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Securities code: 7180
May 27, 2025
(Commencement date of electronic
provision measures: May 23, 2025)

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 10TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We hereby inform you that the 10th 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 10th 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 our website at a later date.

- 1.Date and Time:** Friday, June 20, 2025 at 10:00 a.m. (Japan Standard Time)
- 2.Venue:** 2F Large Conference Room, Head Office of The Higo Bank
1 Renpei-cho, Chuo-ku, Kumamoto-shi, Kumamoto-ken
(The meeting will be held at the address of the head office of our subsidiary The Higo Bank.)
- 3.Purposes:**
- Items to be reported:**
1. Business Report and Consolidated Financial Statements for the 10th Term (from April 1, 2024 to March 31, 2025), 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 10th Term (from April 1, 2024 to March 31, 2025)
- Items to be resolved:**
- Proposal 1: Election of Ten (10) Directors (Excluding Directors Who Also Serve as Audit and Supervisory Committee Members)
- Proposal 2: Election of Five (5) Directors Who Also Serve as Audit and Supervisory Committee Members
- Proposal 3: Election of One (1) Substitute Director Who Also Serves as an Audit and Supervisory Committee Member
- * The following items among the matters subject to electronic provision measures are not included in the document to be delivered to shareholders who have requested delivery of the 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 1: Election of Ten (10) Directors (Excluding Directors Who Also Serve as Audit and Supervisory Committee Members)

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

Please note that the selection of the candidates for Director has 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, the three (3) candidates for Outside Director satisfy the requirements of the Outside Officer Independence Standards established by the Company (see page 18 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	Chairman of the Board	[For reelection]
2	Yoshihisa Kasahara	President	[For reelection]
3	Riichiro Tada	Director and Senior Managing Executive Officer (In charge of Business Strategy Division)	[For reelection]
4	Shinichi Yamakata	Managing Executive Officer (In charge of Corporate Planning Division, Public Relations / IR Division, Personnel / General Affairs Division and Digital Innovation Division)	[New election]
5	Koichi Ichitsubo	Managing Executive Officer (In charge of Audit Division)	[New election]
6	Sayoko Kitamura	Managing Executive Officer (In charge of Compliance and Risk Management Division)	[New election]
7	Motohiro Kamimura	Director	[For reelection]
8	Yuji Nemoto	Director	[For reelection] [Outside] [Independent]
9	Ken Shibusawa	—	[New election] [Outside] [Independent]
10	Nobuaki Fukumoto	—	[New election] [Outside] [Independent]

No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
1	<p>Akihisa Koriyama (May 11, 1957)</p> <p>[For reelection]</p> <p>Attendance at 12 out of 12 board of directors meetings (100%)</p>	<p>Apr. 1980 Joined The Kagoshima Bank, Ltd.</p> <p>Mar. 1999 Chief Investigator of Integrated Planning Division</p> <p>June 2006 Chief of Hayato Branch</p> <p>June 2008 General Manager of Personnel Division</p> <p>June 2010 Director and General Manager of Personnel Division</p> <p>June 2011 Managing Director and General Manager of Integrated Planning Division</p> <p>June 2012 Managing Director</p> <p>June 2014 Senior Managing Director</p> <p>Oct. 2015 Director of the Company</p> <p>June 2019 Deputy President of The Kagoshima Bank</p> <p>Apr. 2024 President (to present)</p> <p>June 2024 Chairman of the Board of the Company (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> • Chairman of the Board <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> • President of The Kagoshima Bank, Ltd. 	73,460
<p>[Reasons for nomination as candidate for Director]</p> <p>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.</p>			
2	<p>Yoshihisa Kasahara (January 5, 1962)</p> <p>[For reelection]</p> <p>Attendance at 12 out of 12 board of directors meetings (100%)</p>	<p>Apr. 2014 Managing Executive Officer of Mizuho Trust & Banking Co., Ltd.</p> <p>Apr. 2015 Joined The Higo Bank, Ltd. (Managing Executive Officer and General Manager of Internal Audit Division)</p> <p>June 2015 Director and Managing Executive Officer</p> <p>May 2016 Director of The Kagoshima Bank, Ltd.</p> <p>June 2016 Director of the Company</p> <p>Apr. 2018 Deputy President of The Higo Bank, Ltd.</p> <p>June 2018 President (to present)</p> <p>June 2019 President of the Company (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> • President <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> • President of The Higo Bank, Ltd. 	175,500
<p>[Reasons for nomination as candidate for Director]</p> <p>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.</p>			

