

# The Kiyo Bank, Ltd.

## Financial Results Briefing Materials for the Year Ended March 31, 2026

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June 4, 2026

Note: This document has been translated from the Japanese original for reference purposes only.

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



TSE Prime Market: 8370

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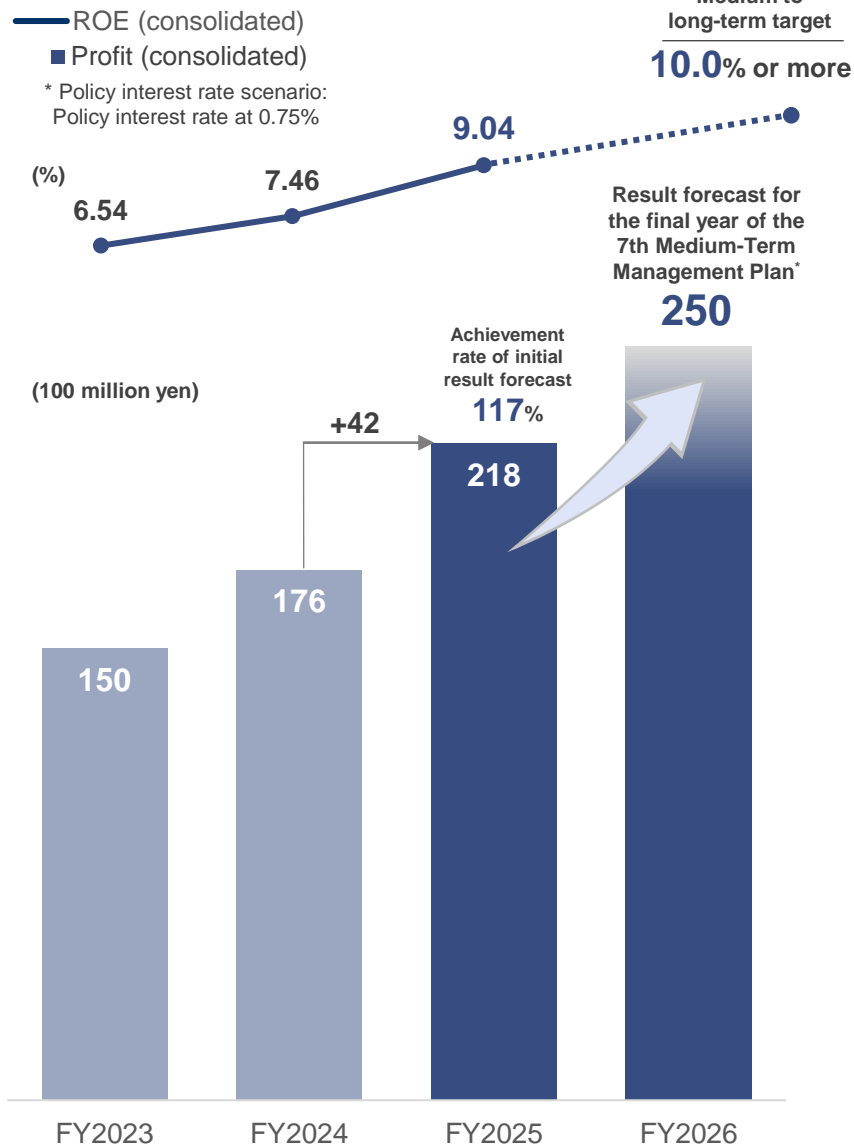
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## Key Message

### Performance trend



### Financial results overview

Consolidated profit

21.8 billion yen (Record-high profit)

⇒ We achieved the target of 21.0 billion yen for the final year of the 7th Medium-Term Management Plan ahead of schedule.

We also reported record-high net fees and commissions.

Consolidated ROE

9.04 %\*

⇒ We achieved the target of a minimum of 8% for the final year of the 7th Medium-Term Management Plan ahead of schedule.

We aim to achieve our medium- to long-term ROE target of 10% or more at an early date.

\* If one-time expenses related to head office reconstruction are excluded: 9.69%

### Capital policy

Dividend forecast

(Dividend per share)

Dividend for FY2025: 137 yen per year (+27 yen YoY)

Dividend forecast for FY2026: 156 yen per year (+19 yen YoY) \*

\* If the stock split is not considered

Stock split

Split ratio: Three-for-one stock split

Record date: September 30, 2026

### Improvement of corporate value

Improvement of productivity

Initiatives toward the creation of management resources with an eye on the next Medium-Term Management Plan

Implementation of BPR measures utilizing external consultants  
Start of pilot operation in preparation for an overhaul of the sales structure

Efforts to improve operational efficiency and enhance business operations through the adoption of AI

# 01\_Financial Results Overview

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# Overview of Financial Results for the Year Ended March 31, 2026

◎: Record high

Non-consolidated (Unit: 100 million yen)		FY2025 result	YoY change	Initial result forecast	Comparison with initial result forecast
1	Ordinary income	◎ 1,023	+156	930	+93
2	Gross business profit	626	+125	609	+17
3	Net interest income	◎ 592	+85	519	+73
4	Net fees and commissions	◎ 99	+4	100	(1)
5	Net other ordinary income	(65)	+36	(10)	(55)
6	Gains (losses) related to bonds (Government bonds, etc.)	(70)	+43	(4)	(66)
7	Expenses (-)	353	+18	351	+2
8	Net business profit (before provision of general allowance for loan losses)	273	+108	258	+15
9	Core net business profit	◎ 344	+65	262	+82
10	Core net business profit (excluding gains (losses) from cancellation of investment trusts)	◎ 321	+68	262	+59
11	Net business profit	◎ 275	+110	253	+22
12	Non-recurring gains (losses)	31	(12)	10	+21
13	Of which, disposal of non-performing loans (-)	33	+1	35	(2)
14	Of which, reversal of allowance for loan losses and recoveries of written off receivables	7	(27)	10	(3)
15	Of which, gains (losses) related to stocks, etc.	33	+10	9	+24
16	Ordinary profit	◎ 306	+98	263	+43
17	Extraordinary income (losses)	(24)	(24)	(21)	(3)
18	Of which, provision for loss on reconstruction of head office (-)	15	+15	16	(1)
19	Profit	◎ 206	+48	168	+38
20	Total credit costs (-)	23	+24	30	(7)
21	Profit from customer services	◎ 228	+59	202	+26

Consolidated (Unit: 100 million yen)		FY2025 result	YoY change	Initial result forecast	Comparison with initial result forecast
1	Consolidated gross profit	674	+129	664	+10
2	Ordinary profit	◎ 323	+90	292	+31
3	Profit attributable to owners of parent	◎ 218	+42	185	+33

## Financial Results Overview

- We recorded a profit attributable to owners of parent of 21.8 billion yen, which was a record high, up 4.2 billion yen compared with the previous fiscal year mainly due to increases in net interest income and net fees and commissions, although expenses and credit costs rose.
- With growth in the core business driving our performance, we recorded profit from customer services, an indicator of the earning power of the core business, of 22.8 billion yen, a record high, supported by strong lending and other factors.

## Key points of the financial results

### Line 3\_Net interest income (+8.5 billion yen YoY)

Interest on loans and discounts increased 12.5 billion yen from the previous fiscal year, leading the increase in net interest income.  
(Factors behind increase in interest on loans and discounts) Balance factor: +2.5 billion yen. Yield factor: +10.0 billion yen

### Line 17\_Extraordinary income (losses) (-2.4 billion yen YoY)

A one-time extraordinary loss of 2.0 billion yen was recorded, including provision for losses on the reconstruction of the head office, including costs for the demolition of the current head office, in association with the reconstruction. No substantial costs related to the reconstruction of the head office are planned to be recorded in FY2026.

### Line 20\_Total credit costs (+2.4 billion yen YoY)

The costs increased 2.4 billion yen from the previous fiscal year, mainly due to the fact that a reversal of allowance for loan losses of 2.6 billion yen was recorded in the previous fiscal year in association with revising the recording method of allowance for loan losses.

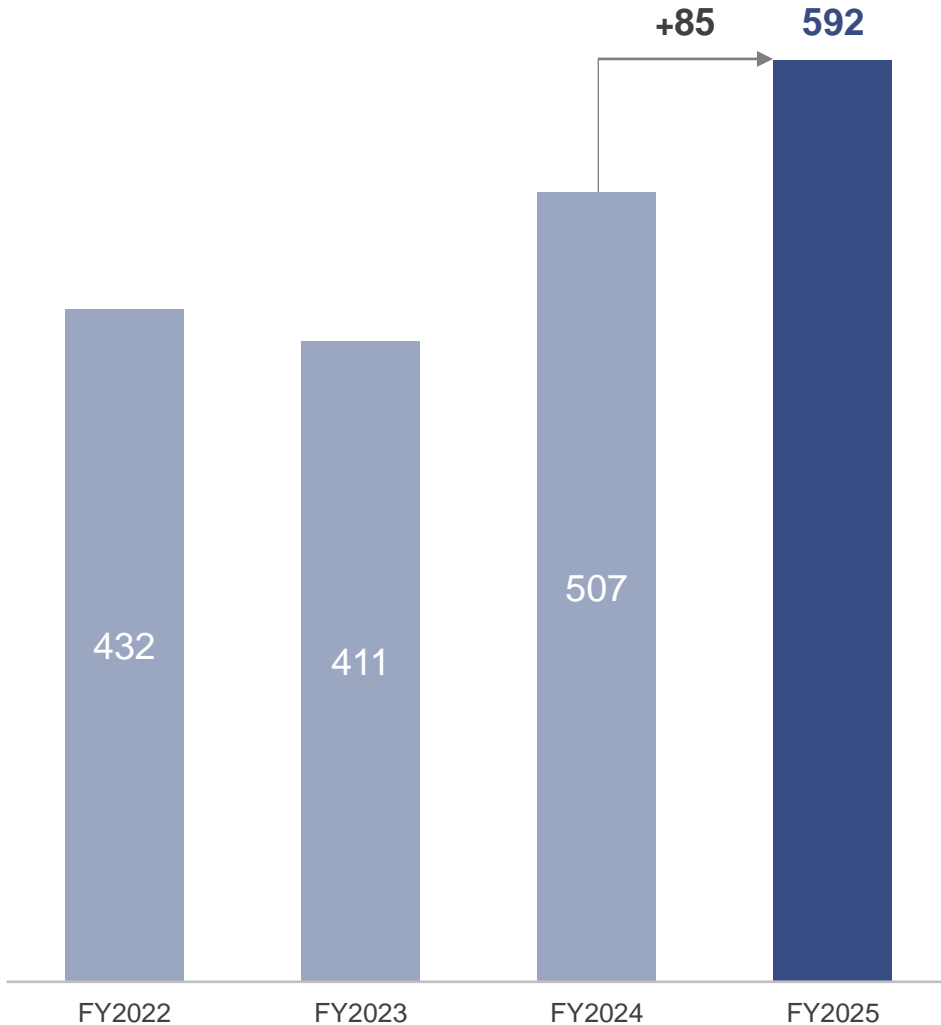
The result forecast for FY2026 has been set at 3.0 billion yen for the full year, a similar level to the previous fiscal year.

## Net Interest Income

Net interest income broke the past highest record primarily due to an increase in interest on loans and discounts, with the difference between average yield on loans and deposits on a widening trend

### Net interest income

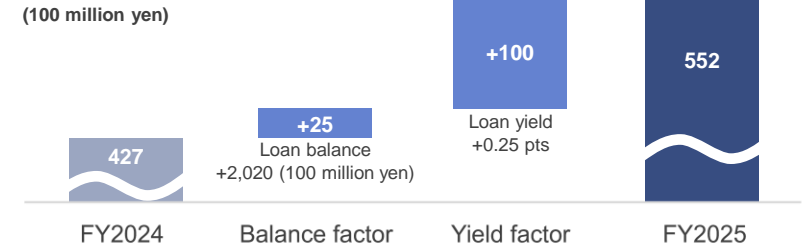
(100 million yen)



### Breakdown of net interest income

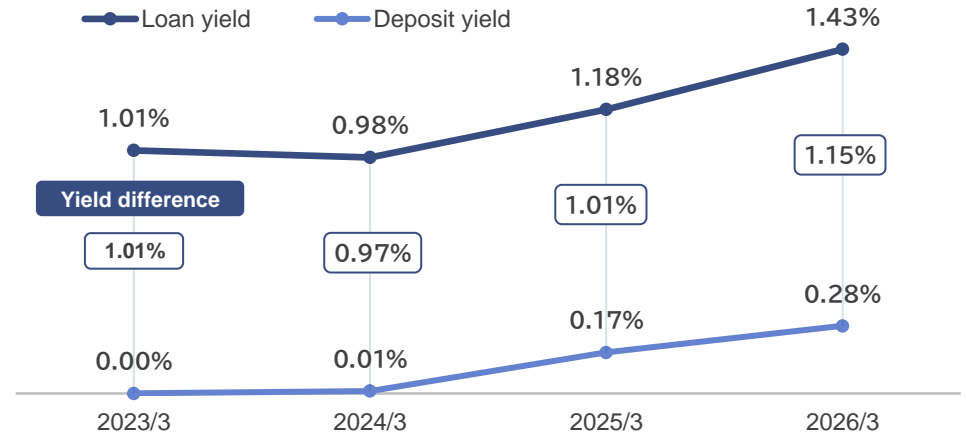
(100 million yen)	FY2023	FY2024	FY2025	YoY change
1 Net interest income	411	507	592	+85
2 Of which, interest on loans and discounts	364	427	552	+125
3 Of which, interest and dividends on securities	90	140	146	+6
4 Gains (losses) from cancellation of investment trusts	(8)	26	23	(3)
5 Of which, interest on deposits, etc. (-)	1	28	102	+74

[Factors behind increase in interest on loans and discounts]



### Difference between average yield on loans and deposits

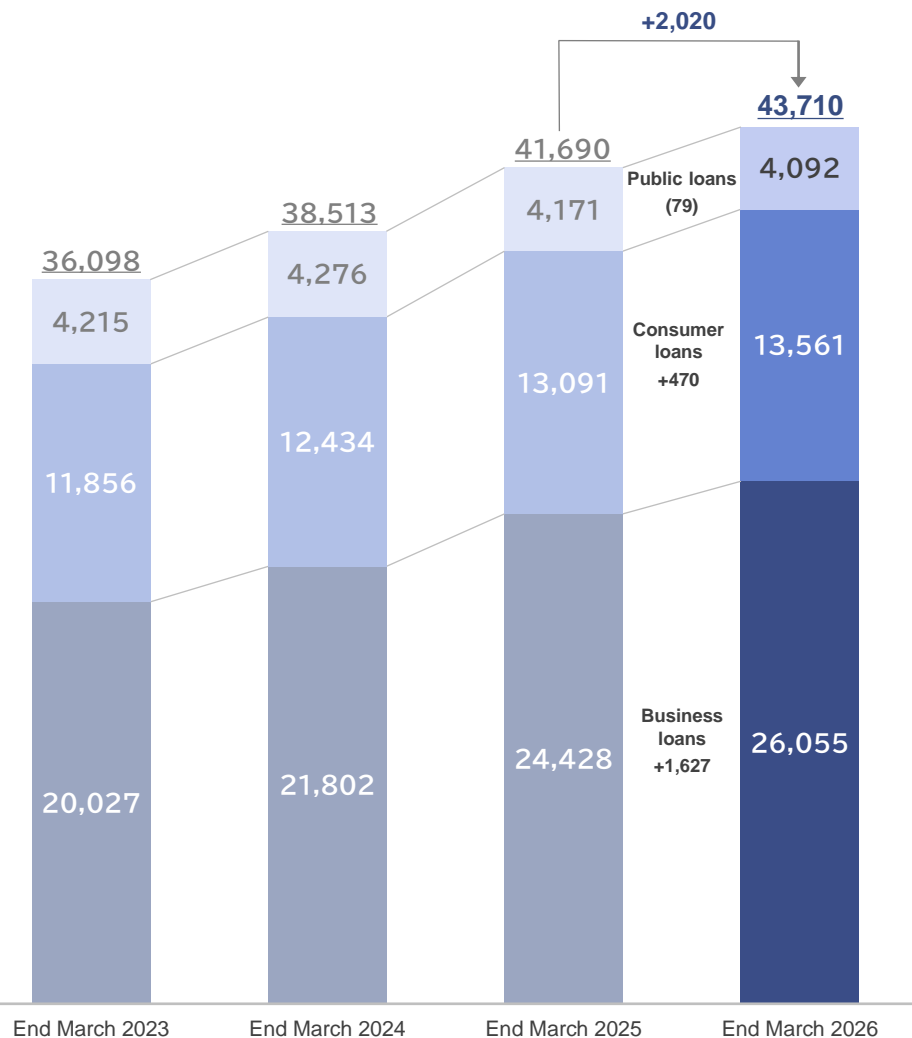
(month-end basis)



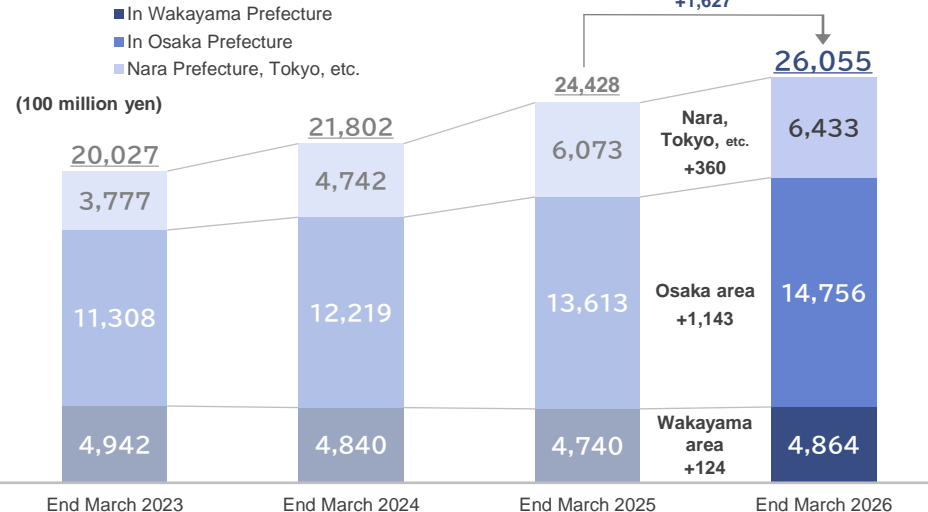
The loan balance increased steadily centered on the Osaka area, and the yield by region in the Osaka area has overtaken that in the Wakayama area

## Loan balance

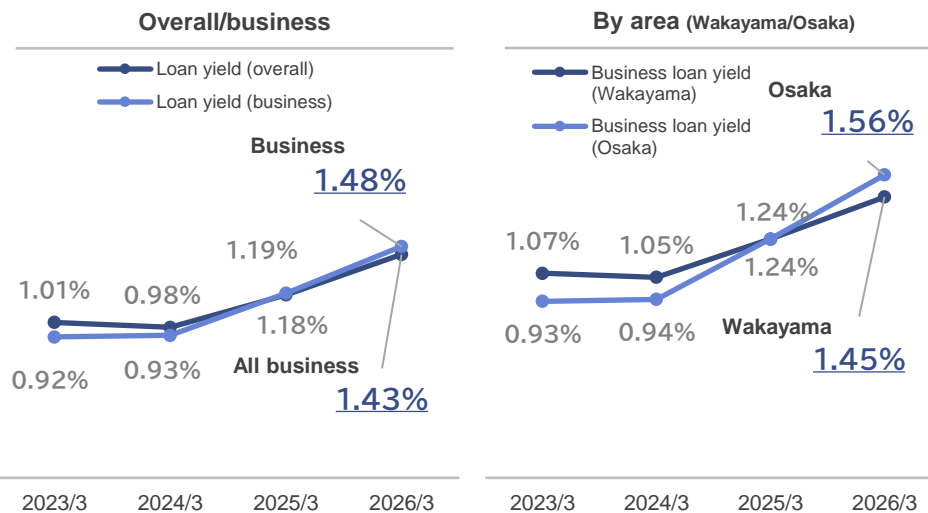
■ Business loans ■ Consumer loans ■ Public loans  
(100 million yen)



## Business loans balance (by area)



## Yield (month-end basis)

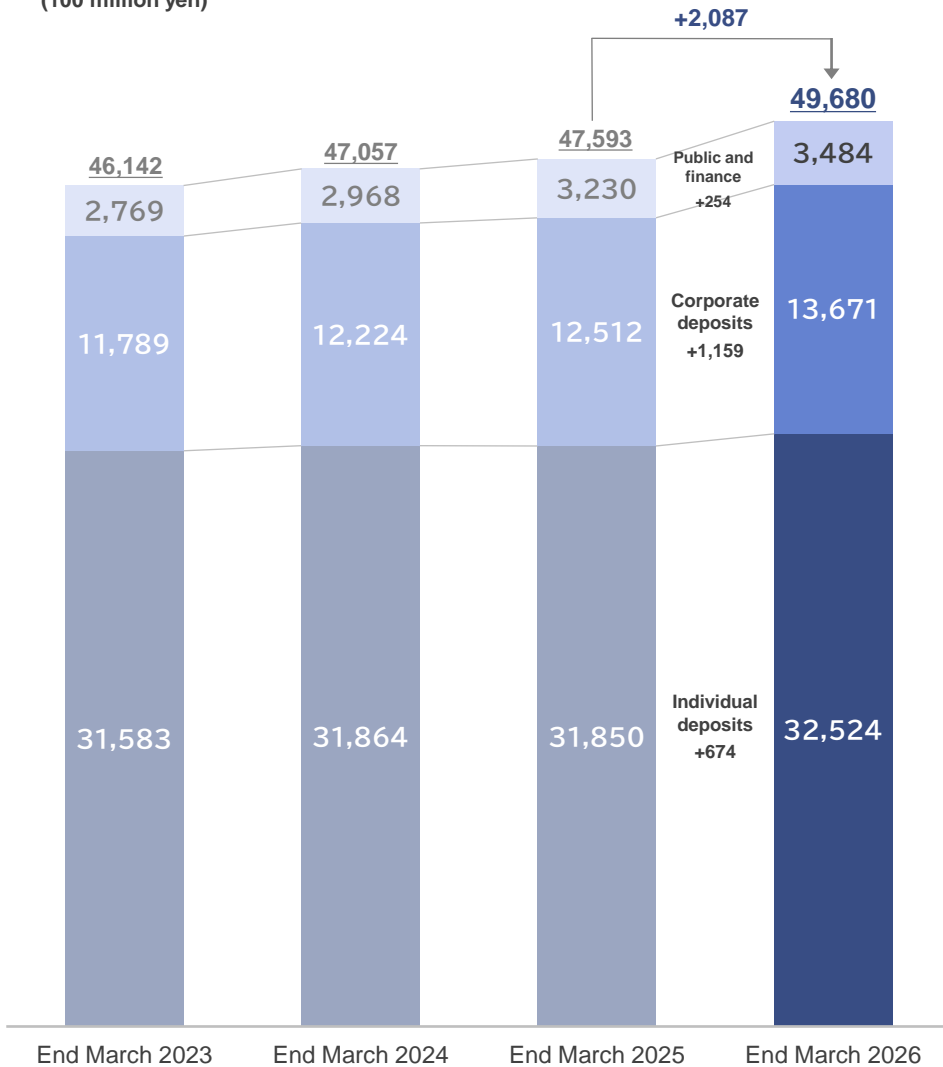


# Balance of Deposits, etc., and Yield

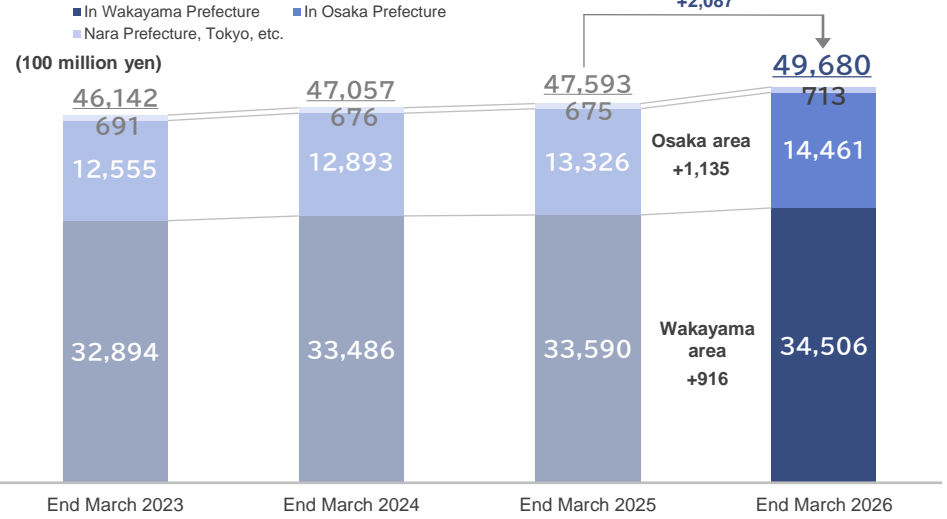
Deposits increased steadily at a pace exceeding loan growth. By promoting main banking relationships, we expanded highly sticky deposits while keeping funding costs under control

