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Securities code: 7180  
May 28, 2024  
(Commencement date of electronic  
provision measures: May 22, 2024)

**To our shareholders:**

Yoshihisa Kasahara  
President and Representative Director  
**Kyushu Financial Group, Inc.**  
6-6, Kinseicho, Kagoshima-shi, Kagoshima-ken  
(The address above is the registered address of the  
Company. Head office operations are conducted at the  
address below.)  
1-12-3, Kasuga, Nishi-ku, Kumamoto-shi, Kumamoto-ken

## **NOTICE OF THE 9TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We hereby inform you that the 9th Ordinary General Meeting of Shareholders of Kyushu Financial Group, Inc. (the “Company”) will be held as described below.

In convening this Ordinary General Meeting of Shareholders, the Company has taken measures for electronic provision, and has posted the Notice of the 9th Ordinary General Meeting of Shareholders as Matters Subject to Electronic Provision Measures on the following website:

Our website:

<https://www.kyushu-fg.co.jp/english/ir/stock/shareholders>

In addition to the above, the information is also posted on the following website:

Tokyo Stock Exchange website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the above website, enter our Company name or securities code to search, and select in the order of “Basic information” and “Documents for public inspection/PR information.”

Instead of attending the meeting in person, shareholders can exercise their voting rights in advance in writing or via the Internet, etc.

The meeting will be also streamed live on the Internet so that you can view it at home. In addition, the video of the meeting will be posted on the our website at a later date.

- 1.Date and Time:** Monday, June 17, 2024 at 10:00 a.m. (Japan Standard Time)
- 2.Venue:** Large Hall, 3F, Annex Building, Head Office of The Kagoshima Bank  
3-3, Izumi-cho, Kagoshima-shi, Kagoshima-ken  
(The meeting will be held at the address of the head office of our subsidiary The Kagoshima Bank.)
- 3.Purposes:**
- Items to be reported:**
1. Business Report and Consolidated Financial Statements for the 9th Term (from April 1, 2023 to March 31, 2024), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee.
  2. Non-Consolidated Financial Statements for the 9th Term (from April 1, 2023 to March 31, 2024)
- Item to be resolved:** Proposal: Election of Nine (9) Directors (Excluding Directors Who Also Serve as Audit and Supervisory Committee Members)
- \* At this General Meeting of Shareholders, regardless of whether or not a request for delivery of the document has been made, the Company has uniformly sent a paper copy of the document containing the matters subject to electronic provision measures. However, the following items among the matters subject to electronic provision measures are not included in this document, in accordance with the provisions of laws and regulations and the provisions of Article 16 of the Company's Articles of Incorporation. The Audit and Supervisory Committee and the Accounting Auditor have audited documents subject to audit including the following items.
- (1) The following items in the Business Report  
Part of Status of the Company; part of Matters Regarding the Company's Officers (Directors); Matters Regarding the Company's Shares; Matters Regarding the Company's Share Acquisition Rights; Matters Regarding the Accounting Auditor, Basic Policies on Persons Who Control Financial and Business Policy Decisions; System to Ensure the Propriety of Business Activities; Matters Concerning Specific Wholly-owned Subsidiaries; Matters Concerning Accounting Advisors; Policy on Determination of Dividends of Surplus and Others; and Other Matters
  - (2) Consolidated Financial Statements
  - (3) Non-Consolidated Financial Statements
  - (4) Audit Report
- \* If any revisions are made to the matters subject to electronic provision measures, the revisions will be posted on the relevant websites.

## Reference Documents for the General Meeting of Shareholders

**Proposal:** Election of Nine (9) Directors (Excluding Directors Who Also Serve as Audit and Supervisory Committee Members)

At the conclusion of this meeting, the terms of office of all ten (10) Directors (excluding Directors who also serve as Audit and Supervisory Committee members) will expire. Therefore, the Company proposes the election of nine (9) Directors (excluding Directors who also serve as Audit and Supervisory Committee members).

Please note that the selection of the candidates for Director have been determined by the Board of Directors after deliberation at the Nominating and Remuneration Committee under the following selection standards and selection policies established by the Company.

### <Director Selection Standards and Selection Policies>

1. In selecting Directors, based on the following selection standards, the Nominating and Remuneration Committee deliberates about persons qualified for Director and then the Board of Directors resolves to submit a proposal for selecting the relevant Directors to the General Meeting of Shareholders.  
<Selection Standards>
  - (i) A Director must have excellent integrity and high ethical views.
  - (ii) A Director must have a long-term perspective toward the future and be able to proactively express his or her own opinions, fully understanding the Group's philosophy, "Purpose (Raison D'être), Vision (What We Aim to Be), Value (Values and Behavioral Guidelines)."
  - (iii) A Director must have a wealth of experience in a field of expertise and a high level of insight as well as a strong will to enhance his or her own capabilities.
2. On the assumption that candidates for Director satisfy the statutory requirements, the selection policies are as follows.
  - (i) Based on the Director Selection Standards, candidates for Director originally from the Group must be selected with a balanced representation of backgrounds.
  - (ii) In accord with the preceding item, multiple candidates for Outside Director who have knowledge, experience, and ability in fields that should particularly be supplemented from the perspective of management of the Group and who do not infringe the Independence Standards established by the Group must be selected.

In addition, both candidates for Outside Director satisfy the requirements of the Outside Officer Independence Standards established by the Company (see page 12 for the Outside Officer Independence Standards).

The Audit and Supervisory Committee also considered this proposal, and there were no particular opinions expressed.

The candidates for Director (excluding Directors who also serve as Audit and Supervisory Committee members) are as follows:

No.	Name	Current position and responsibilities in the Company	
1	Akihisa Koriyama	—	[New election]
2	Yoshihisa Kasahara	President	[For reelection]
3	Eiichi Etoh	Director and Senior Managing Executive Officer (In charge of Corporate Planning Division, Public Relations / IR Division and Personnel / General Affairs Division)	[For reelection]
4	Norihisa Akatsuka	Director and Senior Managing Executive Officer (In charge of Business Strategy Division and Digital Innovation Division)	[For reelection]
5	Kuniaki Matsumae	Director and Managing Executive Officer (In charge of Compliance and Risk Management Division)	[For reelection]
6	Riichiro Tada	Director and Managing Executive Officer (In charge of Audit Division)	[For reelection]
7	Motohiro Kamimura	Director	[For reelection]
8	Katsuaki Watanabe	Director	[For reelection] [Outside] [Independent]
9	Yuji Nemoto	Director	[For reelection] [Outside] [Independent]

