



May 14, 2026

To Whom It May Concern:

Company name:	Kyoto Financial Group, Inc.
Representative:	Nobuhiro Doi, Representative Director and President
Securities code:	5844, TSE Prime
Contact:	Hideki Onishi, Executive Officer, General Manager, Corporate Planning Division (TEL: +81-75-361-2275)

Notice Regarding Introduction of Stock Remuneration Plan for Employees

Kyoto Financial Group, Inc. (Representative Director and President: Nobuhiro Doi; the “Company”) hereby announces that the Board of Directors, at the meeting held today, has decided to introduce a “Stock Remuneration Plan” (the “Plan”) for employees (“Employees”) of the Company and its group companies (“Eligible Companies”), as described below.

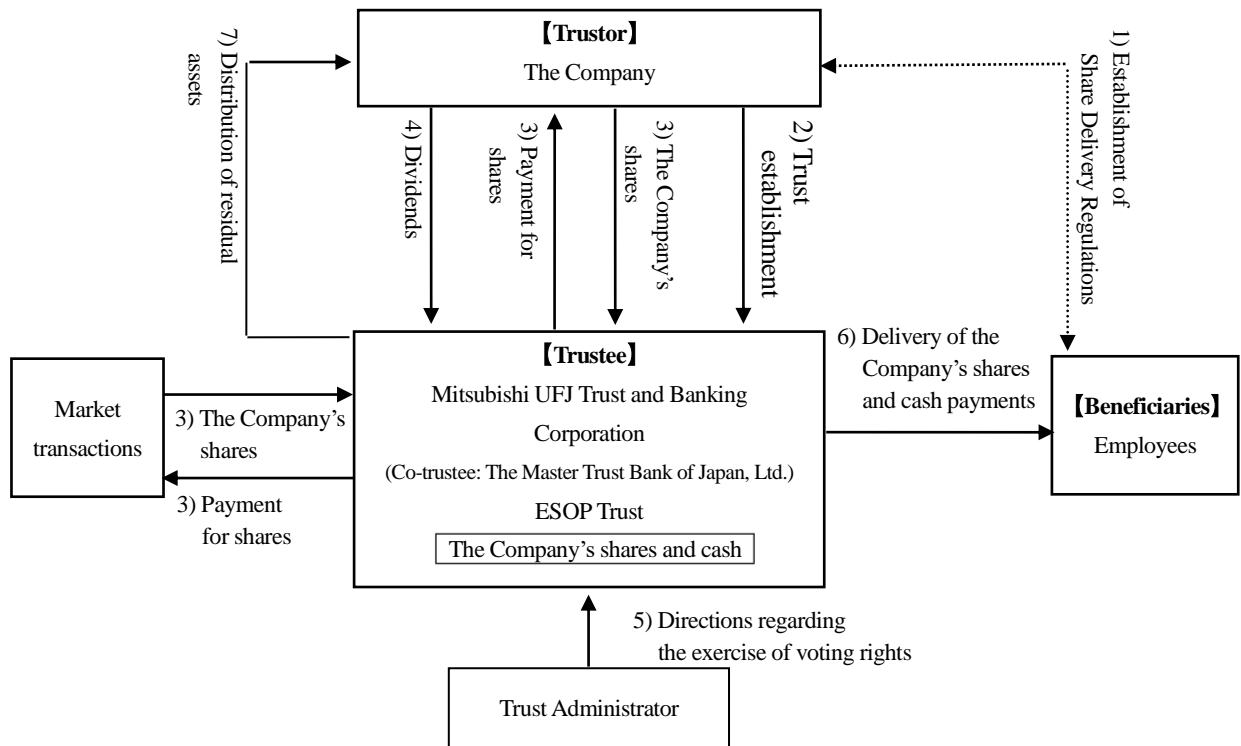
1. Purpose of introducing the Plan

- (1) The Company has defined its ideal vision for the next 10 years as a "Value Creation Group" that works with all stakeholders to create a virtuous cycle of sustainable growth. To achieve this, the Company has formulated a human resources strategy that aligns with its management strategy and is committed to human capital management from a medium- to long-term perspective.
In order to enhance the corporate value of the Company group over the medium to long term, the Company is introducing the Plan as part of its human capital investment. The aims are to improve Employees' awareness of management participation, to elevate Employees' motivation to contribute to the Company's performance, and to share a feeling of growth with Employees.
- (2) The Plan adopts a scheme known as the Employee Stock Ownership Plan (ESOP) Trust (the “ESOP Trust”). The ESOP Trust is trust-type stock incentive plan modeled after the U.S. ESOP system. Under this arrangement, the ESOP Trust acquires the Company's shares and distributes them to Employees in accordance with pre-established Share Delivery Regulations.
- (3) By introducing this Plan, Employees will be able to benefit financially from increases in the price of the Company's shares. This is expected to prompt Employees to perform their duties in a manner more attuned to stock price movements and to help boost their motivation to work. Furthermore, voting rights associated with the Company's shares held within the trust assets of the ESOP Trust are exercised in a manner that reflects the intentions of Employees who are prospective beneficiaries. This scheme supports greater Employee involvement in management and serves as an effective measure for enhancing corporate value.

* With the introduction of the Plan, the Company has simultaneously resolved to dispose of 330,000 shares (equivalent to 1,479,720,000 yen) of the treasury stock currently held by the Company (as of the end of March 2026), out of a total of 17,303,146 shares, to the ESOP Trust.

For further details, please refer to “Notice Regarding Disposition of Treasury Stock as Stock Remuneration,” released today.

2. Scheme of the Plan



- 1) The Company will establish Share Delivery Regulations for the Plan tailored to each Eligible Company.
