



Tokyo Kiraboshi Financial Group  
Results Briefing for the First Half of the  
Fiscal Year Ending March 31, 2025

## 1. Summary of Business Results for the First Half of the Fiscal Year Ending March 31, 2025

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# 1. Summary of Business Results for the First Half of the Fiscal Year Ending March 31, 2025

# Summary of Business Results for the First Half Ended September 30, 2024

## Tokyo Kiraboshi FG (consolidated)

|   |                                         |                      |                      |                | (¥100 million)         |                                |
|---|-----------------------------------------|----------------------|----------------------|----------------|------------------------|--------------------------------|
|   |                                         | A 2023/9<br>(Actual) | B 2024/9<br>(Actual) | YoY<br>(B - A) | C 2025/3<br>(Forecast) | Rate of<br>progress<br>(B / C) |
| 1 | Ordinary profit                         | 183                  | 190                  | +7             | 321                    | 59.2%                          |
| 2 | Profit attributable to owners of parent | 134                  | 129                  | (5)            | 245                    | 52.7%                          |

2024/9 Profit attributable to owners of parent

Percent change **(4.1)%** YoY

(¥13.4 billion → ¥12.9 billion)

## Kiraboshi Bank (non-consolidated)

|    |                                               |                      |                      |                | (¥100 million)         |                                |
|----|-----------------------------------------------|----------------------|----------------------|----------------|------------------------|--------------------------------|
|    |                                               | A 2023/9<br>(Actual) | B 2024/9<br>(Actual) | YoY<br>(B - A) | C 2025/3<br>(Forecast) | Rate of<br>progress<br>(B / C) |
| 1  | Gross core business profit                    | 487                  | 434                  | (53)           | 876                    | 49.5%                          |
| 2  | Net interest income                           | 425                  | 404                  | (21)           | 799                    | —                              |
| 3  | Interest on loans and discounts               | 325                  | 342                  | +16            | 676                    | —                              |
| 4  | Interest on securities                        | 123                  | 94                   | (28)           | 181                    | —                              |
| 5  | Other interest income                         | (23)                 | (31)                 | (8)            | (58)                   | —                              |
| 6  | Non-interest income                           | 62                   | 29                   | (32)           | 77                     | —                              |
| 7  | Expenses                                      | (262)                | (276)                | (13)           | (530)                  | —                              |
| 8  | Net core business income                      | 225                  | 157                  | (67)           | 346                    | 45.6%                          |
| 9  | Credit-related costs                          | 2                    | (10)                 | (12)           | (50)                   | —                              |
| 10 | Gains (losses) on bonds                       | (35)                 | (23)                 | +11            | 6                      | —                              |
| 11 | Gains (losses) on stocks and other securities | 48                   | 67                   | +19            | 28                     | —                              |
| 12 | Other non-recurring profit (loss)             | (18)                 | (3)                  | +14            | (26)                   | —                              |
| 13 | Ordinary profit                               | 222                  | 188                  | (33)           | 304                    | 62.0%                          |
| 14 | Extraordinary profit (loss)                   | (0)                  | (1)                  | (0)            | 24                     | —                              |
| 15 | Income taxes                                  | (45)                 | (55)                 | (10)           | (100)                  | —                              |
| 16 | Net income                                    | 176                  | 131                  | (44)           | 228                    | 57.8%                          |

## Highlights of the key points

|                                                         |  | (¥100 million) |        |      |
|---------------------------------------------------------|--|----------------|--------|------|
|                                                         |  | 2023/9         | 2024/9 | YoY  |
| Interest on securities                                  |  | 123            | 94     | (28) |
| Of which, special factor<br>(dividends from affiliates) |  | 35             | —      | (35) |
| Interest on securities [excluding<br>special factor]    |  | 88             | 94     | +6   |

→As a special factor in 2023/9, ¥3.5 billion was posted as dividend from an equity-method affiliate that was sourced from sale of real estate by the said affiliate

### 2024/9 Ordinary profit

Percent change **(15.2)%** YoY  
(¥22.2 billion → ¥18.8 billion)

### 2024/9 Net income

Percent change **(25.3)%** YoY  
(¥17.6 billion → ¥13.1 billion)

### Excluding special factors

#### 2024/9 Ordinary profit

Percent change **+0.6%** YoY  
(18.7 billion → ¥18.8 billion)

#### 2024/9 Net income

Percent change **(6.8)%** YoY  
(14.1 billion → ¥13.1 billion)

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

# Factors Affecting Net Income (Kiraboshi Bank)

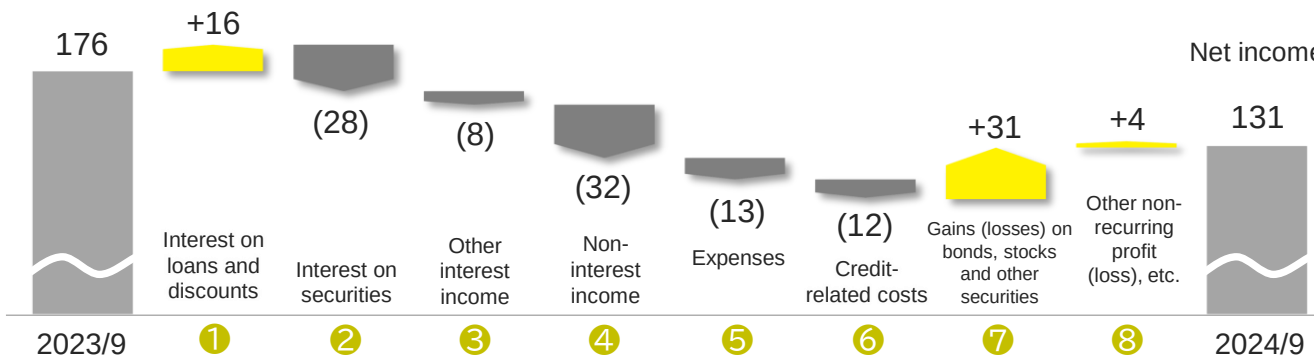
\* For signs before the numbers on this page, "+" indicates increase in income, "(" indicates decrease in income

|       | Main Items                                                                      | YoY            | Points                                                                                                                                                                                                                                                                      | (Reference) Year-on-year change excluding special factors |
|-------|---------------------------------------------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| 1     | Interest on loans and discounts                                                 | +¥1.6 billion  | +¥1.6 billion YoY reflecting continued increase in loan balances resulting largely from promotion of transactions for main bank relationship building and efforts in strengthening customer relations, combined with rising yields                                          | +¥1.6 billion                                             |
| 2     | Interest and dividends on securities                                            | ¥(2.8) billion | ¥(2.8) billion YoY as a result largely of a ¥3.5 billion decrease in dividend from an equity method affiliate (special factor *1) that was partly offset by JGB asset swap and an increase in floating-rate foreign bonds                                                   | +¥0.6 billion                                             |
| 3     | Other interest income                                                           | ¥(0.8) billion | ¥(0.8) billion YoY due largely to an increase in deposit interest (¥(1.0) billion) accompanying rise in interest rates                                                                                                                                                      | ¥(0.8) billion                                            |
| 4     | Non-interest income                                                             | ¥(3.2) billion | ¥(3.2) billion YoY due largely to increases in hedging costs for yen and foreign bonds and in foreign currency funding costs, and a decrease in fee and commission income from corporate customers (¥(1.5) billion) notably in business financing                           | ¥(3.2) billion                                            |
| 5     | Expenses                                                                        | ¥(1.3) billion | ¥(1.3) billion YoY due to an increase in administrative outsourcing expenses to Group companies (¥(0.5) billion) and in such other items as positive investments that contribute to improving business efficiency (approx. ¥(1.1) billion).                                 | ¥(1.3) billion                                            |
| 6     | Credit-related costs                                                            | ¥(1.2) billion | ¥(1.2) billion YoY due largely to a decrease in reversal of allowance for loan losses due to the effects of a decline in the historical credit loss rate, despite factors such as improvement in some large customers' credit category due to rebound in corporate earnings | ¥(1.2) billion                                            |
| 7     | Gains (losses) on bonds, stocks and other securities                            | +¥3.1 billion  | +¥3.1 billion YoY due largely to an increase in gain on sale of REIT and on sale of equity securities held for pure investment (Sold ¥25.0 billion of super long-term yen bonds and posted ¥(4.1) billion of realized gain (loss))                                          | +¥3.1 billion                                             |
| 8     | Other non-recurring profit (loss)<br>Extraordinary income (loss) / Income taxes | +¥0.4 billion  | +¥0.4 billion YoY due largely to reversal of retirement benefit expenses and decrease in fund costs                                                                                                                                                                         | +¥0.4 billion                                             |
| Total |                                                                                 | (4.4) billion  | *1: Dividend received from an equity-method affiliate sourced from sale of real estate by the said equity-method affiliate<br>(¥3.5 billion in 23/9 → none in 24/9)                                                                                                         | Total ¥(0.9) billion                                      |

## Year-on-year changes

(¥100 million)

Net income



## Diff. b/w consolidated and non-consolidated

(¥100 million)

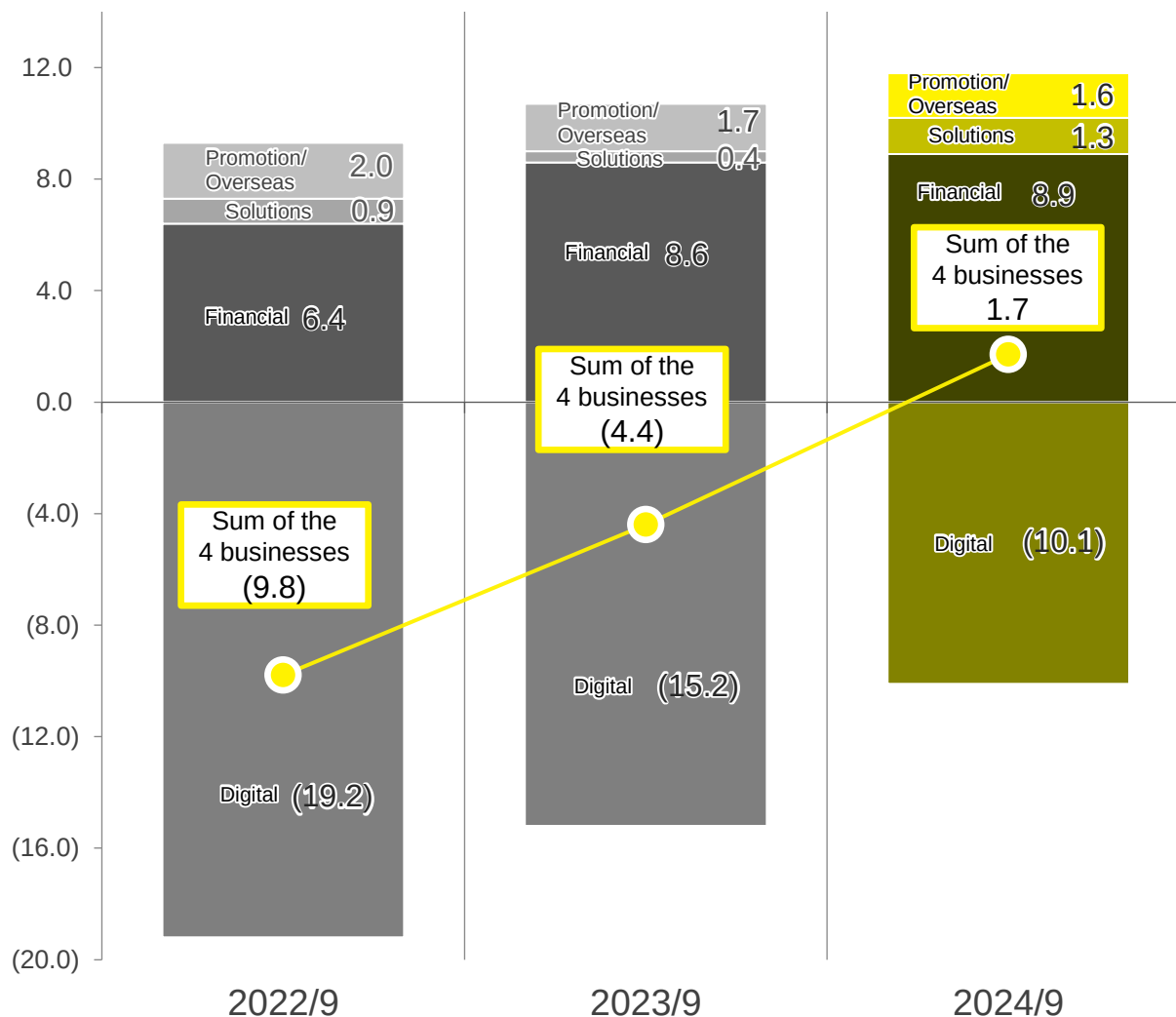
|                                                                                                                            |     |
|----------------------------------------------------------------------------------------------------------------------------|-----|
| Kiraboshi Bank (non-consolidated) net income                                                                               | 131 |
| Group consolidated net income (of which, effects of start-up deficit of newly established companies, etc.: ¥(1.0) billion) | +1  |
| Elimination of internal transactions between consolidated Group companies, etc.                                            | (4) |
| Tokyo Kiraboshi FG (consolidated) net income                                                                               | 129 |

# Group Company Profit (Excluding Kiraboshi Bank)

Group profit (excluding Kiraboshi Bank) on the rise led by financial businesses. Challenge is to make digital business profitable by itself.

## Changes in Group profit by business

(¥100 million)



### Digital Business

UI Bank Co., Ltd.

Kiraboshi Tech, Inc.

### Financial Business

Tokyo Kiraboshi Lease, Inc.

Kiraboshi Capital Co., Ltd.

Kiraboshi Life Design Securities Co., Ltd.

Kiraboshi Servicer Co., Ltd.

Kiraboshi Insurance Agency CO., LTD.

Kiraboshi JCB Co., Ltd.

Kiraboshi Credit Guarantee Co., Ltd.

Yachiyo Credit Guarantee Co., Ltd.

### Solutions Business

Kiraboshi Consulting Co., Ltd.

Kiraboshi System, Inc.

ITC Co., Ltd.

Kiraboshi business office service, Inc.

### Promotion/Overseas Business

Be.Brave, Inc.

Kiraboshi Business Service Co., Ltd.

Kiraboshi Business Consulting Shanghai Co., Ltd.

StarBridge business consulting (Beijing) Co., Ltd.

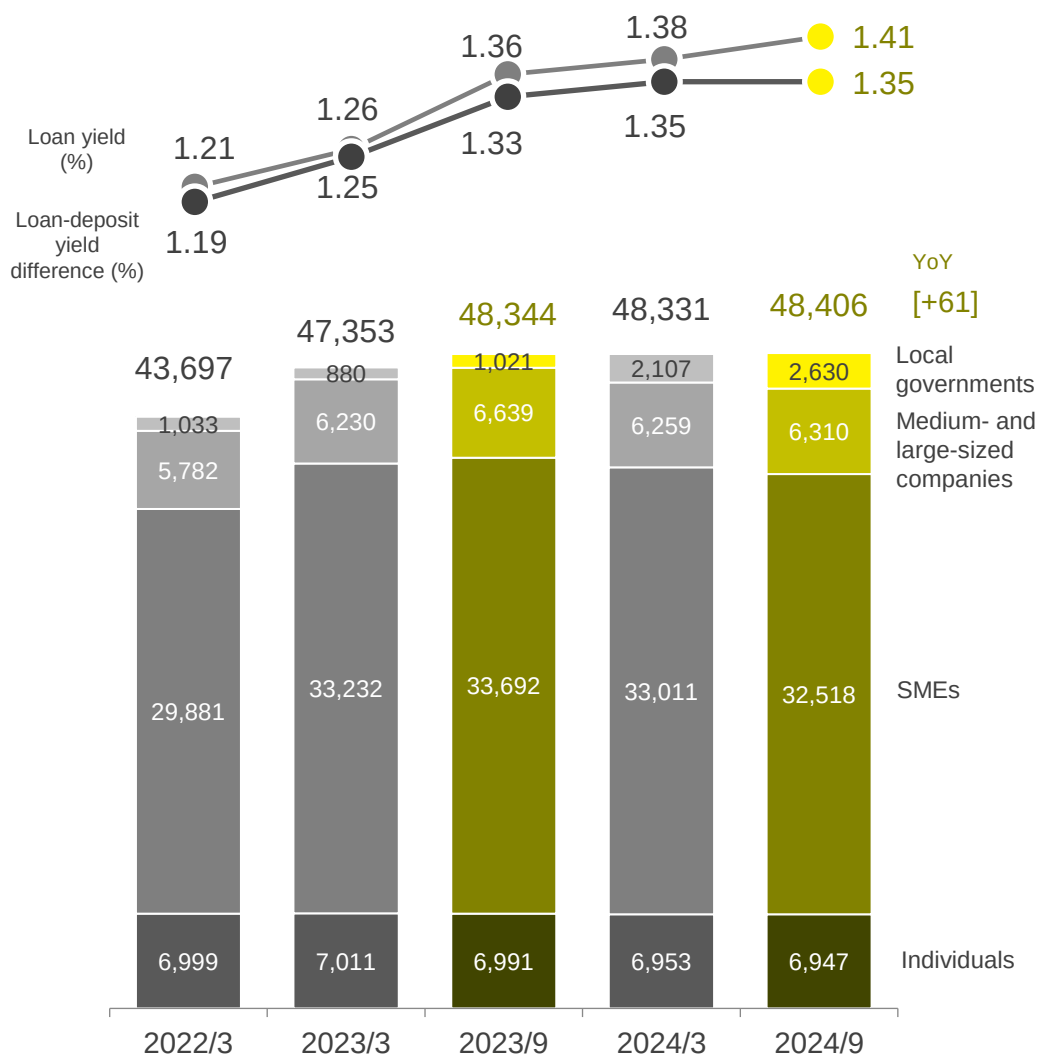
KIRABOSHI BUSINESS CONSULTING VIETNAM CO., Ltd.