No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
3	<p>Riichiro Tada (May 30, 1965)</p> <p>[For reelection]</p> <p>Attendance at 12 out of 12 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 Executive Officer and General Manager of Audit Division of The Higo Bank, Ltd. 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 Director and Managing Executive Officer of The Higo Bank, Ltd. Managing Director of The Kagoshima Bank, Ltd.</p> <p>June 2023 Director and Managing Executive Officer of the Company</p> <p>Apr. 2025 Director and Senior Managing Executive Officer (to present) Director of Kyushu FG Securities, Inc. (to present) Director of Kyushu Digital Solutions Co., Ltd. (to present) Director of Kyushu Mirai Creation Co., Ltd. (to present)</p> <p>[Position and responsibilities in the Company] • Director and Senior Managing Executive Officer (In charge of Business Strategy Division)</p> <p>[Significant concurrent positions outside the Company] • Director of Kyushu FG Securities, Inc. • Director of Kyushu Digital Solutions Co., Ltd. • Director of Kyushu Mirai Creation Co., Ltd.</p>	20,700
<p>[Reasons for nomination as candidate for Director] 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
4	Shinichi Yamakata (October 4, 1965) [New election]	<p>Apr. 1988 Joined The Kagoshima Bank, Ltd.</p> <p>June 2009 Chief of Nishitakemachi Branch</p> <p>Jan. 2020 Associate Director, General Manager of General Affairs Division</p> <p>Apr. 2021 Executive Officer and General Manager of Corporate Planning Division of the Company</p> <p>Apr. 2023 Director of Kyushu Accounting Service Co., Ltd. (to present)</p> <p>Apr. 2025 Senior Executive Officer and General Manager of Corporate Planning Division of the Company</p> <p>Apr. 2025 Managing Executive Officer (to present)</p> <p>Director of Kyushu FG Securities, Inc. (to present)</p> <p>Director of Kyushu Digital Solutions Co., Ltd. (to present)</p> <p>Director of Kyushu Mirai Creation Co., Ltd. (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> • Managing Executive Officer (In charge of Corporate Planning Division, Public Relations / IR Division, Personnel / General Affairs Division and Digital Innovation Division) <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> • Director of Kyushu FG Securities, Inc. • Director of Kyushu Accounting Service Co., Ltd. • Director of Kyushu Digital Solutions Co., Ltd. • Director of Kyushu Mirai Creation Co., Ltd. 	19,680
<p>[Reasons for nomination as candidate for Director]</p> <p>At The Kagoshima Bank, Ltd., a Group subsidiary, Shinichi Yamakata served in various roles, including Chief of a branch and General Manager of Associate Director General Affairs Division. Since assuming the role of Executive Officer and General Manager of Corporate Planning Division in April 2021, he has strived to promote various measures such as corporate planning and administration. Since he possesses abundant knowledge, rich experience, and high ability in the field of financial operations, the Company believes that Shinichi Yamakata 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
5	Koichi Ichitsubo (December 19, 1965) [New election]	<p>Apr. 1988 Joined The Kagoshima Bank, Ltd.</p> <p>Oct. 2015 A position with Personnel Division (secondment to the Company)</p> <p>Apr. 2021 Associate Director, General Manager of Corporate Planning Division</p> <p>Apr. 2022 Executive Officer and General Manager of Corporate Planning Division</p> <p>Apr. 2024 Senior Executive Officer and General Manager of Business Strategy Division of the Company</p> <p>Apr. 2025 Managing Executive Officer (to present)</p> <p>Director and Managing Executive Officer of The Higo Bank, Ltd. (to present)</p> <p>Managing Director of The Kagoshima Bank, Ltd. (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> • Managing Executive Officer (In charge of Audit Division) <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> • Director and Managing Executive Officer of The Higo Bank, Ltd. • Managing Director of The Kagoshima Bank, Ltd. 	7,800
<p>[Reasons for nomination as candidate for Director]</p> <p>At The Kagoshima Bank, Ltd., a Group subsidiary, Koichi Ichitsubo served in various roles, including Associate Director, General Manager of Corporate Planning Division and Executive Officer and General Manager of Corporate Planning Division, and assumed the role of Senior Executive Officer and General Manager of Business Strategy Division in 2024. He has strived to promote various measures such as sales promotion and business development. Since he possesses abundant knowledge, rich experience, and high ability in the field of financial operations, the Company believes that Koichi Ichitsubo can contribute to the Group's further development, and it has therefore nominated him as a candidate for Director.</p>			
6	Sayoko Kitamura (January 30, 1966) [New election]	<p>Apr. 1984 Joined The Higo Bank, Ltd.</p> <p>Mar. 2016 Chief of Inarimae Branch</p> <p>Apr. 2021 Executive Officer and General Manager of Takuma Block Supervisory Branch and Chief of Takuma Branch</p> <p>Apr. 2023 Senior Executive Officer and General Manager of Administrative Management Division</p> <p>Apr. 2024 Managing Executive Officer and General Manager of Compliance and Risk Management Division</p> <p>Apr. 2025 Managing Executive Officer of the Company (to present)</p> <p>Director and Managing Executive Officer of The Higo Bank, Ltd. (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> • Managing Executive Officer (In charge of Compliance and Risk Management Division) <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> • Director and Managing Executive Officer of The Higo Bank, Ltd. 	34,000
<p>[Reasons for nomination as candidate for Director]</p> <p>At The Higo Bank, Ltd., a Group subsidiary, Sayoko Kitamura served in various roles, including Chief of branches and Senior Executive Officer and General Manager of Administrative Management Division. Since assuming the role of Managing Executive Officer and General Manager of Compliance and Risk Management Division in 2024, she has strived to enhance the compliance structure. Since she possesses abundant knowledge, rich experience, and high ability in the field of financial operations, the Company believes that Sayoko Kitamura can contribute to the Group's further development, and it has therefore nominated her 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"> • Director <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> • Chairman of The Kagoshima Bank, Ltd. 	70,550
<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>Yuji Nemoto (October 27, 1954)</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. 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</p> <p>Apr. 2008 Director of Research Center for PPP</p> <p>June 2015 Director of The Kagoshima Bank, Ltd.</p> <p>June 2018 Director of the Company (to present)</p> <p>Apr. 2025 Senior Research Partner of International Public-Private Partnership Institute (IPPPI), Toyo University (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> • Outside Director <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> • Senior Research Partner of International Public-Private Partnership Institute (IPPPI), Toyo University 	—
<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>			

