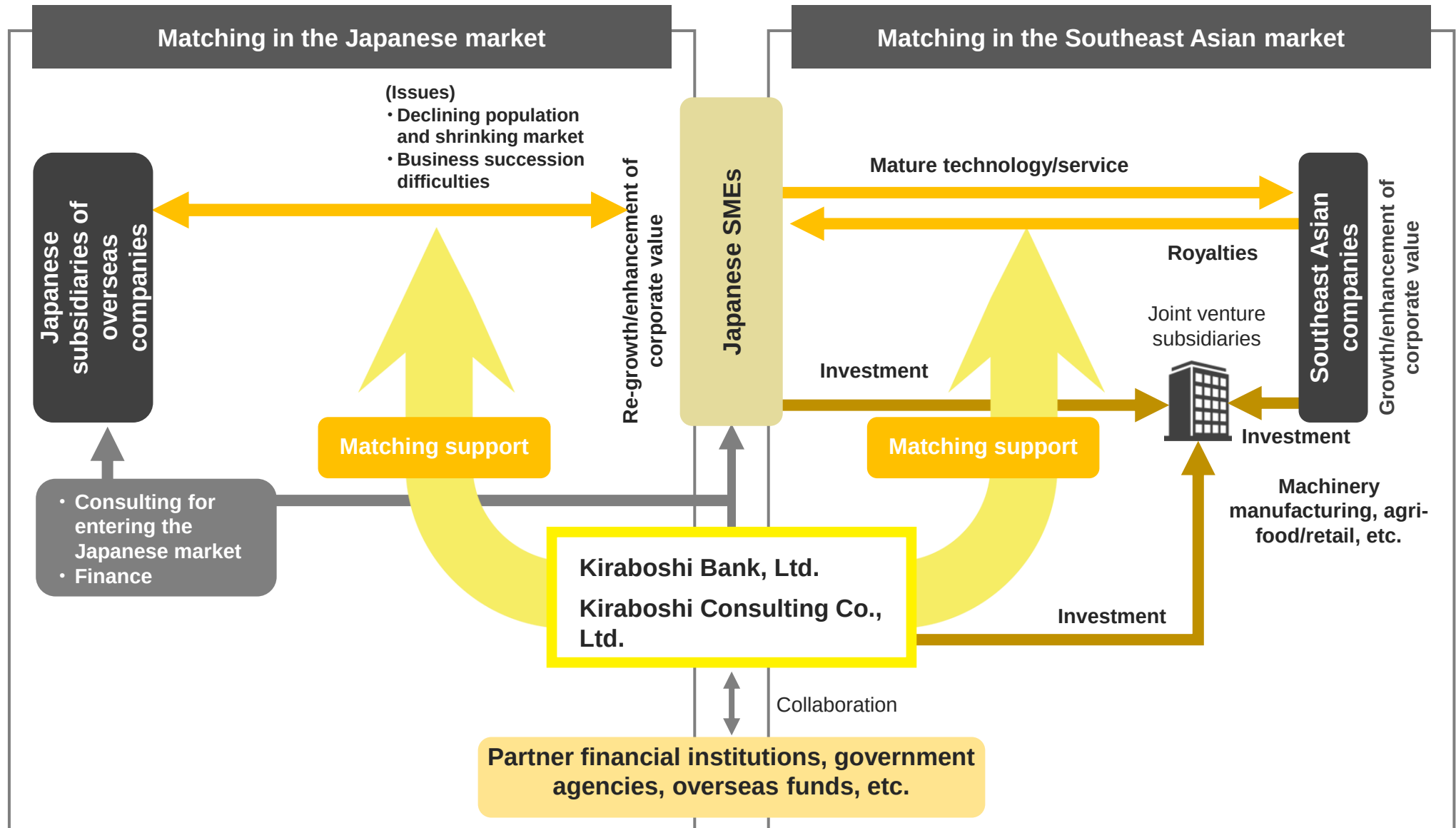
Risk category	Investment policy
Japanese bonds	Restructuring the portfolio while monitoring monetary policy normalization trends, etc.
Foreign bonds	Restoring balances to a certain degree by ascertaining the timing of a switch to interest rate cuts, etc.
Stocks, etc.	Improve valuation gains/losses by buying and selling with close monitoring of the market environment

Securities duration/balance



Overseas Strategy

- ☑ Connecting SMEs to overseas markets to resolve issues of business succession and expansion
- ☑ Supporting overseas companies entering the Japanese market and contributing to the revitalization of TOKYO

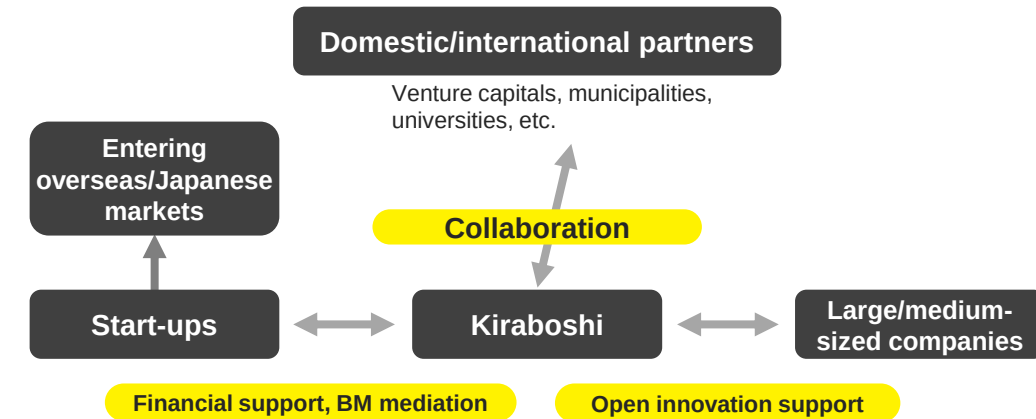


Start-up Support

- ☑ Support for commercialization, growth, and overseas expansion of domestic startups; support for overseas start-ups entering the Japanese market
- ☑ Supporting new business creation (open innovation) with start-ups and large/medium-sized companies

Start-up support

Providing problem-solving and needs-based support by leveraging our network of domestic/international partners and large/medium-sized companies



Specific efforts to support start-ups

● Identification of promising start-ups

- Monthly Kiraboshi Pitch events
- Cooperation and participation in other companies' pitch events
- Networking with start-up supporters

● Cultivation of start-ups

- Implementation of the KicSpace Accelerator Program

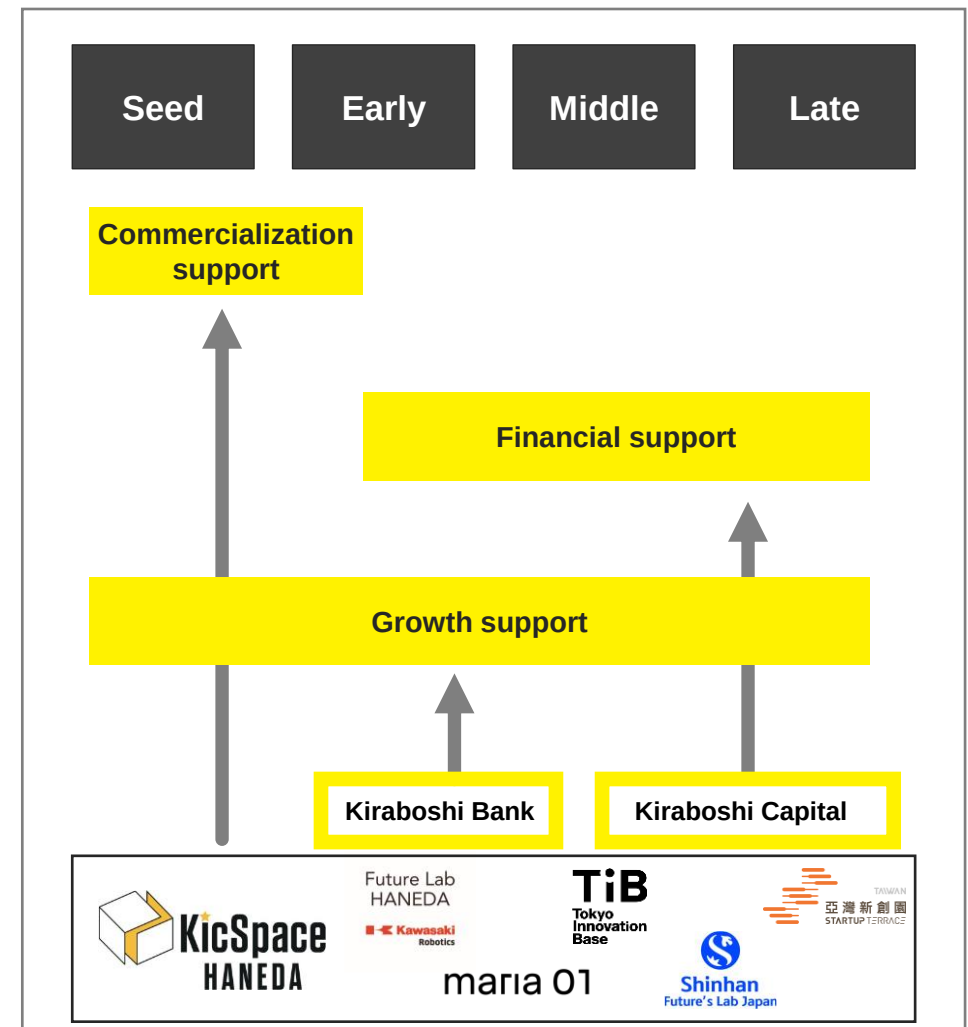
● Support for business expansion

- Reverse pitching with large corporations*
- Business matching

* Reverse pitching with large corporations: Pitching to start-ups or large/medium-sized companies for the purpose of solving problems or developing new businesses for large companies

