Financial Results Briefing Materials

for the Year Ended March 31, 2025

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In the event of any discrepancy between this translated document and the Japanese original, the original shall prevai.

地域とともに 130th Anniversary

銀行をこえる銀行へ 紀陽銀行

TSE Prime Market: 8370

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Key Message

1 Performance Trend

- Consolidated profit
  17.6 billion yen
  (+ 3.1 billion yen compared to results forecast)
- Net fees and commissions
  9.5 billion yen
  (+ 1.1 billion yen compared to results forecast/record high profit)
- Consolidated ROE
  7.46%
  (3rd among regional banks) *

2 Target indicators

- We revised major KPIs in the 7th medium-term management plan upwards. (2024/4 to 2027/3)
- We also implemented a review of ROE targets.

Final year of the current medium-term management plan

7% or more -> Set to **8**% or more

Medium to long-term target

8% or more -> Set to **10**% or more

3 Returns to Shareholders

- Due to an upturn in business performance, we increased the planned year-end dividend to
  65 yen
  (+ 20 yen compared to forecast)
- Annual dividend **110** yen
  (+ 60 yen YoY)

Dividend yield **4.7**% * As of end March 2025

* Ranking is calculated by the bank based on published materials.

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01 Financial Results Overview

Overview of Financial Results for the Year Ended March 31, 2025

Core business revenue trended well centered on an increase in loan interest, and both revenue and profit increased significantly.

	Non-consolidated (Unit: 100 million yen)	FY2023	FY2024	YoY change	Result forecast	Comparison with result forecast
1	Ordinary income	740	Record high 867	126	745	122
2	Gross business profit	428	501	73	517	(16)
3	Net interest income	411	507	96	448	58
4	Interest on loans and discounts	364	427	62	387	39
5	Interest and dividends on securities	90	140	49	115	25
6	Gains (losses) from cancellation of investment trusts	(8)	26	34	5	21
7	Interest on deposits, etc. (-)	1	28	27	10	17
8	Net fees and commissions	88	Record high 95	6	84	11
9	Net other ordinary income	(71)	(101)	(30)	(15)	(86)
10	Gains (losses) related to bonds (Government bonds, etc.)	(72)	(113)	(41)	2	(116)
11	Expenses (-)	319	335	16	335	0
12	Net business profit (before provision of general allowance for loan losses)	109	165	56	182	(16)
13	Core net business profit	181	Record high 279	98	179	100
14	Core net business profit (excluding gains (losses) from cancellation of investment trusts)	189	Record high 253	63	174	79
15	Net business profit	109	165	56	177	(11)
16	Non-recurring gains (losses)	74	43	(30)	15	27
17	Of which, disposal of non-performing loans (-)	25	32	6	35	(2)
18	Of which, reversal of allowance for loan losses and recovery of written-off claims	49	34	(15)	10	24
19	Of which, gains (losses) related to stocks, etc.	31	23	(7)	22	1
20	Ordinary profit	183	208	25	193	15
21	Profit	139	158	18	132	26
22	Total credit costs (-)	(23)	(1)	21	30	(31)
23	Profit from customer services	146	Record high 169	23	136	32

	Consolidated (Unit: 100 million yen)	FY2023	FY2024	YoY change	Result forecast	Comparison with result forecast
24	Consolidated gross profit	468	545	77	562	(16)
25	Ordinary profit	201	233	31	211	22
26	Profit attributable to owners of parent	150	176	25	145	31

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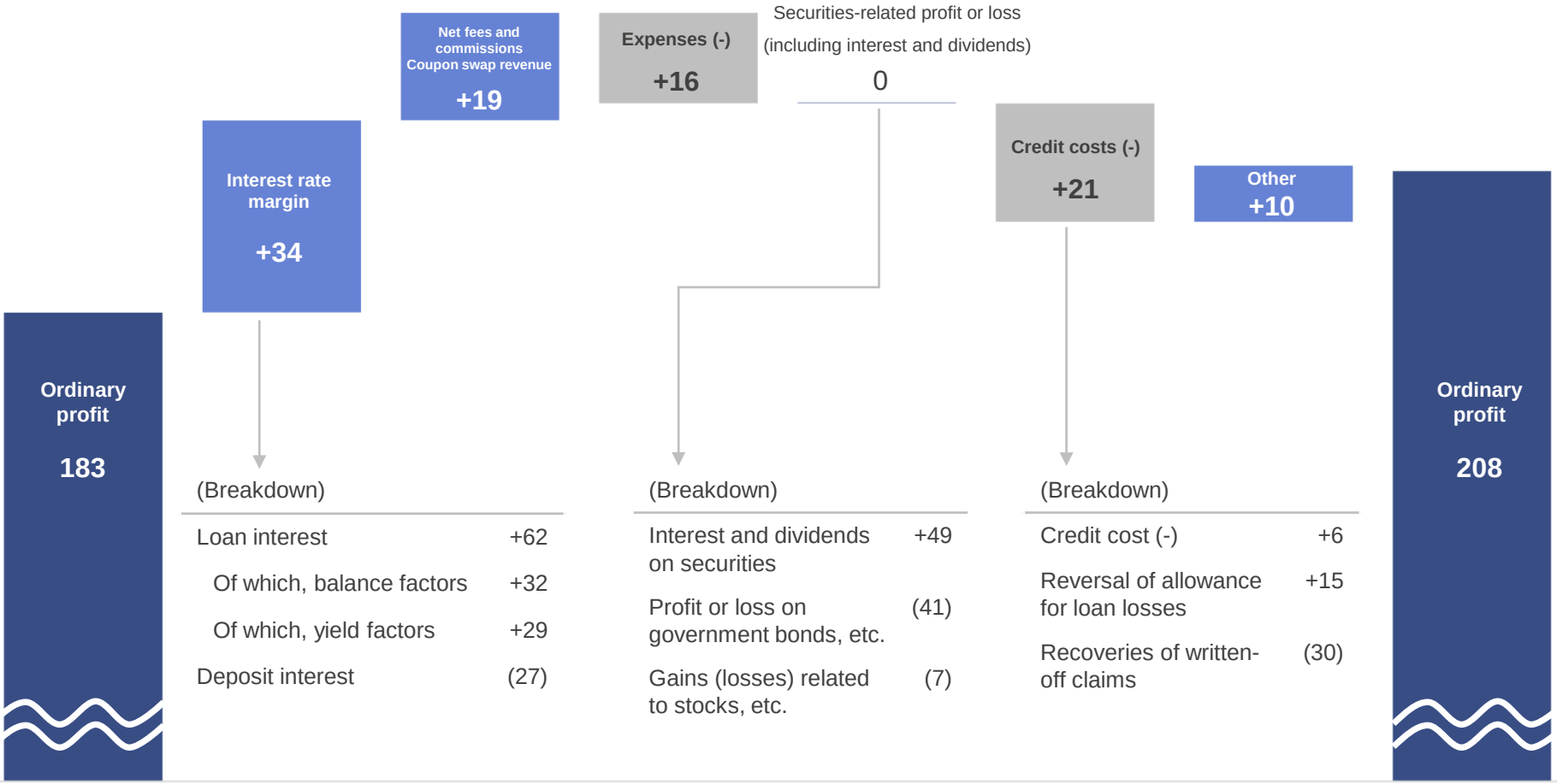
Factors in Change in Ordinary Profit

Core business revenue drove an increase in profit, and we improved our securities portfolio based on various profits.

(100 million yen)

Significant increase in profit centered on SME transactions



(Breakdown)

Loan interest	+62
Of which, balance factors	+32
Of which, yield factors	+29
Deposit interest	(27)

(Breakdown)

Interest and dividends on securities	+49
Profit or loss on government bonds, etc.	(41)
Gains (losses) related to stocks, etc.	(7)

(Breakdown)

Credit cost (-)	+6
Reversal of allowance for loan losses	+15
Recoveries of written-off claims	(30)

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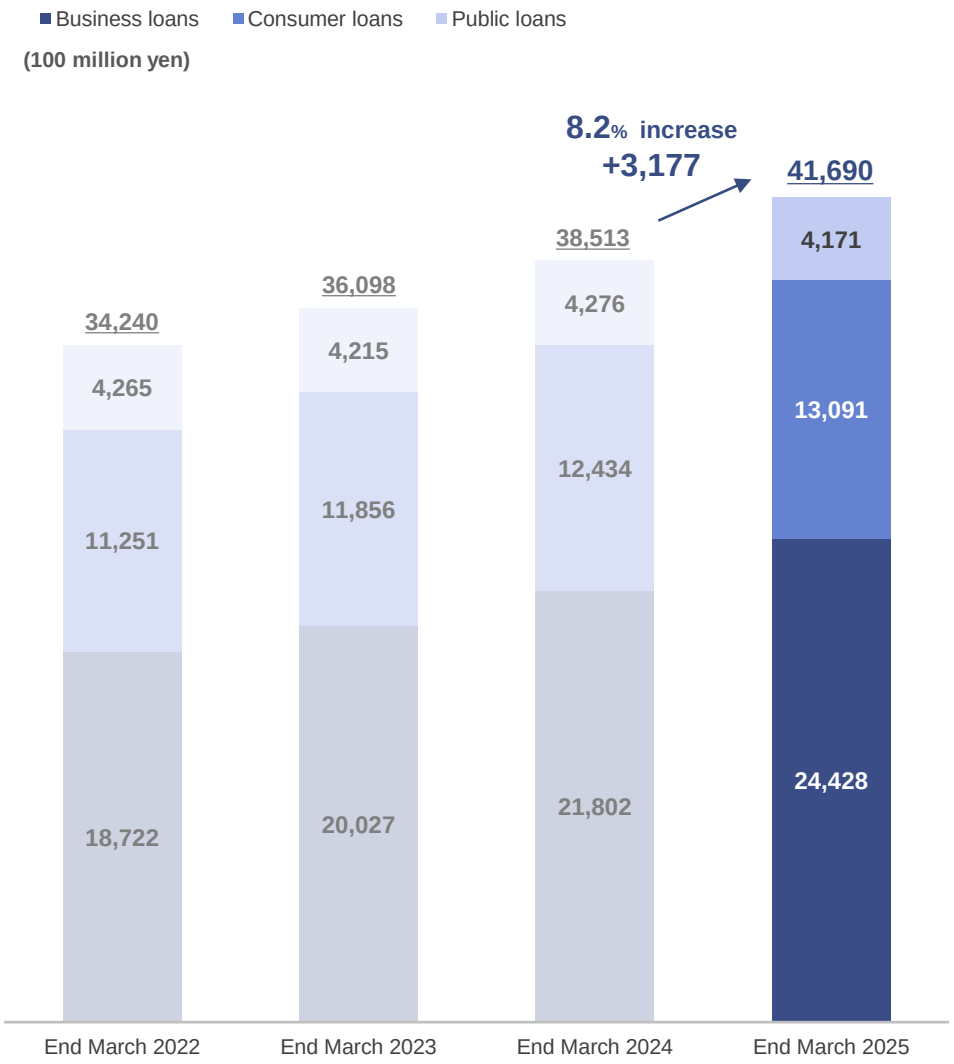
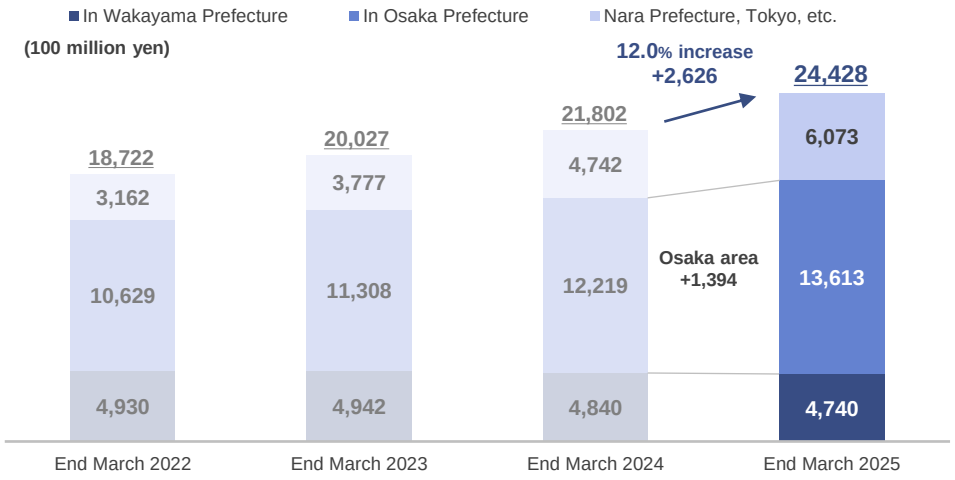
Loans Balance and Yield

The loan balance increased steadily centered on the Osaka area, and yields also reversed, increasing for the first time in 17 years.