No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
9	Ken Shibusawa (March 18, 1961) [New election] [Outside] [Independent]	<p>Jan. 1984 Joined Japan Center for International Exchange</p> <p>July 1987 Joined The First Boston Corporation (NY)</p> <p>Oct. 1988 Joined J.P. Morgan & Co. (Tokyo)</p> <p>Nov. 1994 Joined Goldman Sachs Japan Co. Ltd.</p> <p>June 1996 Joined Moore Capital Management, LP</p> <p>June 1997 Representative of the Tokyo Representative Office</p> <p>Mar. 2001 Representative Director of Shibusawa and Company, Inc. (to present)</p> <p>Aug. 2008 Chairman of Commons Asset Management, Inc. (to present)</p> <p>Apr. 2022 Director and Audit and Supervisory Committee member (Outside) of The Higo Bank, Ltd.</p> <p>Jan. 2023 Founder and Chief Executive Officer of &Capital Inc. (to present)</p> <p>Apr. 2024 Director (Outside) of The Higo Bank, Ltd.</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> • Outside Director <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> • Representative Director of Shibusawa and Company, Inc. • Chairman of Commons Asset Management, Inc. • Founder and Chief Executive Officer of &Capital Inc. • Outside Director of Seven Bank, Ltd. 	—
<p>[Reasons for nomination and expected role as candidate for Outside Director]</p> <p>After working at foreign financial institutions, Ken Shibusawa founded Shibusawa and Company, Inc. in 2001 where he currently serves as Representative Director. He also serves as Representative Director and Outside Director of other companies, giving him rich experience and broad insight on corporate management. As Director and Audit and Supervisory Committee member of The Higo Bank, Ltd., a Group subsidiary since 2022 and as Outside Director since 2024, he has supervised the management from a fair and objective and standpoint. Since the Company judges that 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>			
10	Nobuaki Fukumoto (April 28, 1959) [New election] [Outside] [Independent]	<p>Apr. 1983 Joined IBM Japan, Ltd.</p> <p>Apr. 2008 Senior Executive PM</p> <p>Apr. 2009 Representative Director and President of Regional Banks and Information Technology Solution Co., Ltd.</p> <p>Apr. 2015 VP, Financial Solutions</p> <p>Apr. 2019 Director and Managing Partner of JTB Information System Co., Ltd.</p> <p>Apr. 2020 Managing Executive Officer, CIO and CISO of JTB Corp.</p> <p>Apr. 2023 Senior Advisor in charge of Digital Strategy Promotion</p> <p>Oct. 2023 Executive Officer of PSC Inc. (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> • Outside Director <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> • Executive Officer of PSC Inc. 	—
<p>[Reasons for nomination and expected role as candidate for Outside Director]</p> <p>At major companies in Japan and overseas including IBM Japan, Ltd. and JTB Corp., Nobuaki Fukumoto has served in various roles in system divisions. Since the Company judges that, based on his rich experience, broad insight, and knowledge, 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. Yuji Nemoto, Ken Shibusawa, and Nobuaki Fukumoto are candidates for Outside Director.
 3. The term of office of Yuji Nemoto as Outside Director of the Company will be approximately seven (7) years at the conclusion of this meeting.

4. Yuji Nemoto is registered with the stock exchanges on which the Company is listed, as an Independent Officer who has no possibility of a conflict of interest arising with ordinary shareholders. If he is elected as an Outside Director, the Company plans to continue to register him as an Independent Officer. Furthermore, if Ken Shibusawa and Nobuaki Fukumoto are also elected, the Company plans 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 a limited liability agreement with Yuji Nemoto that limit his liability to the minimum liability amount set forth in Article 425, Paragraph 1 of the Companies Act. If he is elected as an Outside Director, the Company plans to continue the agreement with him. Furthermore, the Company plans to newly enter into the same limited liability agreements with Ken Shibusawa and Nobuaki Fukumoto.
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.
7. Ken Shibusawa is planned to assume office as an Outside Director of Seven Bank, Ltd. upon the 24th Ordinary General Meeting of Shareholders to be held on June 23, 2025.

Proposal 2: Election of Five (5) Directors Who Also Serve as Audit and Supervisory Committee Members

At the conclusion of this meeting, the terms of office of all five (5) Directors who also serve as Audit and Supervisory Committee members will expire. Therefore, the Company proposes the election of five (5) Directors who also serve as Audit and Supervisory Committee members.

The Company has obtained the consent of the Audit and Supervisory Committee for this proposal.

Please note that the nominations of the Candidates for Director who also serve as an Audit and Supervisory Committee member have been approved by the Board of Directors under the Candidate Selection Policies established by the Company.

<Selection Policies for Candidates for Directors Who Also Serve as Audit and Supervisory Committee Members>

1. On the assumption that candidates for Director who also serve as an Audit and Supervisory Committee member satisfy the statutory requirements, the selection policies are as follows.

One (1) or more candidates for Director who also serves as an Audit and Supervisory Committee member must be originally from the Group and possess knowledge, experience, and ability in various fields, such as management, business, and supervision in financial services, be well informed about economic and social conditions, and possess appropriate knowledge of finance and accounting.

2. In selecting candidates for Director who also serves as an Audit and Supervisory Committee member, the Board of Directors must observe the policies set forth in the preceding item and, in the selection stage, obtain the consent of the Audit and Supervisory Committee.

In addition, all three (3) candidates for Outside Director satisfy the requirements of the Outside Officer Independence Standards established by the Company (see page 18 for the Outside Officer Independence Standards).

The candidates for Director who also serves as an Audit and Supervisory Committee member are as follows:

No.	Name	Current position and responsibilities in the Company	
1	Masahide Kitanosono	Director and Audit and Supervisory Committee member	[For reelection]
2	Jiro Sakata	—	[New election]
3	Yuko Tashima	Director and Audit and Supervisory Committee member	[For reelection] [Outside] [Independent]
4	Nobuya Suzuki	Director and Audit and Supervisory Committee member	[For reelection] [Outside] [Independent]
5	Rie Taiko	—	[New election] [Outside] [Independent]

