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Securities code: 7180
May 29, 2026
(Commencement date of electronic
provision measures: May 27, 2026)

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 11TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We hereby inform you that the 11th 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 11th 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 26, 2026 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 11th Term (from April 1, 2025 to March 31, 2026), 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 11th Term (from April 1, 2025 to March 31, 2026)

- Items to be resolved:**
- Proposal 1: Election of Eleven (11) Directors (Excluding Directors Who Also Serve as Audit and Supervisory Committee Members)
- Proposal 2: Revision of Amount of Remuneration for Directors (Excluding Directors Who Also Serve as Audit and Supervisory Committee Members)
- Proposal 3: Partial Revision of Stock Compensation Plan for Directors (Excluding Directors Who Also Serve as Audit and Supervisory Committee Members)

* 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 Eleven (11) 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, in order to strengthen the management structure by adding one (1) Director, the Company proposes the election of eleven (11) 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 14 for the Outside Officer Independence Standards).

The Audit and Supervisory Committee also considered this proposal. The Company received an opinion from the Audit and Supervisory Committee that there were no particular matters to be pointed out.

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 and Representative Director	[For reelection]
2	Yoshihisa Kasahara	President and Representative Director	[For reelection]
3	Riichiro Tada	Director and Senior Managing Executive Officer (In charge of regional value co-creation business and Business Strategy Division)	[For reelection]
4	Shinichi Yamakata	Director and Senior Managing Executive Officer (In charge of Corporate Planning Division, Public Relations / IR Division, Personnel / General Affairs Division and Digital Innovation Division)	[For reelection]
5	Koichi Ichitsubo	Director and Managing Executive Officer (In charge of Audit Division)	[For reelection]
6	Sayoko Kitamura	Director and Managing Executive Officer (In charge of Compliance and Risk Management Division)	[For reelection]
7	Hiromi Ikariyama	—	[New election]
8	Yoshiro Takamoto	—	[New election]
9	Yuji Nemoto	Director	[For reelection] [Outside] [Independent]
10	Ken Shibusawa	Director	[For reelection] [Outside] [Independent]
11	Nobuaki Fukumoto	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) [For reelection] Attendance at 11 out of 11 board of directors meetings (100%)	<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 and Representative Director of The Kagoshima Bank</p> <p>Apr. 2024 President and Representative Director</p> <p>June 2024 Chairman and Representative Director of the Company (to present)</p> <p>Apr. 2026 Director of The Kagoshima Bank (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> • Chairman and Representative Director <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> • Director of The Kagoshima Bank, Ltd. 	77,660
<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 Representative Director, and President and Representative Director. 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	Yoshihisa Kasahara (January 5, 1962) [For reelection] Attendance at 11 out of 11 board of directors meetings (100%)	<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 and Representative Director of The Higo Bank, Ltd.</p> <p>June 2018 President and Representative Director (to present)</p> <p>June 2019 President and Representative Director of the Company (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> • President and Representative Director <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> • President and Representative Director of The Higo Bank, Ltd. 	189,600
<p>[Reasons for nomination as candidate for Director]</p> <p>Yoshihisa Kasahara has driven the management of The Higo Bank, Ltd., a Group subsidiary, as its President and Representative Director since 2018. In addition, since becoming President and Representative Director of the Company in 2019, he has supervised the general management of the Group. 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 11 out of 11 board of directors meetings (100%)</p>	<p>Apr. 1989 Joined The Higo Bank, Ltd.</p> <p>Apr. 2022 Senior Executive Officer and General Manager of Audit Division of the Company</p> <p> Senior Executive Officer and General Manager of Audit Division of The Higo Bank, Ltd.</p> <p> 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> Director and Managing Executive Officer of The Higo Bank, Ltd.</p> <p> 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)</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"> • Director and Senior Managing Executive Officer (In charge of regional value co-creation business and Business Strategy Division) <p>[Significant concurrent positions outside the Company]</p> <ul style="list-style-type: none"> • Director of Kyushu FG Securities, Inc. • Director of Kyushu Digital Solutions Co., Ltd. • Director of Kyushu Mirai Creation Co., Ltd. 	22,500
<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 Higo Bank, and The Kagoshima Bank. He has been in charge of an audit division as Director and Managing Executive Officer of the Company since 2023, and has strived to enhance the Company's risk management structure. 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	<p>Shinichi Yamakata (October 4, 1965)</p> <p>[For reelection]</p> <p>Attendance at 9 out of 9 board of directors meetings (100%)</p>	<p>Apr. 1988 Joined The Kagoshima Bank, Ltd.</p> <p>Mar. 2016 Chief of Kamoike Branch</p> <p>Nov. 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</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>June 2025 Director and Managing Executive Officer of the Company</p> <p>Apr. 2026 Director and Senior Managing Executive Officer (to present)</p> <p>[Position and responsibilities in the Company]</p> <ul style="list-style-type: none"> • Director and Senior 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. 	21,480
<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 Associate Director, General Manager of General Affairs Division. Since assuming the role of Executive Officer and General Manager of Corporate Planning Division in 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) [For reelection] Attendance at 9 out of 9 board of directors meetings (100%)	Apr. 1988 Apr. 2021 Apr. 2022 Apr. 2024 Apr. 2025 June 2025	Joined The Kagoshima Bank, Ltd. Associate Director, General Manager of Corporate Planning Division Executive Officer and General Manager of Corporate Planning Division Senior Executive Officer and General Manager of Business Strategy Division of the Company Managing Executive Officer Director and Managing Executive Officer of The Higo Bank, Ltd. (to present) Managing Director of The Kagoshima Bank, Ltd. (to present) Director and Managing Executive Officer of the Company (to present) [Position and responsibilities in the Company] • Director and Managing Executive Officer (In charge of Audit Division) [Significant concurrent positions outside the Company] • Director and Managing Executive Officer of The Higo Bank, Ltd. • Managing Director of The Kagoshima Bank, Ltd.	10,200
[Reasons for nomination as candidate for Director] 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.				
6	Sayoko Kitamura (January 30, 1966) [For reelection] Attendance at 9 out of 9 board of directors meetings (100%)	Apr. 1984 Mar. 2016 Apr. 2021 Apr. 2023 Apr. 2024 Apr. 2025 June 2025	Joined The Higo Bank, Ltd. Chief of Inarimae Branch Executive Officer and General Manager of Takuma Block Supervisory Branch and Chief of Takuma Branch Senior Executive Officer and General Manager of Administrative Management Division Managing Executive Officer and General Manager of Compliance and Risk Management Division Managing Executive Officer of the Company Director and Managing Executive Officer of The Higo Bank, Ltd. (to present) Director and Managing Executive Officer of the Company (to present) [Position and responsibilities in the Company] • Director and Managing Executive Officer (In charge of Compliance and Risk Management Division) [Significant concurrent positions outside the Company] • Director and Managing Executive Officer of The Higo Bank, Ltd.	36,200
[Reasons for nomination as candidate for Director] 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.				

