



Tokyo Kiraboshi Financial Group
Summary of Business Results for the
Nine Months Ended December 31,
2024

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Tokyo Kiraboshi FG (consolidated)

					(¥100 million)	
		A 2023/12 (Actual)	B 2024/12 (Actual)	YoY (B - A)	C 2025/3 (Forecast)	Rate of progress (B / C)
1	Ordinary profit	270	305	+34	321	95.0%
2	Profit attributable to owners of parent	186	207	+21	245	84.8%

2024/12 **Profit** attributable to owners of parent

Percent change **+11.4%** YoY

(¥18.6 billion → ¥20.7 billion)

Kiraboshi Bank (non-consolidated)

					(¥100 million)	
		A 2023/12 (Actual)	B 2024/12 (Actual)	YoY (B - A)	C 2025/3 (Forecast)	Rate of progress (B / C)
1	Gross core business profit	707	660	(47)	876	75.3%
2	Net interest income	614	601	(13)	799	—
3	Interest on loans and discounts	496	526	+30	676	—
4	Interest on securities	153	131	(22)	181	—
5	Other interest income	(35)	(56)	(21)	(58)	—
6	Non-interest income	92	59	(33)	77	—
7	Expenses	(392)	(411)	(19)	(530)	—
8	Net core business income	315	248	(67)	346	71.7%
9	Credit-related costs	(2)	(16)	(13)	(50)	—
10	Gains (losses) on bonds	(39)	(31)	+8	6	—
11	Gains (losses) on stocks and other securities	59	98	+38	28	—
12	Other non-recurring profit (loss)	(20)	2	+23	(26)	—
13	Ordinary profit	312	301	(10)	304	99.2%
14	Extraordinary profit (loss)	(0)	(1)	(1)	24	—
15	Income taxes	(78)	(90)	(11)	(100)	—
16	Net income	232	209	(22)	228	92.0%

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

Highlights of the key points

		(¥100 million)		
		2023/12	2024/12	YoY
Interest on securities		153	131	(22)
Of which, special factor (dividends from affiliates)		35	—	(35)
Interest on securities [excluding special factor]		118	131	+12

→As a special factor in 2023/12, ¥3.5 billion was posted as dividend from an equity-method affiliate that was sourced from sale of real estate by the said affiliate

2024/12 Ordinary profit

Percent change **(3.3%)** YoY
(¥31.2 billion → ¥30.1 billion)

2024/12 Net income

Percent change **(9.7%)** YoY
(¥23.2 billion → ¥20.9 billion)

Excluding special factors

2024/12 Ordinary profit

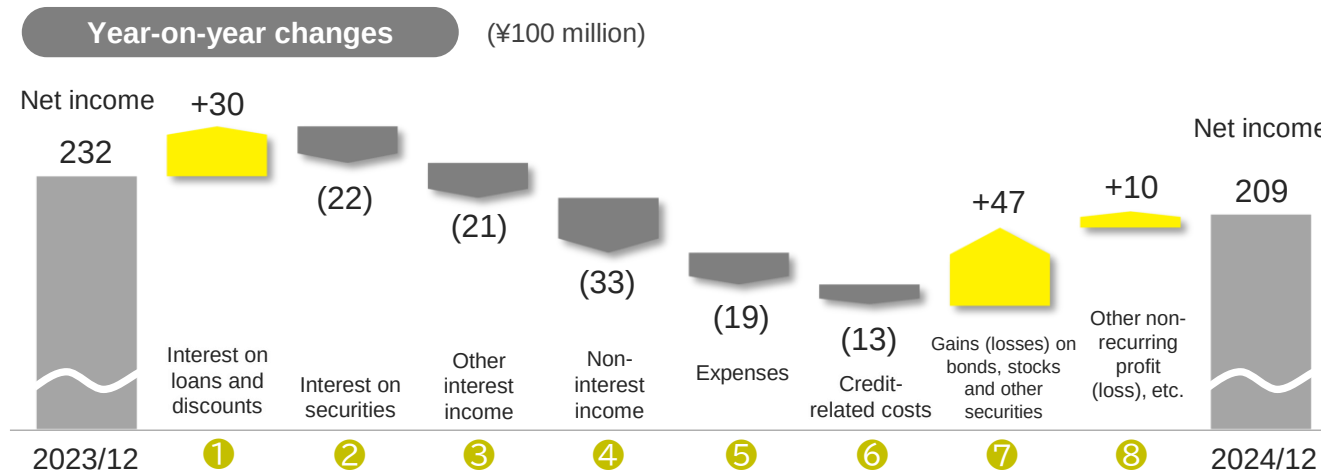
Percent change **+8.9%** YoY
(¥27.6 billion → ¥30.1 billion)

2024/12 Net income

Percent change **+6.3%** YoY
(¥19.7billion → ¥20.9 billion)

Factors Affecting Net Income (Kiraboshi Bank)

	Main Items	YoY	Points	(Reference) Year-on-year change excluding special factors
①	Interest on loans and discounts	+¥3.0billion	+¥3.0 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	+¥3.0billion
②	Interest and dividends on securities	¥(2.2)billion	¥(2.2) 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	+¥1.2 billion
③	Other interest income	¥(2.1)billion	¥(2.1) billion YoY due largely to an increase in deposit interest (¥(2.3) billion) accompanying rise in interest rates	¥(2.1) billion
④	Non-interest income	¥(3.3)billion	¥(3.3) 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 (¥(1.3) billion) notably in business financing	¥(3.3) billion
⑤	Expenses	¥(1.9)billion	¥(1.9) billion YoY due largely to an increase in non-personnel expenses including administrative outsourcing expenses (¥(2.8) billion)	¥(1.9) billion
⑥	Credit-related costs	¥(1.3)billion	¥(1.3) billion YoY due largely to a decrease in reversal of allowance for loan losses reflecting decrease in the rate of decline of the historical credit loss rate, despite factors such as improvement in some large customers' credit category due to rebound in corporate earnings	¥(1.3) billion
⑦	Gains (losses) on bonds, stocks and other securities	+¥4.7billion	+¥4.7 billion YoY due largely to an increase in gain on sale of REIT and on sale of equity securities held for cross-shareholding and for pure investment, despite an increase in loss on sale of bonds (sold ¥33.4 billion of super long-term yen bonds and posted realized loss of ¥5.5 billion)	+¥4.7 billion
⑧	Other non-recurring profit (loss) / Extraordinary income (loss) / Income taxes	+¥1.0billion	+¥1.0 billion YoY due largely to reversal of retirement benefit expenses and decrease in fund costs	+¥1.0 billion
Total		¥(2.2)billion	*1: Dividend received from an equity-method affiliate sourced from sale of real estate by the said equity-method affiliate (¥3.5 billion in 23/12 → none in 24/12)	+¥1.2billion



