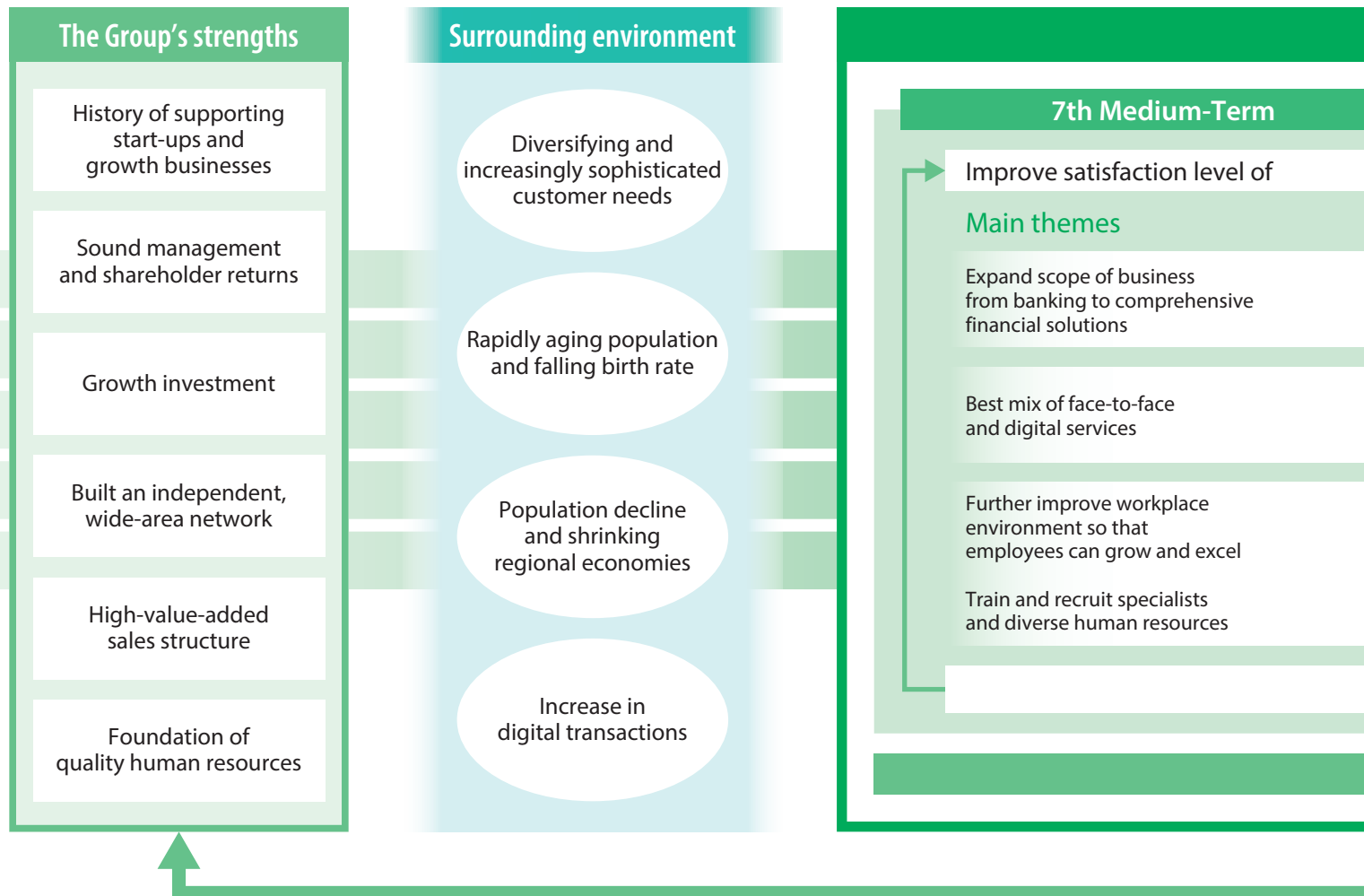


The Bank of Kyoto Group's Value Creation Process

—Working toward a Sustainable Society—

Management principle:



Strategies to Strengthen Consulting Capabilities

■ Business Consulting

Business Climate

Our business customers do not only require financing from financial institutions. Their needs are diverse and have become increasingly sophisticated. The Bank is helping customers to solve diverse problems through consulting-based sales activities under the 7th Medium-Term Management Plan, which aims to further expand business scope to evolve into a comprehensive financial solutions business.