## Balance of deposits, etc. (by type)

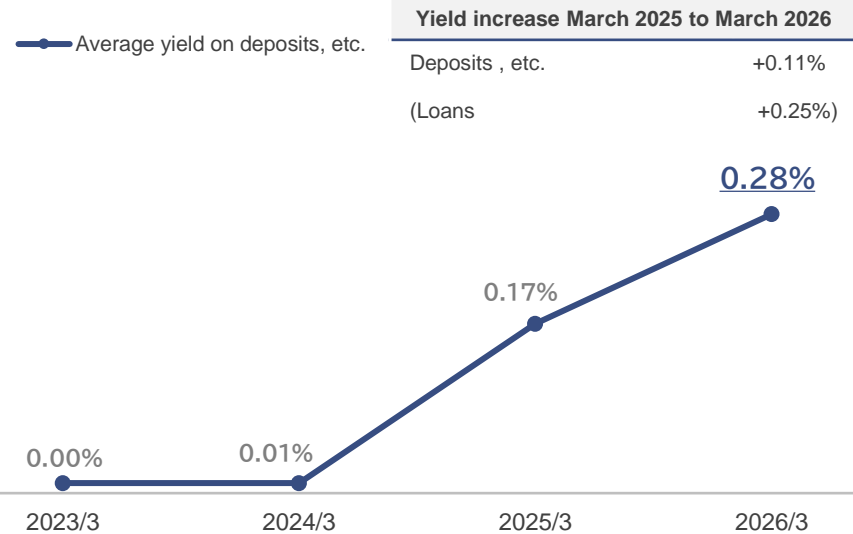
■ Individual ■ Corporate ■ Public and finance  
(100 million yen)



## Balance of deposits, etc. (by area)



## Yield (month-end basis)



## Business-related transactions, a core area of the Bank's business, increased steadily, driven primarily by lending-related operations

### Net fees and commissions

(100 million yen)	FY2023	FY2024	FY2025	YoY change
1 Net fees and commissions	88	95	99	+4
2 Fees and commissions	152	162	168	+6
3 Fees related to business transactions	30	37	49	+12
4 Fees related to assets in custody	43	42	38	(4)
5 Of which, fees related to investment trusts	19	21	24	+3
6 Of which, fees related to individual pension insurance, etc.	23	20	13	(7)
7 Others	78	81	81	(0)
8 Fees and commissions payments (-)	63	66	68	+2
9 Revenue related to coupon swaps for customers	19	31	20	(11)

### Key points of net fees and commissions

#### Line 3\_Fees related to business transactions (+1.2 billion yen YoY)

Reflecting strong lending activity, loan-related fees increased 900 million yen from the previous fiscal year (upper right). Additionally, processing fees related to M&A also rose 180 million yen, reflecting growing business succession needs.

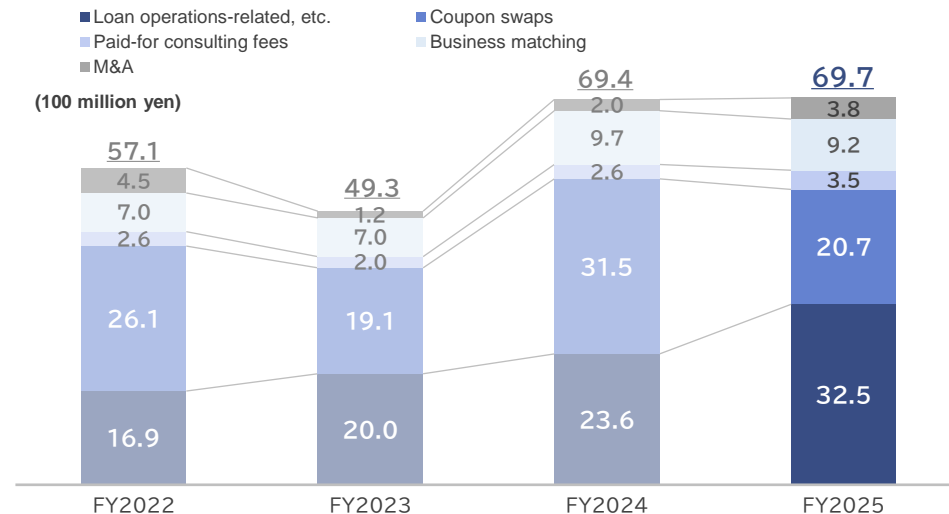
#### Line 4\_Fees related to assets in custody (-400 million yen YoY)

Processing fees related to investment trusts increased 300 million yen from the previous fiscal year, supported by strong equity market conditions. Insurance processing fees decreased 700 million yen from the previous fiscal year partly due to a decline in processing fee rates.

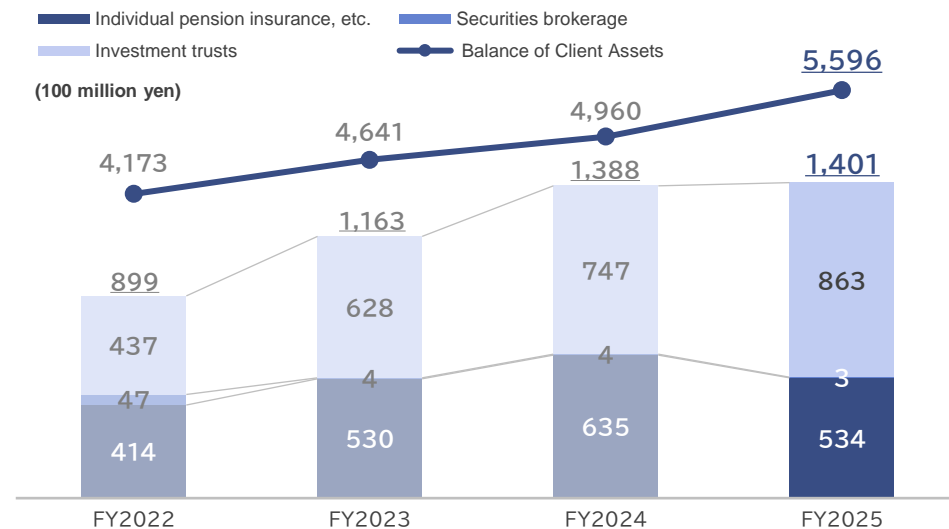
#### Line 9\_Revenue related to coupon swaps for customers (-1.1 billion yen YoY)

Although revenue declined 1.1 billion yen from the previous fiscal year, when the yen was weaker, stable earnings continued to be generated. The result came in 1.0 billion yen above the initial FY2025 plan of 1.0 billion yen. Although demand for coupon swaps is affected by foreign exchange markets, we expect to continue generating stable revenue, supported by our competitive advantages in product offerings and expertise.

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



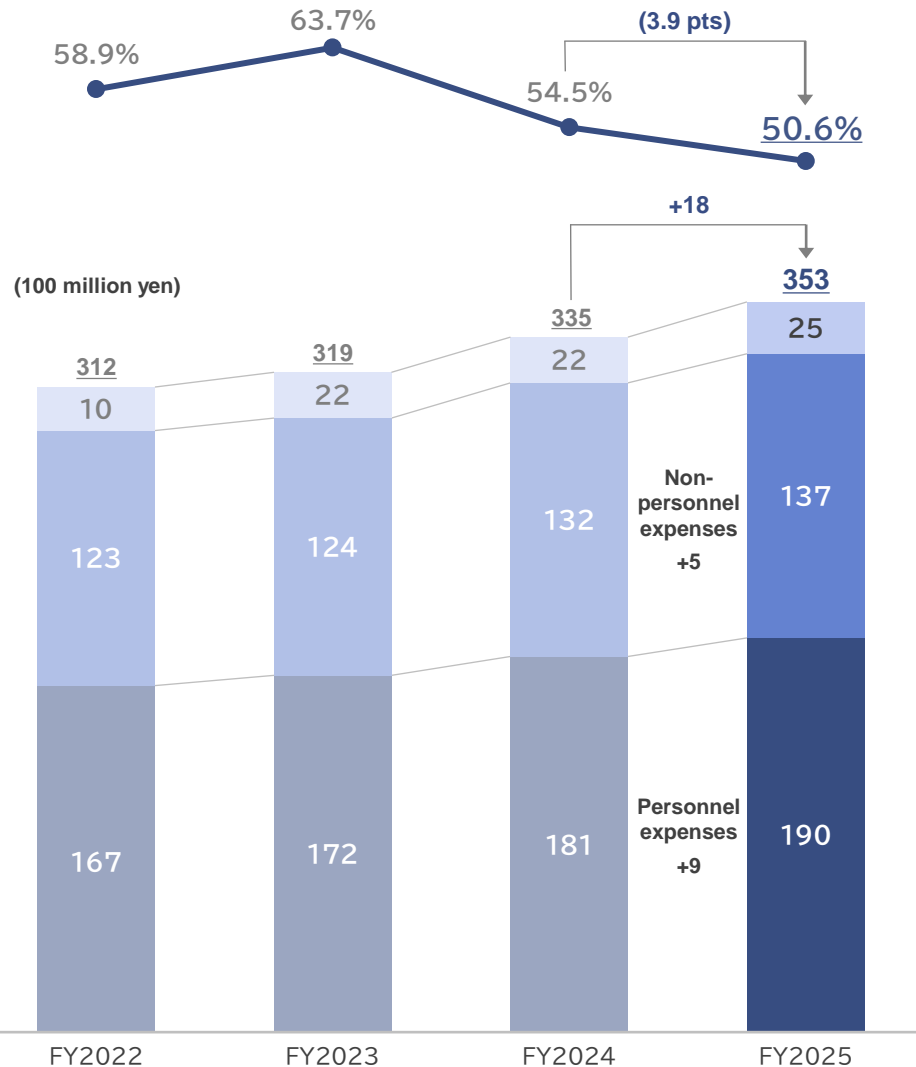
### Sales of assets in custody



## Core OHR continued at a level below the regional bank average. In FY2026, we will increase investments for growth in preparation for the next Medium-Term Management Plan

### Expenses and OHR (core gross business profit basis)

Personnel expenses Non-personnel expenses Taxes Core OHR



### Key points of expenses and OHR

#### OHR

The core OHR is considerably lower than that of regional banks nationwide, reflecting branch network optimization and other measures implemented during the negative interest rate environment.

We will continue to aggressively invest in growth fields, while performing disciplined expense control.

#### Average of regional banks\*

FY2025  
**57.6%**

Core OHR = expenses / core gross business profit × 100  
\* Core gross business profit: net interest income + net fees and commissions + net other ordinary income (excluding gains (losses) related to government bonds, etc.)

\* Complied by Kiyo Bank based on publicly available information.

#### Expenses

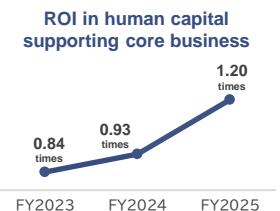
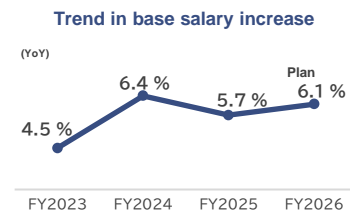


- Renewal and upgrading of CRM system (sophistication of sales activities)
- Upgrading of banking apps for individuals (stepping up deposit acquisition)
- Response to higher efficiency in housing loan application system (related to BPR measures)

- Reconstruction of aging branches mainly in the Osaka area, to strengthen deposit acquisition by improving customer convenience

Reconstruction and new openings of branches	FY2025	FY2026 (Plan)
Osaka area	2 branches	2 branches
Wakayama area	1 branch	1 branch

- We plan to increase starting salary and base pay for a fourth consecutive year
- ROI on human capital supporting core business operations is also trending upward, and we will continue striving to maximize the value of our human capital.



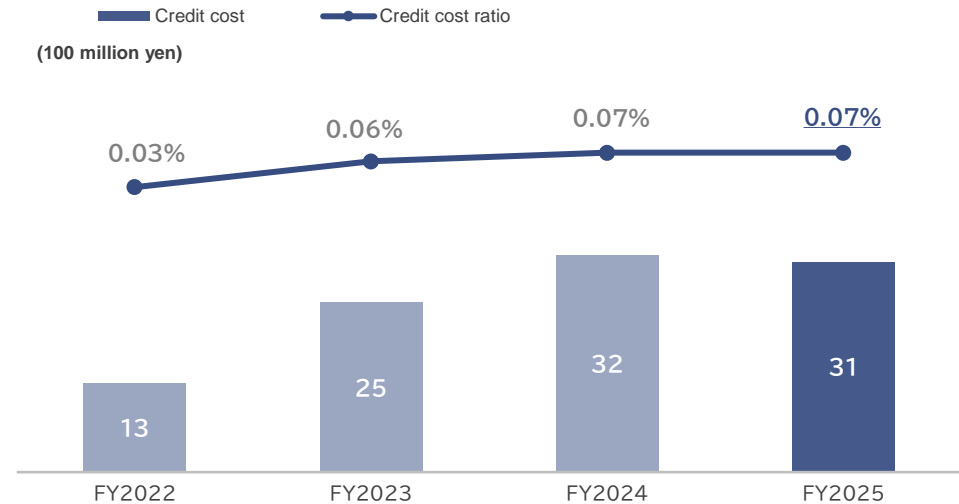
## Credit Costs

Credit costs remained broadly in line with the previous fiscal year. We will continue focusing on controlling credit costs through enhanced support for core business

### Credit costs

(100 million yen)	FY2022	FY2023	FY2024	FY2025	YoY change
1 Credit costs [1] + [2]	13	25	32	31	(1)
2 Provision of general allowance for loan losses [1]	(2)	-	-	(1)	(1)
3 Disposal of non-performing loans [2]	15	25	32	33	+1
4 Write-off of loans and bills discounted	4	22	29	23	(6)
5 Provision of specific allowance for loan losses	10	-	-	5	+5
6 Others	1	2	3	4	+1
7 Reversal of allowance for loan losses [3]	-	10	26	-	(26)
8 Recoveries of written off receivables, etc. [4]	16	38	7	7	(0)
9 Total credit costs [5] ([1] + [2] - [3] - [4])	(3)	(23)	(1)	23	+24

### Credit costs (excluding reversal of allowance for loan losses and recoveries of written off receivables)



### Reference data (stress test)

#### Estimated impact on credit costs caused by a policy interest rate rise

Subjects to be tested: Cases with 50 million yen or more in business credit balance  
Total credit amount: Approx. 2.1 trillion yen  
(Base date: March 31, 2026)

Calculation tool: AERIS, a tool for predicting the content of future financial statements  
(By courtesy of Nikkei Financial Technology Research Institute, Inc.)

#### [Analysis method]

Calculate an estimate of an increase in credit costs, based on a change in borrower classification when applying the stress of interest rate rises to the rates of interest expenses and of interest income on the profit/loss of each customer.

#### Increase rate of credit costs from a stress-free scenario

Interest rate rise of 0.5%

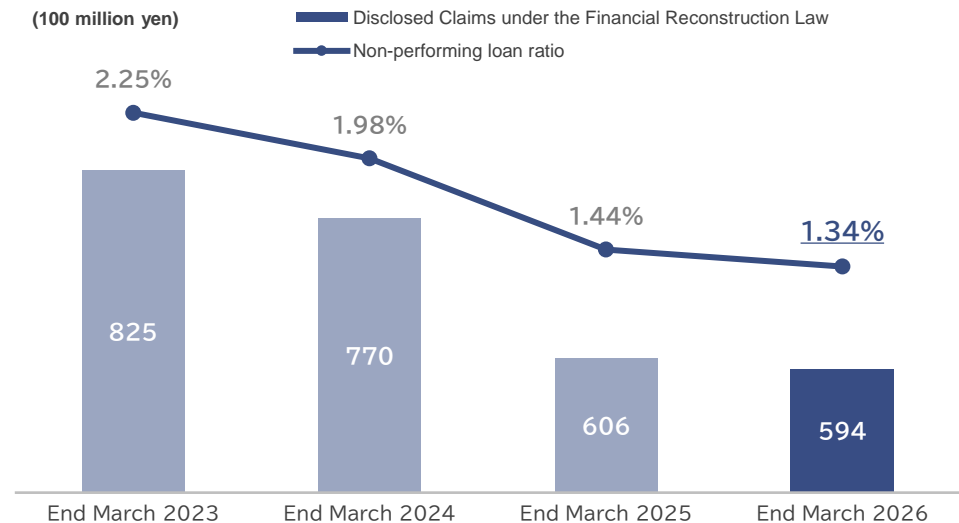
Increase of approx. 17%

Interest rate rise of 1.0%

Increase of approx. 30%

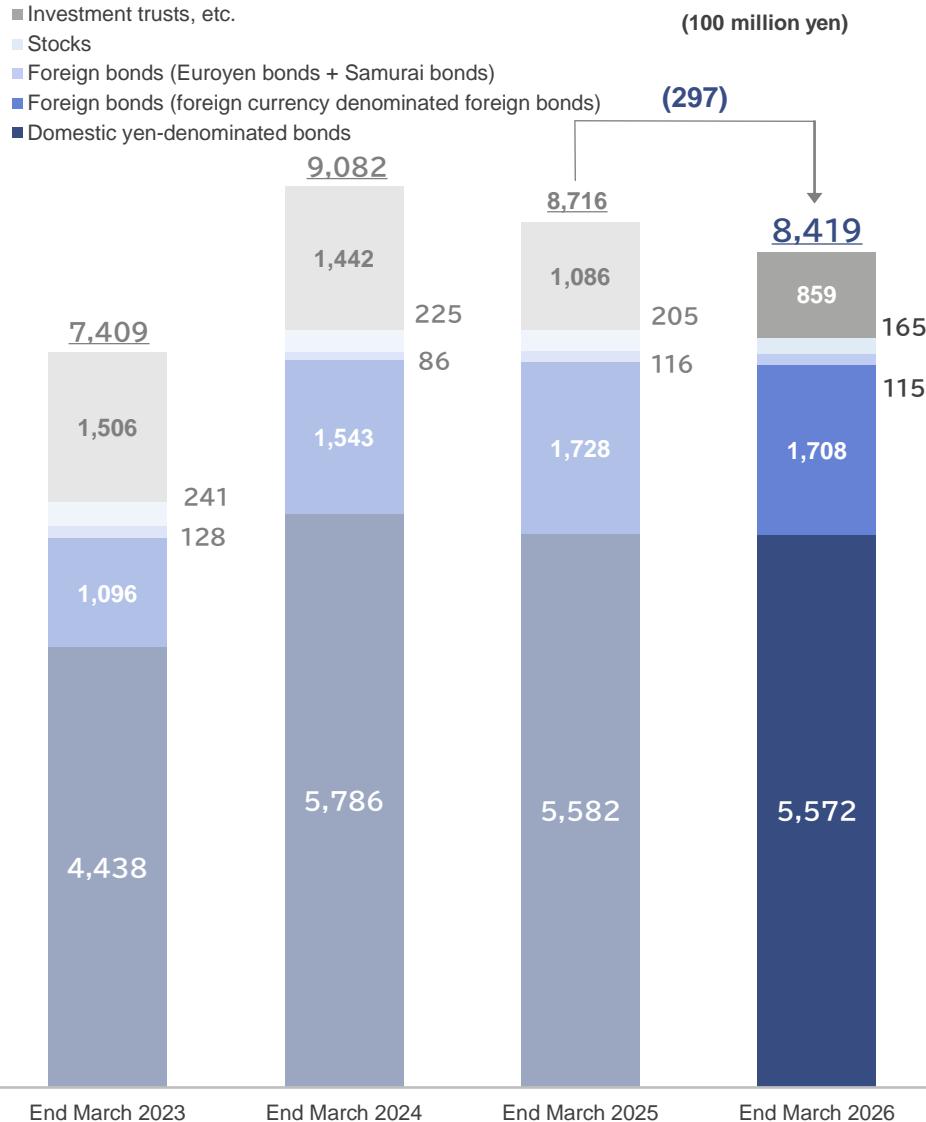
We believe these increases can be absorbed through enhanced core business support and management advisory activities, areas in which the Bank has particular strengths.

### Non-performing loan ratio



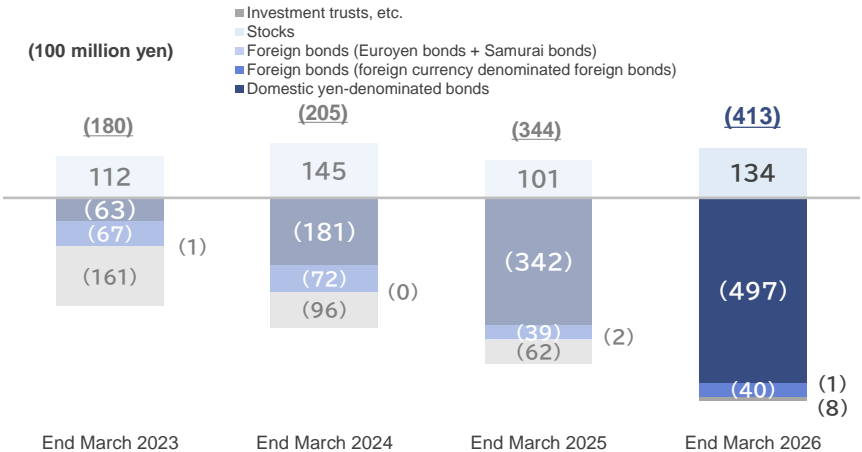
# While valuation losses on yen-denominated bonds increased due to a rise in domestic interest rates, yields on securities continued to improve through the replacement of yen-denominated bonds

## Balance of securities (based on acquisition cost)



## Valuation profit or loss (Available-for-sale securities)

- The majority of valuation losses are from yen-denominated bonds, and taking into consideration the profitability of core business and our capital adequacy ratio, we will proceed with the rebuilding of the portfolio by addressing the low-yield zone in particular, while aiming to eliminate valuation losses through maturity redemption.