No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
7	Hiromi Ikariyama (July 6, 1962) [New election]	Apr. 1985 Joined The Kagoshima Bank, Ltd. June 2011 Chief of Oroshihonmachi Branch June 2015 Executive Officer and General Manager of Loan Management Division Apr. 2018 Managing Director and General Manager of Loan Management Division Apr. 2019 Managing Director Apr. 2022 Senior Managing Director Apr. 2024 Deputy President and Representative Director Apr. 2026 President and Representative Director (to present) [Position and responsibilities in the Company] — [Significant concurrent positions outside the Company] • President and Representative Director of The Kagoshima Bank, Ltd.	53,850
		[Reason for nomination as candidate for Director] At The Kagoshima Bank, Ltd., a Group subsidiary, Hiromi Ikariyama served in various roles, including Chief of branches and General Manager of Loan Management Division. He has demonstrated his management skills over many years as a member of the senior management team of The Kagoshima Bank, Ltd. since 2019. Since he possesses abundant knowledge, rich experience, and high ability in the field of financial operations, the Company believes that Hiromi Ikariyama can contribute to the Group's further development, and it has therefore nominated him as a candidate for Director.	
8	Yoshiro Takamoto (May 4, 1965) [New election]	Apr. 1989 Joined The Higo Bank, Ltd. Apr. 2016 General Manager of Suizenji Block Supervisory Branch and Chief of Suizenji Branch Apr. 2019 Executive Officer and General Manager of Suidocho Block Supervisory Branch and Chief of Suidocho Branch Apr. 2021 Senior Executive Officer and General Manager of Loan Management Division Apr. 2022 Director and Managing Executive Officer Apr. 2025 Deputy President and Representative Director (to present) [Position and responsibilities in the Company] — [Significant concurrent positions outside the Company] • Deputy President and Representative Director of The Higo Bank, Ltd.	26,300
		[Reason for nomination as candidate for Director] At The Higo Bank, Ltd., a Group subsidiary, Yoshiro Takamoto served in various roles, including Chief of branches and Senior Executive Officer and General Manager of Loan Management Division. Since assuming the role of Director and Managing Executive Officer in 2022, he has demonstrated his management skills as an officer of The Higo Bank, Ltd. Since he possesses abundant knowledge, rich experience, and high ability in the field of financial operations, the Company believes that Yoshiro Takamoto 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
9	<p>Yuji Nemoto (October 27, 1954)</p> <p>[For reelection] [Outside] [Independent]</p> <p>Attendance at 11 out of 11 board of directors meetings (100%)</p>	<p>Apr. 1978 Joined Japan Development Bank (currently Development Bank of Japan Inc.)</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 Emeritus Professor and Senior Research Partner of International Public-Private Partnership Institute (IPPP), 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"> • Emeritus Professor and Senior Research Partner of International Public-Private Partnership Institute (IPPP), 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 as an expert in public policy, urban development and regional development that Yuji Nemoto has developed by utilizing his experience of being involved in regional policy as a university professor, 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.</p>	
10	<p>Ken Shibusawa (March 18, 1961)</p> <p>[For reelection] [Outside] [Independent]</p> <p>Attendance at 9 out of 9 board of directors meetings (100%)</p>	<p>Jan. 1984 Joined Japan Center for International Exchange</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>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>June 2025 Director of the Company (to present)</p> <p>Director (Outside) of Seven Bank, Ltd. (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"> • 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. 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.</p>	