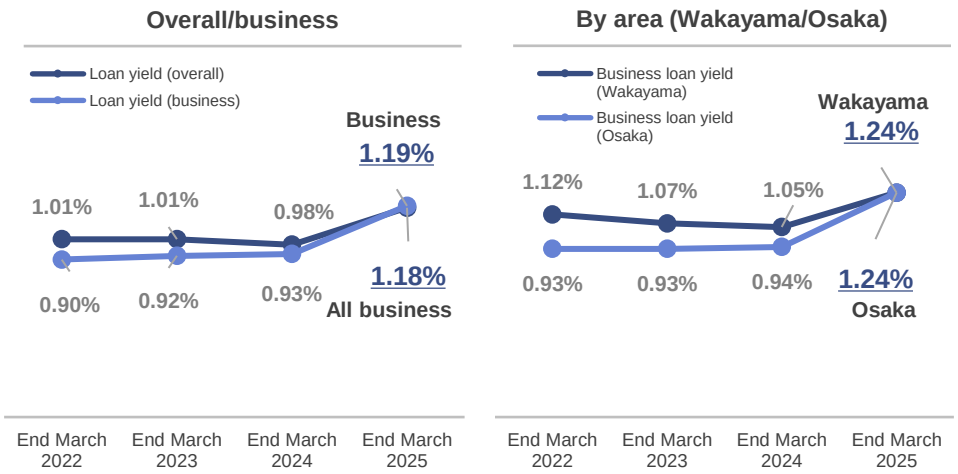
Loan balance



Business loans balance (by area)



Yield (month-end basis)



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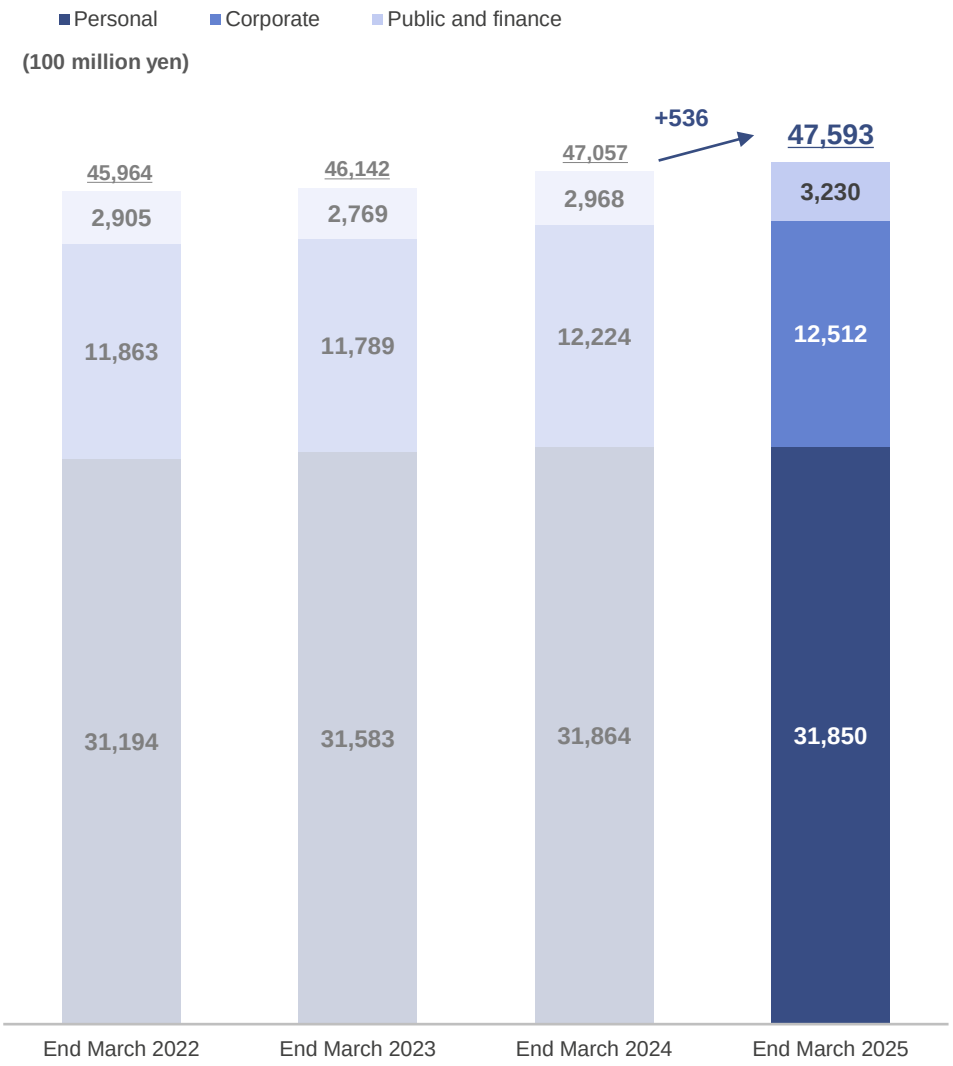
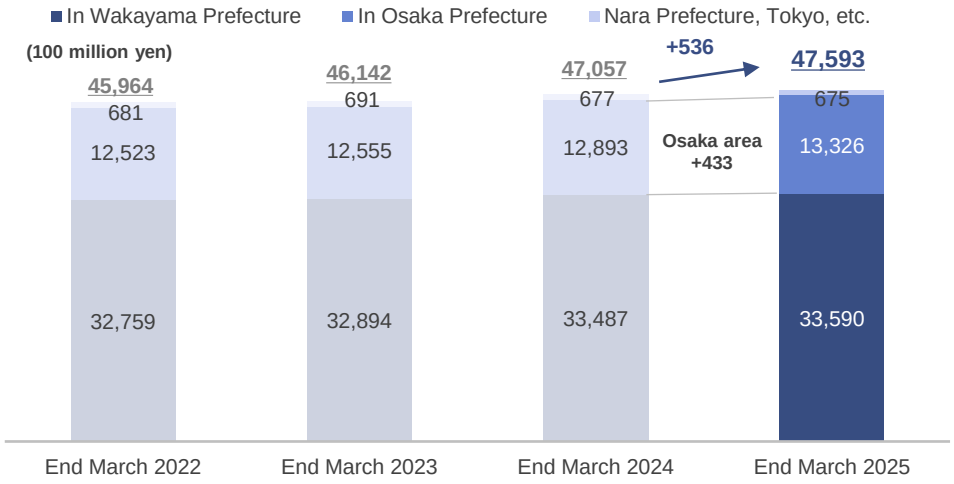
Balance of Deposits, etc., and Yield

The balance increased centered on the corporate sector of the Osaka area, and we reinforced highly sticky deposits by promoting main banking relationships.

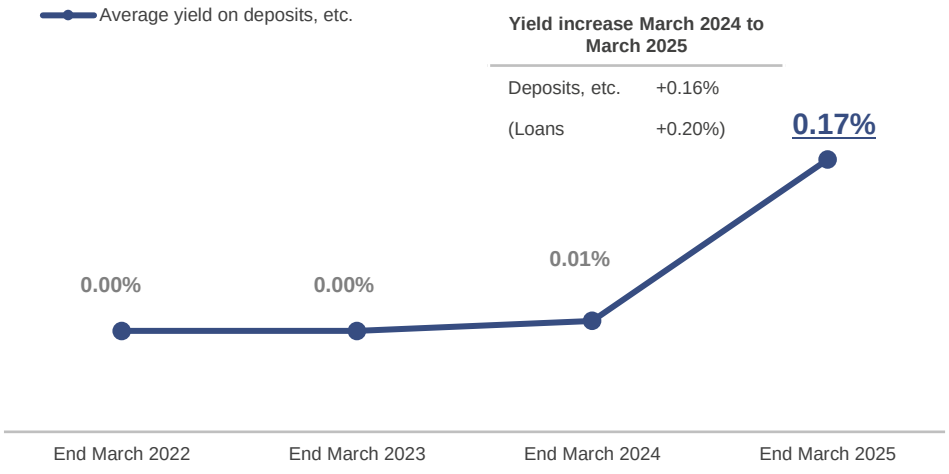
Balance of deposits, etc. (by type)



Balance of deposits, etc. (by area)



Yield (month-end basis)



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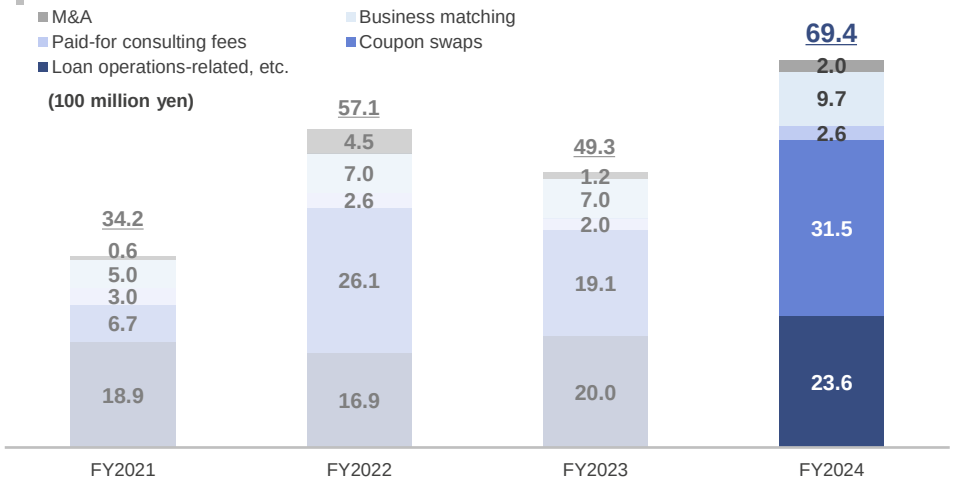
Net fees and commissions

Net fees and commissions, trended strongly centered on the business sector, and we reached a record high profit.

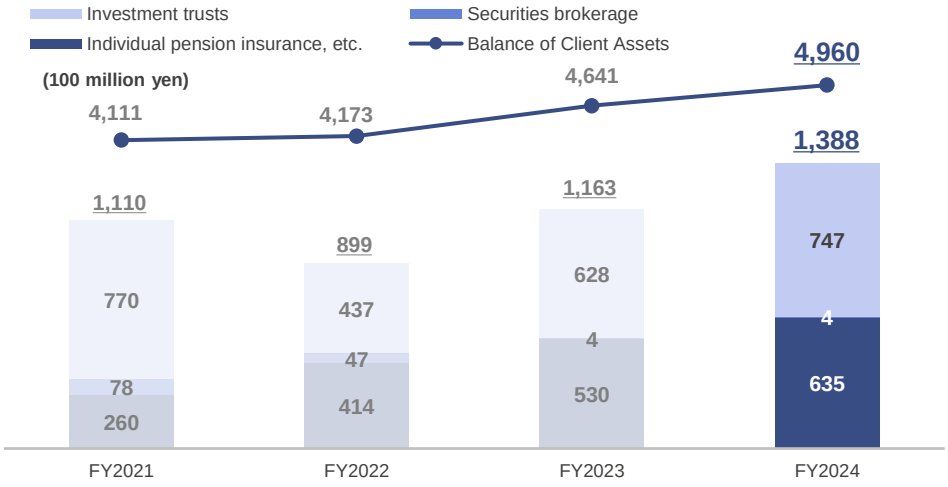
Net fees and commissions

	(Unit: 100 million yen)	FY2021	FY2022	FY2023	FY2024	YoY change
1	Net fees and commissions	83	82	88	Record high 95	6
2	Fees and commissions [1]	142	143	152	162	10
3	Fees related to business transactions	27	31	30	37	7
4	Fees related to assets in custody	35	35	43	42	(0)
5	Of which, fees related to investment trusts	23	16	19	21	2
6	Of which, fees related to individual pension insurance, etc.	10	18	23	20	(2)
7	Other	79	76	78	81	3
8	Fees and commissions payments (-)	58	60	63	66	3
9	Revenue related to coupon swaps for customers [2]	6	26	19	Record high 31	12
10	Total revenue ([1] + [2])	149	169	171	193	22

Breakdown of fees related to business transactions (including coupon swaps)



Sales of assets in custody



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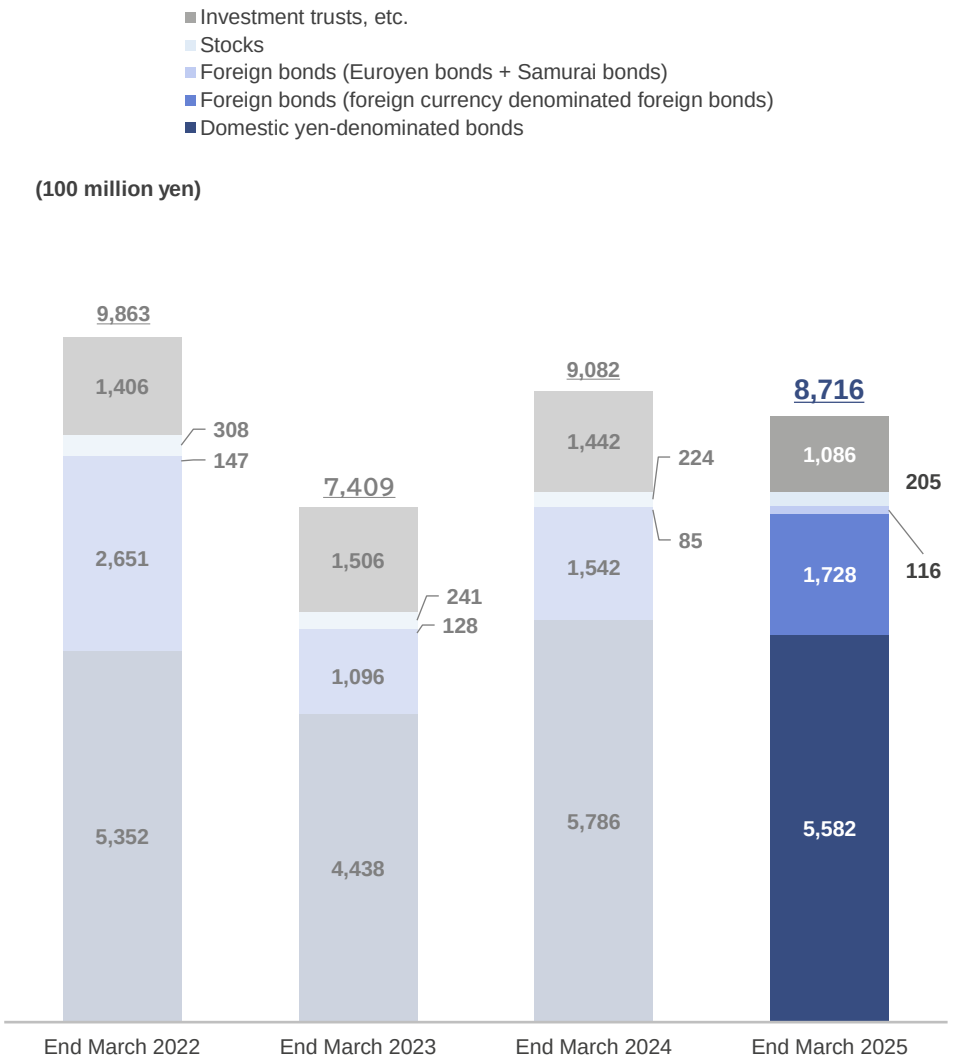
Securities

Valuation losses on yen bonds increased in association with increases in domestic interest rates, but yields increased due to portfolio improvements.

