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Consolidated Summary Report (Under Japanese GAAP) for the Three Months Ended June 30, 2024

July 31, 2024

Company name: Kyoto Financial Group,Inc.
Stock exchange listing: Tokyo Stock Exchange
Code number: 5844
URL: https://www.kyoto-fg.co.jp/
Representative: Nobuhiro Doi Director and President
Inquiries: Hideki Onishi Executive Officer, General Manager, Corporate Planning Division
Scheduled date to commence dividend payments: -
Trading accounts: None
Preparation of supplementary material on financial results: Yes (Japanese Only)
Holding of financial results briefing: None

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (% indicate changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income attributable to owners of parent	
For the three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	47,703	-	23,137	-	16,939	-
June 30, 2023	-	-	-	-	-	-

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 30,780 million [-%]
Three months ended June 30, 2023: ¥ - million [-%]

	Net income per share	Diluted net income per share
For the three months ended	Yen	Yen
June 30, 2024	57.98	57.94
June 30, 2023	-	-

(Note) The company was incorporated on October 2, 2023, and therefore figures for the previous quarterly and changes from yearly previous corresponding period are not stated.

(2) Consolidated Financial Position

	Total assets	Total net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	11,767,240	1,161,661	9.8
March 31, 2024	11,576,552	1,141,082	9.8

(Reference) Equity: As of June 30, 2024: ¥ 1,161,428 million
As of March 31, 2024: ¥ 1,140,874 million

(Note) The Equity-to-asset ratio is computed by the formula shown below.
(Total net assets - Share acquisition rights - Non-controlling interests) / Total net assets
The figures for the equity-to-asset ratio on the above table were not based on the regulations on the equity-to-asset ratio.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
For the fiscal year	Yen	Yen	Yen	Yen	Yen
Ended March 31, 2024	-	-	-	35.00	35.00
Ending March 31, 2025	-				
Ending March 31, 2025 (Forecast)		30.00	-	30.00	60.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) 1. The Company was incorporated on October 2, 2023, and therefore figures for through the second quarter of the fiscal year ended March 31, 2024 are not stated.
2. Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :
Commemorative dividend for the establishment of the Company 15.00 yen
3. For the fiscal year ended March 31, 2024, The Bank of Kyoto, Ltd., which became a wholly owned subsidiary of the Company through a sole-share transfer, paid an interim dividend of 20 yen per share.
When combined with the Company's year-end dividend, the annual dividend is 55 yen per share.
(The Company undertook a 4-for-1 stock split on January 1, 2024. For the fiscal year ended March 31, 2024, the annual dividend per share reflects this stock split.)

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(% indicate changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	77,400	-	26,900	-	19,500	-	66.74
Full year	152,400	10.6	46,200	6.0	33,000	4.5	112.95

(Note) Revision to the financial results forecast announced most recently: None

(Note) The company was incorporated on October 2,2023, and therefore figure for the quarterly previous corresponding period is not stated.

* Notes:

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 2 (Company name: Sekisui Leasing Co,Ltd., Kyoto Turnaround Servicer Co.,Ltd.)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement
A) Changes in accounting policies due to the revisions to accounting standards:Yes
B) Changes in accounting policies other than (A) above: None
C) Changes in accounting estimates: None
D) Restatement restatement: None

(4)Total number of issued shares(common shares)
A) Total number of issued shares at the end of the period (including treasury shares):
June 30, 2024: 301,362,752 shares
March 31, 2024: 303,362,752 shares

B) Number of treasury shares at the end of the period:
June 30, 2024: 9,199,428 shares
March 31, 2024: 11,199,168 shares

C) Average number of shares outstanding during the period:
Three months ended June 30, 2024: 292,163,483 shares
Three months ended June 30, 2023: - shares

(Note) The company was incorporated on October 2,2023, and therefore figure for the quarterly previous corresponding period is not stated.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Notes to using forecasted information,etc.
The description of future performance of this report is based on information which is presently available and certain assumptions which are considered to be reasonable, and it does not guarantee future performance.
Please take note that future performance may differ from forecasts depending on various future factors.