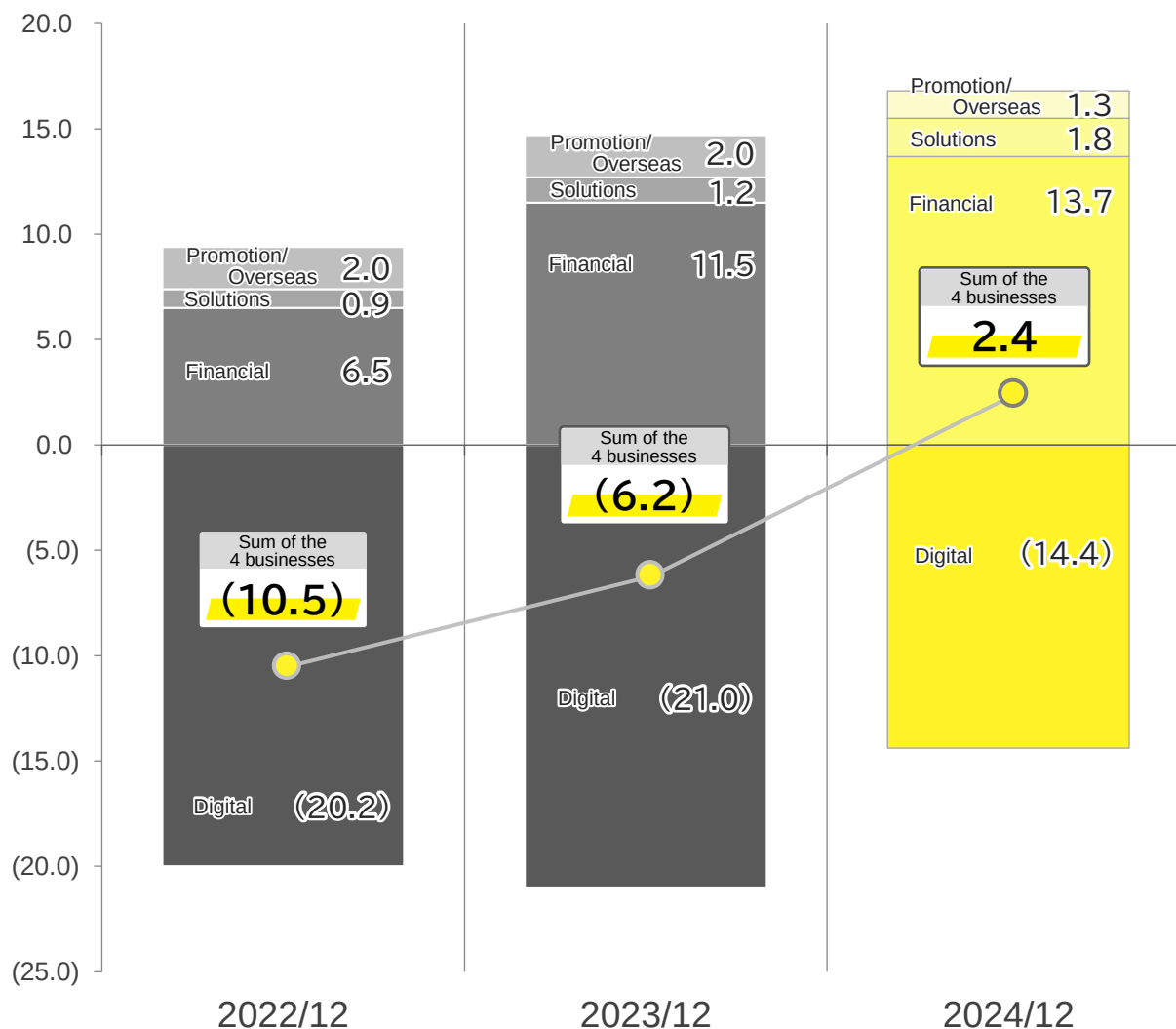
Diff. b/w consolidated and non-consolidated (¥100 million)	
Kiraboshi Bank (non-consolidated) net income	209
Group consolidated net income (of which, effects of start-up deficit of newly established companies, etc.: ¥(1.4) billion)	+2
Elimination of internal transactions between consolidated Group companies, etc.	(4)
Tokyo Kiraboshi FG (consolidated) net income	207

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.

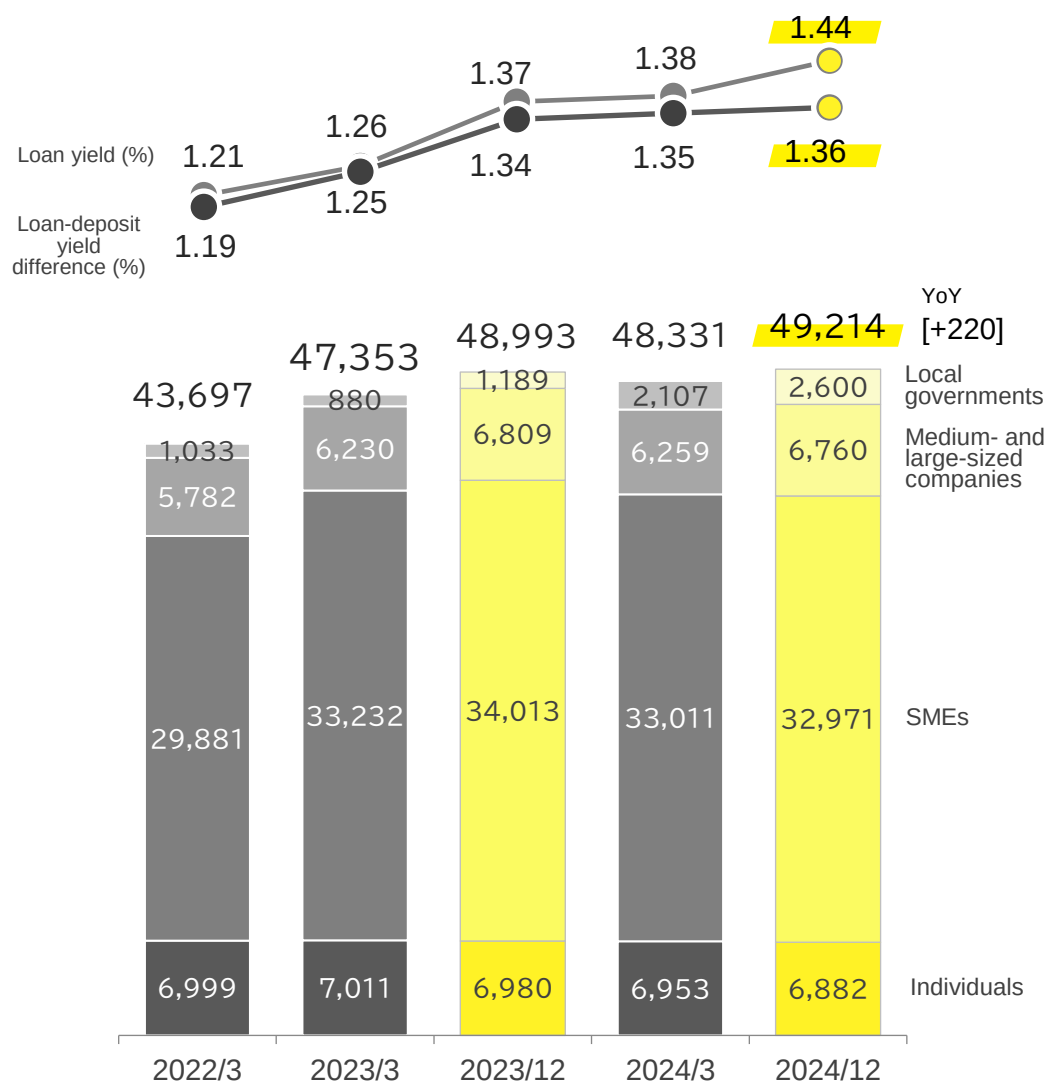
KIRABOSHI BUSINESS CONSULTING VIETNAM CO., Ltd.

