



TOKYO Kiraboshi Financial Group 2024

Annual Report

Tokyo **Kiraboshi** Financial Group, Inc.

Giving our all, for TOKYO.



The stars of Tokyo are under the sky.

There are no stars in the Tokyo sky.
The stars are under the sky.
There are people who are trying their best to shine in the present moment.
There are people running toward their dreams.
There are people who sweat for the sake of someone else.
There are people stepping out into a new life.

People gather. That is why challenges also gather.
This is a city with advanced issues.
The lack of successors for SMEs, money-related issues for the child-raising generation and young people, healthcare, and carbon neutrality...
At that time, what can we, the Tokyo-based people, do to help?

Giving our all, for TOKYO.

Let's think through beyond the norms of finance and come up with innovative services.
We utilize the network that has been cultivated in this city.
We deliver our know-how.
Let's go beyond the barriers of the Group and give it our all.
Digital and consulting services are all just means to an end.
Let's put our heart and soul into the people and the company in front of us.
For everyone who lives in this city.

Tokyo shines brightest under the sky. We believe in that.

Giving our all, for TOKYO.

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Message from the President

Can we continue to exist even
in ten years' time? —
We will constantly ask ourselves
and strive toward achieving the
Third Medium-Term Business Plan

Hisanobu Watanabe

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



Establishing a Group management base is a key theme

Since the reclassification of COVID-19 as a Class V infectious disease in May 2023, customers predominantly in the service industry, who had been impacted by a sluggish economic activities and changes in consumer behavior due to prolonged effects from the pandemic are seeing a recovery both in sales and business conditions. On the other hand, rising purchase prices caused by changes in domestic and overseas environments, as well as soaring resource and energy prices, have become factors placing downward pressure on earnings, with some customers continuing to be under a severe business environment. This has led us to feel business confidence is polarized. Meanwhile, repayments for various public loan programs implemented by the national government, local governments, and private financial institutions during the COVID-19 pandemic have begun. We will continue to support customers side by side by continuously

taking appropriate measures based on a thorough understanding of their business conditions.

When looking at the market environment, long-term interest rates have begun to rise as the Bank of Japan decided to abolish the yield curve control (YCC) policy and end negative interest rates at the Monetary Policy Meeting held in March 2024. The policy interest rate hike is still to come, which will have both positive and negative impacts on financial institutions.

Although, in general, the impact is more positive for banks, loan customers may be negatively affected. Moving forward, we anticipate that various requests will be made to financial institutions and consultations from our customers will increase. Nonetheless, we will continue to provide thorough support.

The international situation is becoming increasingly uncertain, with Russia's invasion of Ukraine showing no signs of convergence, while the situation in the Middle East is also tense. To support our customers in this situation of unpredictability, it is essential that we ourselves firmly maintain our management strength, and

the establishment of a Group management base will be a key theme to us.

Net income (FG, consolidated) plan achieved one year ahead of schedule "Strengthening of Profitability" progressed under the Second Medium-Term Business Plan

FY2023 was the final year of our Second Medium-Term Business Plan, which was with major challenges for the Kiraboshi Group.

In the First Medium-Term Business Plan (FY2018–FY2020), we decided to implement drastic cost reductions, and as a result, we were able to cut costs by more than ¥10.0 billion annually. The major theme in the Second Medium-Term Business Plan was the strengthening of profitability. Ultimately, we were able to achieve our net income (FG, consolidated) plan of ¥20.0 billion one year ahead of schedule, recording ¥25.6 billion in the final year of the plan. In terms of establishing an earnings base, we regard as being able to significantly exceed our initial targets.

Another achievement in the Second Medium-Term Business Plan was the enhancement of the Group's strength. In 2023, we welcomed the system development company ITC into the Group, equipping us with a full range of functions to respond to customers' wide-ranging needs both in financial and non-financial areas. Moving forward, the issue will be to have each company make solid contributions to the Group, and we will work on it as a new challenge in the Third Medium-Term Business Plan launched in April 2024.

Meanwhile, there are two major issues. One is the development of an earnings base independent from loan assets. In the Second Medium-Term Business Plan, we built up our outstanding loan balance ahead of schedule with the aim of improving profitability. In the Third Medium-Term Business Plan, while maintaining a certain level of profit, we hope to steadily secure capital gains by exiting the approximately ¥100.0 billion in equity investments (as of FY2024) we have been implementing since the merger.

The other issue is the strengthening of the profitability of Group companies. The Group company profit (excluding Kiraboshi Bank) was -¥300 million in FY2023. We have set up a target to achieve ¥5.0 billion in Group company profit in three years' time. To do so, we are committed to focusing on platform strategies with UI Bank and Kiraboshi Tech, which handle digital businesses, as pillars.

Challenging "Enhancement of Equity Capital" in the Third Medium-Term Business Plan following the "Cost Reductions" in the First Medium-Term Business Plan and "Improvement in Profitability" in the Second Medium-Term Business Plan

The major theme of the Third Medium-Term Business Plan is the "Enhancement of Equity Capital."

While we can reduce assets if it is to only increase the capital ratio, this could lead to a contracted equilibrium. For us to increase the capital ratio while ensuring sustainable growth, improvement in profitability will be necessary. The Kiraboshi Group has set the post-merger target of a minimum of ¥20.0 billion in net income (FG, consolidated) for redemption of preferred shares. Considered the specific measures to improve profitability, we first decided to work with cost reduction.

Cost reduction must be decided by the management. While this involved difficult decisions such as the reorganization of branch networks, the centralization of systems, and the reorganization and integration of headquarters organizations, the management was committed and carried them out.

Subsequently, in addition to advancing the development of the Group structure, as a top priority measure, we focused on business finance initiatives, mainly promoting main bank relationships and business successions as the core to accumulate loan assets. Thanks to the smooth progress of the First and Second Medium-Term Business Plans, we have finally decided to launch our third theme under the Third Medium-Term Business Plan, initiatives toward the enhancement of equity capital and redemption of preferred shares.

The above are the stories we envisioned since the launch of Kiraboshi Bank, founded in 2018 by the merger of three banks: the Tokyo Tomin Bank, the Yachiyo Bank, and the ShinGinko Tokyo.

**Formulating our purpose—
Giving our all, for TOKYO.**

For the Third Medium-Term Business Plan, we have formulated a new purpose—Giving our all, for TOKYO. TOKYO is the general term of the metropolitan area, namely Tokyo, Kanagawa, Saitama, and Chiba, where our sales offices are located. As a regional financial group, this expresses our will to contribute to customers



and communities of TOKYO with a hospitality mindset.

TOKYO is a place of accumulated issues. Besides the issue of many companies giving up continuing their businesses troubled by the lack of successors, there are also issues of fewer startups than ones overseas or difficulty in the smooth creation of new industries. Furthermore, the issue of personnel shortages caused by the declining birthrate and aging population is becoming increasingly serious.

To create new industries in a region, it is necessary to support startups while at the same time actively supporting business successions and M&As to ensure businesses are passed on to future generations. Meanwhile, decarbonization management support for SMEs to realize a sustainable society, and financial services support for elderly people, young people, and foreign nationals are called for to address issues associated with the advancement of digitalization.

To address these issues, we, the Kiraboshi Group, believe it is important to enhance understanding of our activities among local community and to work alongside with them while earning their support for our stance.

As such, we raised a brand slogan of “Giving our all, for TOKYO.” in 2023 and communicated our message of the Kiraboshi Group’s willingness to work together with an aim for developing the

local community. In rolling out our brand strategies, however, we came to the conclusion that this slogan was the very reason for our existence and the exact ideal stance as a regional financial group, and we thus upgraded the brand slogan to our purpose.

From June 2023, we began putting together brand statements for each social issue that the Kiraboshi Group should address with priority, placing a series of five newspaper advertisements and putting up posters at major terminal stations. This has led to a gradual increase in brand recognition, with customers complimenting us for not being like other banking groups.

In FY2024, we incorporated the yellow borders and the black star representing our neutrality, which had been key visuals in our advertisements, into designs of our business cards and name tags. In the future, we will work to establish our new image by incorporating them into designs including our stationeries.

Strategic pillars are “review of income structure” and “strengthening of profitability of Group companies”

One of the pillars of strategy in the Third Medium-Term Business Plan is the “review of our income structure.” As the Third Medium-Term

Business Plan will be the three years of working on the important theme of enhancing our equity capital, we will shift direction from our conventional strategy of increasing annually the loan balance of Kiraboshi Bank by more than 10%.

However, this does not mean that we will move our focus away from loans. Even if more loans are to be executed than in the past, we believe we will be able to increase commission income without increasing the balance if turnover can be improved through distribution.

Another pillar is the “strengthening of the profitability of Group companies.” When comparing the consolidated performance of the Financial Group with the non-consolidated performance of Kiraboshi Bank, the difference between them is negative and this needs to be changed to a positive. In particular, the urgent issue is to turn profitable UI Bank and Kiraboshi Tech, both of which are Group companies involved in digital-related businesses and have been in red since establishment.

Currently, UI Bank only offers unsecured loans as loan products, but from this fiscal year plans to begin offering mortgages and real estate investment loans. UI Bank is committed to also promoting personal loans in place of Kiraboshi Bank in the future, and if this gets on track, profitability is expected.

UI Bank was established in view of serving as a supplementary function of Kiraboshi Bank, which is consolidating its branches. Under the Third Medium-Term Business Plan, we will further continue to work to refer customers from Kiraboshi Bank to UI Bank to reduce costs Groupwide and improve profitability.

Kiraboshi Tech is a fintech company that offers Maekyu service, a service that allows employees to access in-house loans within the scope of their work as necessary. To date, the Maekyu service has been implemented at approximately 2,000 companies. We will work to improve the service utilization rate for employees of contracted companies and consider providing combined services such as loan products.

In April 2024, we launched the Swallows Pay digital wallet service on the official Tokyo Yakult Swallows app. We believe the horizontal rollout of Banking as a Service (BaaS) for customers engaged in non-financial businesses, such as sporting and entertainment businesses, is also an important strategy.

The basis of Kiraboshi Bank is face-to-face-centered consulting and sales. By also working with Kiraboshi Consulting, the Group’s consulting company, we will engage in sales activities that stand alongside corporate customers, offering comprehensive solutions beyond finance for their needs such as business successions and M&As.

Meanwhile, for individual customers, Kiraboshi Bank’s sales offices and headquarters, together with Kiraboshi Life Design Securities, will work as one to meet their needs. While organizing the banking and securities functions, we will increase our touchpoints with customers ever than before and build a system that will allow us to meet the needs of many customers. As for the wealthy class customers we have set up a dedicated organization for wealth management at our headquarters. Through these initiatives, we will work to increase our balance of assets under management and increase commission income from individual customers.

Aim to achieve “capital ratio of 10% or more,” “ROE of 10% or more,” and “PBR of 1 time or more” in ten years’ time

To improve the price-to-book ratio (PBR), we have positioned the improvement of return on equity (ROE) as our main measure. Training programs are held to ensure that officers and employees, from top management levels to staff, have a thorough understanding of return on risk assets (RORA), which is a component of ROE, and financial leverage.

Although the Kiraboshi Group has achieved an ROE that exceeds the cost of shareholders’ equity in FY2023, we believe that further improvement of ROE and reviewing ways to lower capital costs will become important themes.

Moreover, while aiming for a “capital ratio of 10% or more,” “ROE of 10% or more,” and “PBR of 1 time or more” in FY2033, which is 10 years from now, we believe it essential to engage in thorough dialogue with markets to further improve PBR.

In the Third Medium-Term Business Plan, we also have set a clear path for redemption of preferred shares. Instead of refinancing, we stated to redeem these shares through self-help efforts. Shareholders and investors may be concerned about the deterioration in capital ratio from the redemption of preferred shares, and we have committed to securing a capital ratio after redemption of 8.3%.

There may also be voices of concern that we will prioritize preferred shares redemption over dividends, but we plan to secure a dividend payout ratio of around 20% even after shares are redeemed. We recognize that our dividend payout ratio level is low among regional banks, but will work on the enhancement of equity capital as a top priority issue.

While working on the capital policy at a higher level, we hope to present our next growth

strategies after the redemption of preferred shares. Moreover, we will make every effort to achieve our targets in ten years' time ahead of schedule and as early as possible to meet your expectations.

Raising the percentage of Groupwide digital human resources to 30% - 40% in the next three years

Under the Third Medium-Term Business Plan, we will continue to work on measures for further efficiency improvement and optimal allocation of management resources.

At the time of the merger of the three banks, staffed offices numbered 159. This number fell to 105 in FY2023, and under the Third Medium-Term Business Plan, we expect this to decrease further to 85. We will position 13 of these offices as branch companies that handle loan operations and centrally place sales representatives. The remaining 72 offices will be sales offices that exclusively handle deposits, foreign exchange and other teller services, and from which sales information will be sent up to branch companies.

Concerns may arise that a decrease in offices will also lessen our contact with customers. However, by expanding the sales office support system in the headquarters, we will be able to communicate with customers face-to-face over the counters, through visits, and by using digital tools such as telephones, emails, and online meetings. By providing comprehensive services that integrate digital/non-digital and financial/non-financial services in line with the customers' needs, we hope to communicate more frequently with increased engagement.

Meanwhile, in terms of optimal allocation of management resources, we will work on allocating personnel to strategic areas and developing human resources, as well as focusing on increasing the number of digital human resources. Our definition of digital human resources does not mean having programming knowledge and skills. They are those who can come up with ideas to work more efficiently and think of a mechanism necessary to make better proposals to customers as well as new businesses potentially required in the future through the use of digital technology.

In the next three years, we plan to increase the number of digital human resources by 300 and have them account for 30% to 40% of the entire Kiraboshi Group. We will also prepare the necessary human resource development programs for them.

Moreover, we will earnestly support the wellbeing of Kiraboshibito (individuals who put

Kiraboshi philosophy into practice; see P49 for details) to create a virtuous cycle that maximizes the value of human capital. To this end, we have formulated the Kiraboshi Philosophy (see P49 for details) to align employees with direction. "Contributing to society, seeking growth of the organization, and achieving self-fulfillment, all of which combine to realize one's own happiness." Action based on this mindset embodies our purpose, "Giving our all, for TOKYO.," which in turn leads to our own happiness and the organization's development.

As an organization, we believe it is important to develop human resources, place the right people in the right place, and provide fulfilling workplaces rather than leaving solely to the self-help efforts of individual staff.

The Kiraboshi Group has 22 companies, including the Company, engaged in both financial and non-financial businesses. Career paths that develop both generalists and experts are available. We will develop a system for recruitment, development, and deployment to ensure that every employee can demonstrate their abilities in their respective places and will actively invest in human resources development.

Becoming a hub for the "Industry-Government-Academia-Finance network" to reinvigorate support for startups

Initiatives toward sustainability will be a theme that cannot be avoided when thinking about the future. In particular, for environmental initiatives, we have committed to Scope 1 and 2 carbon neutrality by FY2030 and have also set a plan to execute sustainable finance in a cumulative total of ¥200.0 billion by FY2030.

In addition, as part of our initiatives to solve issues in local communities, we are putting effort into supporting business succession and revitalization. Moreover, from the perspective of creating local industries, we are considering forming an industry-government-academia-finance network to support startups. By functioning as the hub, we hope to link and activate startups, local public entities, private-sector businesses, universities, and others.

From the perspective of business continuity, we will work to improve corporate value by further improving the governance structure. Particularly with regard to diversity, equity, and inclusion (DE&I), we still have yet to achieve the promotion of women's active participation and advancement. As all women who are officers are serving as either outside Director or outside Audit & Supervisory Board Member, we believe it necessary to review immediately.



Considering strategies with an eye toward our ideal state in ten years' time

When Kiraboshi Bank was founded six years ago following the merger of three banks, I called upon all our officers and employees to develop strategies based on our ideal state in ten years' time. While there were some who said it to be impossible to tell of such a future in ten years' time, six years have already passed. Ten years will pass just as quickly.

At the time, what I particularly emphasized was how the advancement of digital technologies would accelerate, and the state of our branches would change drastically. We then began consolidating our branches.

Now, imagine what the future would be when we think about it in ten or twenty years' time. Services such as finance, deposits, loans, and foreign exchange will probably remain, but the question is who will be offering these services. It could be a railroad company, a telecommunications company, or it could be a retailer that will hold an overwhelming share of the market.

I repeatedly talk to officers and employees to constantly be conscious of how the Kiraboshi Group can continue to exist even in ten years' time.

In ten years' time in 2034, digital strategies will be indispensable. Many elderly people will master the use of smartphones and will be using them instead of bankbooks to conduct more transactions. If we consider one by one the strategies for providing BaaS to non-financial business customers and incorporating the Kiraboshi Group's content into their respective platforms, we will be able to survive even after ten years.

To do so, various investments will be necessary, and to gain strength, we will need to generate constant earnings. Initiatives such as business process reengineering (BPR) will also be more necessary to reduce costs.

For the Group to be essential in the community even in ten years' time, all officers and employees will work as one to strive toward achieving the Third Medium-Term Business Plan. We look forward to your continued support.

Kiraboshi Group's Efforts Towards Transformation

On May 1, 2018, the Tokyo Tomin Bank, Limited, the Yachiyo Bank, Limited and the ShinGinko Tokyo, Limited merged to form the new "Kiraboshi Bank." With the merger of the three banks, the business name of the group was changed from Tokyo TY Financial Group to "Tokyo Kiraboshi Financial Group." With the management philosophy "To be a financial group for small and medium-sized enterprise customers and individual customers in the Tokyo metropolitan area that will contribute to the development of local communities through comprehensive financial services," and our Purpose of "Giving our all, for TOKYO," we aim to develop a "comprehensive service business that is also strong in finance."

2014

The Tokyo Tomin Bank, Limited and the Yachiyo Bank, Limited merged to form Tokyo TY Financial Group.

2016

Tokyo TY Financial Group and the ShinGinko Tokyo, Limited merged.

2017

To strengthen consulting functions aimed at enhancing comprehensive financial services

Apr

Establishment of Kiraboshi Consulting

Nov

Establishment of Kiraboshi Tech

To expand into the Fintech area

2018

Apr

Formulation of the First Medium-Term Business Plan "Start-up Kiraboshi"

May

Birth of Tokyo Kiraboshi Financial Group

May

Birth of Kiraboshi Bank

Sept

Establishment of Kiraboshi Capital

To respond to the needs in mezzanine, funding (incl. IPOs)

2019

Aug

Conversion of Tokyo Kiraboshi Lease, Kiraboshi System, and Kiraboshi JCB to wholly-owned subsidiaries

Oct

Establishment of KIRABOSHI BUSINESS CONSULTING VIETNAM, a consulting subsidiary in Vietnam

To enhance group function

2020

May

Systems integration (Kiraboshi Bank)

June

Head Office relocation

Aug

Establishment of Kiraboshi Life Design Securities

To embrace a new challenge of developing securities business in the Tokyo area

Relocation from Shinjuku-ku to Minato-ku (to the head office of Kiraboshi Bank)

2021

Mar

Kiraboshi Insurance Agency made into an equity method affiliate of Kiraboshi Bank

Apr

Change of business name from Kiraboshi Service to Kiraboshi Business Office Service

Apr

Formulation of the Second Medium-Term Business Plan

Aug

Business alliance of Kiraboshi Bank with The Bank of Yokohama in structured finance, etc.

Nov

Grand opening of "KicSpace HANEDA" business incubation Facility

Nov

Launch of "LaLaQ" app

Management Philosophy

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

2022

Jan

Opening of UI Bank Co., Ltd.

Jan

Establishment of StarBridge business consulting (Beijing) Co., Ltd., a Japan-China joint venture consulting subsidiary in Beijing

July

Be. Brave, Inc., an advertisement planning and production company, made into a subsidiary, contributing to advancement of the banking service

Oct

Kiraboshi Servicer, Ltd. made into a subsidiary

Expansion of non-face-to-face service that puts the customer first

2023

May

Announcing the brand slogan - Giving our all, for TOKYO.

July

Opening of Bangkok Representative Office

Sept

Opening of Shin-tsunashima Branch Office

Oct

ITC Co., Ltd. made into a subsidiary of Kiraboshi System, Inc. contributing to advancement of the banking service

2024

Jan

Sagamihara Center Building completed

Mar

Formulated Purpose: Giving our all, for TOKYO.

Mar

Formulation of the Third Medium-Term Business Plan

Vision of the Future

Comprehensive service business that is also strong in finance

External movements

2014

Consumption tax raised to 8%

2015

Greek financial crisis
FRB lifts zero interest policy
Launch of Asian Infrastructure Investment Bank

2016

Start of Individual Number System
Implementation of negative interest rate policy by BoJ

2017

Donald Trump inaugurated as 45th President of the United States

2018

TPP11 takes effect
Establishment of work-style reform bill

2019

Name of era changed from Heisei to Reiwa
Consumption tax raised to 10%
5G service commences in countries worldwide

2020

UK withdraws from EU
Global spread of COVID-19

2021

Joe Biden inaugurated as 46th President of the United States
Tokyo 2020 Olympic and Paralympic Games held

2022

Escalating tension in the Russia-Ukraine situation
Weaker Yen
Global inflation

2023

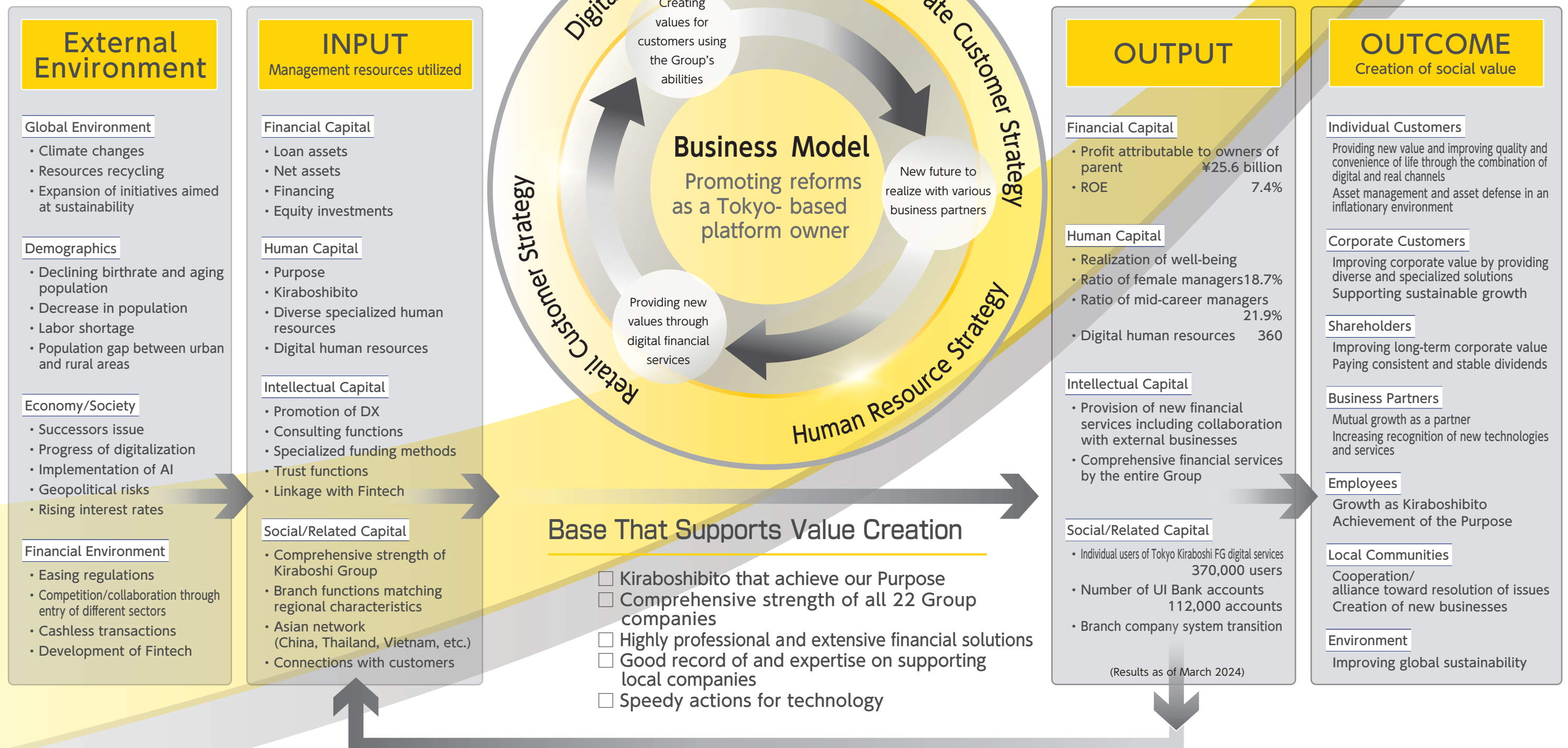
COVID-19 reclassified as Class 5
Nikkei Stock Average reaches post-bubble high
Holding of G7 Hiroshima Summit

2024

New NISA system started
The Bank of Japan raised interest rates for the first time in 17 years due to ending its negative interest rate policy
Tokyo Governor Election

Value Creation Process

We will contribute to creating customer value by providing comprehensive services needed by communities as a unified Group.



Message from the CFO



A Review of Activities to Date and Initiatives to Improve Corporate Value in the Current Medium-Term Business Plan

Hidenori Tsunehisa Deputy President and Group CFO

Current Conditions and a Review of the Previous Medium-Term Business Plans

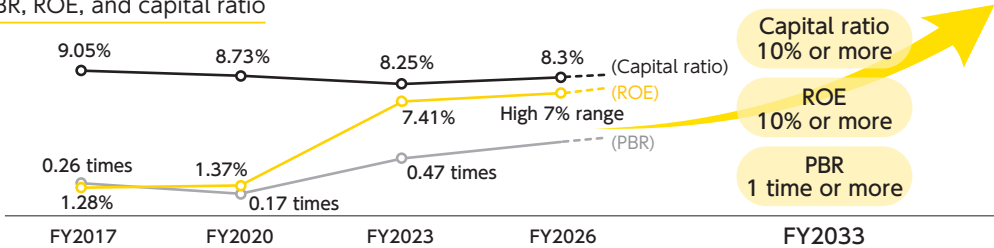
In FY2023, global inflation moved towards settling down and the Japanese economy returned to having a modest recovery trend, overcoming the COVID-19 pandemic. Although the Bank of Japan ended its negative interest rate policy, a progressively weak yen caused by interest rate differential between the United States and Japan resulted in a weak domestic demand. Moreover, our own financial operations were carried out amid drastic environmental changes, including a rise in credit concerns at European and American financial institutions. Against this backdrop, in FY2023, net interest income increased significantly year on year thanks to a rise in loan balance, an increase in loan-deposit yield difference from the rearrangement of our portfolio, and other factors. Elsewhere, we were able to limit credit expenses to around the same level as the previous fiscal year, and with net income (FG, consolidated) of ¥25.6 billion, we steadily improved our profitability. When looking back at the Medium-Term Business Plans we have implemented since the merger of the three banks, we have improved profitability through initiatives such as transactions for main bank relationship building and business financing. We have also achieved major cost reductions through system integrations, branch network reorganization, and streamlining of our headquarters operations. As a result, we have been able to improve the OHR of Kiraboshi Bank, non-consolidated. On the other hand, we recognize the need to enhance our equity capital. As such, while ensuring a balance between asset control that considers RORA and capital ratio, we have improved ROE, which has a strong correlation with PBR, and accumulated internal reserves ahead of our redemption of preferred shares.

(¥ billion)	FY2017	FY2020	FY2023	vs. FY2020	FY2026	vs. FY2023
Net income (Tokyo Kiraboshi FG, consolidated)	3.6	4.1	25.6	+21.5	30.0	+4.4
of which Group company income	0.9	0.3	(0.3)	(0.6)	5.0	+5.3
Core OHR (Kiraboshi Bank, non-consolidated)	80.2%	75.7%	57.8%	-17.9%pt	Mid-50% range	—
ROE (Tokyo Kiraboshi FG, consolidated)	1.28%	1.37%	7.41%	+6.04%pt	High 7% range	—
Capital ratio (Tokyo Kiraboshi FG, consolidated)	9.0%	8.7%	8.2%	-0.5%pt	8.3%	+0.1%pt

Current Medium-Term Business Plan Roadmap

In formulating the current Medium-Term Business Plan, we repeatedly discussed how we should approach changes in our management environment, and defined “Giving our all, for TOKYO.” as our purpose. Moreover, we also set the following medium- to long-term targets for ten years later, FY2033: ROE of 10% or more, capital ratio of 10% or more, and PBR of 1 time or more. For FY2026, the final year of the current Medium-Term Business Plan, our financial targets are: net income (FG, consolidated) of ¥30.0 billion; ROE (FG, consolidated) of high 7% range; and capital ratio (FG consolidated) of 8.3%. During the period of the current Medium-Term Business Plan, while ensuring appropriate asset control centered on loans, we are aiming to switch to a business model which secures fee income. To do so, we will reinforce our equity investments and hands-on support to cater to business succession needs, and work as a Group to provide comprehensive solutions to customers’ diverse issues. Meanwhile, by enhancing our human capital and serving our customers and society in addition to our financial activities, we will create a cycle in which the fruits of efforts grown from improvement of corporate value and creation of social value, are returned to our stakeholders.