Support for Start-Ups and New Businesses (Early Phase)

In addition to relationship investment (i.e., the Bank is a direct shareholder), the Bank has invested in total around ¥5.6 billion in 400 companies through a fund scheme since 2000. As of March 31, 2021, about 30 of these companies had listed on the stock market. The Bank launched the Kyogin Bright Future Support Fund, its own fund, in February 2016 to strengthen its capital function. The fund, with assets under management of ¥2.5 billion, had invested roughly ¥1.5 billion in 31 companies as of March 31, 2021.

Support for Growth (Growth Phase)

Business-Matching

The first hurdle in finding a new buyer for a business is to gain an interview opportunity. The Bank's business-matching service offers a seamless referral service with a wide-area network of 174 branches in 5 prefectures within the Kinki region, Aichi Prefecture, and Tokyo.

"Serving the Prosperity of the Community"

Implementing our management principle at an even higher level

Management Plan

all employees

Main initiatives

Strengthen consulting capability

Digital and branch strategies

Human resource strategies, human resource innovation project

Improve regional and customer satisfaction

Corporate governance

Achieve SDGs

Revitalize regional economies

Provide safe, secure, and convenient financial services

Improve financial literacy

Reduce environmental impact

Help all employees excel

Enhance the Group's enterprise value

Support for Management Improvement and Business Rehabilitation (Stability and Maturation Phase)

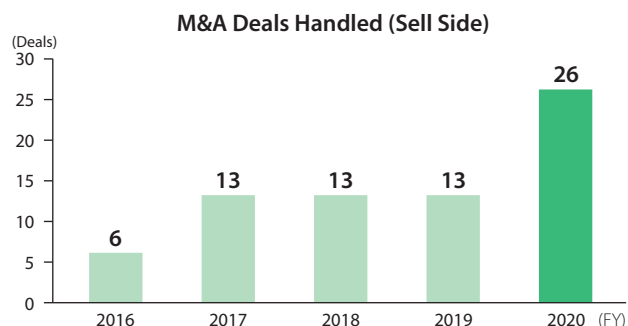
The Bank is working closely with regional business rehabilitation support networks and external specialist organizations, and utilizing various business rehabilitation schemes to proactively provide financial support based on cooperation between financial institutions.

Recruitment Agency (Growth, Stability, and Maturation Phase)

The Bank started a recruitment agency business in April 2020 to refer jobseekers to potential employers. As a result, the Bank has been selected as a Pioneering HR Business by the Cabinet Office and received indirect subsidies.

M&A Support (Growth, Stability, and Maturation Phase)

The Bank began an M&A business in 2001. Today, it has a well-developed structure for providing solutions to customers. The Bank's consulting structure covering the full process from deal origination to execution has won customers' trust. Since the first deal in 2003, the Bank's M&A team has helped 148 companies with M&A deals.



Business Succession Support (Growth, Stability, and Maturation Phase)

The Bank started providing business succession support services in 2009, as well as gaining experience in business succession schemes utilizing managed funds. In March 2021, the Bank established its first business succession fund with a total of ¥3 billion, planning to increase assets under management to ¥10 billion in 10 years.

Public Dealings

The Bank has concluded partnership agreements with 15 local public bodies to work with them in regional revitalization.

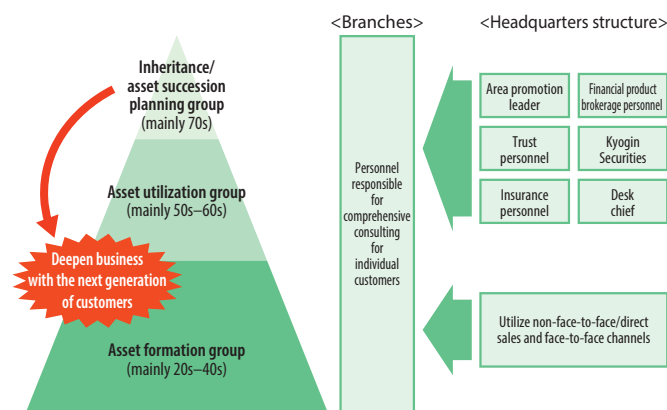
Agreement date	Party to agreement
July 2015	Kyotango City
June 2016	Joyo City
July 2016	Kyoto Prefectural Public University Corporation, Kyoto Prefectural University of Medicine, Kyoto Prefectural University
September 2016	Uji City
September 2016	Shiga University
October 2016	Kyotanabe City
October 2016	Katano City
November 2016	Kumiyama-cho
December 2016	Maizuru City
December 2016	Kyoto Women's University
March 2017	Yosano-cho
June 2017	Seika-cho
October 2018	Kyoto Labor Bureau
August 2020	Fukuchiyama City
March 2021	Kyoto City