# Loans and Trust Assets (Kiraboshi Bank)

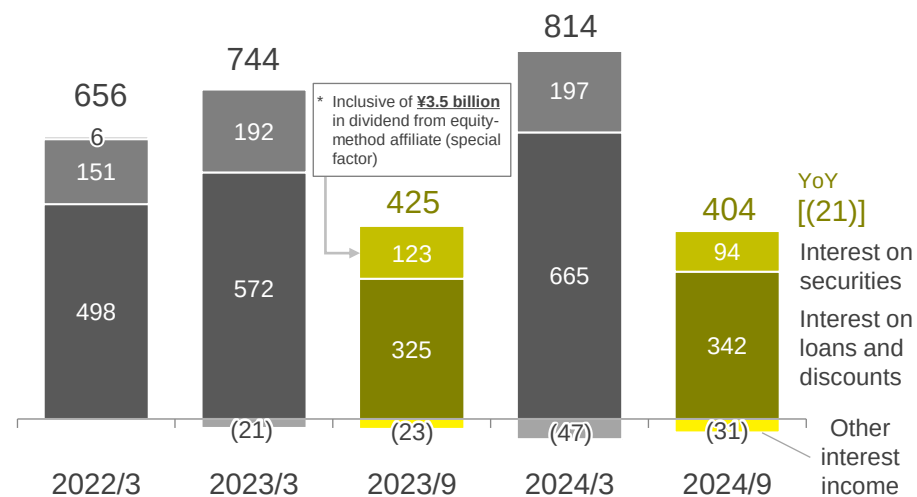
Continued yield increases due to efforts in strengthening customer relations, including promotion of transactions for main bank relationship building

Loan balances kept more or less flat YoY from the perspective of appropriate risk-weighted asset control

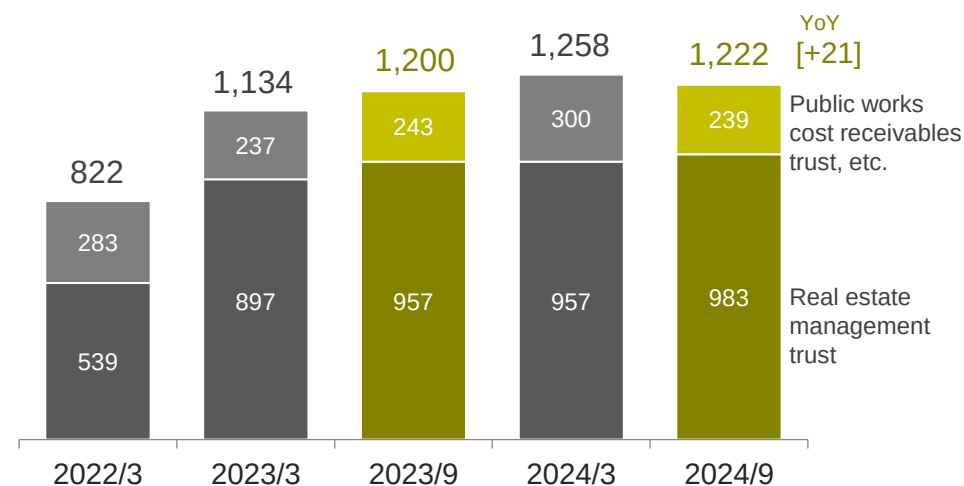
## 1. Loan balance by type of customer (¥100 million)



## 2. Net interest income (¥100 million)



## 3. Balance of trust assets (¥100 million)

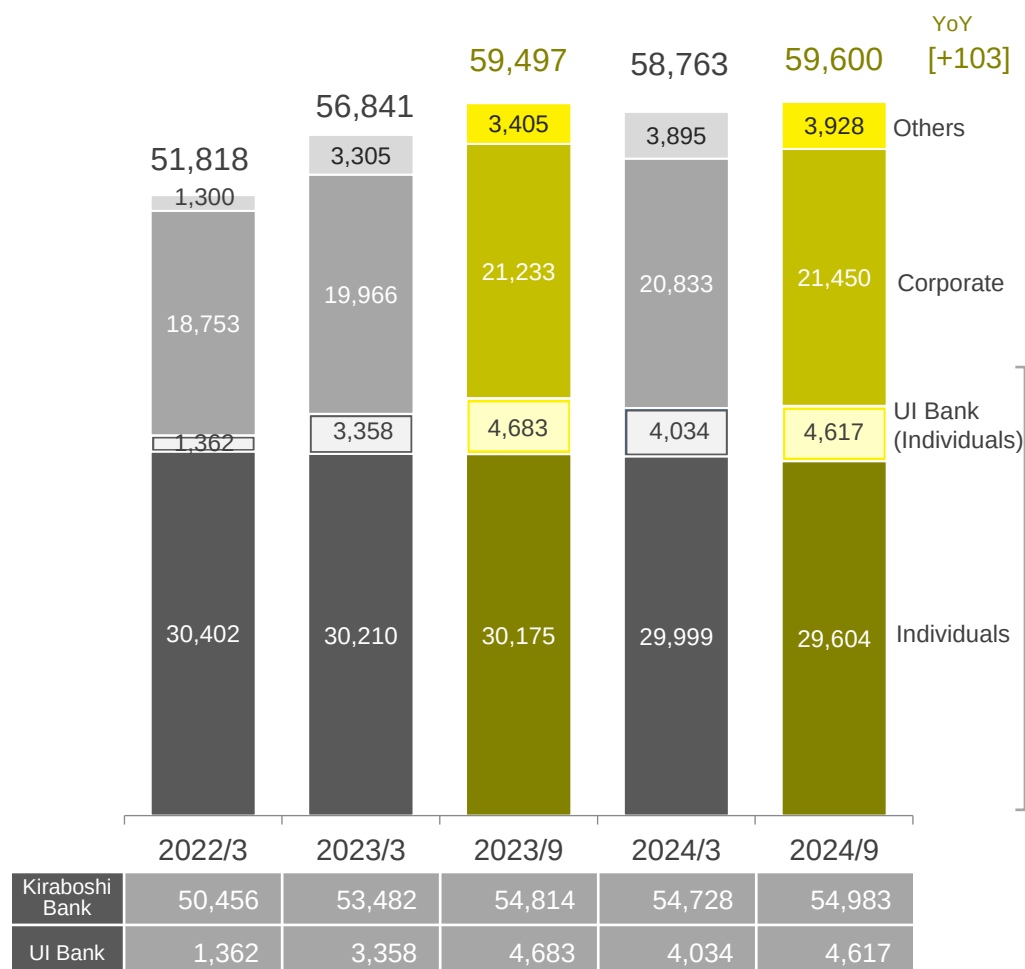


# Balance of Deposits and Assets under Management (Kiraboshi Bank + UI Bank / KLD Securities)

Deposit balance for the Group as a whole remained on the rise, with the combined balance of Kiraboshi Bank and UI Bank increasing by ¥10.3 billion

Balance of assets under management continued to increase led by Kiraboshi Life Design Securities

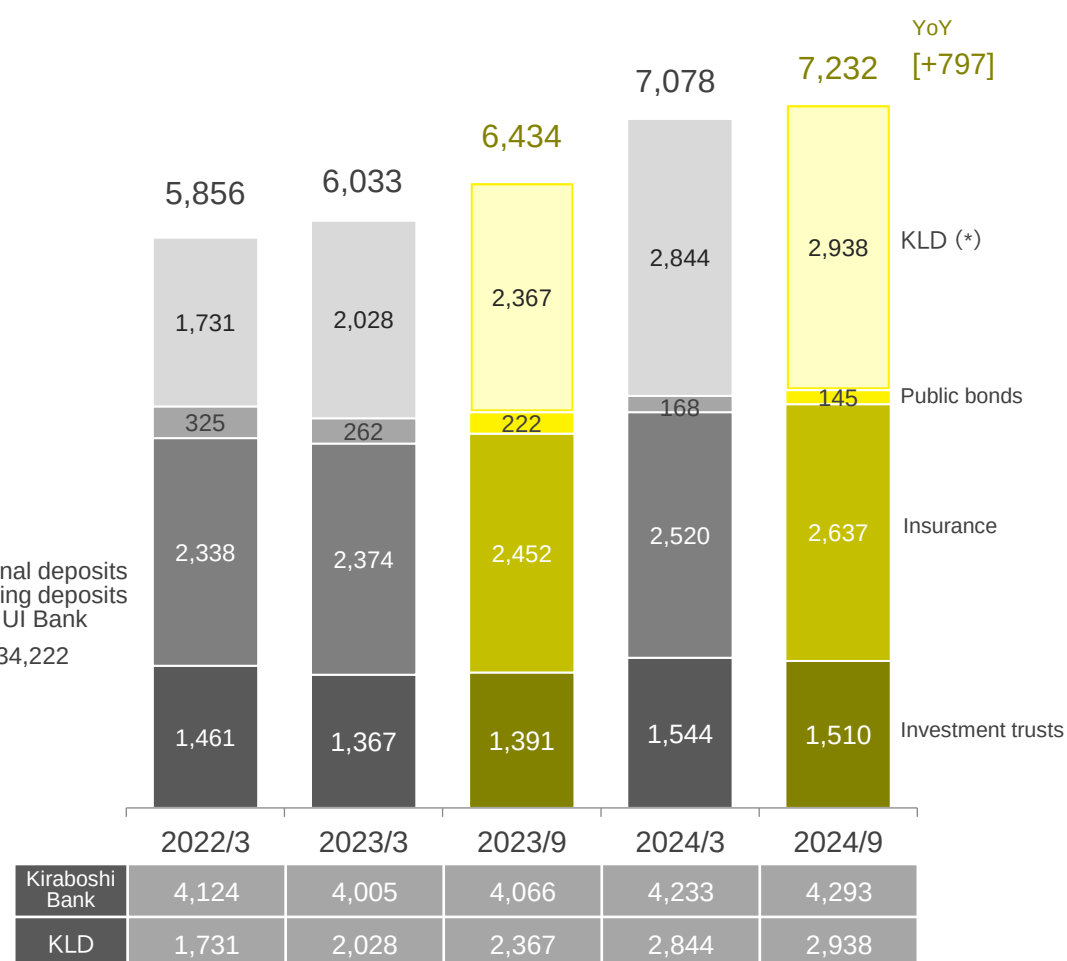
## 1. Deposit balance by type of customer (Kiraboshi Bank + UI Bank) (¥100 million)



\* Negotiable certificates of deposit not included

\* UI Bank started operation in January 2022

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

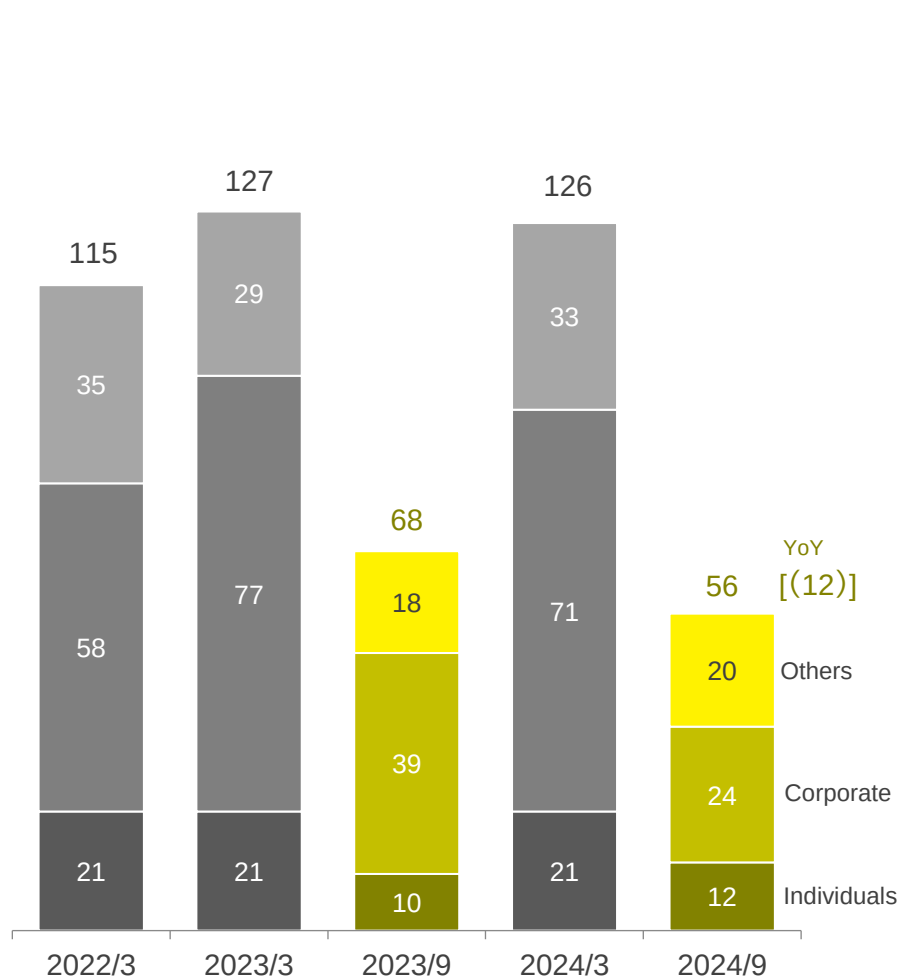


\* KLD: Kiraboshi Life Design Securities Co., Ltd.

# Income from Fees and Commissions (Kiraboshi Bank)

Small increase in commission income from retail customers through sales approach focusing on outstanding balance and not dependent on sales commissions, while commission income from corporate customers declined compared to the previous fiscal year when revenues grew significantly due to business financing, etc.

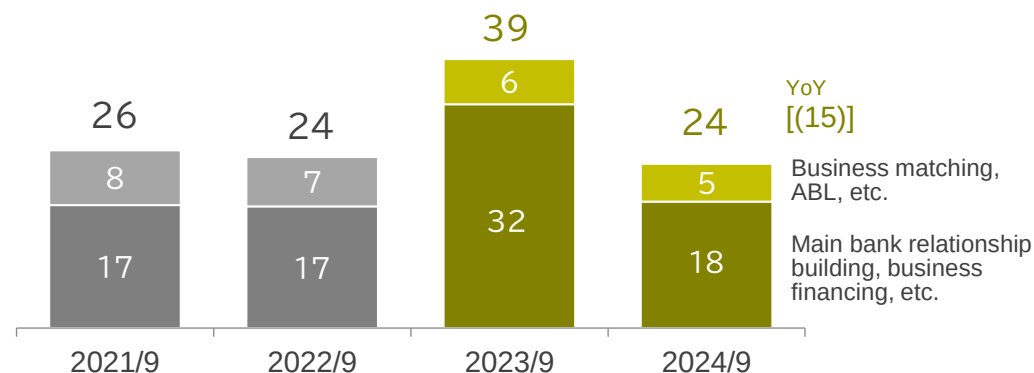
## 1. Income from fees and commissions (¥100 million)



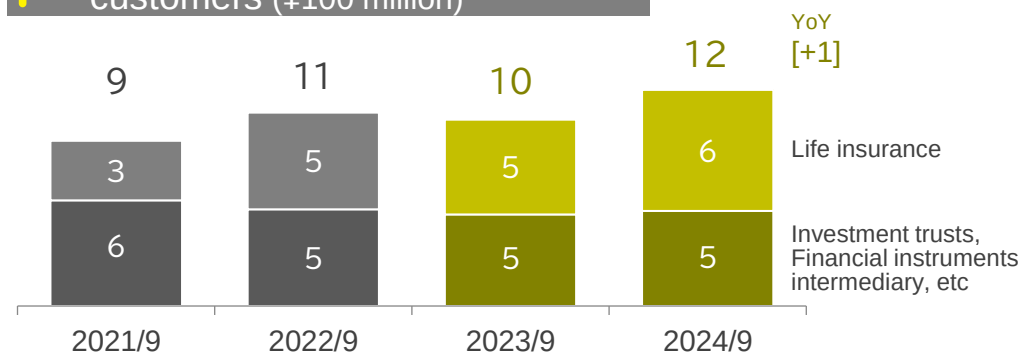
\* Trust fees included

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

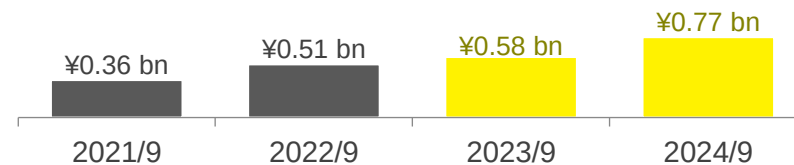
\* Breakdown for "2." and "3." is based on management accounting figures



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



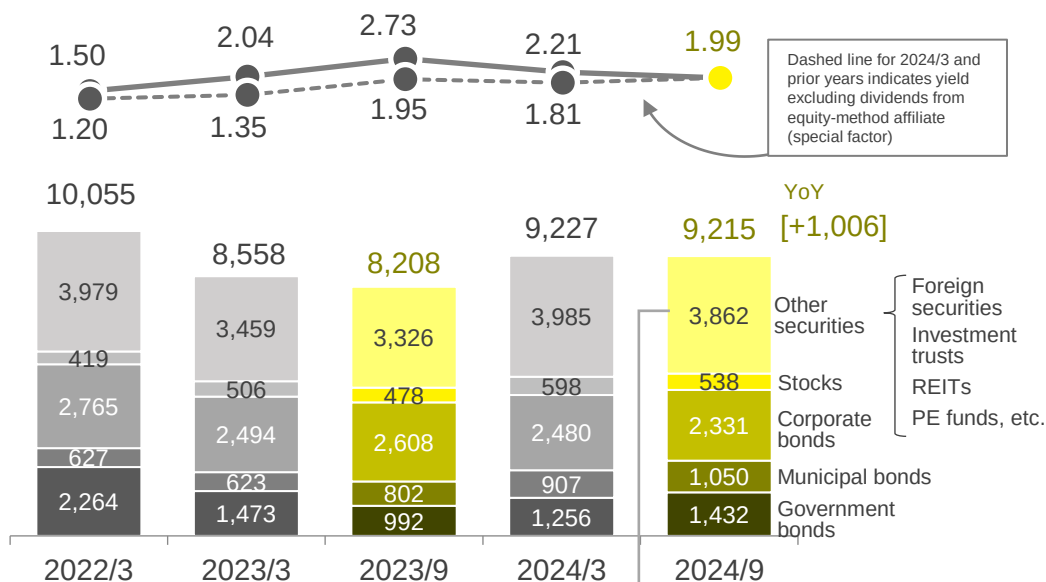
[Ref] Kiraboshi Life Design Securities' commission income  
(\* not included in commission income from retail customers above)