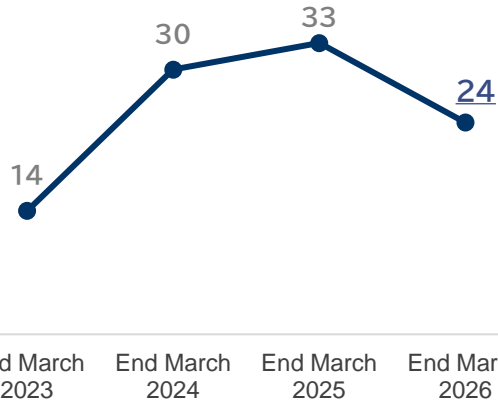
## Securities yield and related profit or loss

(Unit: %, 100 million yen)	FY2022	FY2023	FY2024	FY2025	YoY change
1 Yield on securities (%)	1.22	1.03	1.55	<b>1.77</b>	+0.22 pts
2 Interest and dividends on securities	113	90	140	<b>146</b>	+6
3 Of which, gains (losses) on cancellation of investment	32	(8)	26	<b>23</b>	(3)
4 Gains (Losses) related to Securities	(218)	(41)	(90)	<b>(37)</b>	+53
5 Gains (losses) related to bonds (Government bonds, etc.)	(270)	(72)	(113)	<b>(70)</b>	+43
6 Gains (losses) related to equity securities, etc.	52	31	23	<b>33</b>	+10

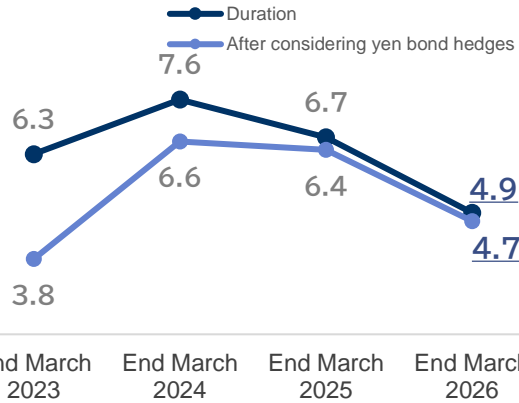
# We reduced risk exposure and shortened the duration by selling long-term and super-long-term bonds and purchasing short-term bonds

## Yen-denominated bonds

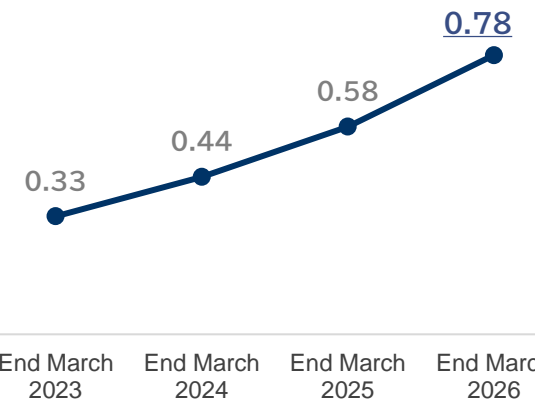
Quantity of risk (100 million yen/10 BPV)



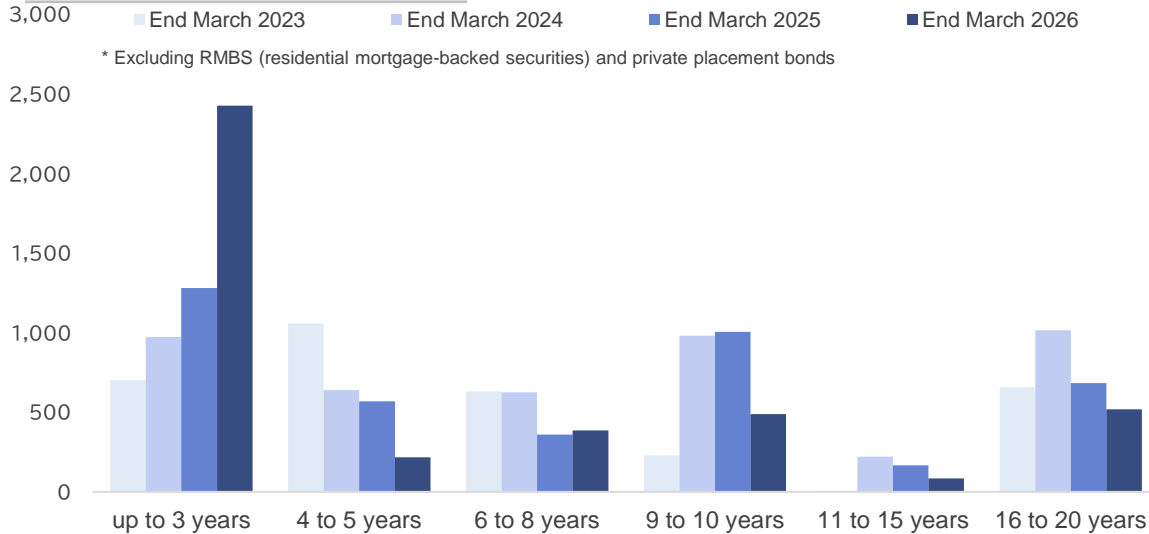
Duration (years) (Including Samurai bonds and Eurobonds)



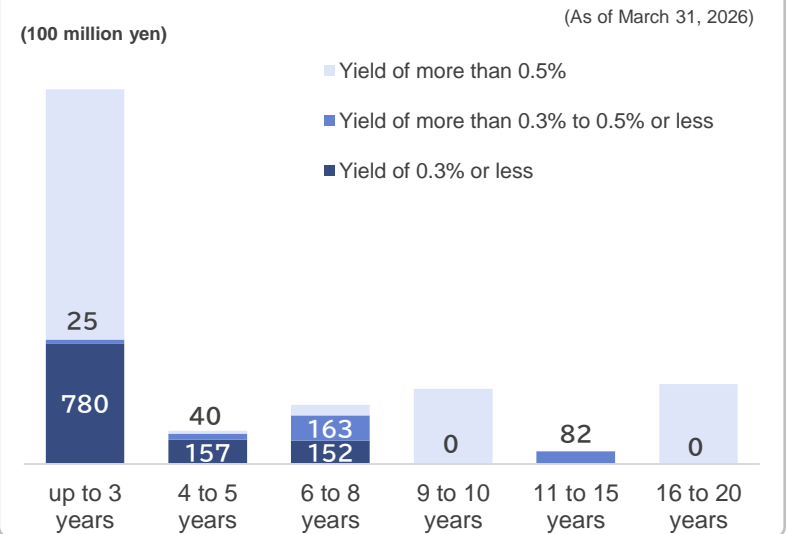
Average yield (%)



Remaining years distribution (100 million yen)



Reference data\_Breakdown of low-yield bonds



Net interest income is expected to increase due in large part to a rise in interest on loans and discounts.  
Consolidated profit is forecast to reach a new record high for the second consecutive fiscal year

## Result forecast

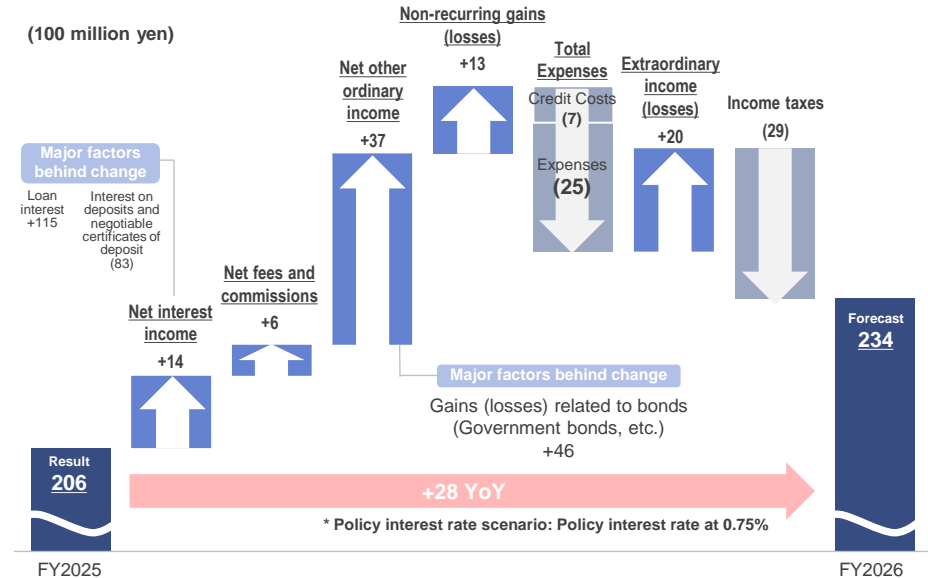
Non-consolidated (Unit: 100 million yen)		FY2025 result	FY2026 forecast	Change
1	Gross business profit	626	683	+57
2	Net interest income	592	606	+14
3	Of which, interest on loans and discounts	552	667	+115
4	Of which, interest and dividends on securities	146	131	(15)
5	Of which, interest on deposits, etc. (-)	102	185	+83
6	Net fees and commissions	99	105	+6
7	Net other ordinary income	(65)	(28)	+37
8	Gains (losses) related to bonds (Government bonds, etc.)	(70)	(24)	+46
9	Expenses (-)	376	408	+32
10	Of which, total credit costs (-)	23	30	+7
11	Non-recurring gains (losses)	56	69	+13
12	Of which, gains (losses) related to stocks, etc.	33	44	+11
13	Ordinary profit	306	344	+38
14	Extraordinary income (losses)	(24)	(4)	+20
15	Profit	206	234	+28

Consolidated (Unit: 100 million yen)		FY2025 result	FY2026 forecast	Change
16	Ordinary profit	323	366	+43
17	Profit attributable to owners of parent	218	250	+32

Dividends (Unit: 100 million yen)		FY2025 result	FY2026 forecast	Change
18	Dividend per share	137	156*	+19

\* Excluding the effect of the stock split (after reflecting the stock split: interim dividend of 78 yen and year-end dividend of 26 yen).

## Factors behind changes in profit (Non-consolidated)



## Key points of result forecast

### Line 2\_Net interest income (+1.4 billion yen YoY)

- Interest on loans and discounts is expected to increase 11.5 billion yen from the previous fiscal year, driven primarily by growth in loan balances and higher yields. Net interest income is expected to continue improving.
- Interest and dividends on securities is expected to decrease as the balance of securities declines. (-1.5 billion yen YoY)

### Line 8\_Gains (losses) related to government bonds, etc., etc. (+4.6 billion yen YoY)

- We sold low-yield bonds to improve the securities portfolio in FY2025 and recorded losses on sales of bonds. Profit is expected to increase in FY2026 due to a reduction in losses on sales of bonds.

### Line 14\_Extraordinary income (losses) (+2.0 billion yen YoY)

- An extraordinary loss of 2.0 billion yen was recorded as a one-time expense related to the reconstruction of the head office in FY2025. Profit will improve year on year in FY2026, as no significant expenses related to the reconstruction of the head office are expected to be recorded.

## (Reference) Impact on Net Interest Income when the Policy Interest Rate Rises

14

A 0.25% increase in the policy interest rate is expected to increase net interest income by approximately 4.2 billion yen and ROE by about 1 percentage point.

## Balance sheet

- Regarding loans, we will advance a shift in the linking from short-term prime rates to market interest rates and engage in building the portfolio of loans with a high interest rate sensitivity.

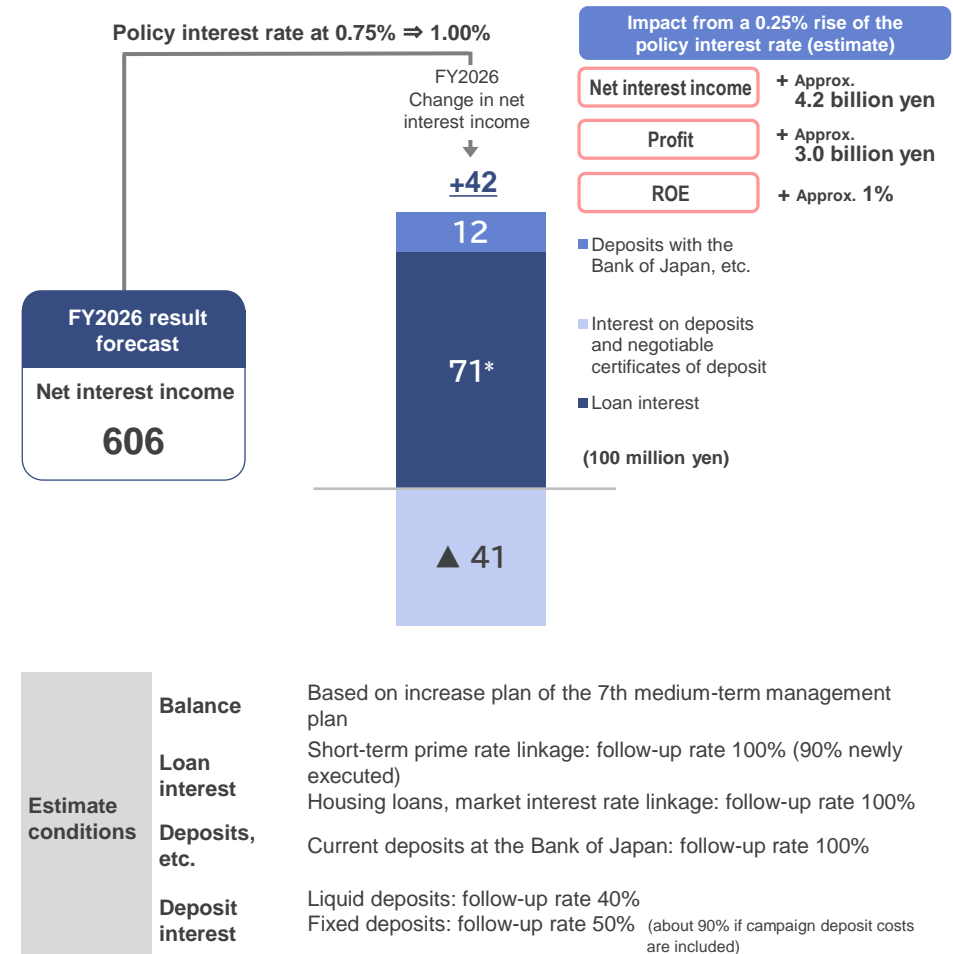
(As of March 31, 2026)

Assets		Liabilities		
Loans and bills discounted 4.3 trillion yen	Variable 50%	Short-term prime rate 15%	Deposits, etc. 4.9 trillion yen	
		Housing loans 24%		
		Market interest rate 11%		
	Fixed 50%	Up to 1 year 13%		Liquidity 69%
		1 to 2 years 4%		
		2 to 3 years 3%		
		Others 30%		Fixed 31%
	Securities 0.8 trillion yen			
	Deposits with the Bank of Japan 0.7 trillion yen			
	Others			Others

## Impact on net interest income

- Simulation of the increase in net interest income in FY2026 assuming the policy interest rate rises to 1.00% as of March 31, 2026. \* The calculation was made on the assumption that housing loans (variable) are affected throughout the year.

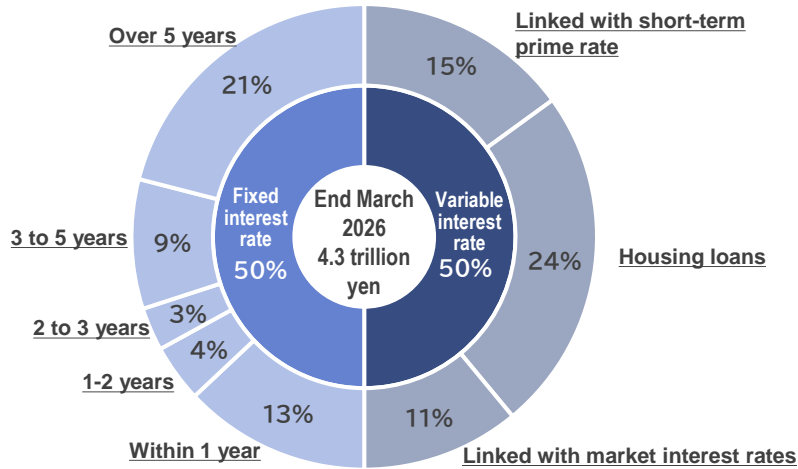
\* The result forecast for FY2026 is based on a policy interest rate assumption of 0.75%.



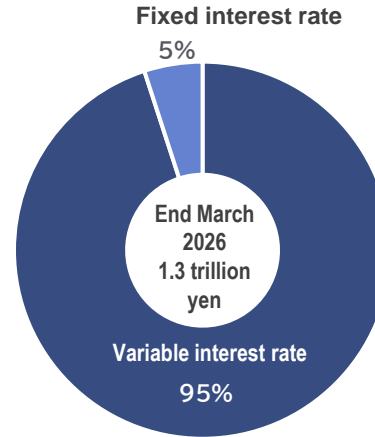
Variable interest rates account for roughly 40% of business loans.

Interest rates have already been raised on over 90% of loans linked to the short-term prime rate

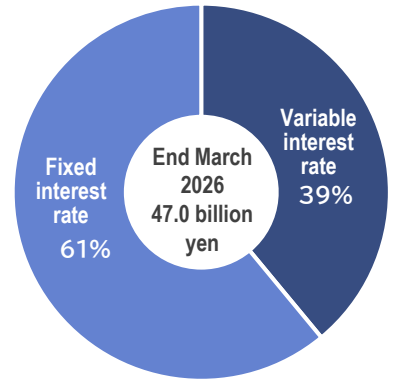
Loans (All business)



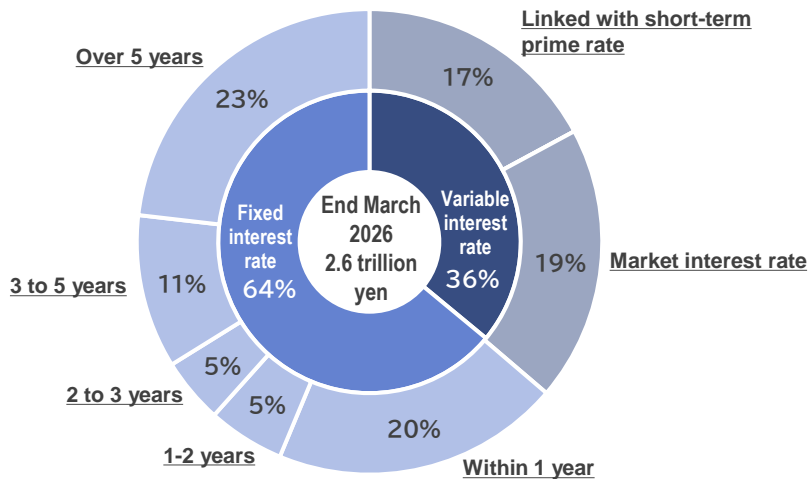
Housing loans



Other loans



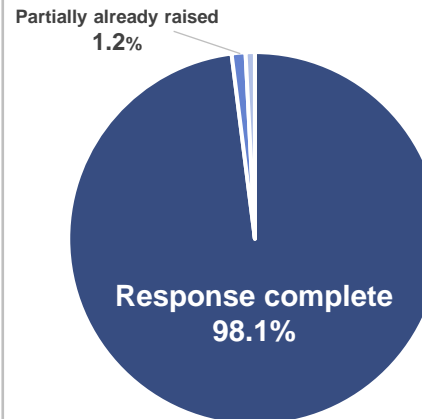
Business loans



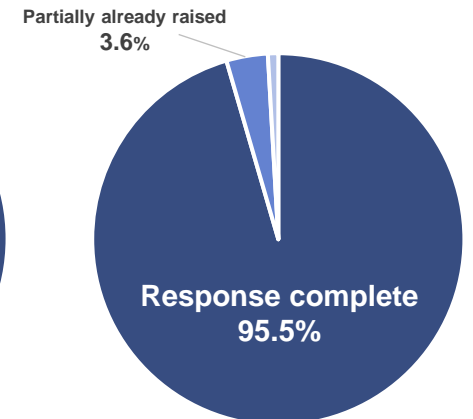
Reference data Status of raising short-term prime loan interest rates

As of March 31, 2026 (the most recent increase: December 2025)

Customer number basis



Balance basis



# 02\_Capital Policy

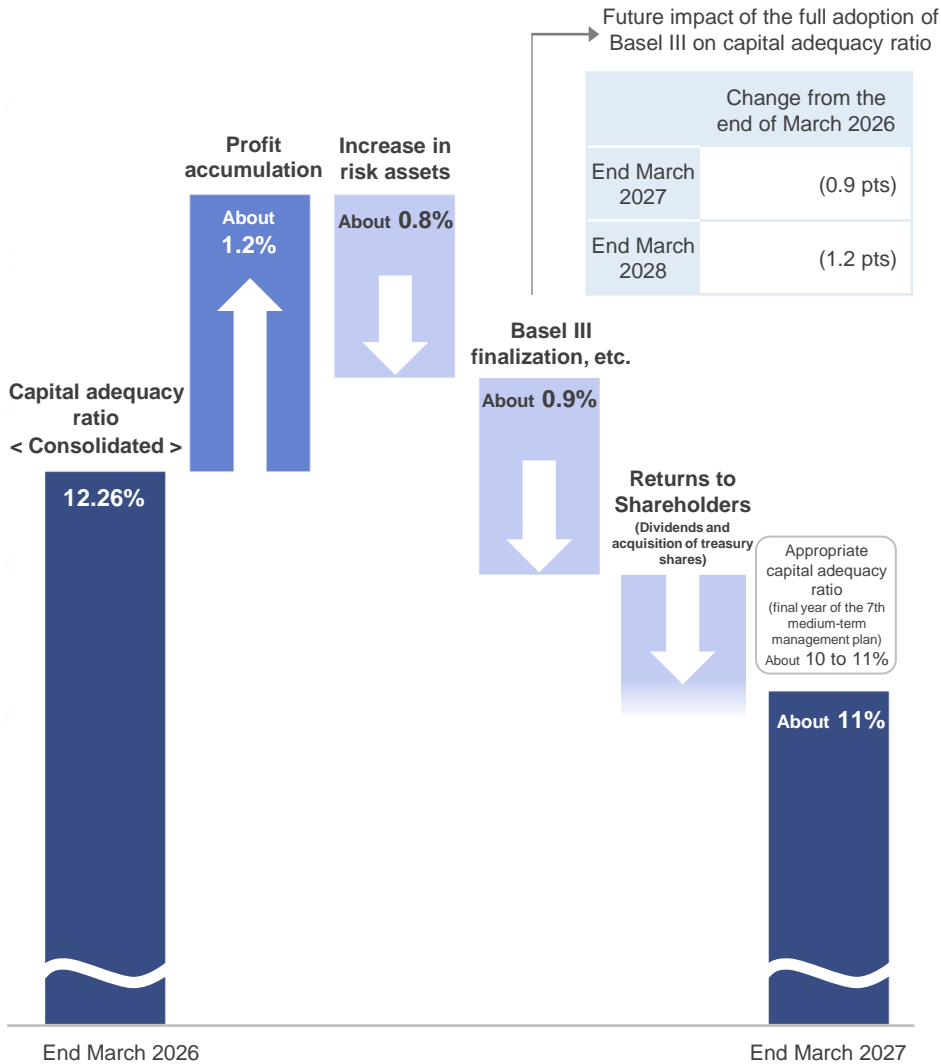
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Capital Allocation	P.17
Returns to Shareholders	P.18
Reduction of Cross-Shareholdings	P.19
(Reference) Stock Split and Shareholder Benefit Program	P.20

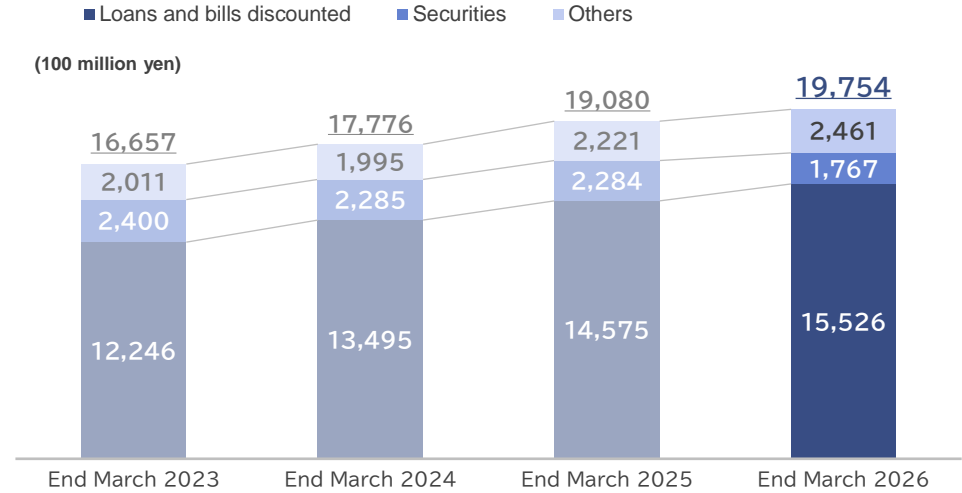
We increased risk assets, centered on business loans.