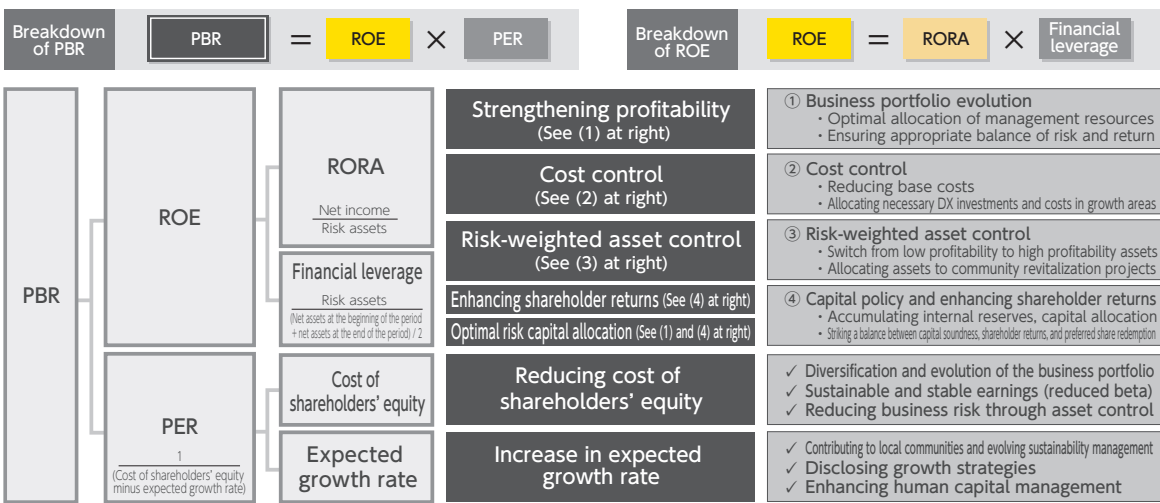
Changes in PBR, ROE, and capital ratio



Financial Strategies for the Current Medium-Term Business Plan (FY2024–FY2026)

During the current Medium-Term Business Plan period, we will improve ROE, RORA, and financial leverage in a well-balanced manner, and focus on optimizing our financial soundness, efficiency, and profitability, such as ensuring a sound capital ratio after our redemption of preferred shares. In this way, we will strive to maximize value for each of our stakeholders. In capital markets, the Tokyo Stock Exchange has set out requirements for listed companies to “implement management that is conscious of cost of capital and stock price.” As such, there are rising expectations for management that is conscious of capital costs and ROE, as well as for the enhancement of information disclosure. To improve ROE, as below we will address (1) Business portfolio evolution; (2) Cost control; (3) Risk-weighted asset control; and (4) Capital policy and enhancing shareholder returns. At the same time, we will strive to reduce our capital costs by appropriately disclosing our growth strategies and enhancing dialogue with markets.

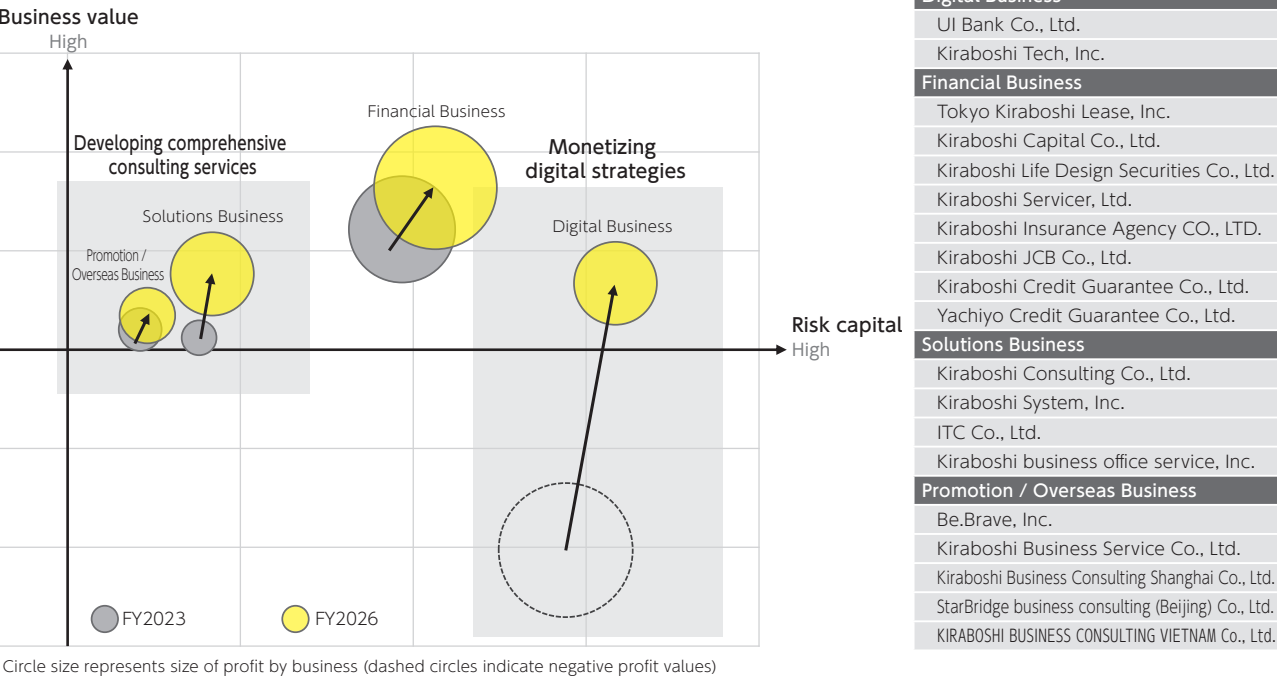
Logic tree for PBR improvement



① Business portfolio evolution

Toward the Company’s sustainable growth and improvement in corporate value, we will work to further improve and stabilize the profitability of all the Group’s businesses. Moreover, we will improve the capital profitability of each business, predominantly our growth areas (digital, finance, and solutions), and introduce a business valuation indicator (Business value = Profit - (Allocated risk capital x Cost of shareholders’ equity)) that reflects our capital costs to implement a thorough PDCA cycle. Through the optimal allocation of management resources, we will build an optimal Group business portfolio.

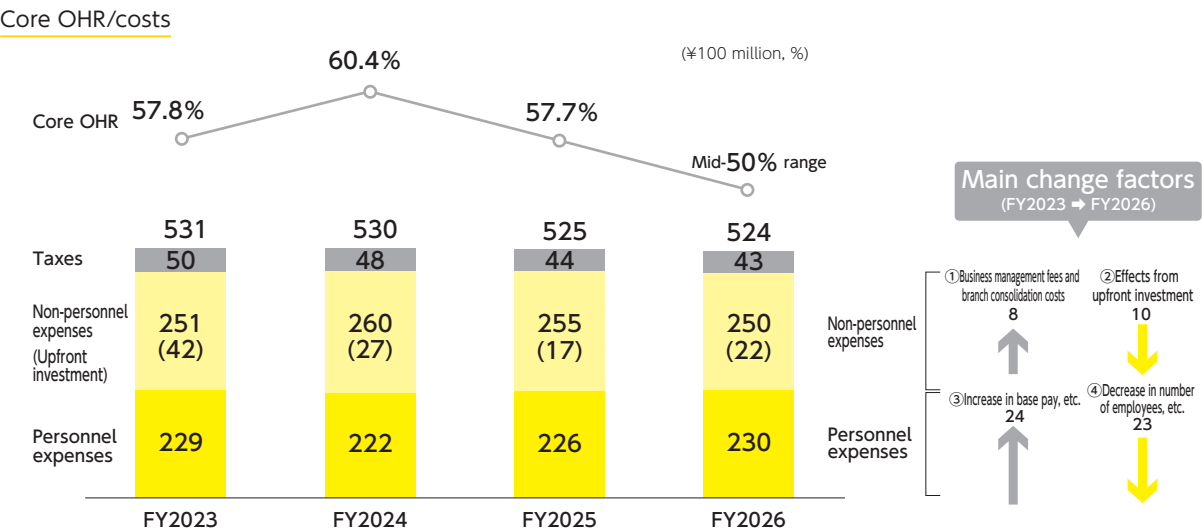
Changes in business value for building an optimal Group business portfolio



Message from the CFO

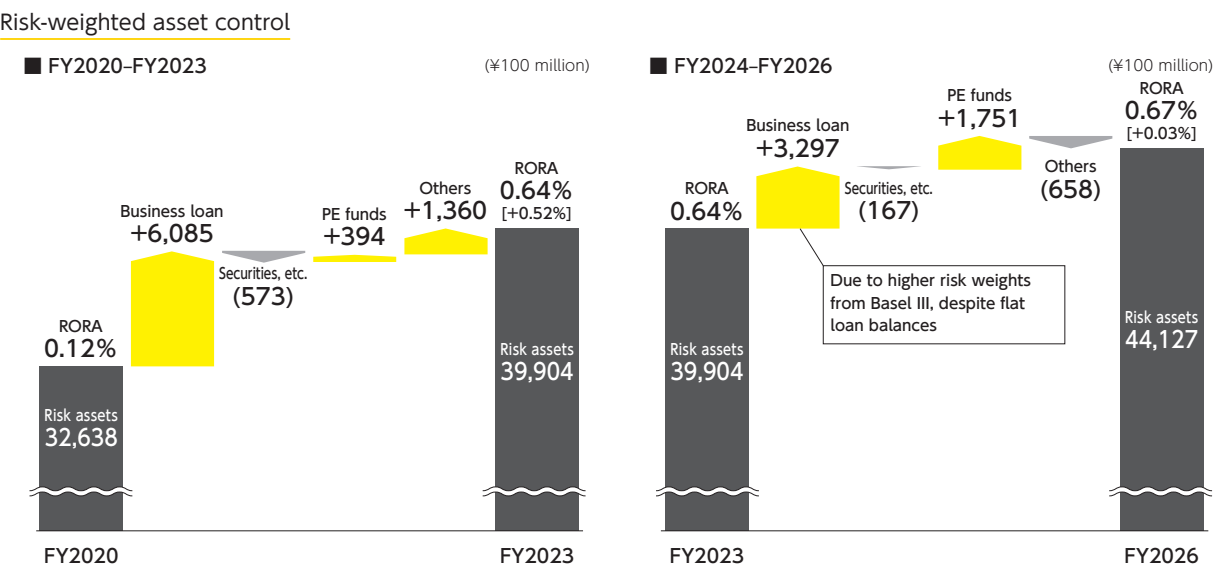
●②Cost control

In addition to improving the efficiency of our costs through further digitalization in the retail business, we will work to enhance our human capital and improve productivity through education, training, and other personnel investments. Through these efforts, we will aim to lower the core OHR of Kiraboshi Bank (non-consolidated) from the 57.8% recorded in FY2023 to the mid-50% range by FY2026. In terms of the digitalization of our retail business, UI Bank, Kiraboshi Tech, and Kiraboshi Bank will work together to continue enhancing the efficiency of our branches, selecting and investing in the necessary growth areas to provide hybrid services that combine digital and real solutions.

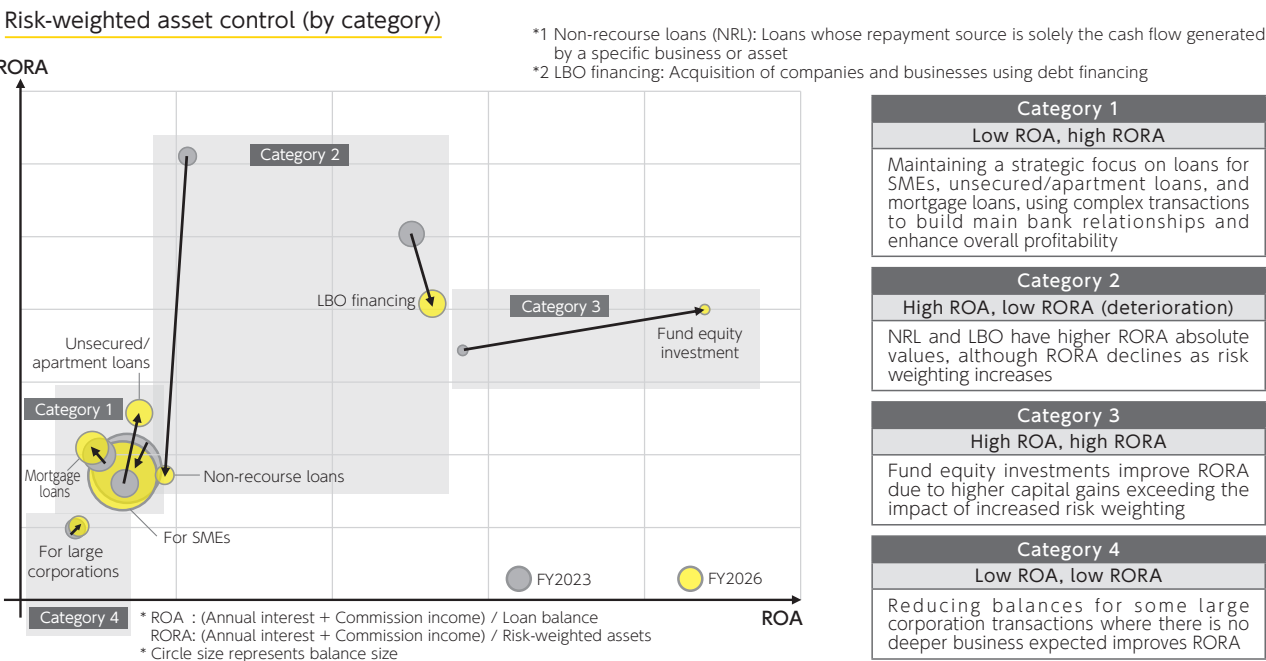


●③Risk-weighted asset control

To improve ROE, we will conduct management that focuses on improved risk returns, such as by building an RORA-centered framework. While moving our assets to highly profitable areas, we will reinforce Group-wide efforts for the fee business to further improve RORA. Of our business loans, in terms of LBO and other business financing, we will distribute loans to other companies while ensuring a certain level of amount executed and fee income. To cater to customers' business succession and other management challenges, we will shift our assets to equity investment areas.

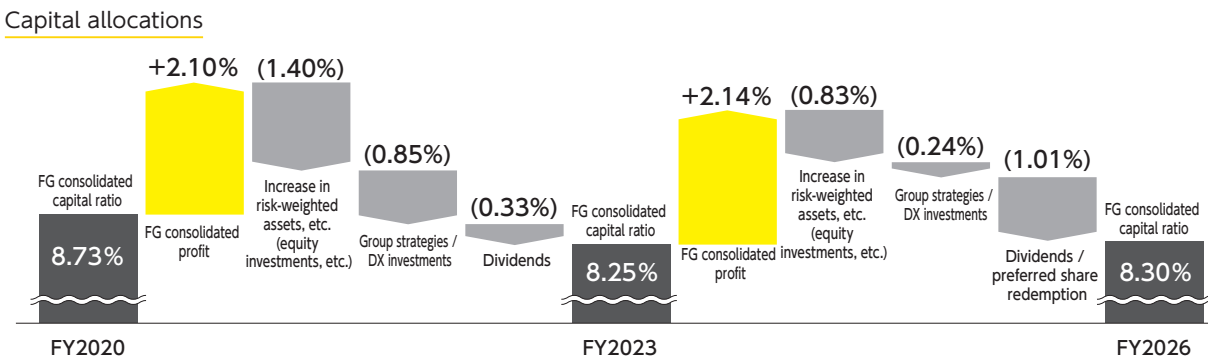


Of our risk-weighted asset control initiatives, in terms of our business loans, we will focus distributing our resources on highly profitable assets and strategically necessary assets. Through the varied distribution of our resources in this manner, we will work to further improve risk returns and corporate value. Our response to each risk category (1-4) is as below.



●④Capital policy and enhancing shareholder returns

With regard to capital policies, while ensuring smooth financing functions, we will focus on the balance between the "use of capital to strengthen profitability" and "return of profits to shareholders." Shifting away from management that enhances risk assets, we will place more emphasis on using capital for shareholder returns and the redemption of preferred shares. For the redemption of preferred shares, while looking at the accumulation of internal reserves and the status of our capital ratio, our plan is to redeem ¥15.0 billion of First Series Class I preferred shares between FY2026 and FY2029, and ¥40.0 billion of Class II preferred shares between FY2026 and FY2028. Our basic policy for shareholder returns is to provide continuous and stable dividends. During the period of the current Medium-Term Business Plan, we are aiming for a dividend payout ratio of approximately 20% after the redemption of preferred shares. More so than ever before, we will consider a balance between short-term and medium- to long-term investments, and promote initiatives that ensure both financial soundness and profit growth.



■ Cross-shareholdings Policy and Stakeholder Dialogue

During the period of the current Medium-Term Business Plan, we will aim to reduce cross-shareholdings by approximately 40% on a book value basis. Compared to the book value balance of approximately ¥15.0 billion in FY2023, we plan for a further reduction to approximately ¥9.0 billion by FY2026. We will make steady progress to realize our growth strategies and enhance our information disclosure through easy-to-understand communications on the progress of our strategies and businesses. Moreover, we will revitalize our dialogue with stakeholders through proactive information disclosure, and in doing so, strive to improve our corporate value.

Medium-Term Business Plan

Review of the Previous Medium-Term Business Plans

● Three Major Challenges Faced at the Time of the Merger and How We Addressed Them

When Kiraboshi Bank was established as a result of the merger of three banks in 2018, the Kiraboshi Group faced three major challenges: High costs, low profitability, and low capital.

① Cost Reductions

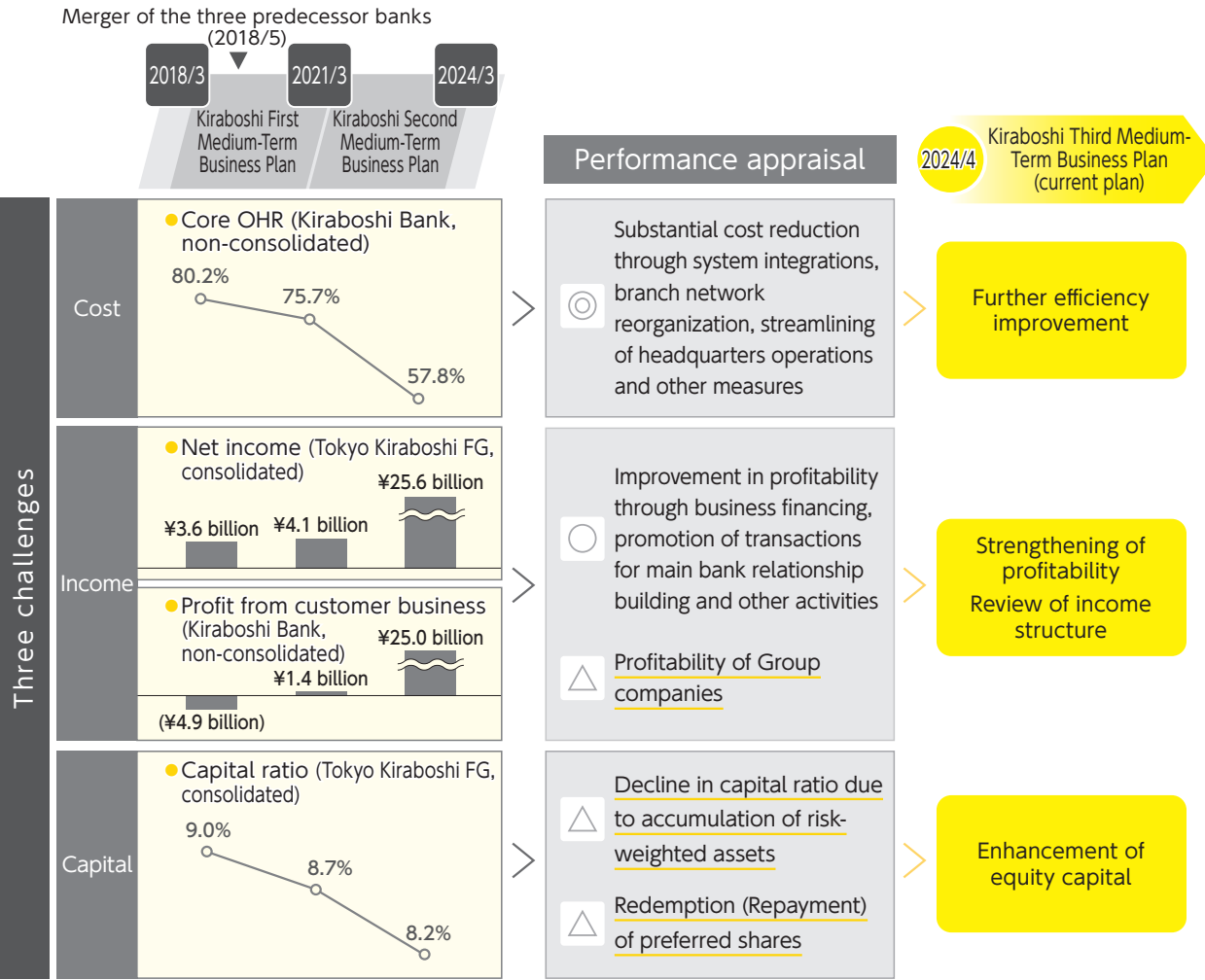
Under the first and second Medium-Term Business Plans spanning FY2018 to FY2023, we made continuous efforts to reduce costs by integrating our accounting systems, consolidating buildings into the current head office, reducing headquarters personnel, and reorganizing our branch network centered on branch-in-branch locations. As a result, we have achieved annual cost reductions exceeding approximately ¥10.0 billion, leading to Kiraboshi Bank's core OHR on a non-consolidated basis contracting significantly by more than 20% over six years.

② Strengthening Profitability

Since the beginning of the first Medium-Term Business Plan, we have worked to strengthen profitability while reducing costs. To this end, we have strengthened our headquarters sales departments, promoted main bank relationships, engaged in business financing initiatives centered on business succession and M&As, and developed human resources with specialized finance skills. As a result, core business profit increased significantly to approximately ¥30.0 billion in six years, and FG consolidated net income increased by approximately sevenfold from ¥3.6 billion before the three-bank merger to ¥25.6 billion (FY2023).

③ Enhancement of Equity Capital

Under the current Medium-Term Business Plan, we will work to enhance equity capital, which is the remaining issue we need to address. Specifically, under the current Medium-Term Business Plan, we have clarified our approach to preferred shares, and aim to secure equity capital of sufficient quantity and quality by building up internal reserves to secure funds for redemption of preferred shares, and implementing risk asset control that is mindful of RORA.



Main Targets of the Current Medium-Term Business Plan

	FY2023	FY2026	
Net income (FG, consolidated)	¥25.6 billion	¥30.0 billion	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
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	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
Capital ratio (FG, consolidated)	8.2%	8.3%	Enhancement of equity capital ● Financial strategy ➢ Accumulation of internal reserves to secure funds for redemption of preferred shares ➢ Risk asset control that is mindful of RORA

● Strengthening of Profitability and Review of Income Structure

Under the current Medium-Term Business Plan, we have positioned building a business model that does not depend on Kiraboshi Bank's income as an important theme from the perspective of appropriate risk asset control. To achieve this, we will work to strengthen the profitability of the entire Group by improving the quality and quantity of digital services through UI Bank and Kiraboshi Tech, strengthening solutions functions centered on Kiraboshi Consulting and Kiraboshi System, and expanding services tailored to customers' lifecycles, mainly through Kiraboshi Capital, Kiraboshi Life Design Securities, and Tokyo Kiraboshi Lease. Over the three years of the current Medium-Term Business Plan, we plan to increase the profit of Group companies from a loss of ¥0.3 billion (FY2023) to ¥5.0 billion in profit (FY2026).

● Further Efficiency Improvement

In order to further improve management efficiency and productivity, one of the basic concepts of the Kiraboshi Group is to "provide a comprehensive range of services that integrate digital and real elements." Under the current Medium-Term Business Plan, we will revise our branch strategy and sales structure to achieve this goal. In terms of specific initiatives, we plan to consolidate our loan handling locations down to 13 branch companies for both corporate and retail customers, aiming to balance the provision of specialized knowledge and expertise alongside the development of human resources, and to provide high value-added services through cooperation between specialized headquarters departments and sales offices. We will also strive to further reduce the number of locations while expanding the number of sales offices specializing in retail customers that are easily accessible to customers, while also promoting digital services, such as via UI Bank, by utilizing real locations where we can have face-to-face contact with customers.

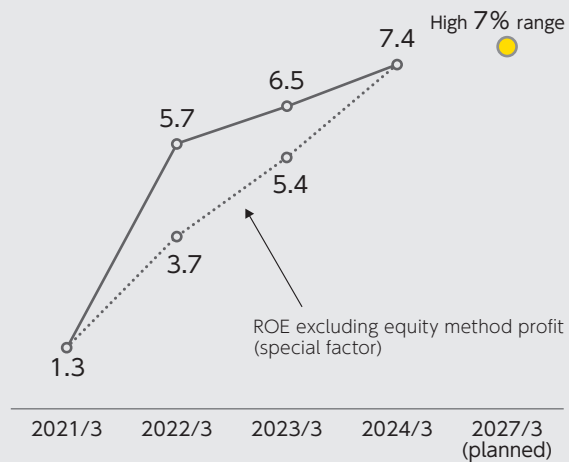
● Enhancement of Equity Capital

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

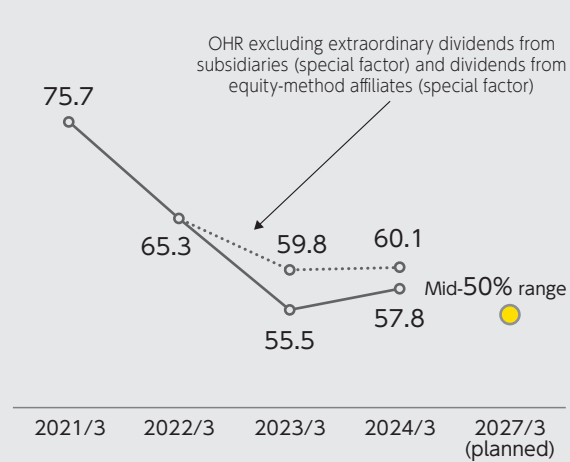
Medium-Term Business Plan

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

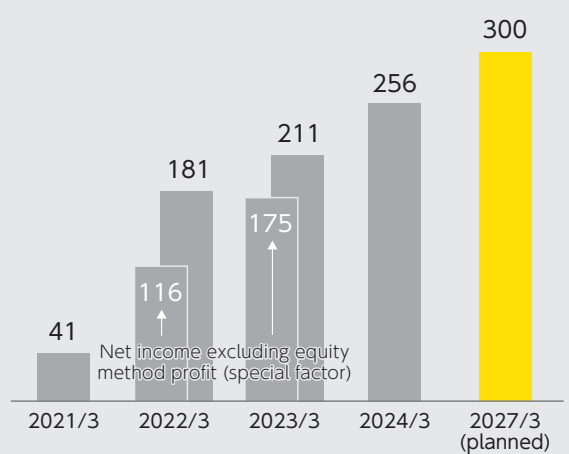
1. ROE <FG consolidated> (%)



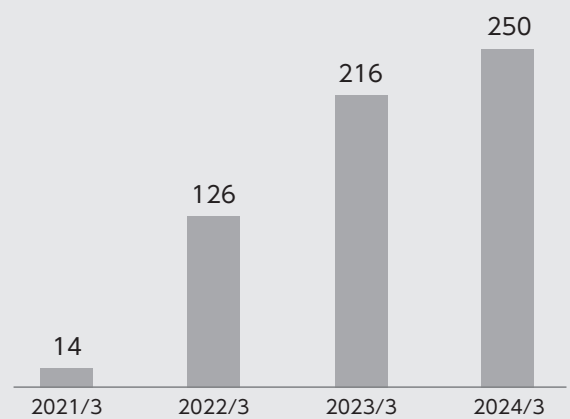
2. Core OHR <Kiraboshi Bank non-consolidated> (%)



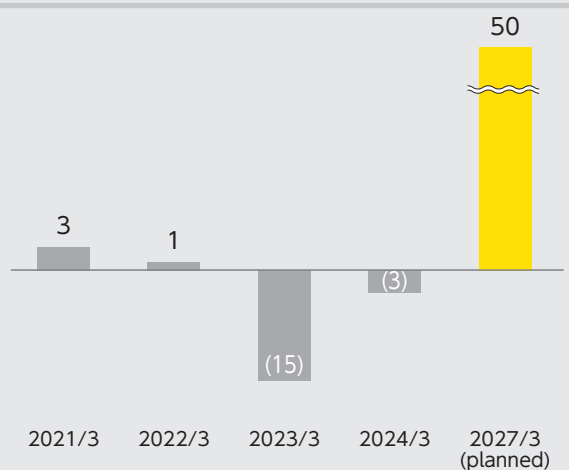
3. Net income <FG consolidated> (hundred millions of yen)



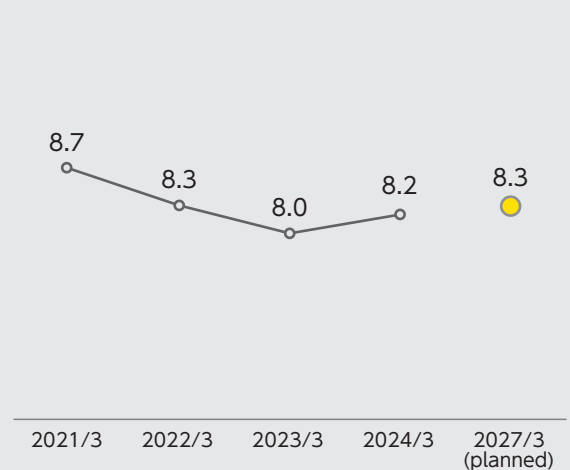
4. Profit from customer business <Kiraboshi Bank non-consolidated> (hundred millions of yen)



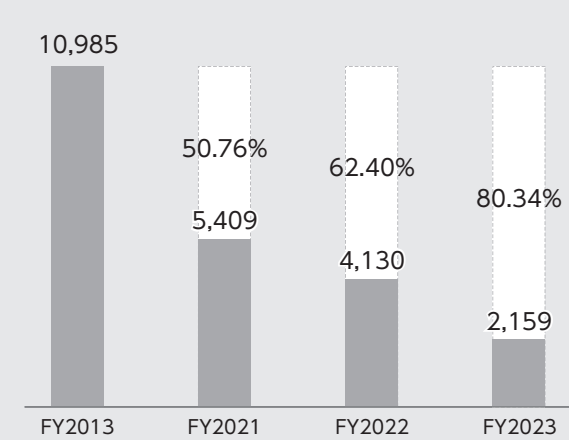
5. Contribution of subsidiaries to consolidated income <FG consolidated> (hundred millions of yen)