No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
1	<p>Masahide Kitanosono (August 9, 1963)</p> <p>[For reelection]</p> <p>Attendance at 12 out of 12 board of directors meetings (100%)</p> <p>Attendance at 13 out of 13 Audit and Supervisory Committee meetings (100%)</p>	<p>Apr. 1988 Joined The Kagoshima Bank, Ltd.</p> <p>Mar. 2005 Chief Investigator of Sales Support Division</p> <p>Aug. 2009 Chief of Sueyoshi Branch</p> <p>Feb. 2011 Chief Investigator of Credit Division</p> <p>June 2011 Head of Corporate Support Office, Credit Division</p> <p>June 2014 Chief of Takamibaba Branch</p> <p>Mar. 2016 General Manager of Medical Practice Support Division</p> <p>Apr. 2018 Executive Officer and General Manager of Medical Practice Support Division</p> <p>Apr. 2021 Corporate Auditor (full-time)</p> <p> Auditor of Kyushu Accounting Service Co., Ltd. (to present)</p> <p>June 2021 Director and Audit and Supervisory Committee member of the Company (to present)</p> <p> Director and Audit and Supervisory Committee member of The Kagoshima Bank, Ltd. (to present)</p> <p>Apr. 2023 Corporate Auditor of Kyushu Mirai Creation Co., Ltd. (to present)</p> <p>[Position and responsibilities in the Company]</p> <p>Director and Audit and Supervisory Committee member</p> <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> • Director and Audit and Supervisory Committee member of The Kagoshima Bank, Ltd. • Auditor of Kyushu Accounting Service Co., Ltd. • Corporate Auditor of Kyushu Mirai Creation Co., Ltd. 	29,200
<p>[Reasons for nomination as candidate for Director who also serves as an Audit and Supervisory Committee member]</p> <p>At The Kagoshima Bank, Ltd., a Group subsidiary, Masahide Kitanosono served in various roles, including Chief of branches, Head of Corporate Support Office, Credit Division, Executive Officer and General Manager of Medical Practice Support Division and assumed the role of Corporate Auditor (full-time) of the bank in 2021. Since 2021, he has served as a Director and Audit and Supervisory Committee member of the Company, and has conducted appropriate audits of compliance systems and business operations. Since he possesses abundant knowledge, rich experience, and high ability in the field of financial services as well as appropriate knowledge of finance and accounting, the Company believes that he can contribute to ensuring the soundness of the Group, and it has therefore nominated him as a candidate for Director who also serves as an Audit and Supervisory Committee member.</p>			
2	<p>Jiro Sakata (June 12, 1966)</p> <p>[New election]</p>	<p>Apr. 1989 Joined The Higo Bank, Ltd.</p> <p>June 2010 Investigator of Integrated Risk Management Group, Risk Management Office, Corporate Management Division</p> <p>Apr. 2019 General Manager of Compliance and Risk Management Division</p> <p>July 2021 Associate Director, General Manager of Compliance and Risk Management Division</p> <p>Apr. 2022 Director and Audit and Supervisory Committee member (to present)</p> <p>Apr. 2025 Corporate Auditor of Kyushu Digital Solutions Co., Ltd. (to present)</p> <p>[Position and responsibilities in the Company]</p> <p>—</p> <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> • Director and Audit and Supervisory Committee member of The Higo Bank, Ltd. • Corporate Auditor of Kyushu Digital Solutions Co., Ltd. 	9,800
<p>[Reasons for nomination as candidate for Director who also serves as an Audit and Supervisory Committee member]</p> <p>In addition to taking on the role of General Manager of Compliance and Risk Management Division at The Higo Bank, Ltd., a Group subsidiary, in 2019, Jiro Sakata assumed the role of Director and Audit and Supervisory Committee Member since 2022, and has conducted appropriate audits of compliance systems and business management. Since he possesses abundant knowledge, rich experience, and high ability in the field of financial services, the Company believes that he can contribute to ensuring the soundness of the Group, and it has therefore nominated him as a candidate for Director who also serves as an Audit and Supervisory Committee member.</p>			

No.	Name (Date of birth)	Career summary		Number of the Company’s shares owned
3	Yuko Tashima (July 26, 1952)	Apr. 1979 Apr. 1992	Prosecutor of Tokyo District Public Prosecutors Office Registered as an attorney at law (Tokyo Bar Association) Partner of Sawayaka Law Office (to present)	9,700
	[For reelection] [Outside] [Independent]	July 2006 June 2015 Oct. 2015 June 2016	Outside Director of Meiji Yasuda Life Insurance Company Director of The Chiba Bank, Ltd. (to present) Corporate Auditor of the Company Corporate Auditor of Tokio Marine & Nichido Anshin Life Insurance Co., Ltd.	
	Attendance at 12 out of 12 board of directors meetings (100%) Attendance at 13 out of 13 Audit and Supervisory Committee meetings (100%)	June 2021 [Position and responsibilities in the Company] Outside Director and Audit and Supervisory Committee member [Significant concurrent positions outside the Company] • Partner of Sawayaka Law Office • Director of The Chiba Bank, Ltd.	Outside Director and Audit and Supervisory Committee member of the Company (to present)	
[Reason for nomination and expected role as candidate for Outside Director who also serves as an Audit and Supervisory Committee member] Since the Company judges that, based on the rich experience, broad insight, and knowledge that Yuko Tashima has developed as a prosecutor and attorney, she can be expected to audit the financial soundness of the Group from an objective and neutral standpoint, and the Company requests her election as an Outside Director who also serves as an Audit and Supervisory Committee member. Furthermore, she does not infringe on the independence standards established by the stock exchanges, and she also meets the “Outside Officer Independence Standards” established by the Company.				
4	Nobuya Suzuki (May 21, 1955)	Apr. 1979 Apr. 1999 Jan. 2004	Joined Yasuda Life Insurance Company (currently Meiji Yasuda Life Insurance Company) General Manager of Yamagata Office General Manager of the Risk Management Control Department	1,100
	[For reelection] [Outside] [Independent]	July 2006 July 2008	General Manager of Product Development Department Executive Officer and General Manager of Product Development Department	
	Attendance at 12 out of 12 board of directors meetings (100%) Attendance at 13 out of 13 Audit and Supervisory Committee meetings (100%)	Apr. 2010 July 2013 June 2017 July 2021 June 2023	Managing Executive Officer Chairman of the Board and Representative Executive Officer Director serving as Audit and Supervisory Committee Member of Hokuhoku Financial Group, Inc. Special Advisor at Meiji Yasuda Life Insurance Company (to present) Outside Director and Audit and Supervisory Committee member of the Company (to present)	
[Reason for nomination and expected role as candidate for Outside Director who also serves as an Audit and Supervisory Committee member] Since the Company judges that, based on the rich experience, broad insight, and knowledge that Nobuya Suzuki has developed as management at a major financial institution as well as an audit and supervisory committee member at a regional financial institution, he can be expected to audit the financial soundness of the Group from an objective and neutral standpoint, and the Company requests his election as an Outside Director who also serves as an Audit and Supervisory Committee member. 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.				