Capital adequacy ratio trended within the scope of the plan for reaching an appropriate level

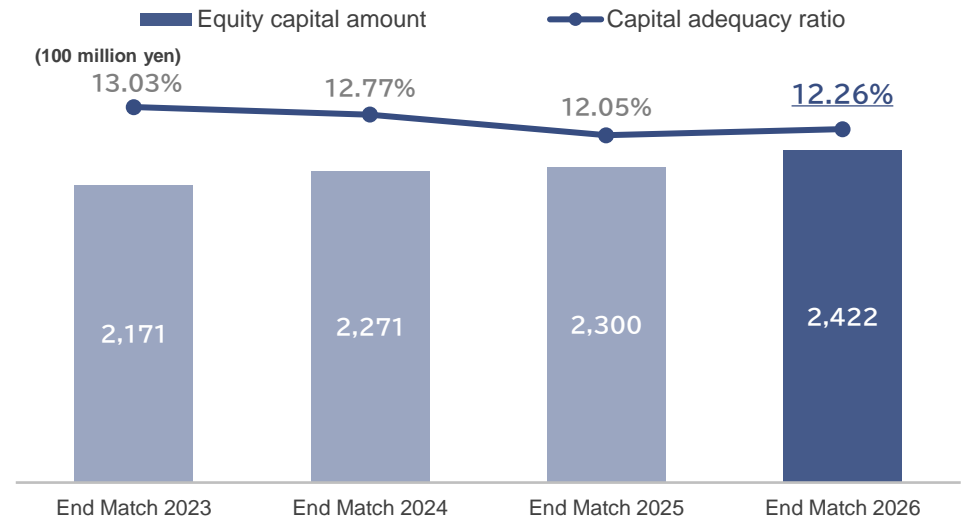
Capital allocation



Risk assets



Equity capital



# Returns to Shareholders

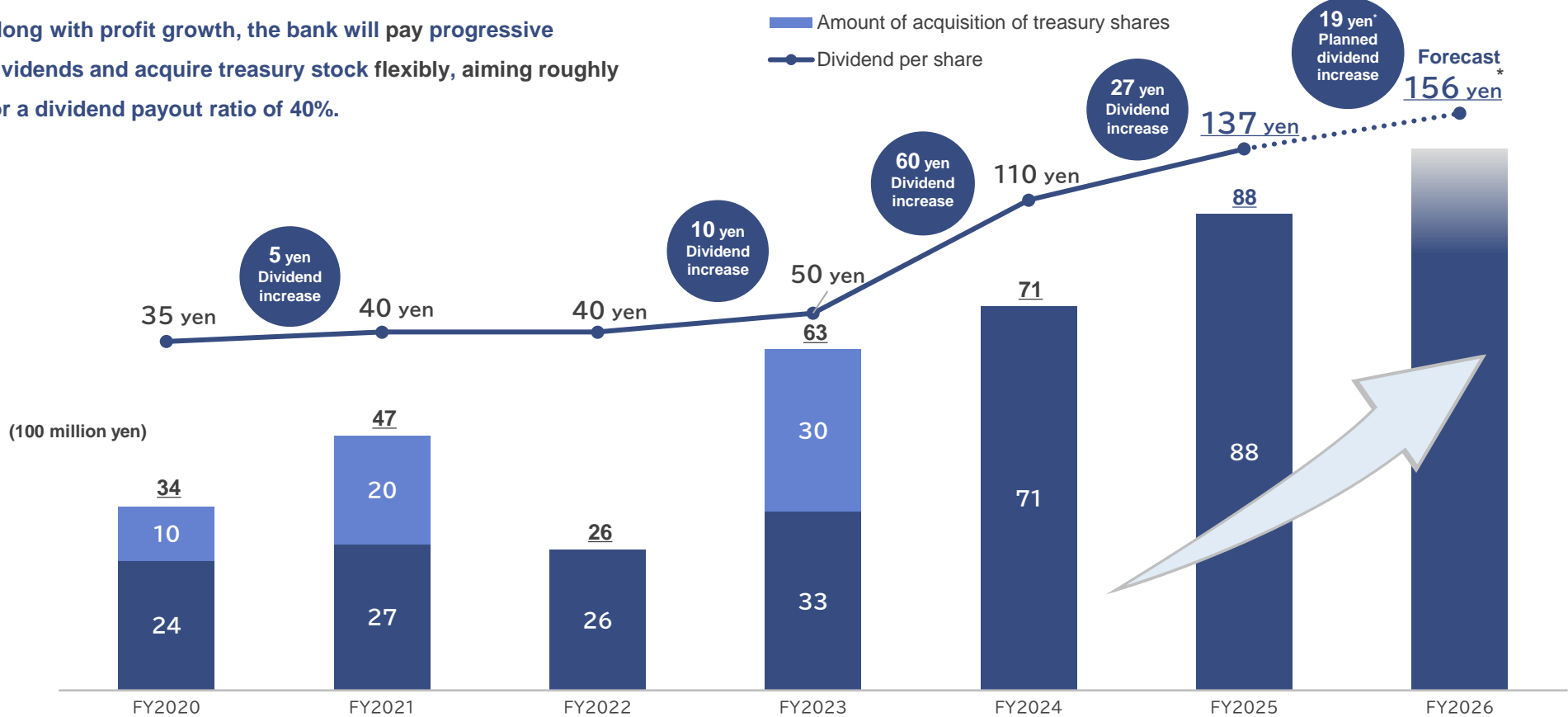
## We expect to increase dividends per share for the fourth consecutive term as core business profit increases steadily

### Shareholder return policy

Along with profit growth, the bank will pay progressive dividends and acquire treasury stock flexibly, aiming roughly for a dividend payout ratio of 40%.

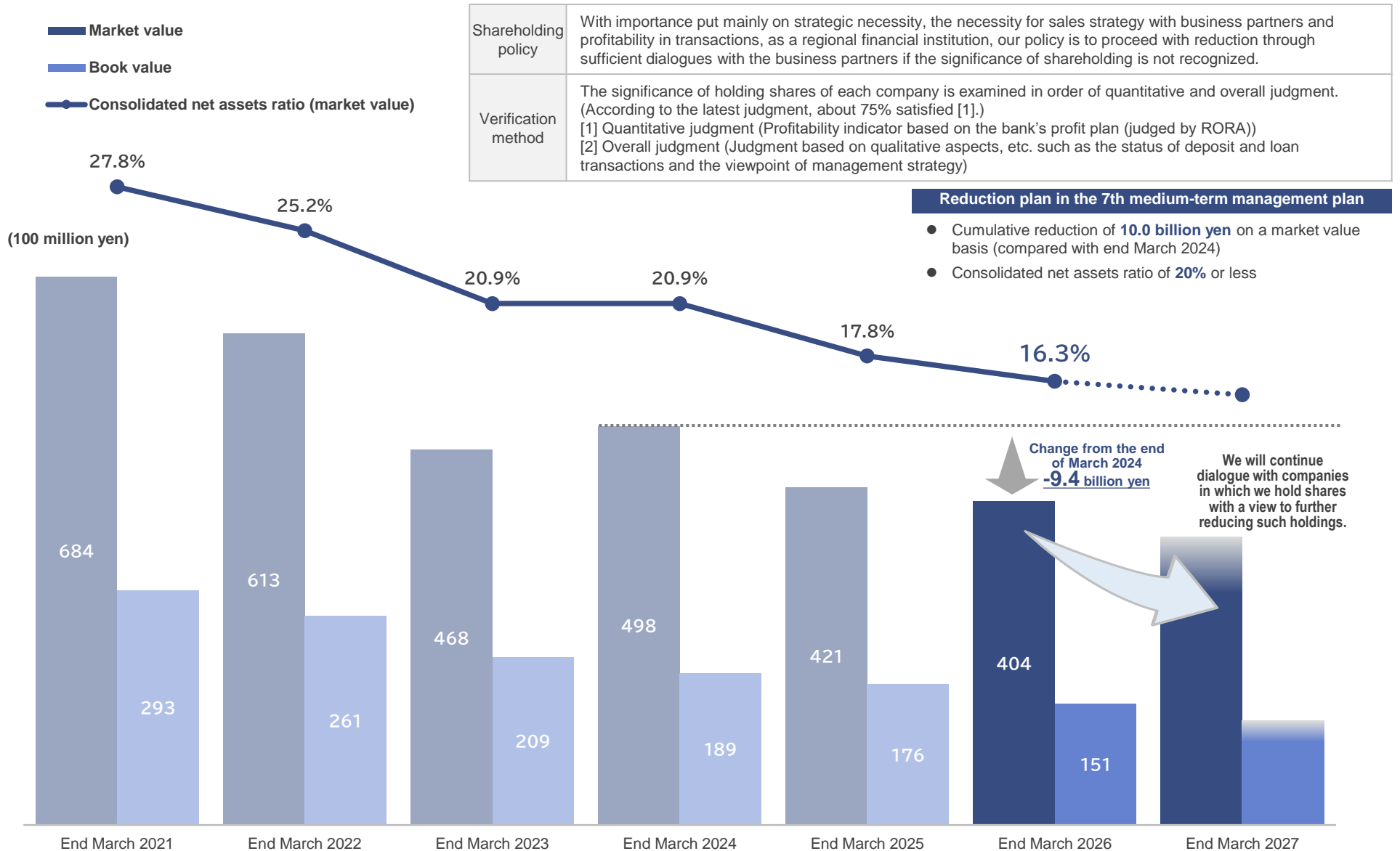
- Total dividend amount
- Amount of acquisition of treasury shares
- Dividend per share

\* If the stock split is not considered (After the split is considered: Interim 78 yen and year-end 26 yen)



Dividend payout ratio	17.4%	17.4%	66.9%	21.8%	40.4%	40.3%	Rough target of 40%
Profit (consolidated)	13.5 billion yen	15.4 billion yen	3.9 billion yen	15.0 billion yen	17.6 billion yen	21.8 billion yen	Result forecast 25.0 billion yen
Shareholder Return Policy	Total return ratio of 40% or more				Dividend payout ratio guideline of 40% (progressive dividends)		

## We will continue to actively engage in dialogue with companies in which we hold shares in an effort to reduce such holdings with the aim of improving capital efficiency



## We will prepare an environment that facilitates more investment by investors and enhance stock liquidity

### Stock split

- Implement a three-for-one stock split.

**Purpose** We aim to increase the liquidity of shares of the bank and further expand the investor base by lowering the amount per investment unit (minimum investment amount) of shares of the bank and preparing an environment that makes it easier for investors to invest.

Record date	September 30, 2026
Effective date	October 1, 2026

<b>Summary</b>	Total number of issued shares before the stock split	67,300,000 shares
	Number of shares to be increased by the stock split	134,600,000 shares
	Total number of issued shares after the stock split	201,900,000 shares
	Total number of authorized shares after the stock split	360,000,000 shares

### Shareholder benefit program

- We will introduce a shareholder benefit program that offers catalog gifts of products from Wakayama Prefecture.

**Purpose** Enhance the attractiveness of investing in shares of the bank and increase the number of investors who hold shares of the bank. By sending special products of Wakayama Prefecture to investors nationwide as a benefit, strive to distribute a message about the appeal of Wakayama Prefecture and revitalize the regional economy.

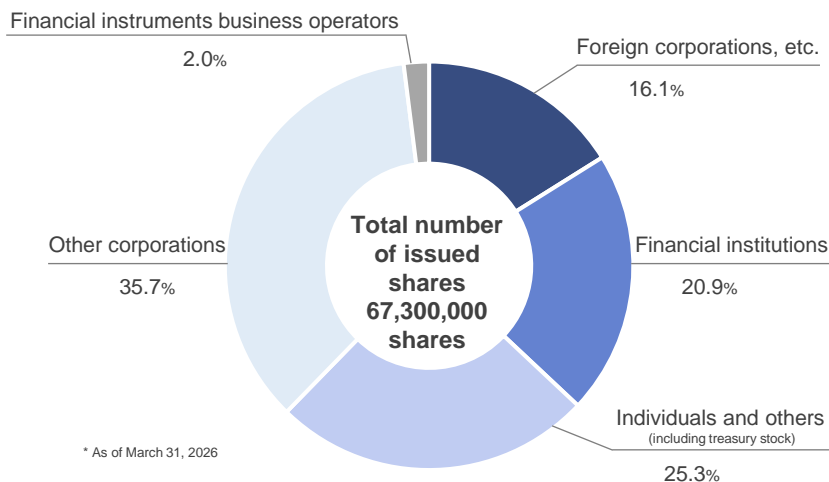
First record date	September 30, 2026
After the above date	March 31 of each year

<b>Summary</b>	Conditions for benefits (after the stock split is considered)	Benefit details
	1,000 to less than 3,000 shares	Catalog gift worth 3,000 yen (Products of Wakayama Prefecture, etc.)
3,000 shares or more	Catalog gift worth 5,000 yen (Products of Wakayama Prefecture, etc.)	

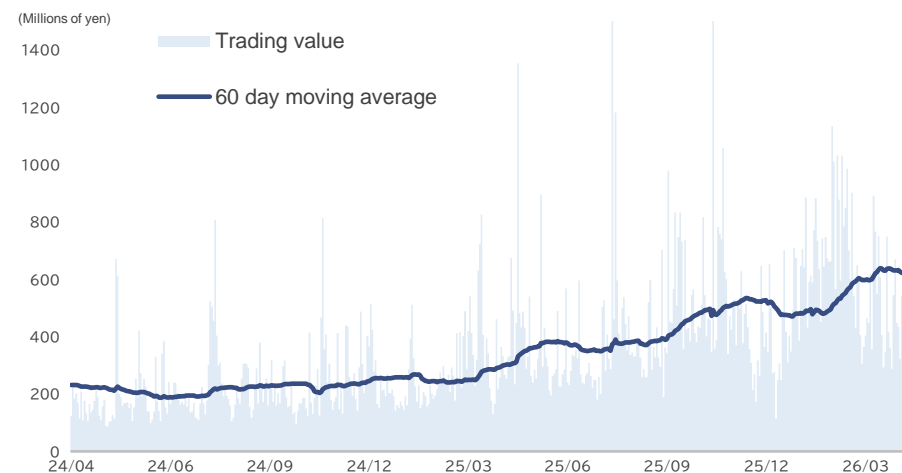
\* For details of the stock split and shareholder benefit program, please refer to the TSE Timely Disclosure material released on May 14, 2026.

### Reference data

**Distribution of shares by holder**



**Trend in daily trading value**



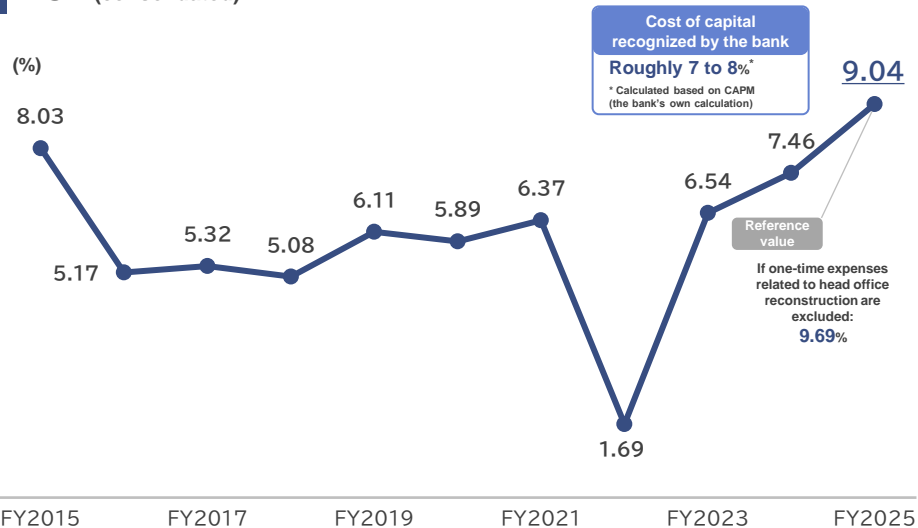
# 03\_ Initiatives Aimed at Increasing Corporate Value

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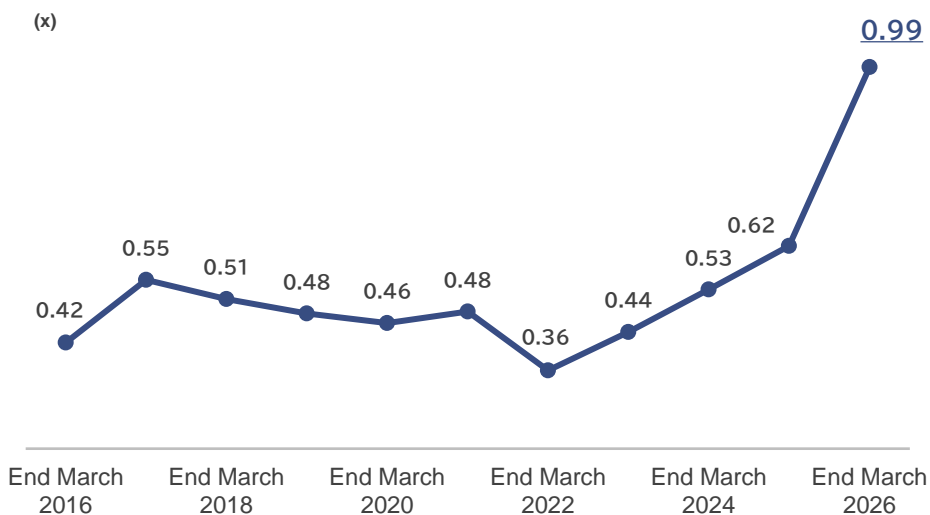
Analysis of the Current Situation (ROE, PBR)	P.22	Equity Story	P.28
Target ROE Index	P.23	Track Record in Growth Strategy	P.29
Logic Tree	P.24	Management Resources_Improvement of Productivity	P.30
Balance Sheet Management	P.25	(Reference) Initiatives for Use of AI	P.31
Initiatives Aimed at Increasing RORA	P.26	Management Resources_Greater Sophistication of Human Capital Management	P.32
Deposit Strategy	P.27	Sustainability Strategy	P.33

## PBR has improved significantly as ROE has risen and remained at around 1.1x as of May 2026

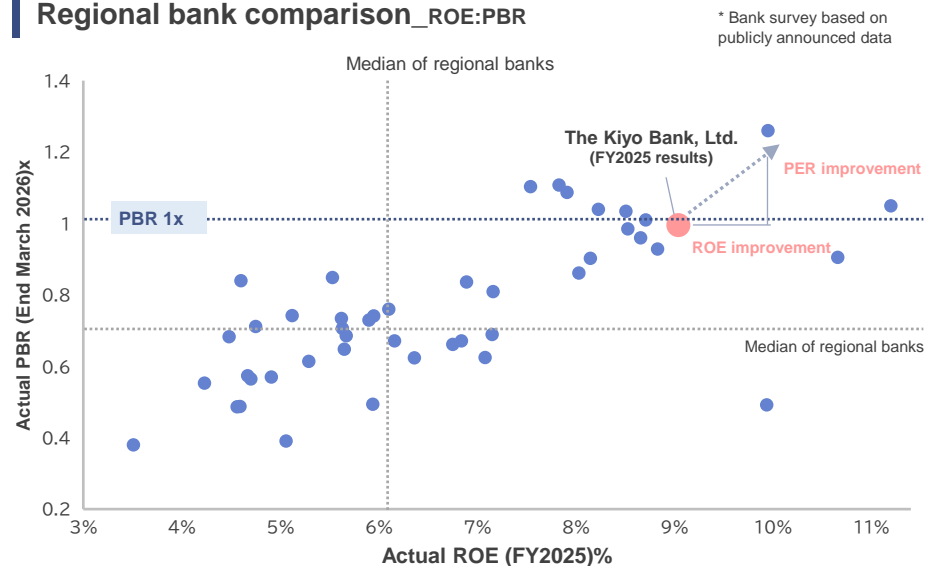
### ROE (consolidated)