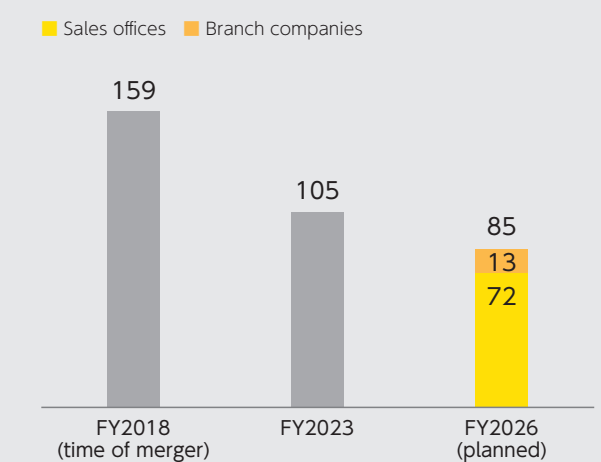
6. Capital ratio <FG consolidated> (%)



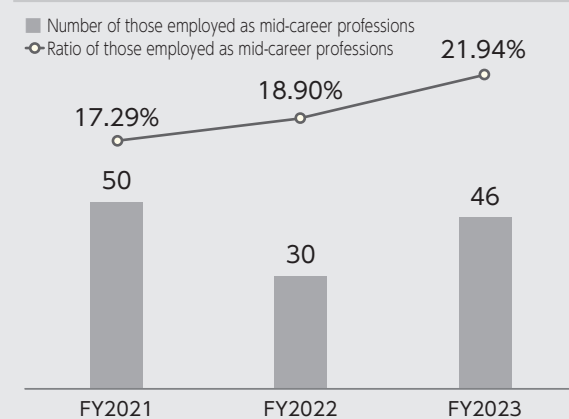
Non-financial Highlights

CO₂ emissions reduction rate (vs. FY2013) (%), t-CO₂

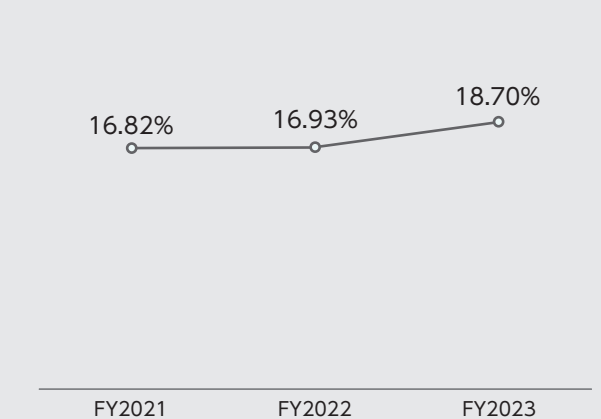
Number of offices (offices)



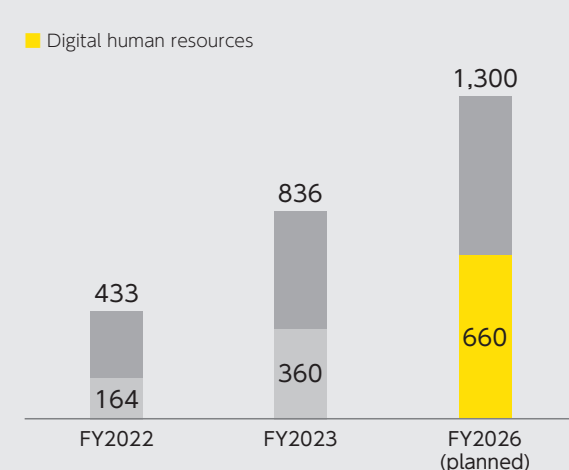
Number of those employed as mid-career professions and their ratio to all managers (persons, %)



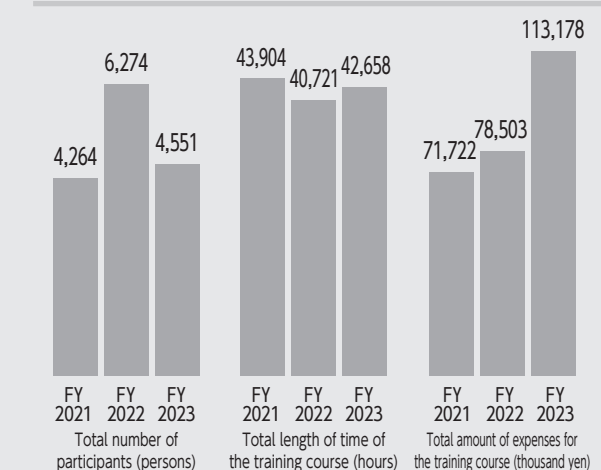
Ratio of female managers (%)



Specialized human resources (persons)



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



Management Strategy of Kiraboshi Group

Aiming for further growth by transforming the income structure through utilization of our front-line, Group, and digital strengths

Following the establishment of Kiraboshi Bank in May 2018, under the first and second Medium-Term Business Plans, we took efforts to strengthen profitability, mainly via thorough cost reductions, promotion of main bank relationships, and engaging in business financing such as for business succession. As a result of these efforts, FG consolidated net income has soared approximately sevenfold over the six-year period. At the same time, the challenges and needs of customers and local communities are becoming increasingly diverse, leading to drastic changes in customers' expectations and requirements of us.

The Kiraboshi Group has set our vision of the future as a "comprehensive service business that is also strong in finance." To achieve this, we have expanded our Group companies by adding financial businesses such as equity investment, securities, digital banking and debt collection, as well as non-financial businesses such as advertisement production and IT. Under the new Medium-Term Business Plan that kicked off this fiscal year, we believe that we have established a solid foundation for providing optimal solutions as a unified Group.

We believe the basis for maximizing the Group's functions is our relationship of trust with customers. By thoroughly considering what we can do to receive a genuine first call from our customers and what we can do for them, utilizing internal and external networks to provide thorough consultations, and committing to results and taking action, we believe that we can truly gain the trust of our customers and have them listen to our various proposals. The Kiraboshi Group launched digital businesses such as Kiraboshi Tech and UI Bank from an early stage, and has continued to make digital-related investments that contribute to the improvement of operational efficiency and productivity.

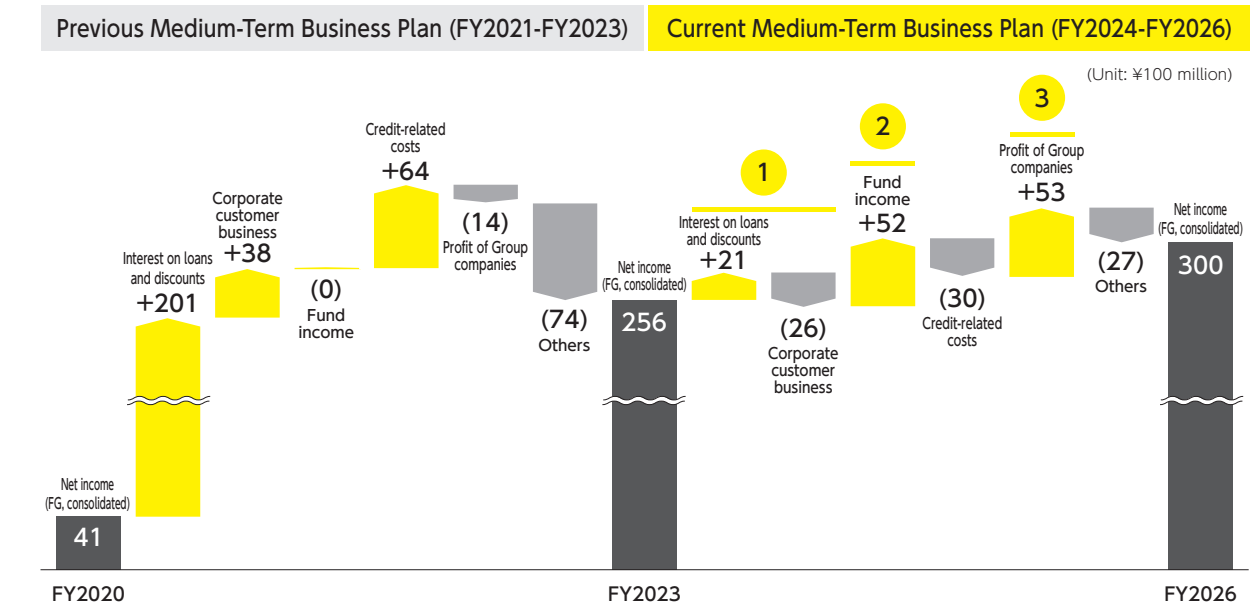
Through these initiatives, we will clarify the operations that need to be streamlined and operations that require manpower, and combine the services and expertise of the entire Group to respond to customers' advanced and complex issues and needs. As a result of these efforts, we will strengthen the profitability of Group companies and shift to a business model that does not depend on Kiraboshi Bank's income. We will thereby endeavor to realize the Kiraboshi Group Purpose, "Giving our all, for TOKYO," which we newly established in March 2024.



Takeshi Yoshino
Director and Managing Executive Officer,
Tokyo Kiraboshi Financial Group

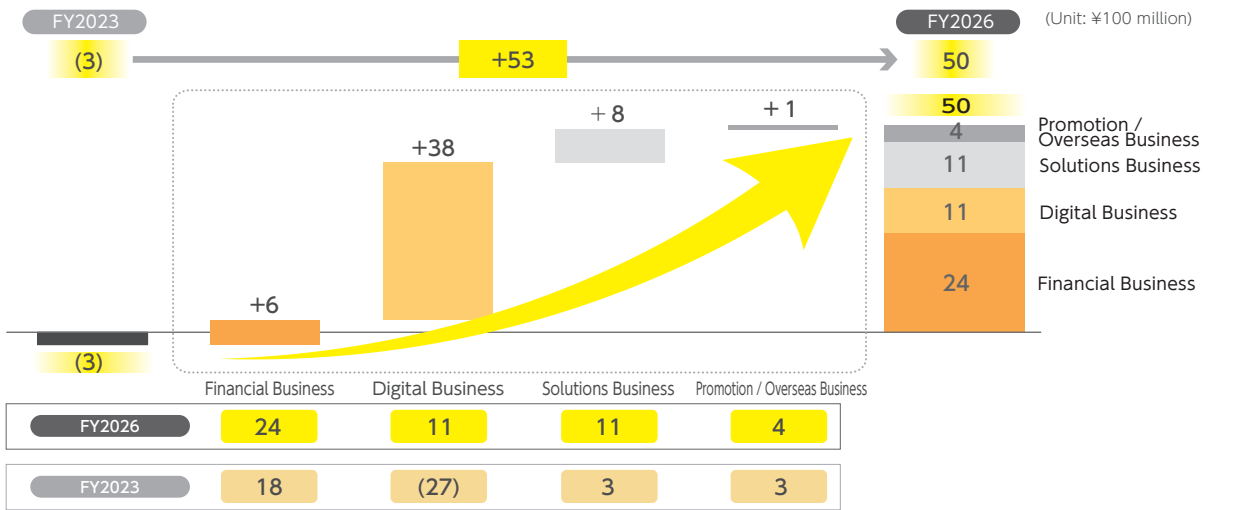
Transformation of Income Structure

With the aim of achieving an income structure that does not depend on Kiraboshi Bank's loan income, we will transform to a business model which ensures fee income while engaging in a certain level of asset control, from a business model in which profit growth is achieved by accumulating loan assets. As part of our measures to strengthen profitability, we will work to increase the profit of Group companies by expanding fund income through strengthening equity investments and hands-on support to respond to the needs in business succession and business transfers, and by strengthening the solutions function of the entire Group.



Group Company Profit Plan (Excluding Kiraboshi Bank)

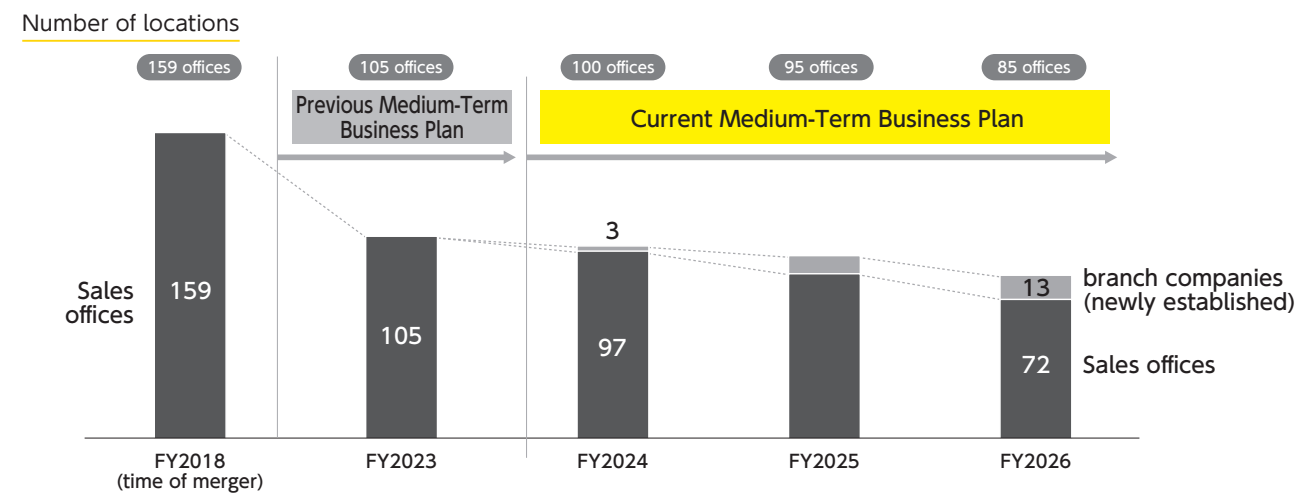
With regard to the profit of Group companies on an FG consolidated basis, we aim to achieve ¥5.0 billion in FY2026, the final year of the current Medium-Term Business Plan, compared with the ¥0.3 billion loss recorded in FY2023. In order to achieve this target, we will manage the Group companies comprising a total of 22 companies by dividing them into four business divisions: Financial, Digital, Solutions, and Promotion/Overseas. The Business Strategy Division, Sales Strategy Division, and Digitalization Strategy Division will work closely together to coordinate the sales strategies of all Group companies, thereby increasing the profit of each business divisions, with a focus on the Digital Business centered on UI Bank and Kiraboshi Tech.



Improving Branch Efficiency and Introduction of Branch Company System

Under the current Medium-Term Business Plan, further improving efficiency is one of the most important themes in the Group's management strategy. Under the first and second Medium-Term Business Plans, we reduced the number of offices from 159 to 105 as a result of branch network reorganization centered on branch-in-branch locations and the review of branch functions, along with the implementation of headquarters consolidation and systems integration.

Under the current Medium-Term Business Plan, we introduced a new branch company system in which loan operations and sales personnel are consolidated into 13 branch companies and deposit/exchange and other teller services are handled by 72 sales offices. By doing so, we will strive to enhance the quality of customer contact points by demonstrating high levels of expertise, while also lowering costs by reducing the number of locations. At the same time, from the perspective of ensuring customer convenience, we will endeavor to strengthen the service functions of UI Bank as a digital bank, while also working to offer consultation to digital-contact customers by using real locations through cooperation between Kiraboshi Bank and UI Bank. Through such measures, we will aim to "provide services that integrate digital and real elements."



Management Strategy of Kiraboshi Group

Resource Allocation

Under the current Medium-Term Business Plan, we will shift to an income structure that secures fee business by strengthening our comprehensive solutions, such as the Digital Business and Solutions Business. In order to achieve this, we will increase the number of employees at Group companies other than Kiraboshi Bank by hiring digital human resources and ramping up their placement in the Digital Business, although the number of employees at Kiraboshi Bank will decrease due to continuous and stable hiring and natural attrition. Through such measures, we will implement the optimal allocation of management resources in the Group as a whole. Furthermore, based on the concept of our digital strategy of “providing services that integrate digital and real elements,” we plan to reduce the number of offices during the current Medium-Term Business Plan from 105 to 85 by improving the quality of customer contact points through the introduction of a branch company system, strengthening highly specialized consulting services, and developing human resources through on-the-job training, while aiming to improve customer convenience through cooperation between Kiraboshi Bank and UI Bank. As a result of these efforts, we aim to increase gross core business profit per head, which indicates productivity at Kiraboshi Bank, from ¥37 million in FY2023 to ¥42 million in FY2026.

		FY2023		FY2026	
Headcount	FG total (including subsidiaries)	2,860	>	2,750	 (110)
	Kiraboshi Bank total	2,438	>	2,265	 (173)
	Digital human resources	360	>	660	 +300
Number of locations (Kiraboshi Bank)		105 locations	>	85 locations	 Reduce by 20 locations * Consolidating corporate customer transactions to 13 locations
Productivity (Kiraboshi Bank) (Gross core business profit per head)		¥37 million	>	¥42 million	 +¥4 million

In the current Medium-Term Business Plan, we are targeting an increase in the profit of Group companies from the ¥0.3 billion loss recorded in FY2023 to ¥5.0 billion in profit in FY2026. To achieve this, we need to make UI Bank and Kiraboshi Tech in the Digital Business profitable as soon as possible, improve operational efficiency and productivity at Group companies, and create new businesses. In FY2023, as a result of efforts to strengthen digital human resources*, including making ITC a subsidiary and hiring specialized human resources from South Korea, the number of digital human resources across the Group increased to 360. Under the current Medium-Term Business Plan, we aim to further increase the number of digital human resources by 300, thereby increasing the percentage of digital human resources among the total number of Group employees to 24%. In order to achieve our target, we will ramp up the hiring of human resources with technical skills and digital backgrounds that can play an active role at Kiraboshi System, ITC, and other Group companies, and will work to strengthen the development of human resources involved in planning, such as for businesses and services, at each Group company through specialized training.

* The definition of “digital human resources” at the Kiraboshi Group: Human resources who can utilize IT and plan, promote, and run operations in the introduction of information systems, and provide new value by making use of cutting-edge digital technologies

Capital Policy (Preferred Shares, Dividends, Cross-shareholdings)

● 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 ^(*),
Redeem the shares over the period from FY2026 to FY2029, and aim to complete redemption
- with respect to Class II preferred shares ^(*),
Redeem the shares in FY2026 and FY2028, and aim to complete redemption

Consider completing redemption ahead of schedule depending on market environment

(*) Sumitomo Mitsui Trust Bank, Limited ¥15.0 billion (**) Tokyo Metropolitan Government ¥40.0 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%

We seek to maximize stakeholder value by returning profits to shareholders based on the level of capital in accordance with our basic policy to pay consistent and stable dividends. For the period covered by the current Medium-Term Business Plan (FY2024 to FY2026), we have set a payout ratio target of 20%, taking into consideration the balance with internal reserves from the perspective of securing funds for the redemption of preferred shares.

● 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. ¥15.0 billion → FY2026 book value balance approx. ¥9.0 billion)

We have formulated the Basic Policy on Cross-shareholdings, under which we make a comprehensive decision on whether or not to hold shares in a business partner firm by fully considering the level of return on the cost of shareholders’ equity and our relationship with that business partner. We are committed to increasing shareholder value by further improving capital efficiency through the reduction of cross-shareholdings. During the period of the current Medium-Term Business Plan (from FY2024 to FY2026), we aim to reduce cross-shareholdings by 40% in terms of book value. We plan to reduce the book value balance by approximately ¥6.0 billion from approximately ¥15.0 billion in FY2023 to approximately ¥9.0 billion in FY2026.

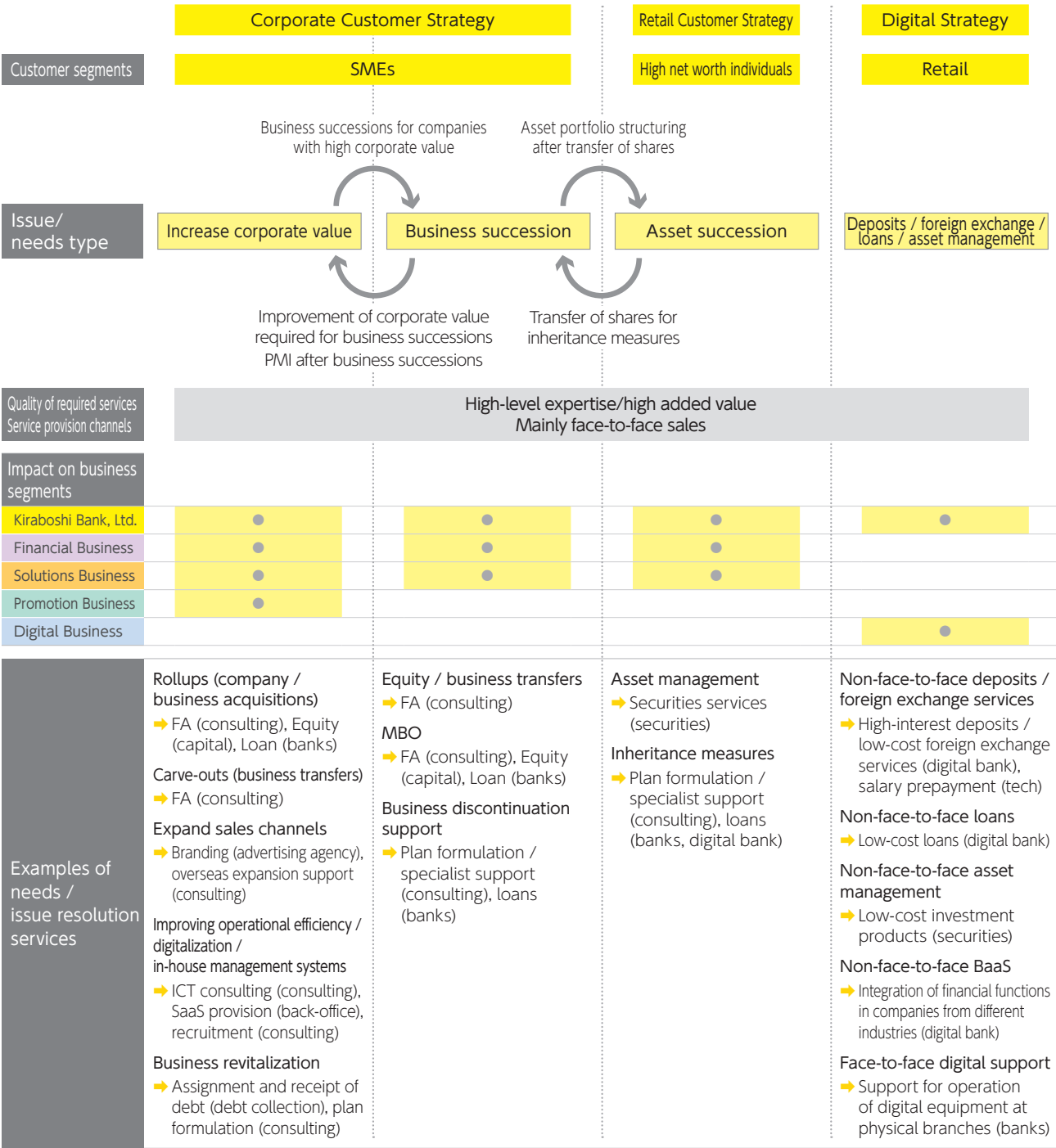
	March 2020	March 2021	March 2022	March 2023	March 2024	March 2027
Number of holdings	68	64	62	62	84	–
Book value (¥ billion)	16.1	14.1	13.8	17.8	15.2	9.0

*2023/3: ¥7.8 billion increase for 8 stocks due to partial cancellation of retirement benefit trusts (¥3.8 billion from sale of 8 stocks and net increase of ¥4.0 billion)

Sales Strategy of Kiraboshi Group

The Group's Comprehensive Strength for Providing Thorough Issue Resolution Services on a Needs Basis

The foremost priority of our sales strategy is to provide services that lead to the resolution of customers' issues. The Kiraboshi Group has worked to enhance the lineup of services provided by our Group companies in order to resolve issues faced by our customers that cannot be solved only by conventional finance services centered on banks. Today, including the Company, the Kiraboshi Group comprises a total of 22 companies, equipping us with a Group structure that can provide thorough issue resolution services on a needs basis. In order to achieve the three strategies in our Medium-Term Business Plan of (1) Corporate customer strategy; (2) Retail customer strategy; and (3) Digital strategy, we have classified our Group companies into four business segments, and will provide comprehensive issue resolution services to three customer segments: SMEs, high net worth individuals, and corporate and individual retail customers.



● Key Points of Corporate Customer and Retail Customer Strategy

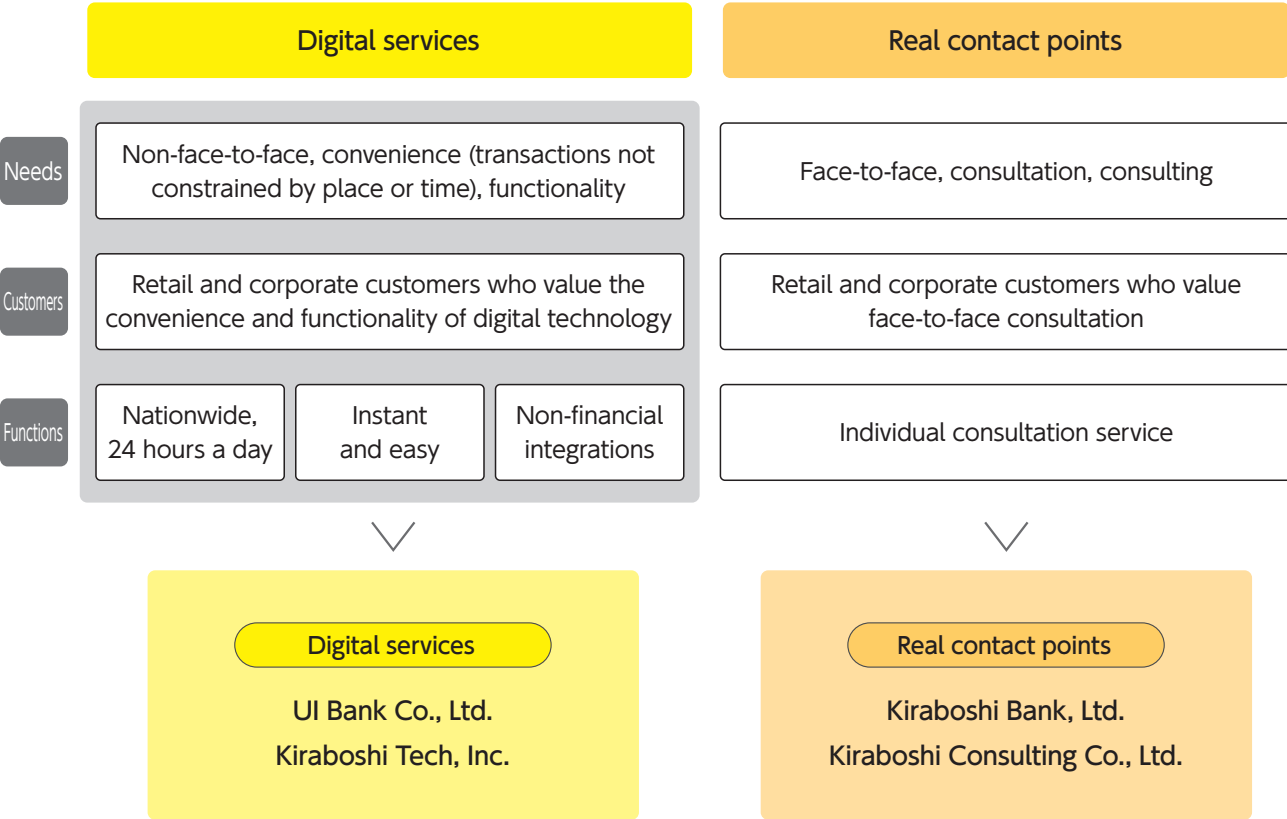
Instead of providing product-out type services, we are currently aiming to further transition to a provider of issue resolution services on a needs basis. To this end, we are working to thoroughly improve our operational efficiency, create systems for the seamless use of the Group's diverse functions, and improve the skills and expertise of each employee. In doing so, we will demonstrate our highly specialized consulting functions through earnest dialogue with our customers, and work to strengthen our fee income-based business through comprehensive solutions that make full use of Group-wide services and do not rely heavily on Kiraboshi Bank's income from loans.

UI Bank is a digital bank with no physical locations that utilizes an easily accessible and highly flexible system. We will make full use of these cost advantages to focus on the digital retail business. Specifically, alongside purpose-based loans and credit card loans, personal loans which are scheduled for launch in the future such as mortgages and real estate investment loans will be consolidated at UI Bank. Furthermore, by reinforcing collaboration with Kiraboshi Tech and external BaaS providers, we will aim to enhance UI Bank's functions as a service platform.

In addition to functioning as platforms to provide these services, Kiraboshi Bank's physical branches will also be used as platforms to drive our digital shift. We will provide detailed explanations at Kiraboshi Bank branches for customers who are not familiar with smartphone-based financial services, and by promoting the use of digital tools in this manner, we will aim to provide a comprehensive range of services that integrate digital and real elements.