No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
5	Rie Taiko (January 21, 1982) [New election] [Outside] [Independent]	Nov. 2006 Joined The Legal Training and Research Institute of the Supreme Court of Japan Dec. 2007 Registered with Daini Tokyo Bar Association Jan. 2008 Joined TMI Associates Jan. 2019 Partner of TMI Associates (to present) [Position and responsibilities in the Company] — [Significant concurrent positions outside the Company] • Partner of TMI Associates	—
[Reason for nomination and expected role as candidate for Outside Director who also serves as an Audit and Supervisory Committee member] Since the Company judges that, based on the rich experience, broad insight, and knowledge that Rie Taiko has developed as an attorney, she can be expected to audit the financial soundness of the Group from an objective and neutral standpoint, the Company requests her election as an Outside Director who also serves as an Audit and Supervisory Committee member. Furthermore, she does not infringe on the independence standards established by the stock exchanges, and she also meets the “Outside Officer Independence Standards” established by the Company.			

- Notes:
1. There is no special interest between any of the candidates for Director who also serves as an Audit and Supervisory Committee member and the Company.
 2. Yuko Tashima, Nobuya Suzuki, and Rie Taiko are candidates for Outside Director who also serves as an Audit and Supervisory Committee member.
 3. The term of office of Yuko Tashima as an Outside Director and Audit and Supervisory Committee member of the Company will be approximately four (4) years at the conclusion of this meeting. The term of office of Nobuya Suzuki as an Outside Director and Audit and Supervisory Committee member of the Company will be approximately two (2) years at the conclusion of this meeting.
 4. Yuko Tashima and Nobuya Suzuki 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 elected as Directors who also serve as Audit and Supervisory Committee members, the Company plans to continue to register them as Independent Officers.
 5. If Rie Taiko is elected as an Outside Director who also serves as an Audit and Supervisory Committee member, the Company plans to register her as an Independent Officer who has no possibility of a conflict of interest arising with ordinary shareholders.
 6. 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 Yuko Tashima and Nobuya Suzuki that limit their liabilities to the minimum liability amount set forth in Article 425, Paragraph 1 of the Companies Act. If they are elected as Directors who also serve as Audit and Supervisory Committee members, the Company plans to continue the agreements with them.
 7. If Rie Taiko is elected an Outside Director who also serves as an Audit and Supervisory Committee member, the Company plans to enter into a limited liability agreement that limits her liability to the minimum liability amount set forth in Article 425, Paragraph 1 of the Companies Act, with respect to the liability provided for in Article 423, Paragraph 1 of the Companies Act.
 8. 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 of such liability. If the candidates are appointed as Director who also serves as an Audit and Supervisory Committee member, they will become insured persons under the insurance policy and the Company plans to renew this insurance policy during their term of office.
 9. Rie Taiko's name on the family register is Rie Takano.

Proposal 3: Election of One (1) Substitute Director Who Also Serves as an Audit and Supervisory Committee Member

In case the number of Directors who also serve as Audit and Supervisory Committee members falls short of the number required by laws and regulations, the Company proposes the election of one (1) substitute Director who also serves as an Audit and Supervisory Committee member.

The Company has obtained the consent of the Audit and Supervisory Committee for this proposal.

The candidate for a substitute Director who also serves as an Audit and Supervisory Committee member is as follows:

Name (Date of birth)	Career summary	Number of the Company's shares owned
Emi Watanabe (Oct. 8, 1974) [Outside] [Independent]	<p>Oct. 2002 Appointed as prosecutor</p> <p>Mar. 2009 Registered as an attorney at law (Kumamoto Bar Association)</p> <p>Apr. 2009 Associate Professor, Graduate School of Law, Kumamoto University</p> <p>Oct. 2010 Professor, Graduate School of Law, Kumamoto University</p> <p>Apr. 2011 Opened WATANABE LAW OFFICE (to present)</p> <p>Apr. 2017 Vice President of Kumamoto Bar Association</p> <p>Director of Kyushu Federation of Bar Association</p> <p>July 2018 Member of Kumamoto Prefecture Labor Relations Commission</p> <p>Apr. 2019 Part-time Lecturer of Faculty of Law of Kumamoto University (to present)</p> <p>Oct. 2019 Chairperson of Kumamoto Regional Labor Council (to present)</p> <p>Member of Kumamoto Volunteer Probation Officer's Screening Commission (to present)</p> <p>Dec. 2019 Chairperson of Kumamoto Prefecture Land Use Review Committee (to present)</p> <p>May 2021 Director of Kumamoto Victim Support Center (to present)</p> <p>July 2022 Chairperson of Kumamoto Prefecture Labor Relations Commission</p> <p>[Position and responsibilities in the Company]</p> <p>—</p> <p>[Significant concurrent positions outside the Company]</p> <p>• Director of Kumamoto Victim Support Center</p>	—
<p>[Reason for nomination and expected role as candidate for substitute Outside Director who also serves as an Audit and Supervisory Committee member]</p> <p>Since the Company judges that, based on her rich experience that Emi Watanabe has developed as a prosecutor and attorney, she can be expected to provide appropriate supervision and advice to the Board of Directors, the Company requests her election as a substitute Outside Director who also serves as an Audit and Supervisory Committee member. Furthermore, she meets the “Outside Officer Independence Standards” established by the Company.</p>		

- Notes:
1. There is no special interest between Emi Watanabe and the Company.
 2. Emi Watanabe is a candidate for substitute Outside Director who also serves as an Audit and Supervisory Committee member.
 3. If Emi Watanabe is elected as an Outside Director who also serves as an Audit and Supervisory Committee member, the Company plans to register her as an Independent Officer who has no possibility of a conflict of interest arising with ordinary shareholders.
 4. If Emi Watanabe becomes an Outside Director who also serves as an Audit and Supervisory Committee member, the Company plans to enter into a limited liability agreement that limits her liability to the minimum liability amount set forth in Article 425, Paragraph 1 of the Companies Act, with respect to the liability provided for in Article 423, Paragraph 1 of the Companies Act.
 5. 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 Emi Watanabe is appointed as an Outside Director who also serves as an Audit and Supervisory Committee member, she will be included as an insured under the insurance policy.