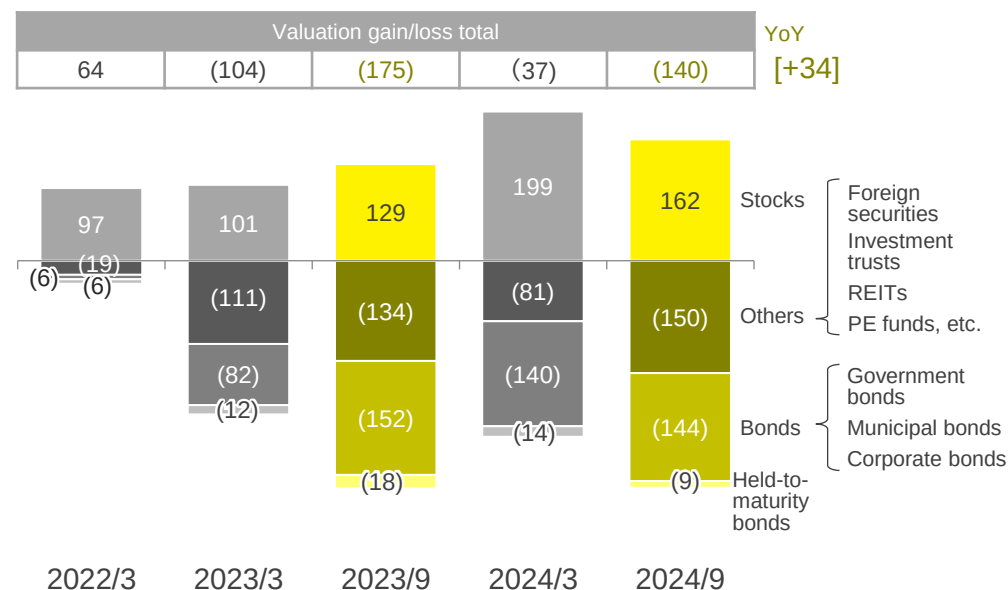
# Securities (Kiraboshi Bank)

Proceeded with disposal of super long-term bonds, replacing them with floating-rate bonds, etc. Also shortened the duration of yen bonds and reduced interest rate risk

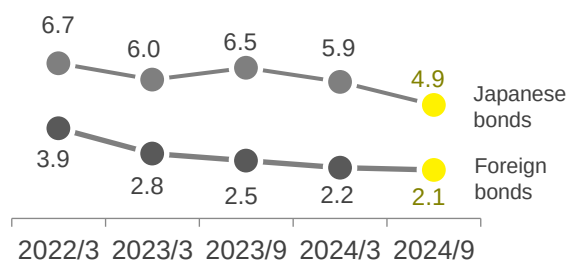
## 1. Securities balance / yield (¥100 million, %)



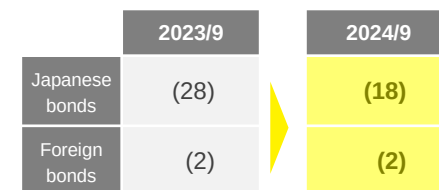
## 2. Valuation gain/loss on securities (¥100 million)



## 3. Duration (years)



## 4. Interest rate sensitivity (¥100 million)



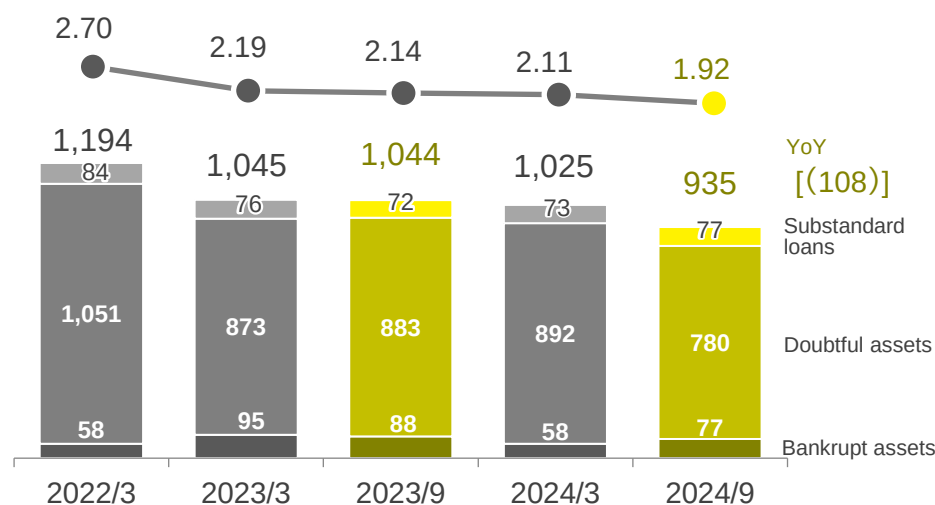
\* Effect of an upward parallel shift of interest rate by 10bp  
\* Excluding investment trusts

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

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

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

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

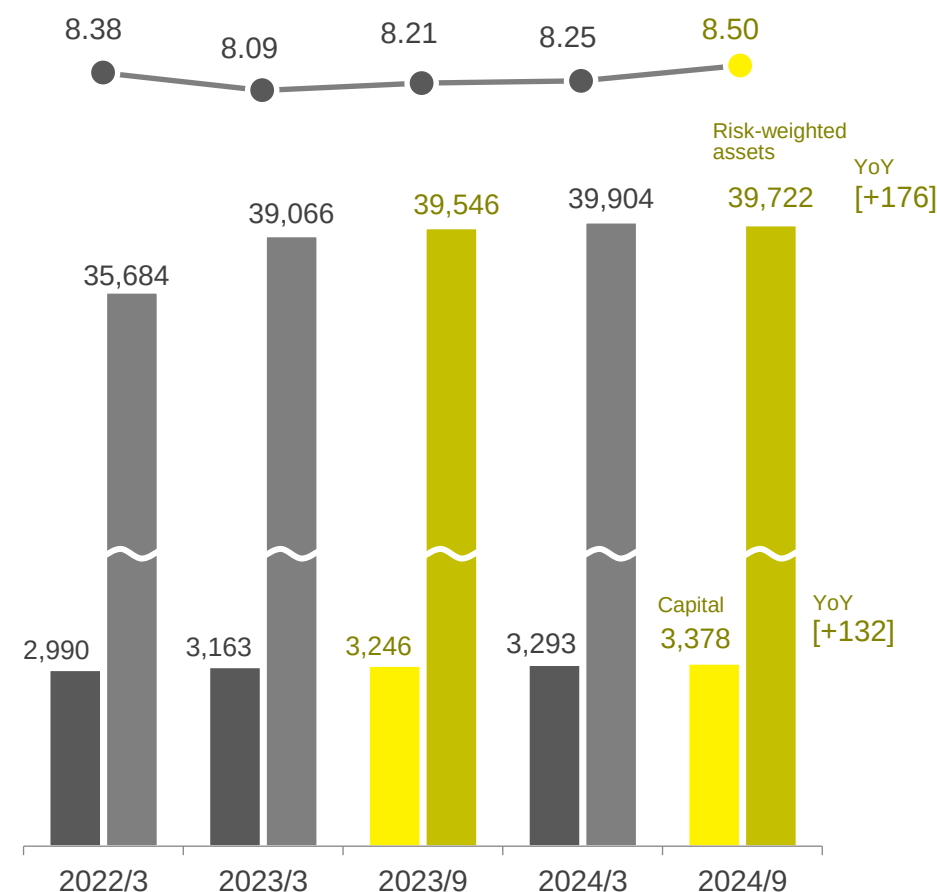


\* Figures are after partial direct write-offs.

## 2. Credit-related costs (¥100 million)

|                                                             | 2023/9 | 2024/9 | YoY |
|-------------------------------------------------------------|--------|--------|-----|
| A Provision of general allowance for loan losses            | —      | (4)    | (4) |
| B Disposal of non-performing loans                          | 3      | 15     | +11 |
| Of which, provision of allowance for individual loan losses | —      | 12     | +12 |
| C Reversal of allowance for loan losses                     | 5      | —      | (5) |
| Credit-related costs (A + B - C)                            | (2)    | 10     | +12 |

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



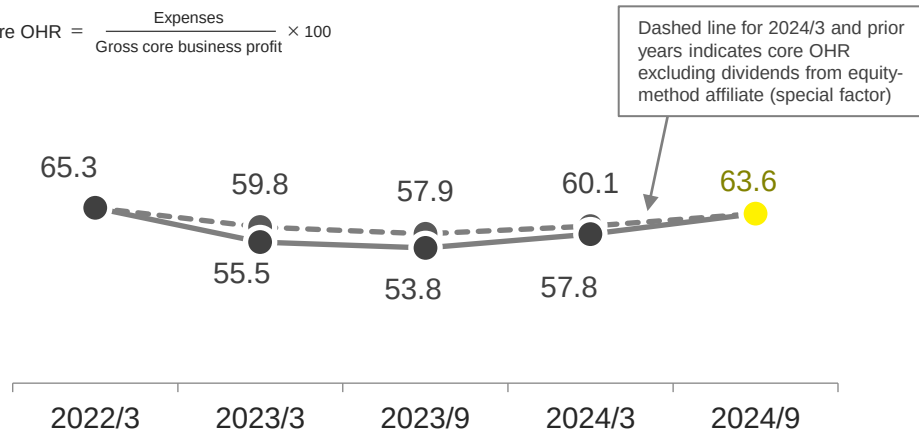
# Core OHR / ROE / Dividends

OHR increased YoY due to decrease in Kiraboshi Bank's gross core business profit and rise in expenses, notably administrative outsourcing expenses

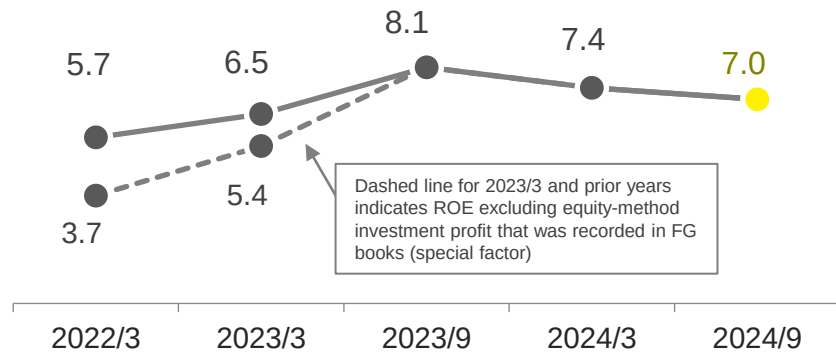
ROE remained at the 7% level, although lower on a YoY comparison. Annual dividend per share expected to increase for the fourth consecutive year

## 1. Core OHR (Kiraboshi Bank) (%)

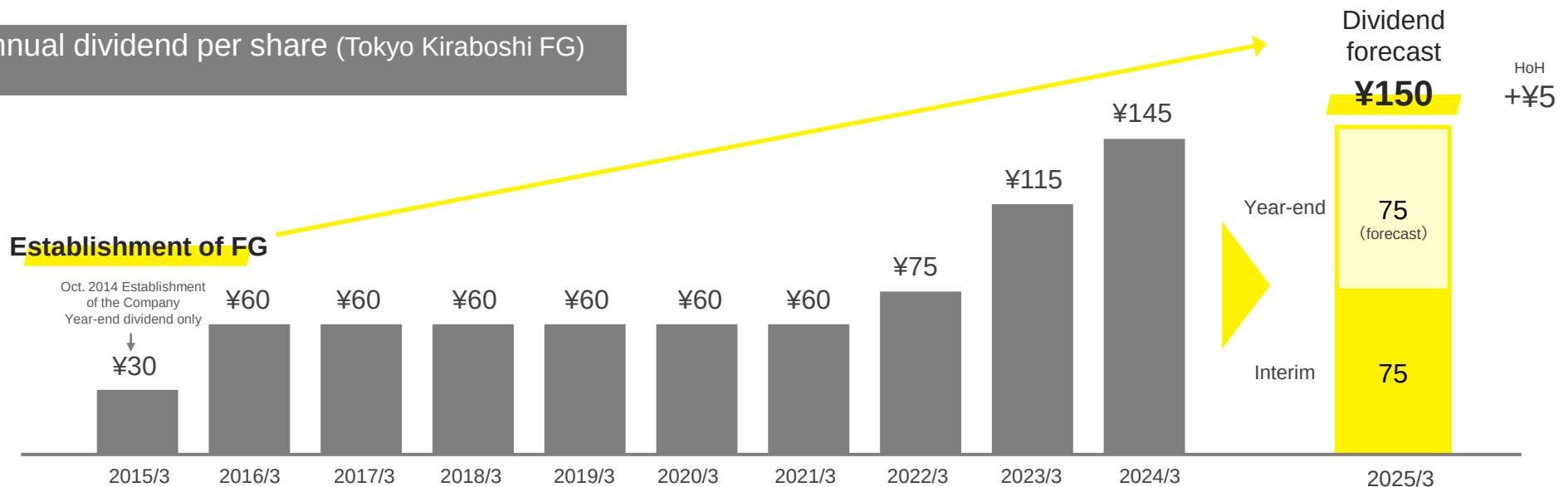
$$\text{Core OHR} = \frac{\text{Expenses}}{\text{Gross core business profit}} \times 100$$



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

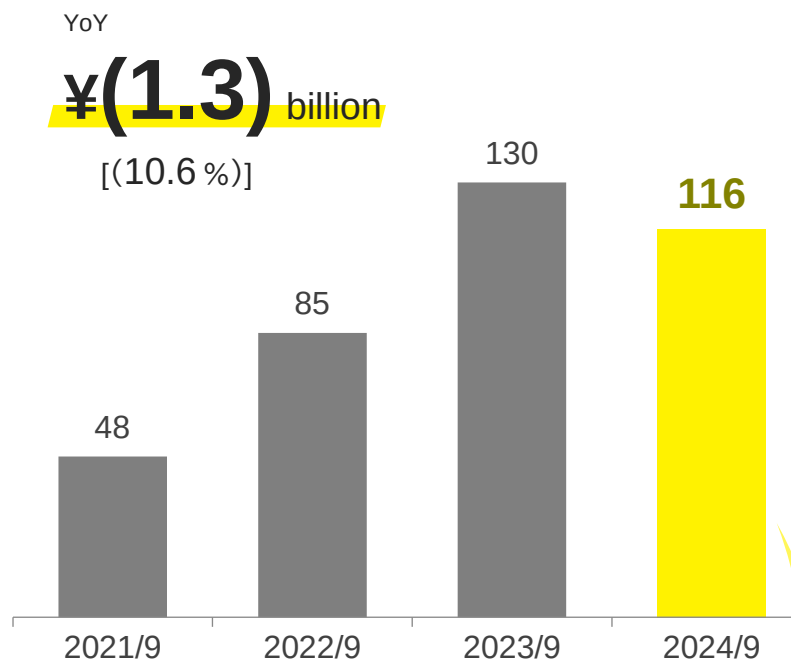


## 3. Annual dividend per share (Tokyo Kiraboshi FG) (yen)



# <Reference> Profit from Customer Business and Breakdown of Factors (Kiraboshi Bank)

## Profit from customer business\*1 (¥100 million)



### Main change factors

Income from fees and commissions\*2 **¥(1.2) billion YoY**

➡ Decrease in commission income from corporate customers (¥(1.5) billion YoY)

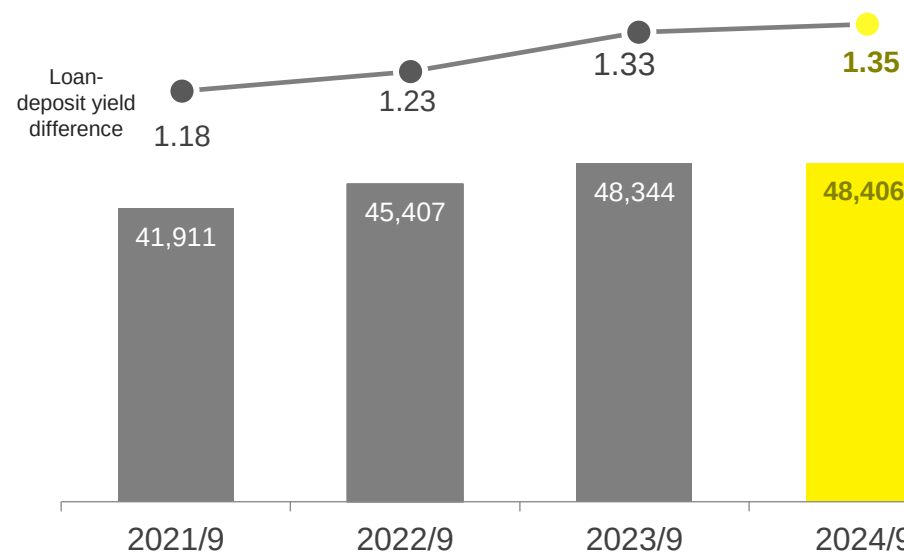
\*1 Calculation method: (loan balance x loan and deposit rate margin) + income from fees and commissions - general and administrative expenses