● Key Points of Digital Strategy

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

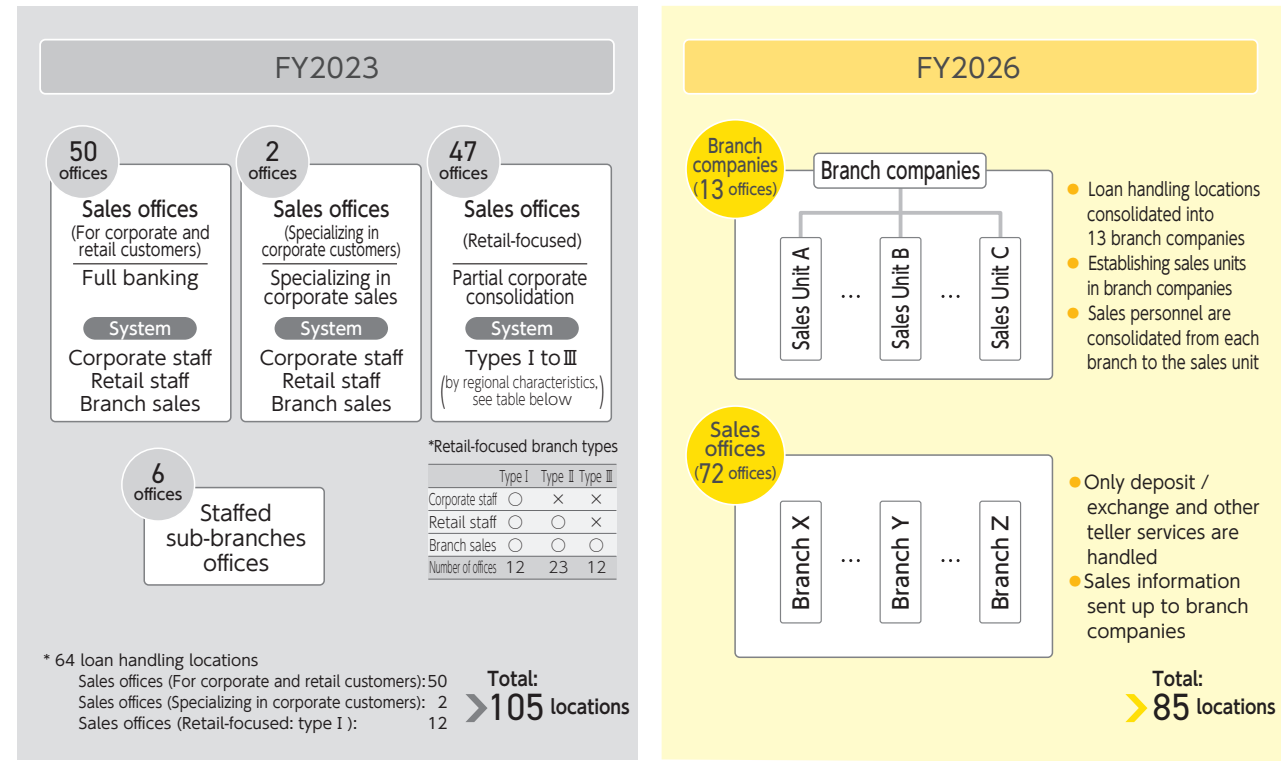


Sales Strategy of Kiraboshi Group / Corporate Customer Strategy

Corporate Customer Strategy

To respond to customers' issues (needs) with regard to corporate value enhancement and business successions, the pillar of our corporate customer strategy is to provide high-value-added services based on high levels of expertise. To provide these high-value-added services through face-to-face channels, we will consolidate our banks' sales locations and transition to a branch company system, so that we can provide high-quality customer contact points, share the expertise of Group companies and departments, and develop our human resources.

Branch company system transition



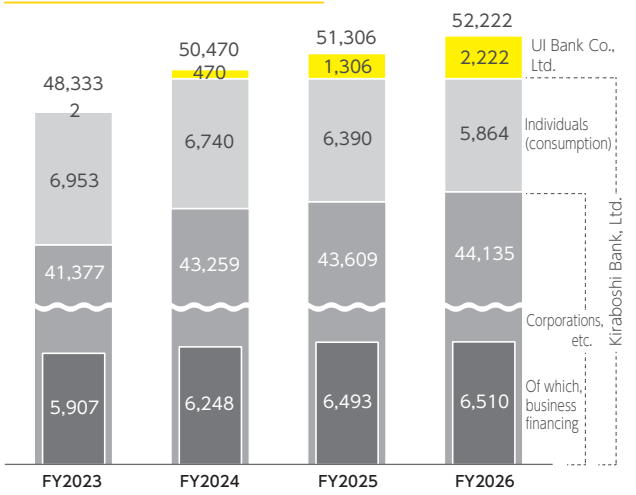
① Gain on interest of loans and discounts

Kiraboshi Bank will aim for continuous improvement in loan yield by providing business financing and other highly specialized financing functions. In terms of loan balance, while maintaining base levels of lending, the Bank will ensure a certain level of distribution to balance profitability with the execution of its financial strategy, thereby increasing income through gain on interest of loans and discounts.

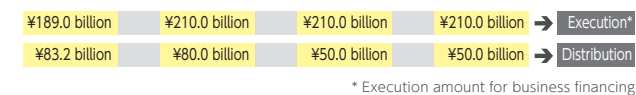
② Corporate services + Group income

To control Kiraboshi Bank's loans and bills discounted through distribution, we have positioned commission income from corporate customers as a restrictive plan. On the other hand, for Group income centered on Kiraboshi Consulting, we expect an increase mainly in M&A (FA) and consulting fees through issue resolutions related to business successions and corporate value enhancement. Moreover, SMEs, who account for the majority of the Kiraboshi Group's corporate customers, are facing issues with labor shortages and employment difficulties, and there are rising needs for improving operational efficiency and digitalization to enhance corporate value. As such, we anticipate an increase in fees from ICT consulting and the provision of SaaS.

Loan balance at end of period (Kiraboshi Bank + UI Bank)



Results and plan for execution* and distribution



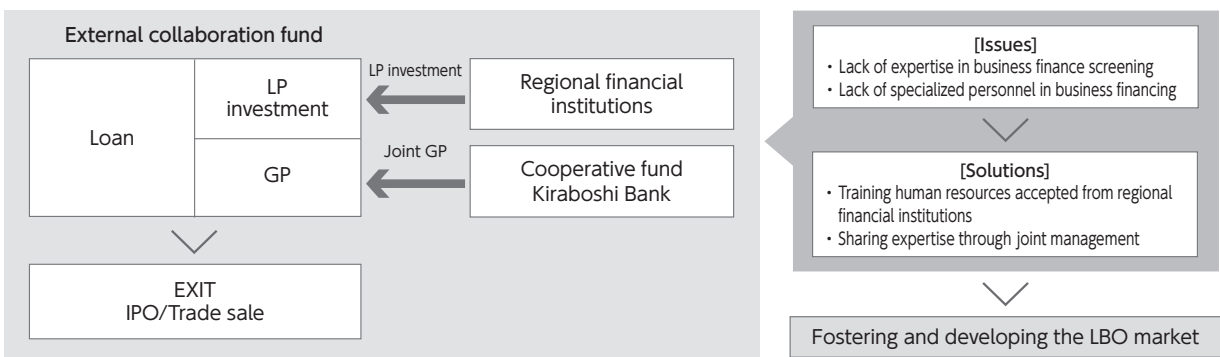
Asset Control Policy in Business Financing

In the Tokyo metropolitan area, which is the Kiraboshi Group's market, the needs for LBO and other business financing are abundant. However, the financial institutions which engage in financing operations are limited to those such as mega banks, which makes increasing the number of financing institutions a pressing issue. While in recent years, there has been an increase in number of regional financial institutions hoping to enter the LBO market, issues remain with human resource development and identifying suitable projects. As an organization that has been active in the field from an early stage, the Kiraboshi Group will offer its expertise in LBO financing and relationships with PE funds to regional financial institutions, and strive for the sound development of Japan's LBO market.

Overview of collaboration scheme



Illustration of scheme

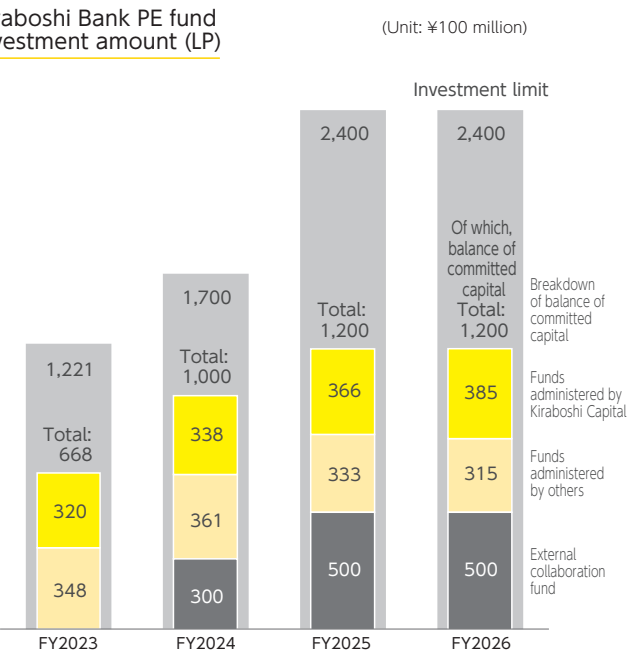


Sales Strategy of Kiraboshi Group / Corporate and Retail Customer Strategies

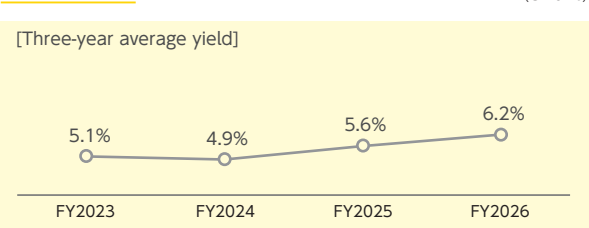
③ Equity Investments

Equity investments are an effective option for resolving issues related to business successions and corporate value enhancement. As such, to date, the Kiraboshi Group has prepared various funds in line with customers' different stages of growth and built up its balance of committed capital along the way. With future income contributions expected from the exit from investment projects, LP investment returns from PE funds that Kiraboshi Bank has invested in are expected to increase, in turn boosting income from PE funds. During the term of the current Medium-Term Business Plan, by continuing to provide mezzanine finance and equity investment services that contribute to resolving issues regarding business successions and corporate value enhancement, we will secure the balance of committed capital necessary for stable income.

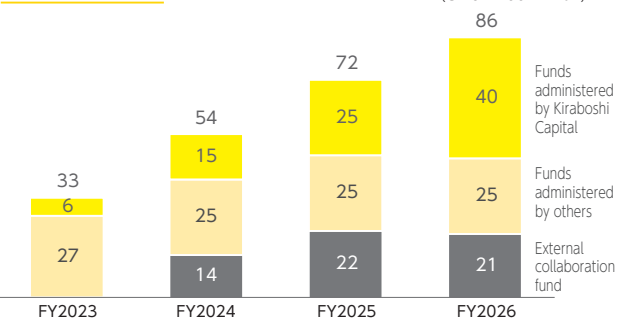
Kiraboshi Bank PE fund investment amount (LP)



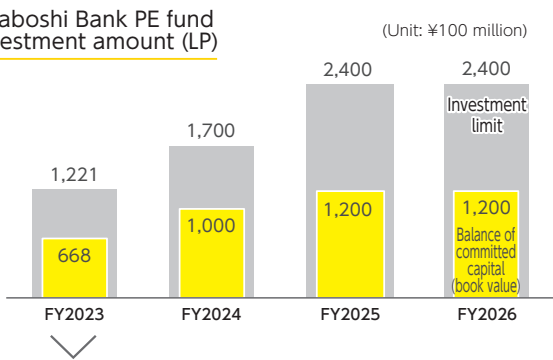
PE fund yield



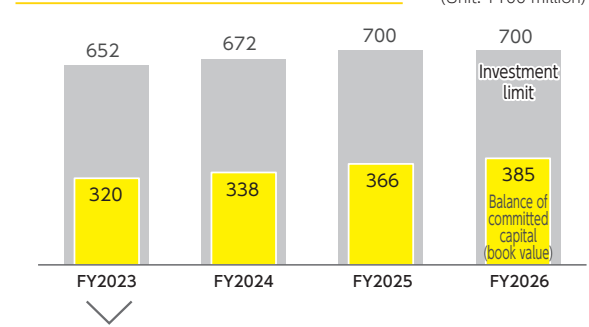
PE fund income



Kiraboshi Bank PE fund investment amount (LP)



Funds administered by Kiraboshi Capital



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 fund	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	Total ¥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	Total ¥65.2 billion

Retail Customer Strategy

The basic concept at Kiraboshi Group is to provide comprehensive services that integrate digital and real elements, as well as financial and non-financial elements. For retail customers in need of services that require high levels of expertise, such as consultations regarding asset management in line with business successions and inheritance measures, Kiraboshi Bank's sales staff, dedicated headquarter departments, and Group companies such as Kiraboshi Consulting and Kiraboshi Life Design Securities work closely together to resolve their issues. Meanwhile, for retail customers requiring highly convenient services or services with no time constraints, the digital UI Bank's integrated app offers basic functions such as payments and loans, while also seamlessly providing financial functions via each of our Group companies, including Kiraboshi Tech's LaLaPay Plus service. Moreover, using Kiraboshi Bank's branches and other physical locations, we are offering customers support for their digitalization activities. In this manner, using our strengths in both digital services and real contact points, we will work to provide services that truly meet customers' needs and in turn increase our balance of assets under management and fee income.

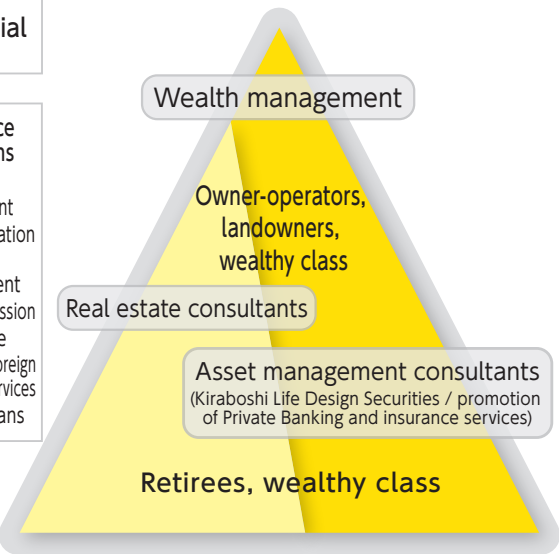
Provision of services tailored to customers' life cycle and needs

Support system that leverages the collective strengths of the Group

Provide comprehensive customer-oriented financial services

- Non-face-to-face transactions
 - Account opening
 - Deposits / foreign exchange services
 - Payment infrastructure
 - Unsecured loans
- Non-financial services
 - Medical care, nursing care, travel, leisure, housekeeping

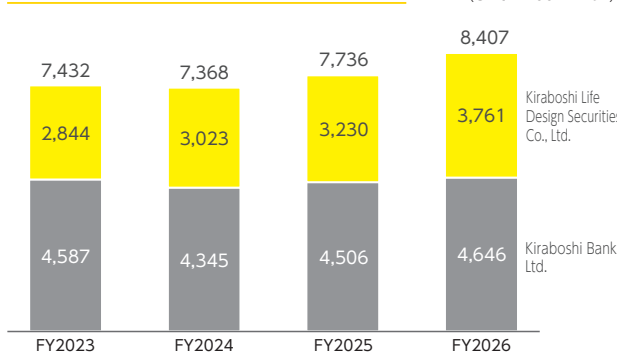
- Face-to-face transactions
 - Asset management
 - Asset utilization
 - Property management
 - Asset succession
 - Inheritance
 - Deposits / foreign exchange services
 - Various loans



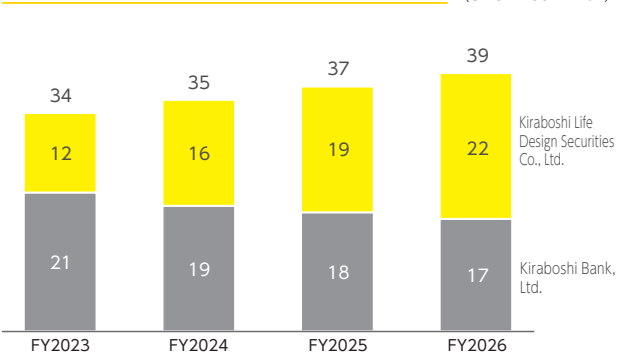
Major players in the Kiraboshi Group



Balance of assets under management



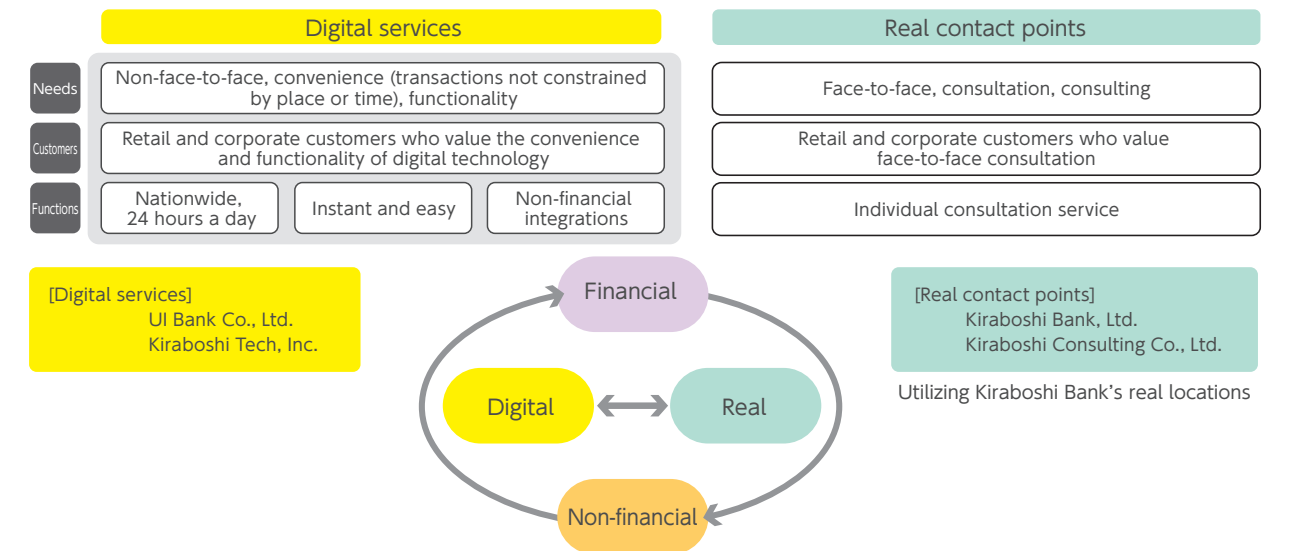
Commission income from retail customers



Sales Strategy of Kiraboshi Group / Digital Strategy

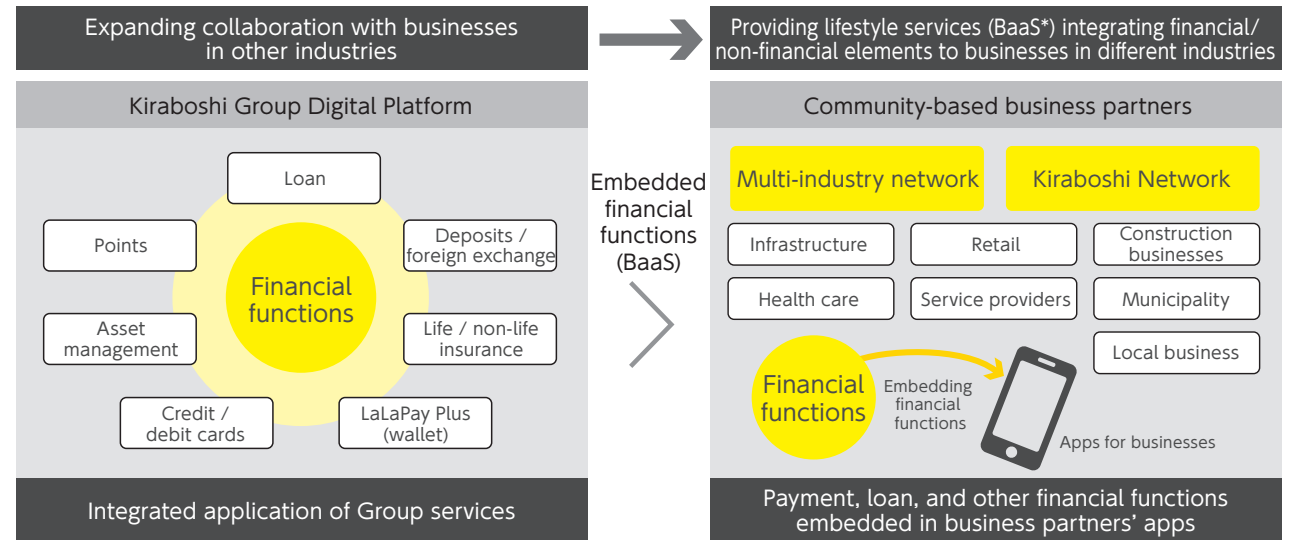
Developing Comprehensive Services that Integrate Digital and Real Contact Points

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



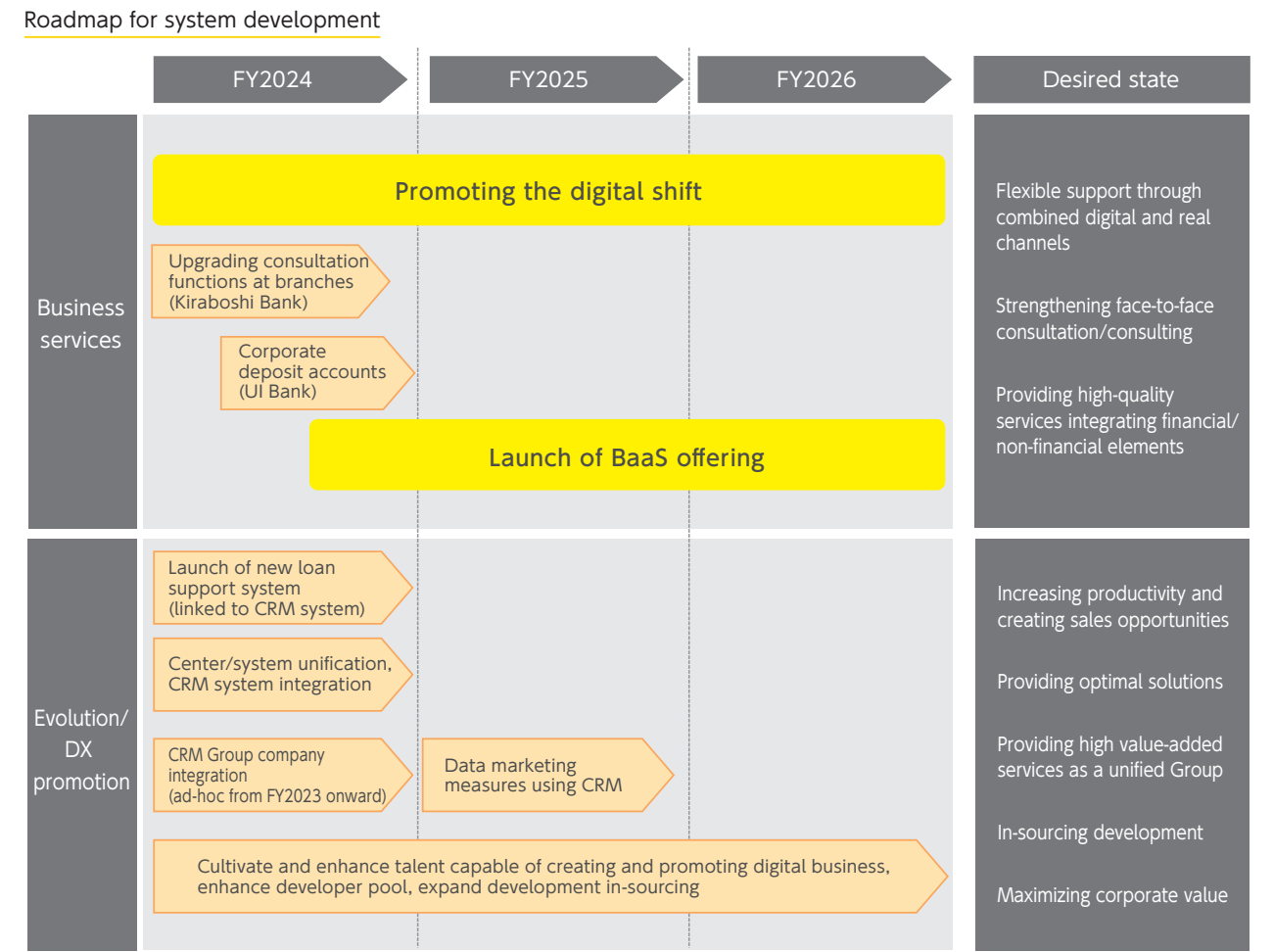
Developing Comprehensive Services that Integrate Financial and Non-financial Services

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



*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

Future Digitalization Promotion Measures



● UI Bank Launches Corporate Deposit Transactions (Scheduled)

This will enable corporate customers to benefit from the convenience and advantages of UI bank.

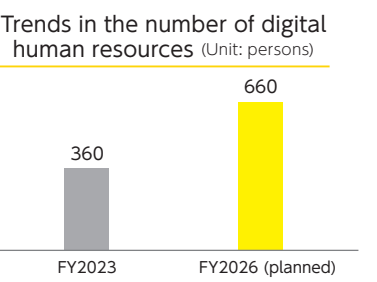
● Provision of Optimal Solutions Based on CRM

In addition to improving productivity through CRM system collaboration among Group companies and connections between loan support systems and central systems, we will leverage the comprehensive strengths of the Kiraboshi Group to provide optimal solutions and high-value-added services to address customers' issues and needs.

● Development of Digital Human Resources*

We will lead the progress in digitalization by nurturing and enhancing our system development human resources and shifting development operations in-house. In addition, by simultaneously developing the human resources who can independently create digital businesses, we will boost our competitive advantage while providing new value to our customers.

* Digital human resources
Human resources who can utilize IT and plan, promote, and run operations in the introduction of information systems, and provide new value by making use of cutting-edge digital technologies

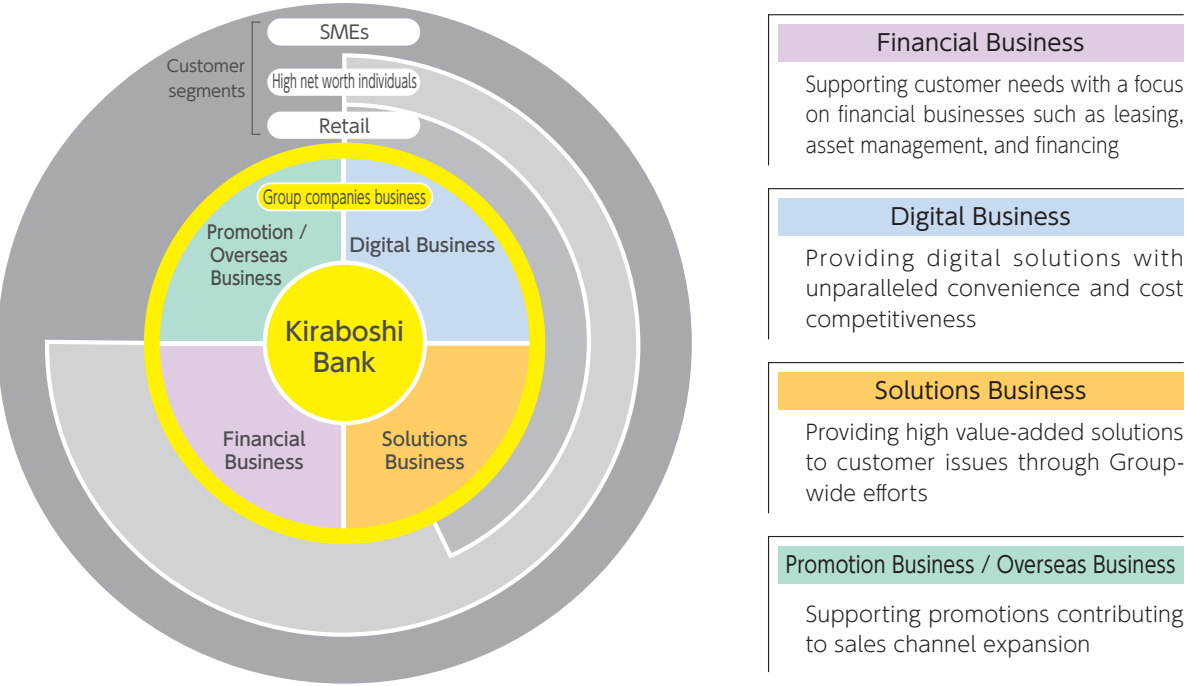


In addition to hiring new and mid-career system engineers for shifting the development of systems in-house, we will develop human resources who can integrate digital technologies with operations from among our existing officers and employees. To this end, we are currently examining a professional development program.

Sales Strategy of Kiraboshi Group / Comprehensive Strength of Group Companies (Financial Business)

Four Business Divisions

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



Financial Business

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

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

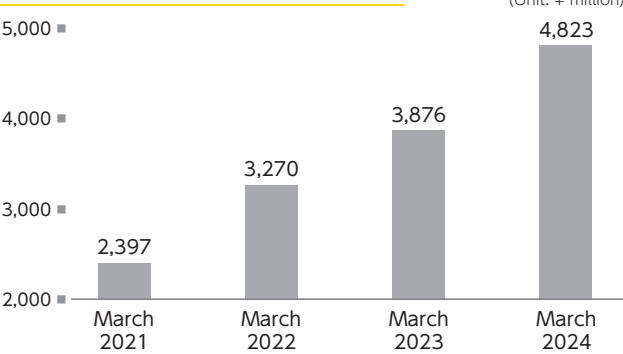
Tokyo Kiraboshi Lease, Inc.

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

Examples of solutions

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

Trends in lease balance for customers in the medical/welfare fields

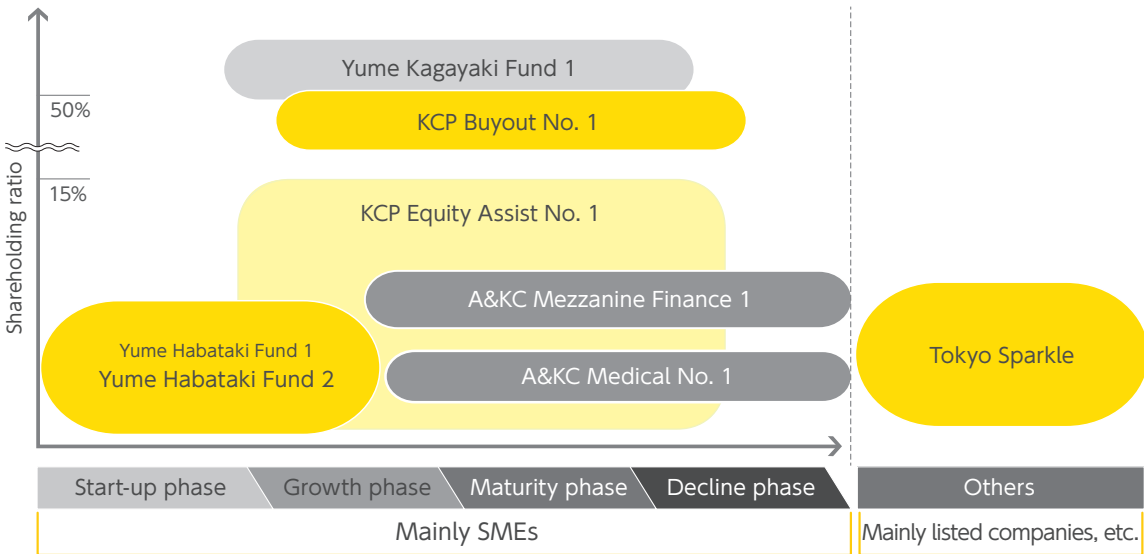


Kiraboshi Capital Co., Ltd.

