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To Whom It May Concern

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Establishment of New Strategic Targets Following Early Achievement of 1st Medium-Term Management Plan

Kyoto Financial Group, Inc. (President: Nobuhiro Doi; the "Company") has achieved the key performance indicator (net income attributable to owners of parent of 30.0 billion yen) of the 1st Medium-Term Management Plan (October 2023 to March 2026) ahead of schedule. Accordingly, at the meeting of the Board of Directors held today, new strategic targets were decided to achieve further growth. Please see below for an overview of these new targets.

1. Background

With the transition to a holding company structure in October 2023, we strengthened the cooperation among the Group's companies and continued to provide high-value integrated solutions as a unified corporation. This enabled us to achieve the key performance indicator of the "1st Medium-Term Management Plan (October 2023 to March 2026)" ahead of schedule, prompting the Company to set targets for further growth.

The environment surrounding the Group has changed significantly since the formulation of the 1st Medium-Term Management Plan, most notably of such changes was the arrival of a world with interest rates. We believe it is a prime opportunity for significant leaps forward by maximizing the use of our management base, including the network of branches we have developed as a wide-area regional bank.

Therefore, we have set significantly more challenging targets compared to previous targets, as strategic targets of the next 2nd Medium-Term Management Plan (April 2026 to March 2029).

2. New strategic targets

The Group set the following targets aimed at significantly improving ROE and accelerating investment in next-generation growth companies.

Item	To be achieved by	Target
ROE (net asset basis)	March 2029	5% ← previous target (3% in March 2026) [Achieve for 8% or higher for first half of 2030s]
Net income attributable to owners of parent	March 2029	60.0 billion yen ← previous target (30.0 billion yen in March 2026)
Growth investments primarily in venture investments	March 2031	100.0 billion yen or more (net increase, cumulative total from second half of FY2024)
Reduction of strategic equity holdings	March 2029	100.0 billion yen or more (market value, cumulative total from second half of FY2024)

3. Sustainable enhancement of our corporate value by discovering and nurturing next-generation growth companies

To create a virtuous cycle of regional economic growth, the Group will utilize strategic equity holdings to discover, nurture and invest in next-generation growth companies. We have set a new strategic target of investing over 100.0 billion yen, primarily in venture investments, and as the funding source for this, we will reduce our strategic equity holdings, which we have accumulated throughout the Group's history of deep involvement nurturing and creating leading Japanese companies, by more than 100.0 billion yen (market value basis).

This will help to create a virtuous cycle of growth in the regional economy and contribute to the sustainable improvement of the Group's corporate value.

* For more details, please refer to the "Strategic Targets for Further Growth" attached to the Japanese-language original.

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