No.	Name (Date of birth)	Career summary		Number of the Company’s shares owned
1	Akihisa Koriyama (May 11, 1957)  [New election]	Apr. 1980	Joined The Kagoshima Bank, Ltd.	69,090
		Mar. 1999	Chief Investigator of Integrated Planning Division	
		June 2006	Chief of Hayato Branch	
		June 2008	General Manager of Personnel Division	
		June 2010	Director and General Manager of Personnel Division	
		June 2011	Managing Director and General Manager of Integrated Planning Division	
		June 2012	Managing Director	
		June 2014	Senior Managing Director	
		Oct. 2015	Director of the Company	
		June 2019	Deputy President of The Kagoshima Bank	
Apr. 2024	President (to present)			
[Significant concurrent positions outside the Company] • President of The Kagoshima Bank, Ltd.				
[Reasons for nomination as candidate for Director] At The Kagoshima Bank, Ltd., a Group subsidiary, Akihisa Koriyama has served in various roles, including Chief of a branch, Director and General Manager of Personnel Division, Managing Director and General Manager of Integrated Planning Division, Managing Director, Senior Managing Director, and Deputy President, and assumed the role of President in April 2024. For three years and eight months since the Company’s establishment in 2015, he had strived to promote corporate planning as an officer in charge of corporate planning. Since he possesses abundant knowledge, rich experience, and high ability in the field of financial services, the Company believes that Akihisa Koriyama can contribute to the Group’s further development, and it has therefore nominated him as a candidate for Director.				
2	Yoshihisa Kasahara (January 5, 1962)  [For reelection]  Attendance at 12 out of 12 board of directors meetings (100%)	Apr. 2014	Managing Executive Officer of Mizuho Trust & Banking Co., Ltd.	161,300
		Apr. 2015	Joined The Higo Bank, Ltd. (Managing Executive Officer and General Manager of Internal Audit Division)	
		June 2015	Director and Managing Executive Officer	
		May 2016	Director of The Kagoshima Bank, Ltd.	
		June 2016	Director of the Company	
		Apr. 2018	Deputy President of The Higo Bank, Ltd.	
		June 2018	President (to present)	
		June 2019	President of the Company (to present)	
		[Position and responsibilities in the Company] • President		
		[Significant concurrent positions outside the Company] • President of The Higo Bank, Ltd.		
[Reasons for nomination as candidate for Director] Since becoming President of the Company in 2019, Yoshihisa Kasahara has supervised the general management of the Group, and has also driven the management of The Higo Bank, Ltd., a Group subsidiary, as its President since 2018. Since he possesses abundant knowledge, rich experience, and high ability in the field of financial services, the Company believes that Yoshihisa Kasahara can contribute to the Group’s further development, and it has therefore nominated him as a candidate for Director.				

No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
3	<p>Eiichi Etoh (July 31, 1959)</p> <p>[For reelection]</p> <p>Attendance at 12 out of 12 board of directors meetings (100%)</p>	<p>Apr. 1983      Joined The Higo Bank, Ltd.</p> <p>June 2014      Executive Officer and General Manager of Compliance/Risk Management Division (currently Compliance and Risk Management Division)</p> <p>June 2015      Director, Executive Officer and General Manager of Compliance/Risk Management Division (currently Compliance and Risk Management Division)</p> <p>Oct. 2015      Executive Officer and General Manager of Compliance/Risk Management Division of the Company (currently Compliance and Risk Management Division)</p> <p>May 2016      Director and Managing Executive Officer of The Higo Bank, Ltd.</p> <p>Apr. 2020      Managing Executive Officer and General Manager of Compliance and Risk Management Division of the Company</p> <p>June 2020      Director and Managing Executive Officer and General Manager of Compliance and Risk Management Division</p> <p>Apr. 2021      Director and Senior Managing Executive Officer (to present)</p> <p>Apr. 2021      Director of The Higo Bank, Ltd.</p> <p>Apr. 2021      Director of Kyushu FG Securities, Inc. (to present)</p> <p>Apr. 2021      Director of Kyushu Accounting Service Co., Ltd. (to present)</p> <p>Apr. 2022      Director of Kyushu Digital Solutions Co., Ltd. (to present)</p> <p>Apr. 2023      Director of Kyushu Mirai Creation Co., Ltd. (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> <li>• Director and Senior Managing Executive Officer (In charge of Corporate Planning Division, Public Relations / IR Division, and Personnel / General Affairs Division)</li> </ul> <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> <li>• Director of Kyushu FG Securities, Inc.</li> <li>• Director of Kyushu Accounting Service Co., Ltd.</li> <li>• Director of Kyushu Digital Solutions Co., Ltd.</li> <li>• Director of Kyushu Mirai Creation Co., Ltd.</li> </ul>	51,800
<p>[Reasons for nomination as candidate for Director]</p> <p>Since the Company's establishment in 2015, as General Manager of Compliance/Risk Management Division (currently Compliance and Risk Management Division), Eiichi Etoh has worked to enhance the Company's compliance structure and integrated risk management structure. Furthermore, since 2021, he has been in charge of corporate planning, public relations / IR, and personnel / general affairs, and strived to promote various measures as Director and Senior Managing Executive Officer. Since he possesses abundant knowledge, rich experience, and high ability in the field of financial services, the Company believes that Eiichi Etoh can contribute to the Group's further development, and it has therefore nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
4	<p>Norihisa Akatsuka (October 3, 1961)</p> <p>[For reelection]</p> <p>Attendance at 12 out of 12 board of directors meetings (100%)</p>	<p>Apr. 1982      Joined The Kagoshima Bank, Ltd.</p> <p>June 2015      Executive Officer and General Manager of Systems Division</p> <p>Oct. 2015      Executive Officer and General Manager of Operations Administration / IT Management Division (currently Digital Innovation Division) of the Company</p> <p>Apr. 2016      Director and General Manager of Systems Division of The Kagoshima Bank, Ltd.</p> <p>Apr. 2018      Managing Director and General Manager of Administrative Management Division</p> <p>Apr. 2020      Managing Executive Officer of the Company</p> <p>Apr. 2020      Director of Kyushu FG Securities, Inc. (to present)</p> <p>June 2020      Director and Managing Executive Officer of the Company</p> <p>Apr. 2021      Director and Senior Managing Executive Officer (to present)</p> <p>Apr. 2022      Director of Kyushu Digital Solutions Co., Ltd. (to present)</p> <p>Apr. 2023      Director of Kyushu Mirai Creation Co., Ltd. (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> <li>• Director and Senior Managing Executive Officer (In charge of Business Strategy Division and Digital Innovation Division)</li> </ul> <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> <li>• Director of Kyushu FG Securities, Inc.</li> <li>• Director of Kyushu Digital Solutions Co., Ltd.</li> <li>• Director of Kyushu Mirai Creation Co., Ltd.</li> </ul>	56,640
<p>[Reasons for nomination as candidate for Director]</p> <p>Since the Company's establishment in 2015, as General Manager of Operations Administration / IT Management Division (currently Digital Innovation Division), Norihisa Akatsuka has worked to establish IT strategies and improve the efficiency of administration operations. Furthermore, since 2021, he has been in charge of business strategy and digital innovation, and has strived to promote various measures as Director and Senior Managing Executive Officer. Since he possesses abundant knowledge, rich experience, and high ability in the field of financial services, the Company believes that Norihisa Akatsuka can contribute to the Group's further development, and it has therefore nominated him as a candidate for Director.</p>			
5	<p>Kuniaki Matsumae (October 20, 1964)</p> <p>[For reelection]</p> <p>Attendance at 10 out of 10 board of directors meetings (100%)</p>	<p>Apr. 1988      Joined The Sanwa Bank, Limited (currently the MUFG Bank, Ltd.)</p> <p>May 2012      General Manager of China Financial Market Division of the Bank of Tokyo-Mitsubishi UFJ (China) Ltd. (currently MUFG Bank (China), Ltd.)</p> <p>June 2016      Counselor of Market Finance Division of The Kagoshima Bank, Ltd.</p> <p>Apr. 2017      Executive Officer and General Manager of Market Finance Division</p> <p>Apr. 2018      Director and General Manager of Market Finance Division</p> <p>Apr. 2020      Managing Director and General Manager of Corporate Planning Division</p> <p>Apr. 2021      Managing Director (to present)</p> <p>Apr. 2021      Executive Officer of the Company</p> <p>Apr. 2023      Managing Executive Officer</p> <p>June 2023      Director and Managing Executive Officer (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> <li>• Director and Managing Executive Officer (In charge of Compliance and Risk Management Division)</li> </ul> <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> <li>• Managing Director of The Kagoshima Bank, Ltd.</li> </ul>	36,700
<p>[Reasons for nomination as candidate for Director]</p> <p>Having served in market, overseas, corporate planning, and compliance and risk management divisions at the MUFG Bank, Ltd. and The Kagoshima Bank, a Group subsidiary, Kuniaki Matsumae has been in charge of a compliance and risk management division as Director and Managing Executive Officer of the Company since 2023, and has strived to promote various measures. Since he possesses abundant knowledge, rich experience, and high ability in the field of financial operations, the Company believes that Kuniaki Matsumae can contribute to the Group's further development, and it has therefore nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
6	<p>Riichiro Tada (May 30, 1965)</p> <p>[For reelection]</p> <p>Attendance at 10 out of 10 board of directors meetings (100%)</p>	<p>Apr. 1989      Joined The Higo Bank, Ltd.</p> <p>Apr. 2011      General Manager of Tokyo Office, Integrated Planning Division</p> <p>Apr. 2014      General Manager of Executive Secretarial Office</p> <p>Apr. 2019      Executive Officer and General Manager of Honshu Block Supervisory Branch and Chief of Tokyo Branch</p> <p>Apr. 2021      Executive Officer and General Manager of Audit Division of the Company</p> <p>Apr. 2021      Executive Officer and General Manager of Audit Division of The Higo Bank, Ltd.</p> <p>Apr. 2021      Executive Officer and General Manager of Audit Division of The Kagoshima Bank, Ltd.</p> <p>Apr. 2022      Senior Executive Officer and General Manager of Audit Division of the Company</p> <p>Apr. 2022      Senior Executive Officer and General Manager of Audit Division of The Higo Bank, Ltd.</p> <p>Apr. 2022      Senior Executive Officer and General Manager of Audit Division of The Kagoshima Bank, Ltd.</p> <p>Apr. 2023      Managing Executive Officer of the Company</p> <p>Apr. 2023      Director and Managing Executive Officer of The Higo Bank, Ltd. (to present)</p> <p>Apr. 2023      Managing Director of The Kagoshima Bank, Ltd. (to present)</p> <p>June 2023      Director and Managing Executive Officer of the Company (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> <li>• Director and Managing Executive Officer (In charge of Audit Division)</li> </ul> <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> <li>• Director and Managing Executive Officer of The Higo Bank, Ltd.</li> <li>• Managing Director of The Kagoshima Bank, Ltd.</li> </ul>	19,900
<p>[Reasons for nomination as candidate for Director]</p> <p>Riichiro Tada has fulfilled his concurrent important responsibilities as General Manager of Audit Division at the Company, The Kagoshima Bank, and The Higo Bank, since 2021. He has been in charge of an audit division as Director and Managing Executive Officer of the Company since 2023, and has strived to promote various measures. Since he possesses abundant knowledge, rich experience, and high ability in the field of financial operations, the Company believes that Riichiro Tada can contribute to the Group's further development, and it has therefore nominated him as a candidate for Director.</p>			