\*2 Income from fees and commissions includes trust fees

## Breakdown of factors (¥100 million, %)

|   |                                                                                                           | 2022/9 | 2023/9 | 2024/9        | YoY   |
|---|-----------------------------------------------------------------------------------------------------------|--------|--------|---------------|-------|
| A | Loan balance (closing balance)                                                                            | 45,407 | 48,344 | <b>48,406</b> | +61   |
| B | Loan-deposit yield difference                                                                             | 1.23   | 1.33   | <b>1.35</b>   | +0.02 |
| C | Income from fees and commissions                                                                          | 52     | 68     | <b>56</b>     | (12)  |
| D | General and administrative expenses (expenses + temporary treatment of retirement benefit expenses, etc.) | 247    | 262    | <b>268</b>    | (6)   |
|   | Profit from customer business (A×B×183/365 + C - D)                                                       | 85     | 130    | <b>116</b>    | (13)  |

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



Started handling mortgage loans in August 2024. Along with unsecured loans, will seek to increase loan balances with expectations for contribution to interest income

Results for the first half ended September 30, 2024

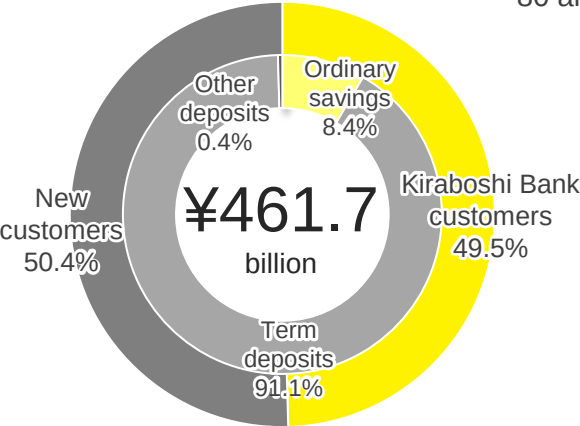
Deposit balance **¥461.7 billion**

| Deposit balance |                |         | Ordinary savings account / Term deposit account breakdown |                |
|-----------------|----------------|---------|-----------------------------------------------------------|----------------|
| 2023/9          | 2024/9         | YoY     | 2024/9                                                    |                |
| ¥468.3 billion  | ¥461.7 billion | (1.3) % | Of which, ordinary savings                                | ¥39.0 billion  |
|                 |                |         | Of which, term deposits                                   | ¥420.6 billion |

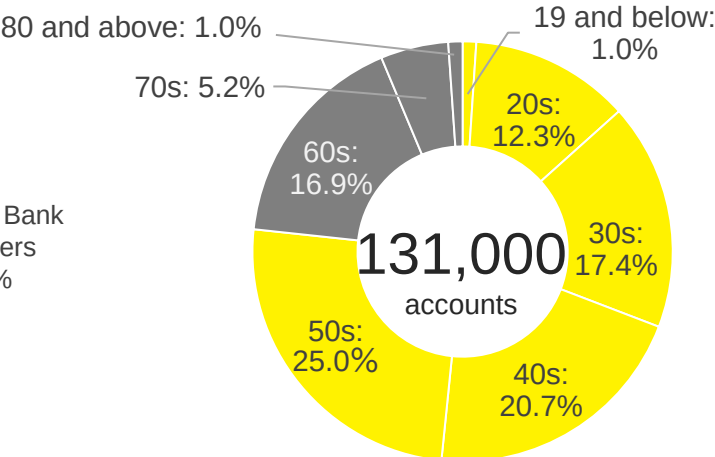
Loan balance **¥1.9 billion**

| Loan balance  |              |     | Breakdown by home/unsecured loans |              |
|---------------|--------------|-----|-----------------------------------|--------------|
| 2023/9        | 2024/9       | YoY | 2024/9                            |              |
| ¥0.05 billion | ¥1.9 billion | — % | Mortgage loans                    | ¥1.3 billion |
|               |              |     | Unsecured loan billion            | ¥0.6 billion |

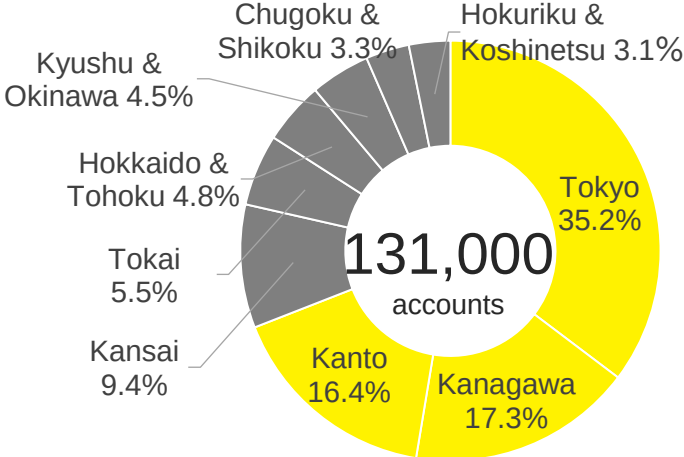
Breakdown of deposit balance



Distribution of accounts by age group



Distribution of accounts by region



TOKYOに、つくそう。



Giving our all, for TOKYO.

## 2. Progress in the Medium-Term Business Plan

# Changes in Management Targets of the Medium-Term Business Plan

- Aim for FG consolidated profit of ¥30 billion and FG consolidated ROE in the upper 7% range in FY2026 by improving the Group's profitability
- Accumulate internal reserves and aim for capital ratio of 8.3% after redemption of preferred shares

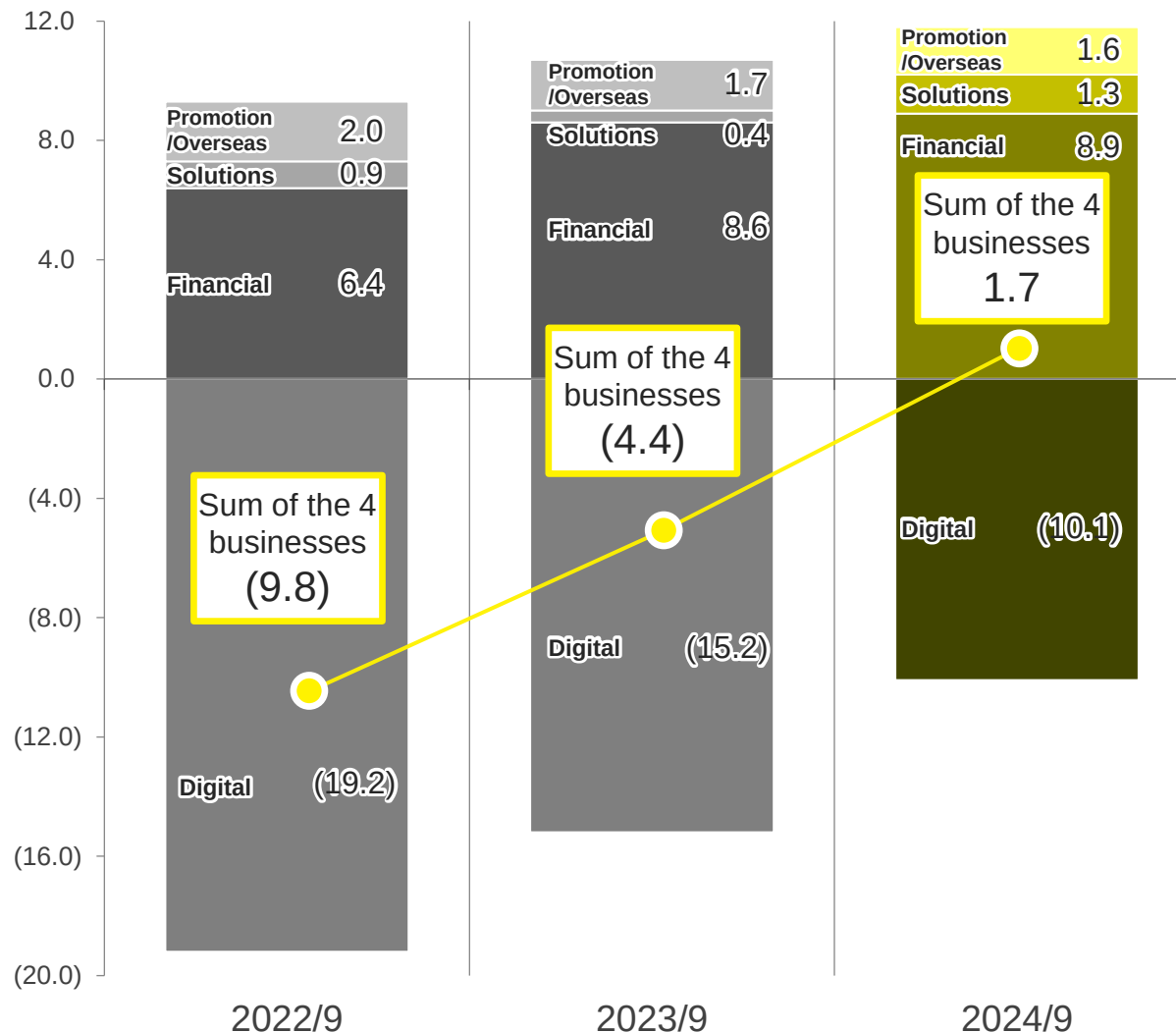
|                                                                              | September 2022   |   | September 2023   |   | September 2024 |     | March 2027<br>(Targets of the final year of the MTBP) |
|------------------------------------------------------------------------------|------------------|---|------------------|---|----------------|-----|-------------------------------------------------------|
| Net income<br>(FG consolidated)                                              | ¥8.6 billion     | ↗ | ¥13.4 billion    | ↘ | ¥12.9 billion  | ... | ¥30.0 billion                                         |
| Profit of Group companies<br>(FG consolidated)<br>* Excluding Kiraboshi Bank | ¥(0.9) billion   | ↗ | ¥(0.4) billion   | ↗ | ¥0.1 billion   | ... | ¥5.0 billion                                          |
| ROE<br>(FG consolidated)                                                     | 5.4%             | ↗ | 8.1%             | ↘ | 7.0%           | ... | High 7% range                                         |
| Core OHR<br>(Kiraboshi Bank non-consolidated)                                | 51.3%<br>(59.2%) | ↘ | 53.8%<br>(57.9%) | ↘ | 63.6%          | ... | Mid-50% range                                         |
| Capital ratio<br>(FG consolidated)                                           | 8.4%             | ↘ | 8.2%             | ↗ | 8.5%           | ... | 8.3%                                                  |

\* Figures in parentheses under Core OHR are values excluding special factor

# Group Strategy

## Profit of Group companies (same graph as shown on p6)

(¥100 million)



### Digital Business

Providing digital solutions with unparalleled convenience and cost competitiveness

### Financial Business

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

### Solutions

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

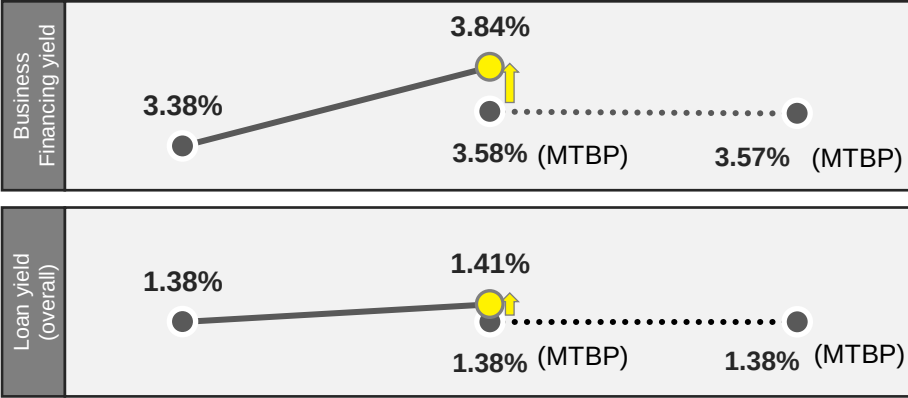
### Promotion Business/Overseas Business

Supporting promotions contributing to sales channel expansion

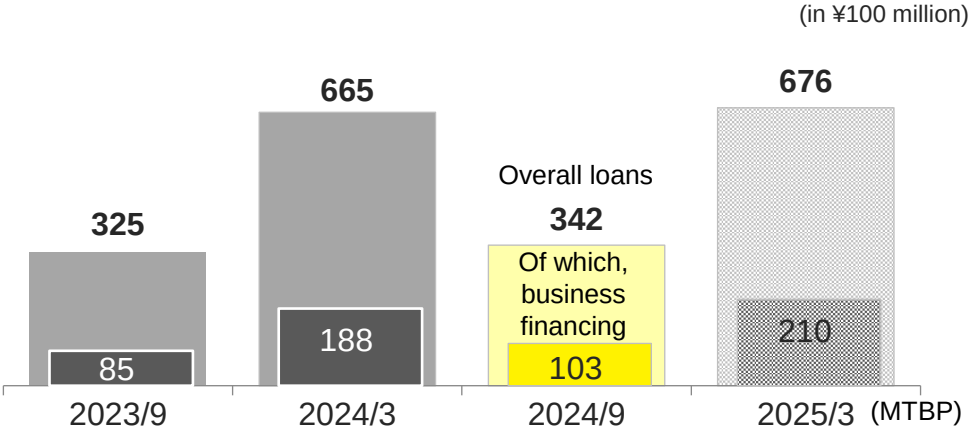
# Corporate Customer Strategy 1: Loans (Kiraboshi Bank)

- Loan yield and profitability to improve with gradual penetration of policy emphasizing RORA
- Business financing balances execution, repayment, and distribution for an effective asset cycle and loan balance control

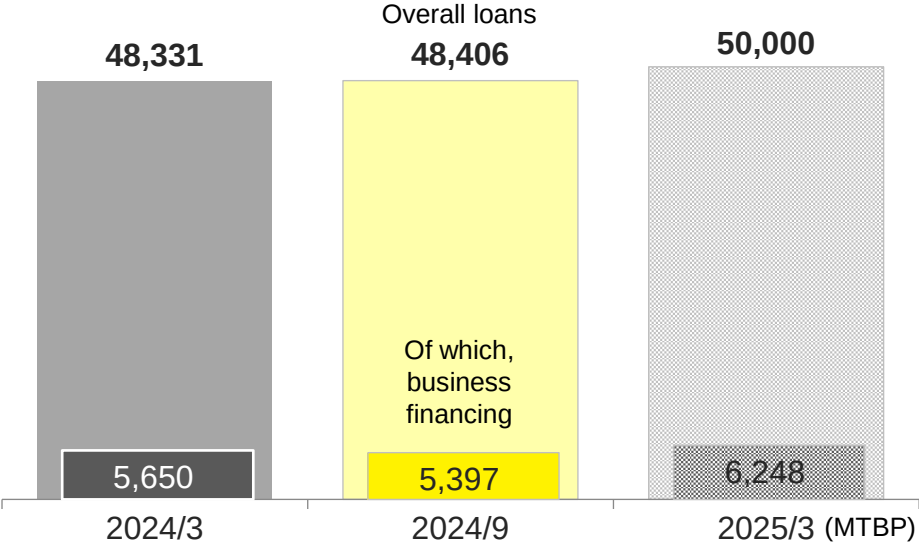
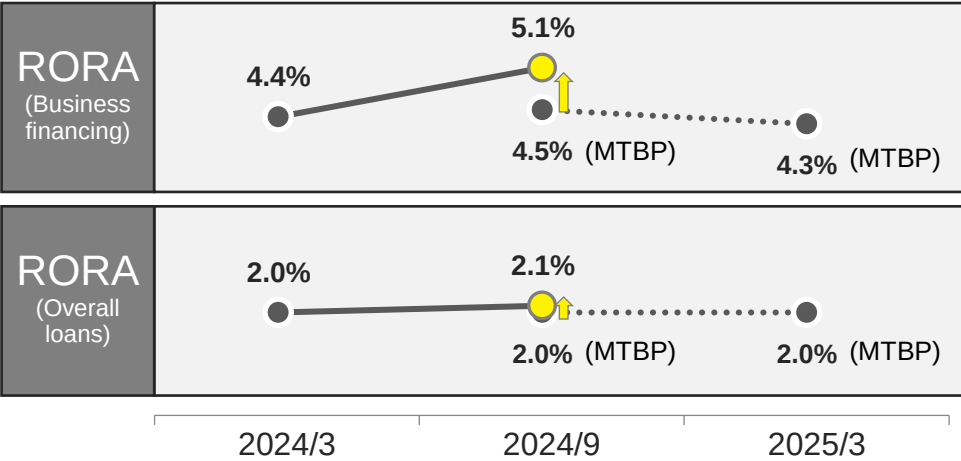
Kiraboshi Bank Loan balance and yield (in ¥100 million)



Kiraboshi Bank Interest on loans and discounts (in ¥100 million)