Loans and Trust Assets (Kiraboshi Bank)

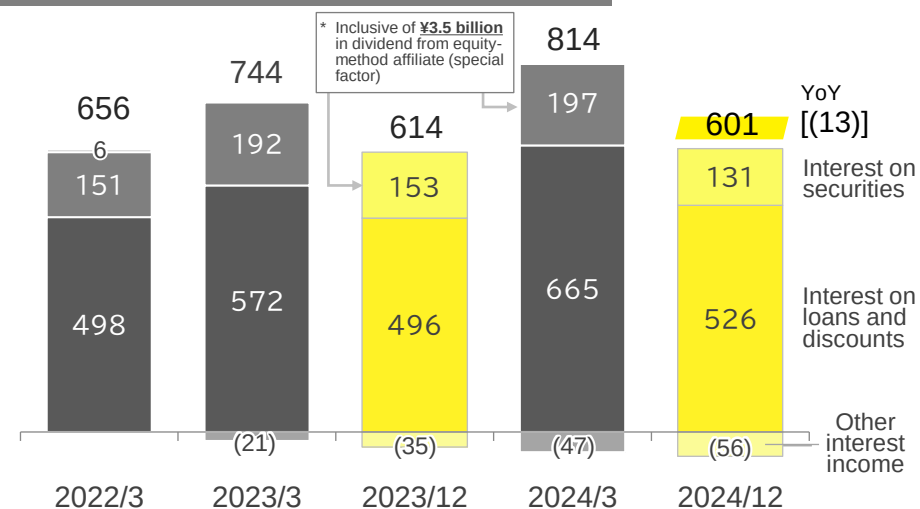
Continued yield increases due to efforts in strengthening customer relations, including promotion of transactions for main bank relationship building

Just a marginal increase YoY in loan balances from the perspective of appropriate risk-weighted asset control

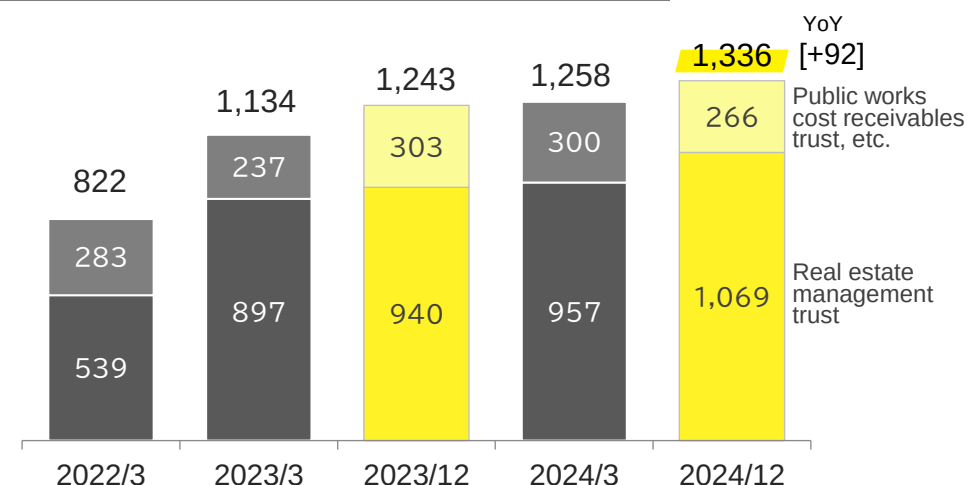
1. Loan balance by type of customer (¥100 million)