No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
7	<p>Motohiro Kamimura (August 18, 1952)</p> <p>[For reelection]</p> <p>Attendance at 12 out of 12 board of directors meetings (100%)</p>	<p>Apr. 1975      Joined The Kagoshima Bank, Ltd.</p> <p>June 2004      Director and General Manager of Operations Management Division</p> <p>June 2006      Managing Director</p> <p>June 2010      President</p> <p>Oct. 2015      President of the Company</p> <p>June 2019      Chairman of The Kagoshima Bank, Ltd. (to present)</p> <p>June 2019      Director of the Company (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> <li>• Director</li> </ul> <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> <li>• Chairman of The Kagoshima Bank, Ltd.</li> </ul>	67,650
<p>[Reason for nomination as candidate for Director]</p> <p>Since the Company's establishment in 2015 to 2019, Motohiro Kamimura supervised the general management of the Group as President, and has also driven the management of The Kagoshima Bank, Ltd., a Group subsidiary, as its President since 2010 and as Chairman since 2019. Since he possesses abundant knowledge, rich experience, and high ability in the field of financial services, the Company believes that Motohiro Kamimura can contribute to the Group's further development, and it has therefore nominated him as a candidate for Director.</p>			
8	<p>Katsuaki Watanabe (February 13, 1942)</p> <p>[For reelection]</p> <p>[Outside]</p> <p>[Independent]</p> <p>Attendance at 12 out of 12 board of directors meetings (100%)</p>	<p>Apr. 1964      Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)</p> <p>Sept. 1992      Director of Toyota Motor Corporation</p> <p>June 1997      Managing Director</p> <p>June 1999      Senior Managing Director</p> <p>June 2001      Executive Vice President</p> <p>June 2005      President</p> <p>June 2009      Vice Chairman</p> <p>June 2011      Senior Advisor</p> <p>June 2013      Audit &amp; Supervisory Board Member of Sumitomo Electric Industries, Ltd.</p> <p>July 2015      Advisor of Toyota Motor Corporation</p> <p>Oct. 2015      Director of the Company (to present)</p> <p>June 2021      Director of Sumitomo Electric Industries, Ltd. (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> <li>• Outside Director</li> </ul> <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> <li>• Director of Sumitomo Electric Industries, Ltd.</li> </ul>	36,000
<p>[Reasons for nomination and expected role as candidate for Outside Director]</p> <p>Since the Company judges that, based on the rich experience, broad insight, and knowledge that Katsuaki Watanabe has developed as a top executive of a leading manufacturer, he can be expected to supervise the general management of the Group from an objective and neutral standpoint, the Company requests his election as an Outside Director. Furthermore, he does not infringe on the independence standards established by the stock exchanges, and he also meets the "Outside Officer Independence Standards" established by the Company.</p>			