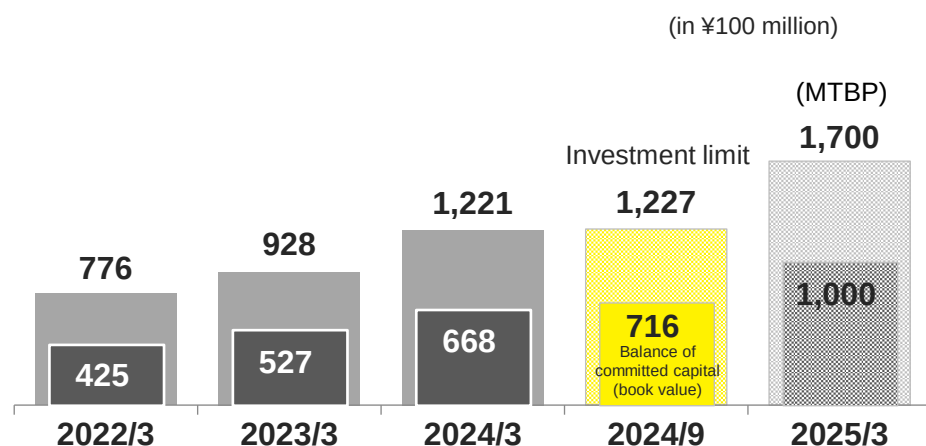
Kiraboshi Bank Changes in RORA



# Corporate Customer Strategy 2: Equity Investment Business

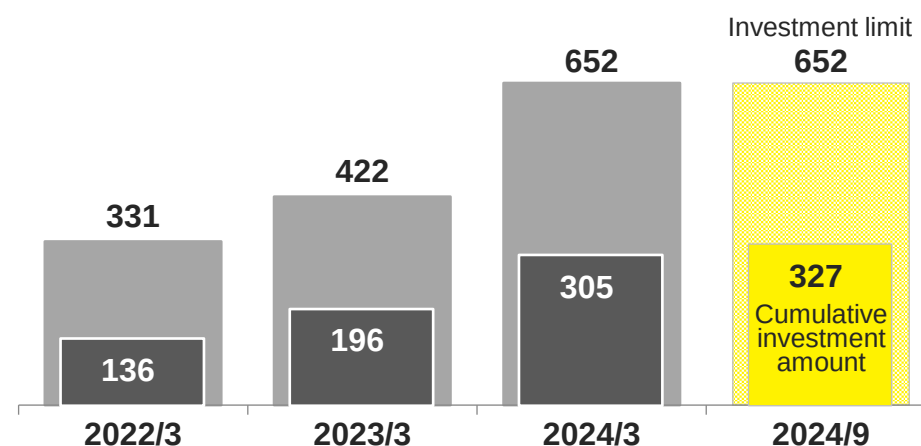
- Fund investment balance to increase reflecting strong needs for equity financing associated with business succession
- Aim for corporate value enhancement of Kiraboshi Capital's investee companies by providing them with hands-on support

## Kiraboshi Bank PE fund investment amount (LP)



## Funds administered by Kiraboshi Capital

(in ¥100 million)



## Funds with investments as of September 2024

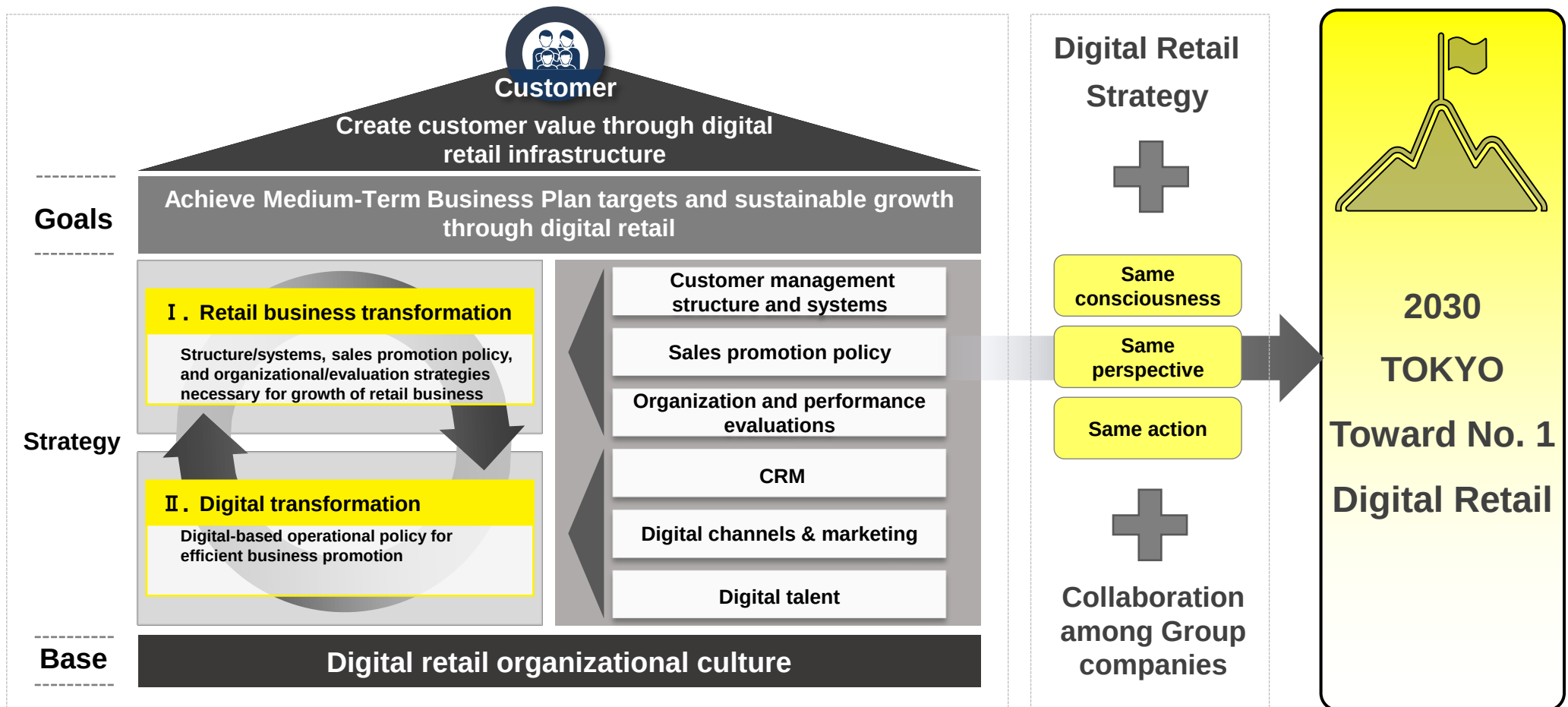
| Breakdown of funds invested                                           | Number of funds | Investment limit     |
|-----------------------------------------------------------------------|-----------------|----------------------|
| ● Venture fund                                                        | 6               | ¥1.2 billion         |
| ● Reconstruction and debt funds                                       | 5               | ¥2.4 billion         |
| ● Buyout fund                                                         | 66              | ¥39.9 billion        |
| ● Others (infrastructure)                                             | 6               | ¥2.6 billion         |
| ● Others (Kiraboshi Capital Co., Ltd. Kiraboshi Consulting Co., Ltd.) | 9               | ¥63.3 billion        |
| ● Other (based outside Japan)                                         | 5               | ¥6.2 billion         |
| ● Others                                                              | 22              | ¥6.8 billion         |
|                                                                       | Total 121 funds | Total ¥122.7 billion |

## Funds managed as of September 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 |

# Retail Customer Strategy 1: “VISION 2030”

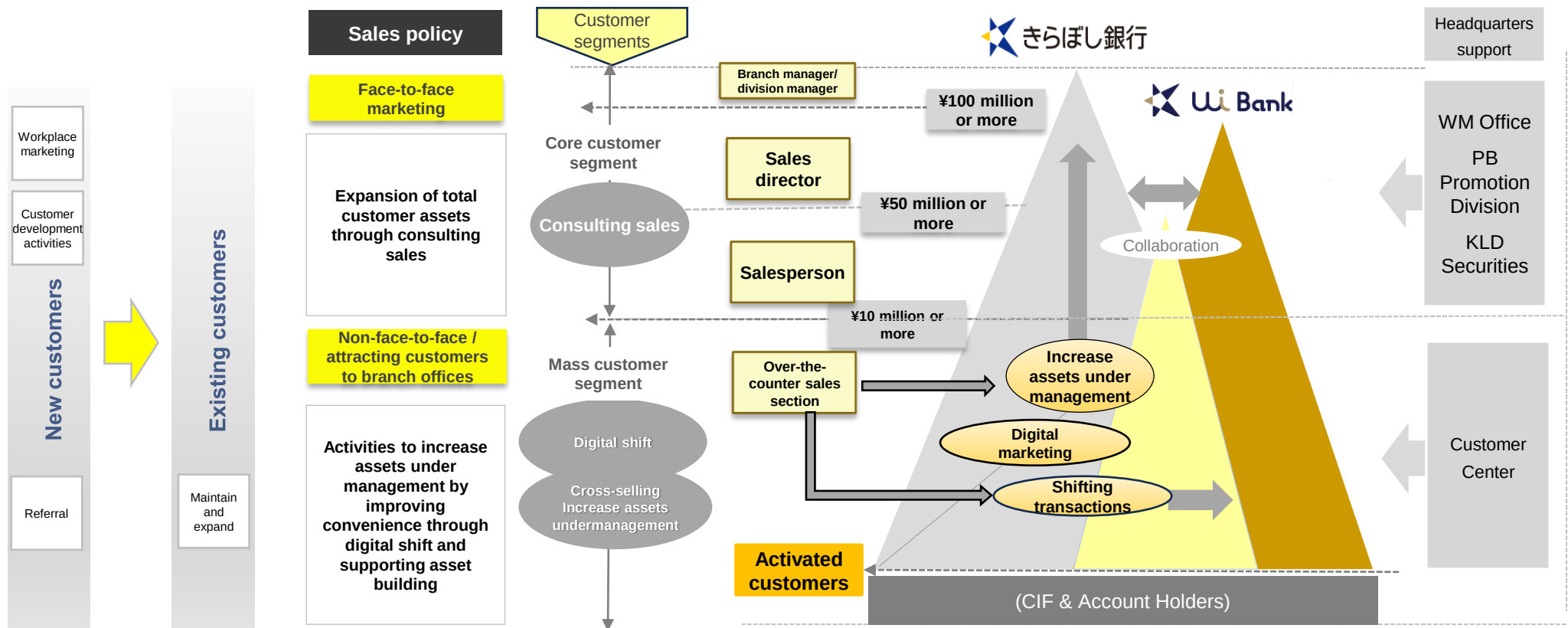
Aim to make a leap toward becoming the “TOKYO No. 1 Digital Retail” financial group in 2030 by developing and implementing digital retail strategy



Review the retail business and transform it drastically using digital technology to develop the business into a sustainable growth engine of the Tokyo Kiraboshi FG

# Retail Customer Strategy 2: Retail Customer Segments and New Sales Structure

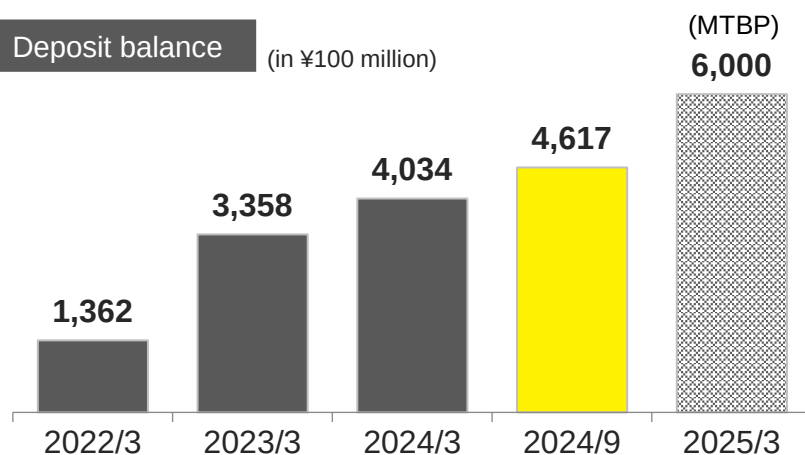
- Clarify customer segments and introduce a sales structure with strengthened proposal capabilities in face-to-face marketing
- Use digital channels to establish a structure for providing a diverse range of customers with advantageous financial services
- Support efficient sales activities through digital marketing using CRM data



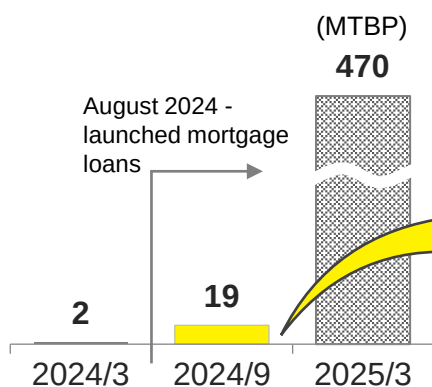
\* Based on the Group's assets under management (including deposits)

- Execution of mortgage loans, which were launched in August 2024, gained momentum from the second half
- Improved convenience with expansion of affiliated ATM network, enhanced service offerings and profitability with investment real estate loans

## UI Bank Deposit and loan balance



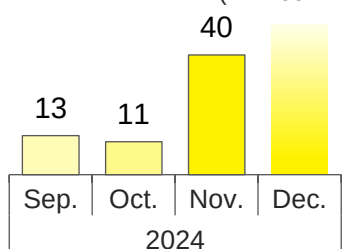
## Loan balance (in ¥100 million)



\* Excluding loans to Kiraboshi Bank

### Monthly mortgage loan disbursements

Loan disbursements on the rise since the launch



## Measures for enhancing customer base

### ■ Launched financial instruments intermediary business (April 2024)

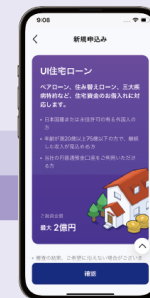
Launched financial instruments intermediary business with Kiraboshi Life Design Securities  
Respond to diverse investment needs by expanding the range of financial product offerings

### ■ Started handling mortgage loans (August 2024)

Convenience of being able to complete entire process on smartphone!

#### Attentive support!

Dedicated staff of "Kiraboshi Bank Loan Plaza" will guide customers through consultation and in application



Convenience of being able to complete entire process on smartphone

Full line-up of group credit life insurance

Accessible nationwide

Loan amount up to 500 million yen

Attentive support that is reassuring

"Double Loan," a relocation loan

Started handling mortgage loans on Aug. 8, 2024

### ■ Expansion of affiliated ATM network

(In addition to Kiraboshi Bank ATMs and Seven Bank ATMs)  
From Nov. 25, 2024 - Lawson Bank ATMs, E-net ATMs  
From Dec. 2, 2024: Japan Post Bank ATMs

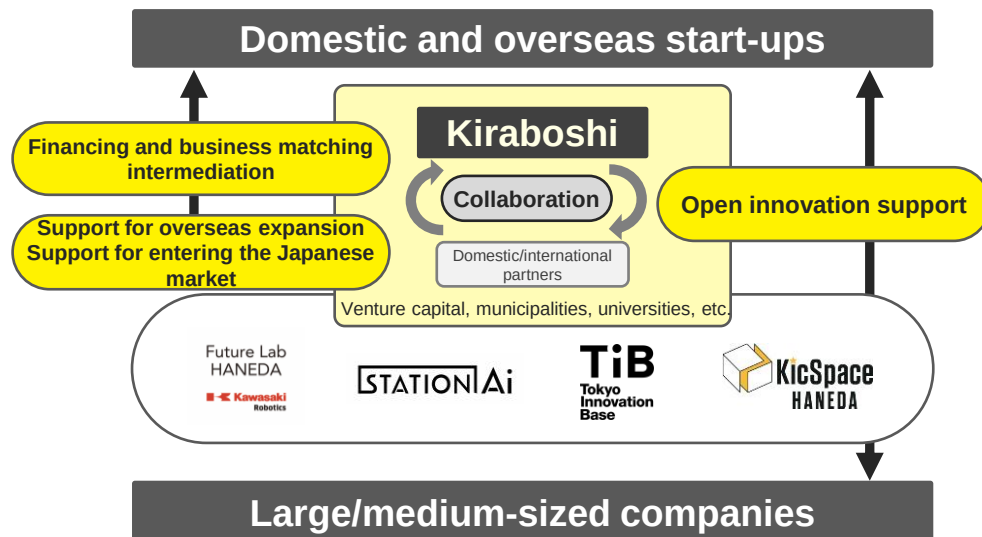
### ■ Scheduled launch of investment real estate loans (December 2024)

Financing up to ¥100 million for purchase of condominium units for rent (planned)

# Start-up Support

- Made 447 loans for a total of ¥9.3 billion in the first half to support start-ups, including start-up financing by branch offices
- “Kiraboshi Pitch” has grown into a major support event, organized 31 times to date, with presentations made by 154 start-ups and attendance of 1,983 people

## Giving full play to start-up hub functions



## Start-up support measures

**Results for the first half ended Sep. 2024:**  
**18 projects (annual target: 30 projects)**

- ▶ Support in matching the leading companies, SMEs, and others with start-ups for collaboration toward new business creation
- ▶ Commercialization support including PoC support and business matching support for development of sales channels, and other support

## Start-up support financing

**Results for the first half ended Sep. 2024:**  
**447 projects, ¥9.3 billion**  
(of which 40 projects, ¥0.71 billion were start-up loans)

## Examples of initiatives

### 1 Kiraboshi Pitch

Holding a pitch event every month using “KicSpace Haneda,” under the slogan of creating unicorn companies from Tokyo

A total of 31 events were held since the start  
(Presentations by 154 start-ups / attendance of 1,983 people)



### 2 “Accelerator Program”

Programs aimed at providing start-ups with support for commercialization and growth

Support for business growth through mentoring and other arrangements for problem-solving

FY2024 (3rd phase), five companies were selected from 28 applications

### 3 Reverse Pitch

Pitch event where problem-solving proposals are made by start-ups to the leading companies, SMEs, and others to address their needs and issues

