June 27, 2025

To Whom It May Concern:

Company name:	Kyoto Financial Group, Inc.
Representative:	Nobuhiro Doi, Representative Director and President
Securities code:	5844, TSE Prime
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Notice Regarding the Disposal of Treasury Shares as Restricted Stock Compensation

Kyoto Financial Group, Inc. (Representative Director and President: Nobuhiro Doi; the "Company") hereby announces that at its Board of Directors meeting held today, the Company resolved to dispose of the Company's treasury shares (the "Disposal of Treasury Stock" or the "Disposal"), as described below.

1. Overview of the Disposal of Treasury Shares

(1) Disposal date	July 25, 2025
(2) Class and number of shares subject to disposal	28,711 shares of common stock of the Company
(3) Disposal price	2,569 yen per share
(4) Total value of disposal	73,758,559 yen
(5) Subscriber and its number and the number of shares to be disposed of	4 Directors of the Company (excluding Outside Directors and Directors who are Audit and Supervisory Committee Member): 8,658 shares 4 Executive Officers of the Company: 2,898 shares 7 Directors of The Bank of Kyoto, Ltd. (excluding Outside Directors of The Bank of Kyoto, Ltd.): 7,275 shares 13 Executive Officers of The Bank of Kyoto, Ltd.: 9,880 shares *Although the sum of the subscribers above is 28, there are those who serve as both Director or Executive Officer of the Company and Director of The Bank of Kyoto, Ltd. and the actual subscribers are 21 people.

2. Purpose and reason of the disposition

The Company resolved, at the Board of Directors meeting held on May 14, 2024, to introduce the Restricted Stock Compensation Plan (the "Plan") to the Directors of the Company (excluding Outside Directors and Directors who are Audit and Supervisory Committee Member; the "Eligible Directors of the Company") and the Executive Officers of the Company (together with the Eligible Directors of the Company, the "Eligible Directors and Officers of the Company") for the purpose of providing them with incentives to continuously increase the Company's corporate value, as well as promoting further value share with shareholders. At the 1st Ordinary General Meeting of Shareholders held on June 27, 2024, it was approved that the Company grants monetary remuneration claims which shall be no more than 150 million yen per year to the Eligible Directors of the Company as the monetary claim for contributed assets in-kind to receive restricted stocks pursuant to the Plan, that the restriction period shall be from the date of allocation of restricted stock to the date of resignation from all the position of the Directors or Executive Officers of the Company and other details.

In addition, while from 2021 The Bank of Kyoto, Ltd. (the "Bank"), our subsidiary, introduced a Restricted Stock Compensation Plan on the shares of the Bank to the Directors (excluding Outside Directors) and Executive Officers of the Bank (the "Eligible Directors and Officers of the Bank", and together with the Eligible Directors and Officers of the Company, the "Eligible Directors and Officers") for the purpose of providing them with incentives to continuously increase the corporate value of the Bank, as well as promoting further value share with shareholders, it was determined that restricted stock compensation similar to the Plan using the common shares of the Company would be granted afterward.

[Overview of the Plan]

The Eligible Directors and Officers will pay in all the monetary remuneration claims granted by the Company or the Bank based on the Plan as the contributed assets in-kind and will receive issuance or disposal of common stocks of the Company. At the Company, the total number of shares of the Company's common stock to be issued or disposed of to the Eligible Directors of the Company based on the Plan shall not exceed 100,000 shares per year, and the amount to be paid in per share shall be determined by the Board of Directors to the extent that the amount will not be particularly advantageous to the Eligible Directors and Officers who receive the Company's common stocks based on the closing price of the Company's common stocks on the Tokyo Stock Exchange on the business day immediately before the date of resolution of the Board of Directors (if the trade is not made on that day, the closing price on the trading day immediately prior to that day).

In this decision, the Company has resolved to grant 28,711 shares of common stock of the Company to 21 Eligible Directors and Officers by having them contribute in-kind the monetary remuneration claims in a total amount of 73,758,559 yen given by the Company or the Bank (of which the monetary remuneration claims of 22,242,402 is to be given to the Eligible Directors of the Company), taking into consideration the purpose of the Plan, the business situation of the Company, the scope of the work responsibility of each Eligible Directors and Officer and other circumstances and with the aim of further improving the motivation of each Eligible Director and Officer.

The overview of allocation agreement of the restricted stocks to be executed between the Company and the Eligible Directors and Officers in connection with the Disposal of Treasury Stock (the "Allocation Agreement") is as explained in 3. below.

3. Overview of the Allocation Agreement

(1) Restriction period

In respect of the Eligible Directors and Officers of the Company, from July 25, 2025 to the date he/she resigns from all the position of the Directors or Executive Officers of the Company. In respect of the Eligible Directors and Officers of the Bank, from July 25, 2025 to the date he/she resigns from all the position of the Directors or Executive Officers of the Bank.