Balance of securities (based on acquisition cost)



Valuation profit or loss (other securities)

- Yen-denominated bonds account for the majority of valuation losses, and taking into consideration the profitability of core business and our equity capital ratio, we are considering portfolio improvements as appropriate while aiming for the elimination of losses through maturity redemption.

(Unit: 100 million yen)	End March 2022	End March 2023	End March 2024	End March 2025	YoY change
Valuation profit or loss	6	(180)	(205)	(344)	(138)
Domestic yen-denominated bonds	(15)	(63)	(181)	(342)	(161)
Foreign bonds (Euroyen bonds + Samurai bonds)	(0)	(1)	(0)	(2)	(1)
Foreign bonds (foreign currency denominated foreign bonds)	(97)	(67)	(72)	(39)	33
Stocks	171	112	145	101	(43)
Investment trusts, etc.	(50)	(161)	(96)	(62)	34

Securities yield and related profit or loss

(Unit: %, 100 million yen)	FY2021	FY2022	FY2023	FY2024
Yield on securities (%)	1.03	1.22	1.03	1.55
Interest and dividends on securities	97	113	90	140
Of which, profit or loss on cancellation of investment	15	32	(8)	26
Securities-related profit or loss	15	(218)	(41)	(90)
Profit or loss on government bonds, etc.	(31)	(270)	(72)	(113)
Gains (losses) related to stocks, etc.	46	52	31	23

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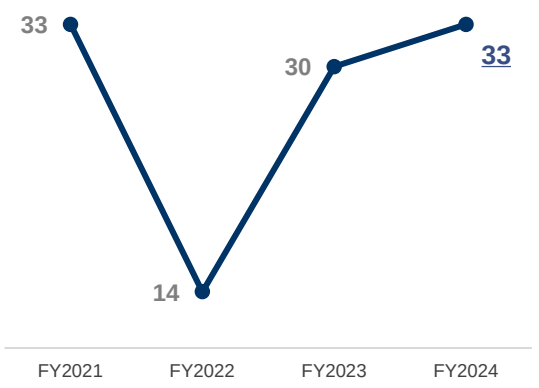
Securities_Interest Rate Risk

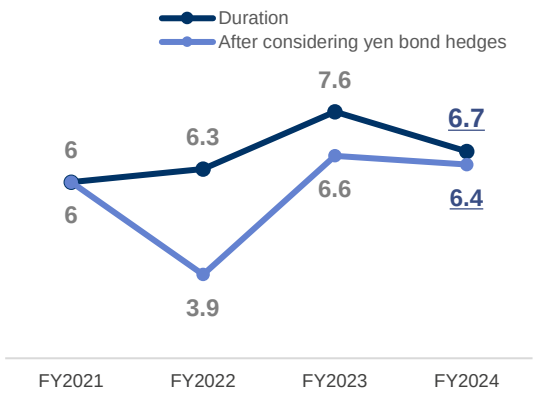
We improved yields significantly by selling low-yield bonds.

Yen-denominated bonds

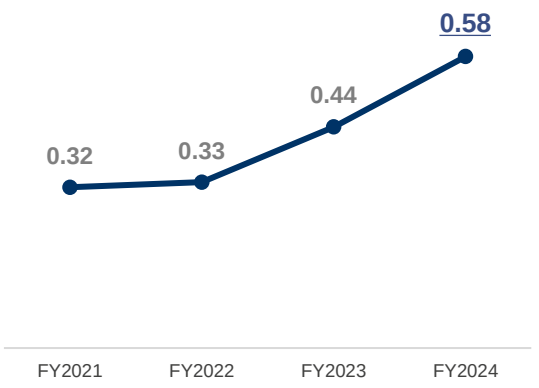
Quantity of risk (100 million yen/10 BPV)



Duration (years)

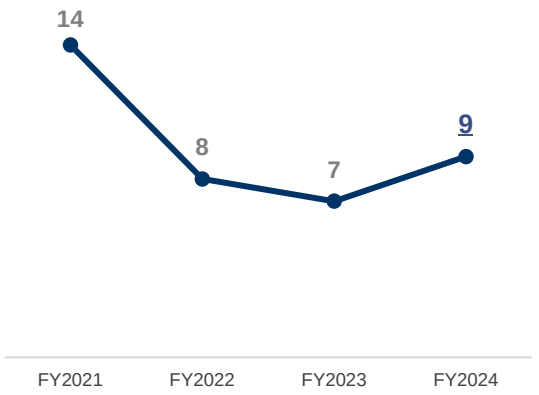


Average yield (%)

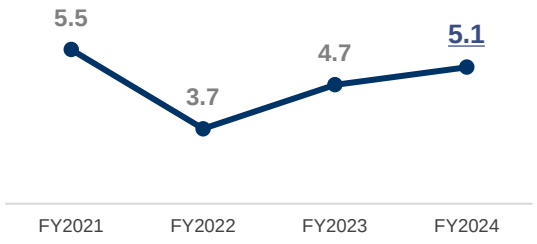


Foreign bonds

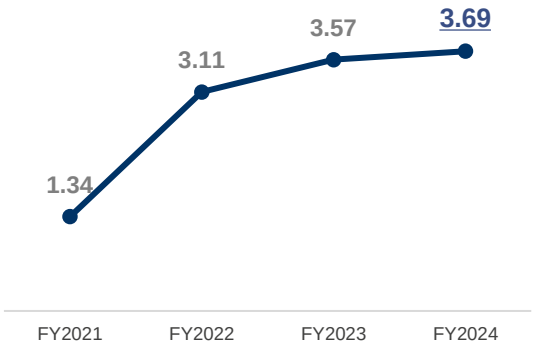
Quantity of risk (100 million yen/10 BPV)



Duration (years)



Average yield (%)



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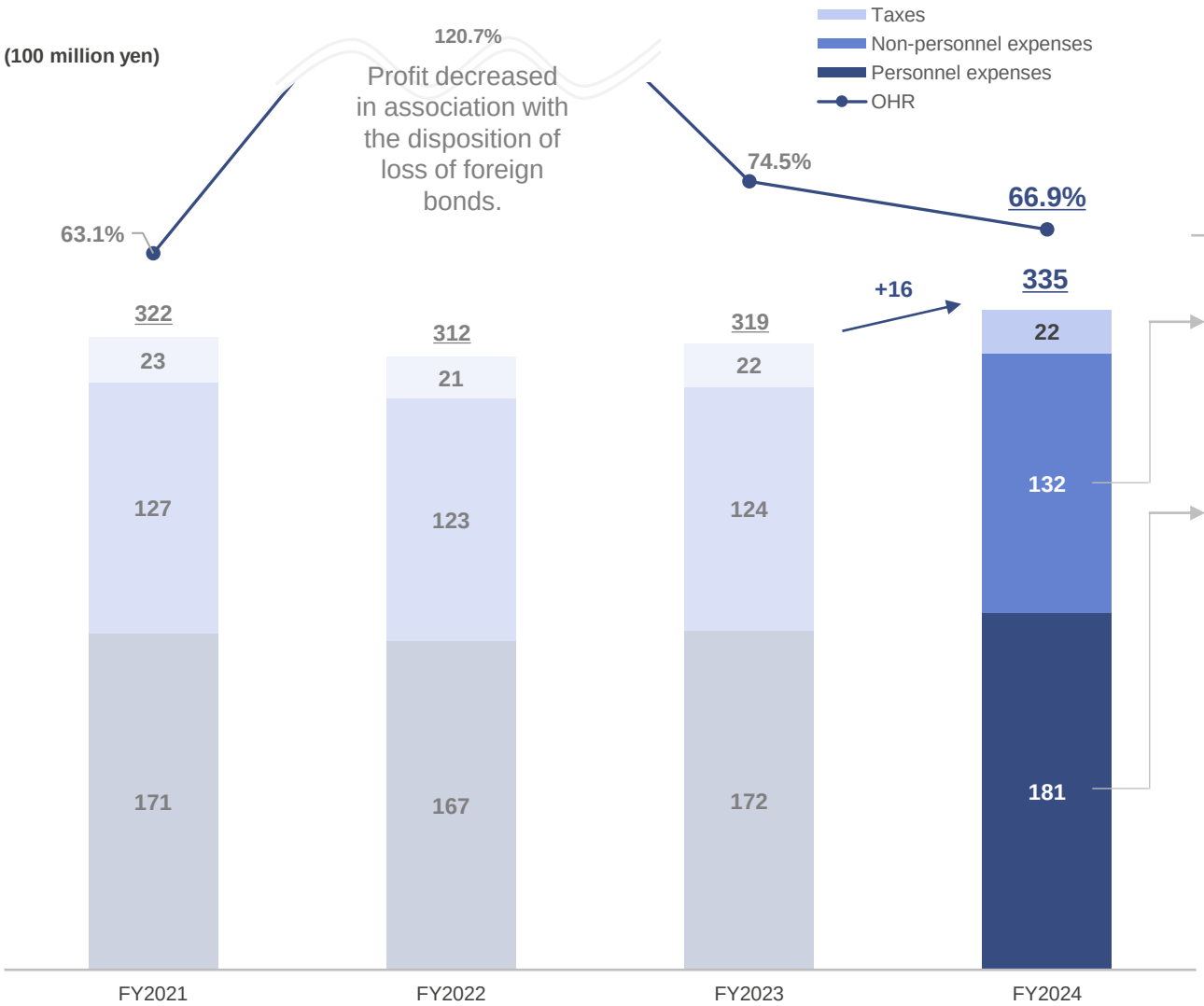
Expenses and OHR

Cost control aimed at appropriate OHR and positive investments in the human capital that will act as the engine of growth.

Expenses and OHR (gross business profit basis)



OHR = expenses / gross business profit × 100

Average for regional banks in FY2024*: 70.8%

* Calculated by the bank based on published materials.

Non-personnel expenses

An increase in depreciation expenses in association with IT and branch investments was the main factor.

- Updating of branch terminals aimed at the improvement of customer convenience
- We newly established Kujo Branch in Osaka City aimed at boosting loans.

Personnel expenses

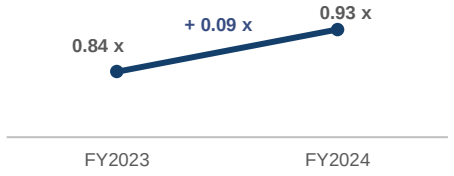
The increase in base pay to employees was the main factor in the increases.

We increased wages by a total of 10% or more in the last two years.

Actual wage increases	
FY2023	4.5%
FY2024	6.4%

Returns on human capital investments are also increasing steadily.

ROI in human capital supporting core business (profit from customer services/human capital investment (personnel expenses))



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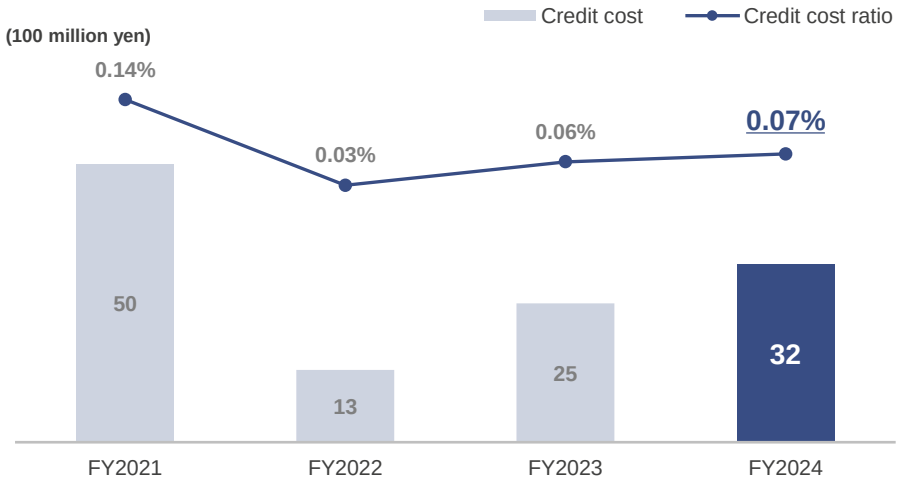
Credit Costs and Equity Capital Ratio

Equity capital ratio trended within the plan forecast after we recorded a reversal of credit costs in association with the change in the allowance method.