No.	Name (Date of birth)	Career summary	Number of the Company's shares owned
11	Nobuaki Fukumoto (April 28, 1959) [For reelection] [Outside] [Independent] Attendance at 9 out of 9 board of directors meetings (100%)	<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>June 2025 Director of the Company (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.</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. They do not infringe on the independence standards established by the stock exchanges, and they also meet the “Outside Officer Independence Standards” established by the Company.
 3. The term of office of Yuji Nemoto as Outside Director of the Company will be approximately eight (8) years at the conclusion of this meeting.
The term of office of Ken Shibusawa as Outside Director of the Company will be approximately one (1) year at the conclusion of this meeting.
The term of office of Nobuaki Fukumoto as Outside Director of the Company will be approximately one (1) year at the conclusion of this meeting.
 4. Yuji Nemoto, Ken Shibusawa, and Nobuaki Fukumoto 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 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 a limited liability agreement with Yuji Nemoto, Ken Shibusawa, and Nobuaki Fukumoto that limit their liability to the minimum liability amount set forth in Article 425, Paragraph 1 of the Companies Act. If they are elected as Outside Directors, the Company plans to continue the agreement 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	Male	Chairman and Representative Director	●	●	●	●	●	●		●		
Yoshihisa Kasahara	Male	President and Representative Director	●	●					●	●	●	●
Riichiro Tada	Male	Director and Senior Managing Executive Officer		●		●			●			
Shinichi Yamakata	Male	Director and Senior Managing Executive Officer		●			●				●	
Koichi Ichitsubo	Male	Director and Managing Executive Officer				●			●		●	
Sayoko Kitamura	Female	Director and Managing Executive Officer		●		●						
Hiroimi Ikariyama	Male	Director		●		●	●	●		●	●	
Yoshiro Takamoto	Male	Director		●		●	●	●		●	●	
Masahide Kitanosono	Male	Director (Audit and Supervisory Committee member)		●			●	●				
Jiro Sakata	Male	Director (Audit and Supervisory Committee member)			●	●	●					
[Outside Directors]												
Yuji Nemoto	Male	Director					●	●			●	●
Ken Shibusawa	Male	Director	●	●	●		●		●	●	●	
Nobuaki Fukumoto	Male	Director	●	●			●					●
Yuko Tashima	Female	Director (Audit and Supervisory Committee member)	●			●					●	
Nobuya Suzuki	Male	Director (Audit and Supervisory Committee member)	●	●		●					●	●
Rie Taiko	Female	Director (Audit and Supervisory Committee member)	●			●			●	●		

* Percentage of independent outside directors: 37.5% (6 out of 16)

* Percentage of female directors: 18.7% (3 out of 16)

(Note) The percentages shown are rounded down to the first decimal place.