(2) Conditions for cancelling transfer restriction

On the condition that the Eligible Directors and Officers of the Company continuously hold the position as the Director or Executive Officer of the Company from June 27, 2025 to the date of the Ordinary General Meeting of Shareholders of the Company to be held in the following year (in respect of the Eligible Directors and Officers of the Company, the "Service Period"), the Company will cancel the transfer restriction on all shares granted based on the Allocation Agreement (the "Allocated Shares") at the time of expiration of the transfer restriction period.

On the condition that the Eligible Directors and Officers of the Bank continuously hold the position as the Director or Executive Officer of the Bank from June 27, 2025 to the date of the Ordinary General Meeting of Shareholders of the Bank to be held in the following year (in respect of the Eligible Directors and Officers of the Bank, the "Service Period"), the Company will cancel the transfer restriction on all Allocated Shares at the time of expiration of the transfer restriction period.

(3) Measures to be taken upon the resignation of the Eligible Directors and Officers due to death or any other reason deemed justifiable by the Board of Directors of the Company (excluding resignation without just cause; the same applies hereinafter) during the Service Period

(i) Timing of cancellation of transfer restriction

If the Eligible Directors and Officers resign from all the position as the Director or Executive Officer of the Company (with respect to the Eligible Directors and Officers of the Bank, from all the position as the Director or Executive Officer of the Bank) due to death or any other reason deemed justifiable by the Board of Directors of the Company during the Service Period, the Company will cancel, on the next day of such resignation, the transfer restriction regarding the Allocated Shares.

(ii) Number of shares subject to cancelation of transfer restriction

It will be a number obtained by multiplying the number of the Allocated Shares held at the time of the resignation in (i) by the number (if this number exceeds one (1), then this number shall be deemed to be one (1)) which is obtained by dividing the term of office pertaining to the Service Period of the Eligible Directors and Officers (the number of months from the month following the month that includes the start date of the Service Period to the month that includes the date of the resignation) by 12; provided, however, any fractional shares arising from the calculation shall be rounded down.

(4) Acquisition of Allocated Shares by the Company without compensation

The Company will automatically acquire the Allocated Shares for which the transfer restriction is not cancelled as of the expiration of the restriction period without any compensation.

(5) Management of shares

During the restriction period, the Allocated Shares will be managed in a dedicated account opened by the Eligible Directors and Officers in Daiwa Securities Co. Ltd. so that the Eligible Directors and Officers cannot transfer, create security interest on, or otherwise dispose of the Allocated Shares during the restriction period. The company has entered into an agreement with Daiwa Securities Co. Ltd. with respect to the management of the accounts of the Allocated Shares held by each Eligible Director and Officer in order to ensure the effectiveness of the transfer restriction on the Allocated Shares. In addition, the Eligible Directors and Officers shall agree on the details of the management of such accounts.

(6) Measures to be taken upon organizational restructuring, etc.

In the event a merger agreement in which the Company will become the absorbed company, a stock exchange agreement or a stock transfer plan in which the Company will become the wholly-owned subsidiary, or any other matter related to organizational restructuring, etc., is approved in the General Meeting of Shareholders of the Company (or if approval in the General Meeting of Shareholders is not required in relation to such organizational restructuring, then the Board of Directors meeting of the Company) during the restriction period, the Company will, upon the resolution of the Board of Directors and at the time immediately

before the business day preceding the effective date of such organizational restructuring, etc., cancel the transfer restriction on the shares in number obtained by multiplying the number of the Allocated Shares held at the time by the number (if this number exceeds one (1), then this number shall be deemed to be one (1)) which is obtained by dividing the number of months from the month following the month that includes the start date of the Service Period to the month that includes such approval by 12; provided, however, any fractional shares arising from the calculation shall be rounded down. In addition, the Company will automatically acquire all the Allocated Shares for which the transfer restriction is not cancelled immediately after the transfer restriction is cancelled in the foregoing procedure.

4. Basis of calculation of paid-in amount and specific details thereof

The Disposal of Treasury Shares to prospective subscribers will be carried out with the monetary remuneration claims given as restricted stock compensation for the business year of the Company and the Bank in which the resolution of allocation is included in accordance with the Plan to be paid in as the contributed assets in-kind. The amount paid per share is 2,569 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on June 26, 2025 (business day immediately preceding the date of the resolution of the Board of Directors), in order to adopt a price that excludes arbitrariness. This price is the market value immediately preceding the date of the resolution of the Board of Directors, and the Company believes it is a reasonable price and it does not fall within a price that is excessively advantageous.

End

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