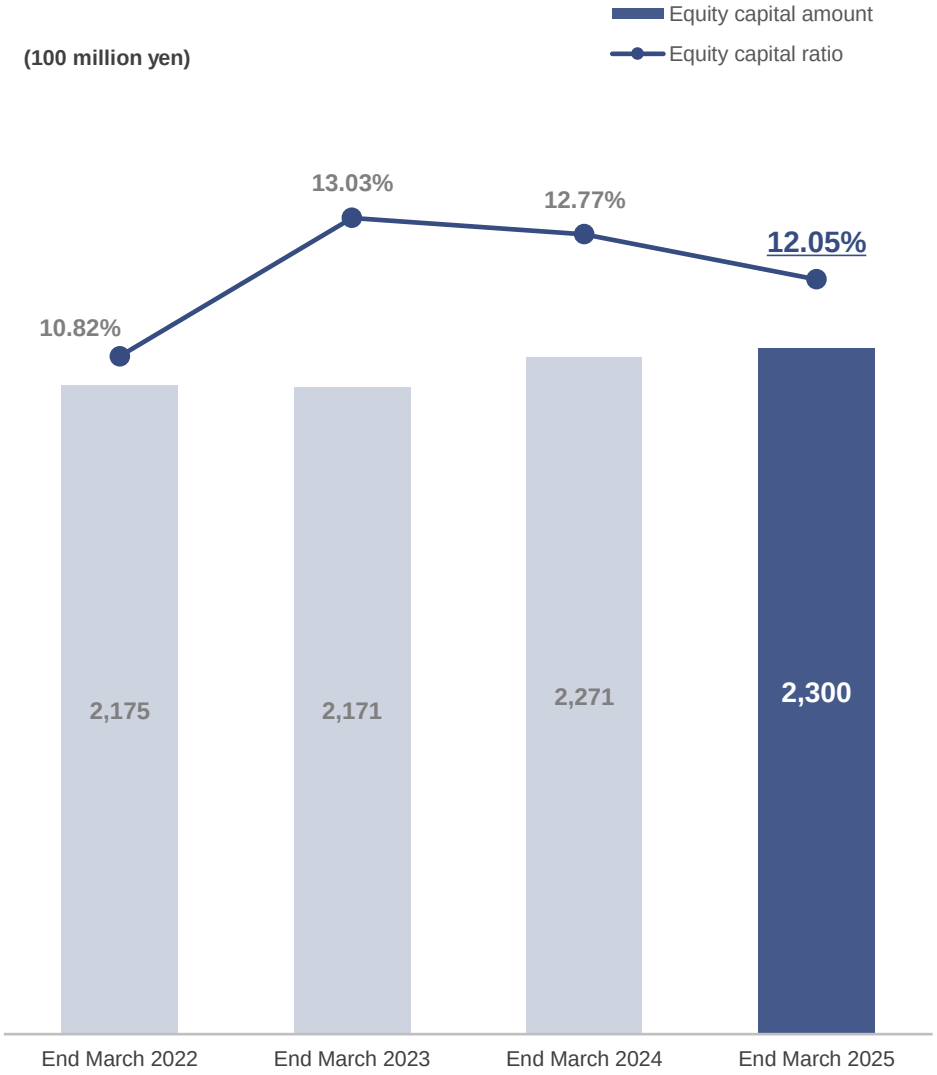
Credit costs

(Unit: 100 million yen)	FY2021	FY2022	FY2023	FY2024	YoY change
Credit costs [1] + [2]	50	13	25	**32**	6
Provision of general allowance for loan losses [1]	19	(2)	-	**-**	-
Disposal of non-performing loans [2]	31	15	25	**32**	6
Write-off of loans and bills discounted	14	4	22	**29**	6
Provision of specific allowance for loan losses	15	10	-	**-**	-
Other	0	1	2	**3**	0
Reversal of allowance for loan losses [3]	-	-	10	**26**	15
Profit on collection of written-off loans, etc. [4]	8	16	38	**7**	(30)
Total credit costs [5] ([1] + [2] - [3] - [4])	41	(3)	(23)	**(1)**	21

Credit costs (excluding reversal of allowance for loan losses and recovery of written-off claims)



Equity capital ratio (consolidated)



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Revision of the 7th Medium-Term Management Plan KPI

We expect to achieve ROE of 8% in the final year of the medium-term management plan through the reinforcement of core business revenue.

Review of medium-term management plan KPI
(policy rate scenario: 0.5%)

Target management indicators	Final year of the 7th medium-term management plan (FY2026): Initial plan (Before revision)	After revision	Compared to initial plan	FY2024 Result
ROE < consolidated >	7.0% or more	**8.0% or more**	+1.0%	7.46%
Profit < consolidated >	18 billion yen or more	**21 billion yen or more**	+ 3 billion yen	17.6 billion yen
Profit from customer services < non-consolidated >	15 billion yen or more	**22 billion yen or more**	+ 7 billion yen	16.9 billion yen
Equity capital ratio < consolidated >	About 10 to 11%	**(No change)**	-	12.0%
Reduction in cross-shareholdings (during plan period, market value basis)	4 billion yen	**10 billion yen**	+ 6 billion yen	7.7 billion yen

Profit plan

(Unit: 100 million yen)

		Original plan (before revision)			After revision						
		FY2024	FY2025	FY2026	FY2024		FY2025		FY2026		
		Plan	Plan	Plan	Result	Compared to initial plan	Result forecast	Compared to initial plan	Plan	Compared to initial plan	
1	Net interest income	434	457	474	507	73	519	62	539	65	1
2	Interest on loans and discounts	381	392	400	427	46	537	144	566	166	2
3	Interest on deposits, etc. (-)	4	4	4	28	24	115	111	129	125	3
4	Net fees and commissions	84	85	85	95	11	100	15	105	20	4
5	Expenses (-)	334	336	334	335	1	351	14	359	24	5
6	Personnel expenses	177	179	180	181	4	189	10	196	16	6
7	Non-personnel expenses	134	133	131	132	(2)	138	5	139	8	7
8	Core business profit (excluding profit or loss on cancellation of investment trusts)	169	200	224	253	84	262	62	278	54	8
9	Profit from customer services	131	144	156	169	38	202	58	220	64	9
10	Securities-related profit or loss	60	83	94	(90)	(150)	63	(20)	80	(14)	10
11	Total credit costs (-)	30	30	30	(1)	(31)	30	0	30	0	11
12	Ordinary profit	180	216	239	208	28	263	45	282	43	12
13	Profit < consolidated >	136	162	180	176	40	185	23	210	30	13
14	Of which, contributions by group companies	13	14	15	17	4	17	5	15	0	14
15	ROE < consolidated >	6.0%	6.9%	7.4%	7.46%	1.5	7.6%	0.7	8.3%	0.8	15
16	Equity capital ratio < consolidated >	12.0%	12.2%	11.6%	12.0%	0	11.9%	(0.2)	11.2%	(0.2)	16

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02 Sources of Corporate Value

Balanced branch development and sales strategies in accordance with area characteristics

Management foundations

Osaka Prefecture

Economic scale		Branch network		Deposits and loans within area*	
GDP	39 trillion yen	Number of branches	42 branches	Total deposits within area	116 trillion yen
Population	8.76 million people	Number of sales bases	37 bases	Of which, the bank's share	1.1 %
Number of places of business	377,000 places of business	Number of branches handling business loans	22 bases	Total loans within area	56 trillion yen
				Of which, the bank's share	3.7 %

Wakayama Prefecture

Economic scale		Branch network		Deposits and loans within area*	
GDP	3 trillion yen	Number of branches	68 branches	Total deposits within area	9.8 trillion yen
Population	890,000 people	Number of sales bases	39 bases	Of which, the bank's share	34.1 %
Number of places of business	48,000 places of business	Number of branches handling business loans	11 bases	Total loans within area	2.7 trillion yen
				Of which, the bank's share	45.0 %

* Source: Fiscal year 2025 edition of "Financial Map," an additional issue of The Financial Journal

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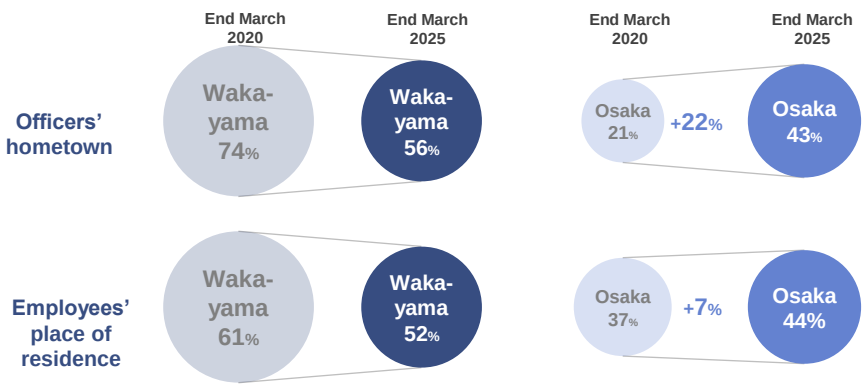
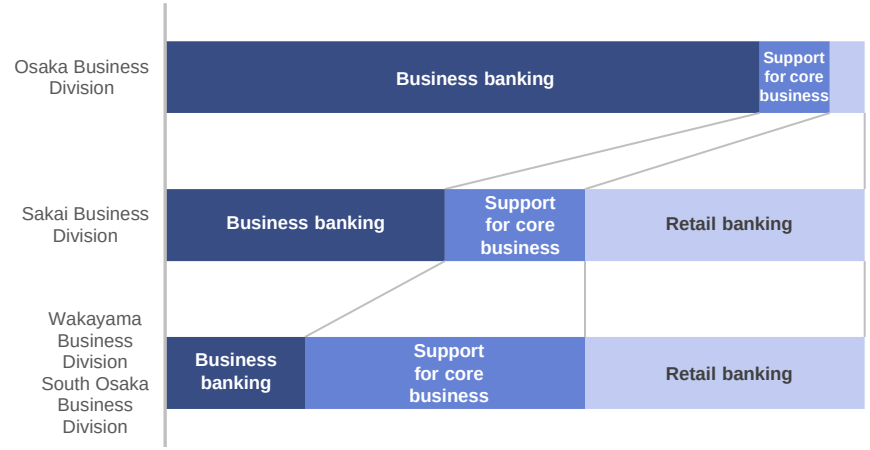
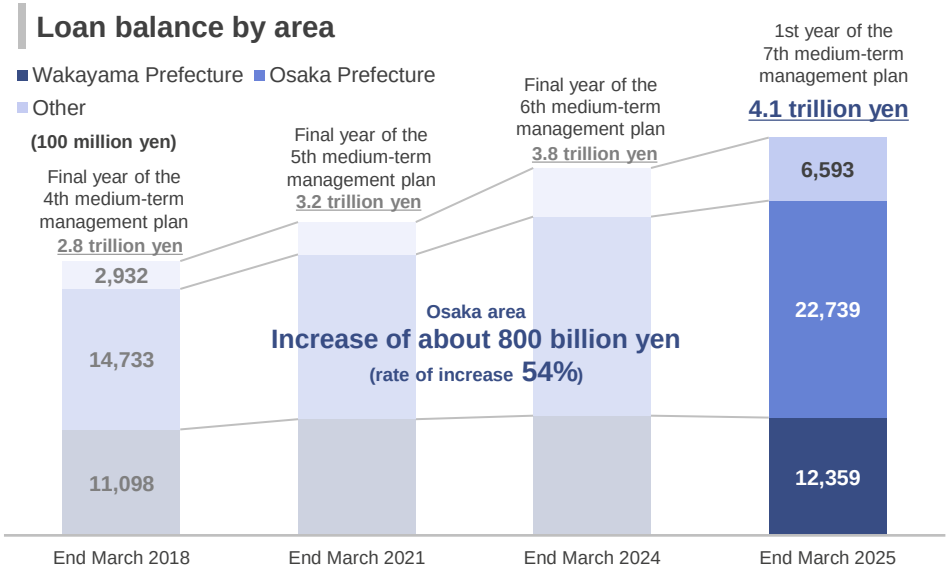
Human foundations (composition of officers and employees by area)



Activity weight image by business division



Loan balance by area



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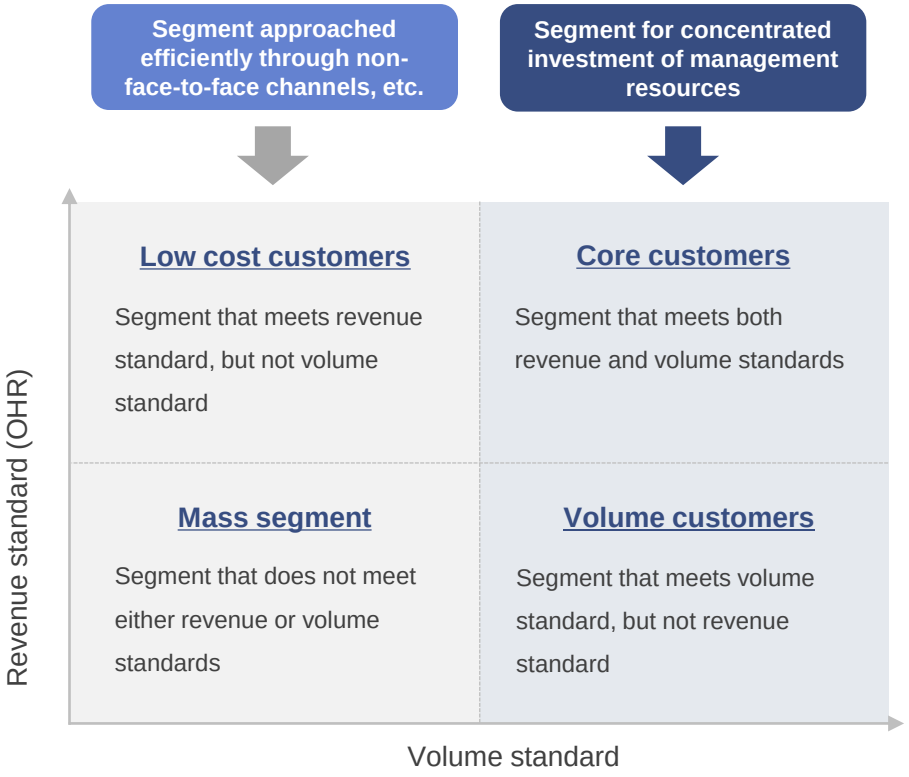
Management Strategy_Core Customer Strategy

We will allocate management resources strategically and aim for the co-creation of value with customers and maximization of the bank's revenue.