2. Net interest income (¥100 million)



3. Balance of trust assets (¥100 million)

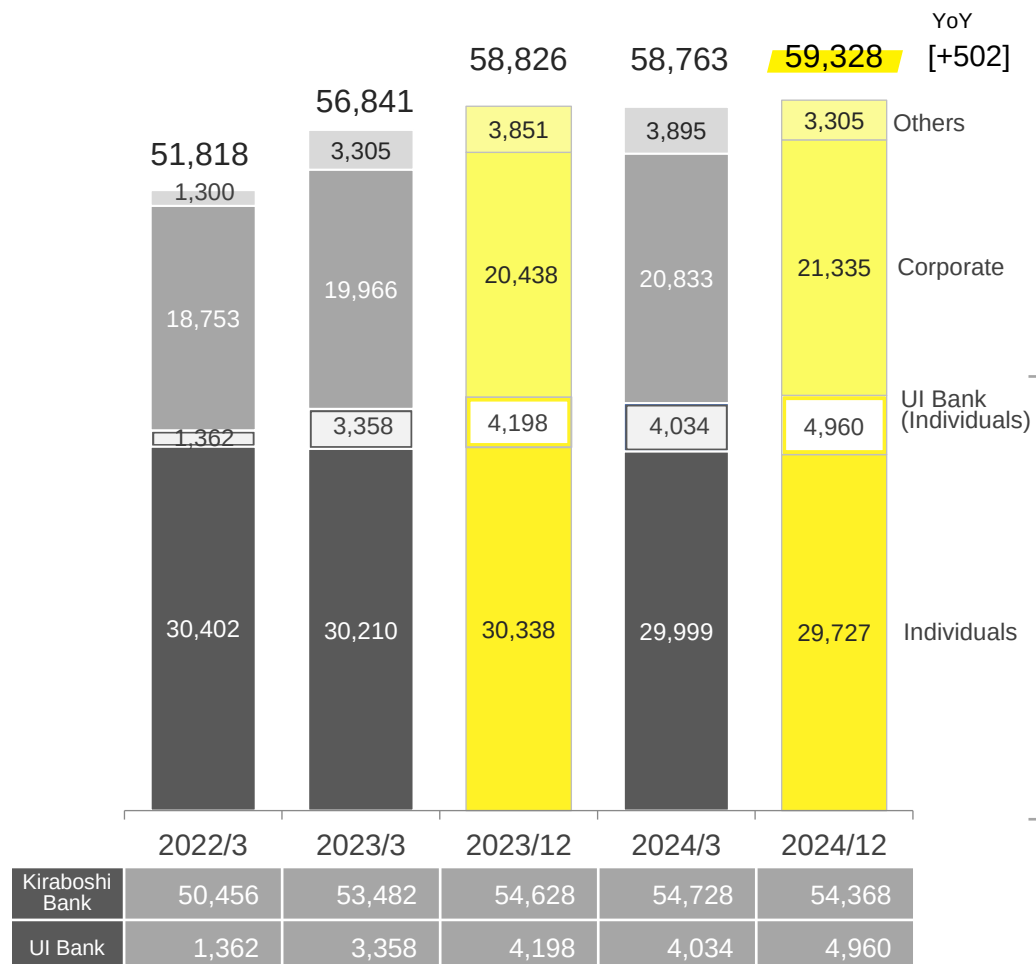


Balance of Deposits and Assets under Management (Kiraboshi Bank + UI Bank + KLD Securities)

Deposit balance for the Group as a whole remained on the rise, with the combined balance of Kiraboshi Bank and UI Bank increasing by ¥50.2 billion YoY

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

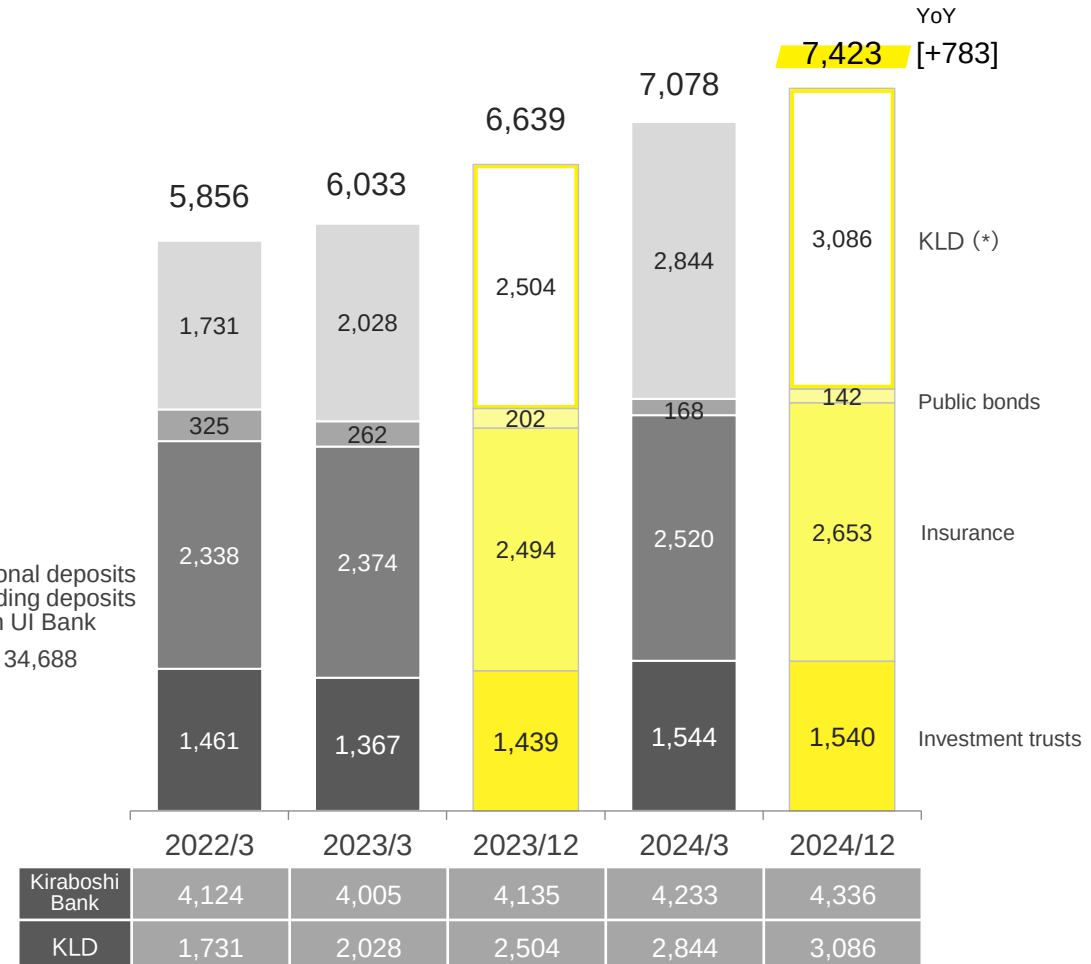
1. Deposit balance by type of customer (Kiraboshi Bank + UI Bank) (¥100 million)



* 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)