Supplementary information for quarterly financial statements is attached to the Consolidated Summary Report (Japanese Only).

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the First Quarter of the Fiscal Year Ending March 31, 2025.

As for consolidated operating results, ordinary income was 47,703 million yen and ordinary expenses were 24,566 million yen. As a result, ordinary profit was 23,137 million yen and profit attributable to owners of the parent was 16,939 million yen.

(2) Overview of Financial Position for the First Quarter of the Fiscal Year Ending March 31, 2025.

As for the consolidated financial position, deposits and negotiable certificates of deposit increased 16.3 billion yen from the end of the previous fiscal year to 9,381.6 billion yen, and loans and bills discounted increased 107.9 billion yen from the end of the previous fiscal year to 6,825.4 billion yen.

Securities increased by 133.0 billion yen from the end of the previous fiscal year to 3,469.5 billion yen, of which valuation differences (unrealized gains) resulting from mark-to-market accounting amounted to 946.7 billion yen.

Total assets increased 190.6 billion yen from the end of the previous fiscal year to 11,767.2 billion yen, and net assets increased 20.5 billion yen from the end of the previous fiscal year to 1,161.6 billion yen.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Cash and due from banks	962,778	799,908
Call loans and bills bought	368,746	392,896
Monetary claims bought	15,786	15,104
Trading securities	221	250
Money held in trust	6,226	6,250
Securities	3,336,568	3,469,587
Loans and bills discounted	6,717,532	6,825,453
Foreign exchanges	9,013	8,708
Lease receivables and investments in leases	13,717	36,001
Other assets	79,048	141,539
Tangible fixed assets	76,590	76,875
Intangible fixed assets	3,416	7,019
Deferred tax assets	1,046	1,089
Customers' liabilities for acceptances and guarantees	20,519	20,067
Allowance for loan losses	(34,660)	(33,514)
Total assets	11,576,552	11,767,240
Liabilities		
Deposits	8,821,977	8,686,000
Negotiable certificates of deposit	543,348	695,667
Call money and bills sold	1,714	-
Cash collateral received for securities lent	500,070	519,027
Borrowed money	193,750	311,000
Foreign exchanges	743	424
Borrowed money from trust account	3,990	3,957
Other liabilities	59,382	72,639
Retirement benefit liability	23,592	23,214
Provision for reimbursement of deposits	157	157
Provision for contingent loss	761	764
Reserves under special laws	0	0
Deferred tax liabilities	262,112	269,308
Deferred tax liabilities for land revaluation	3,349	3,347
Acceptances and guarantees	20,519	20,067
Total liabilities	10,435,470	10,605,578
Net assets		
Share capital	40,000	40,000
Capital surplus	41,875	37,472
Retained earnings	441,188	447,870
Treasury shares	(24,654)	(20,252)
Total shareholders' equity	498,409	505,090
Valuation difference on available-for-sale securities	645,029	658,489
Deferred gains or losses on hedges	28	283
Revaluation reserve for land	(2,699)	(2,666)
Remeasurements of defined benefit plans	105	231
Total accumulated other comprehensive income	642,464	656,337
Share acquisition rights	208	208
Non-controlling interests	-	25
Total net assets	1,141,082	1,161,661
Total liabilities and net assets	11,576,552	11,767,240

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2024
Ordinary income	47,703
Interest income	34,663
Interest on loans and discounts	14,851
Interest and dividends on securities	18,214
Trust fees	0
Fees and commissions	6,613
Other ordinary income	3,354
Other income	3,072
Ordinary expenses	24,566
Interest expenses	5,893
Interest on deposits	3,714
Fees and commissions payments	1,008
Other ordinary expenses	2,066
General and administrative expenses	15,322
Other expenses	276
Ordinary profit	23,137
Extraordinary income	44
Gain on disposal of non-current assets	44
Extraordinary losses	52
Loss on disposal of non-current assets	28
Impairment losses	24
Provision of reserve for financial instruments transaction liabilities	0
Income before income taxes	23,129
Income taxes - current	5,080
Income taxes - deferred	1,109
Total income taxes	6,190
Net income	16,939
Net income attributable to non-controlling interests	-
Net income attributable to owners of parent	16,939