Reasons for Skill Selection

Item	Reasons for selection
Corporate Management	In order to engage in constructive discussions with respect to specific management strategies and management plans at the Board of Directors and to make sound decisions
Sales Strategy	In order to support timely and decisive decision making by Senior Management
Market Operation	
Legal, Risk Management	In order for the Board of Directors to supervise timely and appropriate information disclosure, appropriately establish internal control and risk management systems, and supervise their operational status
Finance and Accounting	
Regional Industry Development	In order to work on creating new businesses and expanding business areas in collaboration with local communities and local governments under Basic Strategy 1, “Accelerating initiatives to provide regional value that creates the future,” in the Group’s 4th Medium-Term Management Plan, and to support the creation of overseas businesses and expansion of sales channels
International Business	
Personnel Strategy	In order to promote the enhancement of employee value through human capital management practices by building a human resource portfolio that supports the future of the Group under Basic Strategy 3, “Establishing a solid management foundation for sustainable growth,” in the Group’s 4th Medium-Term Management Plan
Sustainability	In order to work on initiatives such as supporting the realization of a decarbonized society in the region, and enhancing productivity through the integration of core systems and utilization of digital technologies under Basic Strategy 3, “Establishing a solid management foundation for sustainable growth,” in the Group’s 4th Medium-Term Management Plan
DX, Technology	

<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).

Proposal 2: Revision of Amount of Remuneration for Directors (Excluding Directors Who Also Serve as Audit and Supervisory Committee Members)

The total yearly remuneration for Directors of the Company was approved to be set at a maximum of ¥300 million (including ¥36 million for Outside Directors) at the 6th Ordinary General Meeting of Shareholders held on June 18, 2021, and remains unchanged to date.

From the perspective of the changes in the economic situation, management environment, expansion of business scale, securing superior workforce to strengthen corporate governance, and strengthening incentives from medium- to long-term, the Company considered it essential to revise the remuneration system.

Accordingly, with comprehensive consideration for circumstances, the Company requests that total yearly remuneration for Directors (excluding Directors who also serve as Audit and Supervisory Committee Members) be set at a maximum of ¥500 million (including ¥36 million for Outside Directors).

At present, there are ten (10) Directors (including three (3) Outside Directors). However, if Proposal 1 “Election of Eleven (11) Directors (Excluding Directors Who Also Serve as Audit and Supervisory Committee Members)” is approved as originally proposed, there will be eleven (11) Directors (excluding Directors who also serve as Audit and Supervisory Committee members and including three (3) Outside Directors).

The Company sets forth fairness and transparency in its policy concerning remuneration for Directors, and since this proposal was decided by the Board of Directors following consultation with the Nominating and Remuneration Committee in accordance with this policy, we believe it is appropriate.

Proposal 3: Partial Revision of Stock Compensation Plan for Directors (Excluding Directors Who Also Serve as Audit and Supervisory Committee Members)

1. Reasons for the revision and reasons to regard this as appropriate

At the 8th Ordinary General Meeting of Shareholders held on June 16, 2023, a stock compensation plan, the Board Benefit Trust (hereinafter the “Plan”) for Directors (excluding Directors who also serve as Audit and Supervisory Committee members and other Directors who are Outside Directors and Non-executive Directors. Hereinafter, the same shall apply in this Proposal unless otherwise provided.) and Executive Officers of the Company, and Directors (excluding Directors who also serve as Audit and Supervisory Committee members and other Directors who are Outside Directors and Non-executive Directors) and Executive Officers (hereinafter, collectively the “Eligible Officers”) of the subsidiaries of the Company (The Higo Bank, Ltd. and The Kagoshima Bank, Ltd.) was approved to be introduced, and remains unchanged to date (hereinafter, the resolution at the above General Meeting of Shareholders shall be referred to as “Original Resolution”).