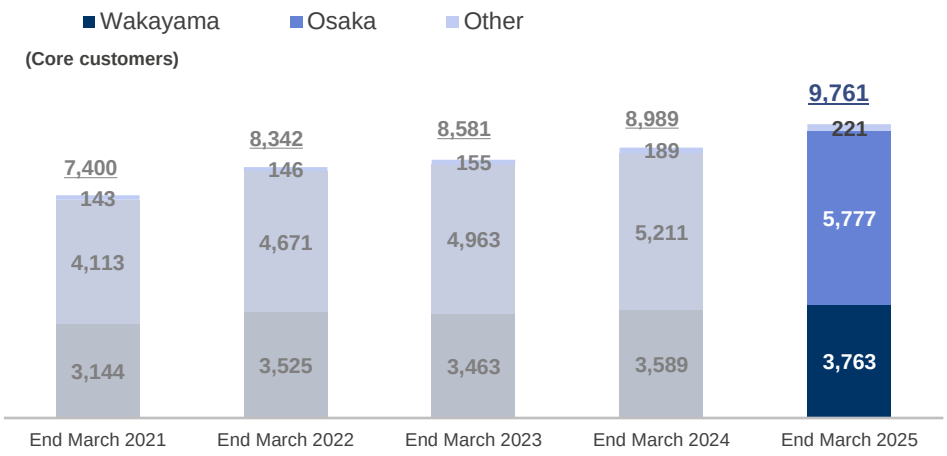
Core customer strategy

- We introduced a core customer strategy from the 5th medium-term management plan (started in April 2018).
- Segmentation of customers on the two axes of volume and profitability
- By concentrating the bank group's management resources on core customers, we aim for the co-creation of value with customers and the maximization of the bank's revenue.

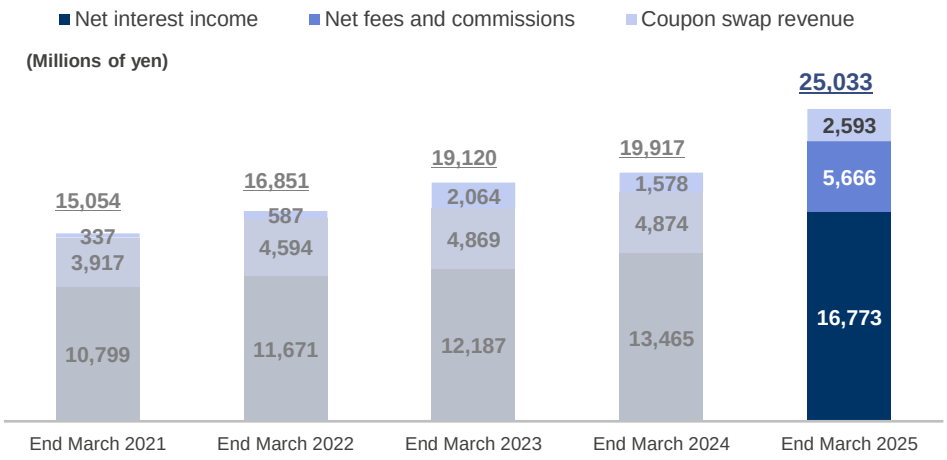
[Segment image]



Number of core customers



Trend in core customer revenue



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Management Strategy_Core Customer Strategy

We aim to secure the stable revenue and further expansion of core business by promoting customers to designate us as their main lender.

Customers for whom we are main lender

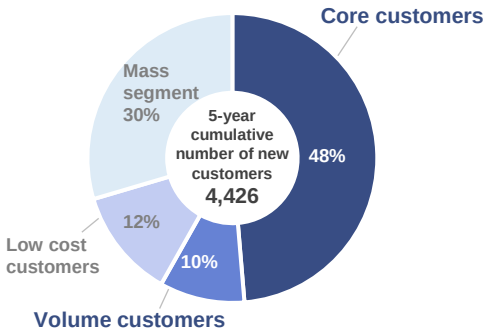
Subjects Customers for whom we are main lender among core customers*
* Borrowers with the largest outstanding loans from the bank

We have steadily increased the number of customers who use us as their main lender through the concentrated investment of management resources in the SME sector.

Segment status of new loan customers

Subjects Business customers who started new loan transactions in the past five years

Segment distribution (As of end March 2025)



Loan balances (As of end March 2025)

Segment	Loans (100 million yen)
Core customers	547
Volume customers	103
Low cost customers	10
Mass segment	10
Total	670

Teikoku Databank, Main Bank Survey*

Wakayama Prefecture

National ranking

1	Nagasaki Prefecture	The Juhachi - Shinwa Bank	84%
2	**Wakayama Prefecture**	**The Kiyo Bank**	**63%**
3	Shimane Prefecture	The San-in Godo Bank	62%
4	Nara Prefecture	The Nanto Bank	60%
5	Miyazaki Prefecture	The Miyazaki Bank	60%

Number of customers using us as their main bank in prefecture: **7,785** companies

Main bank share by prefecture: **2nd** nationwide

Osaka Prefecture

We have the largest share among regional financial institutions headquartered outside Osaka Prefecture.

Osaka Prefecture

1	Sumitomo Mitsui Banking Corporation	16.7%
2	MUFG Bank	16.6%
3	Resona Bank	11.9%
4	Kansai Mirai Bank	10.1%
5	The Osaka City Shinkin Bank	6.6%
6	The Senshu Ikeda Bank	5.7%
7	Osaka Shinkin Bank	5.1%
8	Mizuho Bank	4.2%
9	The Kita Osaka Shinkin Bank	3.9%
10	**The Kiyo Bank**	**2.5%**

Southern Osaka Prefecture

1	Sumitomo Mitsui Banking Corporation	15.0%
2	The Senshu Ikeda Bank	13.8%
3	MUFG Bank	12.4%
4	Resona Bank	11.9%
5	Osaka Shinkin Bank	11.2%
6	**The Kiyo Bank**	**10.1%**
7	Kansai Mirai Bank	8.9%
8	The Osaka City Shinkin Bank	2.9%
9	Mizuho Bank	1.8%
10	The Amagasaki Shinkin Bank	1.7%

* Source: Teikoku Databank, “Main Bank Survey 2024”

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Management Strategy_Activities to Support the Strategy

We will concentrate management resources on the SME sector to promote main banking relationships.

Purpose of promoting main banking relationships

Achievement of the long-term vision

We will continue to **co-create value** with customers and take on the challenge of corporate transformation, and become a regional financial group where people imagine the future

Reinforcement of the top line	Reinforcement of loans based on appropriate grasping of funding demand
Improvement of RORA	Reinforcement of non-interest revenue based on the expansion of service business
Securing of stable foundations	Acquisition of sticky deposits through the acquisition of settlement accounts
Control of volatility	Control of credit costs through appropriate predictive management

Example system for promoting main banking relationships

Promotion of main banking relationships

Co-creation of value based on support for core business

- We established Solution Strategy Department at two bases in Wakayama and Osaka as a specialized department providing support for core business. It has about 70 employees implementing advanced support activities for core business.
- Sales branches, headquarters, and group companies work together to implement "project consultation meetings" specializing in support for core business, aimed at approaching customers' actual and potential management issues.

The ideal cycle

- **Support for core business as a main transaction bank**
- **Customer business growth/improvement of employee satisfaction**
- **Improvement of the bank's corporate value**

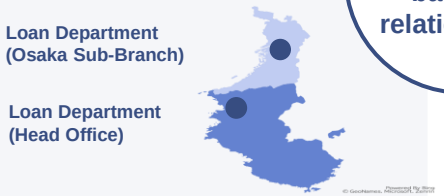
Greater sophistication of group functions

- Management resources are allocated preferentially by group companies to Kiyo Lease (leasing business), Kiyo Capital Management (investment business), and Kiyo Information Systems (system development business) as strategic group companies.
- Kiyo Information Systems, in particular, is one of the biggest systems companies among regional banks with approximately 270 IT human resources, and is working with the bank on support for customer DX, the supply of IT human resources, etc.

[Consulting results]
Kohnan Shoji Co., Ltd.
Fuji Corporation Ltd., etc.

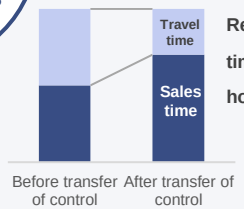
紀陽情報システム株式会社 紀陽リース The Kiyo Lease Co.,Ltd. KCM

Speedy screening system



- We established an Osaka Sub-Branch (about 30 people, Kiyo Osaka Building, Osaka City) and built a speedy screening system in addition to the screening division at head office in Wakayama City.
- As the main bank for many customers in the Osaka area, we are working on thorough support for their core business, including funding support, operational support and support for business management.

Creation of activity time



Reduction of travel time of about 9,400 hours/year

- We transferred management to neighboring branches based on the location of business customers, reducing travel time significantly.
- We are currently developing a system to share good examples of sales support tools, etc.
- This will create time for activities pertaining to support for core business.

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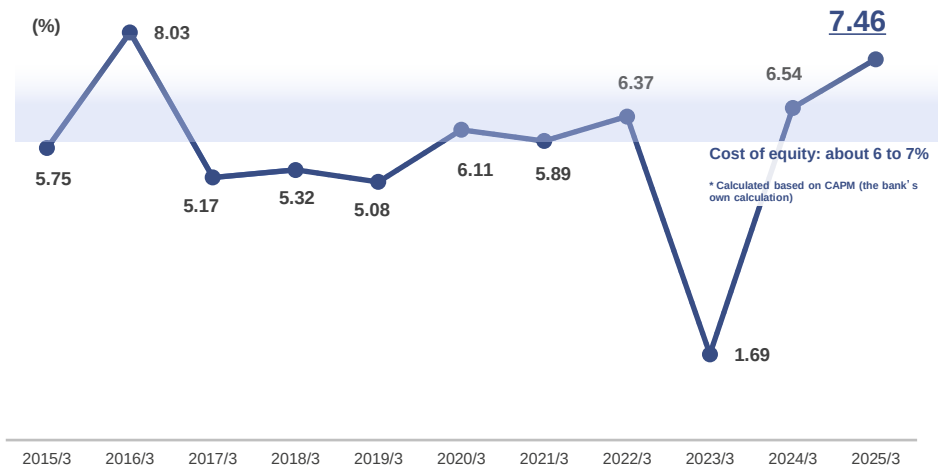
03 Initiatives Aimed at Increasing Corporate Value

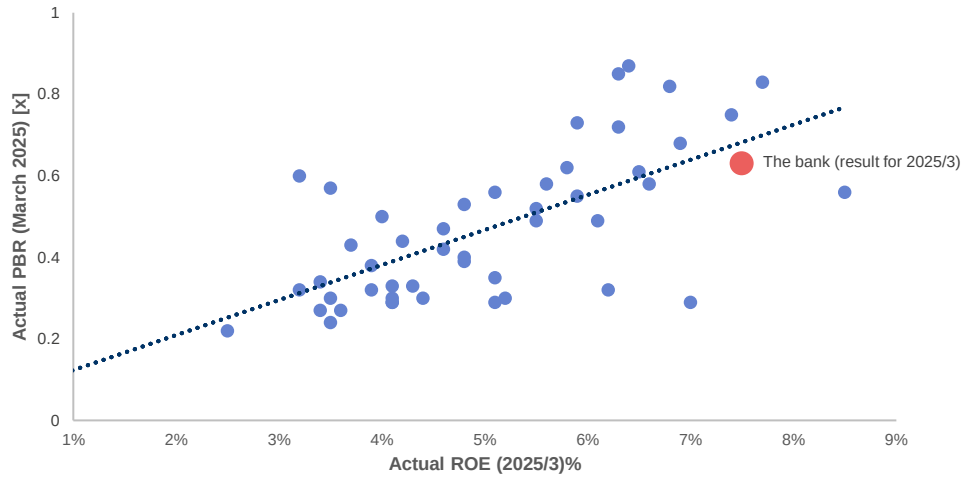
PBR・ROE

The bank's ROE is the 3rd highest among regional banks and the stock price is tending to increase following changes in the shareholder return policy.