Kiraboshi Capital currently operates a total of eight funds of six types, and conducts equity and mezzanine investments for customers in various life stages. To resolve the issues that our investees are facing, Kiraboshi Capital collaborates with each Kiraboshi Group company to provide hands-on support, working alongside officers and employees at investees to increase corporate value. To date, the cumulative invested amount across all our operated funds has surpassed ¥30.0 billion. In line with the equity investment business measures in the Medium-Term Business Plan, in addition to continued proactive new investments, we will further enhance our hands-on support for investees, and aim to secure fund profit through investee's exit strategies.

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
8		Total ¥65.2 billion



Sales Strategy of Kiraboshi Group / Comprehensive Strength of Group Companies (Financial Business)

Kiraboshi Life Design Securities Co., Ltd.

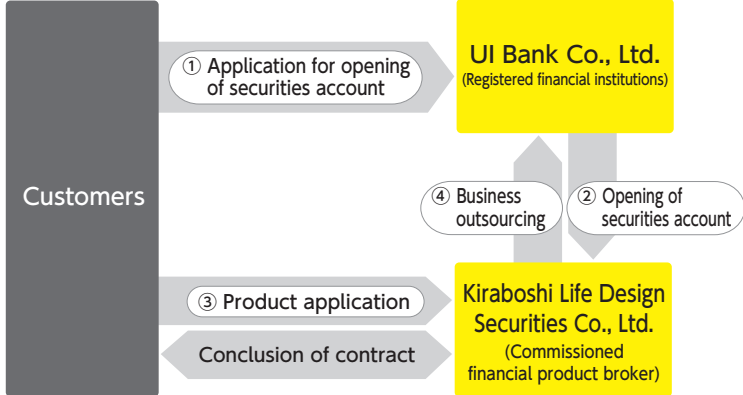
Centered on intermediary operations with Kiraboshi Bank, Kiraboshi Life Design Securities aims for long-term, diverse investments through fund wraps and high-quality investment trusts. Moreover, through support for asset formation and the provision of optimal financial services and solutions, Kiraboshi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

The Strengths of Kiraboshi Life Design Securities

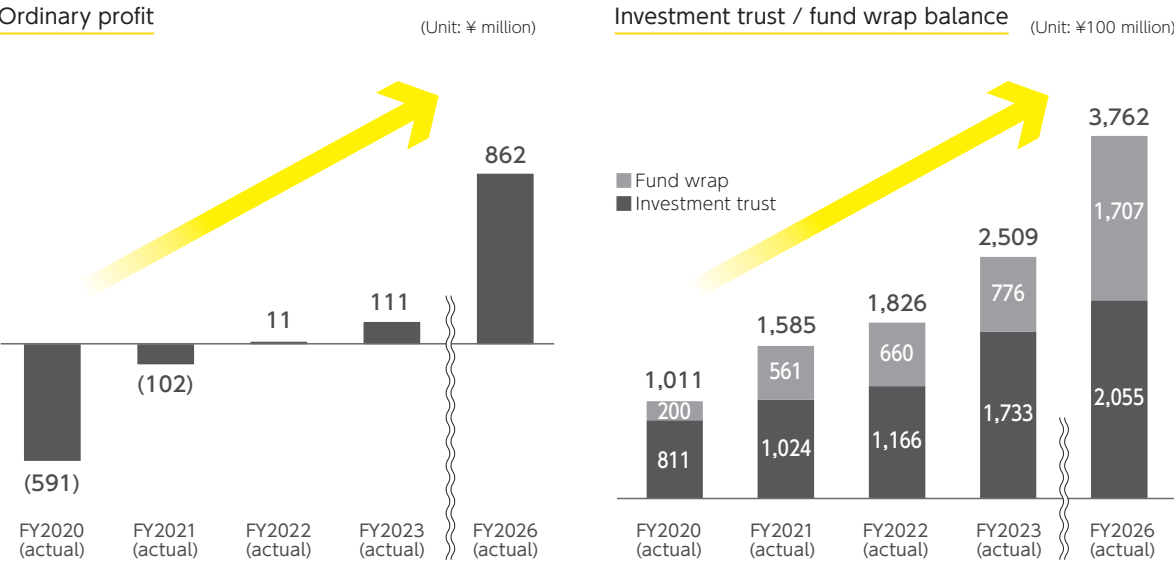
- As a securities company mainly engaged in face-to-face sales, Kiraboshi Life Design Securities is the only company in the industry to offer free sales fees for customers with more than ¥10 million in assets under management.
- It supports sustainable asset formation based on long-term and diversified investments.

● Start of Collaboration with UI Bank

In April 2024, Kiraboshi Life Design Securities began outsourcing intermediary services for financial products to UI Bank. By enhancing its non-face-to-face businesses in addition to its conventional businesses centered on face-to-face transactions, Kiraboshi Life Design Securities will aim to further improve convenience for our customers.



Track record since opening and Medium-Term Business Plan



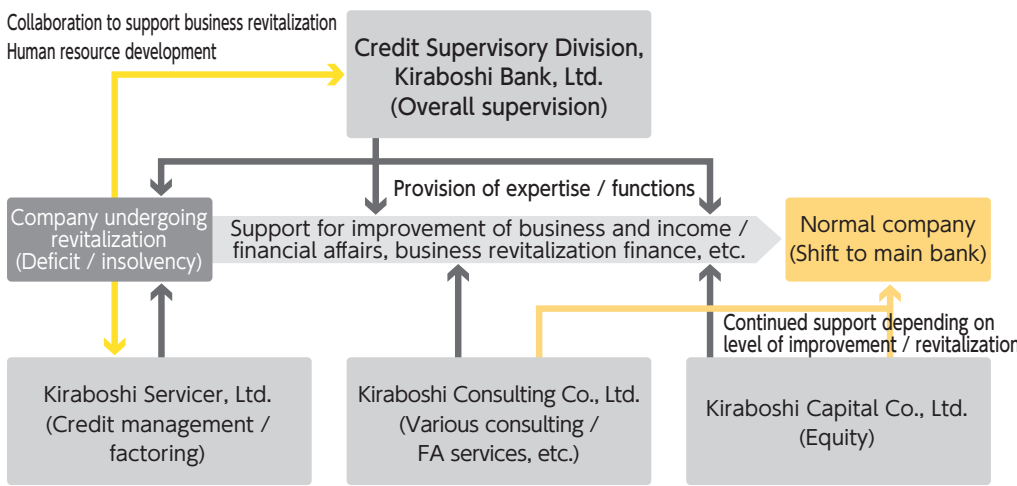
Kiraboshi Servicer, Ltd.

Kiraboshi Servicer was approved as the 110th debt collection agency (servicer) by The Ministry of Justice on February 16, 2007, and joined the Kiraboshi Group on October 3, 2022. From debt management and collection to business revitalization, Kiraboshi Servicer provides a broad range of high-quality services with the aim of becoming a comprehensive servicer that can cater to the servicing needs of various customers and clients in a professional manner.

- Offices Tokyo Headquarters, Osaka, Nagoya, Fukuoka, Kumamoto
- Scope of activity Nationwide
- Employees 124

Initiatives to advance credit management and support business revitalization

The Kiraboshi Group works to support customers' business revitalization activities and advance our credit management operations using the specialist expertise and functions of each Group company, such as the credit management expertise of Kiraboshi Bank's Credit Supervisory Division and Kiraboshi Servicer, the management support consulting services of Kiraboshi Consulting, and the equity investment expertise of Kiraboshi Capital.



- **Advanced credit management operations**
 - We are aiming to further specialize and concentrate our operations by outsourcing the credit management operations for some clients of Kiraboshi Bank to Kiraboshi Servicer.
- **Initiatives for business revitalization support**
 - We are working to resolve issues for customers requiring business revitalization support by leveraging the expertise and functions of each Group company.
 - Centered on the flexible settlement of debt, Kiraboshi Servicer is examining initiatives for revitalization projects via factoring and other means.
- **Human resource development**
 - Through secondment and other human resource exchange activities between Kiraboshi Bank and Kiraboshi Servicer, we are promoting the acquisition of practical experience with credit management operations in employees, and working to develop specialist human resources.

Sales Strategy of Kiraboshi Group / Comprehensive Strength of Group Companies (Digital Business / Solutions Business)

Digital Business

We will provide digital solutions that lead to the resolution of customers' issues, with a central focus on the incredible convenience and cost competitiveness of UI Bank, which utilizes an easily accessible and highly flexible system, as well as the Maekyu service platform operated by Kiraboshi Tech.

Company name	Business description	Strengths
UI Bank Co., Ltd.	Banking business	As the Kiraboshi Group's core retail financial services provider, offers various digital financial services that are fully accessible from smartphones
Kiraboshi Tech. Inc.	Fintech services	Provides Fintech services such as Maekyu (salary prepayment service) and a wallet service

UI Bank Co., Ltd.

UI Bank is a digital bank designed to offer the convenience of accessing banking services anytime, anywhere, and enables customers to complete all transactions using their smartphone. It also serves to enhance customer satisfaction and convenience through service integration with Kiraboshi Bank, and to thereby improve the productivity of the Group as a whole. At present, it offers purpose-based loans such as loans for financing education, Doctor loans, and credit card loans, and in the future, it plans to begin offering mortgage loans with strengths in relocating homes and real estate investment loans for funding purchases of rental condominiums.

Strengths of UI Bank

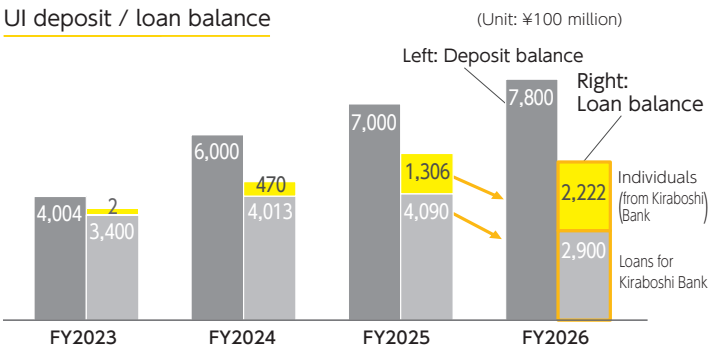
- UI Bank provides services through both face-to-face and non-face-to-face channels as a unified Group by leveraging Kiraboshi Bank offices.
- It collaborates with various partners such as Shinhan Bank to deliver cutting-edge financial and non-financial digital technologies and services.



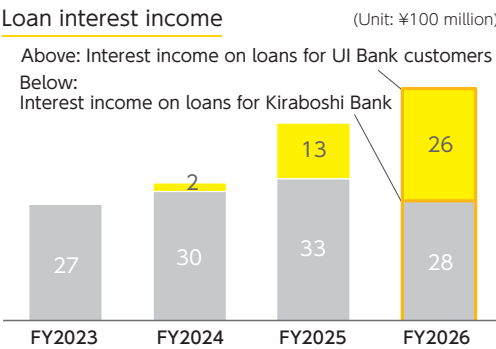
Unique products

- Nursing care loans:** Loans in the form of overdrafts for covering the expenses associated with general nursing care
- Doctor loans:** Loans that allow physicians to borrow as much as ¥100 million to finance education

UI deposit / loan balance



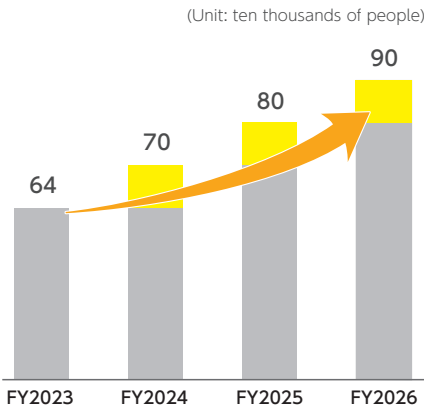
Loan interest income



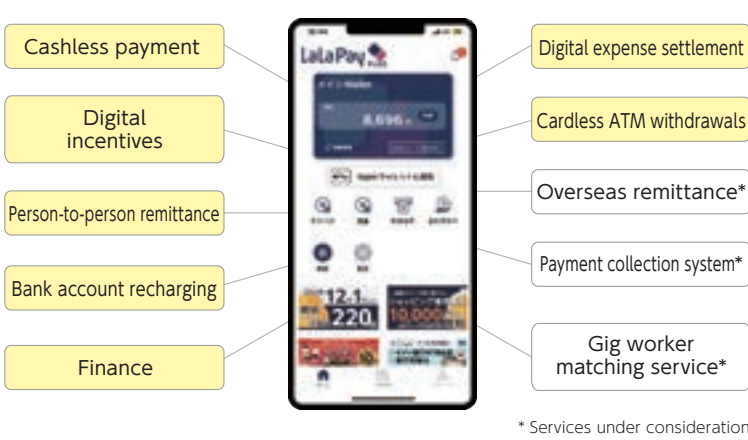
Kiraboshi Tech. Inc.

Kiraboshi Tech's business foundation is based on Fintech services that connect workers and companies through the salary prepayment Maekyu system (salary prepayment service) and wallet service. The Maekyu business was launched in 2004, and is now used by numerous large companies in sectors such as major food and beverages, staffing, logistics, and entertainment. In 2023, Kiraboshi Tech launched the Kiraboshi Digital Payment, a wallet charging service that leverages the shared infrastructure of Maekyu and the wallet service. By using digital money for payments to employees, such as expense reimbursements, we will contribute to the reduction of fund transfer charges and promotion of cashless operations. Kiraboshi Tech is also strengthening cooperation with multiple welfare service providers, and aims to enhance employee satisfaction at companies deploying the system by offering a wide range of convenient services. Going forward, we will aim to increase the number of Maekyu registrants to 900,000 people (by FY2026) and secure a user pool for boosting sales and providing new services. Kiraboshi Tech will pursue stable earnings by developing the Maekyu platform and expanding new services centered on the BtoBtoE area, while also supporting the realization of financial wellness of workers by offering mobile payment platform services for the workplace.

Number of Maekyu registrants



Mobile payment platform services for workplaces



Solutions Business

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

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

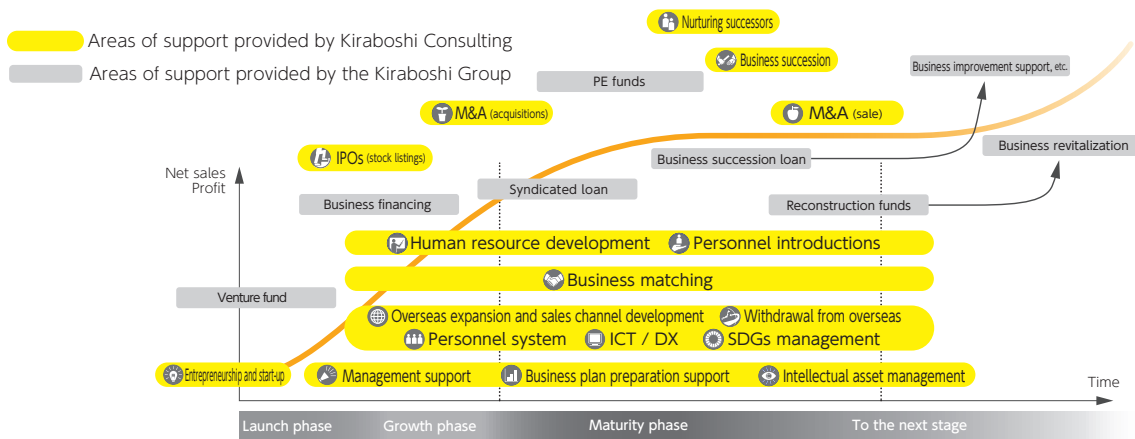
Sales Strategy of Kiraboshi Group / Comprehensive Strength of Group Companies (Solutions Business)

Kiraboshi Consulting Co., Ltd.

Kiraboshi Consulting has put a system in place for providing support to corporate customers at every life stage of their company, from the foundation stage to the business succession stage. It offers various solutions, most notably assistance with the formulation of management strategies and business plans, and also encompasses personnel systems, ICT/DX, SDGs management, factory issue identification and improvement, overseas expansion, and fee-based personnel introductions. In particular, management support focused on the so-called intellectual assets, i.e., the intangible assets that are the source of corporate value, is a service that leverages the Kiraboshi Group's strengths, and is thus utilized by numerous customers.

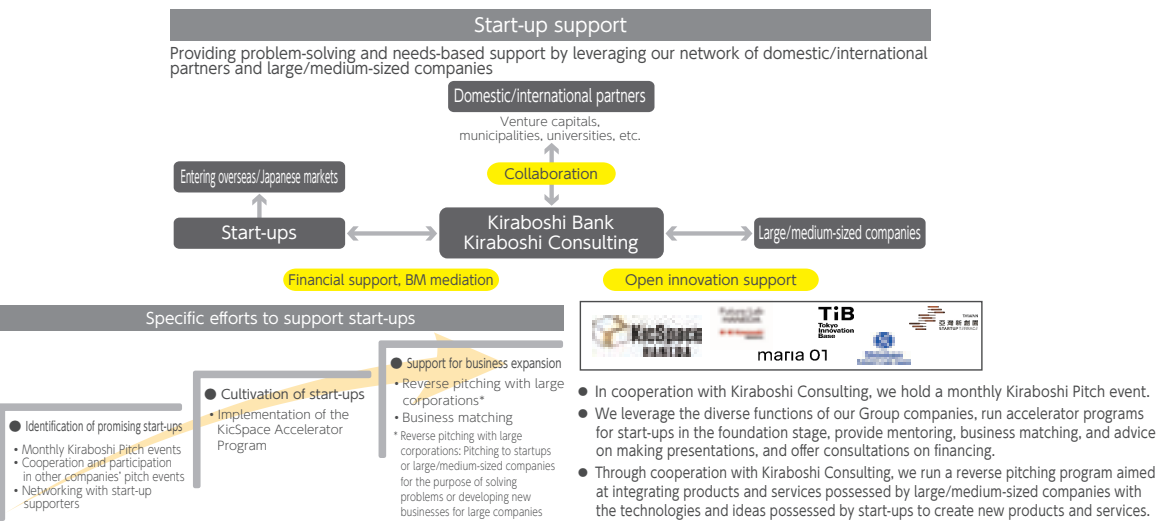
● Characteristics of Kiraboshi Consulting, A Bank-led Consulting Firm

- ① Offers specific advice and support related to customers' business strategies and growth, and recommends financial services as necessary
- ② Provides hub functions for all 22 Group companies, and offers services that address customers' issues and worries to companies of all sizes from start-ups to large enterprises
- ③ Offers customized and sophisticated consulting services by gaining an in-depth understanding of customers' businesses



Start-up support

The Kiraboshi Group has declared "creation of new social values and industries" as a social issue to be addressed, and we work actively in supporting start-ups at every growth stage. We collaborate with the Tokyo Metropolitan Government and other municipalities as well as with experts from inside and outside the Group to provide support with launching and growing businesses, expanding overseas, and for overseas start-ups, expanding into Japan. Specifically, we work on partner introductions that lead to business growth, business matching, organize open innovation programs aimed at collaboration with large corporations, provide equity finance to start-ups at the seed or early stage of their growth, and support overseas start-ups setting up in Japan to establish sales channels.



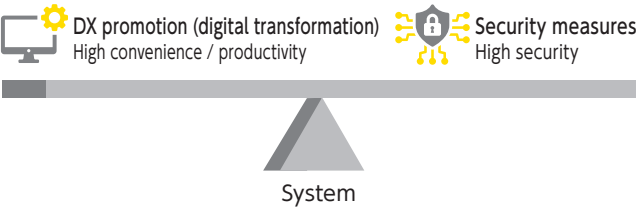
ITC Co., Ltd.

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

Service examples

Security docks (security examinations) (fee-based service)

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



● Synergies in Kiraboshi Group

ITC, which has been in business for 25 years, has a track record of expanding its business outsourcing by responding to customer needs, and it has numerous employees with expert digital skills in areas such as the latest trends, technologies, and security. ITC is planning to increase its employees going forward, and will be expanding the SES business, including by helping the Kiraboshi Group bring outsourced operations in-house. It will also be collaborating with Group companies to provide solutions through ICT/DX consulting centered on security docks.

Back-office-driven Customer Support (Kiraboshi business office service x Kiraboshi JCB)

Against the recent backdrop of human resource shortages and the need to enhance management work efficiency and sophisticate labor management, many customers are perceiving issues with their back-office operations. Kiraboshi business office service cooperates with each Group company to meet various back-office-related needs in areas such as payroll, expense reimbursement, personnel management, talent management, and invoicing administration.

Support examples

Customer's issues

- Large quantities and amounts of expenses needed to be reimbursed.
- Although a reimbursement system had already been implemented, it only has a few functions, and the customer is unsatisfied with it.
- Reimbursements are made from petty cash, making cash management tedious.
- Employees are often late in requesting reimbursements.

Solutions provided by the Kiraboshi Group

- Employees were lent JCB corporate cards (business credit cards)
The business credit cards were set up so that money spent with the cards would be automatically transferred from the account of the employee who used it. If the employees fail to request reimbursements, the money would be taken out of their own accounts, which incentivizes them to avoid forgetting or being late to submit requests.
- Open ordinary deposit accounts at UI Bank to receive expenses
This had the advantage that general bank transfers from Kiraboshi Bank would be free of charge. This helped discontinue the reimbursement of expenses from petty cash and achieved cashless operations.
- Replace the expense reimbursement system
Linking the customer's system with Kiraboshi JCB allowed them to manage employees' spending histories, which the customer felt was a huge benefit.

Sales Strategy of Kiraboshi Group / Comprehensive Strength of Group Companies (Promotion Business / Overseas Business)

Promotion Business / Overseas Business

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

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

Be. Brave, Inc.

Be. Brave is an advertising agency that joined the Kiraboshi Group in July 2022. It offers advertising agency services and provides support with planning, marketing, and promotion. It also produces creative works, assists with IR and communications, plans/produces videos, and plans/develops products. As many of its customers had been working with it for many years before it joined the Kiraboshi Group, Be. Brave and its customers have a deep understanding of each other. This has allowed it to exceed expectations in responding to customers' requests and needs in terms of both speed and value, thereby cultivating a relationship of mutual trust. Leveraging 30 years' worth of insights and know-how, it will strive to deliver optimized solutions to Kiraboshi Group customers.

Services and functions offered by Be. Brave

Advertising agency services, marketing, creative work production, IR, promotion support

Strength in delivering comprehensive solutions and providing side by side support

Example initiatives

Marketing and sales support for Group companies Be. Brave organizes teams designed to tackle the specific issues faced by each Group company, and takes part in projects as a member of the relevant department. This allows it to provide support in human resources and sales activities to resolve the companies' medium- to long-term issues.	UI Bank ● Online promotions to encourage the opening of accounts ● Sales support for acquiring opening of new accounts Kiraboshi Tech ● Maekyu sales support ● Sales support for digital payments
In-house agency functions Be. Brave focuses on internal promotions and branding for the Group as a whole, and cooperates with Public Relations departments to provide support in areas such as advertisement production, branding planning, and event production activities.	Tokyo Kiraboshi FG ● Giving our all, for TOKYO. Advertising agency services Kiraboshi Bank ● Support with production of various sponsored events (sports sponsorship, exhibitions, etc.)
Advertising and sales promotion support for the Kiraboshi Group's business partners Be. Brave cooperates with Kiraboshi Bank's sales offices to provide advertising and sales promotion services to their business partners. Depending on the customer's needs, it also cooperates with other Group companies to provide comprehensive solutions to their issues.	Business partners of sales offices ● TV commercial production, event production, promotion design, etc.

Overseas Network Connecting Tokyo with the World

- Kiraboshi Bank has offices in China, Vietnam, and Thailand, and provides total support for the Asian operations of business partners. This includes support with expanding overseas, collaborating with overseas companies, and withdrawing from overseas markets.
- We cooperate with overseas partners such as Asian financial institutions, most notably the Shinhan Financial Group, as well as overseas funds that invest in limited partnerships (LPs). We provide support with accessing local financial services, business matching with Asian companies, and creating new businesses both domestically and internationally.

Support with overseas offices and partner institutions

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

StarBridge business consulting (Beijing) Co., Ltd.
(local consulting subsidiary in Beijing, China)
* Joint venture with Zhaotai Group of China

Kiraboshi Business Consulting Shanghai Co., Ltd.
(local consulting subsidiary in Shanghai, China)

KIRABOSHI BUSINESS CONSULTING VIETNAM COMPANY LIMITED
(local consulting subsidiary in Vietnam)

Northern Europe

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

East Asia

- Joint support for start-ups with Shinhan Bank
- Invested in a venture fund in China
- Invested in a Japan-Korea venture fund

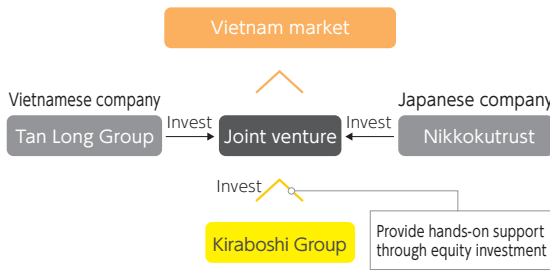
Southeast Asia

- Alliance with Tan Long Group in Vietnam
- Alliance with Nissin Electric
- Invested in local funds in Singapore

■ Kiraboshi Group offices
● Overseas initiatives

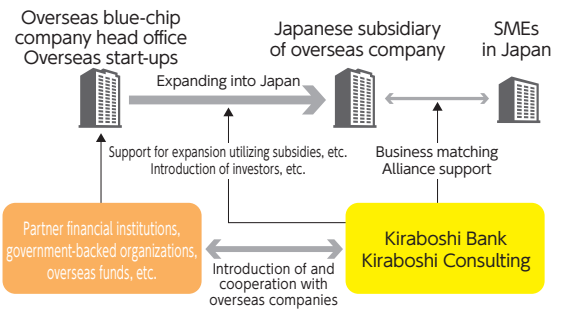
Market-orientated support for overseas expansion

The Kiraboshi Group serves as a bridge between Japanese and Southeast Asian companies, and by introducing Japanese firms to Southeast Asian ones with matching needs, we support the creation of new businesses. In October 2023, the Kiraboshi Group decided to invest in a joint venture between NikkokuTrust, a provider of school lunch business in Japan, and major Vietnamese company Tan Long Group, which is aiming to develop and advance the school lunch sector in Vietnam. The Kiraboshi Group acted as a mediator between Tan Long Group, which aims to develop and advance Vietnam's school lunch sector, and NikkokuTrust, and guided the two companies toward an agreement on establishing the joint venture. By also making an equity investment in the joint venture ourselves, we will be providing ongoing hands-on support for its growth.



Overseas companies and start-ups supported for expansion to Tokyo

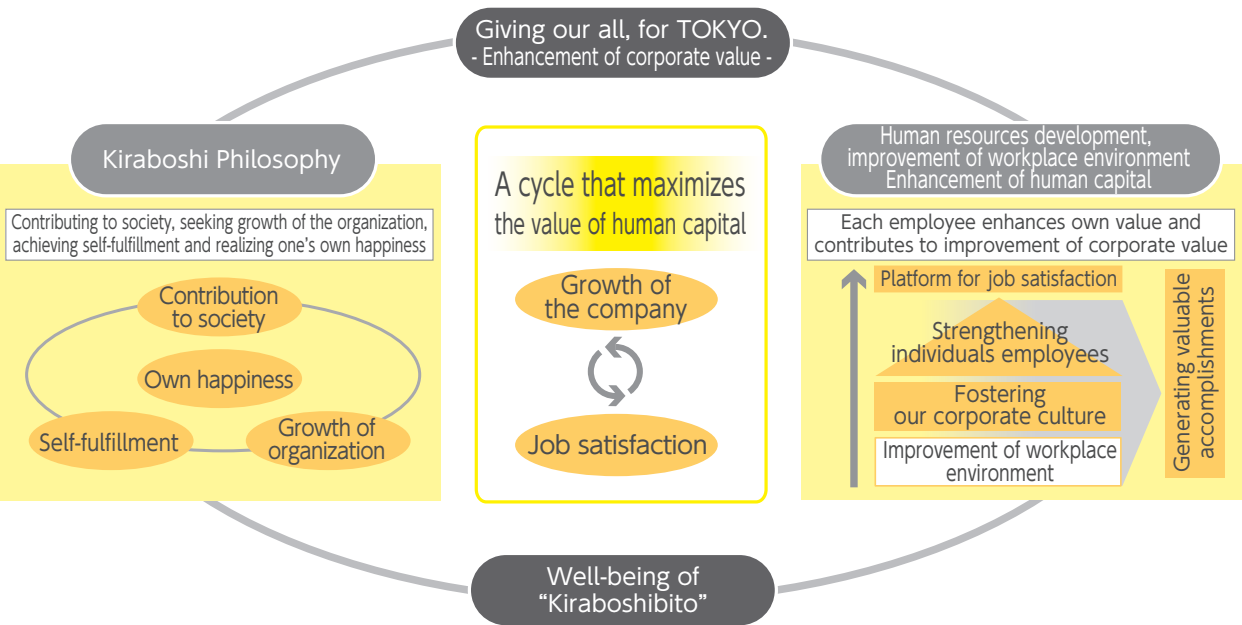
Our overseas partners introduce us to overseas blue-chip companies and start-ups. We support such companies in expanding into Tokyo by utilizing subsidies and other measures. We are also working to expand our network and to attract companies to Tokyo. For instance, we exhibited jointly with the Tokyo Metropolitan Government at SLUSH, Europe's biggest start-up event. Looking ahead, we will continue to leverage the comprehensive strength and network of the Kiraboshi Group to link overseas companies that are expanding into Tokyo with Japanese SMEs, thereby supporting the creation of new businesses by these SMEs.