No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
9	<p>Yuji Nemoto (October 27, 1954)</p> <p>[For reelection] [Outside] [Independent]</p> <p>Attendance at 12 out of 12 board of directors meetings (100%)</p>	<p>Apr. 1978      Joined Japan Development Bank (currently Development Bank of Japan Inc.)</p> <p>Apr. 2004      General Manager of Regional Planning Department</p> <p>Apr. 2006      Professor at Faculty of Economics, Toyo University (to present)</p> <p>Apr. 2008      Director of Research Center for PPP (to present)</p> <p>June 2015      Director of The Kagoshima Bank, Ltd.</p> <p>June 2018      Director of the Company (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> <li>• Outside Director</li> </ul> <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> <li>• Professor of Toyo University</li> </ul>	—
<p>[Reasons for nomination and expected role as candidate for Outside Director]</p> <p>Since the Company judges that, based on the rich experience, broad insight and knowledge that Yuji Nemoto has developed being involved in regional policy as a university professor and as an expert in public policy, urban development and regional development, he can be expected to supervise the general management of the Group from an objective and neutral standpoint, the Company requests his election as an Outside Director. Furthermore, he does not infringe on the independence standards established by the stock exchanges, and he also meets the “Outside Officer Independence Standards” established by the Company.</p>			

- Notes:
1. There is no special interest between any of the candidates for Director and the Company.
  2. Katsuaki Watanabe and Yuji Nemoto are candidates for Outside Director.
  3. The term of office of Katsuaki Watanabe as Outside Director of the Company will be approximately eight (8) years and nine (9) months at the conclusion of this meeting.  
The term of office of Yuji Nemoto as Outside Director of the Company will be approximately six (6) years at the conclusion of this meeting.
  4. Both Katsuaki Watanabe and Yuji Nemoto are registered with the stock exchanges on which the Company is listed, as Independent Officers who have no possibility of a conflict of interest arising with ordinary shareholders. If they are both elected as Outside Directors, the Company plans to continue to register them as Independent Officers.
  5. With respect to the liability provided for in Article 423, Paragraph 1 of the Companies Act, the Company has entered into limited liability agreements with Katsuaki Watanabe and Yuji Nemoto that limit their liabilities to the minimum liability amount set forth in Article 425, Paragraph 1 of the Companies Act. If they are both elected as Outside Directors, the Company plans to continue the agreements with them.
  6. The Company shall enter into a directors and officers liability insurance policy with an insurance company covering damages to be borne by insured persons that may arise due to their assuming liability for the execution of duties or receiving a claim for the pursuit such liability. If the candidates are appointed as Directors, they will become insured persons under the insurance policy and the Company plans to renew this insurance policy during their term of office.

## [Reference] Skills Matrix

	Position	Main areas of knowledge, experience, and capability held by Inside Directors/ Areas of expertise particularly expected of Outside Directors									
		Corporate Management	Sales Strategy	Market Operation	Legal, Risk Management	Finance and Accounting	Regional Industry Development	International Business	Personnel Strategy	Sustainability	DX, Technology
[Inside Directors]											
Akihisa Koriyama	Chairman and Representative Director	●	●	●	●	●	●		●		
Yoshihisa Kasahara	President and Representative Director	●	●				●	●	●	●	●
Eiichi Etoh	Director and Senior Managing Executive Officer			●	●	●				●	
Norihisa Akatsuka	Director and Senior Managing Executive Officer				●		●				●
Kuniaki Matsumae	Director and Managing Executive Officer			●	●			●			
Riichiro Tada	Director and Managing Executive Officer		●		●		●				
Motohiro Kamimura	Director	●	●	●	●	●	●		●		●
Yuichi Tanabe	Director (Audit and Supervisory Committee member)		●		●				●		
Masahide Kitanosono	Director (Audit and Supervisory Committee member)		●			●	●				
[Outside Directors]											
Katsuaki Watanabe	Director	●	●		●			●	●	●	●
Yuji Nemoto	Director					●	●			●	●
Katsuro Tanaka	Director (Audit and Supervisory Committee member)	●	●		●		●	●			
Yuko Tashima	Director (Audit and Supervisory Committee member)	●			●					●	
Nobuya Suzuki	Director (Audit and Supervisory Committee member)	●	●		●					●	●

\* Percentage of independent outside directors: 35.7% (5 out of 14)

\* Percentage of female directors: 7.1% (1 out of 14)

#### <Outside Officer Independence Standards>

1. An outside officer must not be an executive director, an executive officer, or an employee of the Company or a Group company (hereinafter referred to as “person who executes business”), and he or she must not have been a person who executes business at any time in the past ten (10) years. Furthermore, an outside officer must not be a director, an auditor, an accounting advisor, an executive officer, a corporate executive officer, or an employee of any company of which the Group is the main shareholder. (This means any company in which, at the end of the most recent business year, the Group’s ratio of voting rights held is 10% or more of the total voting rights.)
2. An outside officer must be neither an entity whose major customer is the Company or a Group company nor a parent company or a significant subsidiary of that entity. Furthermore, if the entity is a company, then an outside officer must be neither a person who executes business of the company nor, at any time in the last three (3) years, a person who executes business of the company.
3. An outside officer must be neither an entity who is a major customer of the Company or a Group company nor a parent company or significant subsidiary of that entity. Furthermore, if the entity is a company, then an outside officer must be neither a person who executes business of the company nor, at any time in the last three (3) years, a person who executes business of the company.
4. An outside officer must not be a person who executes business of an organization that receives donations, etc., from the Company or a Group company that exceed a specified amount. (Specified amount means the larger of either ¥10 million per year on average in the last three (3) years, or 30% of the average annual total expenses of the organization that receives donations, etc.)
5. An outside officer must not be an officer, such as a director, of a company, the parent company of a company, or the group company of a company that receives directors from the Company or a Group company.
6. An outside officer must not now be the Accounting Auditor or an employee, etc., of the Accounting Auditor of the Company or a Group company; furthermore, within the past three (3) years, as such an employee, etc., he or she must not have been responsible for audit work of the Company or a current Group company.
7. An outside officer who is an attorney, consultant, etc. (including, in the case of a corporation, an employee, etc., who should perform the duties of those functions) must not have received, from the Company or a Group company, other than directors’ remuneration, any monetary or other economic benefit of ¥10 million or more per year on average in the last three (3) years, and he or she must not be an employee, etc., of a law office, etc., that has the Company or a Group company as a major client.
8. An outside officer must be neither a close relative of a Director or an Executive Officer of the Company or a Group company nor a close relative of an important employee, etc., who is in a position equivalent to officer, such as advisor, associate director, or consultant, of the Company or a Group company (hereinafter referred to as “person equivalent to an officer”). Furthermore, in the last five (5) years, he or she must not have been the spouse or a relative within the second degree of kinship (hereinafter referred to as “close relative”) of the said Director, Executive Officer, or person equivalent to an officer, and his or her close relative must not correspond to the same criteria as those in items 1, 2, 3, 4, 6, and 7 above.
9. In addition, an outside officer must be a person who has no possibility, on a regular and continuous basis, of a substantial conflict of interest arising with the Company’s ordinary shareholders as a whole, for any circumstance other than a reason taken into account in the aforementioned items.

