



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
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Notice Regarding Disposition of Treasury Stock as Stock Remuneration

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 dispose of its treasury stock as stock remuneration (“Disposition of Treasury Stock”), as described below.

1. Outline of the disposition

(1) Date of disposition	June 3, 2026
(2) Class and number of shares for disposition	Common stock: 330,000 shares
(3) Disposition price	4,484 yen per share
(4) Total disposition amount	1,479,720,000 yen
(5) Scheduled recipients of the disposition	The Master Trust Bank of Japan, Ltd. (Stock Granting ESOP Trust Account)
(6) Other	An extraordinary report for the Disposition of Treasury Stock has been filed in accordance with the Financial Instruments and Exchange Act

2. Objective and reason for the disposition

The Company has also decided to introduce a stock remuneration plan utilizing the Employee Stock Ownership Plan (“ESOP”) Trust structure for employees of the Company and its group companies (“Employees”).

For an overview of the ESOP Trust, please refer to the “Notice Regarding Introduction of Stock Remuneration Plan for Employees” dated May 14, 2026.

This Disposition of Treasury Stock is being carried out in connection with the introduction of the ESOP Trust.

Under the ESOP Trust agreement (the “Trust Agreement”) to be executed between the Company and Mitsubishi UFJ Trust and Banking Corporation, the Company will dispose of treasury stock as stock remuneration to The Master Trust Bank of Japan, Ltd. (Stock Granting ESOP Trust Account), the co-trustees of the Trust established under the Trust Agreements.

The number of shares to be disposed of represents the number of shares expected to be delivered during the trust period to Employees in accordance with the Share Delivery Regulations set under the ESOP Trust. This disposition will result in a dilution of 0.11% of the total 301,362,752 shares issued as of March 31, 2026 (rounded to the second decimal place; and a ratio of 0.12% of the total 2,838,608 voting rights outstanding as of March 31, 2026).

Following the disposition, the shares of the Company will be delivered to Employees in accordance with the Share Delivery Regulations under the ESOP Trust. As these shares are not expected to be released into the market all at once, the impact on the stock market is anticipated to be minimal. Accordingly, the Company has determined that both the number of shares to be disposed of and the level of dilution are reasonable.

3. Basis and specific details for calculating the disposition price

The disposition price has been set at 4,484 yen, which is the closing price of the Company's share on the Tokyo Stock Exchange, Inc. ("Tokyo Stock Exchange") on business day prior to the date of the Board of Directors resolution regarding this Disposition of Treasury Stock (May 13, 2026). This approach was taken to eliminate arbitrariness in determining the price, taking into account recent trends in the share price. The Company decided to use the business day preceding the date of the resolution of the Board of Directors, as it reflects the market price immediately prior to the date of the resolution of the Board of Directors and was considered reasonable for determining the disposition price.

4. Procedures under the Code of Corporate Conduct

Since the dilution ratio resulting from this Disposition of Treasury Stock is less than 25% and there will be no change in the controlling shareholder, it is not necessary to obtain an opinion from an independent third party or confirm shareholder intent, as stipulated in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange.

End

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