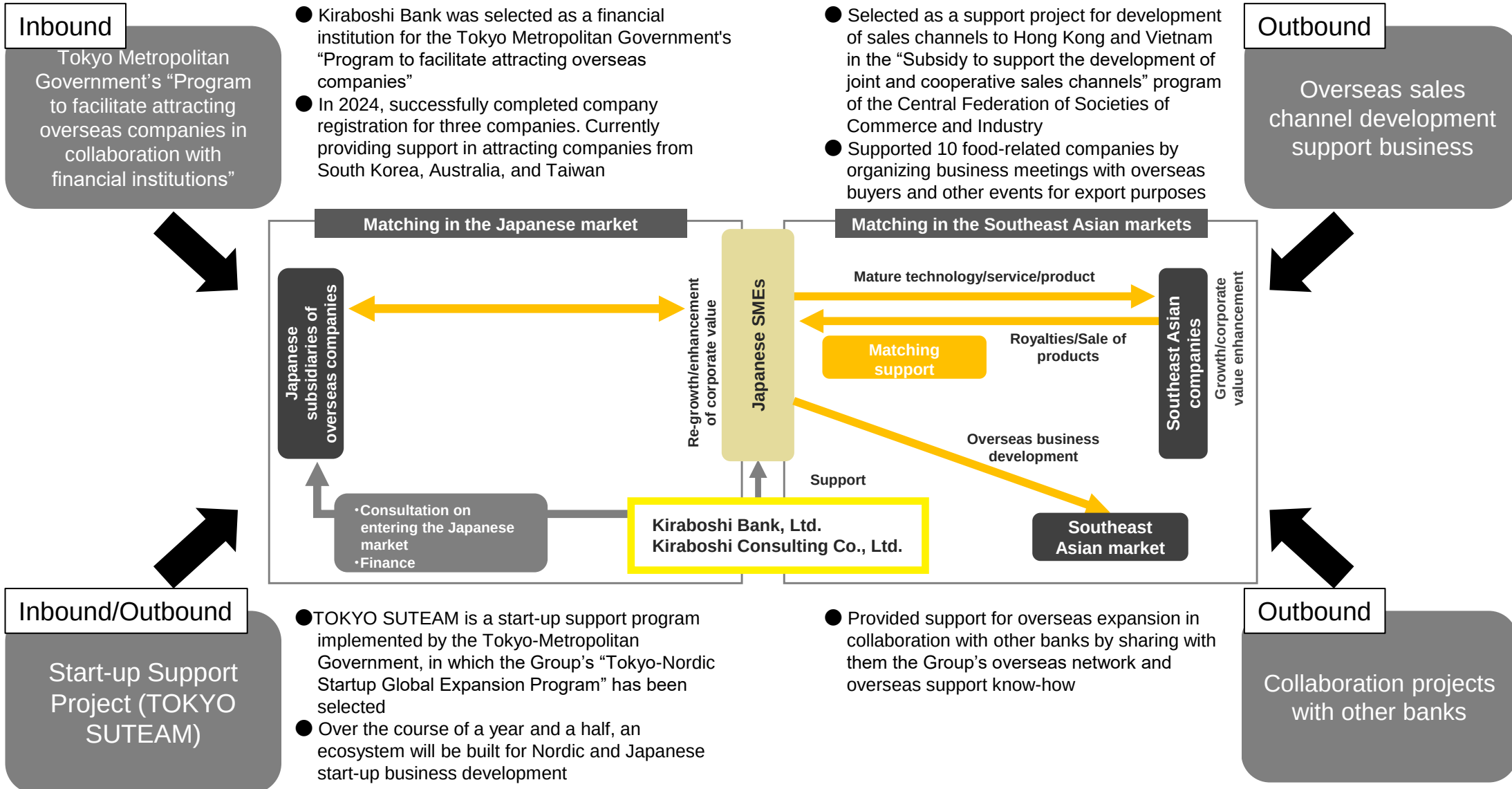
FY2024

Company A (in manufacturing industry) five pitch proposals, of which two were adopted for collaboration

Company B (in service industry) six companies are currently making pitches

# Overseas Strategy

- Providing both outbound and inbound support using the Group's network with Japanese SMEs and office network in Southeast Asia
- Took part in the Tokyo Metropolitan Government's "Program to facilitate attracting overseas companies," and completed company registration for three companies (one US and two South Korean companies) during the first half. Support continues for some other companies.

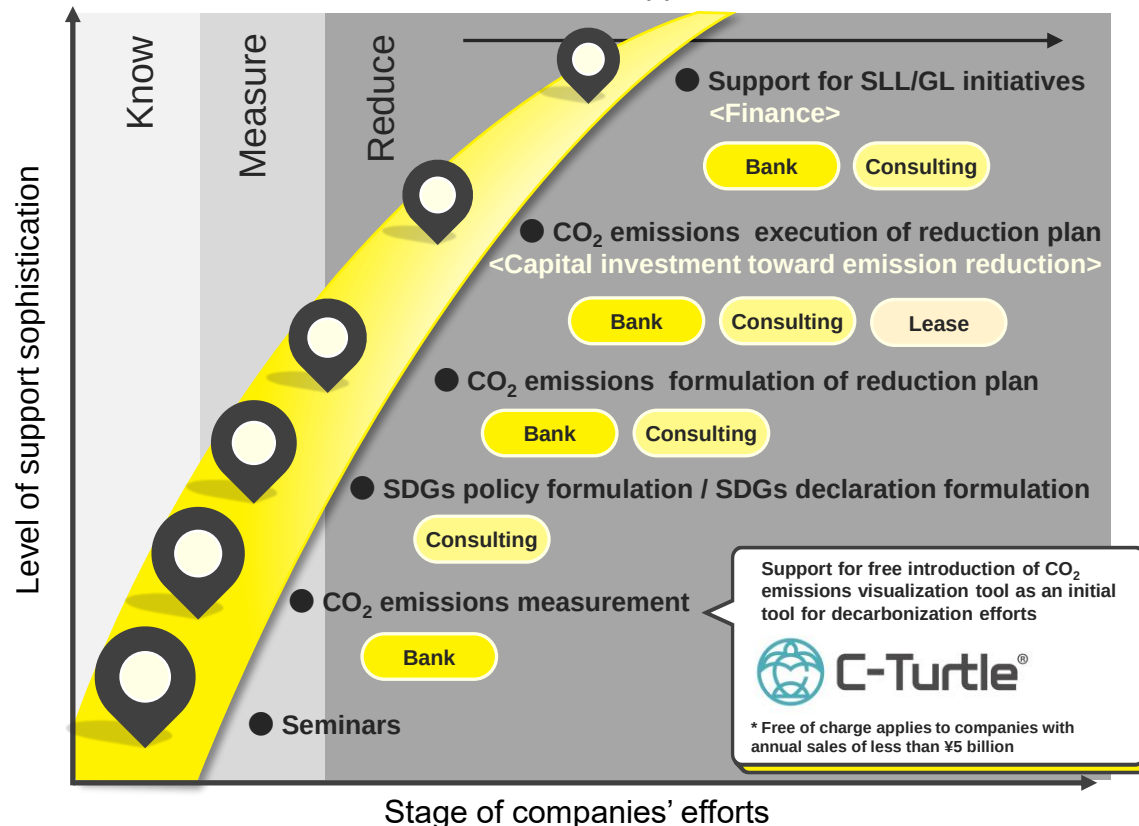


# Carbon-Neutral Support

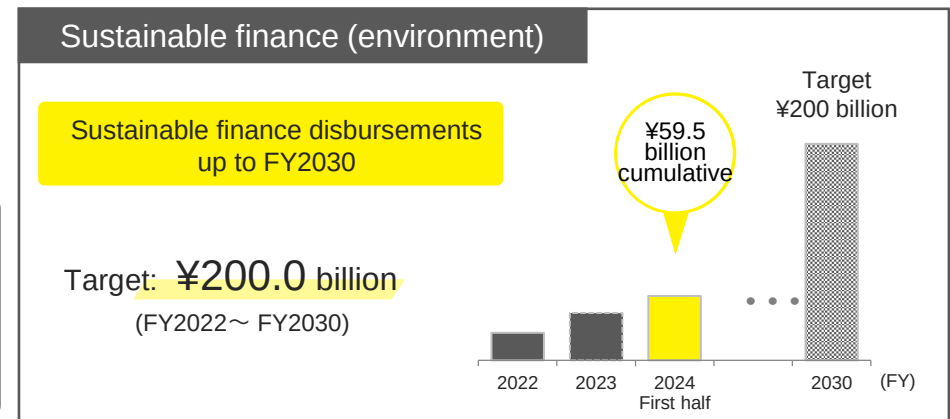
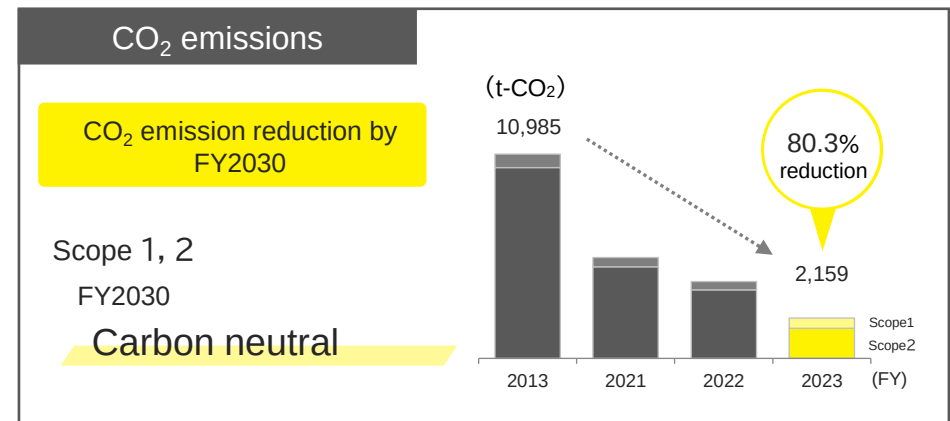
- Provide Group-wide support to customers in their operation from CO<sub>2</sub> measurement to capital investment for decarbonization, and subsequent follow-up
- For Scope 1 and 2, aim to achieve carbon neutrality by FY2030

## Support for SMEs in their decarbonization efforts

Group-wide support extending from raising awareness on decarbonization to consulting and finance  
Support for efforts in corporate value enhancement, such as reduction of fuel costs and creation of business opportunities



## Kiraboshi Group's sustainability targets



**Bank** Kiraboshi Bank **Consulting** Kiraboshi Consulting **Lease** Kiraboshi Lease

SLL: Sustainability Linked Loans GL: Green Loans

TOKYOに、つくそう。



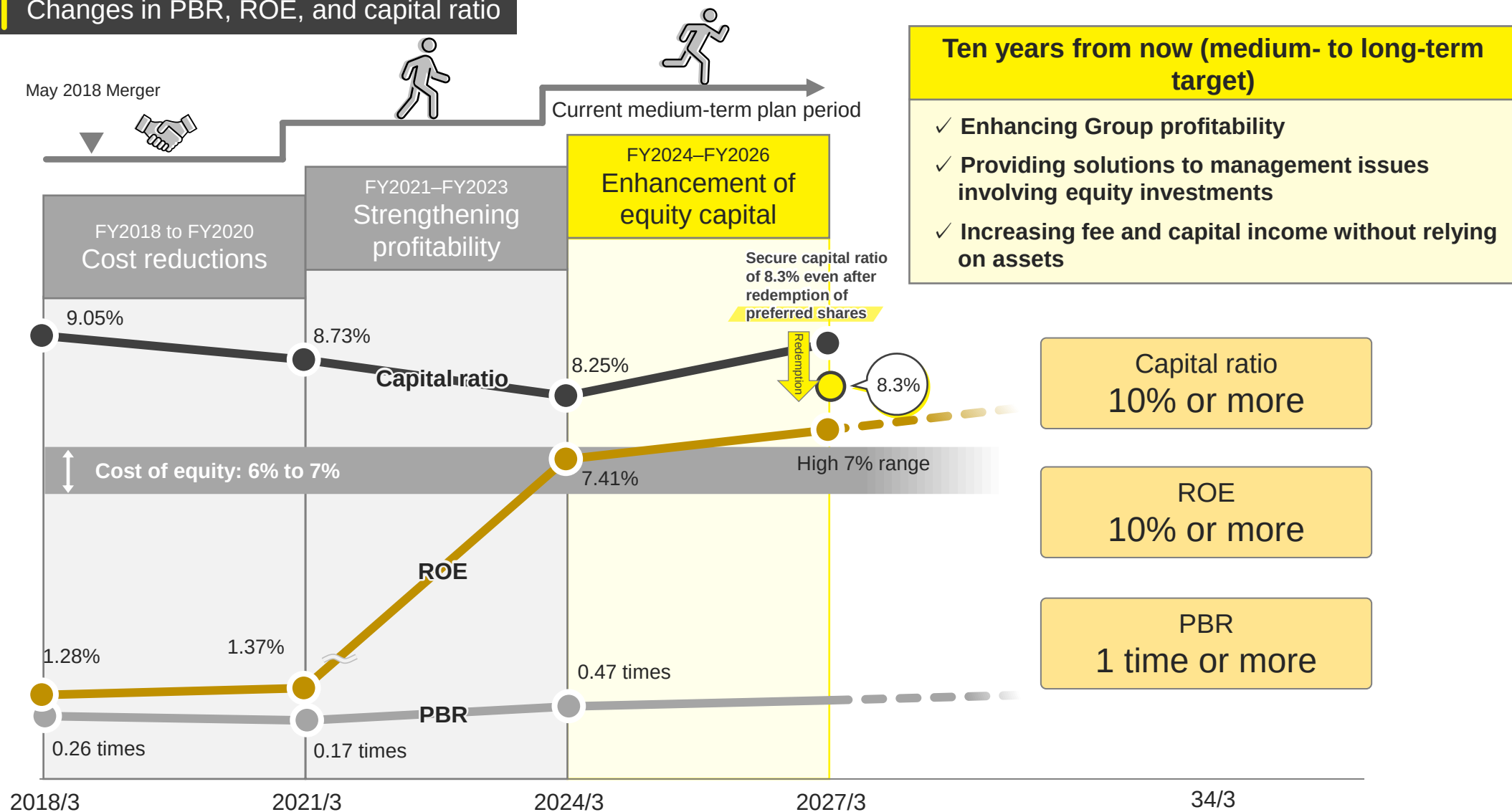
Giving our all, for TOKYO.

## 3. Corporate Value Enhancement Measures, Capital Policy

# Desired State in 10 Years

- ROE for FY2023 improved to 7.4%. Seek to record ROE exceeding cost of equity, increasing corporate value
- Aim to improve profitability, efficiency, and soundness in a balanced manner, and to achieve an equity ratio of at least 10%, ROE of at least 10%, and PBR of at least 1 times in 10 years