Start-up support measures

Illustration of support by growth stage





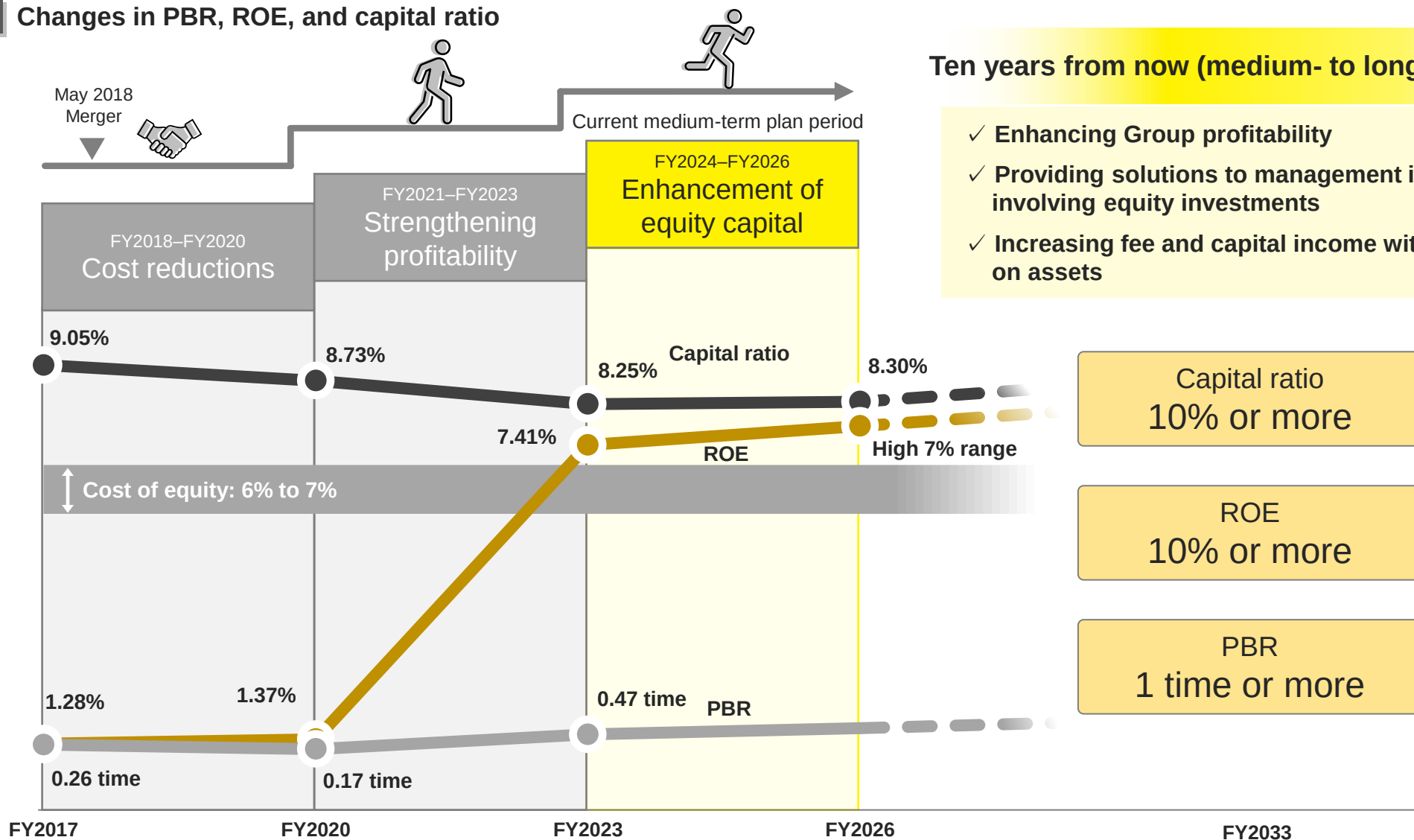
4. Corporate Value Enhancement Measures, Capital Policy

Desired State in 10 Years

✓ ROE for FY2023 improved to 7.4%. Seek to record ROE exceeding cost of equity, increasing corporate value

✓ Aim to improve profitability, efficiency, and soundness in a balanced manner, and to achieve an equity ratio of at least 10%, ROE of at least 10%, and PBR of at least 1 times in 10 years

Changes in PBR, ROE, and capital ratio



Corporate Value Enhancement Measures 1: Initiatives for Improving PBR

☑ Aim to improve ROE by strengthening profitability and controlling risk-weighted assets, as well as to improve PBR by reducing the cost of equity, etc.

Breakdown of PBR

PBR

=

ROE

×

PER

Breakdown of ROE

ROE

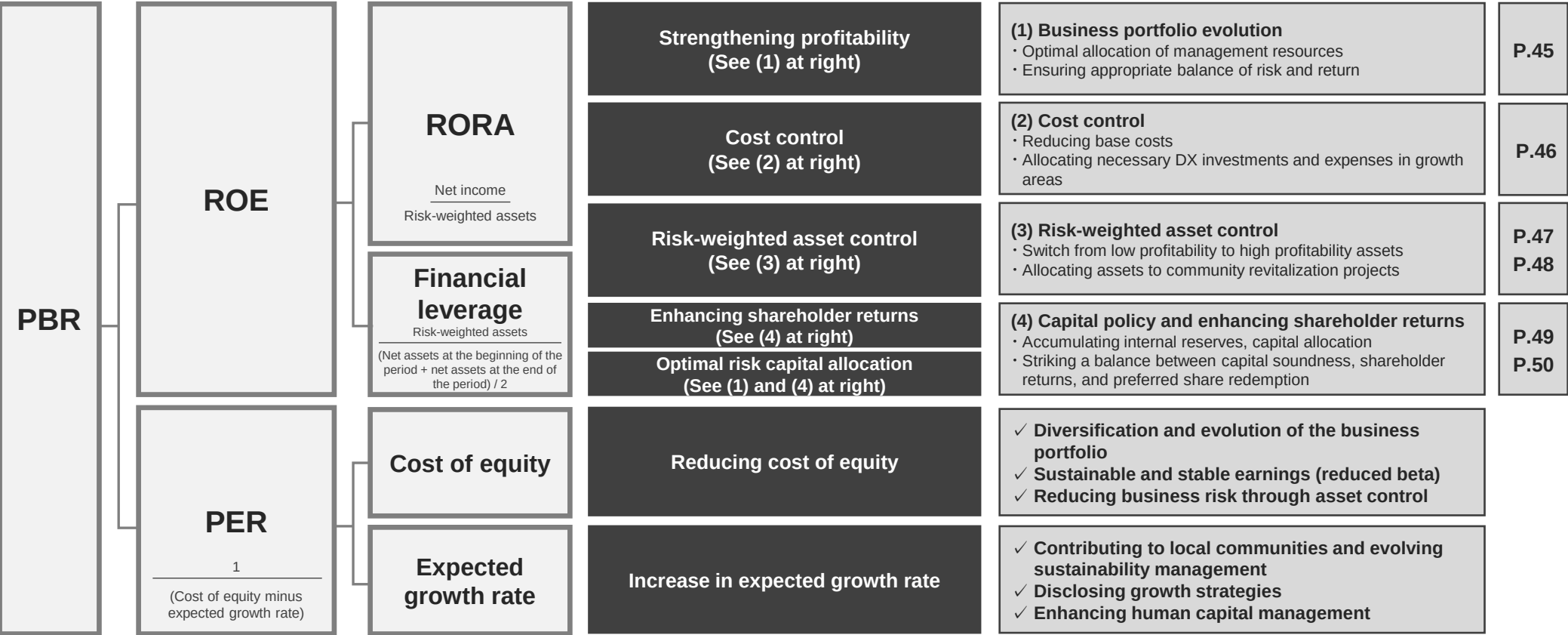
=

RORA

×

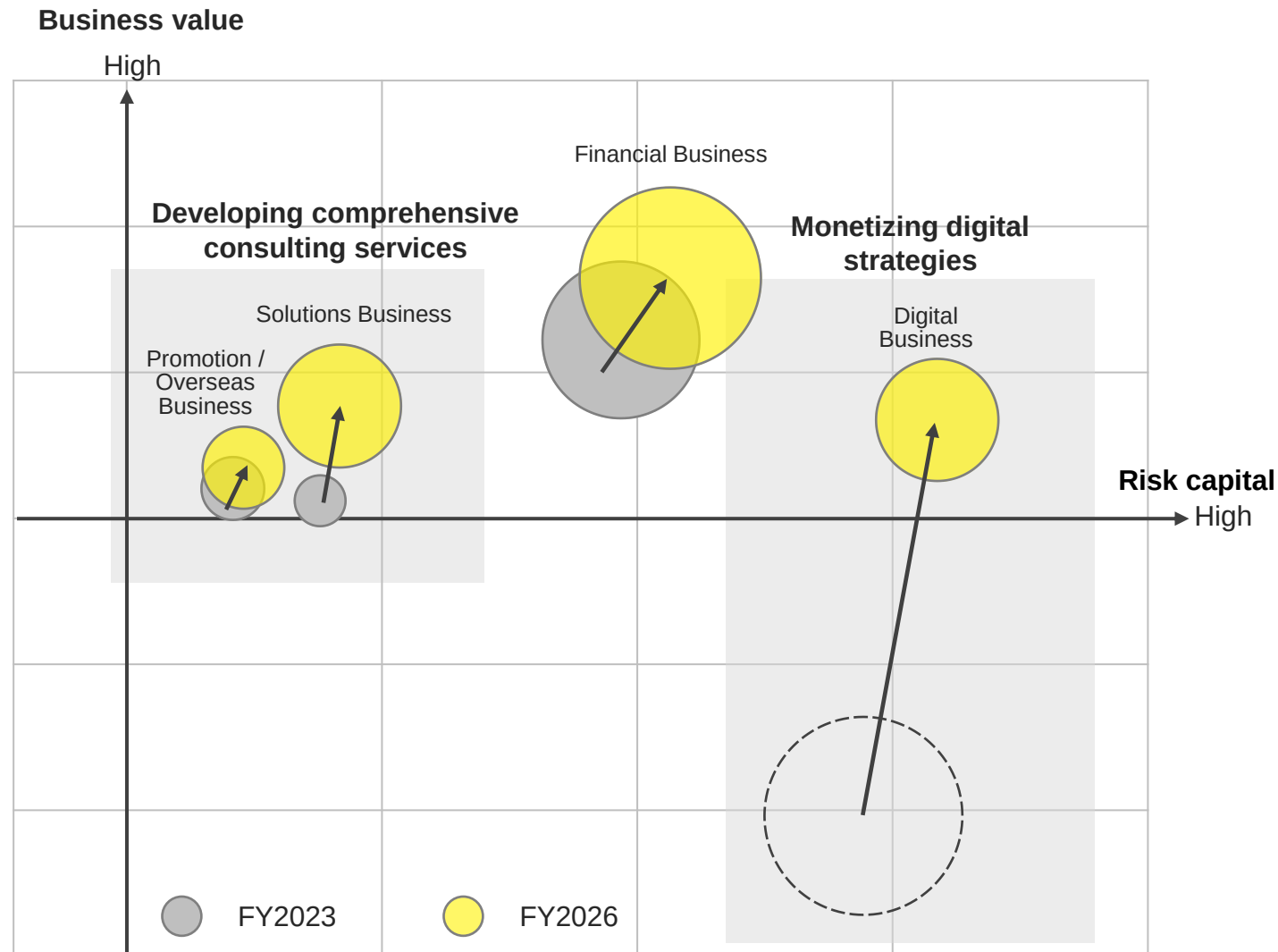
Financial leverage

Logic tree for PBR improvement



Corporate Value Enhancement Measures 3: Business Portfolio (Excluding Kiraboshi Bank)

- ✓ Introducing a business valuation indicator reflecting the cost of equity: $\text{Business value} = \text{Profit} - (\text{Allocated risk capital} \times \text{Cost of equity})$
- ✓ Building an optimal Group business portfolio through appropriate allocation of management resources
- ✓ During the current medium-term business plan period, we will improve business value in the areas of digital, finance, and solutions



* Circle size represents size of profit by business (dashed circles indicate negative profit values)

Digital Business

UI Bank Co., Ltd.