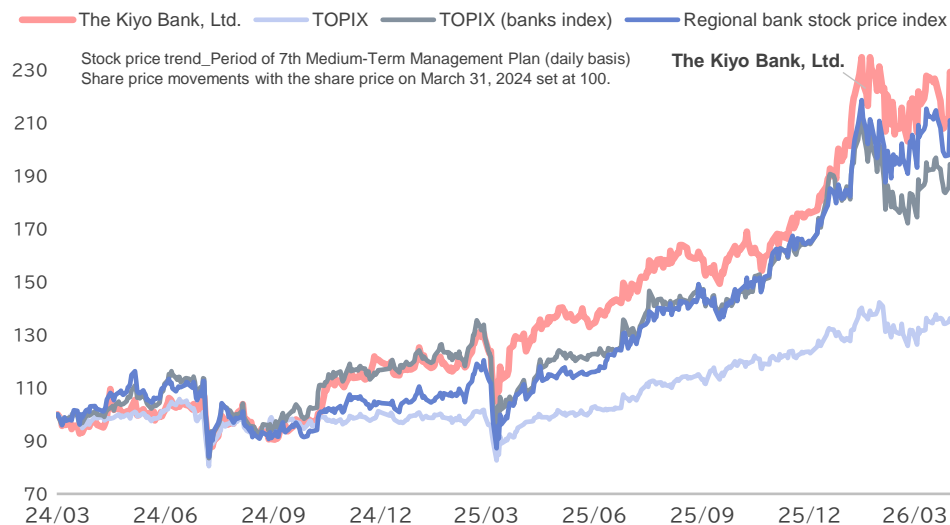
### PBR



### Regional bank comparison\_ROE:PBR

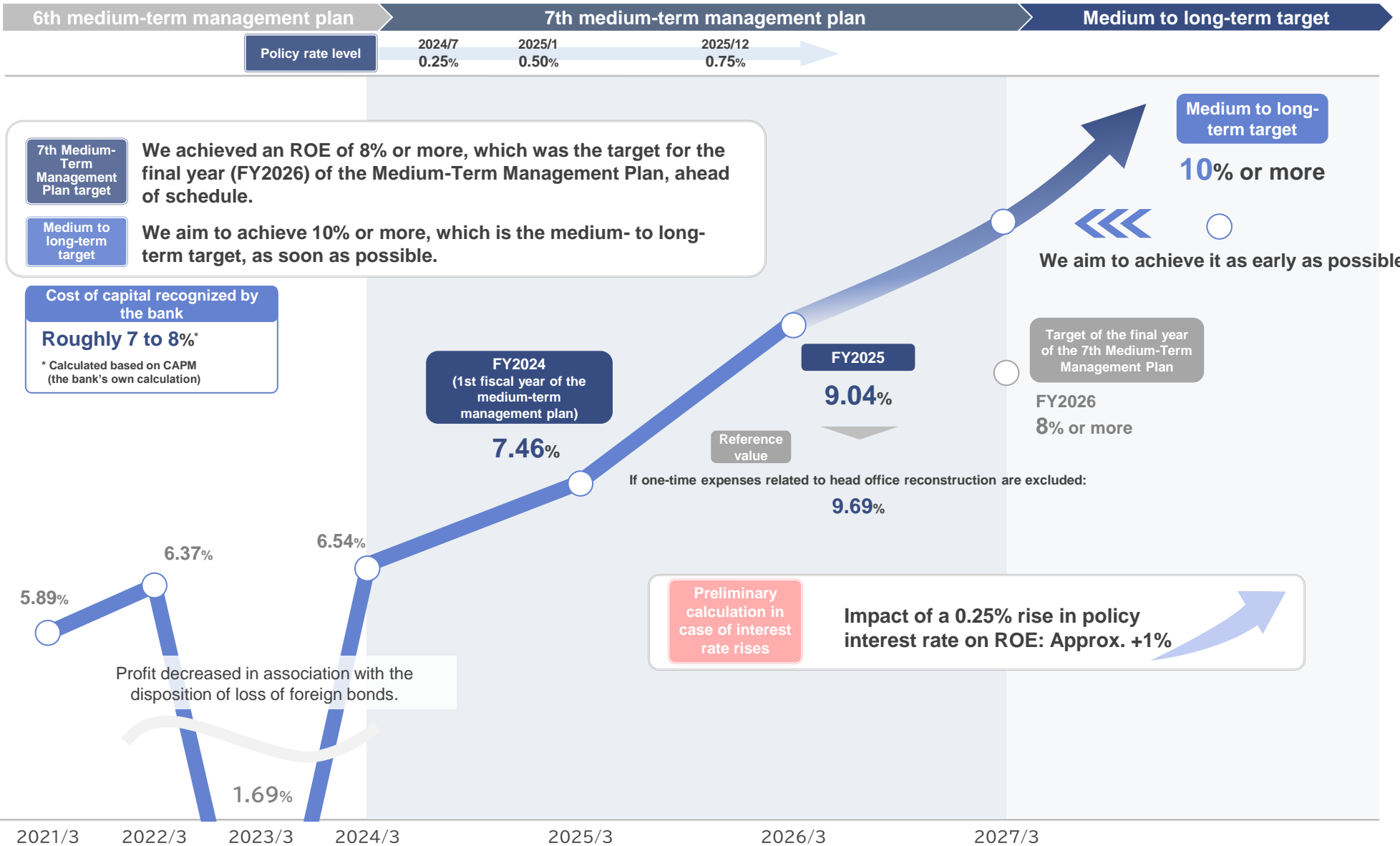


### Stock price trend\_After 7th Medium-Term Management Plan

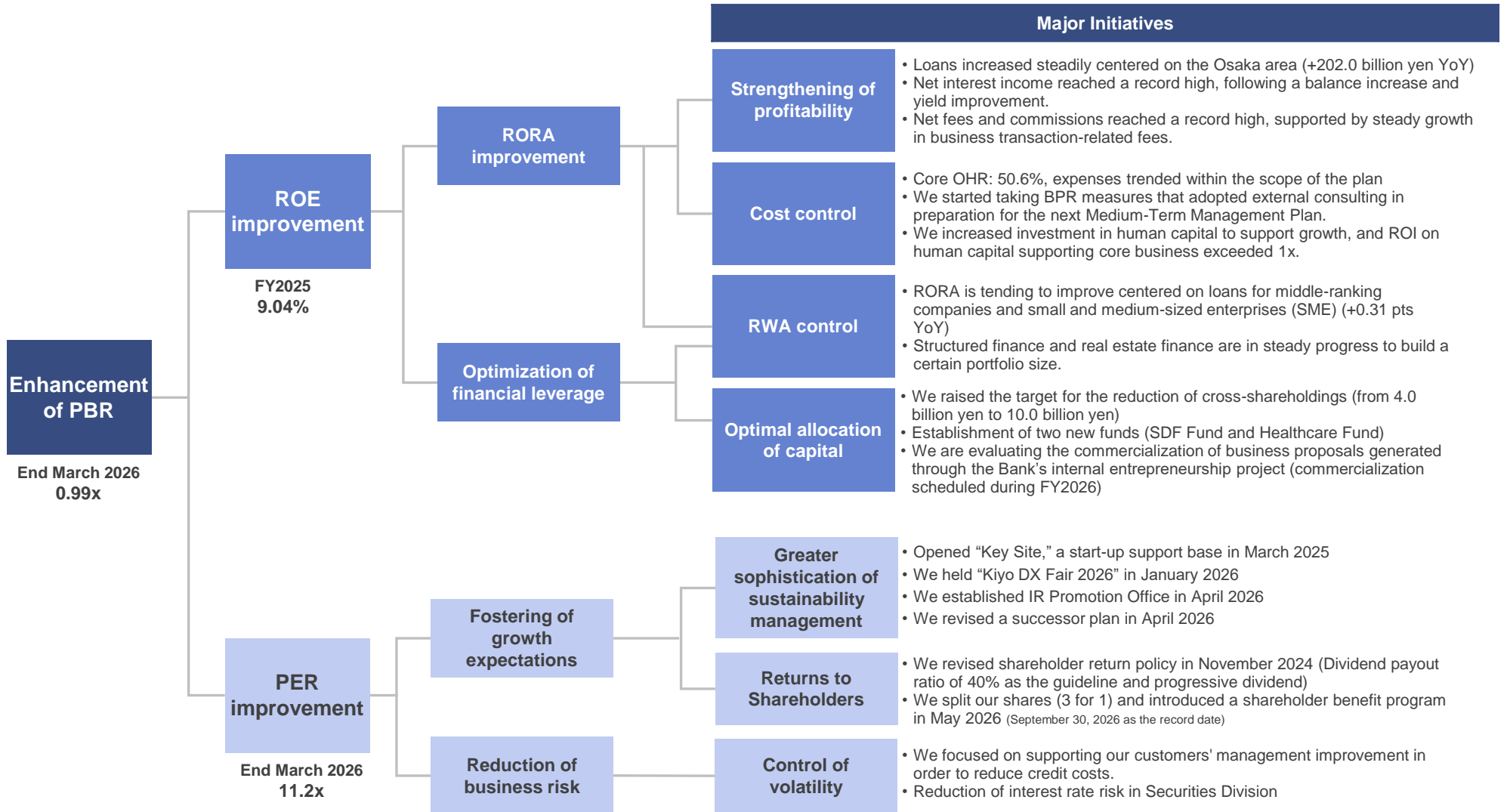


# Target ROE Index

We achieved the FY2026 target of an ROE of 8% or more ahead of schedule and aim to achieve our medium- to long-term ROE target of 10% or more as early as possible



We focused on improving capital efficiency, resulting in both ROE and PER rising.  
We aim for PBR of 1x or higher



## We focus on capturing deposits with high stickiness amid loans to SMEs, which can be a growth engine, expanding steadily

### Yen balance sheet (Non-consolidated/Selected main items)

(As of March 31, 2026)

Assets		Funding		
Total assets: 6.1 trillion yen		Total assets: 6.1 trillion yen		
<b>Loans and bills discounted</b> <b>4.3 trillion yen</b> 25/3-26/3 Actual change +202.0 (billion yen)	<b>FY2026 Focus on expansion</b> Business loans <b>2.6 trillion yen</b> 25/3-26/3: +162.7 billion yen	<b>FY2026 Focus on expansion</b> Individual deposits <b>3.2 trillion yen</b> 25/3-26/3: +67.4 billion yen	Deposits <b>4.9 trillion yen</b> 25/3-26/3 Actual change +208.7 billion yen	
	Consumer loans <b>1.3 trillion yen</b> 25/3-26/3 +47.0 billion yen			Corporate deposits <b>1.3 trillion yen</b> 25/3-26/3 +115.9 billion yen
	Public loans <b>0.4 trillion yen</b> 25/3-26/3 -7.9 billion yen			Public and financial deposits <b>0.3 trillion yen</b> 25/3-26/3 +25.4 billion yen
	Securities <b>0.8 trillion yen</b> 25/3-26/3 -36.7 billion yen			Loans from the Bank of Japan <b>0.7 trillion yen</b>
Deposits with the Bank of Japan <b>0.7 trillion yen</b>	Other liabilities <b>0.3 trillion yen</b>	Equity capital <b>0.2 trillion yen</b>		
Other assets <b>0.3 trillion yen</b>				

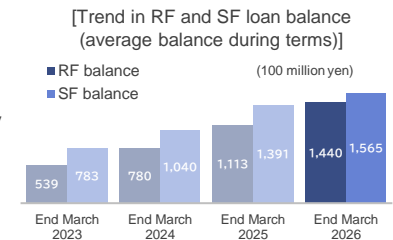
### Assets

#### Loans and bills discounted

**FY2026 increase plan: +137.5 billion yen**

**RORA improvement P.26**

- We plan to increase the volume, centered on loans for SMEs in the Osaka area.
- In February 2026, we updated our guidelines for sales branches regarding loan interest rates and are focused on ensuring appropriate revenue in line with an interest rate environment and improving RORA by making efficient use of risk capital.
- With regard to real estate finance (RF) and structured finance (SF), we strive to increase their balances while paying attention to profitability and proceed with building a highly profitable portfolio.



#### Securities

- Regarding yen-denominated bonds, we are engaged in reducing interest rate risks and have prevented valuation losses from expanding due to an interest rate rise. We will rebuild the portfolio while preserving capacity to invest in yen-denominated bonds after interest rates rise.

### Funding

#### Deposits

**FY2026 increase plan: +248.0 billion yen**

**Deposit Strategy P.27**

- We plan to expand the volume mainly of corporate deposits.
- As part of the effort to promote main banking relationships, we are negotiating to secure deposit balances commensurate with our lending share and aiming to obtain deposits with high stickiness while controlling deposit costs.
- As for individual deposits, we will flexibly acquire deposits by spending deposit costs strategically as campaign deposits and at the same time, we will take measures to improve retention rates after the campaign period ends.

#### Loans from the Bank of Japan

- Loans under the Loan Support Program will be repaid progressively through FY2027, as the program has ceased accepting new loan applications.
- We will consider supplementary funding other than deposits while taking durations, costs, and stability into consideration.

## RORA for each asset is on a steady upward trend. We revised guideline interest rates and strengthened pricing

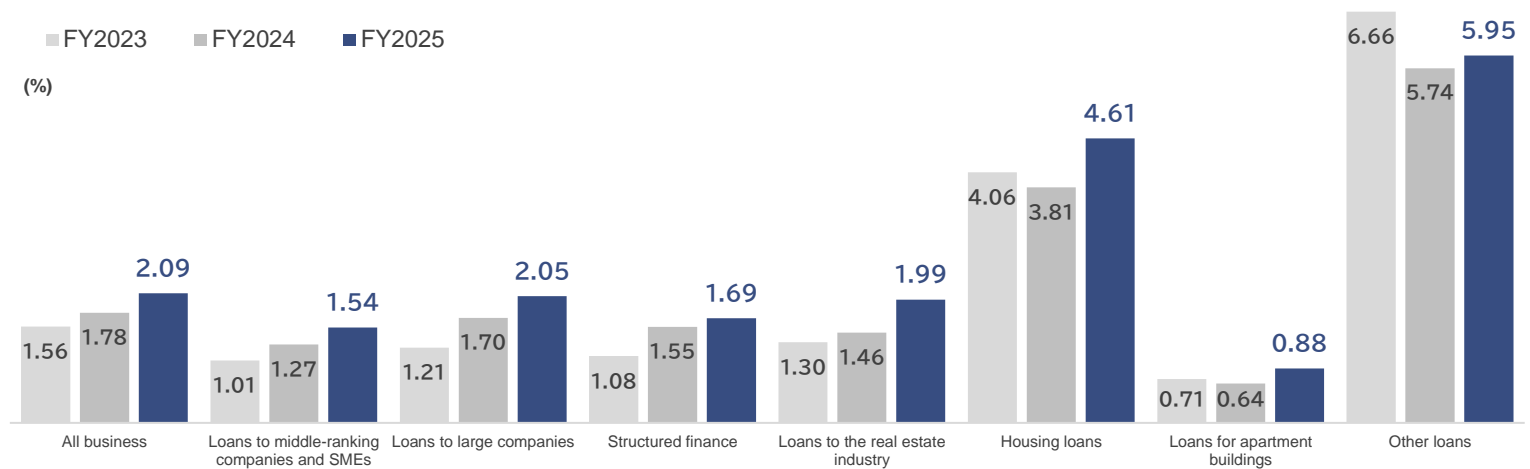
### Status of RWA allocation and RORA trend

#### Status of allocation of risk assets

Loans to middle-ranking companies and SMEs	864.8 billion yen
Loans to large companies	180.8 billion yen
Structured finance	115.4 billion yen
Loans to the real estate industry	109.0 billion yen
Housing loans	141.8 billion yen
Loans for apartment buildings	137.3 billion yen
Other loans	20.3 billion yen

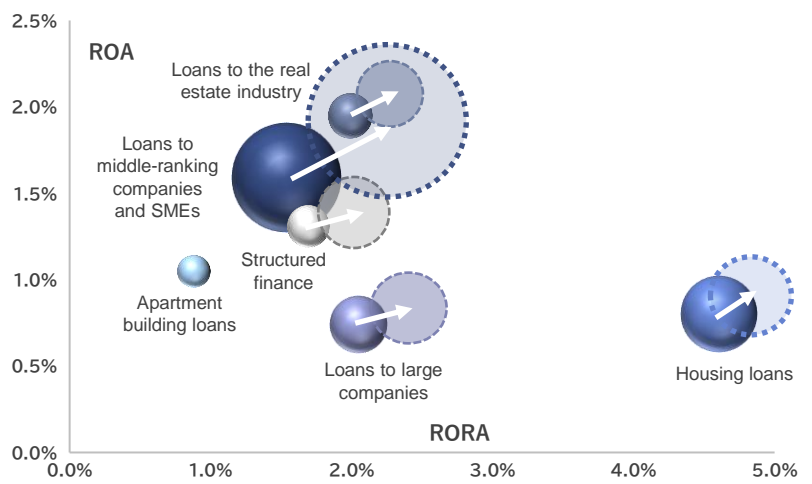
(As of March 31, 2026)

#### Trend in RORA

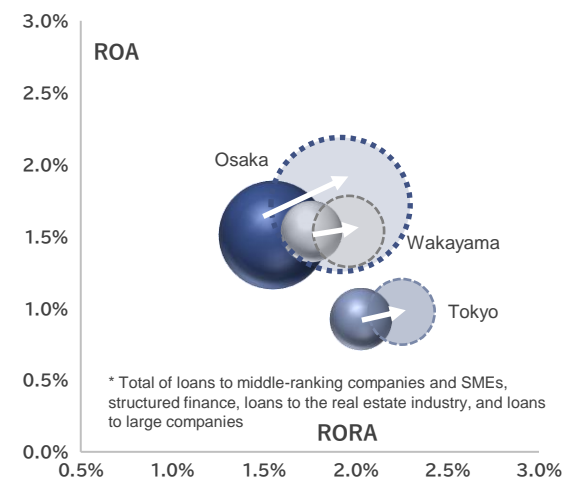


### Loan RORA

#### RORA by major asset



#### RORA by area



Yen (solid line)	FY2025 result
Yen (dotted line)	Future direction
Circle size	Revenue after deduction of risk expenses

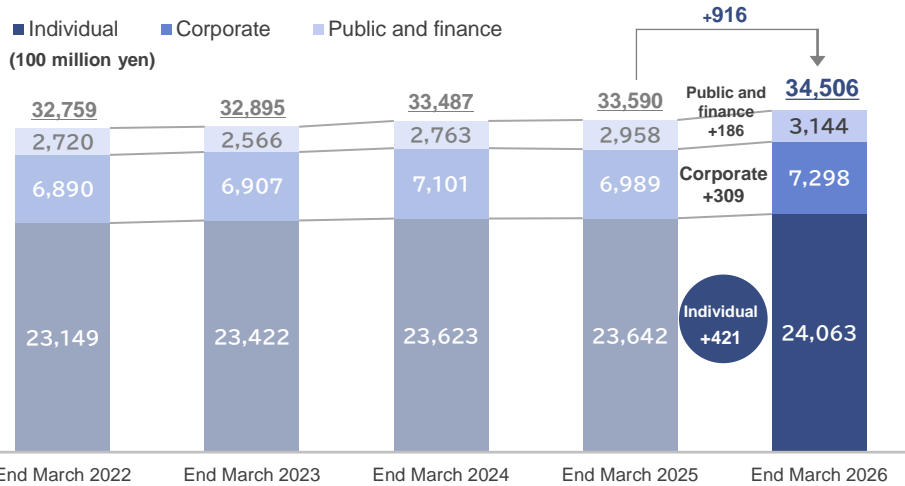
#### Future direction of loans to middle-ranking companies and SMEs

Topics	In February 2026, we updated guidelines for sales branches regarding loan transactions in order to strengthen pricing.
Wakayama	Given our high market share, we aim to expand non-interest income through core business support activities and increase highly sticky deposits.
Osaka	With considerable room for share expansion, we will continue allocating management resources aggressively, thereby increasing the loan balance.

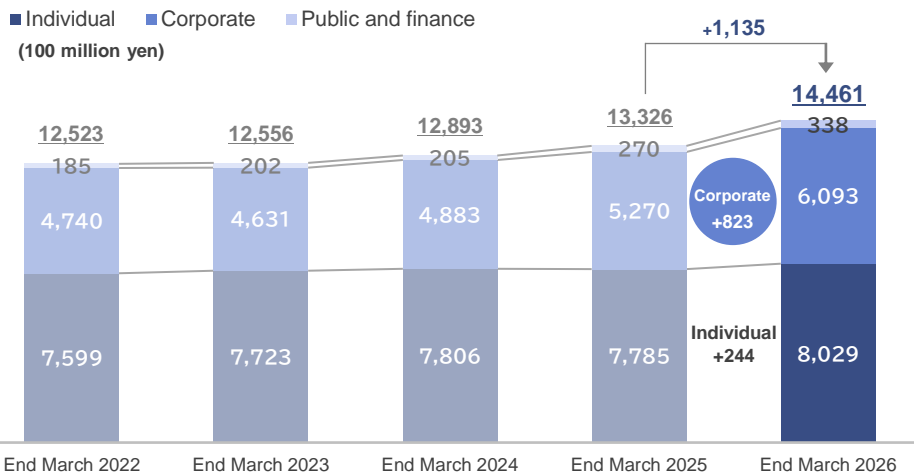
# With both individual and corporate deposits increasing steadily, we continue to focus on enhancing deposit stickiness by promoting main banking relationships

## Trend in balance by area

### Wakayama area



### Osaka area



## Details of efforts

Segment	Focal area	State of activities
Individual	Wakayama	(Acquisition of deposits with high stickiness) <ul style="list-style-type: none"> <li>We focus on workplace banking activities against the background of a high main-bank market share</li> <li>We plan to update banking apps with the aim of strengthening the functions of non-face-to-face channels.</li> </ul> (Strategic acquisition of deposits) <ul style="list-style-type: none"> <li>Development of deposit products offering value beyond interest rates ⇒ <b>We released “Kairos support term deposit” in collaboration with Space One</b></li> <li>Implementation of various campaign deposits</li> </ul>
	Osaka	(Acquisition of deposits with high stickiness) <ul style="list-style-type: none"> <li>Negotiation to acquire a deposit share that corresponds to the loan share</li> </ul> (Strategic acquisition of deposits) <ul style="list-style-type: none"> <li>Development of deposit products offering value beyond interest rates ⇒ <b>We launched Japan’s first time deposit with a benefit payment, “BCP Deposit”</b></li> </ul>

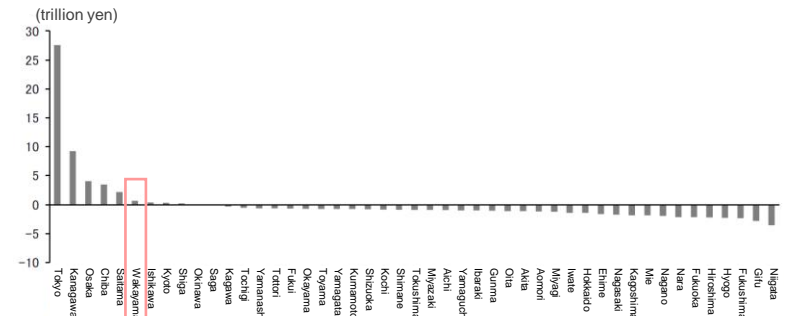
## Reference data

### Market potential in Wakayama Prefecture

- The bank’s **deposit market share stands at a relatively low 34.5%** out of total deposits of 9.7 trillion yen in Wakayama Prefecture, and there is still considerable room for share expansion. (P.36 Market Share)
- Amid concerns about a population decline in rural areas, **Wakayama Prefecture is estimated to be one of the few growth areas** mainly because of fund inflows from Osaka in terms of prefectural net increase or decrease of household financial assets through inheritance from 2020 to 2050.\*

\*Source: Nomura Institute of Capital Markets Research, Financial and Capital Markets Trends Report (No.-26-10)

### Net increase or decrease in household financial assets through inheritance (2020 to 2050)\*



## Focus on the SME sector, in which the bank's strength has lain throughout its history and aim for further growth by using a stable Wakayama and a growing Osaka as the bases

### Transition of Medium-Term Management Plans

Management plan	Main themes and concepts
5th Medium-Term Management Plan 2018/4 - 2021/3	We aim to become a regional bank with overwhelming competitiveness in <u>transactions with SMEs</u> .
6th Medium-Term Management Plan 2021/4 - 2024/3	Pursue a business model with <u>loans to SMEs</u> as the start line.
<b>7th Medium-Term Management Plan</b> 2024/4 - 2027/3	<b><u>Reform to a business model with transactions with SMEs as the start line.</u></b>