- 2) The Company will contribute funds and establish an ESOP Trust, with Employees who satisfy the requirements for eligible beneficiaries designated as beneficiaries.
- 3) The ESOP Trust will acquire the number of the Company's shares expected to be delivered to the beneficiaries during the trust period, using money contributed in item 2) above to acquire, through market transactions or from the Company (through the disposal of treasury stock), in accordance with the directions of the trust administrator.
- 4) Dividends will be paid on the Company's shares held within the ESOP Trust in the same manner as for other shares of the Company.
- 5) With respect to the Company's shares held within the ESOP Trust, the trust administrator will give directions regarding the exercise of voting rights and other shareholder rights throughout the trust period, and the ESOP Trust will exercise those rights in accordance with such directions.
- 6) In accordance with Share Delivery Regulations, the Company's shares and other will be granted to employees who meet certain requirements.
- 7) Upon the termination of the ESOP trust, any residual assets remaining after distribution to beneficiaries are planned to be attributed to the Company, within the scope of the trust expense reserve, which is calculated by deducting the stock acquisition funds from the trust money.

(Note) During the trust period, additional funds may be contributed to the ESOP Trust in the event of a potential shortfall in the number of shares held within the ESOP Trust or if the funds in the trust assets are insufficient to cover trust fees and expenses.

(Reference)

Details of the trust agreement

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| (1) Trust type | Money held in trust other than specific money held in trust for single use (beneficiary trust) |
| (2) Trust purpose | To provide incentives to Employees |
| (3) Trustor | The Company |
| (4) Trustee | Mitsubishi UFJ Trust and Banking Corporation
(Co-trustee: The Master Trust Bank of Japan, Ltd.) |
| (5) Beneficiaries | Employees who satisfy the requirements for eligible beneficiaries |
| (6) Trust administrator | Third party with no vested interest in the Company (certified public accountant) |
| (7) Trust agreement date | May 29, 2026 (scheduled) |
| (8) Trust period | From May 29, 2026 to August 31, 2029 (scheduled) |
| (9) Plan start date | May 29, 2026 (scheduled) |
| (10) Exercise of voting rights | The trustee will exercise voting rights for the Company's shares in accordance with directions from the trust administrator that reflect the voting status of prospective beneficiaries. |
| (11) Type of shares to be acquired | Common stock of the Company |
| (12) Total value of shares to be acquired | 1,479,720,000 yen |
| (13) Method used to acquire shares | Acquired through disposition of the Company's treasury stock |

This document has been translated from the original notice in Japanese.
In the event of any discrepancy, the original in Japanese shall prevail.