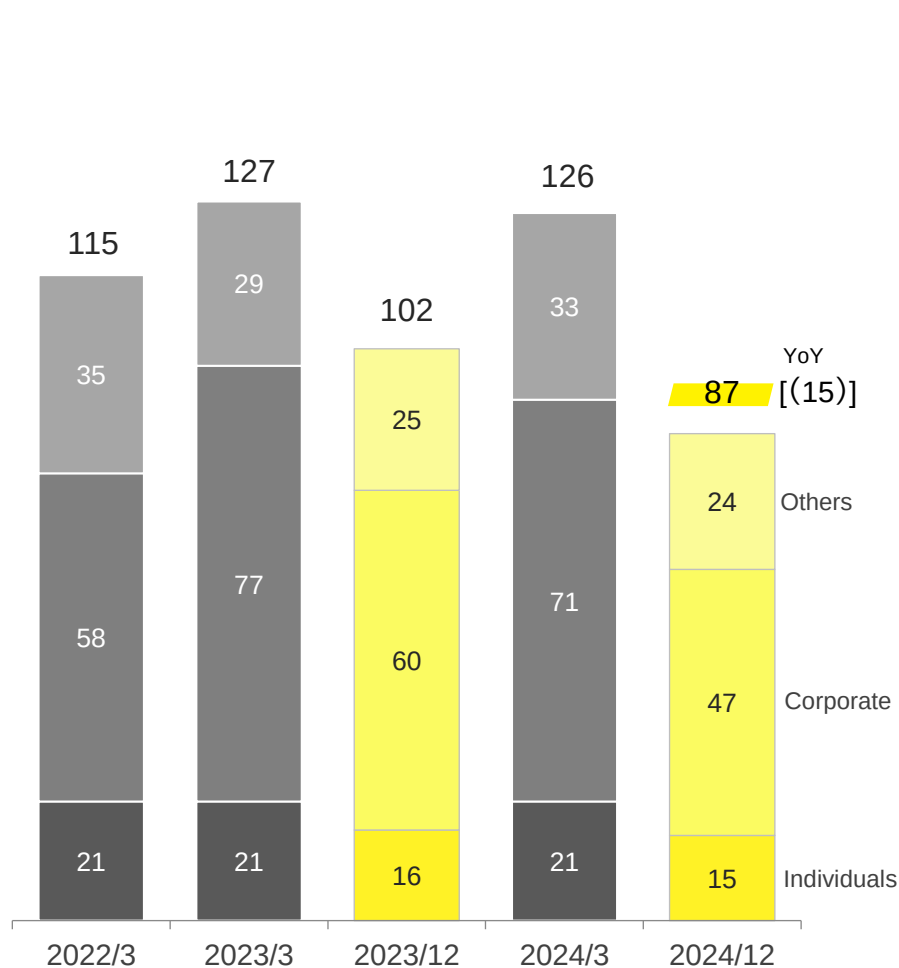


* KLD: Kiraboshi Life Design Securities Co., Ltd.

Income from Fees and Commissions (Kiraboshi Bank)

Commission income from retail customers generally stayed flat, reflecting 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.

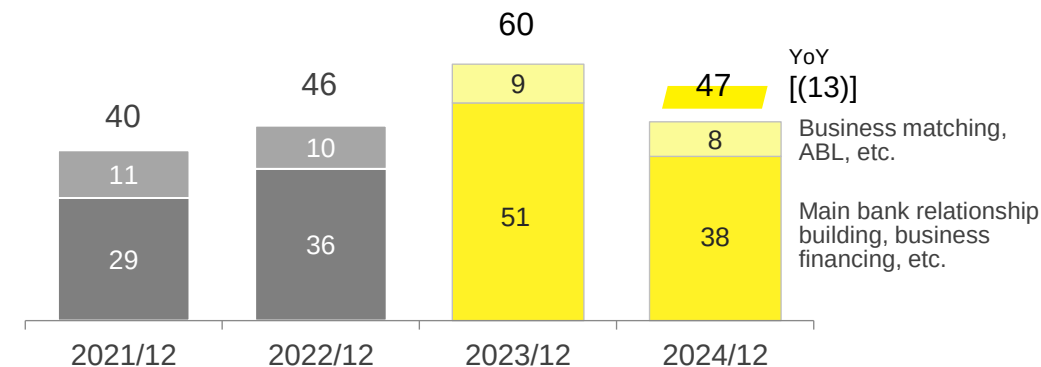
1. Income from fees and commissions (¥100 million)



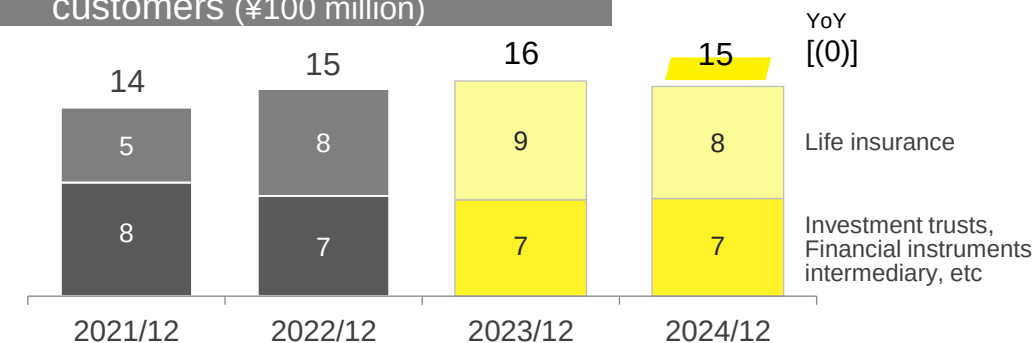
* Trust fees included

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

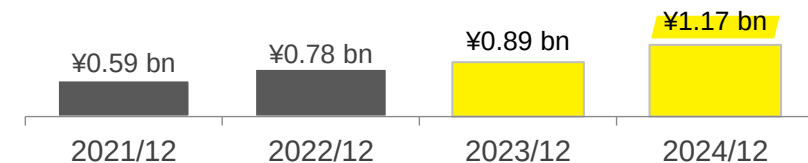
* Breakdown for "2." and "3." is based on management accounting figures



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



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

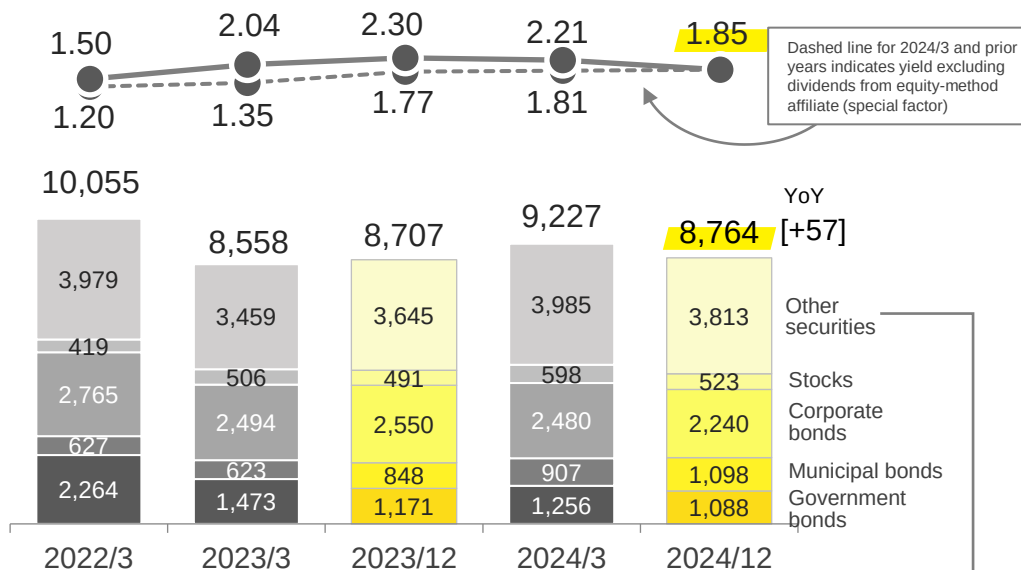


Securities (Kiraboshi Bank)