Human Capital Management

Well-Being and Human Capital Management

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



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

Human Capital Management

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

Well-being at Kiraboshi

At the Kiraboshi Group, we define well-being as “an all-inclusive concept that encompasses engagement, health and productivity management, etc., and refers to multifaceted happiness, i.e., a situation in which people can enjoy fulfilled lives not only in terms of their work, but also with respect to factors including family, health, money.” To realize the well-being of employees, which is the starting point for increasing our corporate value, we conduct an annual survey to visualize the well-being of each employee, and aim to increase it every fiscal year.

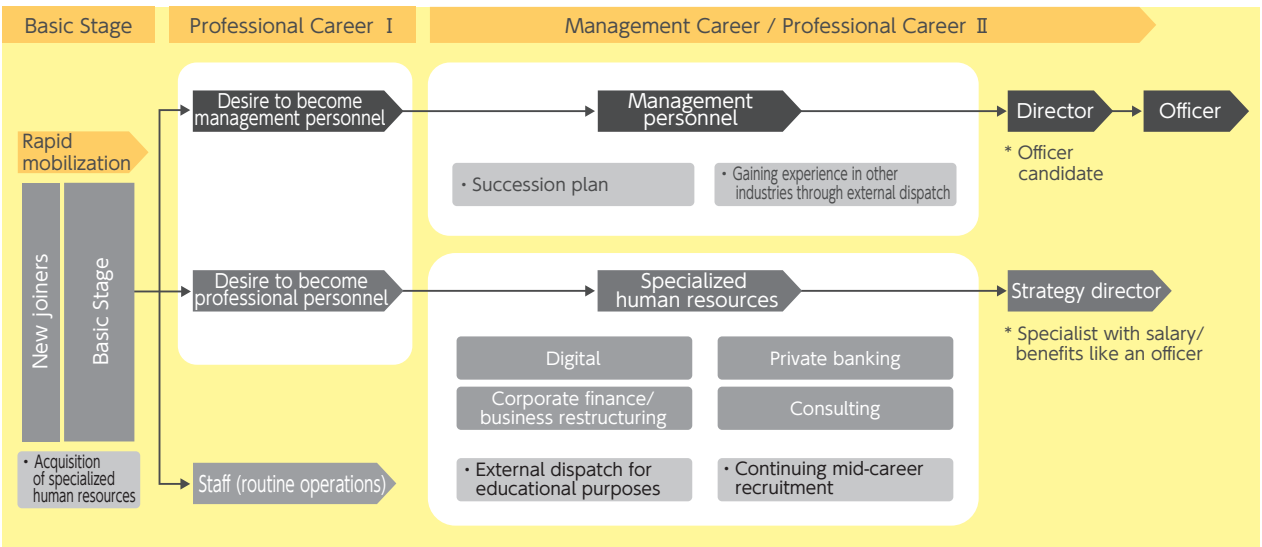
With reference to the elements that comprise PERMA, a framework for the realization of well-being, we selected questions from the survey that should be given particular emphasis, and set them as KPIs in our Medium-Term Business Plan.

P	Positive Emotion	Positive emotion	State of feeling positive emotions when working
E	Engagement	Voluntary connection, flow, and immersion	State of being completely concentrated in the work in front of one
R	Relationships	Relationship with colleagues	State of enjoying friendly relationships with others in the workplace and being able to say that one is in a psychologically safe zone
M	Meaning	Attachment of significance and meaning	State of being cognizant of the meaning of one's work
A	Accomplishment	Sense of accomplishment and mastery	State of working toward targets and feeling a sense of growth

Initiatives for Strengthening Individuals

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

Personnel system and strengthening individuals



Human-capital-related indicators and KPIs

Indicators	FY2023 (actual)	FY2026 (targets)
Specialized human resources*	836	1,300
Of which, digital human resources	360	660
Investment in human resource development	¥0.33 billion	¥0.64 billion

* Refers to human resources specialized in one of four fields: digital, private banking, corporate finance, and consulting

Acquisition of specialized human resources

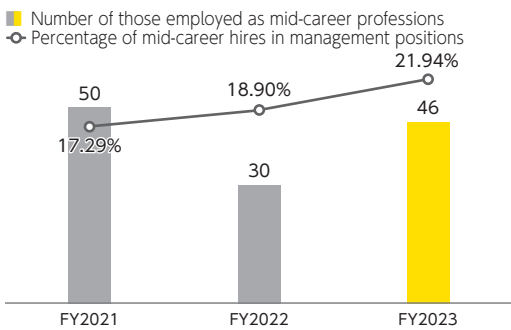
Starting with new graduate recruits joining in FY2025, we will be offering a new digital career path, and begin recruiting on a path-specific basis.

In addition, we are strengthening efforts to secure specialized human resources from various backgrounds. We have introduced direct recruiting methods, after clearly defining the human resources we seek, such as Japanese science personnel, digital human resources from overseas universities, and personnel with experience in physical training. We also hire high-school graduates with the potential to become digital human resources.

Employees recruited for the digital career path



Number of mid-career hires and the percentage of mid-career hires in management positions



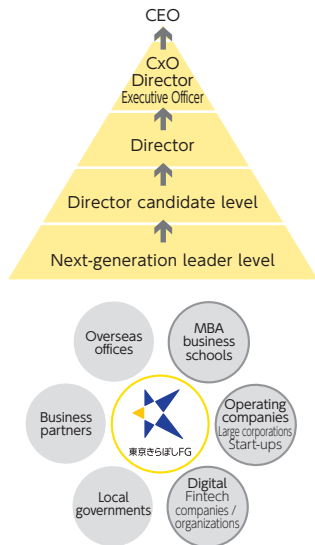
Human Capital Management

● Development of management human resources and specialized human resources

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



Kiraboshi Management School ... 40
Next Leader Program 20



Strengthening external dispatch for education

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

Strengthening of digital human resources

We define digital human resources as "Human resources who can utilize IT and plan, promote, and run operations in the introduction of information systems, and provide new value by making use of cutting-edge digital technologies." We will endeavor to achieve efficiency improvement, labor-saving, and personnel system improvement in existing businesses, strengthening planning and proposal capabilities to develop new services and operations, and building internal systems in-house through a 300-person increase in digital human resources during the period of the current Medium-Term Business Plan.

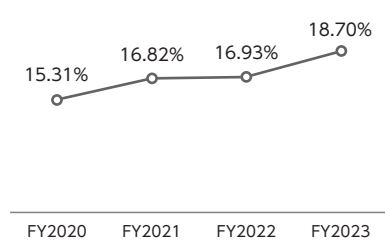
● Diversity and Inclusion

We are promoting vitality within the Company through the acceptance of diverse talent, such as foreign nationals, senior employees, and persons with disabilities. Furthermore, to promote the empowerment of women, we are creating workplaces in which women can play an active role as a matter of course, and pushing ahead with the development of female leaders who can drive us forward, thereby increasing the ratio of female managers.

Diverse human resources

Foreign national human resources	18
Employees aged 65 and over	260
Percentage of employees with disabilities	2.23%

Ratio of female managers



Fostering our corporate culture

We are taking measures to instill and put in practice our Purpose of "Giving our all, for TOKYO," so that all employees will be the embodiment of Kiraboshibito and spur each other on. Our aim is to foster a culture in which diverse colleagues respect each other with a climate of mutual encouragement and a spirit of altruism.

● A Hospitality Mindset

Fostering a hospitality mindset as an essential attribute of Kiraboshibito

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

Measures for promoting a hospitality mindset

Held HM improvement training	224
External HM branch visit surveys	3 times
Mutual monitoring by employees	Good: 85% Bad: 15%

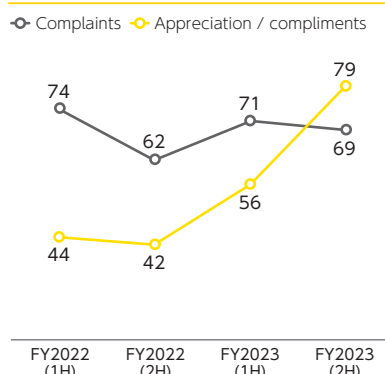
[HM improvement training]



Initiatives for promoting a hospitality mindset through videos



Complaints / appreciation / compliments with respect to customer interaction



● "Giving Our All Project" Involving All Group Companies

"Giving our all, for TOKYO." Projects in departments and branches

To put in practice our "Giving our all, for TOKYO," all Kiraboshi Bank departments and branches and each Group company considered how they can contribute to resolving the issues of the local communities, produced written plans, and successfully executed them. After one year of activities, we looked back on the initiatives of each department and branch, and organized our findings in the form of a report, which we shared with all departments, branches and companies. We also presented awards to departments and branches that had achieved excellence with their initiatives.

[Award ceremony]



[Example initiatives]

- Held financial seminars at universities, companies, etc.
- Held courses on how to utilize smartphones safely and conveniently, in cooperation with the municipal government and police station
- Became the first bank in the municipality to be certified as an "SDGs Partner Company," and displayed products and works from other SDGs Partner Companies in branches
- Organized a managers' meet-up for local second- and third-generation company presidents
- Installed flower beds at branches with a policy of "Branches filled with flowers and greenery," and entered them into a competition



Maintenance of a positive working environment

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

● Health and Productivity Management / Financial Wellness

We are working to encourage both male and female employees to take childcare leave, and are developing flextime and remote work systems, based on our policy on maintenance of a positive internal environment by "constantly seeking to create a positive working environment to enhance the job satisfaction of each and every employee." In addition, as measures for increasing financial wellness among employees, we have increased the rate of incentive grants for the employee stock ownership plan, and have begun granting restricted stock. Through these measures, we aim to help employees feel not only physically and mentally healthy, but also feel secure in terms of their future financial security, and to improve corporate value creation and productivity.

Physical and mental health

Held a sleep quality improvement program with the aim of enhancing employees' sleep
Seminar participants: 49 One-month improvement program participants: 32

Organizational health

Officially introduced flextime and teleworking systems
Introduced an annual leave accumulation system for part-timers



● Human Rights Policy

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

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

- We do not invest in or finance companies or projects that have a negative impact on human rights
- Human rights awareness activities targeting all employees
- Prevention of sexual and power harassment

Interview “Towards Strengthening Group Governance”

Creating an environment where employees can work to their fullest potential

We spoke with an outside director and an outside Audit & Supervisory Board member regarding the governance system required for the sustainable growth of Tokyo Kiraboshi Financial Group (Tokyo Kiraboshi FG).

Shuya Nomura

Outside Director, Tokyo Kiraboshi Financial Group, Inc.

Increasing business metabolism through both defensive and offensive governance

—With the Tokyo Stock Exchange urging listed firms to manage their business that is conscious of cost of capital, the market is focusing on the improvement of corporate value. What do you think is the relationship between corporate governance and improving corporate value?

Nomura We have to keep in mind that corporate governance is simply a means to improve corporate value. If enhancing governance becomes an end in itself, it could lead to a major pitfall. This is the starting point. With that in mind, there are two main perspectives to consider when explaining the relationship with corporate value.

The first is to prevent downside risk. For example, if a misconduct occurs, we will have to focus on restoring trust even if it means recording an extraordinary loss. In other words, we will have to spend a lot of money, which is a negative action in terms of profits, and

Kayo Todo

Outside Audit & Supervisory Board Member, Tokyo Kiraboshi Financial Group, Inc.

therefore this must be prevented. The other is to actively support corporate profits, which is very important. In today's rapidly changing times, business models also become obsolete at an accelerated pace. We need to be ready to scrap unprofitable businesses without hesitation and take on challenges in new businesses. Properly supporting those who take on new ventures will also increase corporate value.

Todo As Mr. Nomura explained, increasing business metabolism and growing sustainably from both defensive and offensive perspectives of governance lead to improvement of corporate value. Tokyo Kiraboshi FG has long employed Outside Directors and Audit & Supervisory Board members in an effort to incorporate external insights into its governance. I feel that the awareness of executive officers has also changed as a result of us participating in the monthly board meetings as external members. The Group has actively sought to incorporate outside opinions to enhance its governance, and as a result, I believe the functions of the board have improved considerably over the past ten years or so.

Nomura What's important is to have a practical system with substance. Generally, Japanese firms tend to pride themselves on appointing more than one-third of their board members from outside directors. However, a discussion of how exactly this leads to an increase in corporate value is often lacking. “Substantializing corporate governance” is a keyword that often comes up in the context of reforms to the Stewardship Code for institutional investors. External parties are keeping a close eye on whether the system is truly functioning.

Breaking away from a banking-focused mindset

—Please share your views on the favorable changes and remaining issues in Tokyo Kiraboshi FG's governance structure.

Todo I believe all our officers show a consistent commitment to emphasizing governance when it comes to management. In particular, with regard to risk management, we have created regulations and put in place a system, and we are almost ready to take a solid approach. As their effectiveness will be tested from this point on, I believe it is crucial to steadily implement and upgrade our measures. While the number of Group companies is growing, we have only just begun discussions about how we should develop our business as a Group, analyzing the strengths and weaknesses of each company and considering synergy effects. I believe we need to reaffirm that this is the role of Tokyo Kiraboshi FG, and create opportunities and set aside time for deepening these discussions.

Nomura Many companies have joined Tokyo Kiraboshi FG, including those from different industries and unique businesses. From a customer-oriented standpoint, this direction itself is not wrong. The Financial Services Agency is expecting this trend and has amended the law, and we are taking action in accordance with this reform. As such, it could be said that it is a desirable direction. However, there are some points that require attention from the perspective of governance during this process. One is the increased risk of a misconduct occurring somewhere beyond our sight. Another is the issue of conglomerate discount. The more a company's business diversifies, the less investors can see its intrinsic value, which increases the risk of stock valuations falling. With regard to the latter in particular, it is important to show in figures as well that synergies are being fully demonstrated.

Todo While we have prepared many strengths in providing solutions, at present, each company that joined the Group is still in the stage of independent operation. Our task going forward is to formulate strategies to efficiently deliver value using these strengths.

Nomura On top of that, I think it is also our challenge to break away from a banking-focused mindset. In traditional banking, providing solutions is often seen as a free add-on service for attracting deposits and loans. Instead, we must establish our business in a structure that allows us to earn fees by providing the solutions themselves.

The more half-hearted governance is implemented, the more conservative management becomes

—Current Medium-Term Business Plan states that the Group will increase corporate value by further improvement of its governance structure. Could you please tell us what specifically is the “improvement” of the structure, and the efforts you are making to achieve it?

Todo The basis is to establish a system that Tokyo Kiraboshi FG takes the lead in overseeing and managing the Group companies as a whole. We need to restructure both our workforce and organization, and this task requires a broad perspective. The background to this is our concern that the initiatives of each Group company may be falling into partial optimization. To demonstrate synergies as a Group, it is crucial to check for overlaps and redundancy, and devise strategies that create synergistic effects.

Nomura For example, if the management systems of Tokyo Kiraboshi FG and Kiraboshi Bank were unified, then when discussing a Group company, UI Bank, we might consider strategies from the perspective centered on the Kiraboshi Bank, which could result in business opportunities being overlooked. We should always aim for a system that allows us to achieve overall optimization as a Group. It is generally believed that the more half-hearted governance is implemented, the more conservative management becomes. If management has to keep checking the progress each time they step on the gas, it would be just like driving with the engine brake applied, and we cannot succeed like that in such a fast-paced world. What's important is that

we provide an environment where the person stepping on the gas can stay focused on the task. Two factors are required to achieve this: a reliable navigator and the reassurance that the brakes will work without fail in a dangerous situation. The status of Board of Directors being described as “separation of executive and supervisory functions” is essentially based on the premise of mutual trust in governance.

Todo A sense of speed is indeed important. Personally, I think one direction for the management system would be to eventually dissolve the dual role of holding company and Kiraboshi Bank, and transform into a company with committees, with Tokyo Kiraboshi FG focusing on the governance of Group companies and each Group company focusing on execution.

Nomura We have not reached a conclusion on the appropriate governance structure yet, but it is certain that the time has come to move the discussion forward. Tokyo Kiraboshi FG is currently a company with an Audit & Supervisory Board. The outside directors, therefore, only serve as advisors. On the other hand, outside Audit & Supervisory Board members are legally limited to auditing for legal violations, and making recommendations regarding the business model is outside their scope of responsibility. As a result, an air pocket has been created in governance, which runs the risk of allowing management to go out of control. Even if we were to change our organizational structure, what matters most is the actual function. The last thing we want to do is make the situation more complex and cause duplicate efforts.



Kayo Todo Outside Audit & Supervisory Board Member, Tokyo Kiraboshi Financial Group, Inc.



Shuya Nomura Outside Director, Tokyo Kiraboshi Financial Group, Inc.

Interview “Towards Strengthening Group Governance”



Creating a work environment where employees feel comfortable and content

— With the vision for 2030 set by the SDGs in mind, please share your thoughts on what Tokyo Kiraboshi FG should be like, what your expectations are, and how you would like to contribute personally.

Todo With the future vision of becoming a “comprehensive service business that is also strong in finance,” we are required to work to improve profitability at present, but also to find that delicate balance of making quick management decisions and applying the brakes appropriately. This is why it is crucial for top management to engage in a unified effort towards the improvement of governance. I believe that we also need to deepen our discussions on organizational design as soon as possible.

Nomura The first priority issue in corporate governance is the question of who owns the company. Due to negative effects of maximizing shareholder profit, such as short-termism, there has been a recent shift towards achieving long-term profits by building business models that maximize the interests and happiness of all stakeholders. Among the stakeholders, the main players are the employees. If they do not find joy in their work, it will be difficult to make customers happy. The Purpose is essential in creating a workplace where people feel comfortable and fulfilled. To ensure that our newly established Purpose, “Giving our all, for TOKYO,” does not become just a slogan, it is important that it leads to a virtuous cycle of job satisfaction and gratitude from customers, which will also lead to ideas for creating new services. Fortunately, Tokyo Kiraboshi FG is located

in the privileged environment of Tokyo. There are surely still many challenges we can take on.

Todo Tokyo Kiraboshi FG is home to many hardworking and highly skilled people. On the other hand, I also see them feeling anxious about jumping into new things or different worlds. By honing skills in new technologies and methods while building on past knowledge and experience, there will be many opportunities to work in a manner that brings joy to our customers. I would like top management to gently encourage those who are feeling anxious by communicating thoroughly with those on the front-line and building relationships of trust, and then clearly outlining the type of new talent the Group is looking for going forward and the roadmap for achievement. It is important to instill a culture of encouraging small failures as positive challenges rather than chastising them throughout the Group, and I believe it is my role as an outside officer to advocate strongly for it.

Nomura I think what is required of outside directors is the resolve to resign at any time. When we detect any signs of risk to the company, we should be ready to put ourselves on the line and slam on the brakes. The stronger this tension is, the stronger the will of the executive team will be. In a top-down pyramid organization, there is no room for employees to take on challenges. Only when an environment is created in which the top management level takes responsibility and employees are not blamed for making mistakes, we can become a flat organization with merit-based principles. With this concept in mind, I hope to strive for the enhancement of governance by working toward building an organization where everyone can readily take on challenges.

Corporate Governance

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



(Back row from left)					
Yuki Takahashi	Shoji Nishio	Shuya Nomura	Katsuya Tsuboi	Hideki Uchida	Nobuko Inaba
Outside Director	Outside Director	Outside Director	Full-time Audit & Supervisory Board Member	Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member
(Front row from left)					
Takeshi Miura	Hidenori Tsunehisa	Hisanobu Watanabe	Satoru Nobeta	Takeshi Yoshino	
Director Managing Executive Officer	Deputy President	President	Director Senior Managing Executive Officer	Director Managing Executive Officer	

Basic approaches to corporate governance

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

our purpose and management philosophy, we established the Basic Policy on Corporate Governance. In order to put in place the “system that ensures properness of business operations” of the Company and Group companies pursuant to the Companies Act and the Ordinance for Enforcement of the Companies Act, the Board of Directors of the Company has resolved the “Basic Internal Control Policy” and endeavors to improve its effectiveness.



Status of establishment of basic policy and internal control system related to corporate governance
<https://www.tokyo-kiraboshifg.co.jp/about/governance.html>
(Written in Japanese)



Corporate Governance

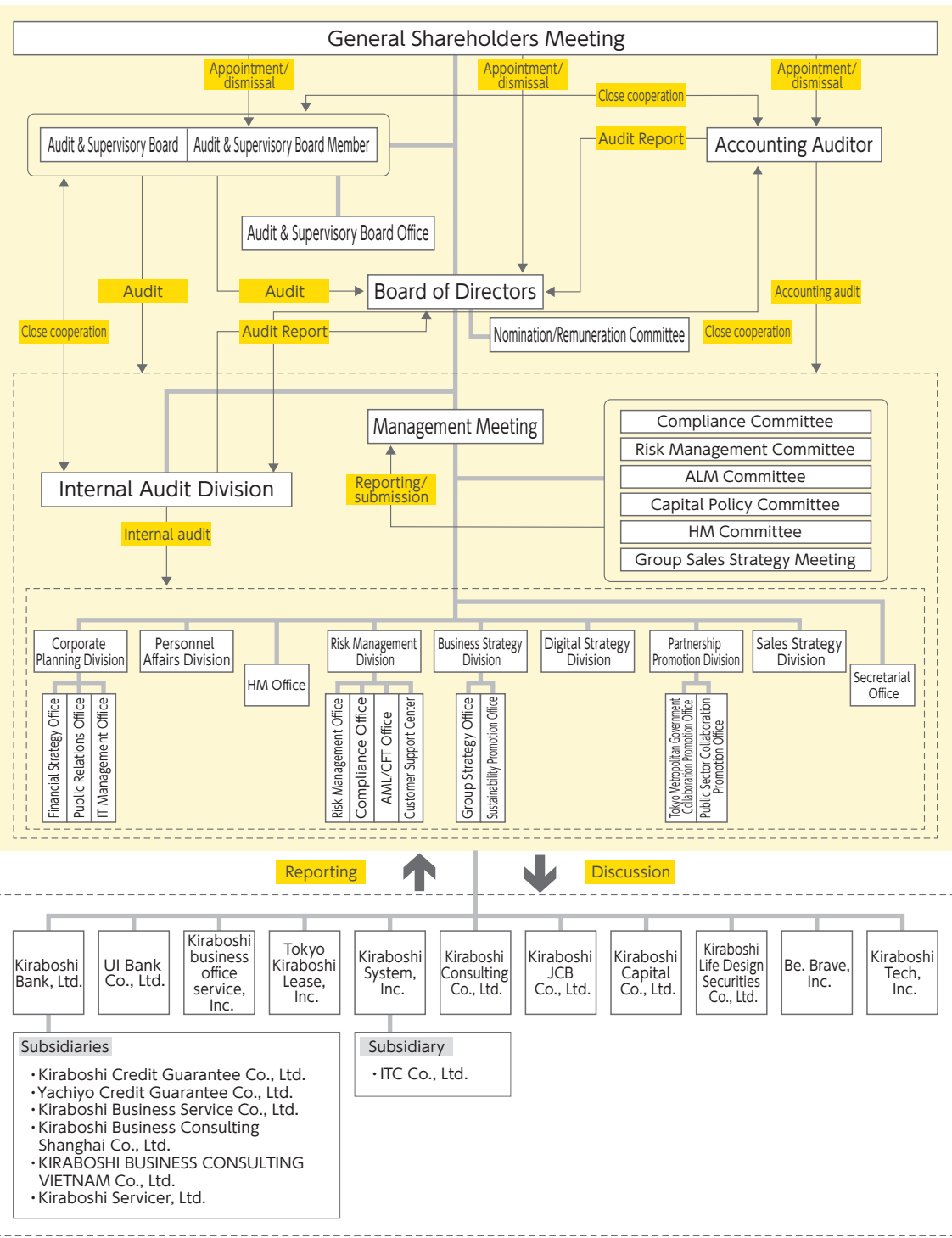
Outline of corporate governance system

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

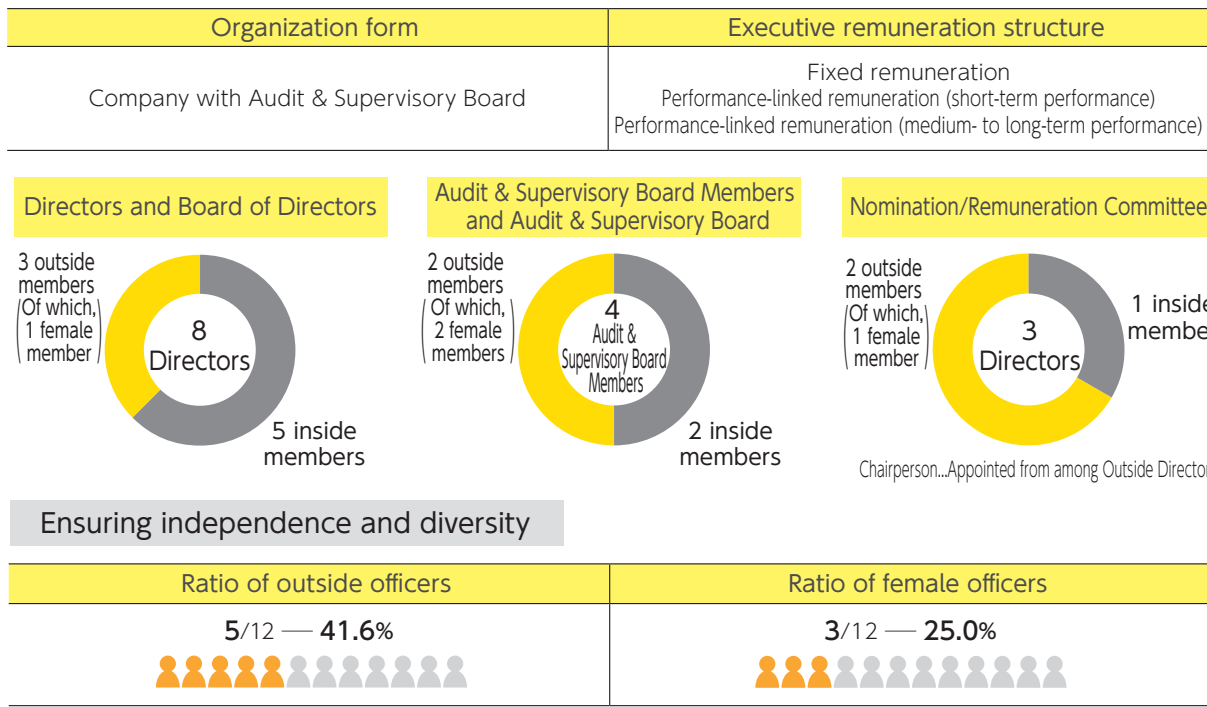
business execution are ensured by effectively utilizing the management supervisory function realized by the appointment of highly independent Outside Directors and Outside Audit & Supervisory Board Members and the audit function performed by Audit & Supervisory Board Members and the Audit & Supervisory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

Chart of corporate governance system

(as of July 1, 2024)



Outline of corporate governance system



Business execution and supervisory function

Directors and Board of Directors

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

Support for Outside Directors

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

Main agendas discussed at the Board of Directors (FY2023)

- Tokyo Kiraboshi Financial Group's consolidated profits plan
- Progress of KGIs and KPIs under the Medium-Term Business Plan
- Results of examination of economic rationality and necessity of cross-shareholdings and status of exercise of voting rights
- Evaluation of the effectiveness of the Board of Directors
- Disclosures based on TCFD recommendations
- "Human resource development policy" and "policy on maintenance of a positive internal environment"
- Introduce Shareholding Association RS and revisions to the Employee Shareholding Association System
- Revisions to AML/CFT regulations and status of establishment of system
- Group Risk Assessment and KRI for FY2024
- Approval of the internal audit plan
- Introduction of a branch company system
- Establishment of "Giving our all, for TOKYO." as the Group's purpose and formulation of the Medium-Term Business Plan

Corporate Governance

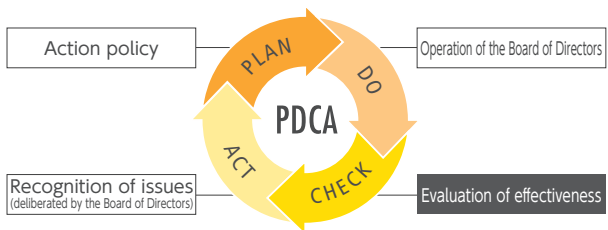
Evaluation of the effectiveness of the Board of Directors

The Company conducts self-evaluation on the effectiveness of the Board of Directors as well as evaluation which involves and obtains advice from third party organizations, with the aim of improving functions of the Board of Directors and increasing corporate value. We conduct questionnaire surveys as well as individual interviews by third-party organizations of all Directors and Audit & Supervisory Board Members who are members of the Board of Directors in regard to the composition, operation, discussion, monitoring functions, etc. of the Board of Directors, and the Nomination/Remuneration Committee, and the Board of Directors holds discussions and conducts evaluation based on the results of analysis by third party organizations. In addition, officers submit their questionnaire results directly to third-party organizations in order to ensure anonymity.

In FY2023, the results of the questionnaire and interviews indicate that the Board of Directors was generally able to secure its effectiveness as a whole, and the issues identified in previous effectiveness evaluations, such as “narrowing down of agenda items” and “reduction of time required for explanations thanks to the enhancement of advance explanations” at meetings of the Board of Directors, were improved. Meanwhile, the Board of Directors needs to have more essential discussions than before, and in order to “ensure sufficient time to deliberate important agenda items (group strategy, DX strategy, sustainability initiatives, etc.)” we will set important agenda items in advance in an annual agenda schedule, clarify management issues and invigorate discussions to resolve such issues, and thereby work to further improve effectiveness and strengthen governance.

FY2024 action policy to promote essential discussions

- Ensure sufficient time to deliberate important agenda items (Group strategy, DX strategy, sustainability initiatives, etc.)



Nomination/Remuneration Committee

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

Management Meeting

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

Committees

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

Group Sales Strategy Meeting

The Group Sales Strategy Meeting is established under the Management Meeting to ascertain the progress status of profit plans of the Group's sales departments, as well as to discuss various measures and actions related to important sales strategies that contribute to profitability improvement and to strengthen sales capabilities to improve business performance. The Meeting is held regularly and at any time whenever the need arises in accordance with its rules.