### Recognize key elements and Issues in Equity Story

Key elements	Recognition of current situations and issues
Wakayama	Establish a stable deposit acquisition base The bank's market share of deposits in the prefecture is 34.5%, meaning that there remains plenty of room for expansion
Market P.36	Osaka The prefecture is second only to Tokyo in terms of economic scale, meaning that its market potential is high The bank's share of loans in the prefecture is 3.9%, meaning there remains considerable room for expansion.
Know-how P.37	Know-how in credit screening and rehabilitation support that we have developed through our own disposal of non-performing loans since the collapse of a bubble economy Core business support activities that leverage the bank's strengths such as IT consulting by Kiyo Information Systems
<b>Management Resources</b> P.30 - 32, 40	<b>Human capital: Strengthen the both sides of quantity and quality by improving productivity and sophisticating human capital management</b> <b>Deposit funding: Step up deposit acquisition that keeps pace with the steady increase of loans</b> Strategic allocation: Implement strategic allocation of management resources, based on the core customer strategy from the 5th Medium-Term Management Plan



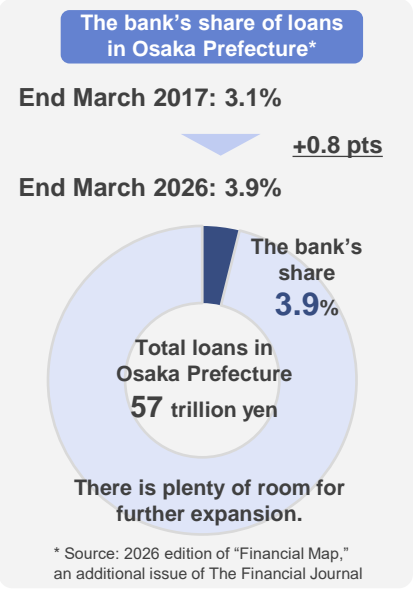
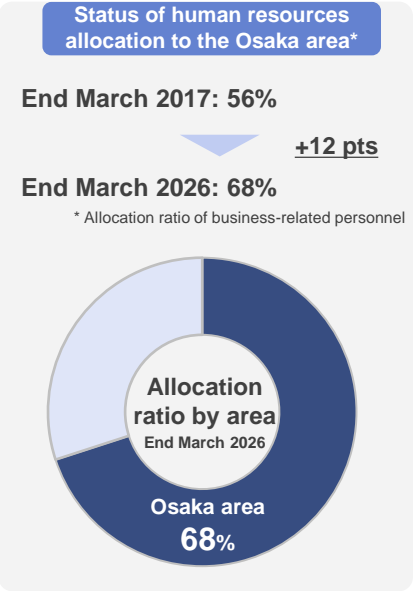
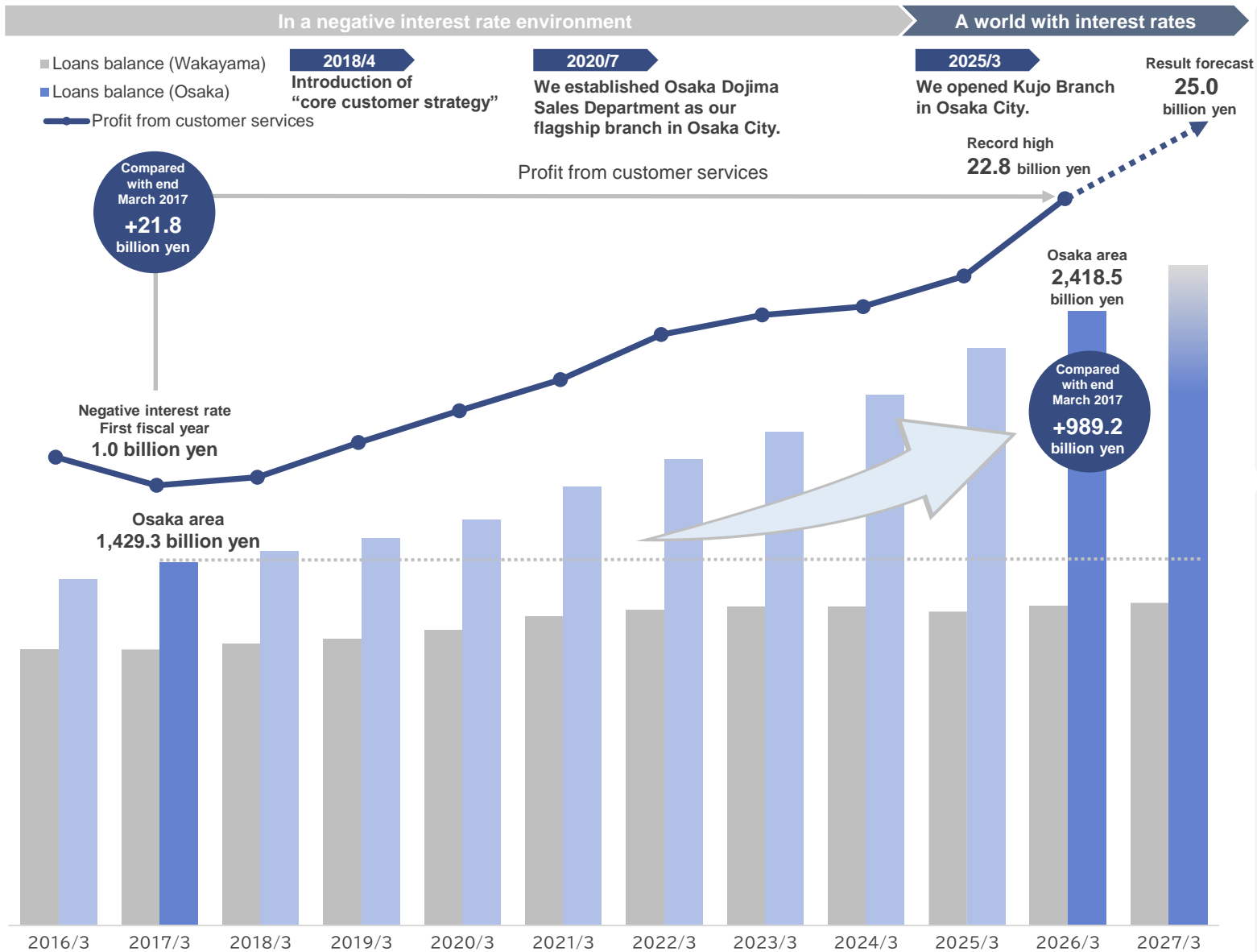
### Toward realizing Equity Story

Markets with high growth potential  
×  
Highly competitive know-how

### **Enhance the credibility of the equity story through the creation of management resources**

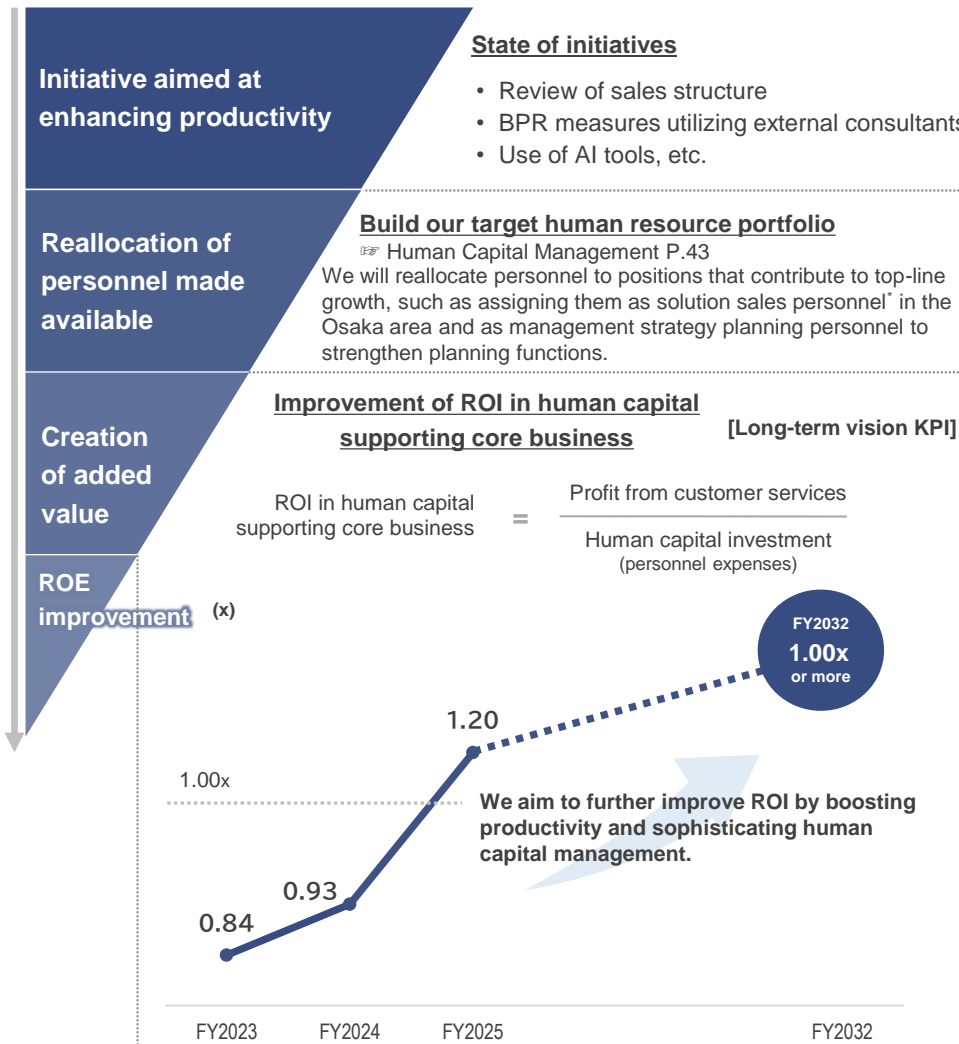
We have taken BPR measures and started reviewing the sales structure in order to create management resources in the next Medium-Term Management Plan.

## Results are growing steadily by investing resources in the Osaka area, and market potential is high and expected to grow further



# We drive initiatives to improve productivity, aimed to secure management resources for growth areas in the next Medium-Term Management Plan

## Link with management strategy



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

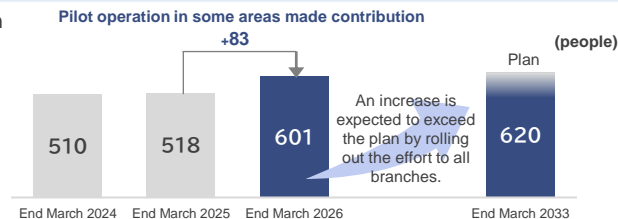
## State of initiatives

### Review of sales structure

- Pilot operation has started since FY2025 in preparation for reviewing the structure for division of work between the sales section and the loan consulting section. We aim to officially roll out a revised structure in all branches to coincide with the 8th Medium-Term Management Plan, which is due to start in April 2027.

- Purpose**
- Development of human resources who excel in financing SMEs
  - Solidifying the top line by increasing the number of solution sales personnel
  - Building of a sales structure in which all personnel are engaged in sales activity

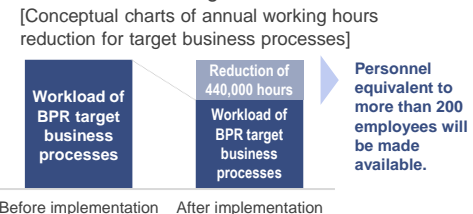
[Trend in number of solution sales personnel]



### Implementation of BPR measures

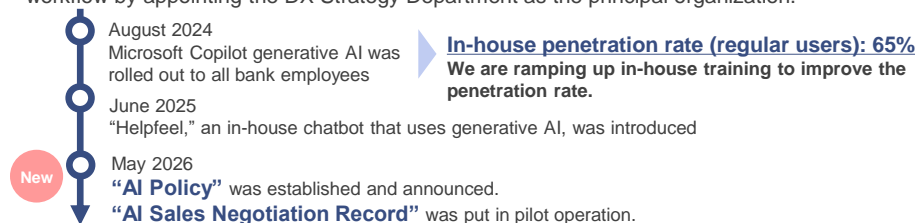
- We started taking cross-divisional BPR measures that have adopted external consulting. Four target business processes have been selected, and projects are under way in preparation for the operation start in the 8th Medium-Term Management Plan.

Target business processes
[1] Administrative operations
[2] Loan business
[3] Personal loan
[4] Investment trusts and insurance



### Use of AI tools

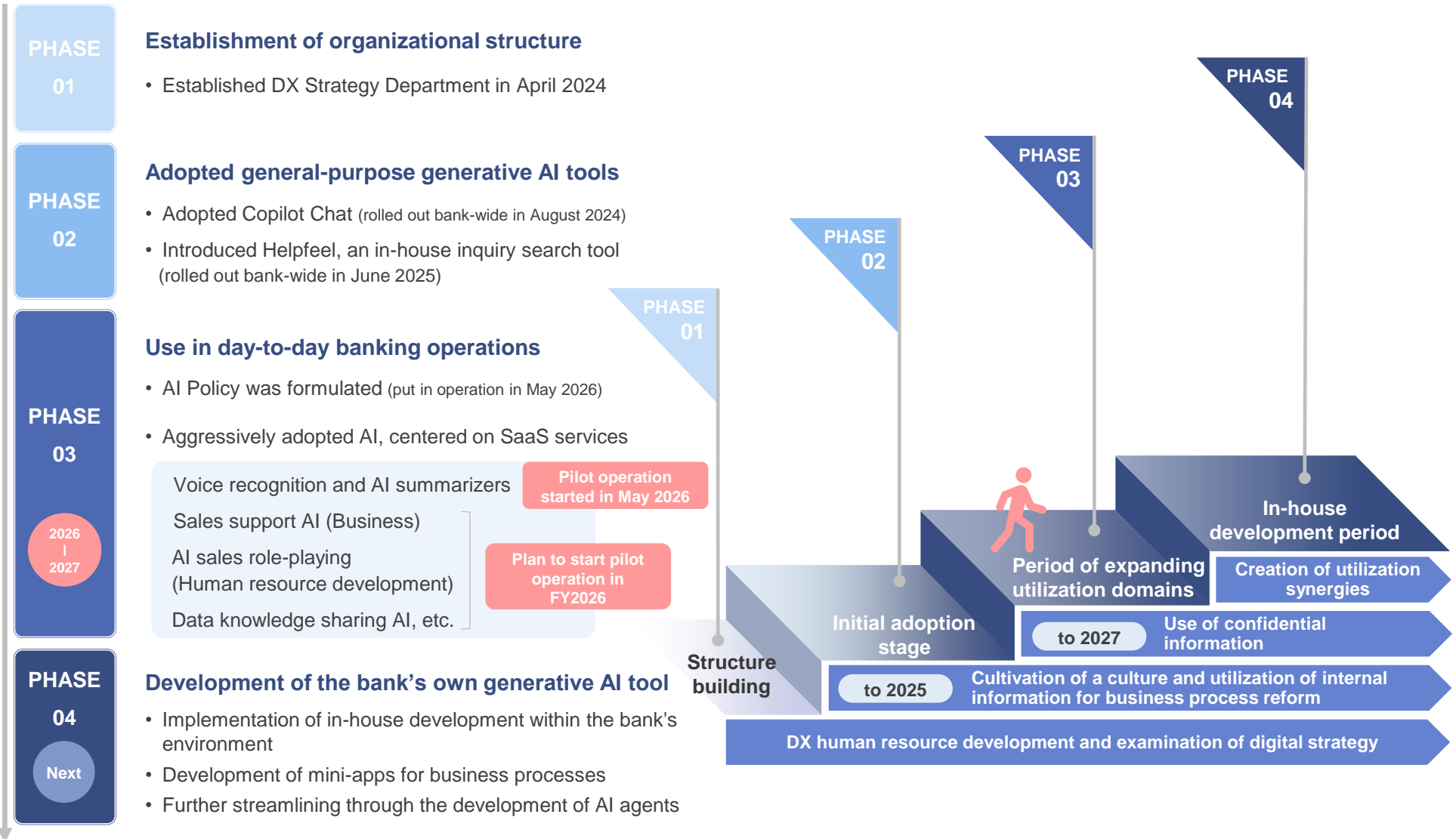
- We are considering the full-scale AI use, including the actual application of AI functions to the workflow by appointing the DX Strategy Department as the principal organization.



# (Reference) Initiatives for Use of AI

## FY2026 will be a period of expanded AI utilization, broadening the range of tools deployed, with a long-term aim of in-house development

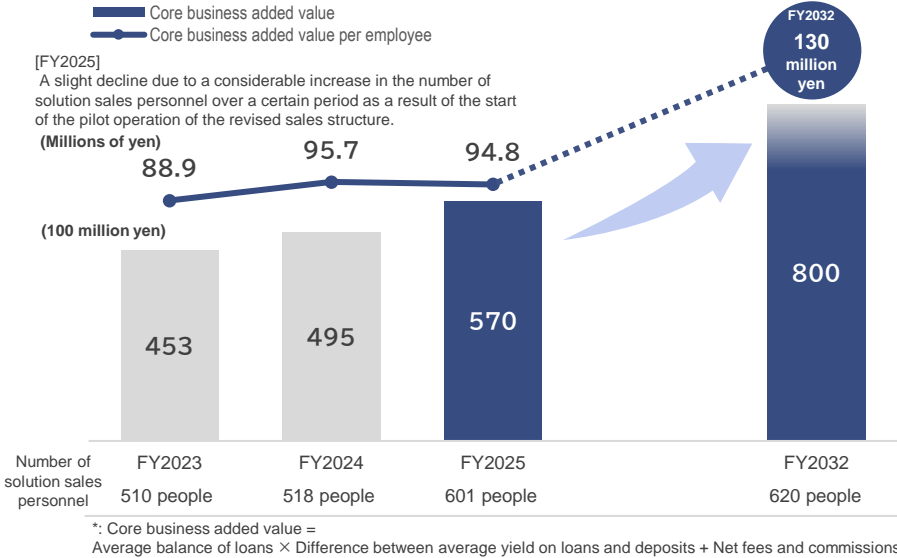
### Roadmap for use of AI



## Expand human capital investment for developing high-quality solution sales personnel (Premium Personnel)

### Core business added value per employee\*

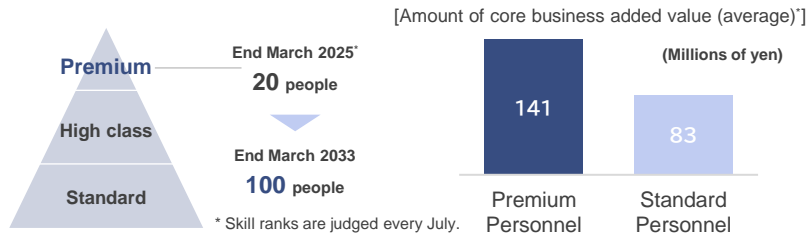
[Sustainability KPIs]



### Development plan for solution sales personnel

Visualize the sales skills of solution sales personnel in three levels based on experience, knowledge, and track record

We aim to develop 100 Premium Personnel by the end of March 2033.



[Definition of skill ranks]

Skill ranking	Definition
Premium	Personnel who are capable of utilizing specialized and advanced knowledge and skills to continuously solve practical problems
High class	Personnel who are capable of identifying customer needs and proposing high-quality solutions in cooperation with the head office and specialists
Standard	Personnel who are capable of utilizing basic knowledge and skills to grasp customer needs through dialogue and make proposals

### State of initiatives

#### 1. Initiative aimed at enhancing skill ranks

##### Passing down of know-how through OJT

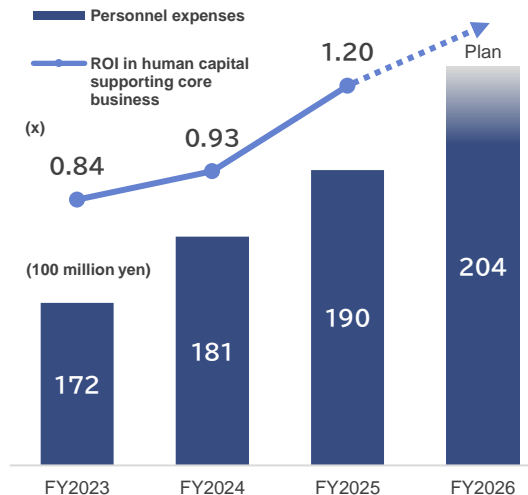
Initiatives	Summary
Loan application consultation meeting	The opportunity in which staff in charge of loans consult directly with approvers of head office (Loan Department) decision-makers (officers and divisional managers) about loan applications subject to head-office examination.
Consultation meetings for core business support projects	An opportunity for sales branches, the head office (Solution Strategy Department and Loan Department), and affiliated companies to identify and discuss management issues currently faced by branch customers, as well as potential management issues based on hypotheses.

##### Acquisition of specialized skills and development of career awareness

Initiatives	Summary	[Number of users in FY2025] (people)
Career challenge system (CC system)	A short-term and long-term head office trainee system for self-motivated career development and acquisition of specialized skills.	340
Talent development program	Opportunities to interact with solution sales personnel who are already actively playing an important role such as Premium Personnel	192

CC system | Talent development program

#### 2. Expansion of human capital investment



##### Implementation of base salary increase

- We raised base salary for four consecutive years.
- ROI in human capital supporting core business also improved

##### Aggressive hiring of human resources

- We hire new graduates consistently each year in order to build the human resource portfolio we aim to achieve in the future.

##### Expansion of investment in education

- We have expanded investment to support employee education, including the expansion and improvement of training programs. FY2026 plan: +1.5 times YoY

# The number of users of Key Site exceeded expectations significantly, and steady progress was made towards the resolution of materiality issues.

## Status of initiatives at Key Site

- In March 2025, we opened Key Site, an incubation facility, jointly with the Money Forward Group, for the purpose of assisting startups.

### Results one year after the opening

Number of visitors to the facility



8,715 people

Number of coworking members



88 members

Number of events held



188 cases

Number of user registrations\*



4,612 people  
\* Instagram, LINE, etc.

[Compared with target number of facility users]

Annual 1,000 people

Annual 8,715 people

Initial target FY2025 result

Evaluation of the first fiscal year



The annual number of visitors to the facility considerably exceeded the initial target. The facility is considered to be performing well in its first-stage role as a hub connecting the local community with startups and generating interest in startups. To achieve the facility's goal, we will continue to focus on fostering startups while strengthening collaboration with external companies.

Facility's target We aim to produce five startups that make their IPOs in 10 years (2035).

### Overview of Key Site

Name	Key Site
Address	185-3 Kuroda, Wakayama City, Wakayama Prefecture (8-minute walk from JR Wakayama Station)
Management company	The Kiyo Bank, ATOMica Inc., K-FIRST
Collaborating companies	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
Opening date	March 27, 2025 (Thursday)
URL	<a href="https://kiyo-keysite.com/">https://kiyo-keysite.com/</a>



## Promotion of regional DX

### Kiyo DX Fair 2026

- In January 2026, we held our first DX Fair in Wakayama City with the aim of advancing the promotion of local companies' DX. In addition to the exhibition booths of 21 companies providing DX support tools, we held DX seminars consisting of 10 classes.