The Company requests approval to link the points granted to Eligible Officers under the Plan to their performance, and to change the maximum number of points granted to Eligible Officers.

As with Original Resolution, this Proposal aims to clarify the link between the remuneration of Eligible Officers and share value. The revision of this Proposal is intended to further raise awareness of Eligible Officers to contribute to improve performance over the medium- to long-term and to increase corporate value by sharing not only the benefit of rising share prices but also the risks of falling share prices with our shareholders. The Company plans to partially change the Plan to contents as described on page 22 to 25. The Company judges that the contents in this Proposal are appropriate since this Proposal aligns with the Policies for Determining the Details of Remuneration for Individual Directors on page 46.

In addition, the remuneration referred to in this Proposal is separate from the amount of remuneration for Directors (excluding Directors who also serve as Audit and Supervisory Committee members; total remuneration of up to ¥500 million per year, including up to ¥36 million for Outside Directors), which is requested for approval in Proposal 2. In order to provide remuneration under the Plan to the Directors of the Company, the Company requests approval with regard to the specific calculation method and contents of the remuneration. Regarding the details of the Plan, the Company would like for shareholders to entrust the matters within the framework described in 2. below to the Board of Directors.

If Proposal 1 is approved as originally proposed, the number of Directors of the Company eligible for the Plan will be six (6).

Based on the purpose of the Plan, the decision-making process for this Proposal including recommendations from the Nominating and Remuneration Committee, the Company received opinions from the Audit and Supervisory Committee that the revision of the Plan is appropriate.

2. Specific method of calculation of the amount of remuneration pertaining to the Plan and its contents

The Company will partially revise as follows. The main revisions are underlined.

(1) Outline of the Plan

The Plan is a performance-linked stock compensation plan in which the Company’s shares are acquired

through a trust (the trust to be established under the Plan is hereinafter referred to as the “Trust”) using cash contributed by the Company as the source of funds, and the Company’s shares and cash equivalent to the amount obtained by converting the Company’s shares at their market value (hereinafter the “Company Shares, etc.”) are provided to the Eligible Officers through the Trust in accordance with the Officers’ Stock Benefit Regulations established by the Company. In principle, the Company Shares, etc. will be provided when the relevant Eligible Officer retires.

(2) Directors eligible for the Plan

Directors (the Plan excludes Directors who also serve as Audit and Supervisory Committee members and other Directors who are Outside Directors and Non-executive Directors) and Executive Officers of the Company, and Directors (excluding Directors who also serve as Audit and Supervisory Committee members and other Directors who are Outside Directors and Non-executive Directors) and Executive Officers of the subsidiaries of the Company (The Higo Bank, Ltd. and The Kagoshima Bank, Ltd.).

(3) Trust period

From September 2023 to the termination of the Trust (no termination date is specified with respect to the trust period of the Trust, and the Trust will continue for as long as the Plan continues. The Plan will terminate upon matters including the delisting of the Company’s shares and abolition of the Officers’ Stock Benefit Regulations.)

(4) Trust amount

The Company introduced the Plan for three fiscal years from the fiscal year ended March 31, 2024 to the fiscal year ended March 31, 2026 (the period of the three fiscal years is hereinafter referred to as the “Initial Target Period,” and the Initial Target Period and the periods of each of the three fiscal years that commences after elapse of the Initial Target Period are respectively referred to as the “Target Periods.”) and each Target Period thereafter. The Company’s shares and cash remaining in the trust property which were acquired through the Trust using cash contributed by the Company as the source of funds, will be appropriated to the source of funds provided under the Plan after the revision of the Plan from the approval of this Proposal.

In addition, after elapse of the Initial Target Period, the Company shall, in principle, make additional contributions to the Trust for each Target Period as funds deemed necessary for the Trust to acquire the Company’s shares in advance until the Plan is terminated, based on a reasonable estimate of the number of shares necessary to provide benefits to the Eligible Officers under the Plan; provided, however, that when such additional contribution is made, if any Company shares remaining in the trust property, (excluding Company shares equivalent to points granted to Eligible Officers for each Target Period up to immediately before the relevant Target Period for which delivery to Eligible Officers has not been completed,) and any cash (collectively, the “Remaining Shares, etc.”) remain, the Remaining Shares, shall be appropriated to the funds for benefits for the subsequent Target Period based on the Plan, and the additional contribution amount shall be calculated taking into consideration the Remaining Shares, etc. If the Company decides to make an additional contribution, such additional contribution will be disclosed in a timely and appropriate manner.