Kiraboshi Tech, Inc.

Financial Business

Tokyo Kiraboshi Lease, Inc.

Kiraboshi Capital Co., Ltd.

Kiraboshi Life Design Securities Co., Ltd.

Kiraboshi Servicer Co., Ltd.

Kiraboshi Insurance Agency CO., LTD.

Kiraboshi JCB Co., Ltd.

Kiraboshi Credit Guarantee Co., Ltd.

Yachiyo Credit Guarantee Co., Ltd.

Solutions Business

Kiraboshi Consulting Co., Ltd.

Kiraboshi System, Inc.

ITC Co., Ltd.

Kiraboshi business office service, Inc.

Promotion / Overseas Business

Be.Brave, Inc.

Kiraboshi Business Service Co., Ltd.

Kiraboshi Business Consulting Shanghai Co., Ltd.

StarBridge business consulting (Beijing) Co., Ltd.

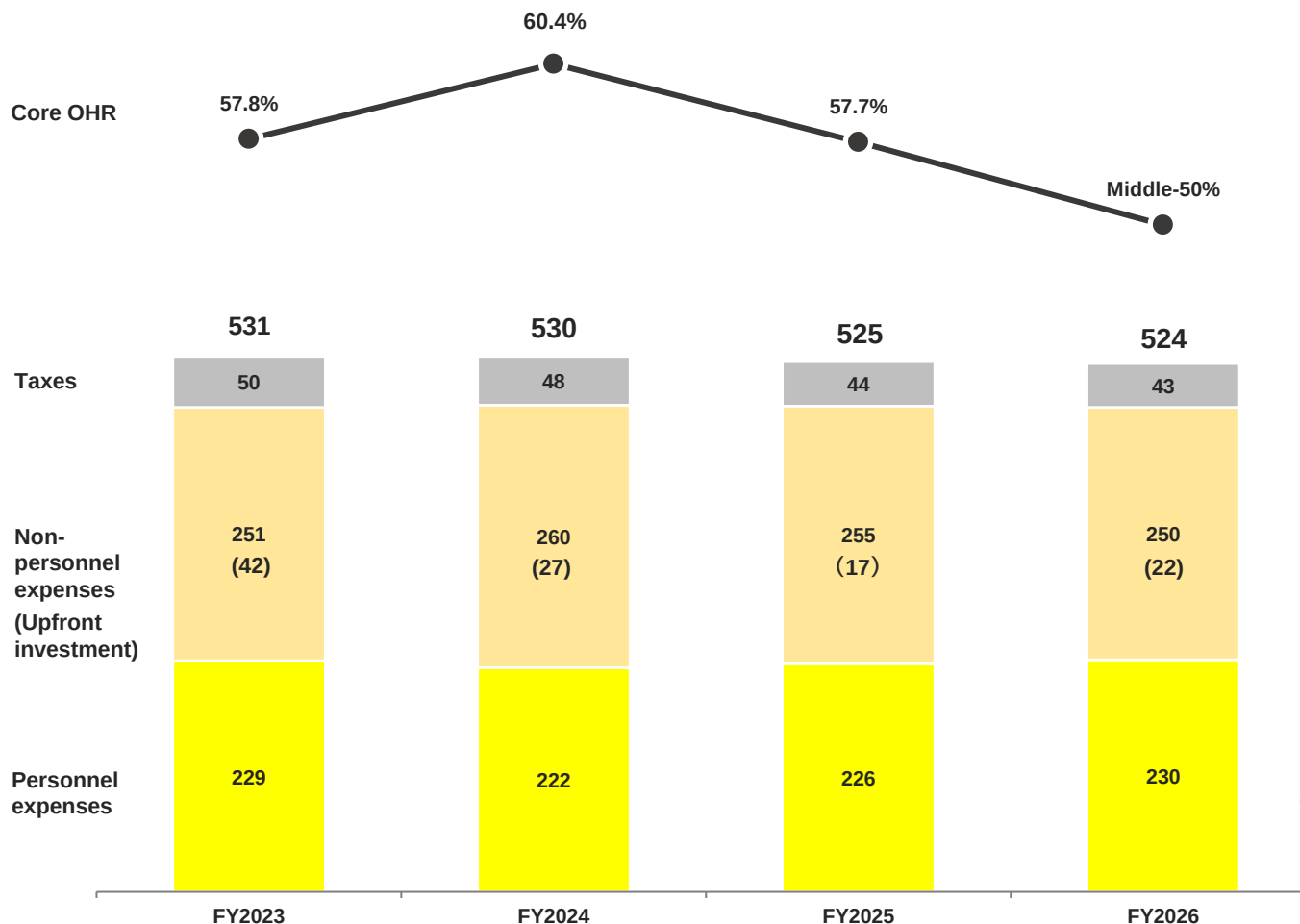
KIRABOSHI BUSINESS CONSULTING VIETNAM CO., Ltd.

Corporate Value Enhancement Measures 4: Cost Control

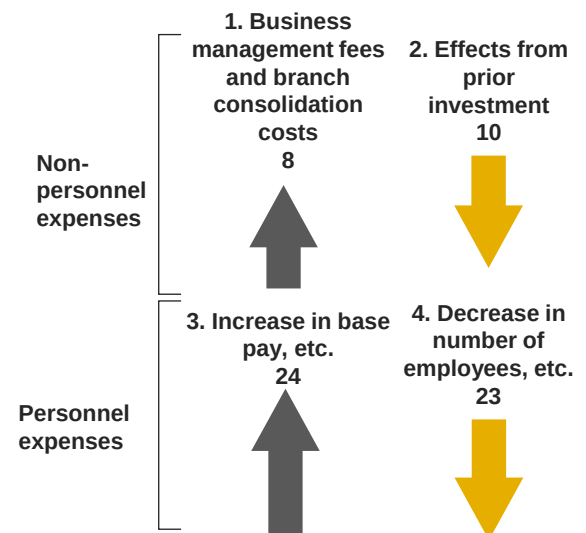
- ☑ Core OHR will decline from 57.8% in FY2023 to the mid-50% range in FY2026 due to cost control
- ☑ Personnel expenses are increasing due to higher base pay and other factors to build a strong revenue base
- ☑ Continuing to improve branch efficiency, selectively addressing investments in necessary growth areas

Core OHR/costs

(in ¥100 million, %)

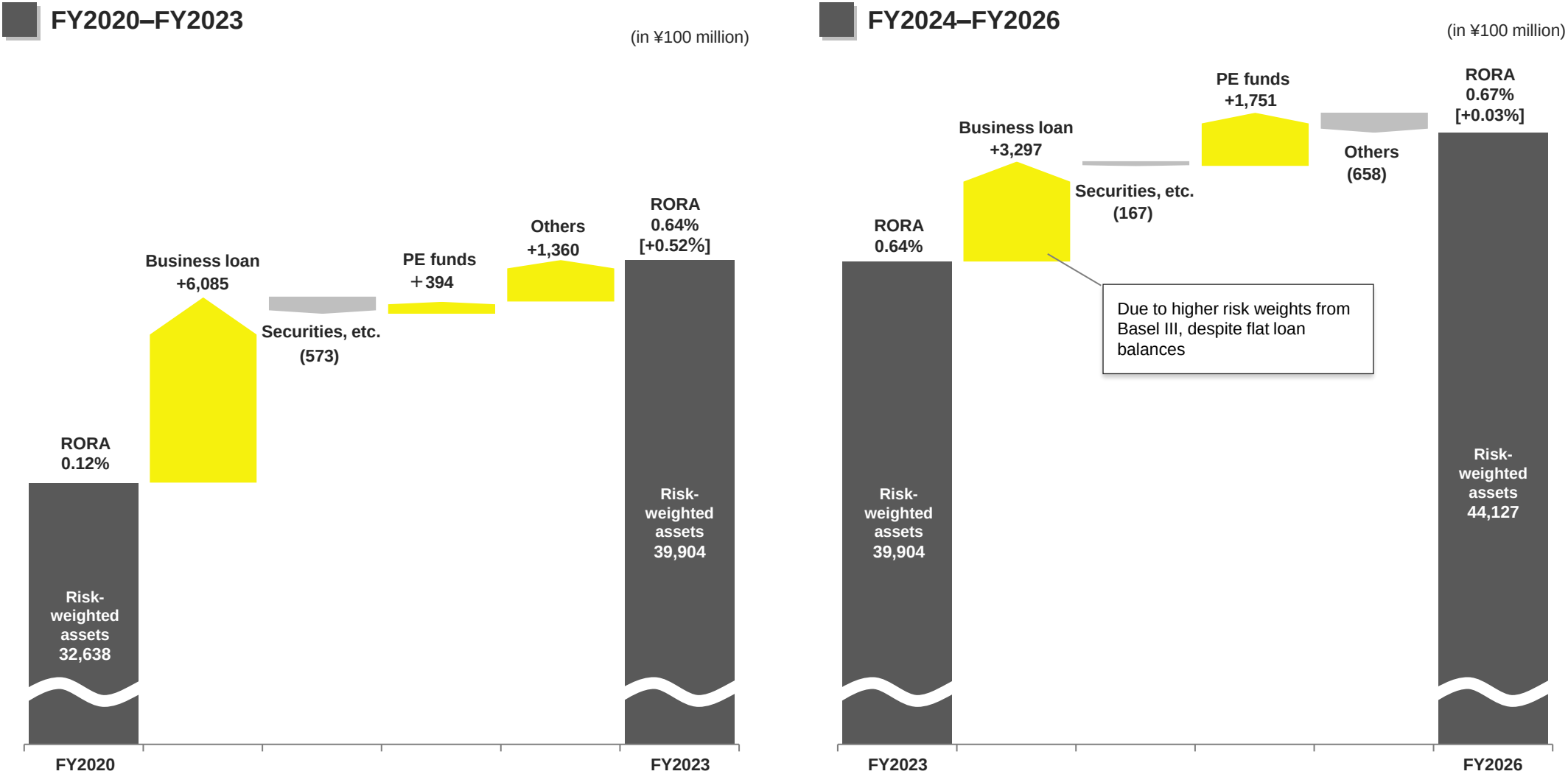


Main change factors (FY2023 → FY2026)