#### Supplementary Provisions

1. Even if a person does not satisfy any one of the items 2 through 8 above, if the Company considers that, in light of his or her character, insight, etc., the person is suitable as an outside officer of the Company, then, on condition that his or her candidacy will be explained publicly, the person may be selected as a candidate for an outside officer of the Company.
2. Under these standards, if an outside officer who is judged as possessing independence loses independence, he or she shall notify the Company promptly.
3. In these standards, “a major customer” means an entity whose transaction value between it and the Group in any of the past three (3) business years, including the most recent business year, is 1% or more of the yearly gross annual sales revenue (consolidated annual gross income from business in the case of the Company).

## **Business Report for the 9th Term**

(From April 1, 2023 to March 31, 2024)

### **1. Status of the Company**

#### **(1) Progress and results of the Group's operations, etc.**

##### **[Major businesses of the Group]**

The Group is comprised of the Company, which is a bank-holding company, and 22 consolidated subsidiaries, including The Higo Bank, Ltd. (hereinafter referred to as "Higo Bank") and The Kagoshima Bank, Ltd. (hereinafter referred to as "Kagoshima Bank"), and Kyushu FG Securities, Inc. (hereinafter referred to as "Kyushu FG Securities"), is engaged in operations related to financial services centered on banking, leasing services, credit card services, trust business and financial instrument transactions as well as the regional value co-creation business including DX solution business and e-commerce mall business.

##### **[Financial and economic environment]**

During the fiscal year under review, the Japanese economy saw a trend of recovery as consumer spending centered on services and inbound demand recovered after behavioral restrictions were lifted with the reclassification of COVID-19 to Class 5, and production activities also recovered due to the elimination of semiconductor shortage in the automobile and other industries. In addition, movement toward the end of deflation was seen as price pass-throughs and wage increases spread. However, equipment and housing investments stagnated due to the impact of factors such as soaring raw material prices, and economic activities were restricted in many industries due to labor shortages, resulting in a modest economic recovery.

In this economic environment, the Nikkei index hit the ¥40,000 level for the first time on March 4 and exited the year at the ¥40,000 level thanks to multiple positive factors such as a strong U.S. economy, expectations for recoveries in earnings by semiconductor, automobile and other export-related companies, and the inflow of funds to high-dividend stocks after new Nippon individual savings accounts (NISA) began.

In the local economy, the flow of people has increased due mainly to the resumption of large-scale events following the reclassification of COVID-19 to Class 5 and consumer spending centered on services and tourism demand recovered. In addition, Taiwan Semiconductor Manufacturing Company Limited (TSMC) entered Kumamoto and capital investment, mainly in semiconductor-related companies, remained at a high level. Despite concerns such as labor shortages and soaring prices, there was a moderate recovery overall.

##### **[Progress and results of the Group's operations]**

The Company was established on October 1, 2015 by means of joint share transfer by Higo Bank and Kagoshima Bank (hereinafter, "both banks") in conjunction with the business integration. By establishing a solid business foundation that can further enhance our presence in Kyushu, the place of origin of both banks, we seek to create a new business model tied closely to local communities while extending over a wide area, further build mutual trust with local communities, promote greater management efficiency, improve corporate value, and actively contribute to the realization of dynamic local communities as a Regional Value Co-creation Group.

##### **[3rd Group Medium-Term Management Plan]**

The Group has adopted "Evolution into a 'Regional Value Co-creation Group' that creates a better future together with customers, communities, and employees" as a new vision for fiscal 2030 and performed the 3rd Group Medium-Term Management Plan (period: April 1, 2021 to March 31, 2024) established as strategies that the Group should implement for the next three years to realize the vision.

## 1. 3rd Group Medium-Term Management Plan: “Reform”

Vision: Evolution into a “Regional Value Co-creation Group” that creates a better future together with customers, communities and employees

Name: 3rd Group Medium-Term Management Plan: “Reform”

Period: Three years (April 2021 to March 2024)

Basic policy: Reforming to realize a Regional Value Co-creation Group

Basic strategy and strategic pillars

Basic strategies		Strategic pillars
Business strategies	Deepening regional comprehensive financial functions	<ul style="list-style-type: none"> <li>Enhancing financial consultation capability under new normal</li> <li>Supporting regional industries’ growth by enhancing financial functions</li> </ul>
	Enhancing function of promoting regional industries	<ul style="list-style-type: none"> <li>Practicing problem-solving through collaboration with communities</li> <li>Reinforcing and creating function of local trading company</li> </ul>
Human resources strategy	Developing human resources and boosting engagement	<ul style="list-style-type: none"> <li>Developing human resources for realizing value co-creation</li> <li>Respecting diversity and improving job satisfaction</li> </ul>
Governance strategy	Establishing KFG business model	<ul style="list-style-type: none"> <li>Organizational and profit structure reform</li> <li>Pioneering initiatives toward SDGs and ESG</li> </ul>
Digital strategy	Promoting DX in preparation for digitalized society	<ul style="list-style-type: none"> <li>Providing new experiences and services</li> <li>Increasing productivity through process reform</li> </ul>

## 2. Group KPIs

Indicator	Final year target of the Plan (Fiscal 2023)	Final year results of the Plan (Fiscal 2023)
(1) Net income	¥26 billion	¥26.3 billion
(2) Net income from core business	¥38 billion	¥34.8 billion
(3) Business profits from services provided to customers*1	¥17 billion	¥22.8 billion
(4) Service profit ratio*2	14% or higher	14.7%
(5) OHR	65% or less	73.7%
(6) Return on shareholders’ equity	4% or higher	4.0%
(7) Capital adequacy ratio	10% or higher	11.17%

\*1 Business profits from services provided to customers:

Average balance of loans x interest margin for loans and deposits + fees and commissions - expenses

\*2 Service profit ratio:

Service profit / gross profit from core business (gross profit from operations - gains or losses on bonds such as government bonds)

During fiscal 2023, the final fiscal year of the 3rd Group Medium-Term Management Plan, the main measures implemented by the Group are as follows.