(Note) The amount of cash to be actually contributed by the Company to the Trust will be the sum of the above-mentioned funds for acquiring shares and the estimated amount of necessary expenses such as trust fees, etc.

(5) Method of acquisition of the Company’s shares by the Trust and number of shares to be acquired

The acquisition of the Company’s shares by the Trust shall be conducted through the exchange market or by underwriting the disposal of treasury shares of the Company, using the funds contributed in accordance with (4) above.

As stated in (6) below, the maximum number of points granted to Eligible Officers is 1,500,000 points per fiscal year. Therefore, the maximum number of the Company’s shares to be acquired by the Trust for each Target Period will be 4,500,000 shares. Details of the acquisition of the Company’s shares by the Trust will be disclosed in a timely and appropriate manner.

(6) Maximum number of Company Shares, etc. to be provided to Eligible Officers

Eligible Officers are granted points for each fiscal year based on the Officers’ Stock Benefit Regulations, in which the number of points is determined by taking into consideration their position, their performance achievements and other factors. The total number of points granted to Eligible Officers per fiscal year shall not exceed 1,500,000 points (of which, 300,000 points are granted to Directors of the Company). This was determined after comprehensively taking into account the current level of remuneration for officers, trends

in the number of Eligible Officers, future prospects as well as other factors, and the Company considers it to be appropriate.

The points granted to the Eligible Officers will be converted into one (1) common stock of the Company per point upon the provision of Company Shares, etc. as described in (7) below (however, if a share split, a gratis allotment of shares, or a share consolidation, etc. is implemented with respect to the Company's shares, the upper limit of the number of points and the number of granted points or the conversion ratio shall be reasonably adjusted according to the ratios, etc. of such changes).

The ratio of the number of voting rights associated with shares equivalent to the limit of the number of points granted to Eligible Officers per fiscal year, which is 15,000 voting rights, is approximately 0.35% to the number of voting rights associated with the total number of issued shares, which is 4,238,301 voting rights (as of March 31, 2026).

The number of points of the Eligible Officers which shall be the basis for delivering Company Shares, etc. referred to in (7) below shall be, in principle, the number of points granted to such Eligible Officers before their retirement (the points calculated in this method are hereinafter referred to as the "Number of Determined Points").

(7) Provision of Company Shares, etc. and the specific calculation method for the amount of remuneration

If an Eligible Officer retires and satisfies the beneficiary requirements provided in the Officers' Stock Benefit Regulations, after retirement, such Eligible Officer shall be provided benefits from the Trust the number of the Company's shares corresponding to the "Number of Determined Points" determined in accordance with (6) above in principle, upon completing the prescribed procedures to determine the beneficiary; provided, however, that if the Eligible Officer satisfies the requirements prescribed in the Officers' Stock Benefit Regulations, the Eligible Officer shall receive a monetary benefit equivalent to the market value of the Company's shares for a certain percentage of such points, in lieu of receiving the Company's shares. The Trust may sell the Company's shares to provide the monetary benefits.

In the event an Eligible Officer who has been granted points is dismissed by a resolution of a General Meeting of Shareholders, or resigns as a result of certain misconduct during the term of office, or commits inappropriate acts during the term of office that caused damage to the Company, such Eligible Officer will not be entitled to the right to receive benefits.

The amount of remuneration received by a Director shall be based on the amount obtained by multiplying the total number of points granted to the Director by the book value per share of the Company's shares held by the Trust at the time of granting of points (however, if a share split, a gratis allotment of shares, or a share consolidation, etc. is implemented with respect to the Company's shares, reasonable adjustments will be made according to the ratios, etc. of such changes.). In addition, if deemed appropriate in cases where cash is exceptionally provided in accordance with the provisions of the Officers' Stock Benefit Regulations, such amount shall be added to the remuneration.