Corporate Value Enhancement Measures 4: Risk-Weighted Asset Control (Overview)

- ✔ Strengthening profitability by expanding fee business across the Group while controlling risk-weighted assets to improve RORA
- ✔ Maintaining a certain level of amount executed and fees for LBO/other business financing, while distributing to other companies as well

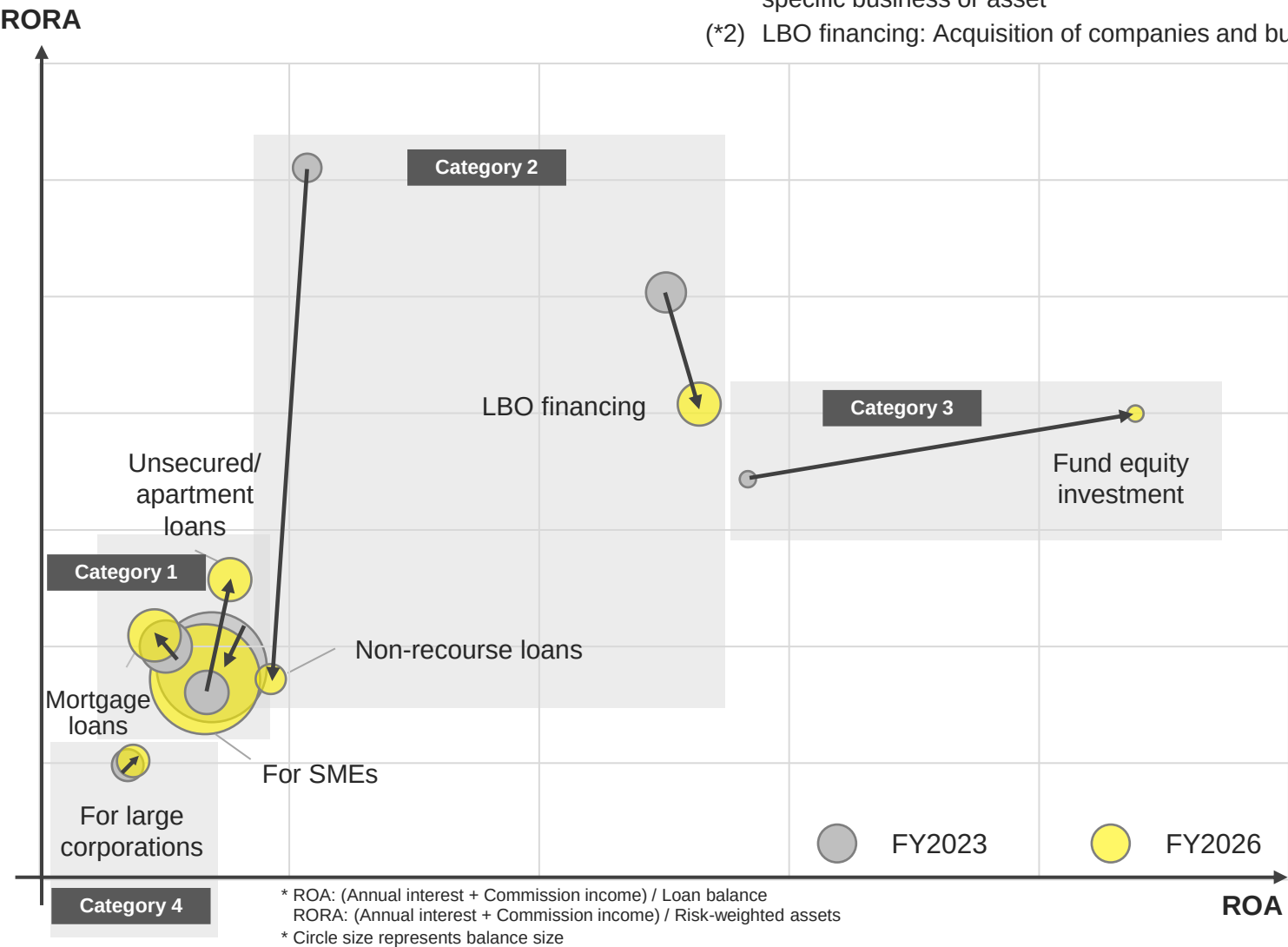


Corporate Value Enhancement Measures 6: Risk-Weighted Asset Control (By Category)

- ✓ Improving RORA and increasing corporate value through asset control by risk category
- ✓ Non-recourse loans(*1) and LBO financing(*2) for SMEs shifting to proprietary transactions through main bank relationship building
Strengthening relationships by promoting complex transactions

(*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



Category 1
Low ROA, high RORA
Maintaining a strategic focus on loans to SMEs, unsecured/apartment loans, and housing loans, using complex transactions to build main bank relationships and enhance overall profitability

Category 2
High ROA, low RORA (deterioration)
NRL and LBO have higher RORA absolute values, although RORA declines as risk weighting increases

Category 3
High ROA, high RORA
Fund equity investments improve RORA due to higher capital gains exceeding the impact of increased risk weighting

Category 4
Low ROA, low RORA
Reducing balances for some large corporation transactions where there is no deeper business expected improves RORA

Corporate Value Enhancement Measures 6: Basic Capital Policy

- ✓ Basic policy: Ensure a “sound capital ratio” and maintain a strong balance between “use of capital to enhance profitability” and “return of profits to shareholders”
- ✓ During the period of the current medium-term business plan, we are building up internal reserves to secure funds for redemption of preferred shares

Sound capital ratio

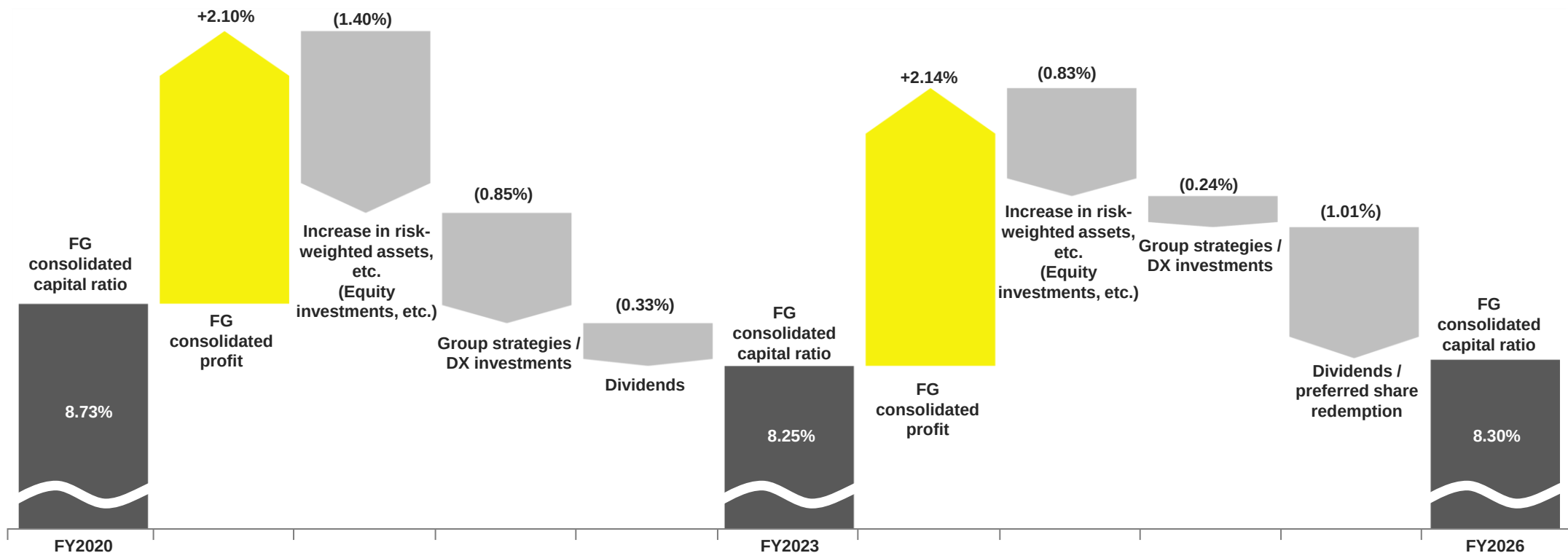
Accumulation of internal reserves
Appropriately allocating capital and optimizing business portfolio

Utilizing capital to improve profitability

Controlling and replacing assets while being mindful of RORA
Earning capital gains from hands-on support for equity investees

Shareholder returns and preferred share redemption scenarios

Targeting payout ratio of around 20% after redemption of preferred shares



Capital Policy (Preferred Stock, Dividends, Cross-Shareholdings)

- ✓ Established a policy for preferred shares in the current medium-term business plan
- ✓ Our shareholder return policy targets a payout ratio of around 20% even after redemption of preferred shares, and securing a capital ratio of 8.3%. We aim to reduce cross-shareholdings by about 40%