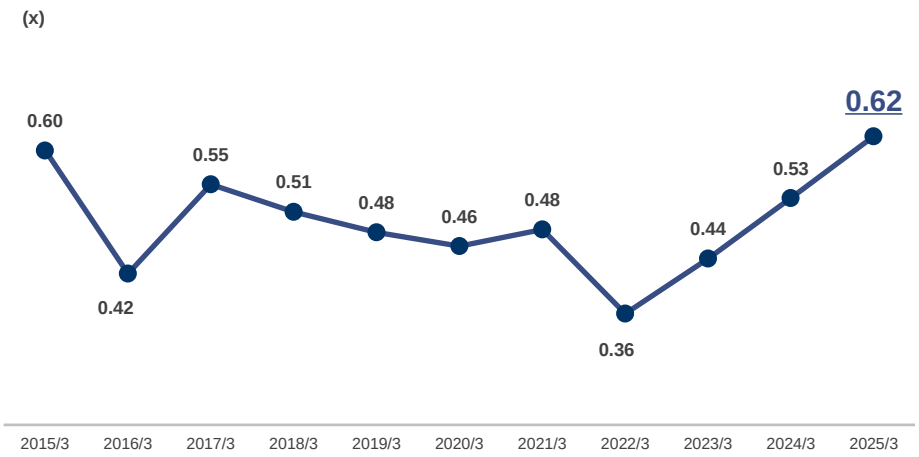
Trend in ROE (consolidated)



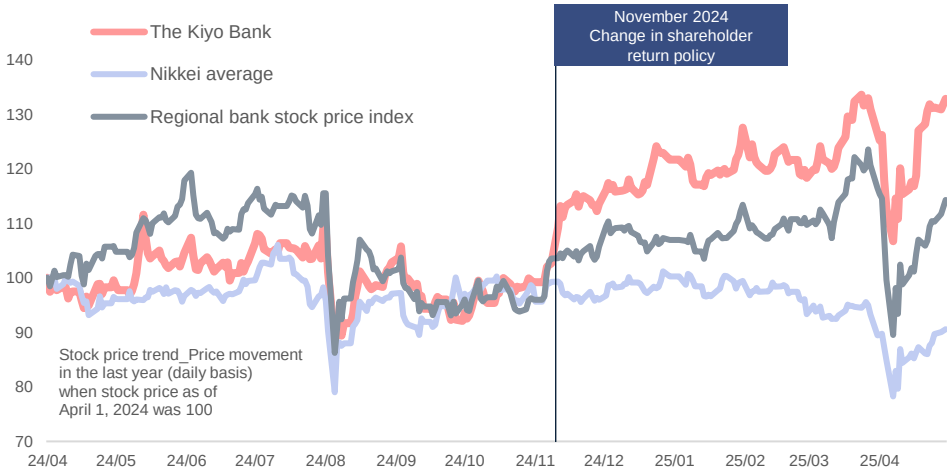
Regional bank ROE and PBR



Trend in PBR



Fiscal year 2024 stock price trend



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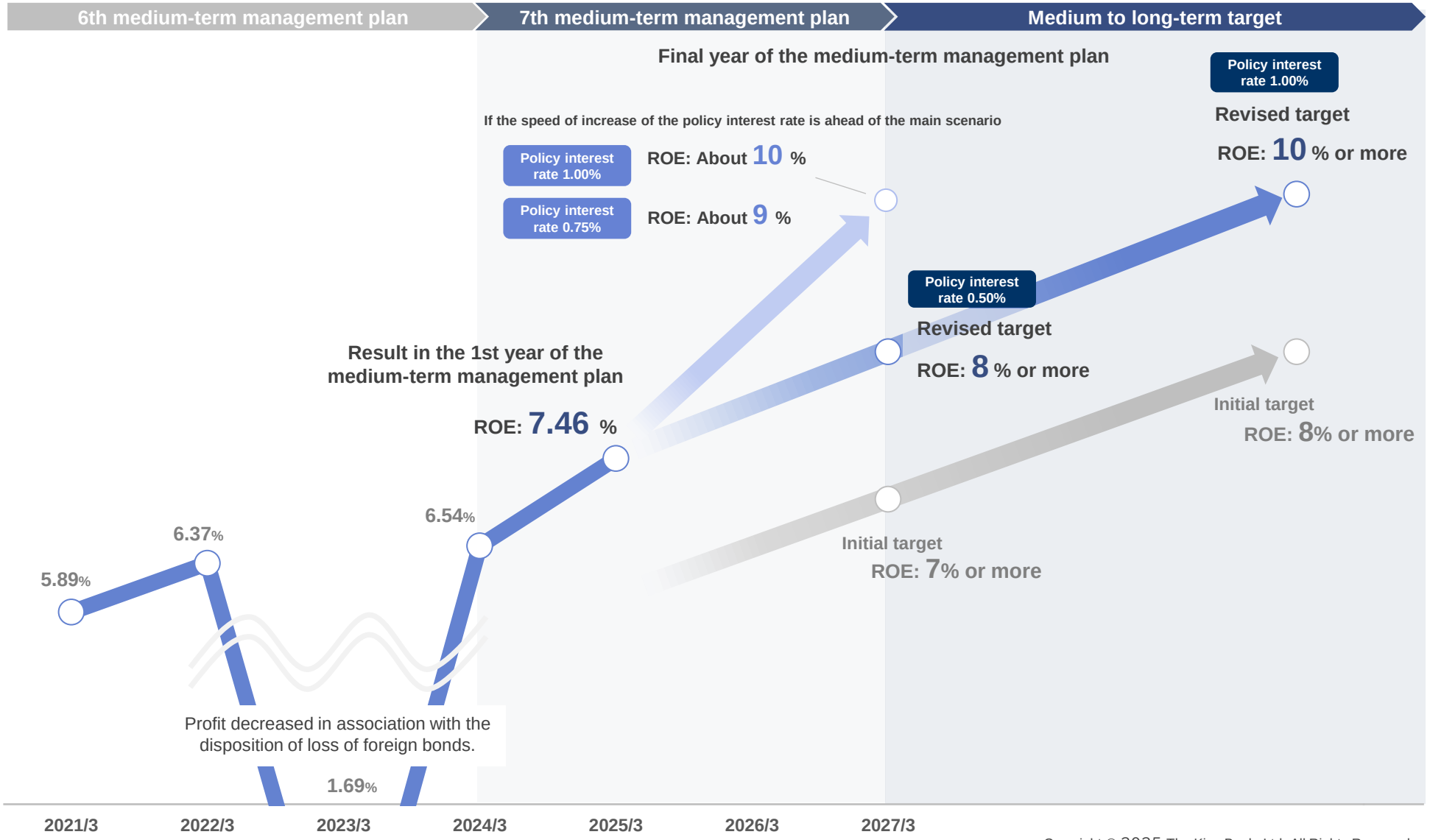
Target ROE Index

We revised the ROE targeted in the medium to long-term “10% or more” against the backdrop of strong core business revenue.



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Logic Tree

We are aiming to achieve a PBR of 1x or more as soon as possible by linking the logic tree with management strategy.

Logic Tree				Management strategy	
PBR improvement	ROE improvement	RORA improvement	Strengthening of profitability	Rebuilding of the loan portfolio conscious of RORA	RORA penetration
				Reinforcement of non-interest revenue	Pursuit of a business model starting from SME transactions
			Cost control	Cost reductions	New establishment of BPR Promotion Office
				Credit cost control	Reinforcement of main banking relationships and strengthening of support functions
		Optimization of financial leverage	RWA control	Risk asset control conscious of the balance between profitability and soundness	Building of a strategic loan portfolio by establishing RF Promotion Office*1 and SF Promotion Office*2 *1 Real Estate Finance Promotion Office *2 Structured Finance Promotion Office
			Optimal allocation of capital	Reduction of cross-shareholdings	Raising of reduction targets
				Distribution of management resources to growth areas	Creation of new revenue opportunities
	PER improvement	Fostering of growth expectations	Greater sophistication of sustainability management	Improvement of sustainability and ESG Initiatives	Strengthening of human capital based on human resource investment
				Contributions to regional economic growth	Opening of an incubation facility Promotion of regional DX and strengthening of contact points with local governments
				Implementation of strategic IR	Putting the cycle of “dialogue -> issue extraction -> execution” into practice
			Returns to shareholders	Enhancement of shareholder returns	introduction of progressive dividends
				Flexible acquisition of treasury stock	We will consider these flexibly based on the shareholder return policy
		Reduction of business risk	Control of volatility	Greater sophistication of group governance	New establishment of cross-organization working groups
				Building of a stable business portfolio	Gradual allocation of management resources to strategic group companies

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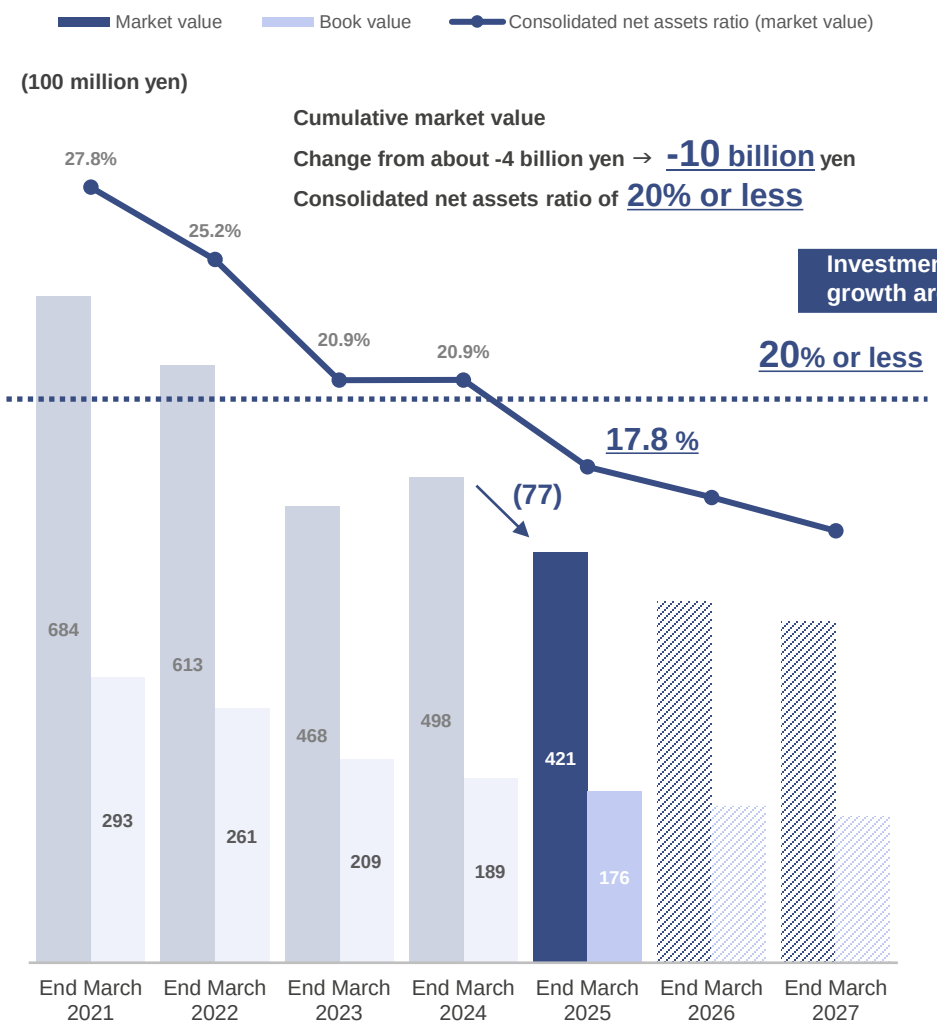
Initiatives for the Improvement of ROE_Reallocation of Capital to Growth Areas

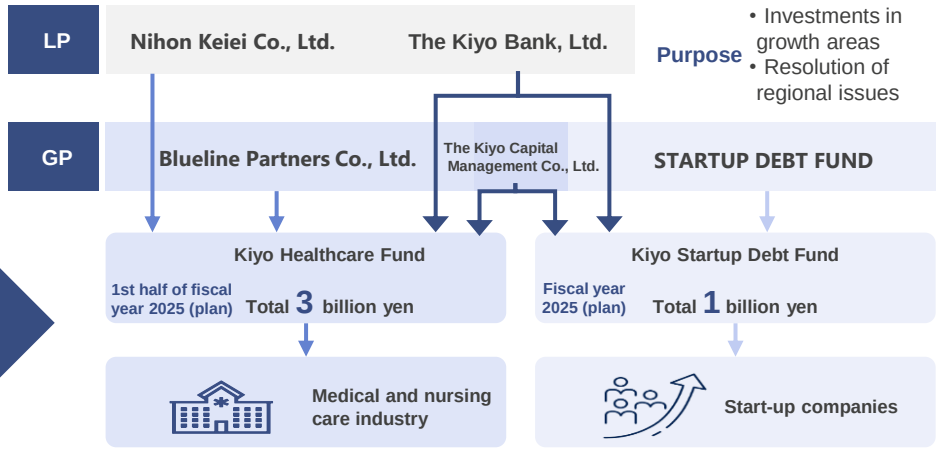
We will raise the target for the reduction of cross-shareholdings and expand investment for growth.