[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	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	●	●				●	●	●	●	●
Riichiro Tada	Director and Managing Executive Officer		●		●		●				
Shinichi Yamakata	Director and Managing Executive Officer		●			●				●	
Koichi Ichitsubo	Director and Managing Executive Officer				●		●		●		
Sayoko Kitamura	Director and Managing Executive Officer		●		●						●
Motohiro Kamimura	Director	●	●	●	●	●	●		●		●
Masahide Kitanosono	Director (Audit and Supervisory Committee member)		●			●	●				
Jiro Sakata	Director (Audit and Supervisory Committee member)			●	●	●					
[Outside Directors]											
Yuji Nemoto	Director					●	●			●	●
Ken Shibusawa	Director	●	●	●		●		●	●	●	
Nobuaki Fukumoto	Director	●	●			●					●
Yuko Tashima	Director (Audit and Supervisory Committee member)	●			●					●	
Nobuya Suzuki	Director (Audit and Supervisory Committee member)	●	●		●					●	●
Rie Taiko	Director (Audit and Supervisory Committee member)	●			●			●	●		

* Percentage of independent outside directors: 40% (6 out of 15)

* Percentage of female directors: 20% (3 out of 15)

<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 10th Term

(From April 1, 2024 to March 31, 2025)

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 return to an inflationary economy, including an interest rate hike by the Bank of Japan for the first time in 17 years, as well as growth in the rate increase in public land prices and rate increase in the spring wage talks for the first time since the bubble period.

In this economic environment, export-related companies performed well from the yen depreciation, backed by the difference of Japan and the U.S. interest rates and other factors. As a result, in July, the Nikkei index recorded an all-time high of a 42,000 yen level for the first time in history. On the other hand, in August, the Nikkei index recorded the largest decline in history due to the plunge in American high-tech stocks and the yen appreciation, but the market gradually settled down with the interest rate cut by the U.S. FRB and other factors. Since the beginning of 2025, due to growing concerns that the Trump administration's trade policies, which started in full scale in April 2025, will put downward pressure on the global economy, the closing price of the end of the fiscal year fell below that of the previous year for the first time in three years. The foreign exchange market progressed with yen depreciation to a level of ¥161 per dollar in July due to favorable U.S. economic indicators and the Bank of Japan's continuation of accommodative policies. Although the yen once trended to appreciate, it depreciated again toward the end of year due to the strong U.S. economy and expectations for President Trump. Since the beginning of 2025, the yen appreciated due to concerns over the U.S. economy recession and the Bank of Japan's interest rate hike observation.

In the local economy, consumer spending centered on services and inbound demand recovered due to an increase of foreign tourists. In addition, for companies, despite higher costs due to rising raw material and energy prices, sales increased from price shifting, resulting in a moderate recovery overall.

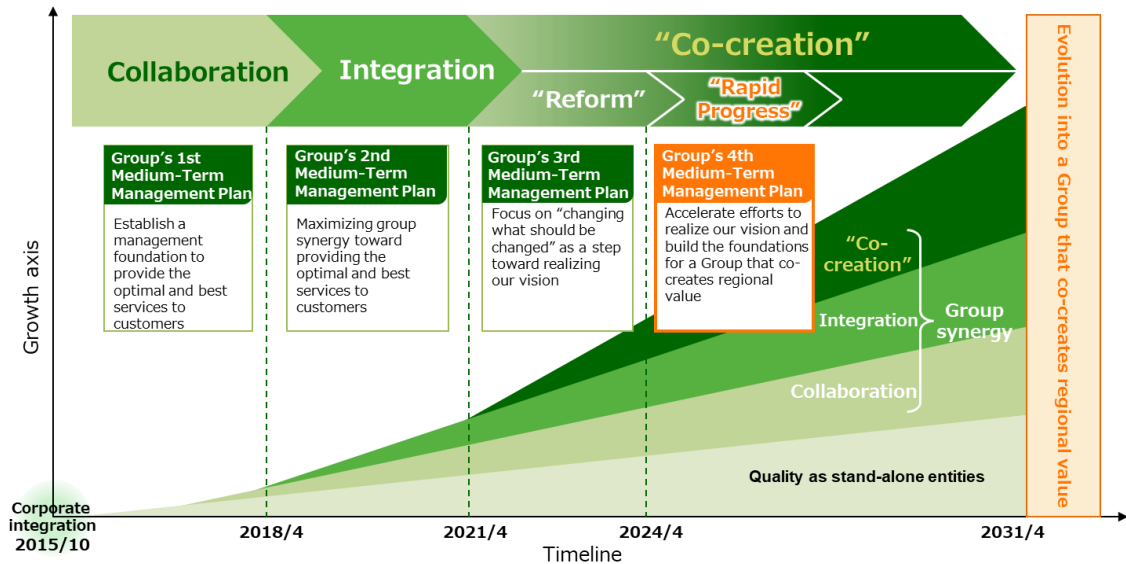
[Progress and results of the Group's operations]

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.

[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. In April 2024, the Company started the 4th Group Medium-Term Management Plan: “Rapid Progress” (period: from April 1, 2024 to March 31, 2027) as Chapter 2 following Chapter 1 of the Co-creation stage “Reform,” and is working toward the evolution into a Group that co-creates regional value.