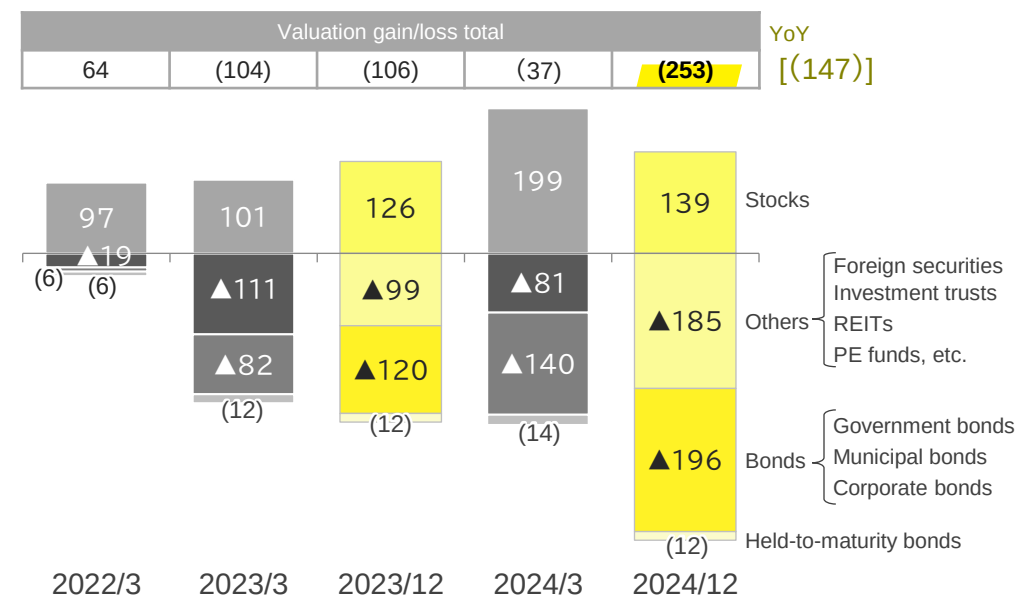
Proceeded with disposal of super long-term bonds, replacing them with floating-rate bonds, etc. Also shortened the duration of yen bonds and reduced interest rate risk

Implemented risk control measure through hedging operation, to prepare for further interest rate hikes

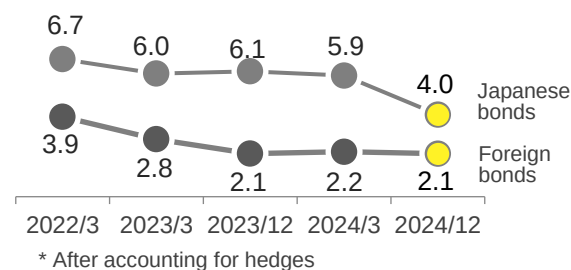
1. Securities balance / yield (¥100 million, %)



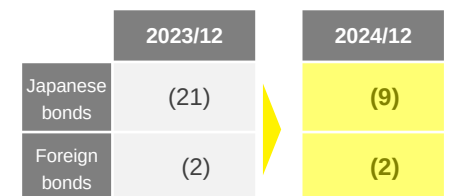
2. Valuation gain/loss on securities (¥100 million)



3. Duration (years)



4. Interest rate sensitivity (¥100 million)



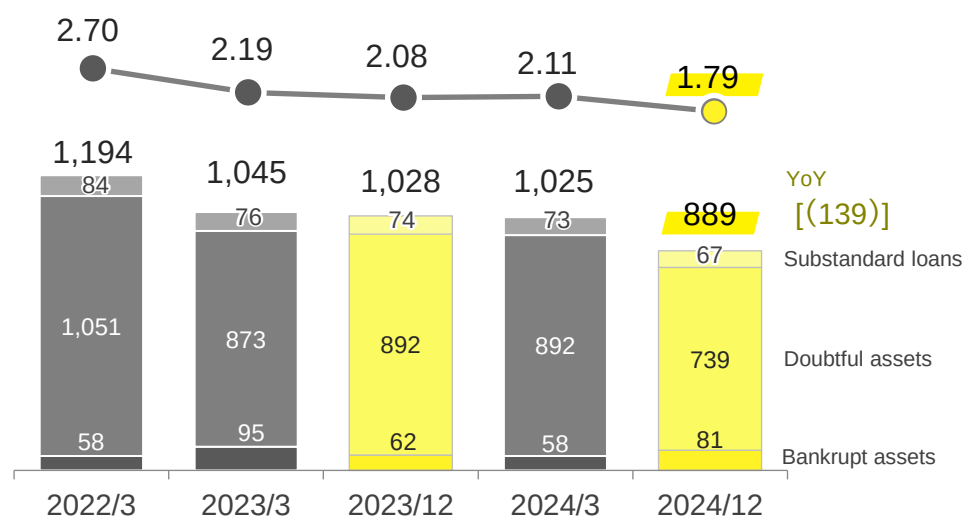
* Effect of an upward parallel shift of interest rate by 10bp
 * Excluding investment trusts
 * After accounting for hedges

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, %)

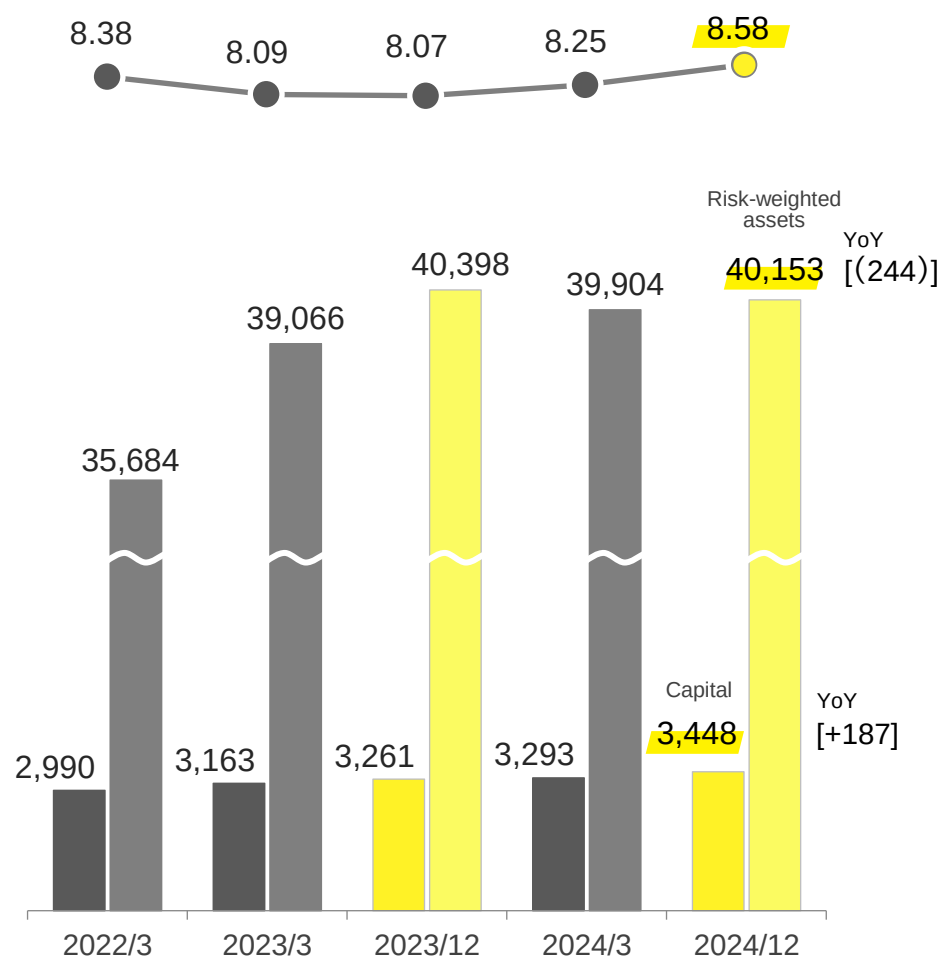


* Figures are after partial direct write-offs.