## Changes in PBR, ROE, and capital ratio



# Corporate Value Enhancement Measures 1: Initiatives for Improving PBR

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

## Breakdown of PBR

PBR

=

ROE

×

PER

## Breakdown of ROE

ROE

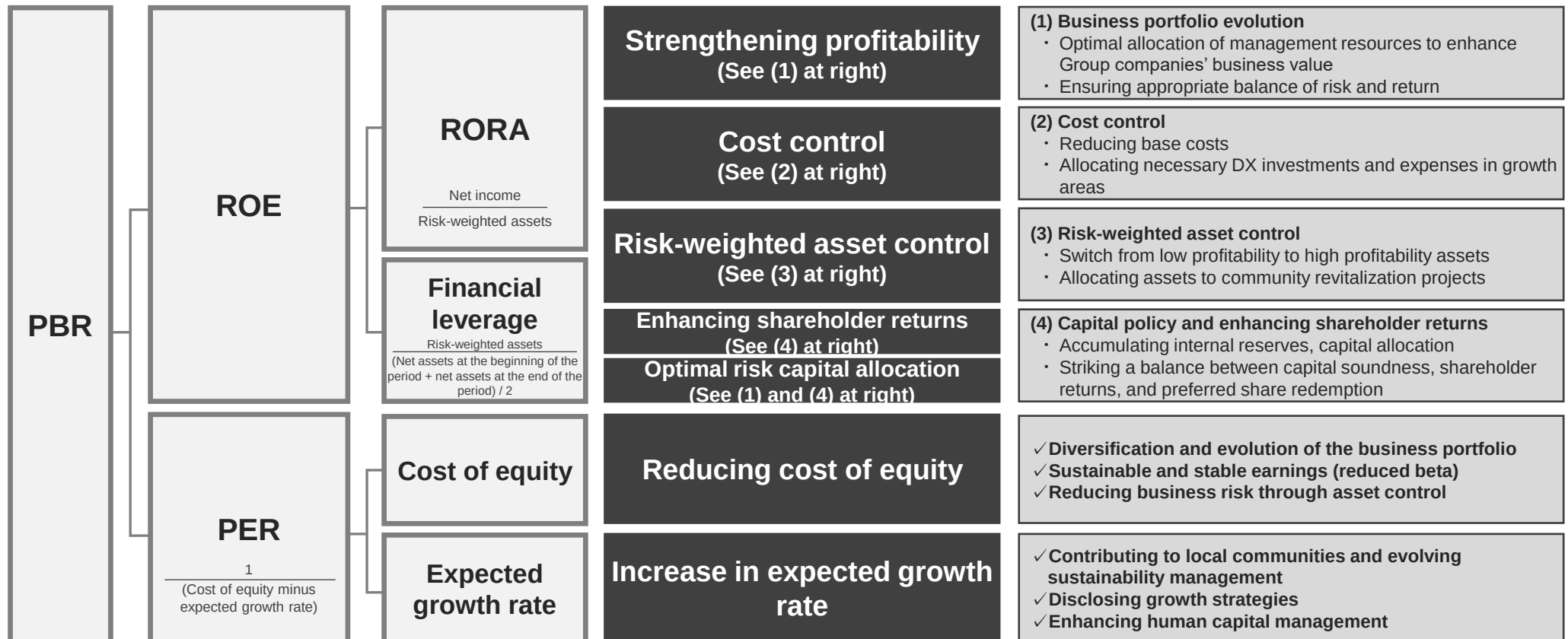
=

RORA

×

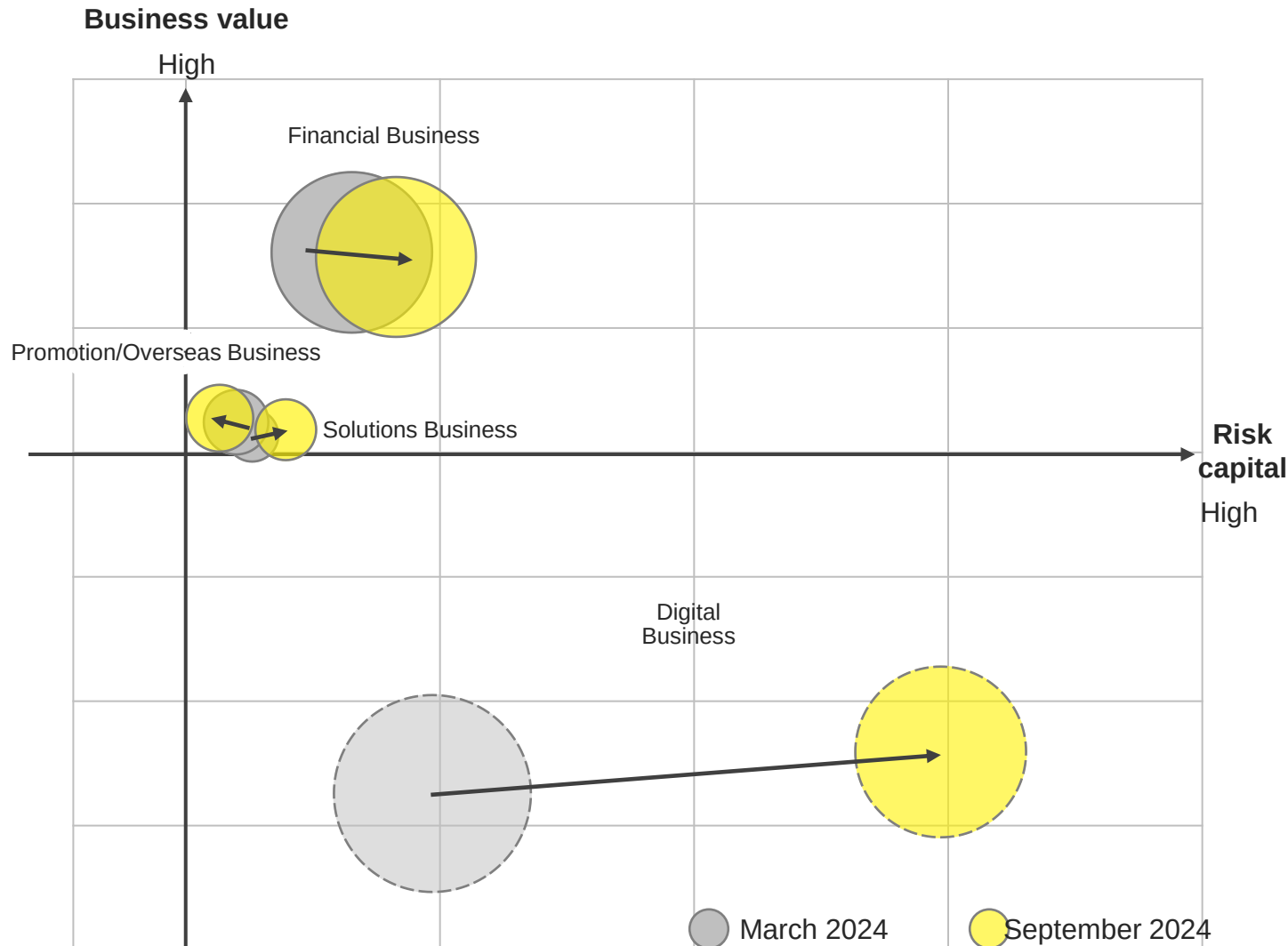
Financial leverage

## Logic tree for PBR improvement



# Corporate Value Enhancement Measures 2: Business Portfolio Evolution (Excluding Kiraboshi Bank)

- Introducing a business valuation indicator reflecting the cost of equity:  $\text{Business value} = \text{Profit} - (\text{Allocated risk capital} \times \text{Cost of equity})$
- Develop digital retail around UI Bank to enhance Group value
- Build a business that integrates digital and real across the entire Group through synergies notably of digital, finance, and solution businesses



\*1 Circle size represents size of profit by business (dashed circles of digital business indicate negative profit values)

\*2 Business value for September 2024 is calculated by multiplying first-half profit by 2

## Digital Business

UI Bank Co., Ltd.

Kiraboshi Tech, Inc.

## Financial Business

Tokyo Kiraboshi Lease, Inc.

Kiraboshi Capital Co., Ltd.

Kiraboshi Life Design Securities Co., Ltd.

Kiraboshi Servicer, Co., Ltd.

Kiraboshi Insurance Agency CO., LTD.

Kiraboshi JCB Co., Ltd.

Kiraboshi Credit Guarantee Co., Ltd.

Yachiyo Credit Guarantee Co., Ltd.

## Solutions Business

Kiraboshi Consulting Co., Ltd.

Kiraboshi System, Inc.

ITC Co., Ltd.

Kiraboshi business office service, Inc.

## Promotion/Overseas Business

Be.Brave, Inc.

Kiraboshi Business Service Co., Ltd.

Kiraboshi Business Consulting Shanghai Co., Ltd.

StarBridge business consulting (Beijing) Co., Ltd.

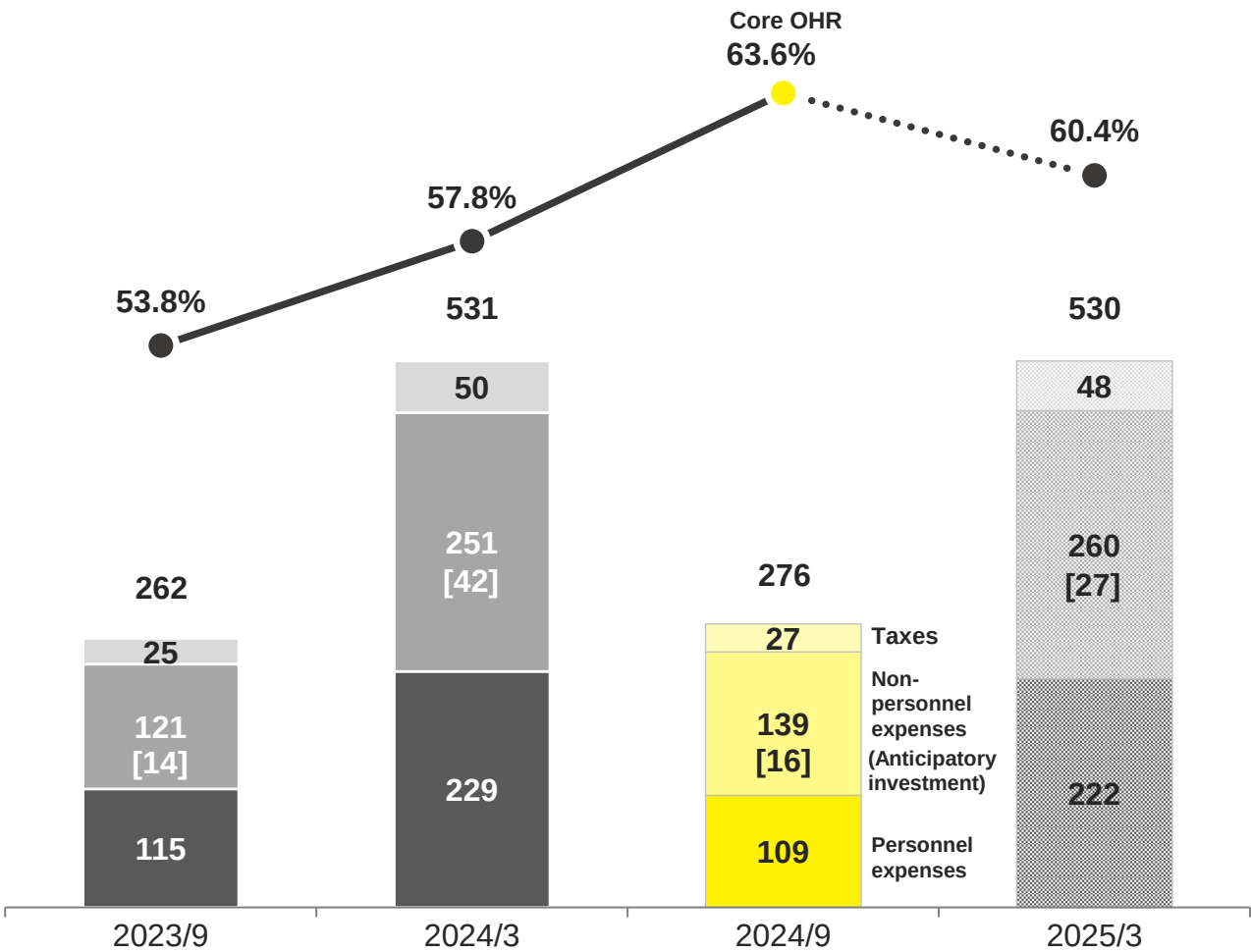
KIRABOSHI BUSINESS CONSULTING VIETNAM CO., Ltd.

# Corporate Value Enhancement Measures 3: Cost Control

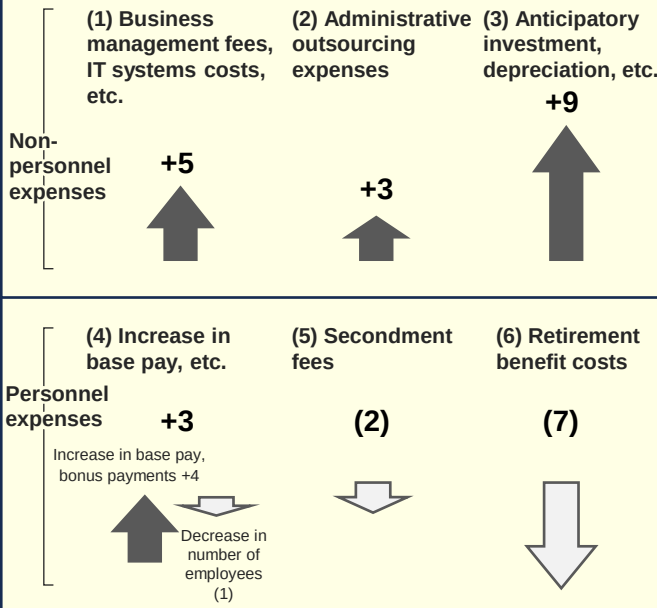
- Core OHR worsened from 53.8% (57.9% after excluding special factor) in the first half ended September 2023 to 63.6% in the first half ended September 2024
- Non-personnel expenses increased due largely to increases in investment in IT systems, as well as administrative outsourcing expenses and business management fees in line with Group strategy
- Promptly realize the efficiency effects of anticipatory investment and its contribution to the top line

## Core OHR/costs

(in ¥100 million)



## Factors behind YoY changes (2023/ 9 → 2024/9)

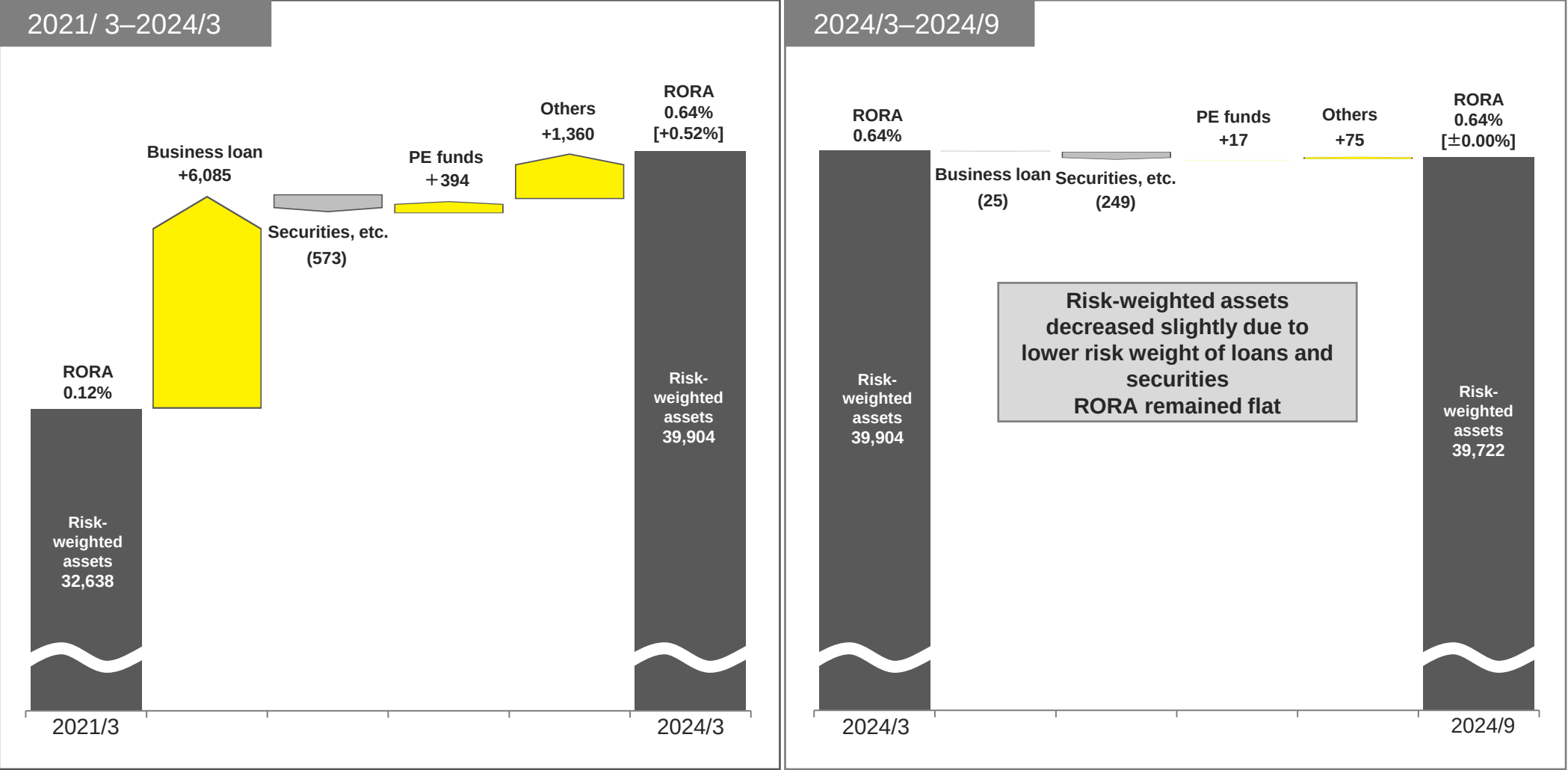


# Corporate Value Enhancement Measures 4: Risk-Weighted Asset Control (Overview)

- Optimize overall asset allocation based on current situation, to improve RORA
- In business financing such as LBOs, secure a certain level of disbursements and fees while also making distribution to other firms

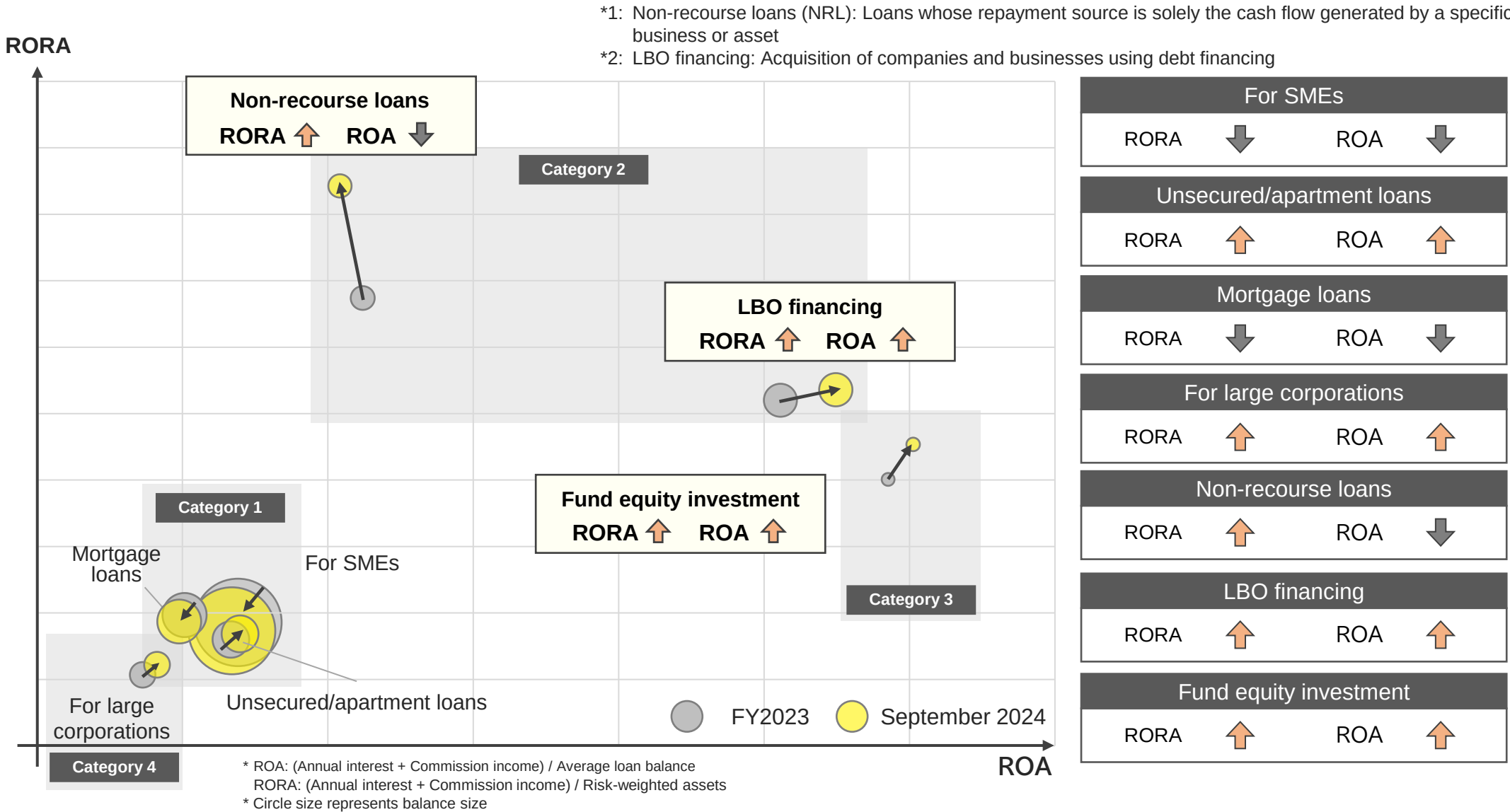
## Changes in risk-weighted assets

(in ¥100 million)