Group Management System

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

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

Approach to appointment of Directors and Audit & Supervisory Board Members

Directors

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

Audit & Supervisory Board Members

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

Reasons for appointment of outside officers

Name	Reasons for appointment
Yuki Takahashi, Outside Director	Ms. Yuki Takahashi serves as a corporate manager of a housekeeping services provider, and due to her wealth of experience, including regarding the promotion of women's participation and advancement in the workplace, lifestyle reform and creation of new businesses, she also holds key positions at various organizations. The Group has concluded that her knowledge can be reflected to improve the Group's products and services, and therefore she has been appointed as Outside Director.
Shoji Nishio, Outside Director	Mr. Shoji Nishio previously served as Managing Director, General Manager of SMEs Regeneration Assistance Division and General Manager of SMEs Division at The Tokyo Chamber of Commerce and Industry. He has a wealth of experience in management consultation, regeneration assistance, business succession, etc. for small and medium enterprises. The Group has concluded that his knowledge can be utilized in business management support to the Group's transaction partners and for measures to improve services, and therefore he has been appointed as Outside Director.
Shuya Nomura, Outside Director	Mr. Shuya Nomura has specialized knowledge as a professor of a graduate school and also engages in corporate legal affairs as an attorney. As he also held a number of various positions in public service, and possesses extensive insight and abundant experience. The Group has concluded that his knowledge can be utilized for the overall management of the Group, and therefore he has been appointed as Outside Director.
Nobuko Inaba, Outside Audit & Supervisory Board Member	As the Group expects Ms. Nobuko Inaba to reflect her advanced expertise as a certified public accountant and a wealth of insight into management as a corporate manager in the auditing structure of the Group, she has been appointed as Outside Audit & Supervisory Board Member.
Kayo Todo, Outside Audit & Supervisory Board Member	Ms. Kayo Todo has been performing her duties as a partner of a law office. As the Group expects her to conduct objective and neutral audits on legality of management execution, etc. from her professional perspective as an attorney-at-law, she has been appointed as Outside Audit & Supervisory Board Member.

Skill matrix of Directors and Audit & Supervisory Board Members

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

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

● Internal Officers

Name	Position at the Company	Skill category							
		Corporate management	Sales/Marketing	Risk management/Compliance	Finance/Accounting	IT/Systems/DX	Sustainability	Human resource strategy	Markets
Hisanobu Watanabe	President	●	●	●	●	●	●	●	
Hidenori Tsunehisa	Deputy President	●	●		●	●	●	●	●
Satoru Nobeta	Director Senior Managing Executive Officer	●		●	●	●			●
Takeshi Miura	Director Managing Executive Officer	●			●	●		●	●
Takeshi Yoshino	Director Managing Executive Officer	●	●		●				
Katsuya Tsuboi	Full-time Audit & Supervisory Board Member	●		●	●				●
Hideki Uchida	Audit & Supervisory Board Member	●						●	

● Outside Officers

Name	Position at the Company	Skill category							
		Corporate management	Local economy/Government	Legal affairs	Finance/Accounting	IT/Systems/DX	Sustainability	Human resource strategy	Markets
Yuki Takahashi	Director (Outside Director)	●				●		●	
Shoji Nishio	Director (Outside Director)	●	●				●	●	
Shuya Nomura	Director (Outside Director)	●	●	●	●		●		
Nobuko Inaba	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	●			●				●
Kayo Todo	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	●		●					

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

Audit and supervisory functions

Audit & Supervisory Board Members and Audit & Supervisory Board

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

Corporate Governance

Officer remuneration structure

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

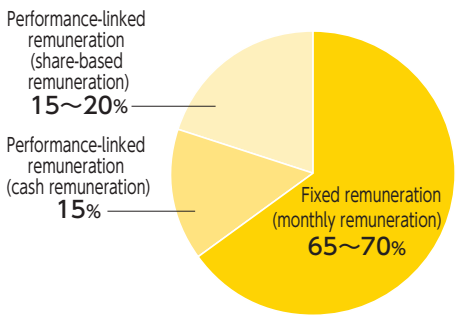
structured to be made up as follows with fixed remuneration (monthly remuneration) as base remuneration, in addition to a combination of cash remuneration which is linked with short-term business performance, etc. and share -based remuneration using a board benefit trust linked with medium- to long-term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

Types of remuneration

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

*Outside Directors only receive monthly remuneration.

Rough percentages of remuneration



Details of remuneration

● Performance-linked remuneration (cash remuneration)

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

● Performance-linked remuneration (share-based remuneration)

We have introduced a share-based remuneration system utilizing board benefit trust as non-monetary remuneration. We calculate the number of points to be granted by using the multiplying factor determined according to the degree of achievement of performance targets, based on the

base amount predetermined for each job rank and closing price of the Company's shares on March 31, 2021. Then the Nomination/Remuneration Committee discusses the calculation result. The Board of Directors decides the number of points to be granted upon deliberation based on the result of the discussion, and then a certain number of shares of the Company's stock equivalent to the number of such points will be delivered. The indices linked with business performance have been set as (i) Kiraboshi Bank's overhead ratio (OHR) and (ii) the Company's return on equity (ROE) for the relevant period subject to evaluation. The timing for receiving the delivery of shares of the Company's stock equivalent to the number of points granted shall be from on or after each date on which points are granted (which, as a general rule, occurs every fiscal year), and within a certain period of time (as a general rule, within the same fiscal year as the date on which points are granted), and we impose transfer restrictions on the shares until retirement.

Audit & Supervisory Board Members

Audit & Supervisory Board Members only receive monthly remuneration, and are not subject to the performance-linked remuneration system from the perspective of ensuring the neutrality and independence of Audit & Supervisory Board Members.

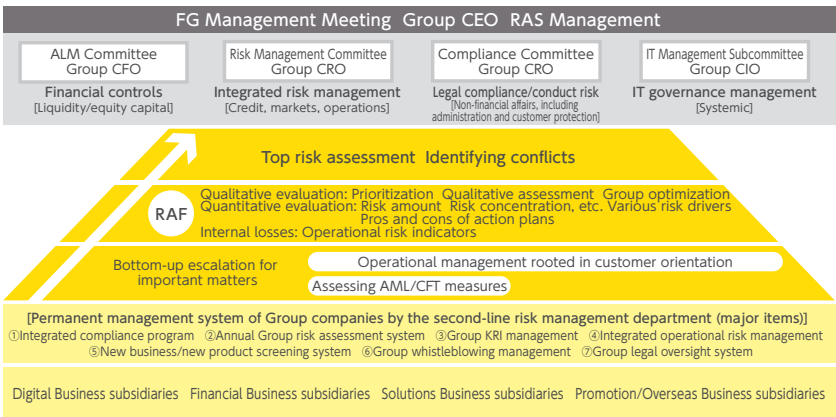
Risk governance system

Basic approach

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

Top risk management

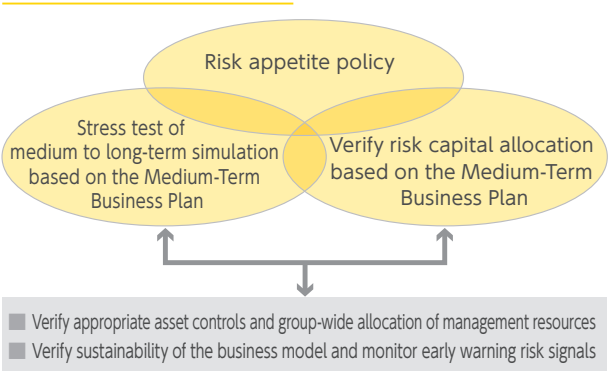
We have identified top risks, aiming to recognize and address risks that could have a significant impact on the management of the Group when various risk scenarios emerge in the execution of our Medium-Term Business Plan. Top risks are evaluated and reviewed at least once a year, and if there is a possibility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



Risk Appetite Framework

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

Construction of overall RAF



Crisis management

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

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

Initiatives Aimed at Risk Management / Compliance

<Initiatives Aimed at Risk Management>

Message from the Risk Management Officer

The Kiraboshi Group has made “Giving our all, for TOKYO.” its purpose and launched a new Medium-Term Business Plan. The risk management department’s role is becoming increasingly important in order to provide sustainable comprehensive services as a regional financial group supporting active economic activity in the Tokyo metropolitan area. We recognize that it is essential for the sustainable management of the Kiraboshi Group that business strategies for implementing management strategies are determined based on in-depth discussions by the Management Meeting and Board of Directors, by whether they are in line with customers’ real needs and whether they fully understand the impact and risks to the Kiraboshi Group.

The Tokyo Kiraboshi Financial Group will take the lead in strengthening management and supervision, aiming to bolster integrated risk management system initiatives on a Group-wide basis. We are working to establish an effective management system for financial risk, operational risk, and compliance, and to create an organizational structure that enables management to correctly identify where the risks lie and provide appropriate and leading direction and supervision based on in-depth discussions.

In terms of the effectiveness and efficiency of AML/CFT countermeasures, based on our ongoing management system and an understanding of current social conditions and predicate offences, we will take the initiative at the management level in a timely and appropriate manner to ensure that the Kiraboshi Group’s countermeasures are functioning effectively.

We will push ahead with the digitalization of operations to ensure overall risk and compliance management. We will work to enhance the sophistication of risk management for the entire Kiraboshi Group by improving accuracy, speed, and comprehensiveness through systemization to detect risks at an early stage.



Satoru Nobeta
Tokyo Kiraboshi Financial Group, Inc.
Director Senior Managing Executive Officer and Group CRO

Risk/Compliance system

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

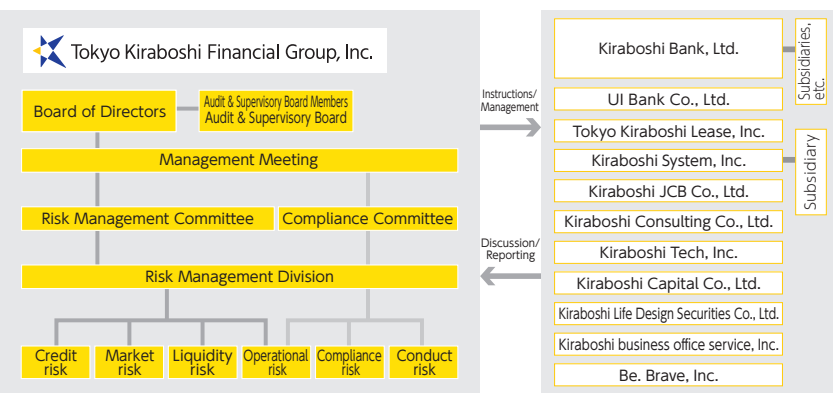
- Strengthen sustainable profitability by transforming the income structure, enhance capital through strategic financial controls, and achieve optimal allocation of management resources

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

Group Basic Policy for Risk Management

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

Chart of risk management system



Establishment of Group risk management system

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

- (Annual) • compliance program, Group Risk Assessment, RCSA assessment based on own scenarios
- (Semi-annual) • operational risk monitoring plan and verifications
- (Quarterly) • KRI (Key Risk Indicator) planning and verifications

Integrated risk management

Integrated risk management within the Kiraboshi Group means to manage the risk in the Group as a whole, by integrating the management of various risks held by the Group companies, comprehensively identifying risks specific to the group system that individual Group companies alone cannot deal with, such as the spread of risk within the Group, and comparing the risk with the financial capability (net assets) of the entire Group. The Kiraboshi Group estimates the maximum potential loss involving credit risk, market risk, and operational risk based on the measured amount of risk. Then, in order to use limited capital effectively, the Group allocates risk capital by using core capital as allocation source and compares the capital with the actual amount of risk to confirm that the Group has not taken excessive risks in comparison with its financial capabilities, thereby maintaining and ensuring the soundness of management.

Credit risk management

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

The Kiraboshi Group strives to maintain the soundness of its credit portfolio by avoiding concentration risk through such measure as keeping the percentage of credit in the total amount of credit below a certain level for large concentration risk that an excessive amount of credit is made available to a specific party or for industry concentration risk that credit is concentrated to a specific industry.

Market risk management

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

The Kiraboshi Group controls the amount of market risk to avoid becoming excessive through such measures as setting limits for holdings and losses, monitoring the status of compliance, measuring the amount of risk such as VaR, and comparing it with the allocated risk capital.

In addition, the Kiraboshi Group evaluates market risk comprehensively using the stress scenarios that reflect events that could have a significant impact on the Group or other means.

Liquidity risk management

Liquidity risk is the risk of incurring losses caused by difficulty in securing the necessary funds or being forced to raise funds at a significantly higher interest rate than usual due to a mismatch between investment and funding periods or an unexpected outflow of funds (cash flow risk), and the risk of incurring losses caused by inability to trade in the market or being forced to trade at a significantly unfavorable price than usual due to market turmoil or other factor (market liquidity risk).

The Kiraboshi Group takes every possible measure to manage liquidity risk through such measures as appropriately managing the status of fund investment and procurement, maintaining stable funding, and holding above a certain amount of assets that can be liquidated in a short period of time as current assets.

Operational risk management

Operational risk is a wide range of risks pertaining to business operations in general, including the risk of incurring losses caused by business processes, improper activities by officers and employees or improper systems, or external events.

The Kiraboshi Group categorizes the operational risk according to its characteristics into administrative risk, system risk, legal risk, or other risk. The Group has designated a division with overall responsibility for risk management and divisions responsible for each risk, and puts in place a risk management system that covers business operations in general.

Compliance risk

Compliance risk is the risk of incurring severe damage such as the loss of Kiraboshi Group’s social confidence due to failure to comply with laws and regulations or “codes” such as the Group’s management philosophy and policy, and regulations. The Kiraboshi Group has established a compliance program, and the management team takes the lead

in an effort to prevent the occurrence and recurrence of actual risks and potential risks by taking steps such as disseminating and providing education on compliance matters required for appropriate business operation, and monitoring and controlling the status of establishment and implementation.

Conduct risk

Conduct risk is a risk where an officer or employee acts contrary to social norms, acts in violation of trade practices or market practices, or acts in a way that is detrimental from the perspective of users, and customers are inconvenienced, fairness of the market is harmed, or the reputation of the financial institution itself is harmed as a result.

The Kiraboshi Group acts in compliance with not only laws, regulations and internal rules, etc., but also in compliance with the Kiraboshi Group’s philosophy and action guidelines.

Initiatives Aimed at Risk Management / Compliance

Cyber risks

Risks of information system outages, malfunctions, and external leaks, etc. are increasing due to cyberattacks which have become increasingly advanced and sophisticated over the years. The Kiraboshi Group aims to provide highly convenient and secure services to customers by working on cyber security measures to ensure system safety and promoting financial services utilizing digital technology. The Kiraboshi Group considers cyber risk as one of the top priority issue in management, and has appointed a Group CIO (Group Chief Information Officer) and has assigned persons in charge cybersecurity to the Risk Management Division, in order to strengthen cyber security measures against cyberattacks. To prepare for cyberattacks, we are working to continuously strengthen the Group management structure through efforts such as sharing of information with external bodies, collection of information related to trends in cyberattacks, vulnerabilities etc., dissemination of information to Group companies, and conducting training and drills related to cyberattacks. We are also pushing forward with the establishment of the cyber risk management structure by making reports to the management team on a periodic basis, assessing system risks and formulating contingency plans, and conducting diagnosis on vulnerabilities of websites, etc. and taking measures to deal with issues identified in them. In addition, as part of our efforts to improve information literacy of officers and employees, we make attention-

seeking announcements about increasingly sophisticated business e-mail frauds, virus-infected e-mails, etc. on a periodic basis, and conduct e-mail training assuming targeted attacks, etc., as well as tests to confirm basic knowledge related to cybersecurity. Through these and other ways, we are striving to raise awareness of cybersecurity within the Group. Kiraboshi Bank has introduced a phishing website detection service as a countermeasure against phishing frauds which are rapidly increasing in recent years. When a phishing website is detected, we provide attention-seeking information to customers. We also provide customers with a security software program (software equipped with measures against illegal remittance and phishing frauds) so that they can use our Internet banking service safely.

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

related to compliance throughout the Group. In addition, the Group has assigned the officer in charge of the risk management as the chief compliance officer, and made the Risk Management Division as the supervising division, thereby putting a system in place.

Furthermore, we created a Headquarters Compliance Officer role to enhance the Group's ability to respond to compliance risk, and the Sales Office Compliance Officer role to strengthen collaboration between sales offices and the headquarters, and are striving to develop a front compliance system.

Whistleblowing (hotline) system

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

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

Initiatives for AML/CFT (Anti-Money Laundering/Countering the Financing of Terrorism)

As sophisticated financial fraud crime and threats of international terrorism are increasing, there has been a growing risk that financial institutions can get involved in money laundering and terrorism financing. The Kiraboshi Group considers the prevention of money laundering, etc. as one of the most important management issues. In April 2024, we established the AML/CFT Office within the Risk Management Division and we are strengthening monitoring, and reinforcing cooperation with sales offices, including allocating management resources. We are strengthening our effective management system based on the initiative and involvement of management. The Group not only adheres to basic matters including confirmation at the time of transactions as stipulated

in relevant laws and regulations including the "Act on Prevention of Transfer of Criminal Proceeds" and the "Foreign Exchange and Foreign Trade Act," but also works on a continuous development of a system with ensure effective and appropriate functioning of the anti-money laundering system. We continuously take measures to mitigate risks by creating a risk assessment report to identify and assess risks, and conducting questionnaires of customers from the perspective of ongoing customer management. In addition, we implement internal training and measures for all employees to acquire qualifications to work to foster awareness and acquire knowledge related to our business in order to maintain customer trust.

<Initiatives Aimed at Compliance>

Basic approach

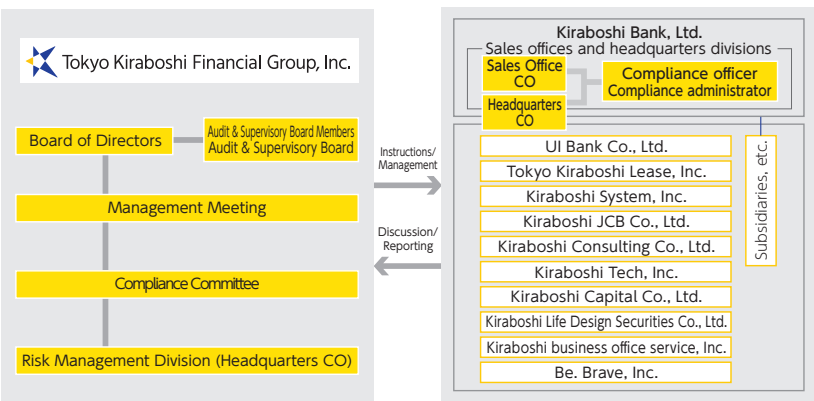
The Kiraboshi Group regards compliance as one of the top priority management issues, strives to establish corporate ethics based on its social mission as a regional financial group, and has established its basic policy to foster the corporate

culture that emphasizes compliance and is accredited by shareholders and trusted by customers and society. All officers and employees are making united efforts to enhance and strengthen the compliance system.

Status of putting in place the compliance system

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

Chart of compliance system



Establishment of system to exclude antisocial forces

The Kiraboshi Group takes group-wide initiatives to break any and all relationships with antisocial forces, etc. including transactions with them. Such initiatives include decisive refusal to provide funds to antisocial forces that threaten social order and safety of society and resolutely excluding undue demand and intervention by antisocial forces. We have established the "Basic Policy on Dealing with Antisocial Forces" and "Basic Rules on Dealing with

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

Establishment of systems to protect customers and manage customer information

Based on the recognition that it is the Kiraboshi Group's social responsibility to handle personal information of customers in a proper and strict manner, we handle personal information in strict compliance with laws, regulations, and rules. The Kiraboshi Group has established the "Customer Relations Center" as a specialized department to receive complaints, etc. from customers, and contracted with the "Japanese Bankers Association Consultation Office" to offer a "financial ADR system" which facilitates the resolution of conflict through the involvement of a third party.

In addition, the Group collects and manages "customer feedback" provided through its website and via mail, and shares this information with officers and related departments at headquarters in an effort to improve various operations and quality. With regard to "customer service," the HM Office, which was newly established in FY2023, is taking the lead in working to improve hospitality by analyzing their true causes, providing guidance to sales offices and providing training.

Initiatives Aimed at Sustainability

Addressing climate changes

The Kiraboshi Group recognizes that addressing climate change is one of the top management issues. In addition to addressing the issues faced by the Kiraboshi Group, we will also actively work on information disclosure in tandem with the efforts of our customers.

Various policies to address climate change, etc.

Sustainability Policy	We have formulated the “Basic Policy on Social Responsibility (Sustainability Policy)” to indicate our overall policy on sustainable management and declare our involvement in development of local communities and solution of issues faced by sustainable society, based on the Kiraboshi Group’s management philosophy.
Environmental Policy	Based on our “Sustainability Policy,” we have formulated an “Environmental Policy” to clarify our consideration for the global environment and our contribution to the sustainable development of society.
SDG Declaration	In our SDG Declaration, we declared environmental protection to be one of the themes of our initiatives, and we will work to reduce greenhouse gas emissions in the Kiraboshi Group and support local communities in their efforts to address climate change.

Past efforts to strengthen promotion of sustainability

FY2019	May2019	Published SDG Declaration
FY2020	Feb.2021 Feb.2021	Expressed support for TCFD recommendations Appointed a Group Chief Sustainability Officer (CSuO)
FY2021	Jul. 2021 Jul. 2021 Dec.2021 Dec.2021 Feb.2022 Mar.2022 Mar.2022 Mar.2022 Mar.2022	Disclosed status of TCFD compliance in Integrated Report Set CO ₂ emission target for the Kiraboshi Group (46% decrease compared to FY2013) Formulated sustainability and environmental policies Established a Sustainability Promotion Office Formulated the “Environmentally and Socially Friendly Investment and Loans Policy” Set environment-related investments and loans targets Revised upward the Kiraboshi Group’s CO ₂ emission reduction targets (60% decrease compared to FY2013) Started offering sustainable finance Launched Kiraboshi SDGs Evaluation Program
FY2022	Jun.2022 Oct.2022 Oct.2022 Dec.2022 Mar.2023	Started offering Kiraboshi Decarbonization Support Loans in cooperation with the Tokyo Metropolitan Government and Tokyo Environmental Public Service Corporation Invested in the Japan Green Investment Corp. for Carbon Neutrality, a public-private sector fund Concluded a partnership agreement for the vitalization of sustainable finance with the Tokyo Metropolitan Government Started offering Kiraboshi Sustainability Linked Loans Provided first Kiraboshi Sustainability Linked Loan
FY2023	May2023 Jul. 2023 Feb.2024	Joined GX League Published Declaration on Carbon Neutrality (by FY2030/Scope 1 and 2) Completed Sagamihara Center Building (obtained “ZEB Ready” certification)

Declaration on Carbon Neutrality

The Kiraboshi Group set a CO₂ emission reduction target of 60% (compared to FY2013) by FY2030. However, we achieved a 62.4% reduction in FY2022 by switching to energy-saving facilities, introducing renewable energy, and promoting various other decarbonization initiatives. In order to accelerate efforts to decarbonize the region, the Group announced the FY2030 Declaration of Carbon Neutrality* as the Group’s next target.

In FY2023, we further advanced our efforts to achieve a reduction of 80.3% compared to FY2013. The Kiraboshi Group will contribute to local communities by further strengthening our efforts to achieve carbon neutrality and by providing support to local communities and customers in their efforts to decarbonize.

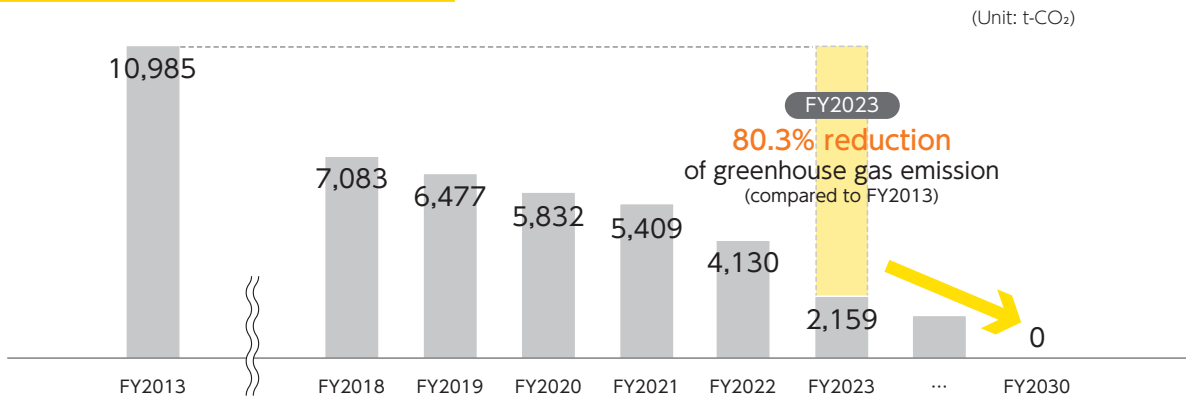
* Applies only to Scopes 1 and 2.

Roadmap to carbon neutrality

Greenhouse gas emission reduction targets **by FY2030**
Scope 1, 2: Achieve carbon neutrality in FY2030

<Reference> Actual figures for FY2022: 62.4% reduction (compared to FY2013)
Actual figures for FY2023: 80.3% reduction (compared to FY2013)

Trends in greenhouse gas emission reductions



Initiatives for carbon neutrality

Achieve carbon neutrality

Fiscal year	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Scope 1, 2	Decarbonization of sales vehicles (switching to environmentally friendly vehicles)								
	Reduction in energy use (changing air conditioning temperature settings, switching to high-efficiency equipment, etc.)								
	Switch to LED lighting								
	Introduction of electricity generated using renewable energy								
	Installation of solar power generation equipment and consideration and implementation of PPA at each sales Office								
Offset	Consideration and implementation of reduction measures based on carbon offsets and technology trends								
	Consider use of J-credits								
Others	Various initiatives through participation in the GX League								
	Promote customer engagement in decarbonization and support decarbonization by customers								
	Continuation of forest conservation activities (Kiraboshi Forest)								

Initiatives Aimed at Sustainability

Participation in Initiatives



Responded to CDP Climate Change Questionnaire

Climate Change Questionnaire 2023

The Kiraboshi Group has made steady progress in addressing climate change starting with our endorsement of the TCFD recommendations in FY2020.

- In FY2022, we responded to the CDP's Climate Change Questionnaire for the first time
- In FY2023, we were awarded a "B" score

We are aware that the Kiraboshi Group's initiatives have enabled us to obtain a certain level of recognition.

Completed Sagamihara Center Building and obtained "ZEB Ready" certification



Exterior

In January 2024, construction was completed on the Sagamihara Center Building, which functions as a central operations center, sales office, and regional collaboration center. The Building has received "ZEB Ready" certification.



First floor entrance



Seventh floor hall

We invited the Sagamihara Tourism Association to open an office on the 1st floor of Sagamihara Center Building. We plan to utilize the Building for local community activities such as events that contribute to regional revitalization.

Initiatives to address TCFD (Task Force on Climate-related Financial Disclosures)

The Kiraboshi Group regards addressing climate change as one of the important matters in its management strategies. Accordingly, in February 2021, the Group voiced support for the TCFD* recommendations. In addition to disclosing information in accordance with the recommendations, we will

continue to engage in initiatives aimed at mitigating climate change risk.

*TCFD is a taskforce on disclosure of climate-related financial information led by the private sector established by the FSB (Financial Stability Board), and it recommends companies to disclose information on risks and opportunities related to climate change, etc.

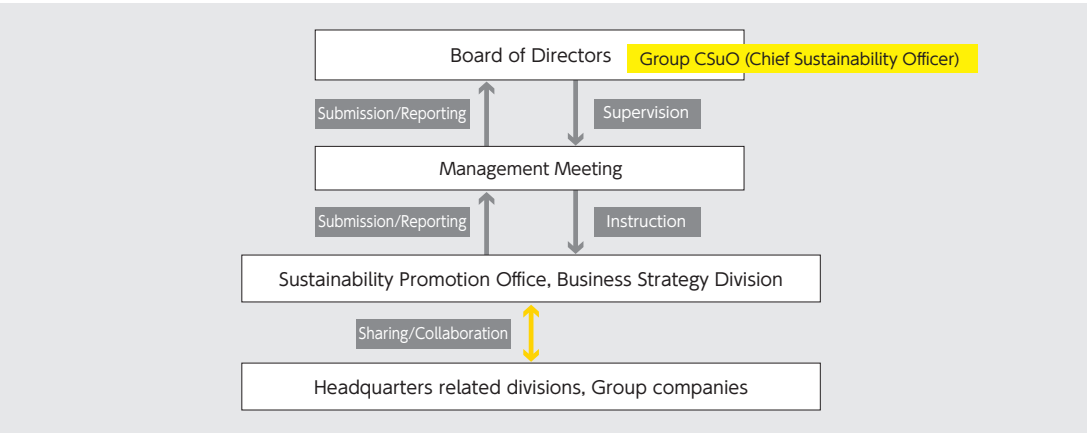
Governance

- The "Sustainability Promotion Office," which is responsible for planning and overall management of sustainability, was established in the Business Strategy Division. Based on various policies, the Office plans and formulates sustainability promotion of the Kiraboshi Group and engages in coordination with parties including Group companies and relevant departments. The Sustainability Promotion Office is responsible for environmental issues and submits related proposals and reports to the Management Meeting and to the Board of Directors.
- A director with expertise in addressing climate change is designated as the "Chief Sustainability Officer (CSuO)."
- We have formulated the "Basic Policy on Social Responsibility (Sustainability Policy)" which lays out our involvement in development of local communities and solution of issues faced by sustainable society.