2. Credit-related costs (¥100 million)

	2023/12	2024/12	YoY
A Provision of general allowance for loan losses	—	(9)	(9)
B Disposal of non-performing loans	4	25	+20
Of which, provision of allowance for individual loan losses	—	21	+21
C Reversal of allowance for loan losses	1	—	(1)
Credit-related costs (A+B-C)	2	16	+13

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

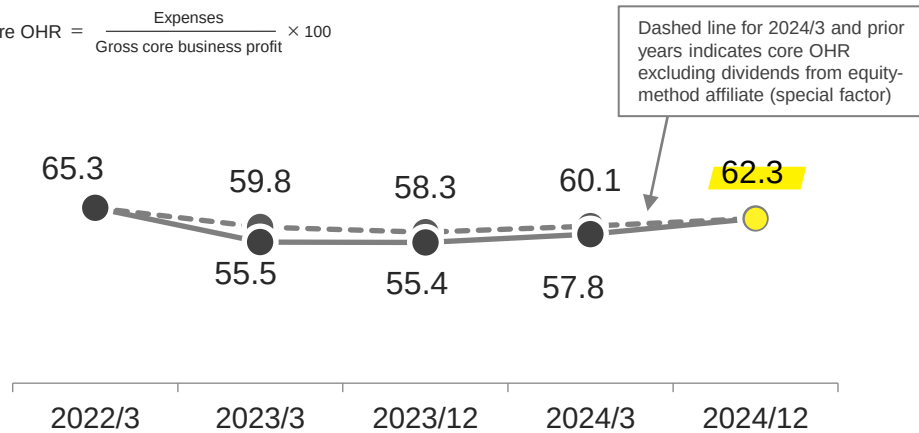


Core OHR/ROE/Dividends

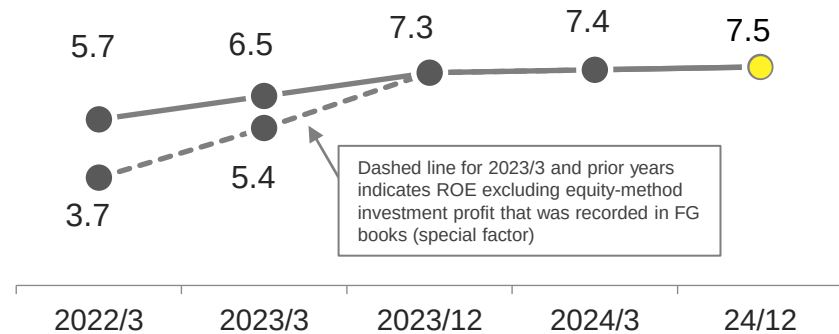
OHR increased YoY due to decrease in Kiraboshi Bank's gross core business profit and rise in expenses, notably non-personnel expenses
ROE continued its uptrend that started from the period of the previous Medium-Term Business Plan (launched in April 2021), maintaining a stable level in the 7% range since the same period of the previous fiscal year

1. Core OHR (Kiraboshi Bank) (%)

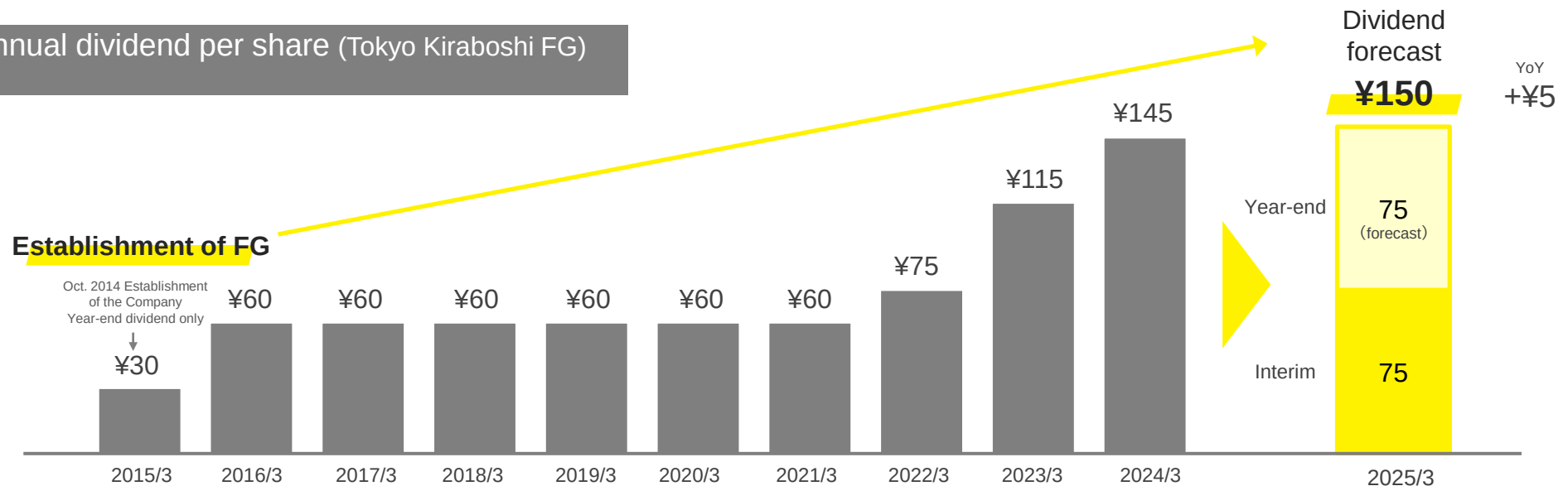
$$\text{Core OHR} = \frac{\text{Expenses}}{\text{Gross core business profit}} \times 100$$