1. Positioning



2. 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	
	Strategic pillars	<ul style="list-style-type: none"> ① Taking on new businesses and expanding business areas ② Providing regional and customer-oriented solutions
	2. Strengthening core businesses for local economic growth	
	Strategic pillars	<ul style="list-style-type: none"> ① Strengthening support for growth of regional industries ② Deepening life plan consulting
	3. Establishing a solid management foundation for sustainable growth	
	Strategic pillars	<ul style="list-style-type: none"> ① Enhancing employee value through human capital management practices ② Advanced initiatives related to GX/DX ③ Transformation of KFG business model

3. Major financial indicators

Indicator	Final year target of the Plan (Fiscal 2026)	Fiscal 2024 actual
(1) Net income	¥36.0 billion	¥30.3 billion
(2) Net income from core business	¥53.0 billion	¥40.1 billion
(3) Business profits from services provided to customers	¥32.5 billion	¥22.2 billion
(4) OHR	61.0%	74.9%
(5) Ratio of consolidated to non-consolidated results (net income)	1.03 times	1.04 times
(6) ROE on shareholders' equity	5.0%	4.5%
(7) Capital adequacy ratio	10.50%	11.67%
(8) RORA	0.52%	0.52%
(9) PBR	0.88 times or more	0.48 times

During fiscal 2024, the first fiscal year of the 4th Group Medium-Term Management Plan, the main measures implemented by the Group are as follows.

Accelerating initiatives to provide regional value that creates the future

<Taking on new businesses and expanding business areas>

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 celebrated the second anniversary of our opening. Our e-commerce mall, Yoka Mall offers a wider range of attractive and excellent products from Southern Kyushu and at the end of March 2025, the number of items for sale has increased to approximately 700 and the number of memberships has increased to approximately 32,000.

The Hugmeg mobile app which launched in December 2021 aims to be a “regional digital platform” that realize value co-creation with local municipalities and companies. It is expanding its functions as needed beyond financial functions for solving local issues and for improving the quality of life. At the end of March 2025, the number of downloads was approximately 128,000, used by many of our customers.

In addition, Higo Bank launched the “regional loss elimination project” in February 2025 after experimental tests to eliminate various losses such as food loss and inventory loss. It established a new platform “Kasesuru” for local consumption of losses. As of the end of March 2025, it participated with approximately 11,000 users and approximately 90 enterprise owners.

<Providing regional and customer-oriented solutions>

We are working as one to provide various types of support on problem-solving for diversifying and sophisticated business needs.

Higo Bank established an M&A company, Kyushu M&A Advisors Co., Ltd., through a three-way joint investment with Nihon M&A Center Holdings Inc. and E.SUN VENTURE CAPITAL CO., LTD., and in January 2025, supported the capital business alliance of a Fukuoka-based MICROCOURT CO., LTD, a software contract development company, and Tokyo-based BlueMeme Inc., a company listed on the Tokyo Stock Exchange Growth Market.

Kagoshima Bank established Kagin Co-creation Investment Co., Ltd. in November 2023, and provided capital business alliance to Gyoza no Maruoka Group, which manufactures and sells gyoza dumplings in the Kyushu region.

In addition, Kyushu FG Securities strengthened initiatives for the IPO support business to assist customers who aim to go public. It obtained J-Adviser qualification at Tokyo Stock Exchange’s TOKYO PRO Market in May 2024, and F-Adviser qualification at Fukuoka Stock Exchange’s Fukuoka PRO Market in August 2024.

Strengthening core businesses for local economic growth

<Strengthening support for growth of regional industries>

Taiwan Semiconductor Manufacturing Company Limited (TSMC), the world’s largest contract manufacturer of semiconductors, launched mass production in December 2024 at its JASM Kumamoto Factory 1, its first production base in Japan. Construction of its Factory 2 is also planned to start by the end of 2025, and aims for the launch of operation by the end of fiscal 2027.

Higo Bank is actively working to create supply chain entrance opportunities, support market entry and transaction expansion for Taiwanese companies, and strengthen proposal capabilities for business matching, led by the Electronic Device-related Industries Project Team. Loan execution to semiconductor-related industries totaled approximately 263.1 billion yen cumulatively from April 2022 to March 2025, and the number of companies supported for supply chain entrance became 11 companies at the end of March 2025. Higo Bank will continue to work on realizing New Silicon Island Kyushu.

In addition, one year has passed since the establishment of Kyusyu-Okinawa-Banking Alliance Semiconductor Solutions (nicknamed: Q-BASS) by 13 regional banks in Kyushu, Okinawa and Yamaguchi, and Higo Bank and Kagoshima Bank are also carrying out various activities. In December 2024, “Semiconductor Seminar,” “One-on-one Business Meeting with Japanese and Taiwanese

Semiconductor Companies” and “Japanese and Taiwanese Companies Fellowship” were held in Taiwan with other regional banks. 30 Japanese companies and 33 Taiwanese companies participated in the one-on-one business meeting, bringing the total number of business meetings to 140.

<Deepening life plan consulting>

In response to the drastic expansion and permanent establishment of NISA (Nippon individual savings account) and the growing need for asset building due to higher prices, the Group is actively working to support customers’ asset-building through appropriate collaboration between Higo Bank, Kagoshima Bank, and Kyushu FG Securities. In addition, the Group has developed a campaign in collaboration with Kyushu Mirai Creation Co., Ltd. and held seminars and asset management fairs to help customers manage their assets, and as of March 2025, the balance of assets under management at Kyushu FG Securities was approximately 380.0 billion yen, an increase of approximately 30.0 billion yen over the past year.

In addition, to meet the needs for inheritance and the passing on of assets in light of the aging society, the number of trust contracts has been increasing year by year, as the Group started the trust business at banks in April 2019, the first such initiative by a regional bank group in Kyushu. We are also focusing on nurturing human resources specialized in trust operations through cooperation with a trust bank.

We will continue to contribute to the creation and succession of our customers’ future assets through our one-stop consulting practice tailored to their attributes and life events.

Establishing a solid management foundation for sustainable growth

<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, for the entire Group, 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” in which participants practically learn about programming in teams for the purpose of developing data scientists.

The Group has increased wages including base pay by 5% or higher for three consecutive years in order to respond to rising prices and other economic environmental factors, improve employee engagement, and secure a superior workforce. Also, we have raised starting wages for three consecutive years.

We respect the human rights of various minorities, including LGBTQ persons, and strive to foster a corporate culture that is responsive to diverse family styles. As part of this effort, we have introduced a partnership system in April 2025, which allows employees’ same-sex partners to receive some of the same benefits and rules as spouses in legal marriages.