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

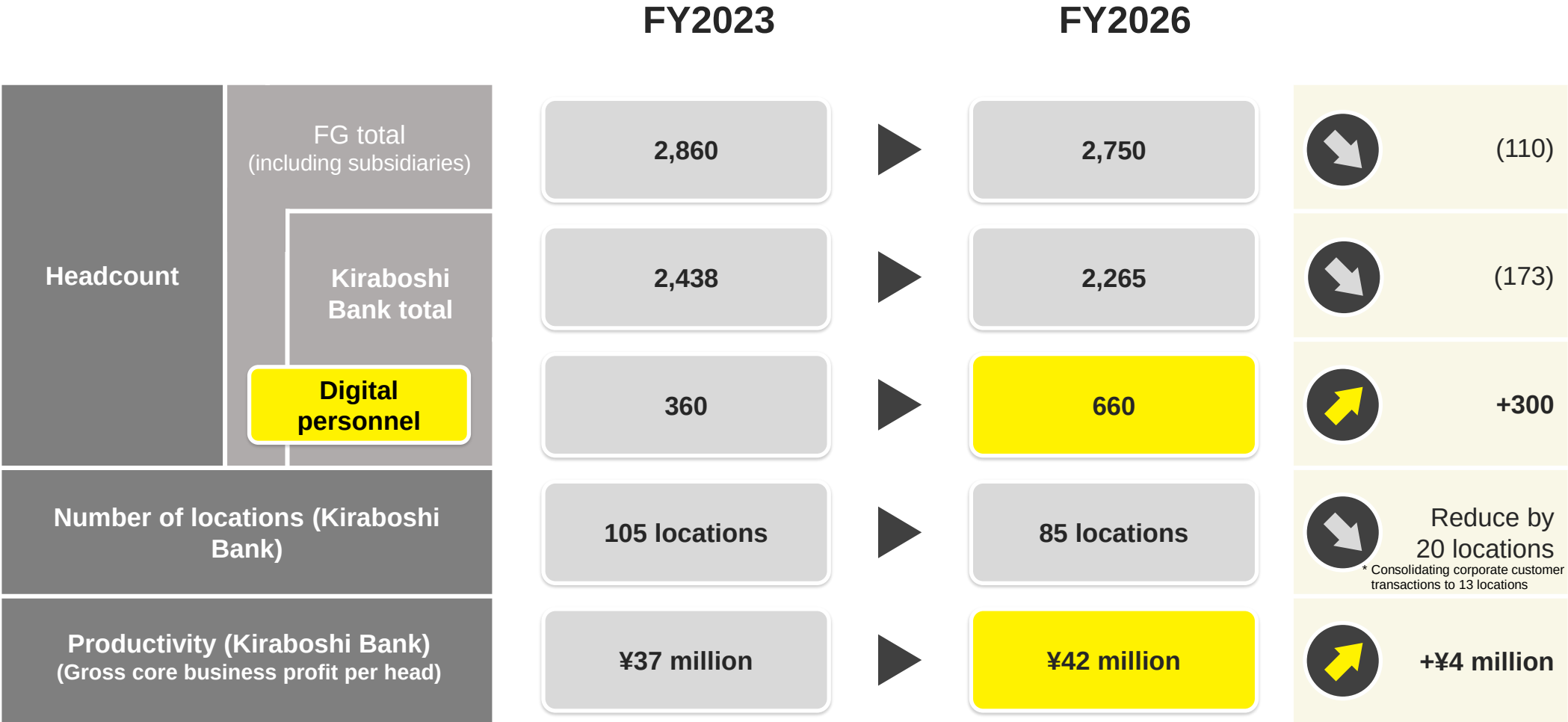
(FY2023 book value balance approx. ¥15 billion → FY2026 book value balance approx. ¥9 billion)



5. Measures for Further Efficiency Improvement and Optimal Management Resource Allocation

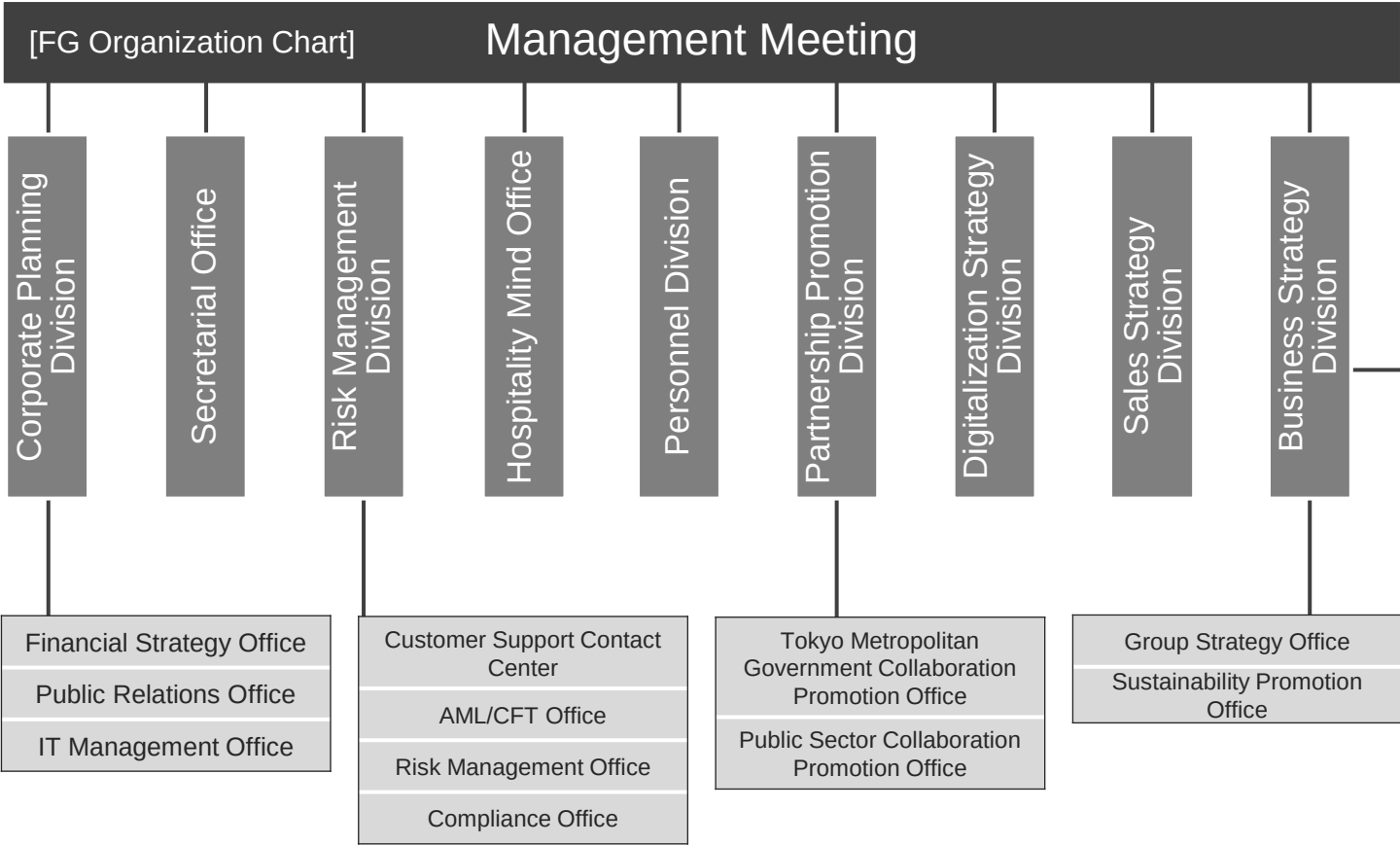
Resource Allocation: Management Resource Allocation

- ✔ Conducting personnel allocation and human resources development in strategic areas. Improving productivity through optimal allocation of management resources across the entire Group
- ✔ Digital personnel: Increase pool by 300
- ✔ Streamlining headcounts for FG and Kiraboshi Bank through branch reorganization, DX, etc.



Governance Structure and Organization: Evolving Group Business Management

- ✔ **The FG Corporate Planning Division is responsible for management resource allocation across the Group and IT governance** (established within this division are the Financial Strategy Office, Public Relations Office, and IT Management Office)
- ✔ **The FG Sales Strategy Division formulates our Group-wide comprehensive solution strategy to meet diverse customer needs**
- ✔ **The FG Risk Management Division manages risks across the Group** (established within this division is the AML/CFT Office)



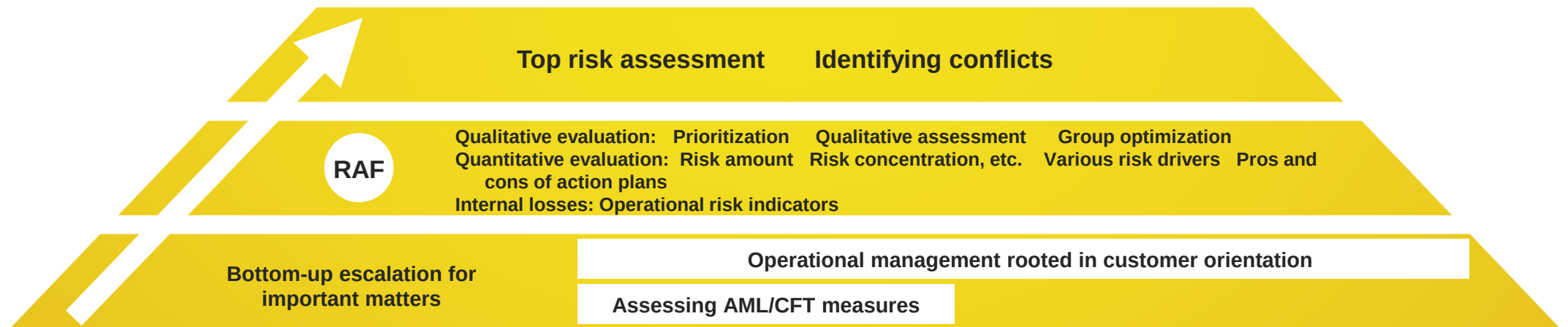
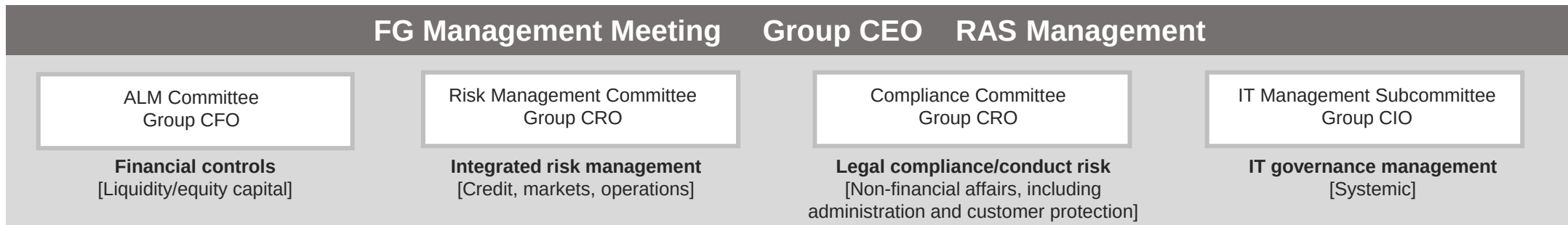
IT Management Subcommittee	
Chair	CIO
Secretariat	IT Management Office
Members	Digitalization Strategy Division, Corporate Communication Division, Corporate Planning Division, Risk Management Division
Topics	Exploration of IT investment strategy for each FG company, exploration of system risk strategy for each FG company

- Digital Business**
 1. UI Bank Co., Ltd.
 2. Kiraboshi Tech, Inc.
- Financial Business**
 3. Tokyo Kiraboshi Lease, Inc.
 4. Kiraboshi Capital Co., Ltd.
 5. Kiraboshi Life Design Securities Co., Ltd.
 6. Kiraboshi Servicer Co., Ltd.
 7. Kiraboshi Insurance Agency CO., LTD.
 8. Kiraboshi JCB Co., Ltd.
 9. Kiraboshi Credit Guarantee Co., Ltd.
 10. Yachiyo Credit Guarantee Co., Ltd.
- Solutions Business**
 11. Kiraboshi Consulting Co., Ltd.
 12. Kiraboshi System, Inc.
 13. ITC Co., Ltd.
 14. Kiraboshi business office service, Inc.
- Promotion/Overseas Business**
 15. Be.Brave, Inc.
 16. Kiraboshi Business Service Co., Ltd.
 17. Kiraboshi Business Consulting Shanghai Co., Ltd.
 18. StarBridge business consulting (Beijing) Co., Ltd.
 19. KIRABOSHI BUSINESS CONSULTING VIETNAM Co., Ltd.
 20. Tokyo Kiraboshi Financial Group, Inc.
 21. Kiraboshi Bank, Ltd.
 22. Sky Ocean Asset Management Co., Ltd.