#### Participants on the day

Business operators mainly in Wakayama Prefecture

457 people  
(347 companies)

#### Exhibiting companies on the day

Centered on large IT companies

21 companies

[Overview of DX Seminar]

Companies offering lecturers	Summary
Money Forward Inc.	Raise the efficiency of the back office domain through cloud migration
Cybozu, Inc.	Seminar and demonstration of kintone
SmarterHR, Inc.	Shift to paperless human resource management
I'LL Inc.	Contact points for backbone system transformation
Studist Corporation	Human resource development DX strategy
Digital Data Solution Inc.	Measures to prevent information leakage
Wakayama Tax Office	DX in tax administration

## Initiatives toward carbon neutrality

### Revision of Sustainability KPI

- In May 2026, we revised our CO<sub>2</sub> emission reduction ratio target set as a sustainability KPI.

#### FY2025 result

Compared with FY2013

85% reduction

[CO<sub>2</sub> emission reduction ratio target for FY2030]

Before the change	At least 70% reduction compared with FY2013
After the change	Carbon neutrality

### Collaboration with local communities (GX promotion)

- In February 2026, Wakayama City was chosen as a Decarbonization Leading Area by the Ministry of the Environment for a joint proposal with Wakayama City.

[Outline of proposal]

#### Decarbonization leading area

Wakayama City

Project name	"Wakayama Model" pioneering cities facing urban hollowing-out across the country — Urban redevelopment strategy through renovation of vacant houses and decarbonization
Examples of efforts	Creation of urban vitality and the utilization of vacant houses in coordination with urban development through the decarbonization and value enhancement of buildings via thermal insulation, energy-saving measures, and seismic retrofitting.

# 04\_Reference Material

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Management Foundations	P.35	Group Strategy_Kiyo Information Systems	P.41
Market Share	P.36	Group Strategy_Kiyo Lease and Kiyo Capital Management	P.42
Kiyo Bank Group's Strengths	P.37	Human Capital Management	P.43
7th Medium-Term Management Plan	P.38	Strategic IR	P.44
7th Medium-Term Management Plan_Target Management Indicators	P.39	Sustainability KPI	P.45
Core Customer Strategy	P.40	Trends in Main Figures	P.46

# Management Foundations

The Osaka area has already been positioned as our “home market” in terms of both hardware and software (i.e., physical infrastructure such as our branch network and organizational resources such as our human resources base)

## Regional economy

### Wakayama Prefecture



\* Estimates for 2033

### Osaka Prefecture



\* Source: the Ministry of Internal Affairs and Communications, Osaka Prefecture, Wakayama Prefecture Statistical Data/2026 edition of "Financial Map," an additional issue of the Financial Journal Mitsubishi UFJ Financial Group, Inc., "Economic Ripple Effects of Launches at Spaceport Kii"

## Branch network

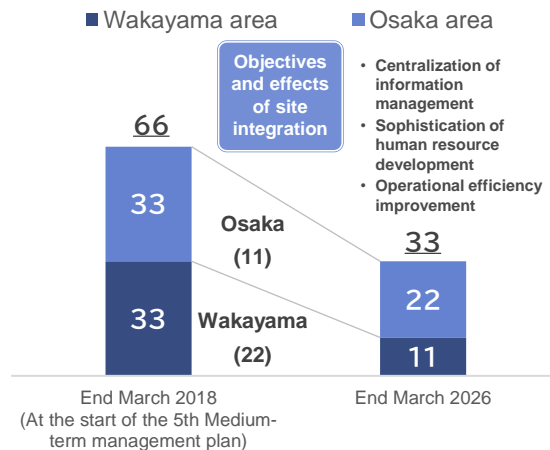
### Wakayama area

Number of branches	69 branches
Number of sales bases	39 bases
Number of branches handling business loans	11 bases

### Osaka area

Number of branches	42 branches
Number of sales bases	37 bases
Number of branches handling business loans	22 bases

### Number of site handling business loans



## Head office functions

Co-creation of value based on support for core business

**Solution Strategy Department: 79 people**

Kiyo Sakai Building (Sakai City): 63 people  
Key Site (Wakayama City): 16 people

Strategic group companies

**Kiyo Information Systems: 287 people**

Head office (Wakayama City): 241 people  
Kiyo Training Center Building (Wakayama City): 22 people  
Kiyo Osaka Building (Osaka City): 8 people  
Kiyo Tokyo Building (Chiyoda Ward): 16 people

**Kiyo Lease Co., Ltd.: 26 people**

Head office (Wakayama City): 17 people  
Kiyo Sakai Building (Sakai City): 7 people  
Kinan area (Tanabe, Shingu): 2 people

**The Kiyo Capital Management Co., Ltd.: 15 people**

Head office (Wakayama City): 5 people  
Key Site (Wakayama City): 1 person  
Kiyo Sakai Building (Sakai City): 9 people



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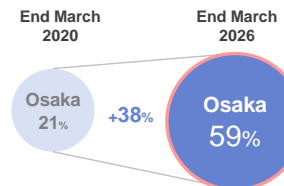
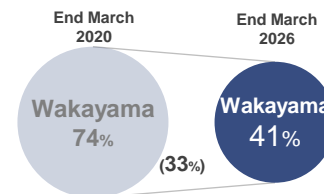
Speedy screening system

**Loan Department: 90 people**

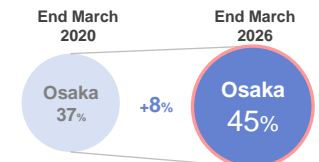
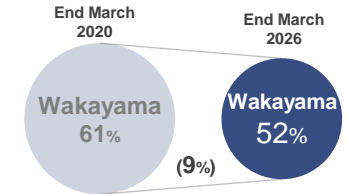
Head office (Wakayama City): 71 people  
Kiyo Osaka Building (Osaka City): 19 people

## Human foundations Composition of officers and employees by area

### Officers' hometown



### Employees' place of residence



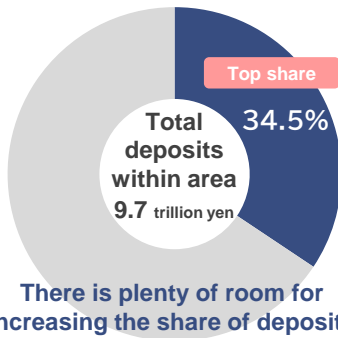
## We aim to further increase the market share in the Osaka area by leveraging the stable transaction base in the Wakayama area

### Share of deposits and loans within business areas\*

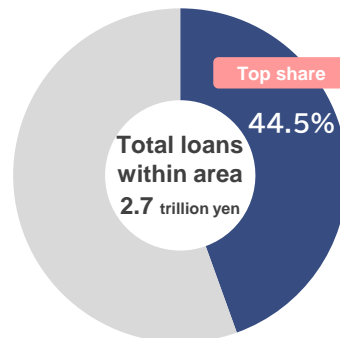
In Wakayama Prefecture

#### The bank's share as a financial institution in Wakayama Prefecture

Share of deposits



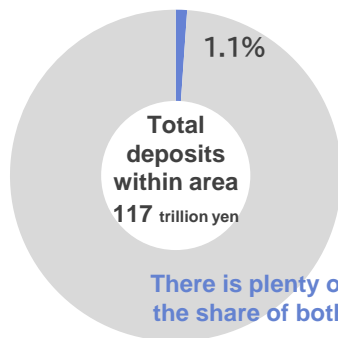
Share of loans



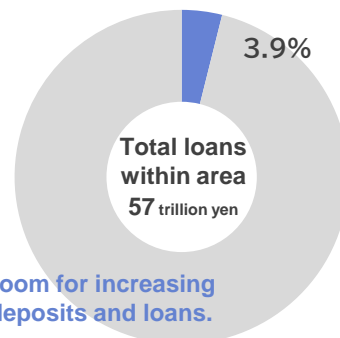
In Osaka Prefecture

#### The bank's share as a financial institution in Osaka Prefecture

Share of deposits



Share of loans



\* Source: 2026 edition of "Financial Map," an additional issue of The Financial Journal

### Share of customers who use us as their main bank

- Our share of customers in Wakayama Prefecture who use us as their main bank is 63%, the third highest level in Japan.
- Our share of customers in Osaka Prefecture who use us as their main bank is the largest among regional financial institutions headquartered outside Osaka Prefecture.

By prefecture		
National ranking		
1	Nagasaki Prefecture	The Juhachi - Shinwa Bank 83%
2	Aomori Prefecture	Aomori Michinoku Bank 71%
3	Wakayama Prefecture	The Kiyo Bank, Ltd. 63%
4	Shimane Prefecture	The San-in Godo Bank 62%
5	Miyazaki Prefecture	The Miyazaki Bank 61%

Kinki region	
Kinki	
1	Sumitomo Mitsui Banking Corporation 12.3%
2	MUFG Bank 9.5%
3	Resona Bank 6.5%
4	Kansai Mirai Bank 5.7%
5	Bank of Kyoto 5.0%
6	The Kiyo Bank, Ltd. 4.6%
7	The Nanto Bank 4.2%
8	Shiga Bank 3.9%
9	Kyoto Chuo Shinkin Bank 3.6%
10	The Osaka City Shinkin Bank 3.1%

Number of customers using us as their main bank in prefecture: **7,858** companies

By prefecture

Share of customers who use us as their main bank: **3rd** highest in Japan

In Osaka Prefecture		
Osaka Prefecture		Southern Osaka Prefecture
1	Sumitomo Mitsui Banking Corporation 15.9%	1 Sumitomo Mitsui Banking Corporation 13.7%
2	MUFG Bank 15.7%	2 The Senshu Ikeda Bank 13.6%
3	Resona Bank 11.8%	3 MUFG Bank 11.7%
4	Kansai Mirai Bank 9.8%	4 Resona Bank 11.4%
5	The Osaka City Shinkin Bank 6.6%	5 Osaka Shinkin Bank 11.3%
6	The Senshu Ikeda Bank 5.7%	6 The Kiyo Bank, Ltd. 9.7%
7	Osaka Shinkin Bank 5.2%	7 Kansai Mirai Bank 8.7%
8	The Kita Osaka Shinkin Bank 3.9%	8 The Osaka City Shinkin Bank 3.1%
9	Mizuho Bank 3.9%	9 The Amagasaki Shinkin Bank 1.7%
10	The Kiyo Bank, Ltd. 2.5%	10 Mizuho Bank 1.7%

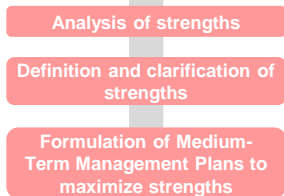
\* Source: Teikoku Databank, "Main Bank" trend survey (2025)

## Analyze and define the bank's competitive advantages anew in order to maximize its strengths in the next Medium-Term Management Plan

### Re-definition of strengths toward the next Medium-Term Management Plan

- We are analyzing our group's strengths anew in preparation for formulating the 8th Medium-Term Management Plan and are discussing internally to define them as an organizational common concept.

7th medium-term management plan  
2024/4 – 2027/3



8th Medium-Term Management Plan  
2027/4 –

[Specified strengths]



### Promotion of main banking relationships

- We are pushing the promotion of main banking relationships in transactions with SMEs in both areas of Wakayama and Osaka.

Core Customer Strategy

High-value-added sales activity

Promotion of main banking relationships

Clarify the zones to which management resources are allocated preferentially.

Allocate limited management resources to specific zones.  
Differentiate ourselves from other banks through high-quality core business support activities

[Effects of promotion of main banking relationships]

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

### Organizational system for promoting 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. Approximately 80 employees are assigned to the department, providing advanced core business support services.
- 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 280 IT human resources, and is working with the bank on support for customer DX, the supply of IT human resources, etc.

[Consulting results]

紀陽情報システム株式会社 Kohnan Shoji Co., Ltd.  
Fuji Corporation Ltd., etc.

紀陽リース The Kiyo Lease Co., Ltd.

KCM

### Promotion of main banking relationships

Loan Department (Osaka Sub-Branch)

Loan Department (Head Office)



- We established an Osaka Sub-Branch (about 20 people, Kiyo Osaka Building, Osaka City) and built a speedy screening system in addition to the screening division at the head office in Wakayama City.
- As the main bank for many customers in the Osaka area as well, we are working on thorough support for their core business, including funding support, operational support and support for business management.

Speedy screening system



#### Initiative toward the next Medium-Term Management Plan

- We started pilot operation in preparation for an overhaul of the sales structure.
- We initiated cross-organizational BPR measures.

Creation of activity time

## Expand the business model from one centered on SME lending to one encompassing all customer transactions

<b>Basic policy</b>	Co-create value with local communities by fulfilling our role as a leading regional financial group
<b>Concept</b>	Reform to a business model with transactions with SMEs as the start line.
<b>Message</b>	KX—Kiyo transformation— Embark on corporate transformation to achieve long-term vision and improve corporate value

**Key Strategy [1]: Sales strategy Optimization of sales structure**

**Optimization of sales structure for business customers**

Travel time → Sales time

**Strengthening of consulting**  
New establishment of Solution Strategy Department

New

**Expansion and reinforcement of the loan portfolio**

Expansion and reinforcement of structured finance, etc.

**Retail sales structure**  
Help customers realize their life plans

**Key strategy [3]: Digital banking strategy Promotion of regional DX**

**Digital banking**

Expansion and improvement of non-face-to-face channels

**Cross-organizational DX promotion**  
Establishment of new DX Strategy Department

New

**Promotion of regional DX**

Strengthening DX support and IT consulting

# KX Kiyo transformation

**Key Strategy [2]: Group strategy Strategic investment in growth areas**

**Gradual allocation of management resources to strategic group companies**

紀陽銀行

Leasing System Capital New

Entrusted with clerical work Job placement Guaranty Cards

**Creation of new revenue opportunities**

Establishment of a new future-creation office, etc.

New

**Key Strategy [4]: Sustainability strategy Creation of regional future**

**Greater sophistication of sustainability management**

Establishment of a new regional revitalization department and startup support office

New

**Initiatives for public loans and PFI**

**Support for business founding and start-ups**

Establishment of a new incubation facility, etc.

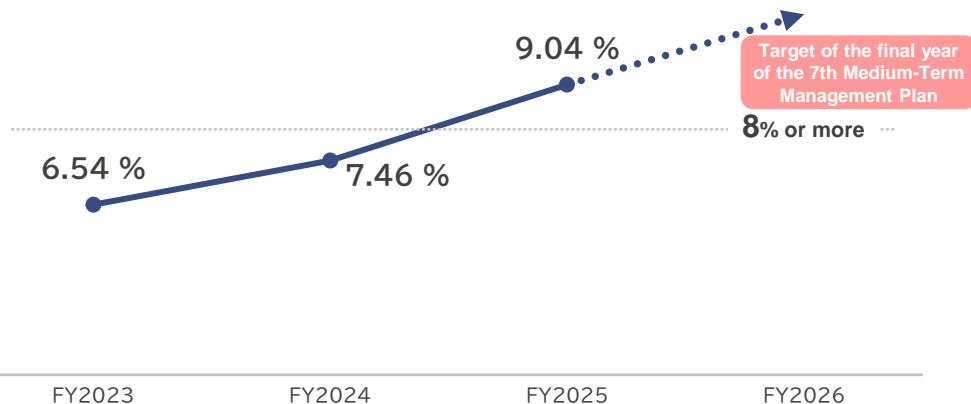
New

Incubation

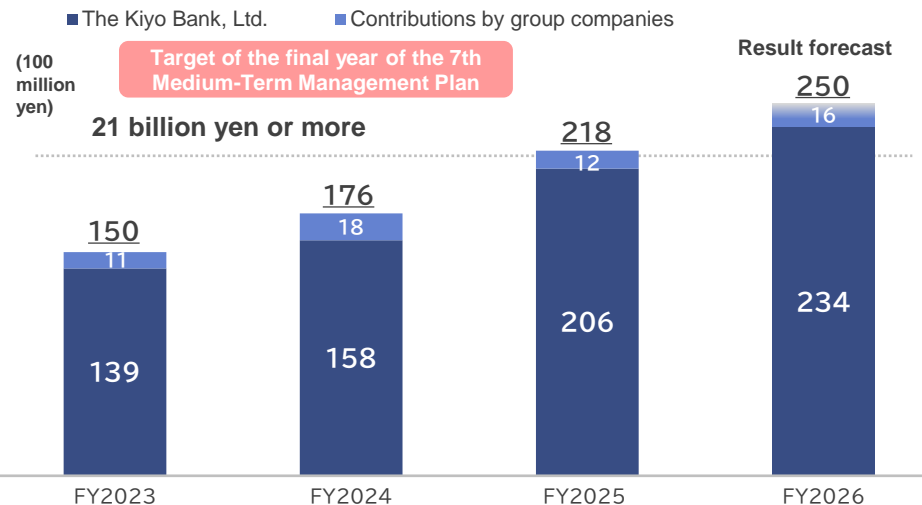
## We achieved the final year targets for ROE and profit indicators ahead of schedule

### ROE < consolidated >

We aim to achieve 10% as early as possible

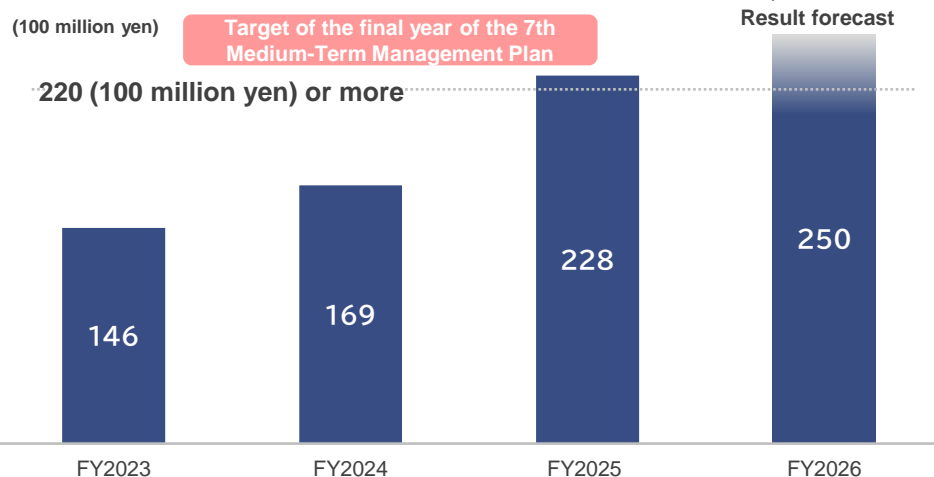


### Profit attributable to owners of parent < consolidated >

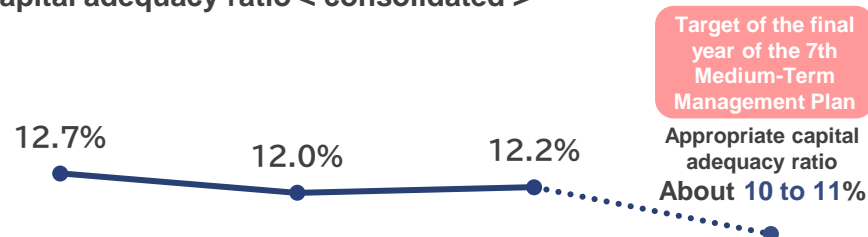


### Profit from customer services < non-consolidated >

\* Profit from customer services = Average balance of loans × Interest rate margin + Net fees and commissions – General and administrative expenses



### Capital adequacy ratio < consolidated >



Future impact of the full adoption of Basel III on capital adequacy ratio

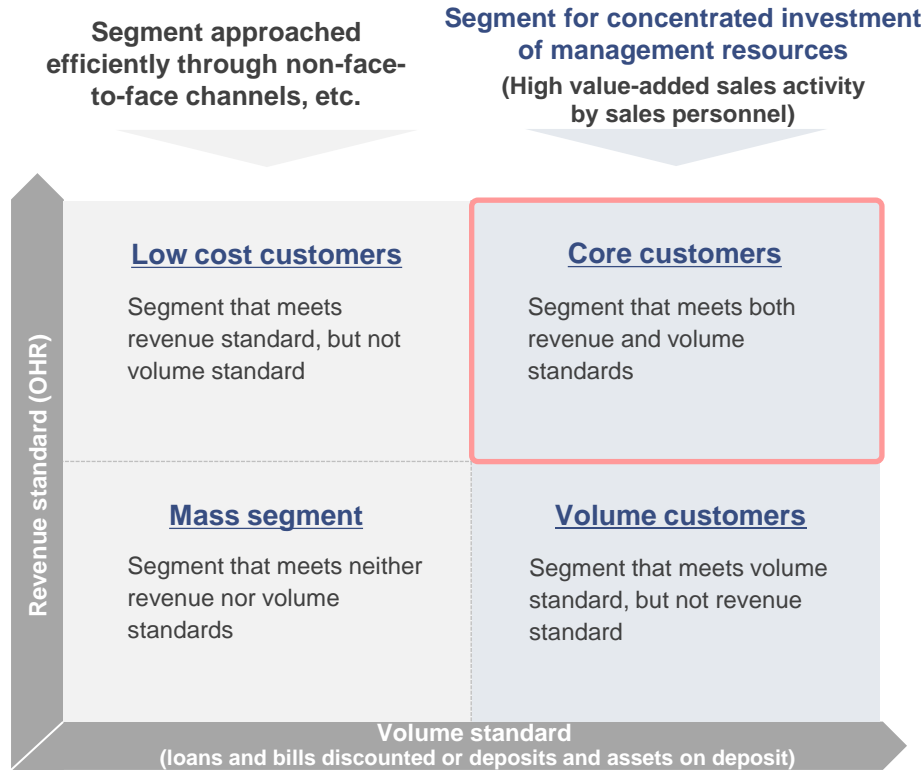
	Change from the end of March 2026
End March 2027	(0.9 pts)
End March 2028	(1.2 pts)

The number of core customers and revenue per customer are increasing steadily, driving strong core business revenue.

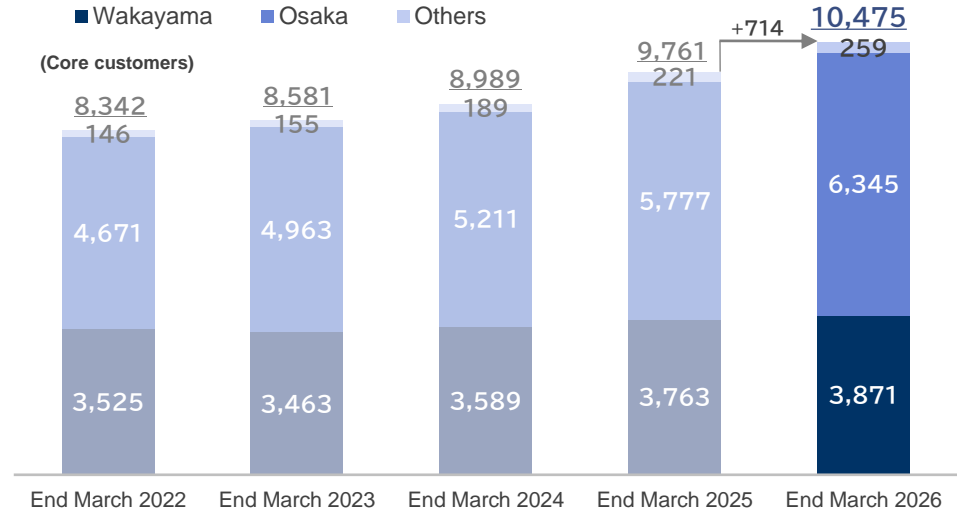
## Core customer strategy

- We introduced a core customer strategy from the 5th medium-term management plan (started in April 2018).
- We are segmenting 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.