### **Deepening regional comprehensive financial functions**

<Enhancing financial consultation capability under new normal>

From January 2024, the NISA (Nippon individual savings account) has been drastically expanded and made permanent and a shift from savings to asset building has been accelerating. Amid this situation, the Group is actively engaging in supporting customers’ asset building utilizing the NISA. The Group has worked as one to establish a dedicated NISA hotline, hold various seminars for customers, and promote campaigns in cooperation with the Group companies, resulting in an increase in NISA accounts of the Group by approximately 48 thousand to approximately 132 thousand (end of March

2024) for one year (fiscal 2023).

In addition, in order to respond to the rising need for inheritance and the passing on of assets against the backdrop of a progressively aging society, in April 2019, the Group started operating the trust business at the banks and the number of trust agreements is increasing every year. We are also focusing on nurturing human resources specialized in trust operations through cooperation with a trust bank.

<Supporting regional industries' growth by enhancing financial functions>

We provide various types of financial support according to the business stage and challenges of our customers, such as the start-up phase, growth phase, stable/mature phase, or new business development. Higo Bank established the Higin Limited Partnership for University-led Venture Seed Investment (nicknamed "Higin Seed Fund") together with Higin Capital with the aim of expanding the creation of university-led ventures and start-ups. In addition, the Higin Entrepreneur Support Office was established in a campus of the Kumamoto University to support researchers eager to start a new business, and new entrepreneurs. Furthermore, in order to contribute to realizing and developing sustainable communities, we established Kyushu M&A Advisors Co., Ltd. to engage in M&A advisory services in April 2024 through a three-way joint investment with Nihon M&A Center Holdings Inc. and E.SUN VENTURE CAPITAL CO., LTD.

Kagoshima Bank entered into the One Team Kagoshima Partnership with four tax accountant corporations in Kagoshima Prefecture with the aim of realizing smooth business successions for companies without a successor through unified efforts of locally rooted financial institutions and tax accountant corporations. In addition, it established Kagin Co-creation Investment Co., Ltd. in November 2023. It is an investment specialized subsidiary engaging in majority investment, etc. by forming and operating investment limited partnerships (funds). It aims to offer new solution menus in response to business succession needs, which is an important management issue of customers.

**Enhancing function of promoting regional industries**

<Practicing problem-solving through collaboration with communities>

Taiwan Semiconductor Manufacturing Company Limited (TSMC), the world's largest contract manufacturer of semiconductors, completed the building of its first production base in Japan, the Kumamoto Factory, in February 2024, and it was announced that its second factory will also be built in Kumamoto Prefecture.

Higo Bank opened a representative office in Taipei in June 2023, and with the entry of TSMC as an opportunity, directly helps customers to solve issues such as import, export and needs for overseas expansion by providing local real-time information and networks in response to global needs both in Japan and Taiwan. In addition, Higo Bank held the Japan-Taiwan Economic Exchange Symposium in Kumamoto in July 2023 through a joint sponsorship with Kagoshima Bank and E.SUN Bank (Taiwan) with the aim of promoting industrial cooperation and personal exchanges in broader fields and generating business opportunities with Taiwan, while deepening understanding of Taiwan.

Furthermore, in order to more concretely and actively contribute to economic growth originating from the semiconductor-related industry in Kyushu and Okinawa, 11 regional banks in Kyushu and Okinawa including Kagoshima Bank and the Bank of Fukuoka entered into the Partnership Agreement Among Regional Banks in Kyushu and Okinawa in January 2024 toward realizing the New Silicon Island Kyushu.

<Reinforcing and creating function of local trading company>

In April 2023, we established Kyushu Mirai Creation Co., Ltd., a subsidiary that operates a regional trading company business, in order to proactively address issues related to regional industrial promotion beyond the conventional financial framework and in June of the same year, we opened an e-commerce mall, Yoka Mall. Yoka Mall offers a wider range of attractive and excellent products from Southern Kyushu and at the end of March 2024, the number of items for sale has increased to approximately 300 and the number of memberships has increased to approximately 7,000. In addition, as an overseas business support business, we are supporting export expansion centered on high-potential agricultural and fishery products of Kumamoto, Kagoshima, and Miyazaki prefectures. So

far, we have introduced sales channels to Hong Kong and Malaysia and created new demand by supporting trading business.

### **Developing human resources and boosting engagement**

<Developing human resources for realizing value co-creation>

Toward evolution into a Regional Value Co-creation Group, we are providing training for enhancing expertise in a broader range of fields, conducting group-wide deployment of human resources, and dispatching personnel to external companies, in addition to the basic development of human resources specialized in finance.

As our characteristic initiative, we are providing a training program toward planning new business leading to solutions of local issues in cooperation with the Graduate School of Project Design (Advanced Academic Agency) in order to nurture human resources who support regional value co-creation. Furthermore, in the digital field, we conducted “data competition training” for the purpose of developing data scientists. In addition, a home learning support system (e-learning) which is shared among the Group supports employees’ autonomous growth by improving and increasing various contents including liberal arts.

<Respecting diversity and improving job satisfaction>

The Group has increased wages including base pay by 5% or higher for two consecutive years in order to respond to rising prices and other social conditions, improve employee engagement, and secure a superior workforce. Also, we will raise the starting wages for three consecutive years until April 2025 in order to secure a diverse workforce by improving recruiting competitiveness.

In addition, we are practicing health and productivity management, making efforts for improving mental and physical health of each and every employee with Presidents of Higo Bank and Kagoshima Bank as persons responsible for health and productivity management so that our employees can actively work with satisfaction, respond to trust and expectations from our customers, grow with regions, and contribute to realizing lively local communities. During fiscal 2023, both Higo Bank and Kagoshima Bank were certified under the Certified KENKO Investment for Health Outstanding Organizations Recognition Program of the Ministry of Economy, Trade and Industry and Higo Bank was recognized as a “White 500” enterprise.

In addition, the results of the engagement survey conducted on approximately 5,500 employees of the KFG Group showed a favorable score compared to the industry average and we are taking continual measures such as disseminating information about high-score branches, providing on-site support to low-score branches, and conducting training targeting all persons in management positions. Furthermore, we have been conducting a separate engagement survey for younger employees up to their fifth year of employment with the purpose of supporting them “individually” and provide individual follow-ups based on the results.



### **Establishing KFG business model**

#### **<Pioneering initiatives toward SDGs and ESG>**

The Group recognizes addressing environmental issues such as climate change and natural capital as priority issues. In order to promote the decarbonization of regional society proactively, we announced the KFG Carbon Neutrality Declaration in March 2023. We aim to achieve carbon neutrality (net zero) by 2030 for Scope 1 (emissions from use of gasoline and city gas, etc.) and 2 (emissions from use of electricity) of the Group's (KFG and KFG's wholly-owned subsidiaries) CO<sub>2</sub> emissions.

In addition, in order to achieve the carbon neutrality of the region and customers, Higo Bank has developed a CO<sub>2</sub> emission measuring system "Zero-Carbon-System (nicknamed: Tansaku-kun)" and started offering the service in January 2024. Furthermore, in January 2024, Higo Bank established KS Energy Co., Ltd., a renewable energy business subsidiary to promote regional decarbonization. It will actively contribute to achieving carbon neutral and decarbonization in the region by generating a good intra-regional circulation of people, things, money and green energy.