22 Group companies

Governance Structure and Organization: Risk Compliance

- ✓ Achieve sustainable profitability strengthening by transforming the income structure, enhance capital through strategic financial controls, and achieve optimal allocation of management resources
- ✓ Established a risk compliance management system to ensure business operations through properly managed risk-taking
- ✓ Visualizing risks through meticulous attention to all Group businesses and quantitative and qualitative indicators, and efforts to make management decisions based on the top risks



[Permanent management system of Group companies by the second-line risk management department (major items)]
 (1) Integrated compliance program (2) Annual Group risk assessment system (3) Group KRI management (4) Integrated operational risk management
 (5) New business/new product screening system (6) Group whistleblowing management (7) Group legal oversight system

Digital Business subsidiaries

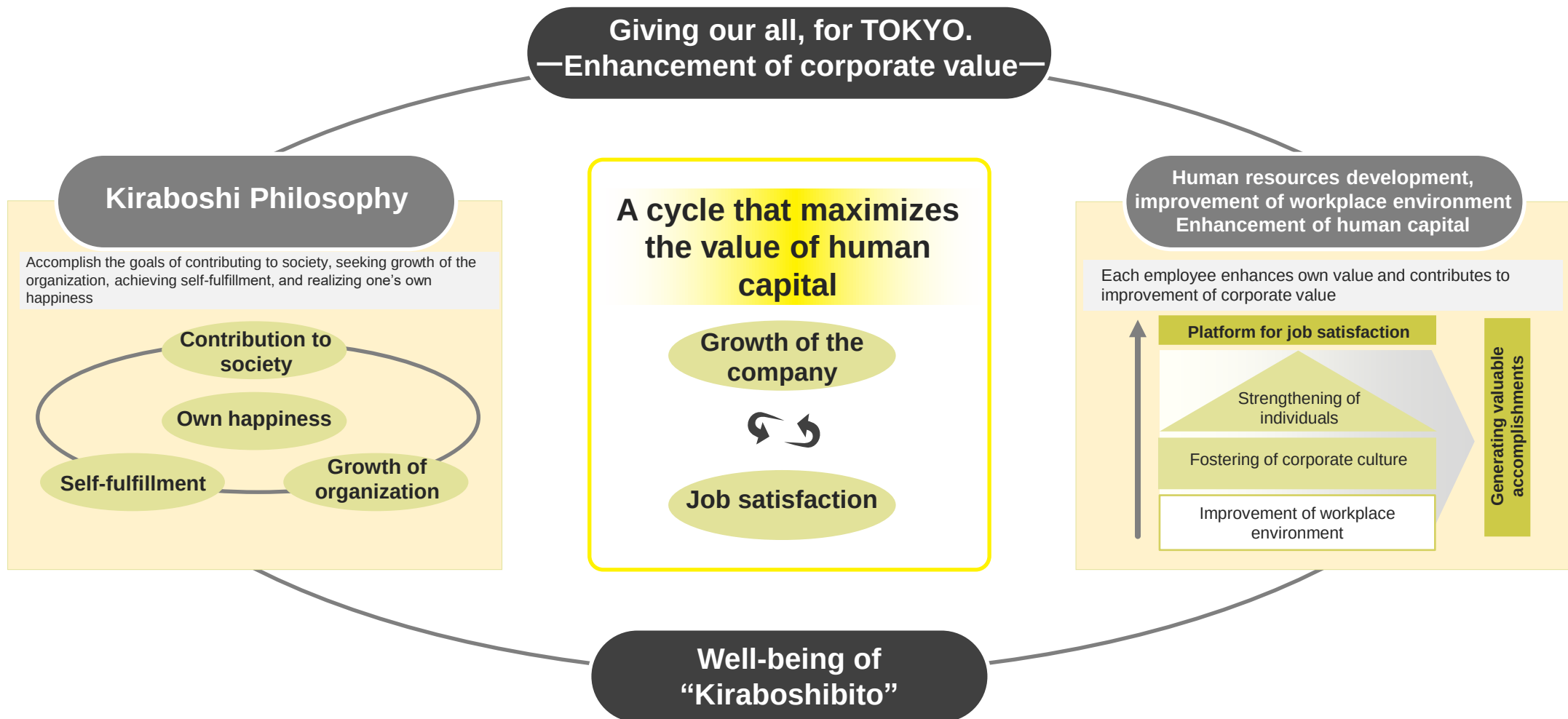
Financial Business subsidiaries

Solutions Business subsidiaries

Promotion/Overseas Business subsidiaries

Well-being and Human Capital Management 1

- ✓ Creating a virtuous cycle that maximizes the value of human capital through serious well-being support of “Kiraboshibito” employees
- ✓ Realizing well-being for customers, communities, and employees by giving our all for TOKYO



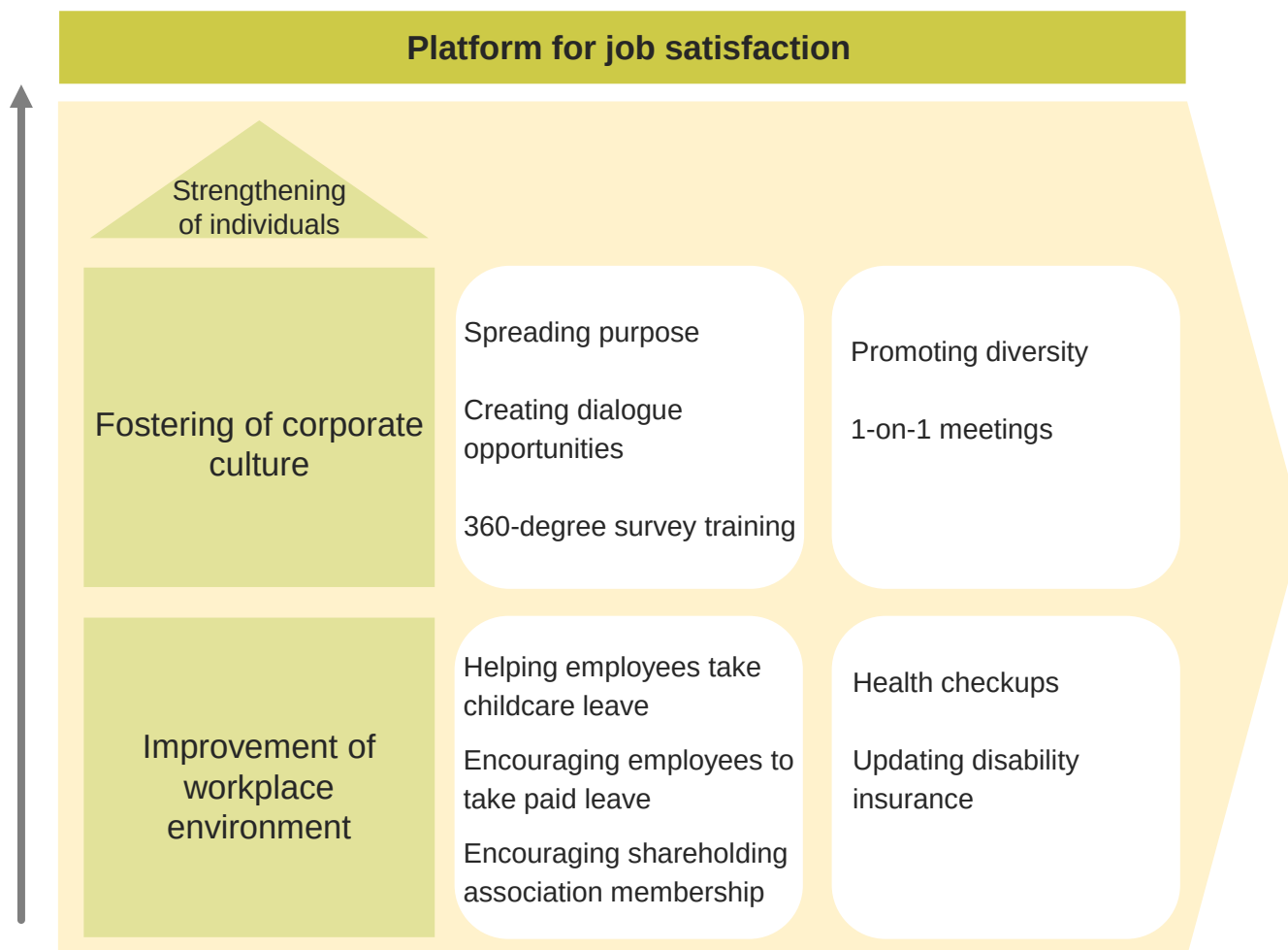
* “Kiraboshibito,” or “the people of Kiraboshi,” are people who have a spirit of healthy sharing of benefits between themselves and others, people who think and act based on a set of guidelines, and people who put the Kiraboshi Philosophy into practice

Well-being and Human Capital Management 2

✓ Conducting regular surveys to visualize the well-being of each employee

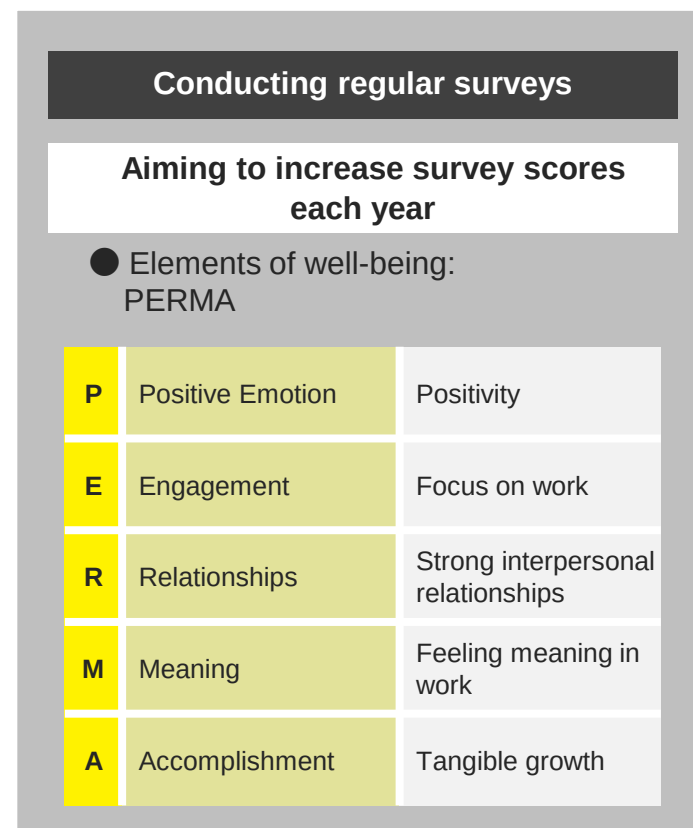
✓ Aiming to increase survey scores each year by fostering a corporate culture and improving the workplace environment

Specific efforts to achieve well-being



Well-being management KPI

Certain questions from our survey that are particularly important for realizing well-being have been set as KPIs.