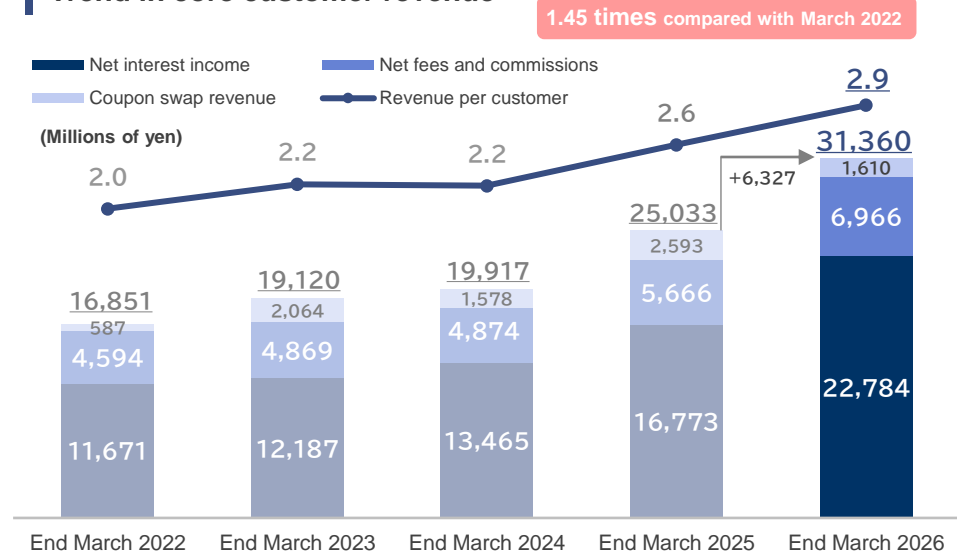
[Segment image]



## Number of core customers



## Trend in core customer revenue



The company has one of the largest workforces among regional bank-affiliated systems companies and differentiates the Bank from its peers by providing IT consulting and related services to customers

Kiyo Information Systems

Company name	Kiyo Information Systems Co., Ltd.	
Business	<ul style="list-style-type: none"> <li>Consulting, development and operation related to system introduction</li> <li>Support for the development and operation of integrated administrative systems for local governments</li> <li>Development of various systems for financial institutions</li> </ul>	[Sales composition] <b>4.6 billion yen</b>
Places of business	Headquarters: Wakayama City Kiyo Training Center Building: Wakayama City Tokyo Branch: Chiyoda-ku Osaka Development Center: Osaka City	(Millions of yen) ■ Public sector ■ Financial sector ■ Private sector
Number of employees (As of April 2026)	287 (separately, there are 144 personnel in partner companies)	247 1,295 3,148
Establishment	February 1985	FY2025
Major shareholders	The Kiyo Bank, Ltd. 80% BIPROGY Co., Ltd. 20%	

Medium-term management plan

1st Medium-Term Management Plan 2021-2023

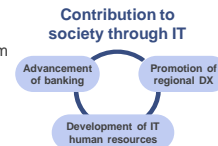
Let's build an exciting systems company!

Pursue new technologies, promote work-style reform, and contribute to regional revitalization.

2nd Medium-Term Management Plan 2024-2026

Let's become a systems company trusted by local communities in promoting regional DX!

- Enhancement of added value**
  - Business expansion into new domains
  - Expansion of services by utilizing new technologies
- Improvement of productivity**
  - Pursuit for operational efficiency and work style reform
  - Sophistication of human resource development
- Improvement of corporate value**
  - Solidifying contact with local communities
  - Contribution to local communities through IT

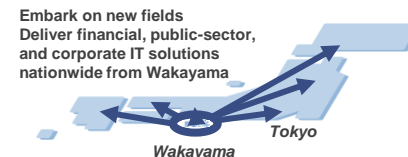


2030 Vision

Let's become a systems company that demonstrates overwhelming strength in each business field!

Overwhelming presence beyond regional boundaries

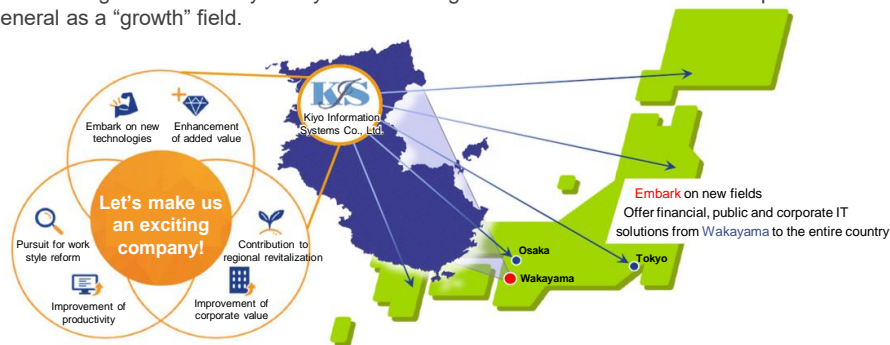
Position "public" and "finance" as "stable" basic fields, and challenge ourselves day in day out in offering IT consultation services, etc. to companies in general as a "growth" field.



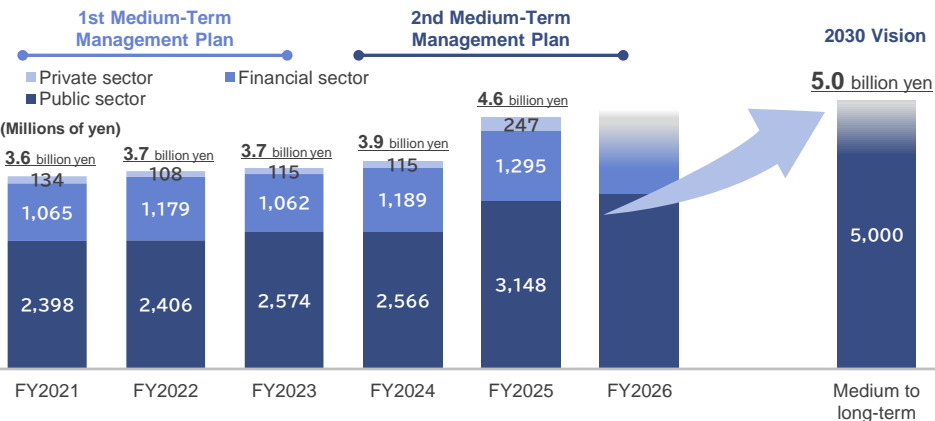
Corporate Philosophy

"Stability," "Growth" and "Challenge"

Establish a strong presence in new fields as a systems engineering team with outstanding strengths in the public and financial sectors. Based on technologies, experiences and human resources cultivated for many years, position "public" and "finance" as "stable" basic fields, and challenge ourselves day in day out in offering IT consultation services to companies in general as a "growth" field.



[Sales results and plans]

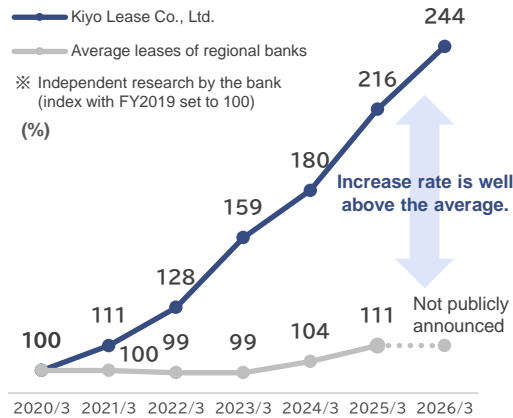


# In the leasing business, lease receivables balance increased steadily, and in the fund business, the subsidiary supports local companies in their business succession

## Kiyo Lease Co., Ltd.

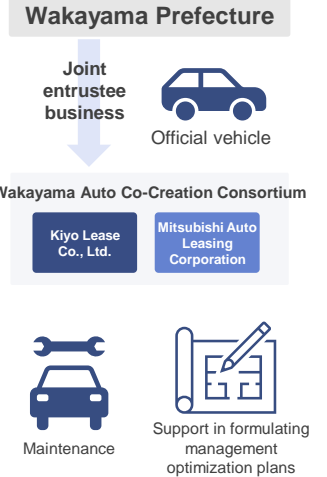
Company name	Kiyo Lease Co., Ltd.
Business	Various leasing services
Lease receivables balance	27.6 billion yen (FY2025)
Places of business	Headquarters: Wakayama City Sales bases: Sakai City and Tanabe City
Establishment	January 1996
Major shareholders	The Kiyo Bank, Ltd. 100%

Rate of increase of lease receivables balance



## Vehicle maintenance leasing contract with Wakayama Prefecture

Name of operations	Outsourcing the maintenance of official vehicles of Wakayama Prefecture and the task of assisting in formulating management optimization plans
Entrustee	Wakayama Auto Co-Creation Consortium <Consortium constituents> Kiyo Lease Co., Ltd. and Mitsubishi Auto Leasing Corporation
Purpose	Aim to improve operational efficiency by centralizing the management of official vehicles and outsourcing maintenance and at the same time, analyze the current status, unearth issues and support in formulating plans necessary for optimizing the management of official vehicles.
Work details	[1] Maintenance of official vehicles [2] Support in formulating official vehicle management optimization plans [3] Support for centralizing official vehicle management



## Kiyo Capital Management Co., Ltd.

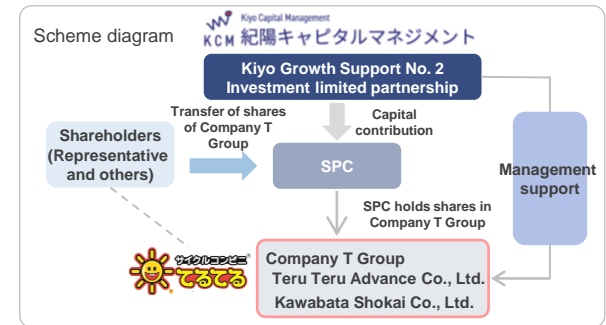
Company name	Kiyo Capital Management Co., Ltd.
Business	• Investment business • Management of investment funds
Places of business	Headquarters: Wakayama City Office: Sakai City
Establishment	March 2021
Major shareholders	The Kiyo Bank, Ltd. 50% Kiyo Kosan Co., Ltd. 50%

List of originated funds

Establishment	Fund name	Amount
2021/6	Kiyo Growth Support No. 1	2.0 billion yen
2023/10	Kiyo Growth Support No. 2	3.0 billion yen
<b>New</b> 2025/7	Kiyo Startup Debt Fund No. 1	1.0 billion yen
<b>New</b> 2025/8	Kiyo Healthcare Fund No. 1	3.0 billion yen

## Support local companies in their business succession

Company name	Teru Teru Advance Co., Ltd.
Category of business	Bicycle sales and repair
Address	Osaka City
Needs	Business succession and support in growth



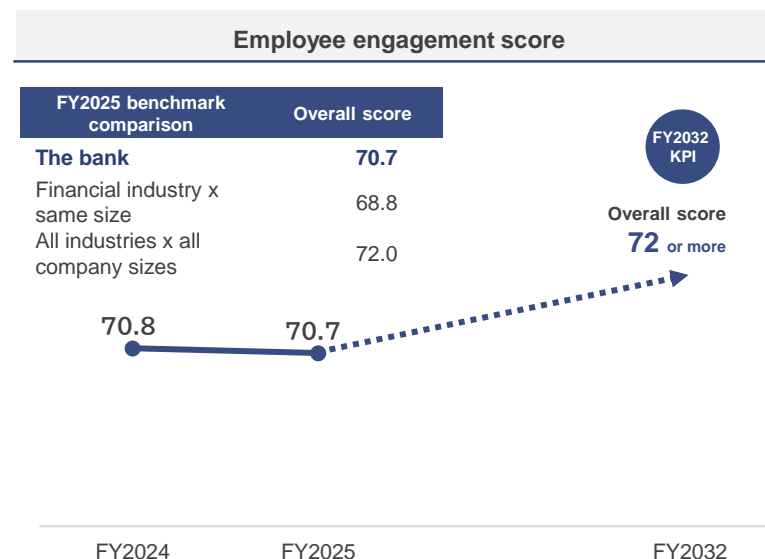
The company operates 28 bicycle sales and repair shops under the name "Cycle Convenience Store Teru Teru" mainly in Osaka City. Our subsidiary acquired shares in the client company to solve their business succession issues and support them in further expanding their business by strengthening their management foundation. After acquiring shares, our subsidiary dispatched outside directors to assist the client company in business management to enhance corporate value.

## Expand human capital investment and build a targeted human resource portfolio for sustainable growth

### Positive human capital investment

- We have been hiring new graduates positively for several years in anticipation of the further expansion of our business scale for growth and the intensification of competition in the hiring environment.
- We raised base salaries for four consecutive years to improve employee compensation
- We aim to improve employee engagement by accelerating human capital investment and upgrading the training environment.

New graduates hired (Unit: persons)	New graduates hired			Base salary increase results	
	FY2024	FY2025	FY2026		
Management course	110	106	85	July 2023	4.5%
Attendant course	62	68	41	July 2024	6.4%
Specialist course	4	5	4	July 2025	5.7%
<b>Total</b>	<b>176</b>	<b>179</b>	<b>130</b>	<b>July 2026 (planned)</b>	<b>6.1%</b>






### Targeted human resource portfolio

(Unit: people)	Definition of human resources	[1]		[2]	[1] - [2]	FY2032 plan
		FY2023 result	FY2024 result	FY2025 result	Change during the medium-term management plan period	
Solution sales personnel	Human resources who provide added value (solutions) directly to customers	510	518	601	+91	620
Management strategy planning personnel	Human resources who plan and formulate management strategies towards realization of the long-term vision, and create new revenue drivers	35	38	42	+7	70
Headquarters specialist personnel	Headquarters specialist personnel who support the core business support activities of solution sales personnel, and personnel who realize the implementation of measures related to IT, DX and other systems	78	84	95	+17	90
DX personnel	Human resources that cultivate a DX culture and contribute to the realization of management strategies and that resolve issues through DX at local companies and in the regions	794	958	1,146	+352	1,500
Strategic group companies	Personnel assigned to strategic group companies	263	271	296	+33	330

## We established a new IR Promotion Office in April 2026 to further strengthen engagement activities with investors

### State of initiatives

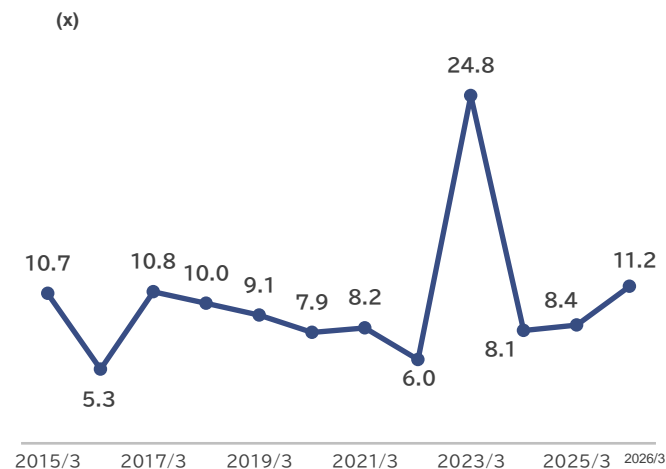
	Fiscal year 2023	Fiscal year 2024	Fiscal year 2025
 Dialogue	<ul style="list-style-type: none"> <li>General Meeting of Shareholders</li> <li>Financial results briefing (twice)</li> <li>Individual interviews (19 times)</li> <li>Company briefings (five times)</li> </ul>	<ul style="list-style-type: none"> <li>General Meeting of Shareholders</li> <li>Financial results briefing (twice)</li> <li><b>Individual interviews (38 times)</b></li> <li>Company briefings (five times)</li> <li><b>IR for individual investors (twice)</b></li> </ul>	<ul style="list-style-type: none"> <li>General Meeting of Shareholders</li> <li>Financial results briefing (twice)</li> <li><b>Individual interviews (50 times)</b></li> <li><b>Small meeting (once)</b></li> <li>Company briefings (five times)</li> <li><b>IR for individual investors (four times)</b></li> <li><b>IR for securities companies (once)</b></li> <li><b>Internal IR (once)</b></li> </ul>
 Issue extraction	<ul style="list-style-type: none"> <li>Initiatives for a PBR of 1x</li> <li>Clarification of area strategy</li> <li>Evaluation of the effectiveness of the Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives for a PBR of 1x</li> <li>Enhancement of shareholder returns</li> </ul>	<ul style="list-style-type: none"> <li>Review of results KPI associated with rise in policy interest rate</li> <li>Acceleration of the reduction of cross-shareholdings</li> </ul>
 Execution	<ul style="list-style-type: none"> <li>Announcement of the 7th medium-term management plan</li> <li>Disclosure of “Initiatives to Increase Corporate Value”</li> <li>Total return ratio of 40% or more</li> </ul>	<ul style="list-style-type: none"> <li><b>Change in shareholder return policy</b></li> <li>Revision of the skill matrix</li> <li>Introduction of an external evaluation organization for evaluation of the effectiveness of the Board of Directors</li> </ul>	<ul style="list-style-type: none"> <li><b>We revised the management indicators targeted in the 7th Medium-Term Management Plan (May 2025)</b></li> <li><b>We revised the reduction target for cross-shareholdings (May 2025)</b></li> </ul>

### Topics for dialogue with investors

- Growth strategy in the Osaka area
- Competitive situation with other banks
- Securities investment policy and the status of valuation losses on yen bonds
- Strengths in the DX field and the status of initiatives
- Deposit Strategy
- Approach to management integration and alliances

etc.






### Trend in PER



April 2026  
Establishment of new  
IR Promotion Office

**Aim to strengthen the organizational structure and further upgrade strategic IR activities**

## Sustainability KPIs are steadily progressing, and targets have been revised upward for items that exceeded the plans

Sustainability KPIs	Materialities	Main initiatives	FY2025 result	FY2026: The final year of the 7th Medium-Term Management Plan	FY2032: The year of achievement of the long-term vision
Core business added value [long-term vision KPI] *1	Development of the regional economy 	<ul style="list-style-type: none"> <li>Strengthening of core business support for business operators</li> <li>Strengthening of support for business founding and start-ups</li> <li>DX proposals for business operators</li> </ul>	57.0 billion yen	Revised upward in May 2025	
Number of consultation cases on business founding support			Cumulative 417 cases	Cumulative 370 cases	Cumulative 1,500 cases
Number of DX-related business contracts			Cumulative 32 cases	Cumulative 100 cases	Cumulative 300 cases
Core business support human capital ROI [long-term vision KPI] *2	Maximization of human capital and the improvement of sustainability 	<ul style="list-style-type: none"> <li>Integration of personnel strategy and management strategy</li> <li>Creation of a rewarding workplace</li> <li>Preparation of an environment for diverse working styles</li> </ul>	1.20x	Revised upward in May 2025	
Core business added value per solution sales person			94.8 million yen	Revised upward in May 2025	
Number of solution sales personnel assigned			601 people	100 million yen	130 million yen
Engagement score (overall)			70.7	536 people	620 people
Engagement score (culture of taking on challenges)			63	70 or more	72 or more
Engagement score (provision of career opportunities)			73	60 or more	70 or more
Number of users of staggered work hours, telecommuting, etc.	403 people	75 or more	80 or more		
Improvement of the effectiveness of the Board of Directors through evaluations by external organizations	Strengthening of governance and compliance 	<ul style="list-style-type: none"> <li>Evaluation of the effectiveness of the Board of Directors</li> <li>Dissemination of the Corporate Charter and Code of Conduct for Officers and Employees</li> <li>Dissemination of human rights policies</li> </ul>	Implementation of evaluation of the effectiveness of the Board of Directors through evaluations by external organizations	Introduction of evaluations by external organizations	Introduction of evaluations by external organizations
Continuous implementation and dissemination of policies			Revision of Human Rights Policy and its dissemination to all employees	-	-
Disbursed amount of sustainable finance *3	Addressing climate change 	<ul style="list-style-type: none"> <li>Promotion of sustainable finance</li> <li>Addressing climate change using the TCFD</li> <li>Development of solution sales related to decarbonization</li> </ul>	549.2 billion yen	700 billion yen (FY2029 target)	
CO <sub>2</sub> emission reduction ratio (compared with FY2013)			85.0%	Revised upward in May 2026	
Number of decarbonization solutions provided			Cumulative 143 cases	Cumulative 180 cases	Cumulative 800 cases
Continuous implementation and upgrading of items in initiatives	Securing of operational resilience 	<ul style="list-style-type: none"> <li>Strengthening of the BCP system for severe disasters</li> <li>Strengthening of cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>Revision and strengthening of an emergency communication system</li> <li>Implementation of emergency drills to improve effectiveness</li> <li>Implementation of penetration testing</li> </ul>	-	-

\*1 Core business added value is the added value of services provided to customers (core business sales) (calculation formula: Average balance of loans × Interest rate margin + Net fees and commissions)

\*2 Core business support human capital ROI shows the rate of return on investment of personnel costs in core business (calculation formula: Profit from customer services / Personnel expenses)

\*3 Cumulative totals are from April 2024 onward (only sustainable finance amount is aggregated from April 2022 onward)

# Trends in Main Figures

[P/L]

Non-consolidated (100 million yen)	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Gross business profit	560	493	488	477	514	529	510	258	428	501	626
Net interest income	472	451	446	434	444	421	451	432	411	507	592
Net fees and commissions	50	57	57	59	66	78	83	82	88	95	99
Net other ordinary income	36	(15)	(15)	(16)	2	29	(23)	(256)	(71)	(101)	(65)
Expenses	376	379	369	352	342	333	322	312	319	335	353
Core OHR (%)	71.8	75.2	73.9	71.7	66.3	66.1	59.5	58.9	63.7	54.5	50.6
Net business profit	183	114	118	125	172	196	188	(53)	109	165	273
Core net business profit	147	124	129	138	173	170	219	217	181	279	344
Total credit costs	10	21	16	15	1	33	41	(3)	(23)	(1)	23
Ordinary profit	215	121	156	169	203	191	223	28	183	208	306
Profit	176	102	105	109	128	128	142	25	139	158	206
Profit from customer services	31	10	16	42	67	90	124	139	146	169	228

Consolidated (100 million yen)	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Profit attributable to owners of parent	170	110	117	116	137	135	154	39	150	176	218

[B/S]

Non-consolidated (100 million yen)	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Deposits and negotiable certificates of deposit	39,347	39,586	39,599	40,077	40,571	44,765	45,964	46,142	47,057	47,593	49,680
Loans and bills discounted	27,383	28,205	28,762	29,680	30,843	32,835	34,240	36,098	38,513	41,690	43,710
Loan-deposit ratio (%)	69.59	71.24	72.63	74.05	76.02	73.34	74.49	78.23	81.84	87.59	87.98
Securities	11,747	13,080	11,135	9,710	10,605	10,817	9,869	7,228	8,876	8,372	8,004
Net assets	2,013	2,041	2,137	2,180	2,080	2,262	2,232	2,072	2,166	2,153	2,244
Total assets	44,362	48,612	46,618	45,741	47,235	56,494	58,681	54,764	58,197	59,159	61,065
Consolidated capital adequacy ratio (%)	10.23	9.70	9.71	9.32	9.96	10.40	10.82	13.03	12.77	12.05	12.26

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