# Corporate Value Enhancement Measures 5: Risk-Weighted Asset Control (By Category)

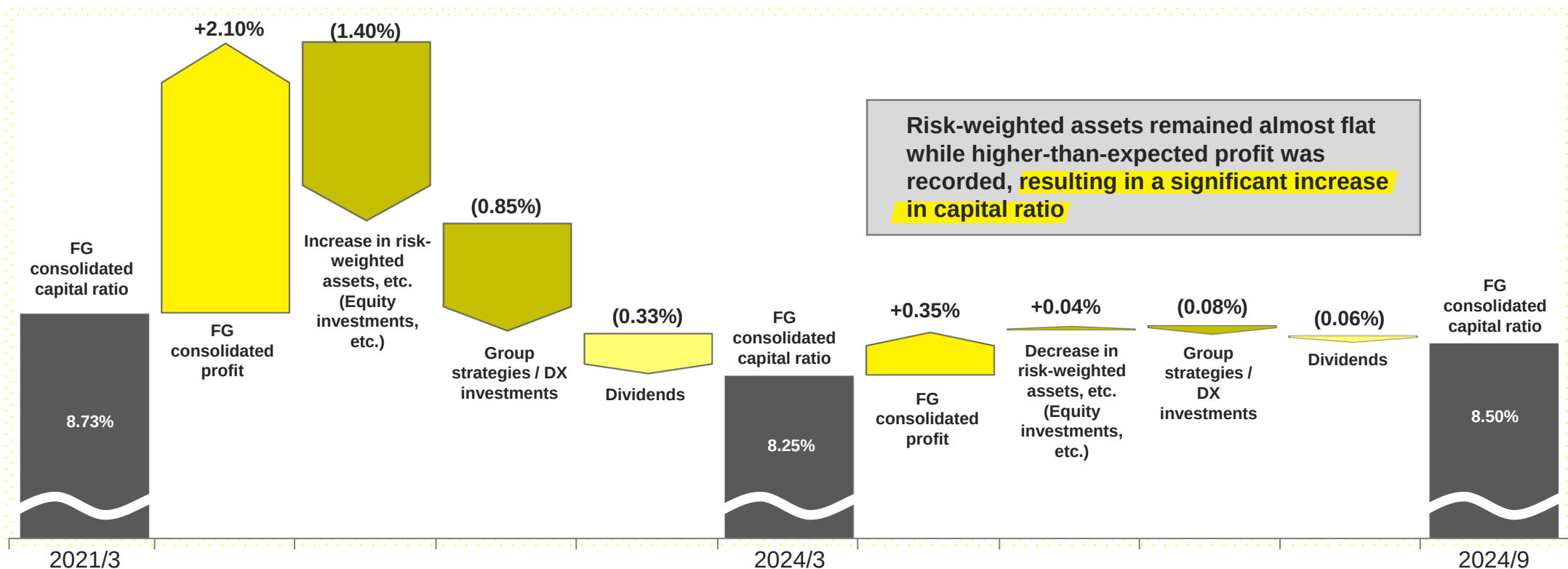
- Improving RORA and increasing corporate value through asset control by risk category
- Examine future risk weight level for each asset category and build asset portfolio that increases risk returns
- Mortgage and apartment loan balance is expected to increase along with implementation of retail customer strategy in the coming period



# Corporate Value Enhancement Measures 6: Basic Capital Policy

- **Basic policy:** Ensure a “sound capital ratio” and maintain a strong balance between “use of capital to enhance profitability” and “return of profits to shareholders”
- **Capital ratio improved to 8.5% on the back of profit and asset control; accumulated internal reserves will be appropriated for future redemption of preferred shares**

| Sound capital ratio                                                                                     | Utilizing capital to improve profitability                                                                                       | Shareholder returns and preferred share redemption scenarios              |
|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| Accumulation of internal reserves<br>Appropriately allocating capital and optimizing business portfolio | Controlling and replacing assets while being mindful of RORA<br>Earning capital gains from hands-on support for equity investees | Targeting payout ratio of around 20% after redemption of preferred shares |



# Shareholder Returns and Cross-Shareholdings

## Policy on shareholder returns

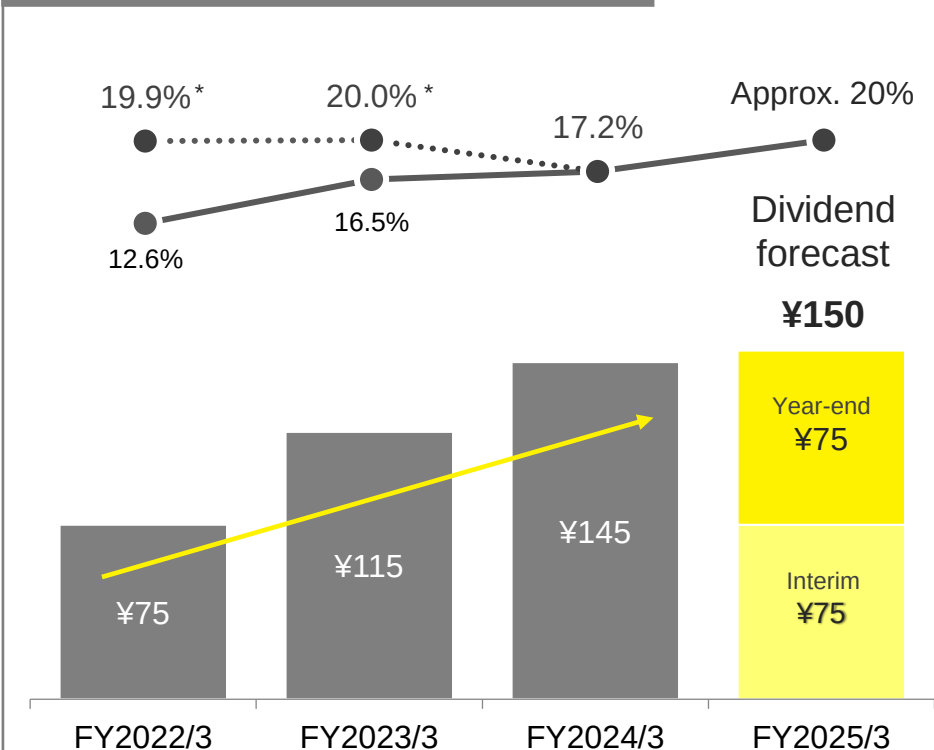
Basic policy is to make continuous and stable dividend payments. For the period covered by the current Medium-Term Business Plan (FY2024 to FY2026), target payout ratio is set at **around 20%** even after redemption of preferred shares, and capital ratio of 8.3% is to be secured.

## Policy on reducing cross-shareholdings (listed shares)

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

(March 2024: approx. ¥15 billion → March 2027: approx. ¥9 billion)

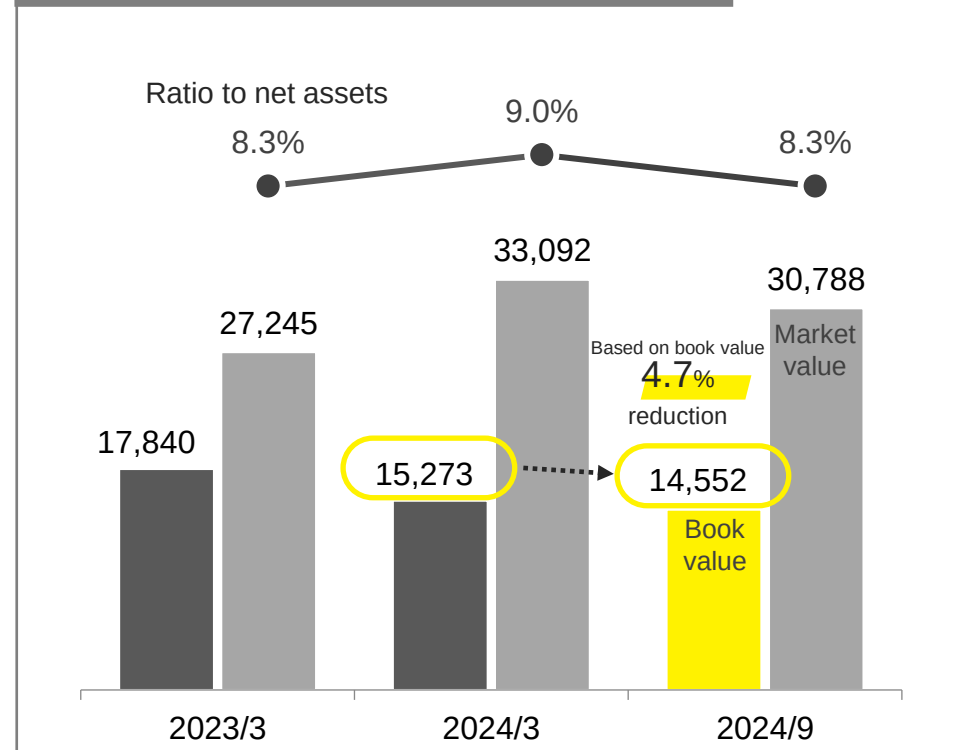
## Annual dividend per share/payout ratio



\* Based on profit excluding special factor

## Balance of cross-shareholdings (listed shares)

(Millions of yen)



\* Balance of cross-shareholdings held by Kiraboshi Bank

\* Ratio to net assets is the ratio of cross-shareholdings to FG's consolidated net assets

# Approach to Preferred Shares

## Approach to preferred shares

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

- with respect to **First Series Class I preferred shares**\*1

**Redeem the shares over the period from FY2026 to FY2029**, and aim to complete redemption

- with respect to **Class II preferred shares**\*2

**Redeem the shares in FY2026 and FY2028**, and aim to complete redemption

Consider completing redemption ahead of schedule depending on market environment

\*1 Sumitomo Mitsui Trust Bank, Limited ¥15 billion

\*2 Tokyo Metropolitan Government ¥40 billion

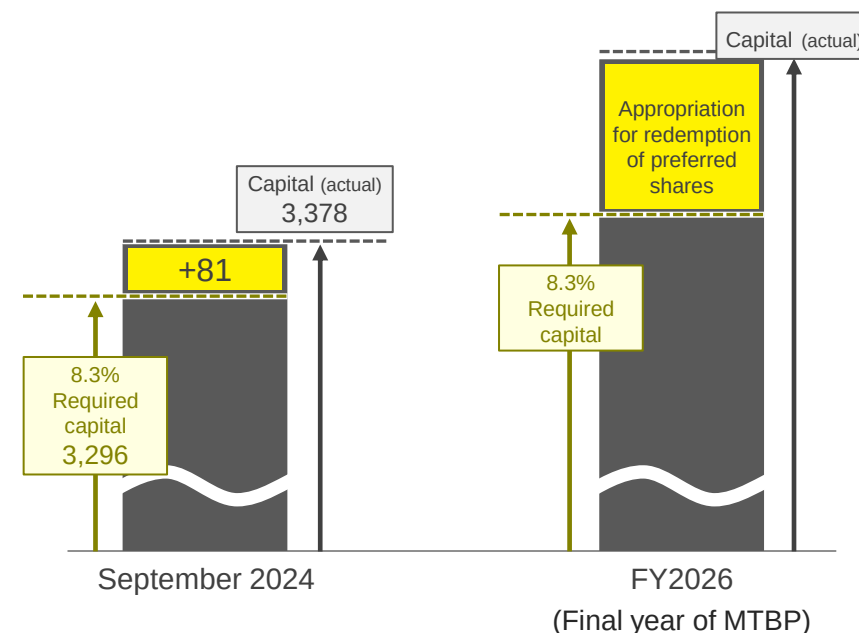
## Medium-Term Business Plan Management Targets

Goals

**Capital ratio 8.3% (FY2026)**



Out of accumulated capital, **excess** of “required capital over capital ratio of 8.3%” **will be appropriated for future redemption of preferred shares**

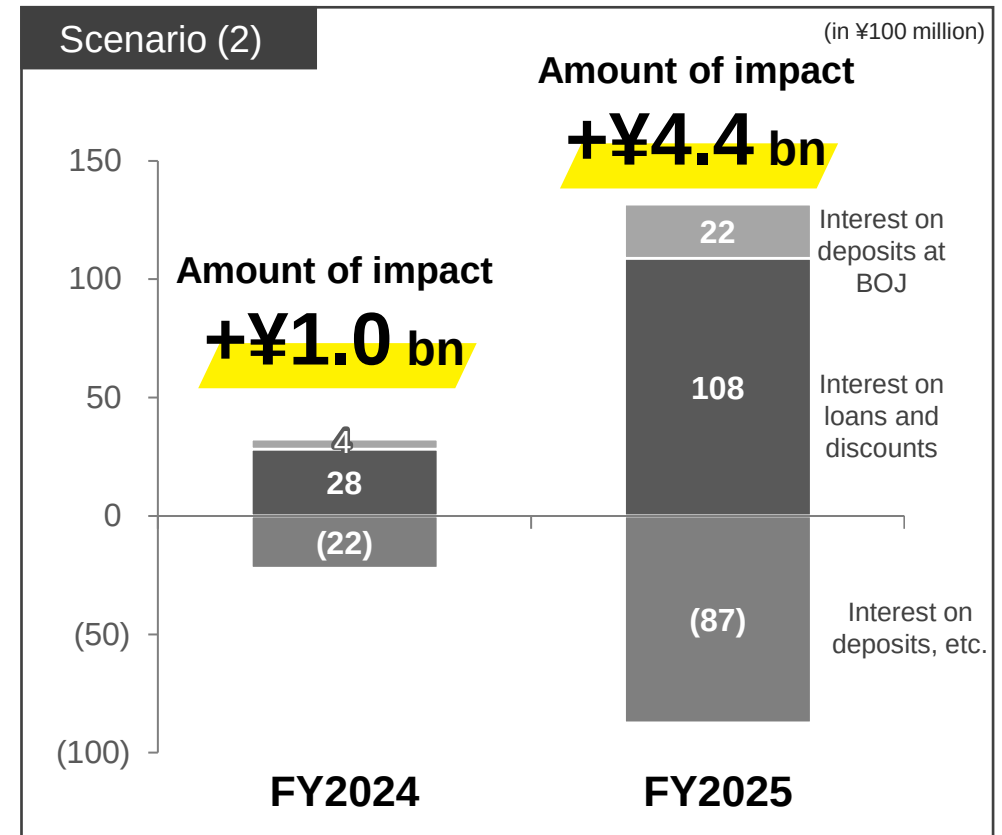
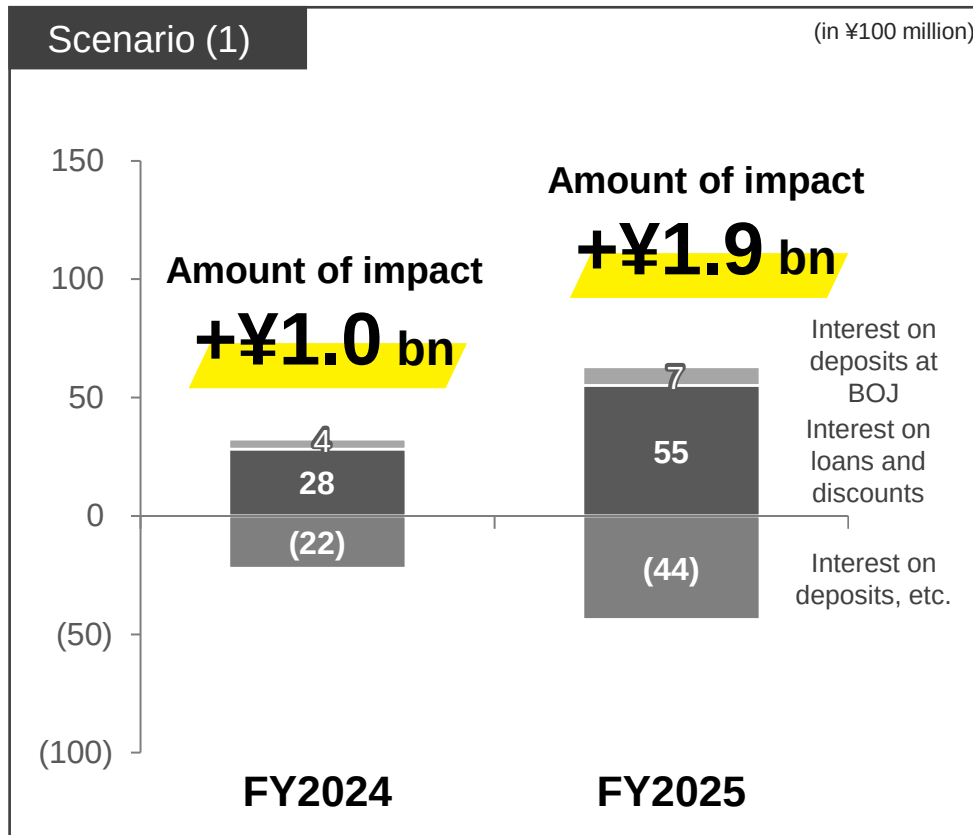


# <Reference> Estimation of the Impact of the Change in BOJ's Policy Interest Rate on Net Interest Income

## Simulation Scenario

- Scenario (1): Policy rate is maintained at 0.25%
- Scenario (2): Policy rate is raised to 0.50% (+0.25% from current level)

\* The impact from April 2025 is estimated



### [Assumptions]

- Net interest income based on the Medium-Term Business Plan is used to estimate the impact
- Balance of loans and deposits, etc. is the value assumed in the Medium-Term Business Plan
- Impact on UI Bank deposits and loans is not taken into account
- Interest on securities (impact of reinvestment of securities) and increase in cost of market funding (rise in bond repo funding yield) are not taken into account