Also, the Group has joined the Taskforce on Nature-related Financial Disclosures (TNFD) Forum, an initiative aimed at developing and providing a framework for the disclosure of nature-related financial information and in January 2024, registered as a TNFD Early Adopter. Going forward, we will conduct transparent disclosure, recognizing dependence and impact on natural capital and biodiversity through our business, along with their risks and opportunities.

### **Promoting DX in preparation for digitalized society**

#### **<Providing new experiences and services>**

As part of efforts for cashless in the community, we are continuously expanding the functions of our electronic payment services: Kumamon no IC CARD in Kumamoto and Paydon, a cashless payment app, in Kagoshima.

Kagoshima Bank is actively working to issue digital regional promotion coupons through Paydon in cooperation with each of the local municipalities and shopping districts in Kagoshima Prefecture. In addition, in fiscal 2023, three regional financial institutions in Kagoshima including Minami Nippon Bank, Ltd., Kagoshima Sogo Shinkin Bank, Ltd. and Kagoshima Shinkin Bank, Ltd. participated in a cashless business utilizing Paydon of Kagoshima Bank. Through cooperation among the four banks, we intend to further promote cashless transactions and the circulation of funds within the region to further revitalize the local economy.

In addition, as an effort to improve functions of non-face-to-face channels, Higo Bank started the new "Higo Bank app." service in March 2024. This new application has improved services by providing a smooth linkage with Internet banking in addition to a checking function of deposit/withdrawal details, which is a function of existing passbook apps.

#### **<Increasing productivity through process reform>**

As part of efforts to improve productivity in banking services, Higo Bank and Kagoshima Bank have introduced tablets at the storefront. By automatically linking the information entered by customers using the tablets to internal banking systems, we reduce the system entry work by employees and achieve paperless operations. We added and improved the functions also in fiscal 2023, further improving productivity and enhancing customer convenience.

In addition, we are working on utilization of generative AI to improve operational efficiency and productivity and verifying its accuracy, efficiency, and effectiveness by surveying cases where utilizing generative AI is valid in operations.

## **Fiscal 2023 Financial Results**

The consolidated results of the Group in the fiscal year under review were as follows:

(Deposits [deposits and negotiable certificates of deposit])

Deposits rose by ¥56.2 billion over the end of the previous fiscal year to ¥10,453.4 billion, mainly as a result of increases in personal deposits.

(Loans)

Loans rose by ¥368.8 billion over the end of the previous fiscal year to ¥8,827.0 billion, mainly as a result of increases in enterprise loans.

(Securities)

Securities fell by ¥49.7 billion over the end of the previous fiscal year to ¥2,003.9 billion, mainly as a result of decreases in domestic bonds and other securities.

(Profit and loss)

Consolidated ordinary income rose by ¥8,182 million year on year to ¥222,551 million due primarily to an increase in interest income. Consolidated ordinary profit rose by ¥2,841 million year on year to ¥38,438 million. Additionally, profit attributable to owners of parent rose by ¥1,725 million year on year to ¥26,394 million.

The Company proposes to pay a year-end dividend for the fiscal year under review of ¥9 per share.

**(Non-consolidated year-end balances of main accounts and operating results of Higo Bank)**

With regard to year-end balances of main accounts, deposits (deposits and negotiable certificates of deposit) decreased by ¥24.4 billion year on year to ¥5,493.5 billion owing primarily to a decrease in public deposits. Loans increased by ¥192.0 billion year on year to ¥4,604.1 billion due mainly to higher enterprise and personal loans. Securities decreased by ¥94.1 billion to ¥1,143.5 billion mostly as a result of a decrease in other securities.

Additionally, net business profit decreased by ¥9,097 million year on year to ¥8,888 million, ordinary profit decreased by ¥1,307 million year on year to ¥19,368 million, and net income decreased by ¥916 million year on year to ¥13,812 million.

**(Non-consolidated year-end balances of main accounts and operating results of Kagoshima Bank)**

With regard to year-end balances of main accounts, deposits (deposits and negotiable certificates of deposit) increased by ¥81.2 billion year on year to ¥4,975.2 billion owing primarily to an increase in personal deposits, loans increased by ¥174.5 billion year on year to ¥4,299.8 billion owing primarily to an increase in public loans, and securities increased by ¥43.3 billion year on year to ¥862.1 billion due mainly to an increase in domestic bonds.

Additionally, net business profit increased by ¥1,139 million year on year to ¥11,058 million, ordinary profit increased by ¥3,796 million year on year to ¥18,848 million, and net income increased by ¥2,854 million year on year to ¥13,365 million.

### [Business environment and issues to be addressed]

In Central and Southern Kyushu, the home of the Group, there is a constant outflow of the working-age population to metropolitan and urban areas. The region faces structural problems, including the acceleration of the declining birthrate and aging population as well as a shrinking market.

Meanwhile, the entry of TSMC, the world's largest contract manufacturer of semiconductors, into Kumamoto will have a major economic impact on each area of Kyushu, positively contributing to the regional economy.

The financial industry is required to respond to diversifying customer issues and needs such as DX and SDGs, in addition to addressing a rising phase of interest rates expected going forward and competition from other financial institutions and other players diversifying their business.

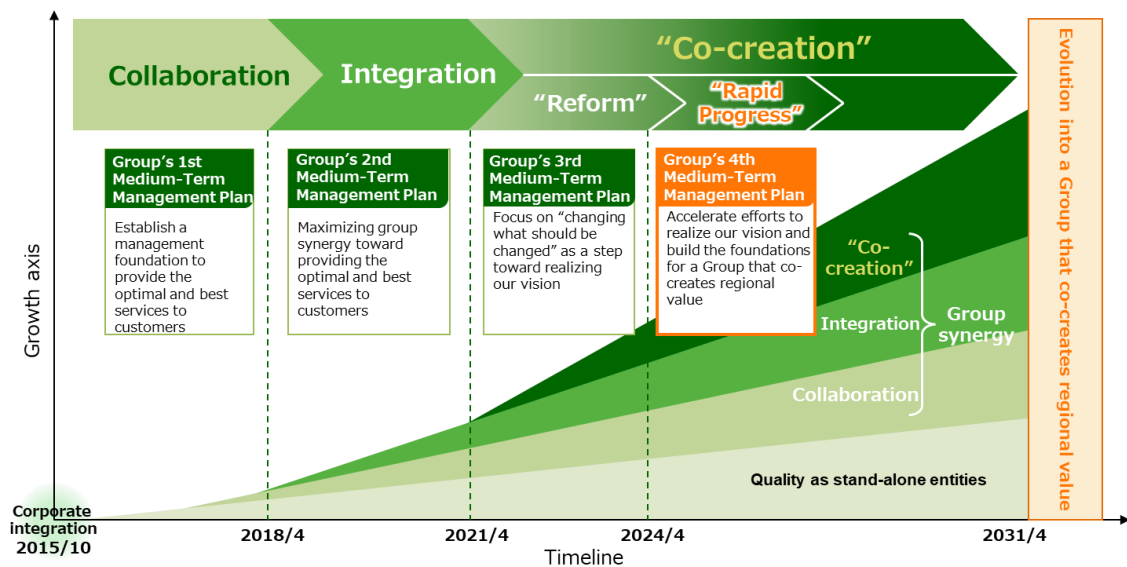
### [Results and issues to be addressed of the 3rd Group Medium-Term Management Plan]