Well-being and Human Capital Management 3

- ✓ Boosting initiatives for stronger individuals to cultivate professional personnel capable of enhancing their own value and helping to enhance corporate value
- ✓ Establishing a system capable of recruiting, training, and deploying professional personnel in each field, and actively investing in human resources development

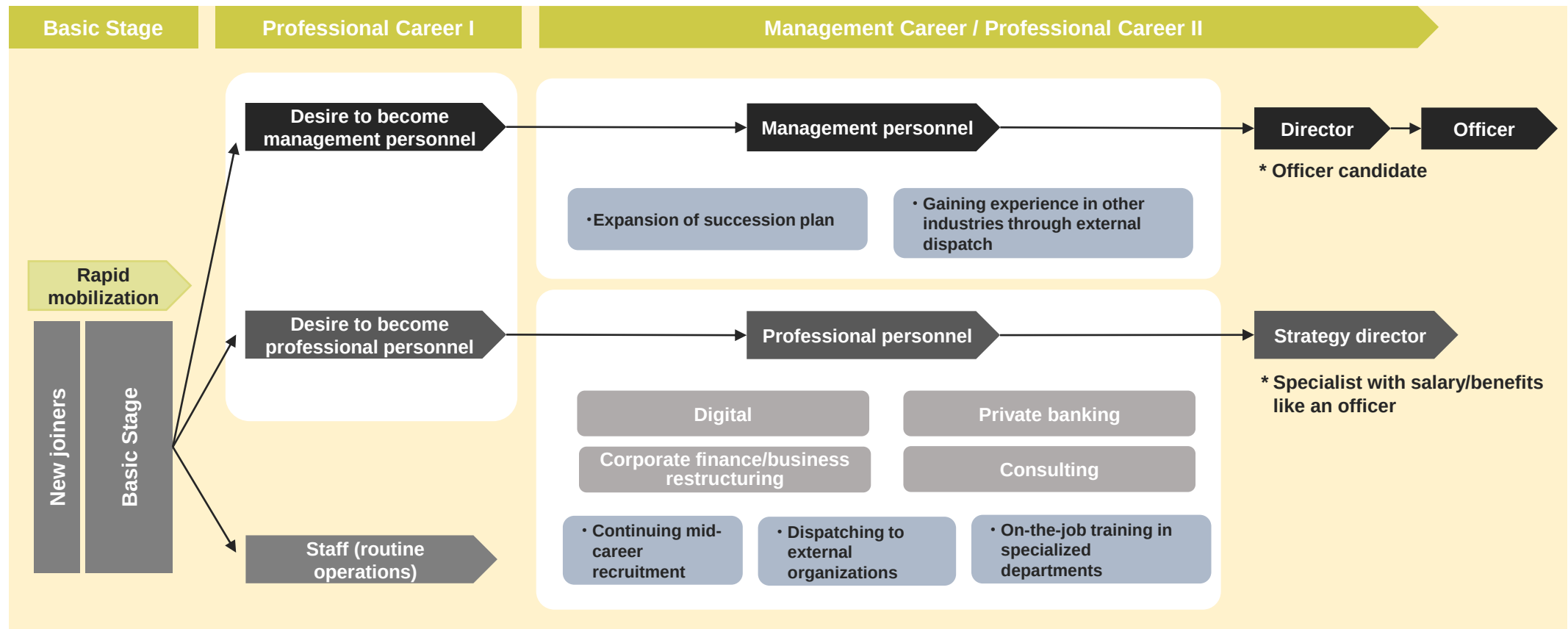
Initiatives for stronger individuals

Recruitment

Active recruitment of professional personnel

Development

Strategic assignment to specialized departments, internal and external training



TOKYOに、つくそう。

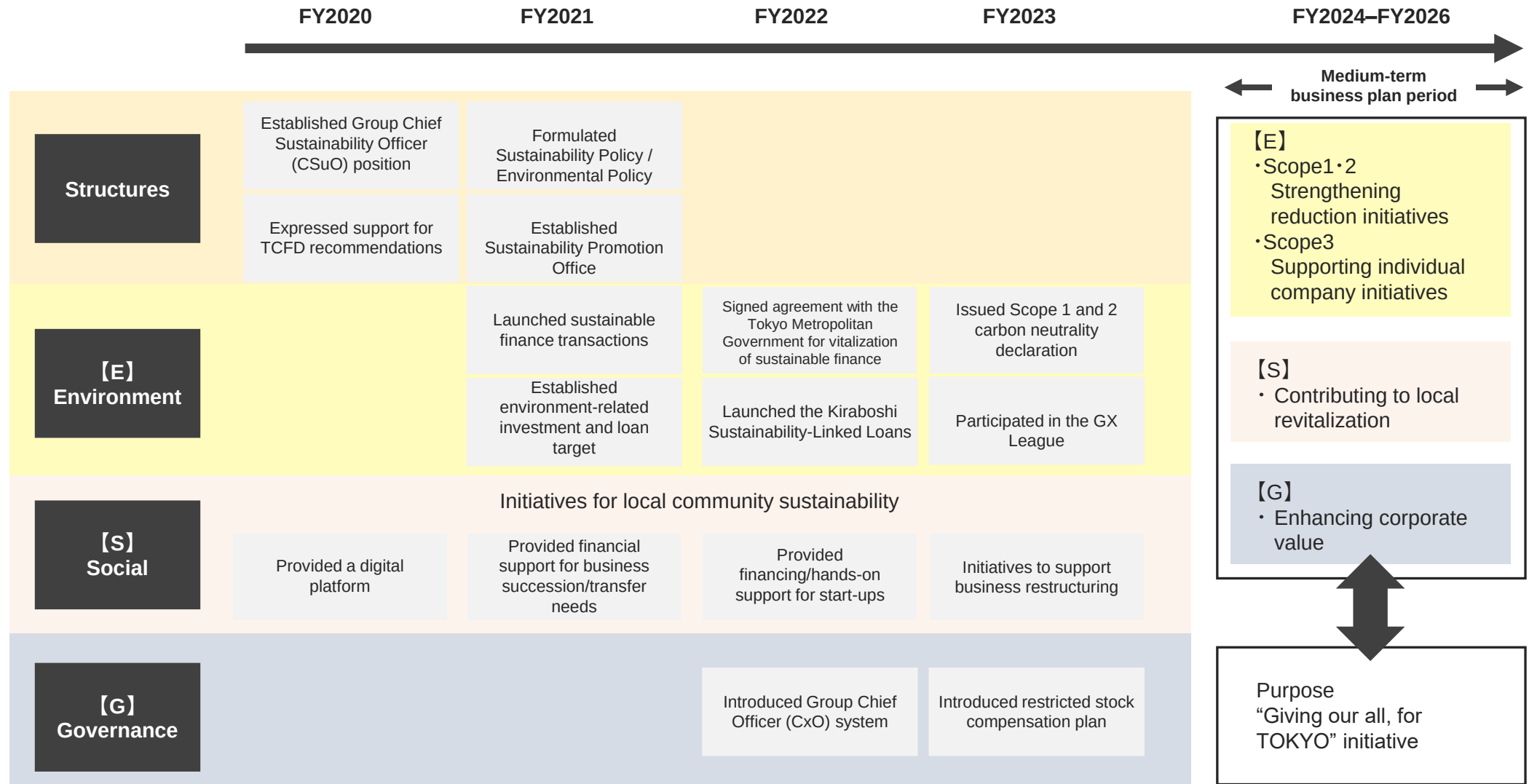


Giving our all, for TOKYO.