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 providing individual follow-ups based on the results to younger employees up to their fifth year of employment with the purpose of supporting them “individually.”

<Advanced initiatives related to GX>

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. In addition, we began disclosing the calculation of financed emissions in fiscal 2022. Through these efforts, we are promoting decarbonization initiatives for our investment and loan portfolio companies. As part of this effort, Higo Bank is

introducing its CO₂ emission measuring system “Zero-Carbon-System (nicknamed: Tansaku-kun)” to its customers and other regional companies. As of the end of March 2025, Tansaku-kun was implemented by 4,128 customers, supporting decarbonized management and accelerating penetration into the regional community.

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 recognizes dependence and impact on natural capital and biodiversity through our business, along with their risks and opportunities. We will make transparent disclosures in line with TNFD recommendations starting fiscal 2024.

<Advanced initiatives related to DX>

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.

As an effort to improve functions of non-face-to-face channels, Higo Bank started the new “Higo Bank app.” service in March 2024. Furthermore, Kumamon! Pay, a mobile app that supports a wider range of payments while taking over the functions of Kumamon no IC CARD, is scheduled for release at the end of May 2025. Functional services such as touch payment by virtual prepaid card, QR code payment and digital gift certificate are planned.

Kagoshima Bank is expanding its issuance business of digital regional promotion coupons through Paydon in cooperation with each of the local municipalities, shopping districts and regional companies in Kagoshima Prefecture. It will continue its efforts to revitalize the local economy, including childcare support benefit programs in cooperation with local municipalities. In addition, in July 2025, Kagoshima Bank plans to offer its new “Kagin App” for individual customers that will enable them to perform procedures similar to those at physical branches, such as opening an account.

Furthermore, Higo Bank and Kagoshima Bank have introduced tablets at the storefront as an effort to reduce the burden of filling out documents for customers at branch counters and to shorten processing and waiting times. They have also introduced an electronic contract service for mortgage and business borrowing, in which contract procedures are completed by electronically signing a PDF file instead of filling out and sealing a paper contract. Customers can check their contracts and electronically sign them even after business hours by using their computers or smartphones. Productivity has been greatly improved by going paperless.

In addition, we are working on implementation of generative AI to improve operational efficiency and productivity. Specifically, we are using them to proofread and correct texts, take minutes, write source code, and inquire about administrative procedures related to banking services. We will continue to improve productivity and make effective use of generative AI while taking appropriate risk countermeasures.

Transformation of KFG business model

<Integration and uniqueness>

The 4th Group Medium-Term Management Plan clarifies the areas to be integrated as a Group.

In the DX area, the project team has begun discussions to integrate the core system, and plans to formulate a concrete plan by the end of fiscal 2025 after reviewing the ideal next-generation system from the perspective of “improving the value provided to the community, customers, and stakeholders.”

In addition, in the governance, DX, and human capital areas, the Group will pursue efficiency and specialty by integrating functions and unifying systems and frameworks.

Clarification of areas to be integrated as a Group

Governance	DX
Systems and mechanisms related to management	Core systems
◆ Operation of the Nominating and Remuneration Committee and design of the Executive Remuneration System	◆ Standardization of business through integration of core systems
Compliance	Business system/loan system/audit system
◆ Consolidation of functions and review of operational structure	◆ Unification of systems used by each company
Compatibility with financial systems	Human capital
◆ Basel III, FD, etc.	Training
Accounting/Public Relations	◆ Holding joint training common to each company, including by rank and for females in management positions
◆ Consolidation of functions and review of operational structure	Recruitment desk
	◆ Unification of recruitment portal website

Fiscal 2024 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 ¥126.0 billion over the end of the previous fiscal year to ¥10,579.4 billion, mainly as a result of increases in corporate deposits and personal deposits.

(Loans)

Loans rose by ¥215.4 billion over the end of the previous fiscal year to ¥9,042.4 billion, mainly as a result of increases in enterprise and personal loans.

(Securities)

Securities fell by ¥139.5 billion over the end of the previous fiscal year to ¥1,864.4 billion, mainly as a result of decreases in domestic bonds, etc.

(Profit and loss)

Consolidated ordinary income rose by ¥28,740 million year on year to ¥251,292 million due primarily to an increase in interest income and other ordinary income. Consolidated ordinary profit rose by ¥4,553 million year on year to ¥42,991 million. Additionally, profit attributable to owners of parent rose by ¥3,973 million year on year to ¥30,368 million.

The Company proposes to pay a year-end dividend for the fiscal year under review of ¥12 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) increased by ¥32.7 billion year on year to ¥5,526.3 billion owing primarily to increases in corporate deposits and personal deposits. Loans increased by ¥98.7 billion year on year to ¥4,702.8 billion due mainly to higher enterprise and personal loans. Securities decreased by ¥46.1 billion year on year to ¥1,097.4 billion mostly as a result of a decrease in domestic bonds.

Additionally, net business profit increased by ¥1,318 million year on year to ¥10,207 million, ordinary profit increased by ¥2,820 million year on year to ¥22,189 million, and net income increased by ¥2,001 million year on year to ¥15,813 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 ¥94.6 billion year on year to ¥5,069.9 billion owing primarily to an increase in personal and public deposits, loans increased by ¥123.6 billion year on year to ¥4,423.5 billion owing primarily to increases in enterprise and personal loans, and securities decreased by ¥93.3 billion year on year to ¥768.7 billion due mainly to a decrease in government bonds.

Additionally, net business profit increased by ¥2,411 million year on year to ¥13,470 million, ordinary profit increased by ¥630 million year on year to ¥19,478 million, and net income increased by ¥649 million year on year to ¥14,015 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 is expected to 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. In this business environment, the Group recognizes that its role and mission is to contribute to the realization of sustainable regional society through taking on new business challenges and expanding its business domain, based on the belief that "the future of a local community will be shaped by the type of regional banks operating there." The Group will continue to work together as one to evolve into "a Group that co-creates regional value."

We sincerely ask our shareholders for their continued support and patronage of the Group.