Under the 3rd Group Medium-Term Management Plan: "Reform," which started in fiscal 2021, we have been working to change our business model with the aim of "evolving into a 'Regional Value Co-creation Group' that creates a better future together with customers, communities, and employees," as stated in a new vision for fiscal 2030. As a result, net income remained steady and other indicator targets were also generally in line with the plan. The Group recognizes the need to establish the base of a Regional Value Co-creation Group, accelerating efforts toward realizing this vision going forward.

### [4th Group Medium-Term Management Plan]

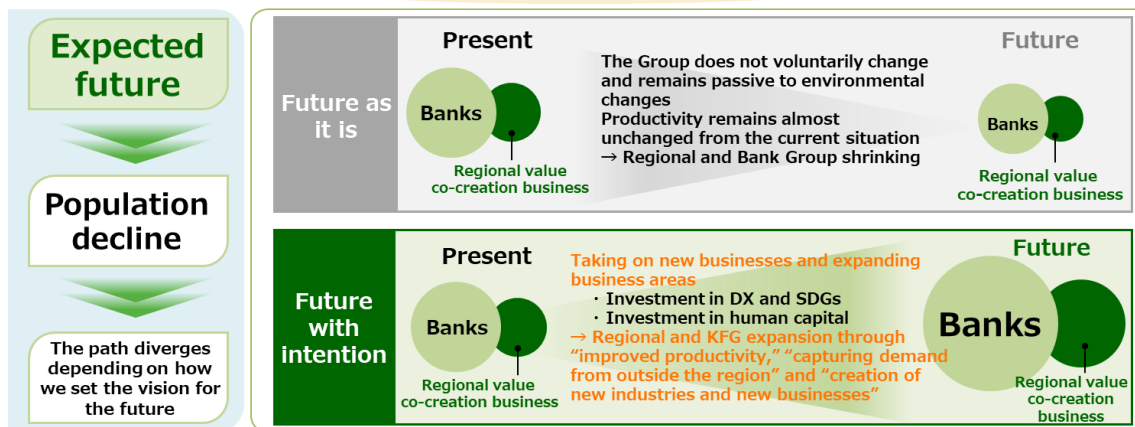
Since its establishment in October 2015, the Group has moved through a "Collaboration" stage and an "Integration" stage, and in April 2021, set up a Co-creation stage which is a ten-year plan for evolving into a Regional Value Co-creation Group from a comprehensive financial group. Chapter 1 of the Co-creation stage was "Reform," which is followed by the 4th Group Medium-Term Management Plan: "Rapid Progress" (period: from April 1, 2024 to March 31, 2027) developed as Chapter 2.

#### 1. Positioning



## 2. Evolution into a Regional Value Co-creation Group

**The future of a local community will be shaped by the type of regional banks operating there**



## 3. Overview

Basic Policy		Rapid progress towards becoming a Group that co-creates regional value	
Basic Strategies	1. Accelerating initiatives to provide regional value that creates the future		2. Strengthening core businesses for local economic growth
	Strategic pillars	① Taking on new businesses and expanding business areas	① Strengthening support for growth of regional industries
		② Providing regional and customer-oriented solutions	② Deepening life plan consulting
	3. Establishing a solid management foundation for sustainable growth		
	Strategic pillars	① Enhancing employee value through human capital management practices	
		② Advanced initiatives related to GX/DX	
		③ Transformation of KFG business model	

#### 4. Establishment of a philosophy system

We established “Value” as the values and behavioral guidelines of the Group and established a new philosophy system consisting of “Purpose, Vision, and Value.”



#### 5. Integration and uniqueness

The Group will strengthen its governance pursuing efficiency and specialty by integrating the governance, DX, and human capital areas as a Group.

### Clarification of areas to be integrated as a Group

Governance	DX
<b>Systems and mechanisms related to management</b> <ul style="list-style-type: none"> <li>◆ Operation of the Nominating and Remuneration Committee and design of the Executive Remuneration System</li> </ul>	<b>Core systems</b> <ul style="list-style-type: none"> <li>◆ Standardization of business through integration of core systems</li> </ul>
<b>Compliance</b> <ul style="list-style-type: none"> <li>◆ Consolidation of functions and review of operational structure</li> </ul>	<b>Business system/loan system/audit system</b> <ul style="list-style-type: none"> <li>◆ Unification of systems used by each company</li> </ul>
<b>Compatibility with financial systems</b> <ul style="list-style-type: none"> <li>◆ Basel III, FD, etc.</li> </ul>	<b>Human capital</b>
<b>Accounting /Public Relations</b> <ul style="list-style-type: none"> <li>◆ Consolidation of functions and review of operational structure</li> </ul>	<b>Training</b> <ul style="list-style-type: none"> <li>◆ Holding joint training common to each company, including by rank and for females in management positions</li> </ul>
	<b>Recruitment desk</b> <ul style="list-style-type: none"> <li>◆ Unification of recruitment portal website</li> </ul>

## 6. Main management indicators and KPIs

<Local communities, customers, employees>

	FY2026 plan
3 Southern Kyushu prefectures GDP	¥16.6 trillion
Regional value co-creation business revenue	¥7.0 billion
Balance of assets under management (Kyushu FG Securities)	¥530.0 billion
Investment trust valuation gains/losses ratio (Kyushu FG Securities)	5.0%
CO <sub>2</sub> emissions	-20.0%
ESG investments and loans	¥850.0 billion
Overall engagement score	75P

<Financial indicators>

	FY2026 plan
Net income	¥36.0 billion
Net income from core business	¥53.0 billion
Business profits from services provided to customers	¥32.5 billion
OHR	61.0%
Ratio of consolidated to non-consolidated results (net income)	1.03 times
ROE on shareholders' equity	5.0%
Capital adequacy ratio	10.50%
RORA	0.52%
PBR	0.88 times or more

## 7. Co-creation Vision for 2030 (Overview)

We reviewed the “Co-creation Vision” developed for the 3rd Group Medium-Term Management Plan and are aiming to achieve total consolidated net income of ¥50.0 billion by fiscal 2030, which includes ¥32.0 billion from the bank section and ¥18.0 billion from regional value co-creation business.