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2024
Net income	16,939
Other comprehensive income	13,840
Valuation difference on available-for-sale securities	13,460
Deferred gains or losses on hedges	255
Remeasurements of defined benefit plans, net of tax	125
Comprehensive income	30,780
(Breakdown)	
Comprehensive income attributable to owners of parent	30,780
Comprehensive income attributable to non-controlling interests	-

(3) Notes to Quarterly Consolidated Financial Statements

(Changes in Accounting Policies)

The “Accounting Standard for Corporate, Inhabitant and Enterprise Taxes” (ASBJ Statement No. 27, October 28, 2022) is applied from the beginning of the first quarter of the current fiscal year.

There is no impact on the quarterly consolidated financial statements.

(Segment Information)

The Group's reportable segment is only banking business.

Other business segments have been omitted because they are not significant enough to be included in the reportable segments.

(Notes on Significant Changes in the Amounts of Shareholders' Equity)

None

(Notes on Going Concern Assumption)

None

(Notes to Statements of Cash Flows)

The quarterly consolidated statements of cash flows for the first quarter of the current fiscal year have not been prepared.

Depreciation (includes amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first quarter of the fiscal year are as follows.

(Millions of yen)

	For the three months ended June 30, 2024
Depreciation	892
Amortization of goodwill	-

(Business Combinations, etc.)

(Acquisition of a company through share acquisition)

The Company acquired shares in Sekisui Leasing Co., Ltd. on June 3, 2024 under the share transfer agreement concluded on February 29, 2024, and made the company a subsidiary.

1. Overview of business combination

(1) Name and business description of the acquired company

Name: Sekisui Leasing Co., Ltd.

Business description: General leasing business

(2) Reason for business combination

In order to realize the Group's vision of becoming a "comprehensive solutions provider that drives community growth and creates the future together," the Group is working to expand the solutions it can provide.

Sekisui Leasing Co., Ltd. is a company that operates a stable leasing business with the SEKISUI CHEMICAL Group as its primary customer. This share acquisition will expand the Kyoto Financial Group's leasing business and help us offer our customers a greater range of solutions by allowing us to leverage the know-how and trading base, etc. of Kyogin Lease Co., Ltd., a subsidiary of the Company and Sekisui Leasing Co., Ltd. In doing this, we will strive to help customers find solutions to management issues while also further increasing the corporate value of the Group.

(3) Date of business combination

June 3, 2024

(4) Legal form of business combination

Share acquisition in consideration for cash

(5) Name of the company after combination
Unchanged

(6) Ratio of voting rights acquired
90.0%

(7) Major basis of determination to acquire the company
The acquisition was made by means of share acquisition in consideration for cash.

2. The portion of the financial results of the acquired company included in the Company's consolidated financial statements
The Company's consolidated financial statements do not include any portion of the financial results of the acquired company as the deemed acquisition date is June 30, 2024.

3. Acquisition cost and consideration by type
Consideration in cash: 3,293 million yen
Acquisition cost: 3,293 million yen

4. Description and amount of major acquisition-related expenses
Advisory expenses, etc. 118 million yen

5. The amount of goodwill arising in the business combination, the reason for the goodwill arising, and amortization method and period

(1) The amount of goodwill arising in the business combination
3,067 million yen
This amount of goodwill is provisional because the allocation of acquisition cost has yet to be completed.

(2) Reason for the goodwill arising
The goodwill has arisen because the acquisition cost exceeded the fair value of the net assets of the acquired company at the time of business combination.

(3) Amortization method and period
The goodwill will be amortized using the straight-line method over a period for which it is expected to have its effect. The amortization period will be determined based on the results of acquisition cost allocation.