6. Sustainability Initiatives

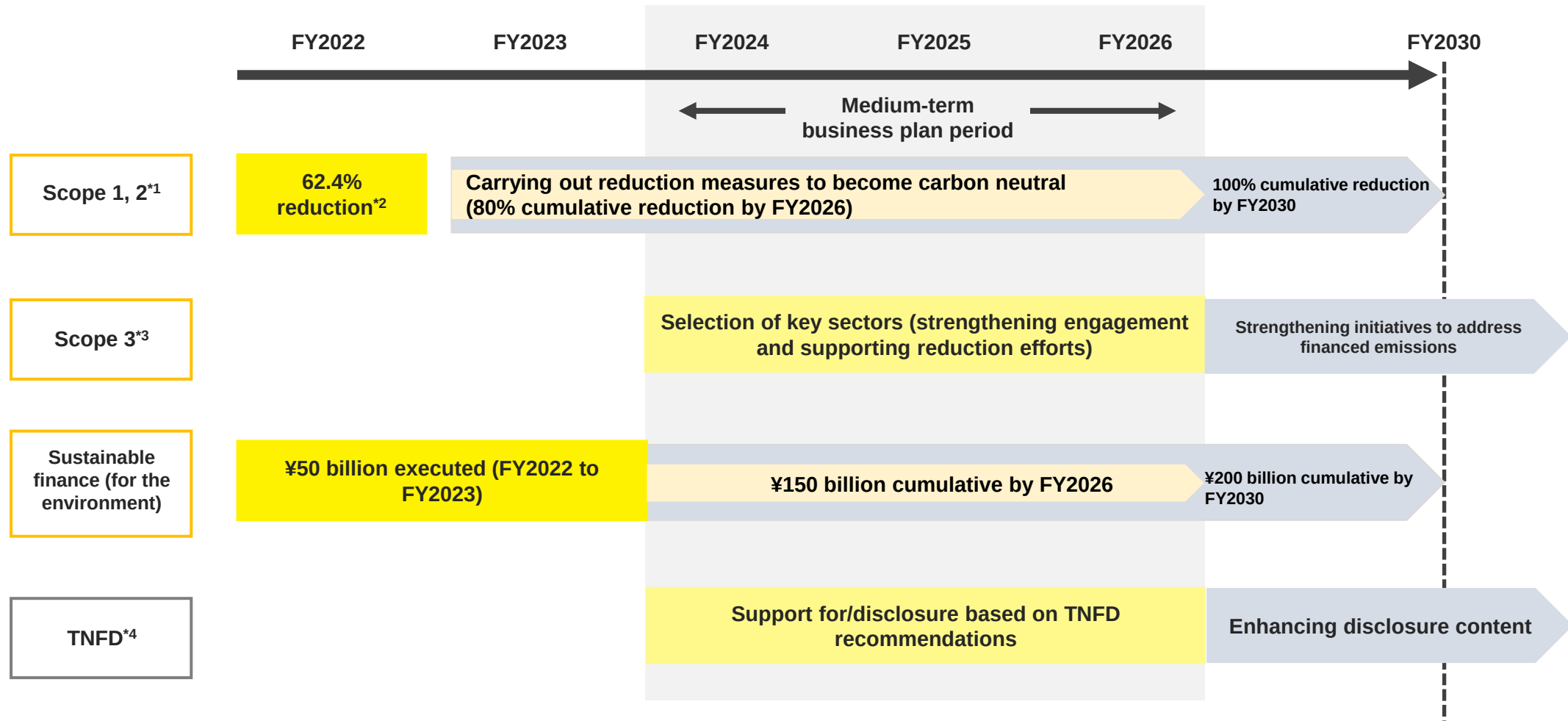
Sustainability Initiatives 1: Roadmap

- ☑ To enhance the sustainability of local communities, we will enhance our structures and carry out Group-wide initiatives to solve social issues
- ☑ During the current medium-term business plan period, we will continue our efforts to further support resolution of social issues



Sustainability Initiatives 2: [E] Environment

- ☑ The Group is committed to becoming carbon neutral in 2030 for Scope 1 and 2 as part of its materiality in addressing the environment and climate change
- ☑ Supporting customers' initiatives in Scope 3 and providing environmental finance as part of Group financial functions



*1: Scope 1: A business's direct greenhouse gas emissions from own activities
 Scope 2: Indirect emissions from the use of electricity, heat, steam, etc. supplied by other companies

*3: Scope 3: Indirect emissions other than Scope 1 and 2 from business activities

*4: The Taskforce on Nature-related Financial Disclosures

*2: Base year for Scope 1 and 2 reductions is 2013

Sustainability Initiatives 3: [S] Social

☑ Committed to providing financial and non-financial solutions as part of its materiality in resolving issues faced by local communities

Business succession

- Number of business succession collaborations
FY2022: 304 cases
FY2023: 313 cases
- Number of completed M&A transactions
FY2022: 12 cases
FY2023: 14 cases

Business restructuring

- Number of business improvement support projects with HQ/sales office cooperation
FY2022: 108 projects
FY2023: 127 projects
- Supporting companies reaching the end of their COVID-19 zero-interest/zero-collateral loan grace period (Supporting formulation of business improvement plans, etc.)

Tokyo Metropolitan Government

- Support for companies in cooperation with government (DX, business succession, environment, women's empowerment, etc.)
- Providing support at start-up locations
- Participation in start-up events (City-Tech.Tokyo)
- Co-exhibiting at Slush 2023 (the largest start-up event in Scandinavia)

Local public entities

- Participation in regional energy companies (Kawasaki City)
- Supporting IP utilization (Minato City, Toshima City, Ota City, Kawasaki City)
- Attracting government administration-related facilities to Sagamiara Center Building (Sagamiara City)
- Conducting financial education (Machida City)
- Disseminating tourism information/hosting of events showcasing traditional performing arts (Minato City)
- Co-hosting SDGs seminars and dispatching lecturers (Minato City)
- Hosting Toshima Business Support Seminars (Toshima City)
- Hosting joint new joiner ceremonies/training sessions (Ayase City)

Contributing to solving issues in local communities

Industry-government-academia-finance network

Tokyo Kiraboshi Financial Group Kiraboshi Bank

Partner financial institutions

- Hosting vacant house countermeasure seminars/long-term and end of life care events with Sumitomo Mitsui Trust Bank as part of ultra-low birthrate/aging population measures

Digital platform

- Roll out digital strategy utilizing UI Bank and Kiraboshi Tech

Start-up Support

- Loans for founding companies
FY2022: 978 loans, ¥20.8 billion
FY2023: 898 loans, ¥19.5 billion
- Held pitch events at KicSpace HANEDA (24 events from FY2022 to FY2023)
Participants: 110 companies, 1,417 individuals (in person and online)

Private-sector business

- Holding hands-on robotics classes and financial education seminars (Kawasaki Heavy Industries)
- Supporting collaboration between start-ups, large corporations, and other industries
- Initiatives for ICT/SDGs consulting

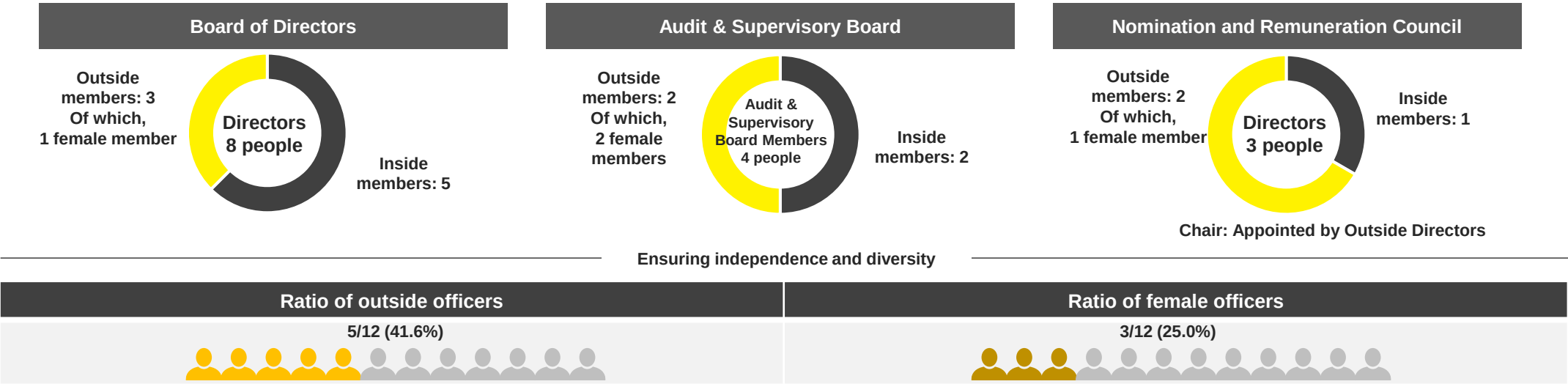
Universities

- Providing donations and support (For regional development efforts by three local villages in the Okutama area and Chuo University)
- Endowed courses (Chuo University, Aoyama Gakuin University, Tokyo Metropolitan University, Azabu University)
- Support for idea pitch contests (University of Electro-Communications)

Sustainability Initiatives 4: [G] Governance

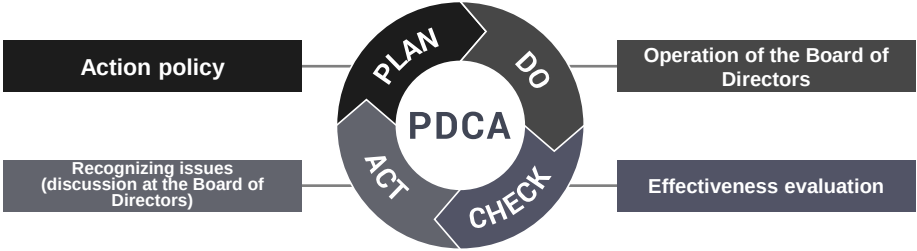
☑ The Group is working to enhance corporate value by further upgrading its governance structure

Share of outside/female officers



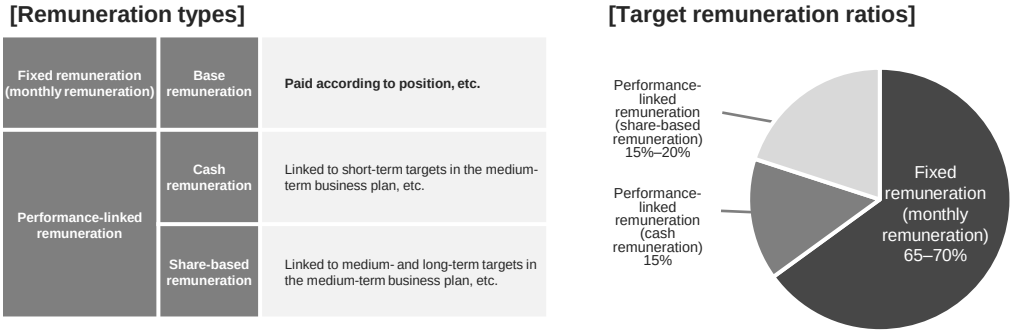
Self-evaluation of Board of Directors effectiveness

All Directors and Audit & Supervisory Board Members who are members of the Board of Directors are asked to complete a questionnaire regarding the composition, operation, discussion, and monitoring functions of the Board of Directors (individual interviews by a third-party organization are also conducted for some of these officers), and the results are discussed and evaluated by the Board of Directors based on the analysis by the third-party organization.



Director remuneration

The remuneration of the Group's Directors (excluding Outside Directors) is composed of fixed remuneration (monthly remuneration) as base remuneration, in addition to a combination of share-based remuneration using a share trust and cash remuneration to function as a healthy incentive aimed at sustainable growth of the Group. Share-based remuneration is linked to medium- to long-term performance and uses a share delivery trust, whereas cash remuneration is linked to short-term performance.



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

Support for medical institutions (management)

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 foreigners have access to financial services



KPIs to achieve management targets (Cumulative targets for the period from FY2024 to FY2026)

Financial advice provided: 30 cases (M&A)

Financing for business succession and restructuring: 120 projects/¥180 billion

Scope 1 & 2: 80% reduction by the end of FY2026

Sustainable finance executed: ¥100 billion

Customers with financial assets of ¥50+ million: 4,000

Factoring for small, medium and micro businesses: ¥5 billion

Start-up support measures: 100 actions (new business creation, commercialization support, etc.)

Start-up companies supported for overseas expansion: 30

Japanese companies supported for overseas expansion: 300

Overseas companies supported for expansion to Tokyo: 30

UI Bank: 700,000 depositing customers / ¥780 billion in deposits

UI Bank: 6,000 loan customers / ¥220 billion in loans

UI Bank: Annual revenue with BaaS customers: ¥850 million (partnership with Kiraboshi Tech)