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

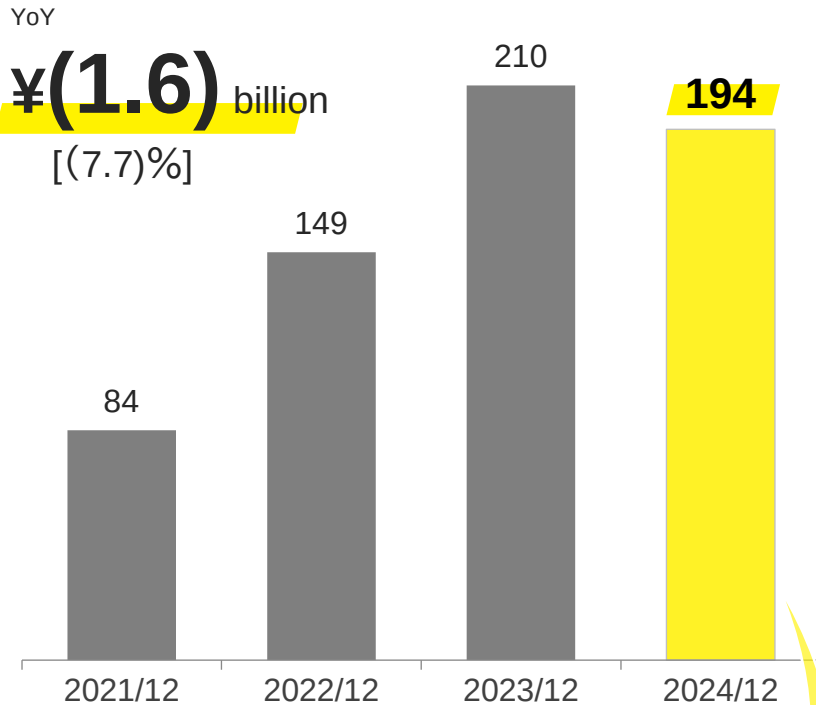


3. Annual dividend per share (Tokyo Kiraboshi FG) (yen)



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

Profit from customer business*1 (¥100 million)



Main change factors

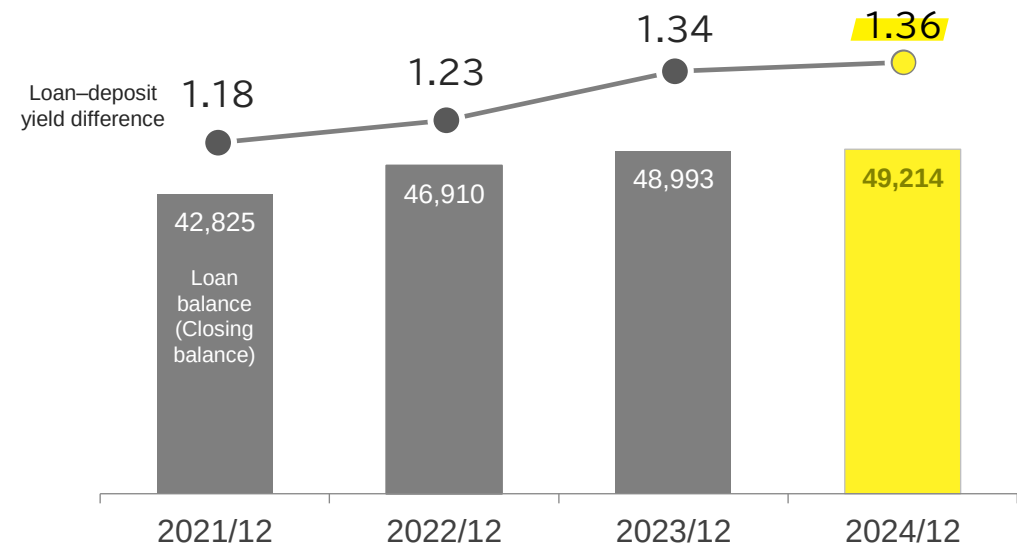
Income from fees and commissions*2 **¥(1.5) billion** YoY

➡ Decrease in commission income from corporate customers (¥(1.3) billion YoY)

Breakdown of factors (¥100 million, %)

		2022/12	2023/12	2024/12	YoY
A	Loan balance (closing balance)	46,910	48,993	49,214	+220
B	Loan–deposit yield difference	1.23	1.34	1.36	+0.01
C	Income from fees and commissions	85	102	87	(15)
D	General and administrative expenses (expenses + temporary treatment of retirement benefit expenses, etc.)	372	389	400	(10)
	Profit from customer business (A×B×183/365 + C–D)	149	210	194	(16)

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



*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

Started handling investment real estate loans in December 2024. Combined with mortgage loans, current pace of loan execution hovering around ¥8 billion per month

Results for the nine months ended December 31, 2024

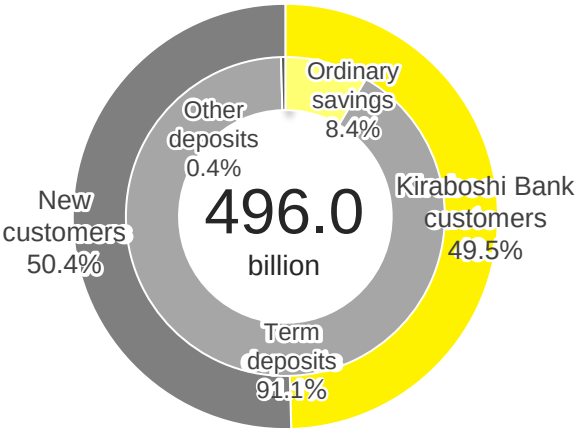
Deposit balance **¥496.0 billion**

Deposit balance			Ordinary savings account / Term deposit account breakdown	
2023/12	2024/12	YoY	2024/12	
¥419.8 billion	¥496.0 billion	+18.1 %	Of which, ordinary savings	¥39.0 billion
			Of which, term deposits	¥420.6 billion

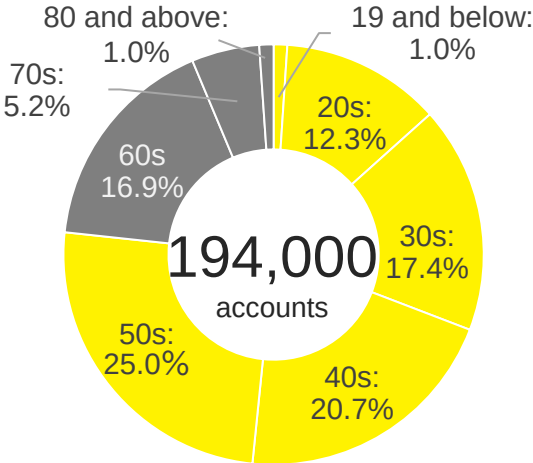
Loan balance **¥14.7 billion**

Loan balance			Loan breakdown	
2023/12	2024/12	YoY	2024/12	
¥0.12 billion	¥14.7 billion	— %	Mortgage	¥1.3 billion
			Investment real estate	
			Unsecured	¥0.6 billion

Breakdown of deposit balance



Distribution of accounts by age group



Distribution of accounts by region