In January 2021, the Bank established the Kyogin Machizukuri Fund (assets under management of ¥200 million, of which the Bank invested ¥100 million) with the Organization for Promoting Urban Development. In March 2021, the Bank collaborated with Shinkin banks with head offices in Kyoto and destination marketing organizations (DMO) to establish the Chiikizukuri Kyo Fund (assets under management of ¥200 million, of which the Bank invested ¥40 million) as an initiative for rejuvenation of regional resources and area revitalization.

Individual Consulting

As with business consulting services, the Bank has built a high-value-added sales structure to provide comprehensive individual consulting services. The branches, Head Office, and Group companies work as one to offer one-stop banking, securities, and trust services to provide quality consulting appropriate for each customer's life stage.

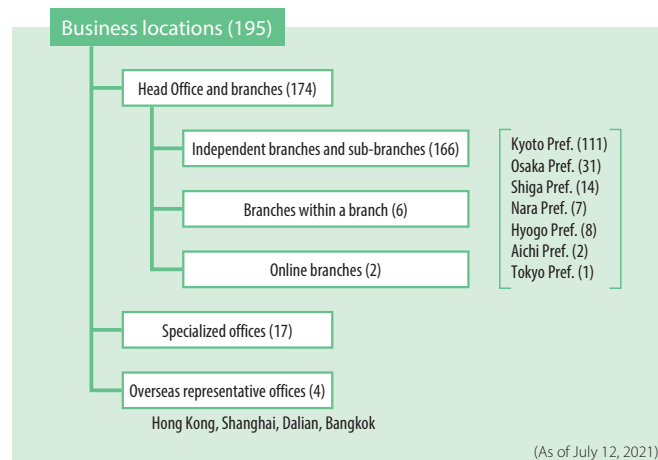
Shifting from Financial Instruments Sales to Consulting Sales (Phase Change) —Know Your Customers Well and Take Action!—



Branch Strategies

A lack of finances and reserves to respond to changes in the income environment means pressure to cut costs to keep branches open, and possibly a decision to scale down by closing branches and other means. However, the Bank has maintained a high level of financial soundness and adopted a branch strategy that focuses on enhancing consulting functions even further while making branches more efficient, because it believes that helping local customers tackle challenges is the mission of regional financial institutions.

[Bank Location Lineup]



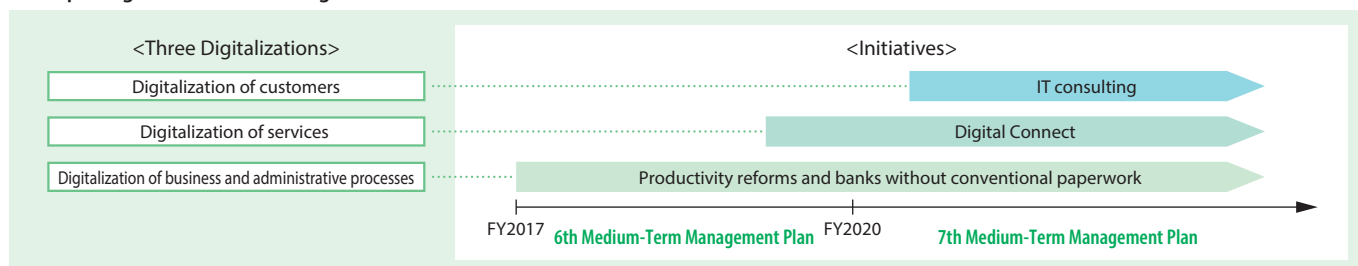
The Bank has specialist offices in all regions to fulfill the needs of its customers, which have become more diverse and sophisticated. For individual customers, we have 10 loan sales offices covering a sales area of 120 branches. In July 2021, the Bank opened a new office in Fukuchiyama City, Kyoto Prefecture that specializes in individual consulting services such as inheritance and asset succession. For corporate customers, the Bank opened two corporate offices in Hirano Ward, Osaka and Akashi City, Hyogo Prefecture.