Development of a sustainability management and promotion system

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

Sustainability promotion structure



Strategy

Management strategy on sustainability

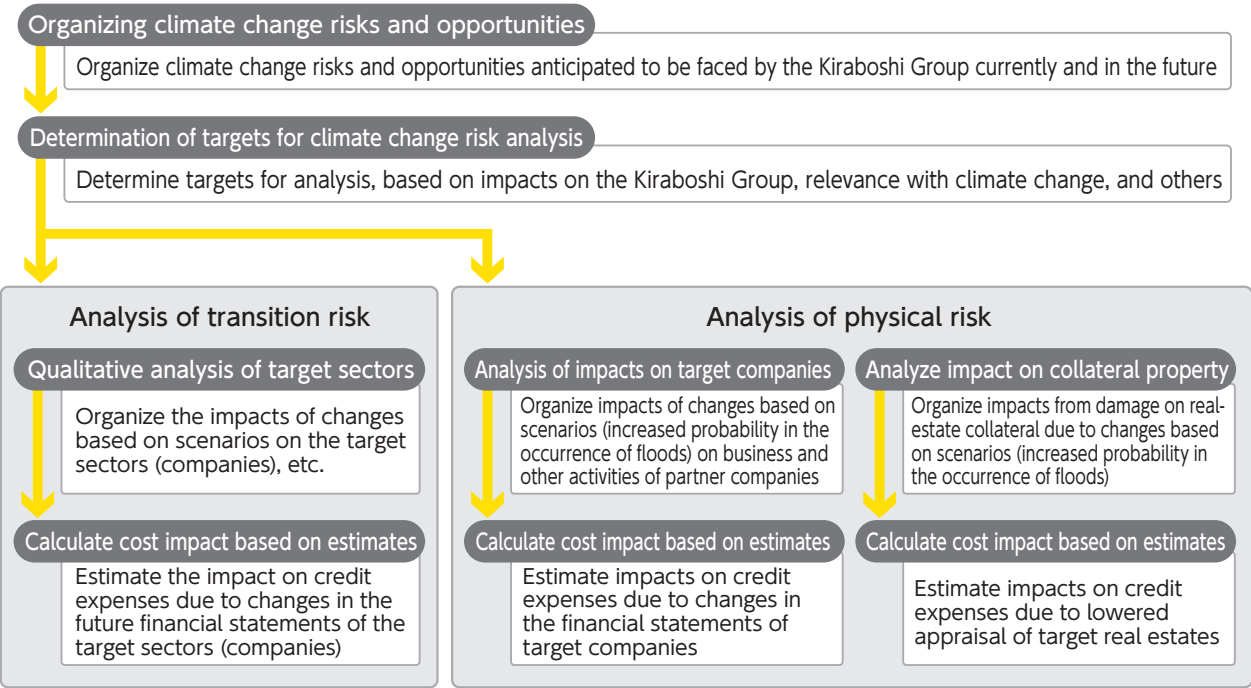
- In order to move forward in addressing the risks and opportunities presented by environmental issues, we aim to deepen our dialogue with customers and local communities, and contribute to local communities to realize a sustainable society.
- We will create common value with local communities and customers and promote initiatives for the sustainable growth of the local economy through the use of sustainable finance, loans based on business evaluations, various funds, etc., and the provision of high value-added financial services tailored to the life stages of companies, such as start-ups, founding, sales channel expansion, and business succession.
- In terms of climate change-related risks and opportunities, moving forward, we will engage in initiatives to mitigate and adapt to climate change risks of local communities and customers through the provision of financial services with high added value.

Initiatives Aimed at Sustainability

① Risks and opportunities

<<Analysis process>>

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



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

Transition risks	Laws and regulations	Occurrence of credit risk as a result of adverse impacts on customers' finance due to tightened regulations and policy changes associated with decarbonization and other efforts	Medium to long term
	Technology and markets	Occurrence of credit risk as a result of adverse impacts on customers' finance due to failure to stay current with a rapid shift in technologies associated with the transition to decarbonized society and inability to respond to fluctuations in demand for products and services with specific features	Short to long term
	Reputation	Occurrence of credit risk as a result of adverse impacts on customers' finance due to declined reputation for not being able to adapt to the transition to decarbonized society	Medium to long term
Physical risks	Acute	Occurrence of reputational risk in which the Kiraboshi Group's initiatives and information disclosure related to climate change are regarded as insufficient (e.g., actions deviate from strategies)	Short to long term
	Chronic	Occurrence of credit risk as a result of stagnation or suspension of business activities or damage to real estate security of customers affected by the occurrence of storms, floods, and other sudden meteorological events	Short to long term
Opportunities	Services	Occurrence of operational risk caused by a disaster affecting the head office and branches and/or data centers of the Kiraboshi Group	Short to long term
	Products	Occurrence of credit risk as a result of adverse impacts on customers' finance due to changes in long-term climate patterns such as rising temperature, diminishing cryosphere, and rising sea level	Long term
	Resource efficiency & energy sources	Increase of business opportunities such as provision of services to support customers in the transition to decarbonized society and in addressing environmental issues	Short to long term
	Reputation	Increase of business opportunities by offering financial products and sustainable finance	Short to long term

② Scenario analysis

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

<<Results of quantitative analysis of transition risk>>

- We conducted quantitative risk scenario analysis for the electricity, gas and transportation sectors within the energy sector on the assumption of certain conditions, and estimated a maximum amount of increase in credit expenses which may be incurred by 2050.

Target of analysis	Electricity, gas, petroleum, coal, transportation and vehicle sectors
Description of analysis	Calculated an amount of increase in credit expenses of relevant business operators upon determining the debtor category based on their financial forecast until 2050.
Scenario used	International Energy Agency (IEA)'s NZE scenario (1.5° C scenario) *Figures from AP5 scenario were used as substitute for data not available.
Amount of increase in credit expenses	Approximately ¥10.5 billion at a maximum

<<Results of quantitative analysis of physical risk>>

Theme	Financial impact from suspension of operation	Amount of damage to real-estate collateral
Target of analysis	Businesses of all borrowers	All borrowers
Description of analysis	We calculated an expected cumulative amount of damage until 2050, and then calculated an amount of increase in credit expenses that would be incurred based on the financial forecast made by the relevant business operators.	We calculated an expected cumulative amount of damage until 2050, and then calculated an amount of increase in credit expenses that would be incurred due to damage.
Scenario used	Intergovernmental Panel on Climate Change (IPCC) RCP 2.6 scenario (2° C scenario) and RCP 8.5 scenario (4° C scenario)	
Amount of increase in credit expenses	Approximately ¥3.4 billion at a maximum	

Credit exposure to carbon-related assets

- Electricity (excluding photovoltaic power and renewable energy related companies), gas, petroleum sectors were targeted for disclosure in FY2022.
- We proceeded to develop a system based on the revised TCFD recommendations, and the target sectors were expanded to include energy (excluding photovoltaic power and renewable energy related companies), transportation, materials and buildings, and agriculture, food and forest products in FY2023.
- We will proceed with constructive dialogue (engagement) with business partners in the target sectors, and thereby make efforts such as identifying the amount of carbon emissions and conducting business restructure to mitigate impacts of climate change.

Total for the carbon-related sectors	¥2,253.5 billion
Ratio to the total	46.3%

* Sectors targeted for disclosure: energy (excluding photovoltaic power and renewable energy related companies), transportation, materials and buildings, agriculture, food and forest products
* The business-type categories of the disclosure target sectors are based on the Global Industry Classification Standard (GICS), and aggregation is made based on the business-type classification used at Kiraboshi Bank.

Risk Management

- We regard climate change risk as a significant risk, and will work to build a system enabling management under the framework of integrated risk management, taking into account the degree of impact and probability.
- In order for the Kiraboshi Group to contribute to the realization of sustainable local communities as a regional financial group, we have formulated the "Environmentally and Socially Friendly Investment and Loans Policy" as an investment and loan policy for businesses which have environmental and social impacts including climate change. This policy also covers coal-fired power generation businesses, deforestation businesses, and palm oil plantation development businesses, which are strongly related to climate change.
- Going forward, we will proceed with constructive dialogue (engagement) with customers based on risk analysis results, etc. In the course of the dialogue, we will identify business opportunities and strengthen risk management of the Kiraboshi Group and customers by understanding issues and needs of customers and providing solutions.

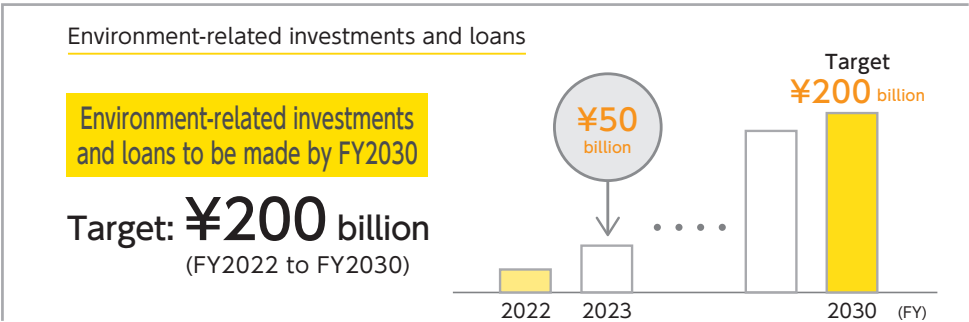
Initiatives Aimed at Sustainability

Indicator and targets

Setting of environment-related investments and loans* targets

Environment-related investments and loans from FY2022 to FY2030: ¥200.0 billion

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



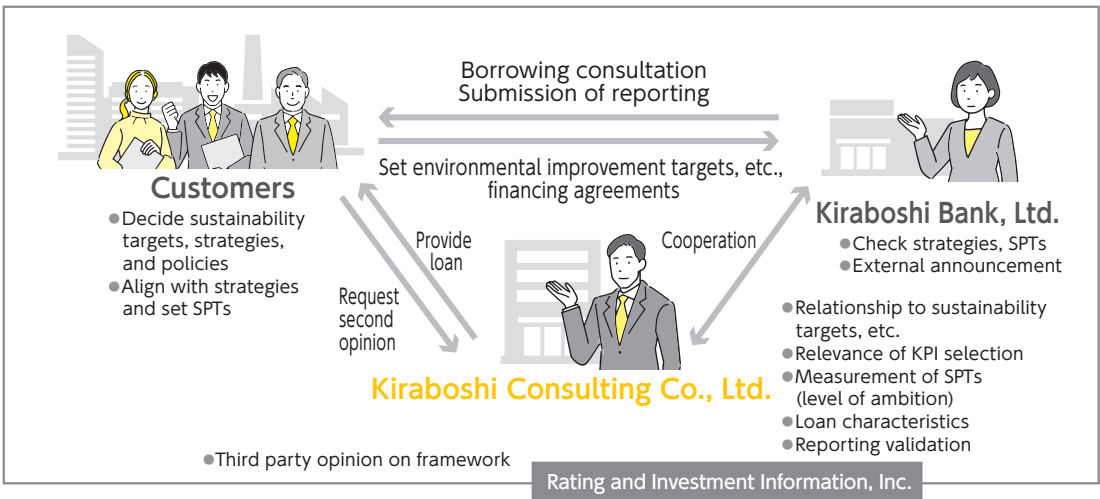
- We will continue to proactively provide sustainable finance by supporting customers' efforts such as response to climate change.

Offering Kiraboshi Sustainability Linked Loans

As part of its sustainable finance program, Kiraboshi Bank supports the sustainability initiatives by local customers through the Kiraboshi Sustainability Linked Loan (hereinafter, "SLL").

As part of SLL, customers set targets for achieving a sustainable society through its own initiatives. Kiraboshi Bank is committed to supporting its customers in setting targets and introducing initiatives to achieve their targets.

Flow of Kiraboshi Sustainability Linked Loans



Testimonials from customers who have received SLL

- Employee awareness has changed due to clearly defined targets leading to reductions in utility costs.
- Demonstrating that we are contributing to solving social issues, which has increased employee motivation.

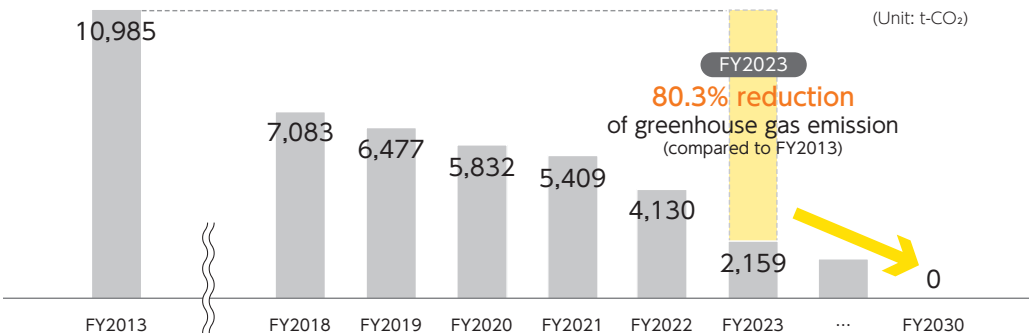
Setting of the Kiraboshi Group's targets for mitigating environmental burden

Achieve carbon neutrality for Scopes 1 and 2 by FY2030

- Initiatives to date, including the transition to LED lighting, replacement with environmentally friendly vehicles, and the shift to electricity from renewable energy sources, have resulted in an 80.3% reduction in FY2023 compared to FY2013.
- We will push forward with our efforts to reduce greenhouse gas emissions.

Greenhouse gas emission reduction targets by FY2030
Scope 1, 2: Achieve carbon neutrality in FY2030

<Reference> Actual figures for FY2022: 62.4% reduction (compared to FY2013)
Actual figures for FY2023: 80.3% reduction (compared to FY2013)



FY	2013 [Reference year]	2020	2021	2022	2023
CO ₂ emissions (t-CO ₂)	10,985	5,832	5,409	4,130	2,159
Scope 1	721	480	485	450	554
City gas used (1,000 m ³)	183	75	77	73	134
Gasoline used (kl)	135	135	135	124	109
Scope 2	10,263	5,351	4,924	3,680	1,605
Electricity used (1,000 kWh)	18,627	12,772	12,079	11,345	11,554
CO ₂ emissions reduction rate compared with FY2013	—	(46.9)%	(50.7)%	(62.4)%	(80.3)%

*1: For the amounts of gasoline used, actual figures in FY2021 are used in or before FY2020.
*2: The figures for FY2013 represent a combined total of the former Tokyo Tomin Bank, Limited and the former Yachiyo Bank, Limited prior to the merger.

Setting of the Kiraboshi Group's targets for mitigating environmental burden

Scope 3 Category 15

- For the first time, the Group calculated emissions from Scope 3 Category 15 loan recipients.
- The calculation process adopted a "top-down" approach, which uses emission factors for each industry sector.
- Going forward, we will consider adopting a "bottom-up" approach, which calculates CO₂ emissions based on actual CO₂ emission data disclosed by customers.

Emissions by industry

	Carbon intensity (t-CO ₂ /¥ million)	Emissions (t-CO ₂)		Carbon intensity (t-CO ₂ /¥ million)	Emissions (t-CO ₂)
Agriculture	3.98	5,656	Vehicle	4.48	58,802
Paper and forest industry	10.62	76,465	Electricity	29.08	406,027
Beverages and foods	4.60	352,473	Real estate management and development	1.13	544,585
Metals and mining	19.68	192,832	Land transportation	3.43	751,769
Chemicals	5.34	333,966	Maritime transportation	13.43	87,666
Petroleum and gas	5.26	134,813	Others	1.56	3,930,493
Construction materials and capital goods	2.84	2,745,054	Total	—	9,620,601

Tokyo Kiraboshi Financial Group, Inc.

Officers (As of July 1, 2024)



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



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



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



Shoji Nishio,
Outside Director
■ Career Summary
Mar. 1978 Joined The Tokyo Chamber of Commerce and Industry
Jun. 2016 Managing Director, The Tokyo Chamber of Commerce and Industry
May 2019 Outside Audit & Supervisory Board Member, WORLD TRADE CENTER BUILDING, INC.
Jun. 2019 Outside Director, Tokyo Kiraboshi Financial Group, Inc. current position
Apr. 2021 Associate Advisor, The Tokyo Chamber of Commerce and Industry



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



Katsuya Tsuboi,
Full-time Audit & Supervisory Board Member
■ Career Summary
Apr. 1984 Joined The Sanwa Bank, Ltd.
Jun. 2012 Joined the ShinGinko Tokyo, Limited
May 2018 General Manager of Risk Management Division, Tokyo Kiraboshi Financial Group, Inc.
Jun. 2020 Full-time Audit & Supervisory Board Member, Kiraboshi Bank, Ltd.
Dec. 2021 Audit & Supervisory Board Member, Kiraboshi Bank, Ltd.
Jun. 2022 Full-time Audit & Supervisory Board Member, Tokyo Kiraboshi Financial Group, Inc. current position



Takeshi Miura,
Director and Managing Executive Officer
■ Career Summary
Apr. 1985 Joined the Tokyo Tomin Bank, Limited
Oct. 2014 General Manager of Corporate Planning Division, Tokyo TY Financial Group, Inc. (currently Tokyo Kiraboshi Financial Group, Inc.)
Jun. 2017 Director and Managing Executive Officer, the Tokyo Tomin Bank, Limited
May 2018 Managing Director, Kiraboshi Bank, Ltd.
Jun. 2021 Director and Senior Executive Officer, Kiraboshi Bank, Ltd.
Jun. 2022 Director, Tokyo Kiraboshi Financial Group, Inc.
Jun. 2023 Director and Managing Executive Officer, Tokyo Kiraboshi Financial Group, Inc. current position
Apr. 2024 Chairperson, UI Bank Co., Ltd. current position



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



Yuki Takahashi,
Outside Director
■ Career Summary
Dec. 2003 Joined Bears Co., Ltd. Senior Managing Director
Oct. 2016 Vice President and Director, Bears Co., Ltd. current position
Jun. 2017 Outside Director, Tokyo TY Financial Group, Inc. (currently Tokyo Kiraboshi Financial Group, Inc.) current position
Apr. 2018 Vice Chairman, The Tokyo New Business Conference current position
Apr. 2019 Chairman, National Housekeeping Service Association current position
Aug. 2022 Director, YEEY Inc. current position



Hideki Uchida,
Audit & Supervisory Board Member
■ Career Summary
Apr. 1987 Joined Yachiyo Shinkin Bank
Jun. 2017 Executive Officer and General Manager of Human Resource Division, The Yachiyo Bank, Limited
May 2018 Executive Officer and General Manager of Human Resource Division, Kiraboshi Bank, Ltd.
Jun. 2022 Audit & Supervisory Board Member, Tokyo Kiraboshi Financial Group, Inc. current position
Full-time Audit & Supervisory Board Member, Kiraboshi Bank, Ltd. current position



Nobuko Inaba,
Outside Audit & Supervisory Board Member
■ Career Summary
Jul. 2007 Established PAS Co., Ltd. (currently Hayabusa Consulting Co., Ltd.) President, PAS Co., Ltd. current position
Oct. 2014 Outside Corporate Auditor, Tokyo TY Financial Group, Inc. (currently Tokyo Kiraboshi Financial Group, Inc.) current position
Dec. 2014 Senior Partner, Hayabusa Accounting Corporation current position
Jun. 2019 Outside Corporate Auditor, DeNA Co., Ltd. current position
Jun. 2021 Outside Audit & Supervisory Board Member, Kanematsu Corporation current position
Jul. 2021 Representative Partner, Yasumori Accounting and Audit Office (currently Yasumori Audit Corporation) current position



Kayo Todo,
Outside Audit & Supervisory Board Member
■ Career Summary
Apr. 1997 Joined KOHWA SOHGOH LAW OFFICES
Jan. 2002 Partner, KOHWA SOHGOH LAW OFFICES current position
Oct. 2014 Outside Corporate Auditor, Tokyo TY Financial Group, Inc. (currently Tokyo Kiraboshi Financial Group, Inc.) current position
Jun. 2015 Outside Corporate Auditor, JAPAN POST TRANSPORT Co., Ltd. current position
Jun. 2017 Outside Director, GMO CLICK Holdings, Inc. (currently GMO Financial Holdings, Inc.) current position

Group CEO Chief Executive Officer Group CFO Chief Financial Officer Group CSO Chief Strategy Officer
Group CIO Chief Information Officer Group CRO Chief Risk Officer Group CSuO Chief Sustainability Officer

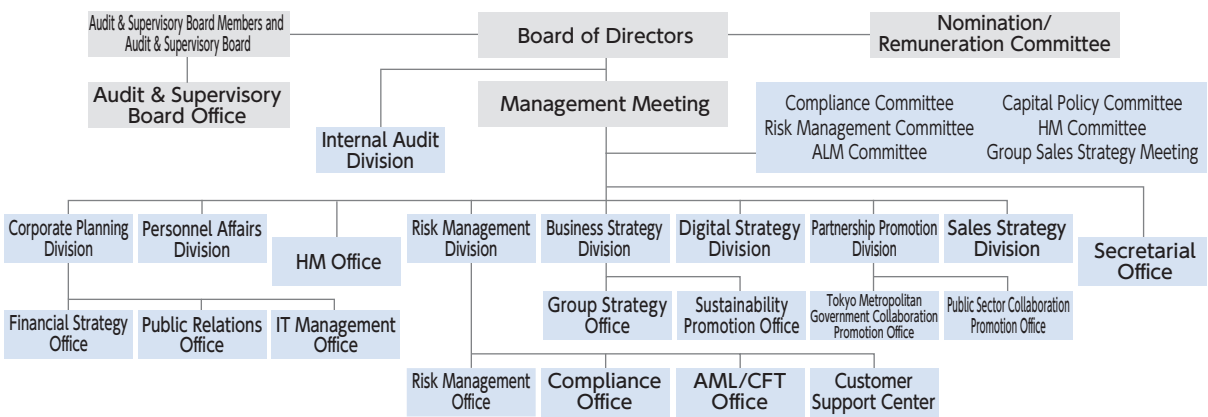
Company Overview (As of March 31, 2024)



Business name	Tokyo Kiraboshi Financial Group, Inc.
Business details	1 Corporate management of a bank and companies that can be made subsidiaries pursuant to the Banking Act. 2 All other operations incidental and related to the operations in the preceding item.
Head office	3-10-43 Minami Aoyama, Minato-ku, Tokyo
Established	October 1, 2014
Capital	¥27.5 billion
Exchange listing	Tokyo Stock Exchange, Prime Market (Securities Code: 7173)

Nobuyuki Yasuda, Managing Executive Officer Yoshiaki Nakano, Managing Executive Officer Norihiko Masumura, Executive Officer Akiyuki Kagami, Executive Officer Tsutomu Mano, Executive Officer

Organization Chart (As of July 1, 2024)



Kiraboshi Bank, Ltd.

Officers (As of July 1, 2024)



Hisanobu Watanabe,
President
(Representative Director)



Takeshi Yoshino,
Director and
Managing Executive Officer
(Representative Director)



Norihiko Masumura,
Director and
Managing Executive Officer



Takuya Ishida,
Director and
Managing Executive Officer



Takao Kobashi,
Director and
Executive Officer

Audit & Supervisory Board Members

Full-time Audit & Supervisory Board Member
Audit & Supervisory Board Members
Outside Audit & Supervisory Board Member
Outside Audit & Supervisory Board Member

Hideki Uchida
Toru Narada
Kazuhiro Kawai
Chiaki Ariizumi

Managing Executive Officers

Managing Executive Officer
Managing Executive Officer
Managing Executive Officer
Director

Kuniyuki Hotani
Motohiro Kokatsu
Kazuki Yoneda

Executive Officers

Executive Officer
Executive Officer
Executive Officer
Executive Officer
Executive Officer
Executive Officer

Shoji Suzuki
Tomoo Kimura
Atsushi Uehara
Taketoshi Doi
Hiroshi Horikoshi
Masafumi Sato
Hideki Kawamura
Taku Sugaya

UI Bank Co., Ltd.

Officers (As of July 1, 2024)

Representative Director and Chairman
Representative Director and President

Takeshi Miura
Nobuyuki Yasuda

Director and Senior Executive Officer
Director and Senior Executive Officer
Director and Managing Executive Officer
Director

Norihiko Masumura
Kenji Owada
Fumitaka Takagi
Satoru Nobeta

Full-time Audit & Supervisory Board Member
Audit & Supervisory Board Member
Outside Audit & Supervisory Board Member
Outside Audit & Supervisory Board Member

Toru Narada
Katsuya Tsuboi
Makoto Shibata
Toshihiko Fukuzawa

Company Overview (As of March 31, 2024)



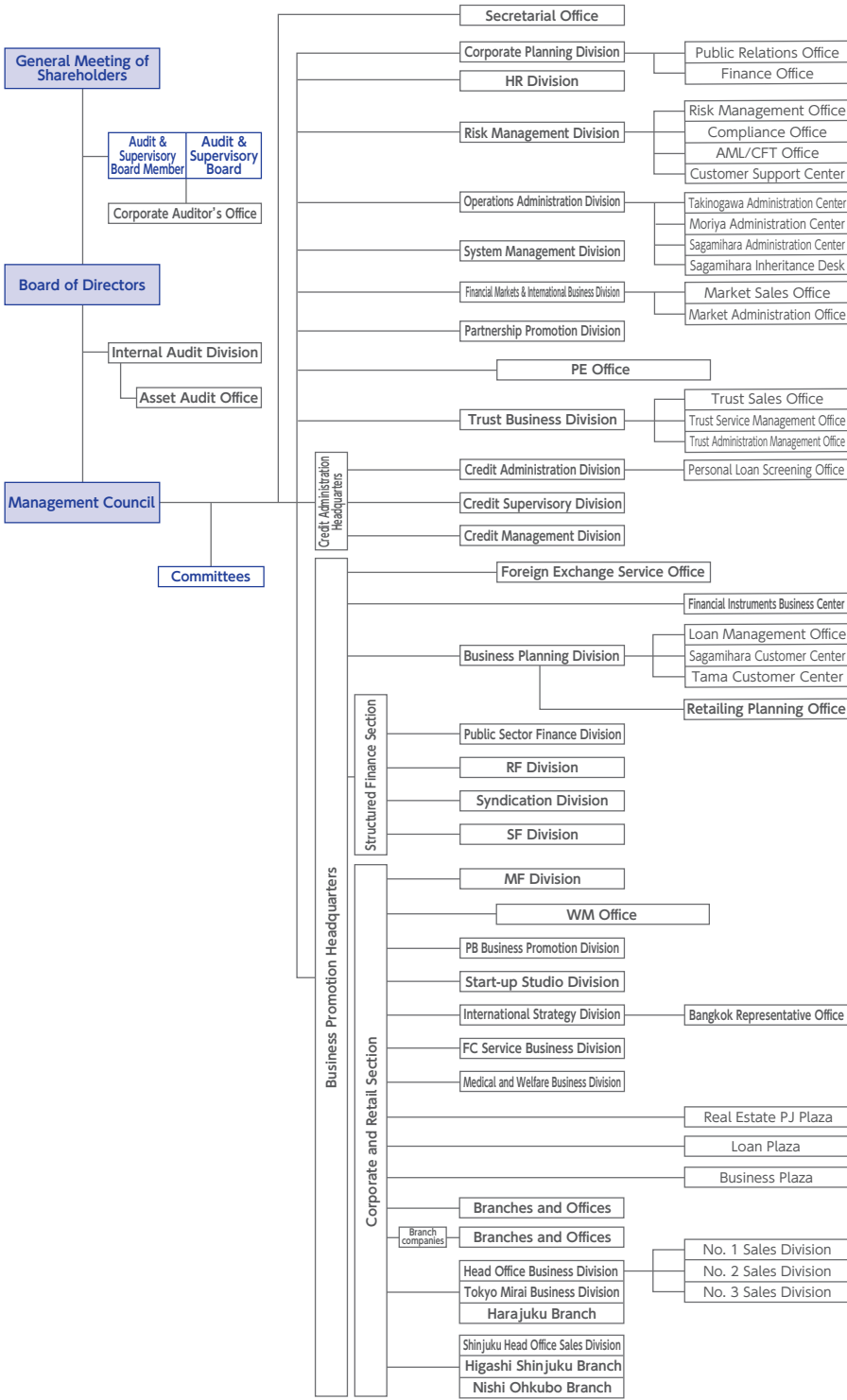
Business name	Kiraboshi Bank, Ltd.
Head Office	3-10-43 Minami Aoyama, Minato-ku, Tokyo
Inaugurated	May 2018 * Founded in December 1924.
Capital	¥43.7 billion
Total assets	¥7,079.2 billion
Number of branches	164 branches



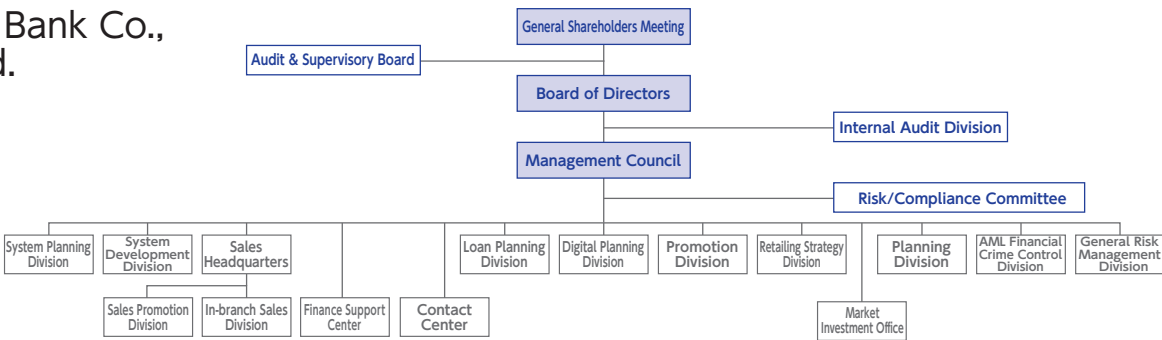
Business name	UI Bank Co., Ltd.
Head Office	3-10-43 Minami Aoyama, Minato-ku, Tokyo
Established	October 30, 2020 * The opening of business was in January 2022.
Capital	¥6.6 billion
Total assets	¥414.3 billion

Organization Chart (As of July 1, 2024)

Kiraboshi Bank, Ltd.



UI Bank Co., Ltd.





2024 Annual Report

Published in July 2024



3-10-43 Minami Aoyama, Minato-ku, Tokyo 107-0062

<https://www.tokyo-kiraboshifg.co.jp>

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.