Review of the policy for the reduction of cross-shareholdings



Investments in growth areas

Establishment of a new fund

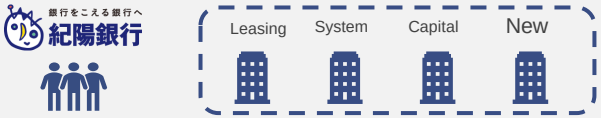


Strategic investments in growth areas

Opening of Kujo Branch
(1st new branch in 5 years)

Consideration of new business
(Concurrent internal business / internal start-up PJ)

Gradual allocation of management resources to strategic group companies and strengthening of cooperation



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Initiatives Aimed at Increasing ROE_Reinforcement of Core Business Revenue

We are concentrating the investment of management resources in business divisions, centered on SME transactions, and focusing on the acquisition of sticky deposits that support loan growth.

Strengthening of competitiveness in the SME sector

Optimization of sales structure for business customers

Travel time → Sales time

Strengthening of consulting functions

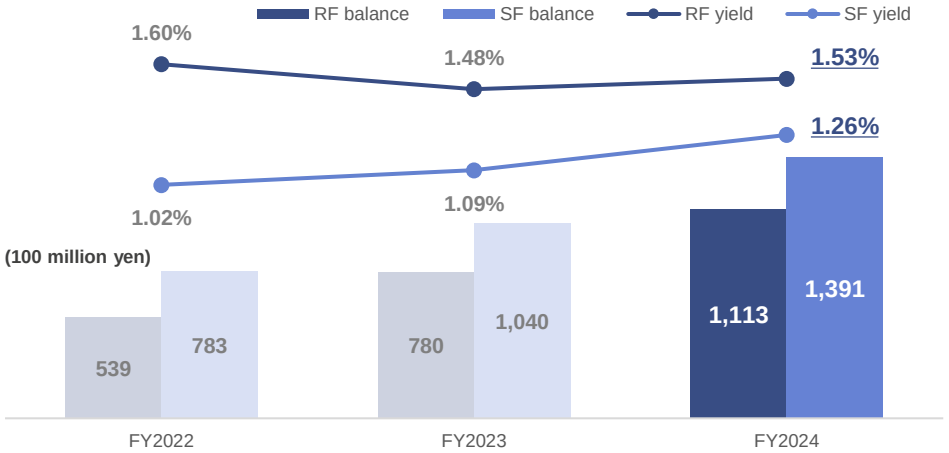
New establishment of Solution Strategy Department
Deepening of core business support consultation meetings

Number of head office consultations and informal approvals of loan projects in the Osaka area

	FY2023	FY2024
Number of consultations	3,497	3,640
Consultation amount	751.1 billion yen	941.6 billion yen
Number of informal approvals	3,301	3,441
Informal approval amount	680.8 billion yen	847.6 billion yen

Greater sophistication of the loan portfolio

Average balance and yield during term in RF Promotion Office (Real Estate Finance) and SF Promotion Office (Structured Finance)



Deposit strategy < individuals >

Strengthening regional financial infrastructure based on the diversification of means of communication

- Promotion of digital banking strategy Strengthening of non-face-to-face channels
- Expansion of business foundations based on work area activities for core customers
- Rebuilding of branch and ATM structure in accordance with regional characteristics
- Flexible deposit acquisition based on introduction of campaign time deposits

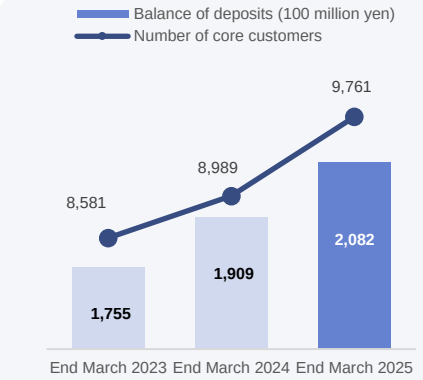
Deposit strategy < corporate >

Reinforcement of deposits centered on core customer strategy

- Increase in corporate deposits in association with an increase in the number of core customers and an increase in the balance of deposits by individual companies
- Further strengthening of relationships with core customers and deepening of transactions, including the acquisition of settlement accounts, etc.
- Conversions to core customer based on the strengthening of our approaches to business partners without loan transactions

Pursuit of a business model starting from SME transactions

Trend in core customers and deposit balance



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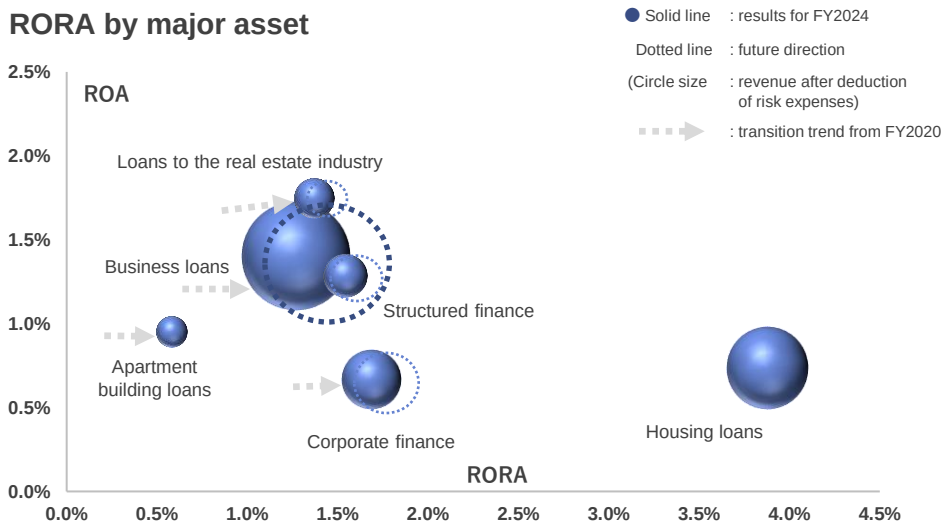
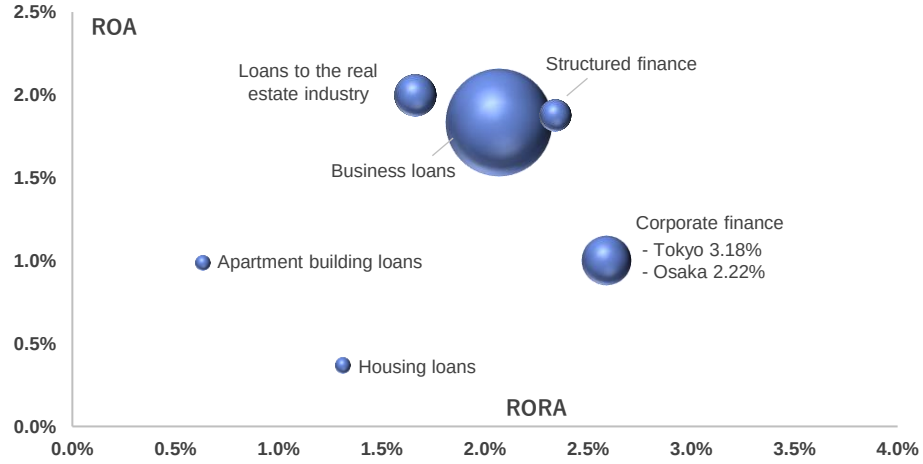
Initiatives Aimed at Increasing ROE_Trend in RORA

RORA is tending to improve steadily, and we are aiming for its further improvement by strengthening measures to penetrate sales branches.

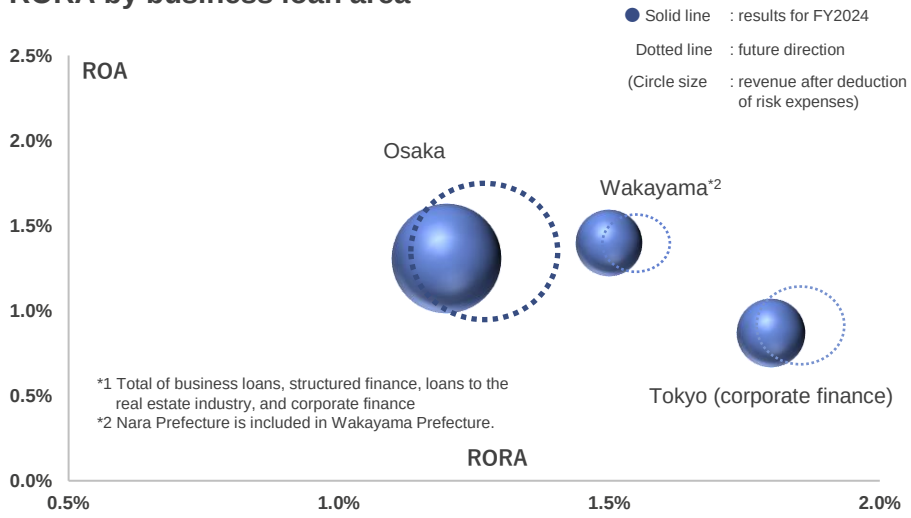
RORA by major asset



Fiscal year 2024 Newly executed RORA



RORA by business loan area *1



*1 Total of business loans, structured finance, loans to the real estate industry, and corporate finance
*2 Nara Prefecture is included in Wakayama Prefecture.

RORA results and penetration measures

	FY2023	FY2024
All business	1.56%	1.78%
Business loans	1.01%	1.27%
Wakayama	1.21%	1.50%
Osaka	0.95%	1.20%

Implemented

- Introduction of RORA, an individual profitability management indicator
- Dissemination of RORA indicator to sales branches
- Return of RORA data by sales offices by individual company
- Trial use of RORA indicator

Greater sophistication of profit management system based on further penetration of RORA

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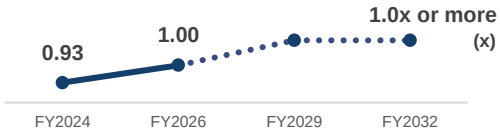
Initiatives for the Improvement of PER_Human Capital Management

We revised the human capital KPI upwards.
The human capital ROI engagement score are improving steadily.

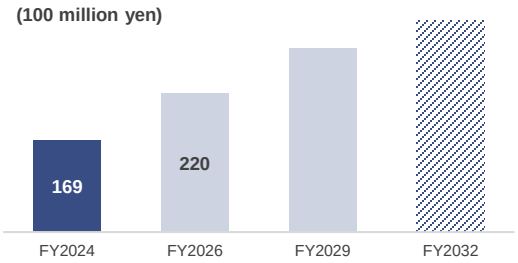
Human capital KPI

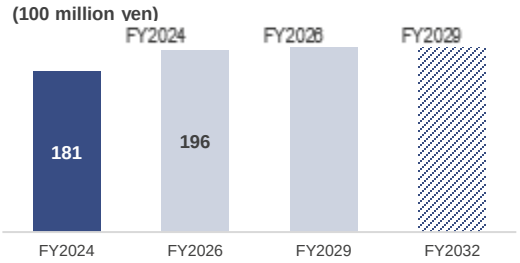
ROI in human capital supporting core business: profit from customer services/human capital investment (personnel expenses)

Fiscal year 2032
1.0x or more



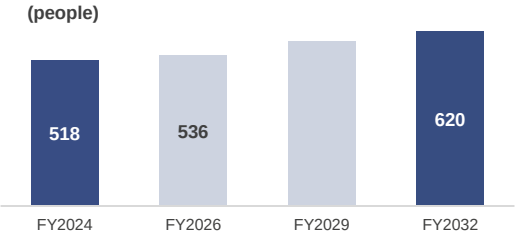
Expansion of profit from customer services ÷ **Expansion of human capital investment (personnel expenses)**



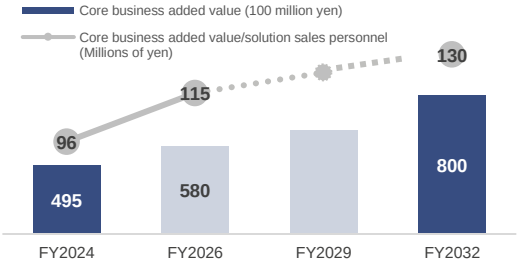


Increase in solution sales personnel × **Core business added value / solution sales personnel**

Solution sales personnel:
Human resources who provide added value (solutions) directly to customers



Core business added value
(= average balance of loans × interest rate margin + Net fees and commissions)

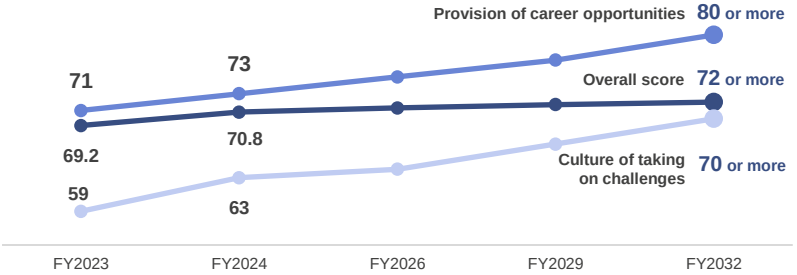


Review of human capital KPI

	FY2024	FY2032	
	Result	After revision	(Before revision)
Core business added value (100 million yen) (= average balance of loans × interest rate margin + Net fees and commissions)	495	**800**	(580)
ROI in human capital supporting core business (x) (profit from customer services/personnel expenses)	0.93	**1.0 or more**	(1.00)
Solution sales personnel (people)	518	**620**	-
Core business added value/solution sales personnel (Millions of yen)	95.7	**130**	(93)