Many of the Bank's branches are in prime locations, and are being effectively utilized to serve local needs by combining branches with other businesses. In addition to the Kawaramachi Branch in Kyoto (opened in June 2021 with a hotel above the branch), the Sai and Yamashina Branches in Kyoto are also planned (scheduled to open in FY2022 alongside rental dormitories that will be open to the public).

Digital Strategies

In June 2019, the Bank established the Innovation & Digital Strategy Division responsible for planning, designing and oversight of its digital strategy. The new organization is driving the three digitalizations: digitalization of business and administrative processes (within the Bank itself), digitalization of services (provided by the Bank), and promoting digitalization of customers.

Concept Diagram of the Bank's Digital Initiatives



Digitalization of Business and Administrative Processes

As a next-level initiative of the medium-term management plan, the Bank is transitioning 80% of its conventional administrative work to non-face-to-face, tablet-based work with the goal of becoming a bank without conventional paperwork.

Digitalization of Services

The two main digitalized services for customers are the Kyogin App for individual customers and Kyogin Business Portal for business customers. The Bank provides comprehensive daily life-related services to individual customers and comprehensive solutions to business customers. Moreover, the Bank is working on a framework that maximizes the fulfillment of customer needs by making personalized proposals that harness digital information.

Digitalization of Customers

Sales offices have started consulting sales that help customers solve their problems, and promoting the digitalization of customers is part of this initiative. The Bank is planning opportunities for customers to check out the services of partner companies that support digitalization at Kyogin Digital Connect Sakyō, which opened in May 2021.

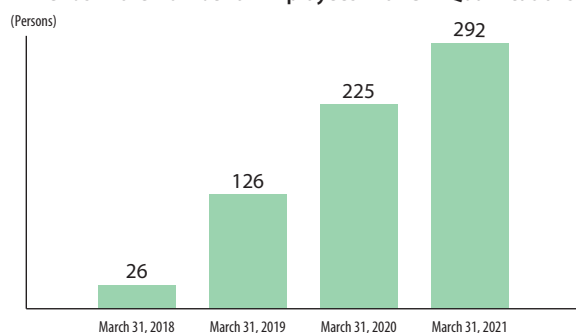
Human Resource Strategies/Human Resources Innovation Project

Fostering Human Resources with a Competitive Edge

As a wide-area regional bank, the Bank of Kyoto has been focusing on growing its business and market areas since 2000. A key factor enabling the Bank to pursue this strategy over the long term is its human resources, and its ability to consistently produce personnel able to deliver quality solutions in new markets. The Bank established Kyoto Banking College as a dedicated human resource training division in 2010 to administer an ongoing program to foster skilled personnel. As a result of the Bank's human resource strategy, the number of employees with financial planning-related qualifications* is 2,491. Among those employees, 318 (as of March 31, 2021) possess CFP or 1st Grade Financial Planner qualifications, which are the crowning achievements of financial planning. Most notably, the number of employees with the CFP qualification is one of the highest among regional banks.

* CFP, AFP, 1st Grade and 2nd Grade Financial Planners

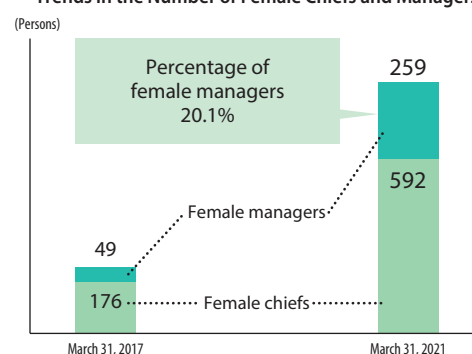
Trends in the Number of Employees with CFP Qualifications



Supporting Women's Career Success

The Bank has continued to support the success of female employees since launching the Women's Career Support Project in FY2007. As of March 31, 2021, the Bank achieved its initial target of 20% of female managers, making significant progress for women to succeed in the workplace.

Trends in the Number of Female Chiefs and Managers



Supporting the Careers of Senior Employees

At a time when healthy lifespans are expanding, the retirement of employees who have nurtured skills and experience over many years of service may not be ideal for them or for a company. In 2014, the Bank set up its Active Senior Program to enable employees to continue working until the age of 70. In March 2020, the age limit was raised to 75 and the Bank provides greater flexibility in terms of workplaces and work styles for senior workers.