Engagement score

Fiscal year 2024 Benchmark comparison	Overall score	Provision of career opportunities	Culture of taking on challenges
The bank	**70.8**	**73**	**63**
Financial industry x same size	68.8	74	64
All industries x all company sizes	72.0	79	70



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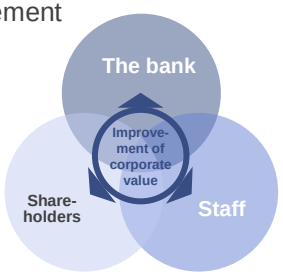
Initiatives for the Improvement of PER_130th Anniversary Project

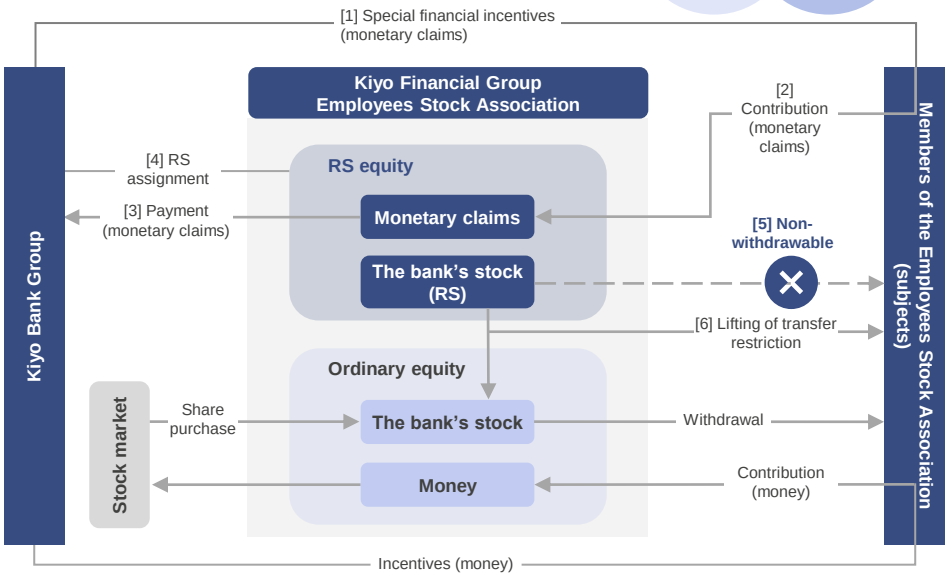
Issue of RS to employees as part of anniversary project and start on reconstruction of Head Office building.

Consideration of issue of transfer-restricted stock (RS)

Subjects	Members of the Kiyo Financial Group Employees Stock Association, etc.
Method of issue	Appropriation from treasury stock
Purpose	1. "Appreciation" to employees of the bank group (including affiliates) 2. Fostering of awareness of management participation 3. Sharing of value with shareholders

* We plan to make further disclosure once the details are determined.





Reconstruction of Head Office building (plan outline)

Place of construction	1-35 Honmachi, Wakayama City, Wakayama Prefecture (on-site reconstruction)
Floor area	About 12,000 m^2
Completion date	December 2029 (plan)
Use of building	Head Office Sales Department, Wakayama Sales Headquarters, Headquarters Functions, etc.
Main purpose	1. Response to the degradation of Head Office Building (completed in 1954 so built 71 years ago) 2. Improvement of comprehensive financial services for customers 3. Revitalization of communication between departments 4. Contributions to community development and the realization of a decarbonized society 5. Strengthening of the resilience of financial functions

External northwest side appearance

External north side appearance

(Courtesy of Takenaka Corporation)

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Initiatives Aimed at Increasing PER_Incubation Facility and Strategic IR

We established an incubation facility as part of our sustainability strategy, implemented strategic IR and reflected it in our management strategy.

Key Site open

Name	Key Site
Address	185-3 Kuroda, Wakayama City, Wakayama Prefecture (8-minute walk from JR Wakayama Station)
Management company Collaborating companies	The Kiyo Bank, ATOMica Inc., K-FIRST, Money Forward Venture Partners, Inc. (HIRAC FUND)
Details of the facility	1st floor Cafe space 2nd floor Event space and co-working space 3rd floor Co-working space 4th floor Kiyo Bank Group Office 5th floor Rental offices
Target indicator	We aim to produce 5 IPOs in 10 years
Opening date	March 27, 2025 (Thursday)
URL	https://kiyo-keysite.com

Strategic IR

	Fiscal year 2023	Fiscal year 2024
Dialogue	• General Meeting of Shareholders • Financial results briefing (twice) • Individual interviews (19 times) • Company briefings (5 times)	• General Meeting of Shareholders • Financial results briefing (twice) • **Individual interviews (38 times)** • Company briefing (5 times) • **IR for individual investors (twice)**
Issue extraction	• Initiatives for a PBR of 1x • Clarification of area strategy • Evaluation of the effectiveness of the Board of Directors	• Initiatives for a PBR of 1x • Enhancement of shareholder returns
Execution	• Announcement of the 7th medium-term management plan • Disclosure of “Initiatives to Increase Corporate Value” • Total return ratio of 40% or more	• **Change in shareholder return policy** • Revision of the skill matrix • Introduction of an external evaluation organization for evaluation of the effectiveness of the Board of Directors

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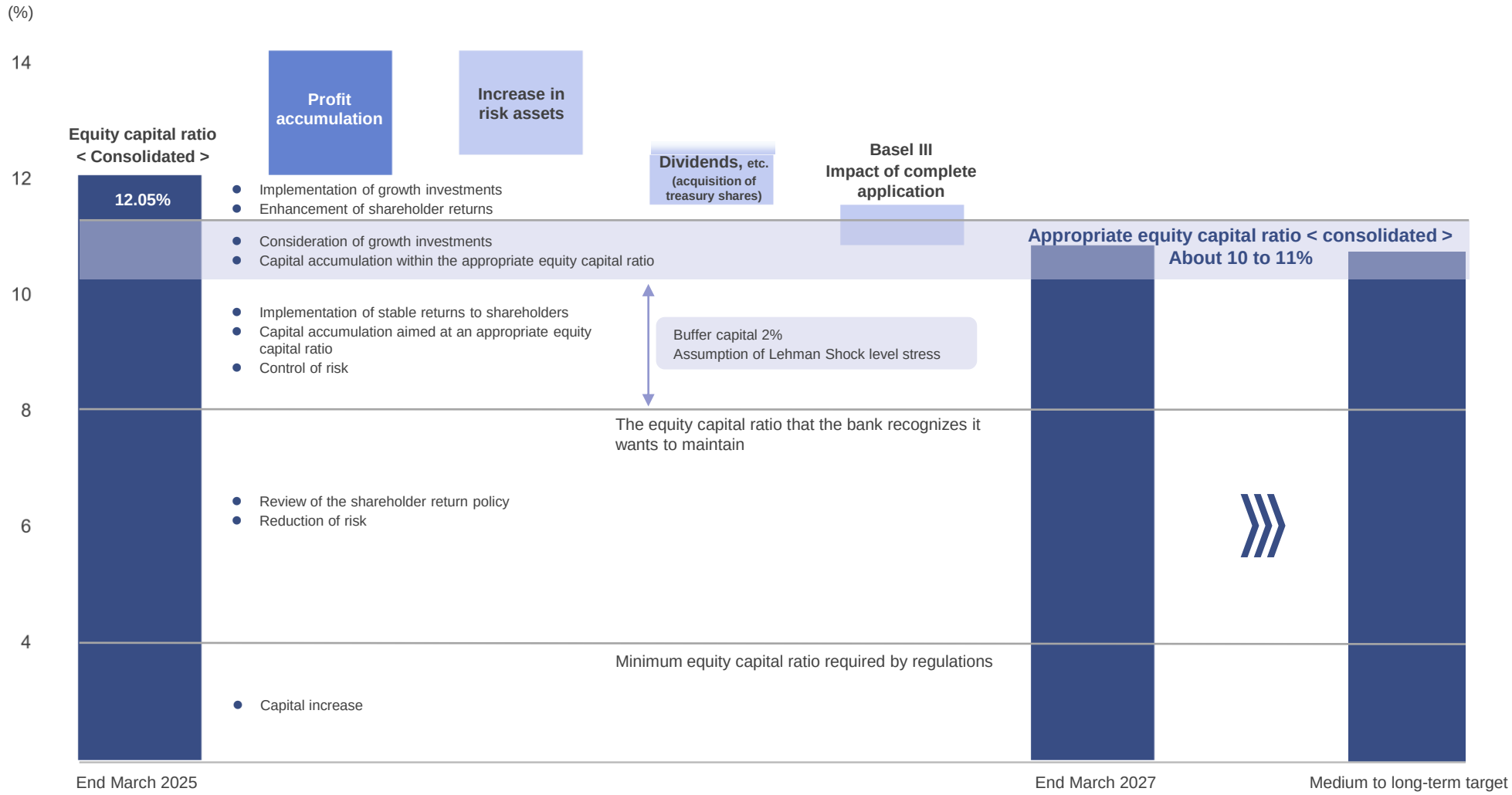
Capital Allocation

We will aim for the maximization of corporate value by making positive growth investments and returning profits to shareholders.



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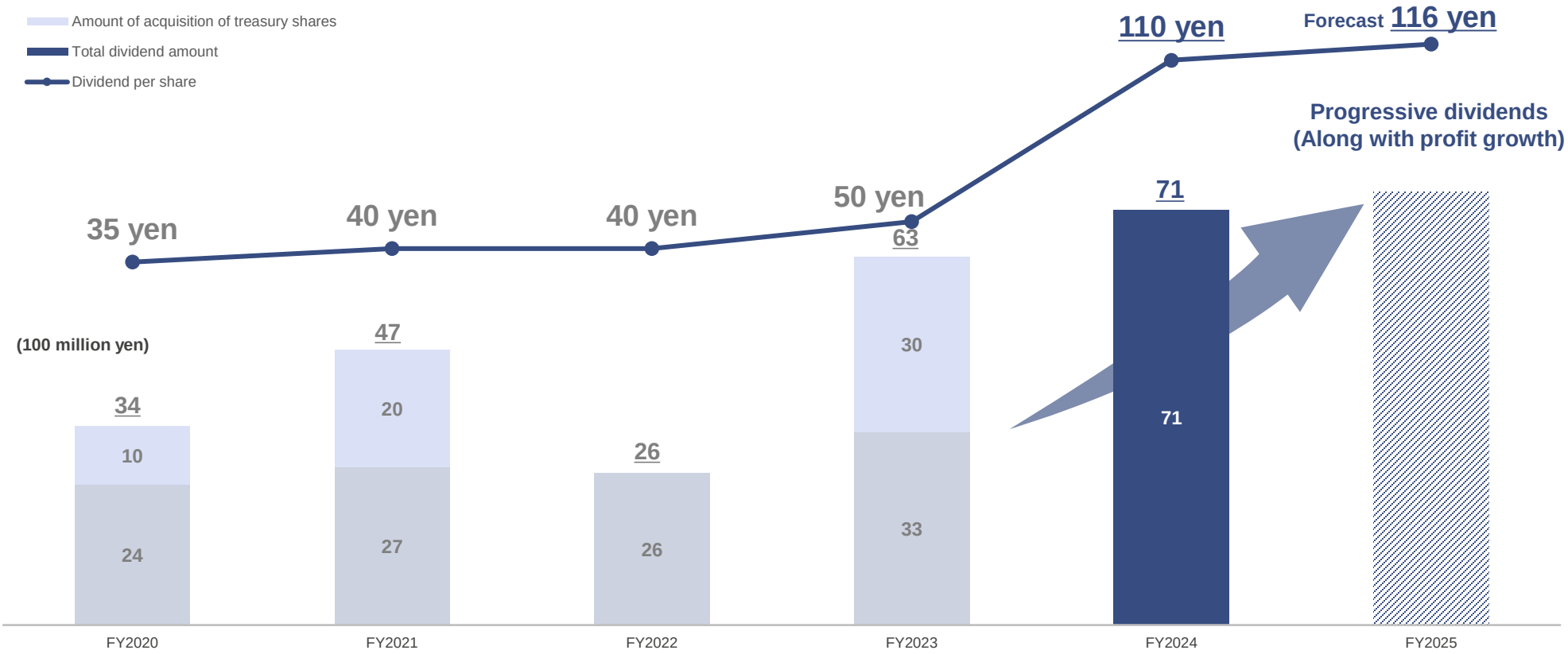
Returns to shareholders

We announced a progressive dividend with a dividend payout ratio of around 40%, and are implementing positive returns to shareholders.

Shareholder return policy	May 2022 Formulation of shareholder return policy	November 2023 Change to shareholder return policy	November 2024 Change to shareholder return policy
	Combining dividends and the acquisition of treasury stock, 30% or more	Combining dividends and the acquisition of treasury stock, a total return ratio of 40% or more	Along with profit growth, the bank will pay progressive dividends and acquire treasury stock flexibly, aiming roughly for a dividend payout ratio of 40%.



Dividend payout ratio	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
	17.4%	17.4%	66.9%	21.8%	40.4%	Rough target of 40%

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