(8) Exercise of voting rights

Any voting rights with respect to the Company's shares within the Trust account shall not be exercised based on the instructions of the Trust administrator. This approach is intended to ensure neutrality in the Company's management with respect to the exercise of the voting rights associated with the Company's shares within the Trust account.

(9) Treatment of dividends

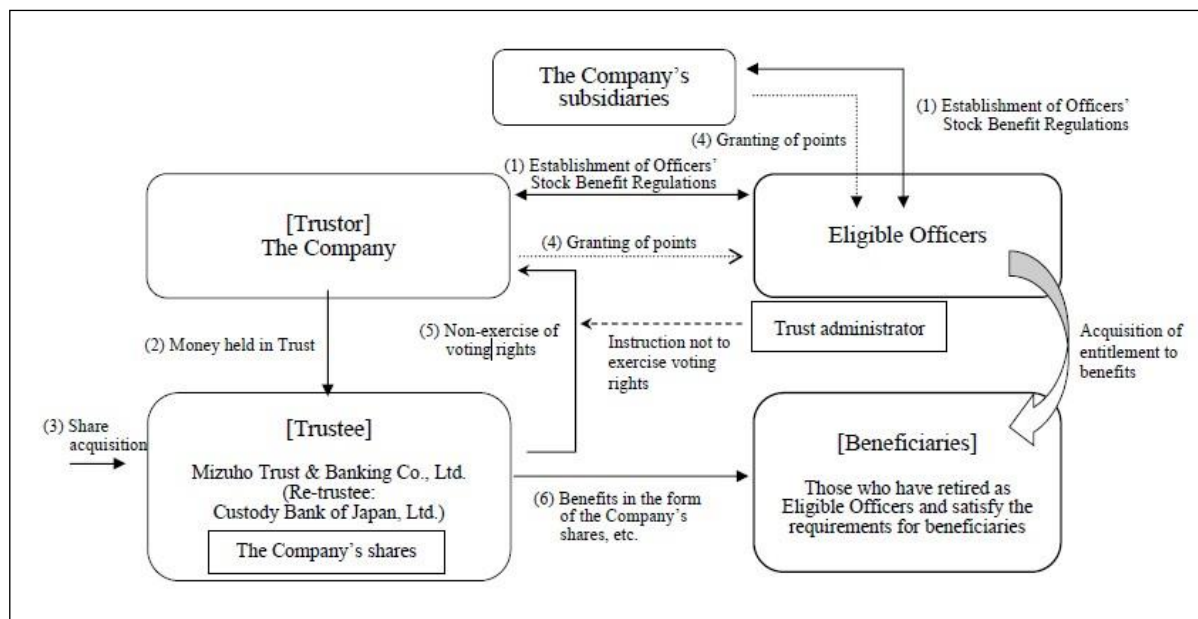
Dividends on the Company's shares within the Trust account will be received by the Trust and utilized for the acquisition funds of the Company's shares and trust fees of the trustee pertaining to the Trust. In the event of termination of the Trust, any remaining dividends, etc. will be distributed to the Eligible Officers in office at that time on a pro rata basis according to the number of points held by each of them, in accordance with the provisions of the Officers' Stock Benefit Regulations.

(10) Treatment upon termination of the Trust

The Trust shall be terminated if any events such as delisting of the Company's shares or abolition of the Officers' Stock Benefit Regulations occur.

Out of the remaining assets of the Trust as of its termination, all of the Company's shares shall be acquired by the Company without consideration and be cancelled by a resolution of the Board of Directors. Out of the remaining assets of the Trust as of its termination, cash shall be delivered to the Company after deducting the amount to be delivered to the Eligible Officers as described in (9) above.

<Reference: Structure of the Plan>



- (1) The Company and its subsidiaries shall establish the “Officers’ Stock Benefit Regulations” within the framework approved for this Proposal.
- (2) The Company will entrust money within the scope approved for this Proposal.
- (3) The Trust shall acquire the Company’s shares using the money entrusted in (2) above as the source of funds, either through the stock exchange market or by underwriting the disposal of the Company’s treasury shares.
- (4) The Company and its subsidiaries will grant points to the Eligible Officers in accordance with the Officers’ Stock Benefit Regulations.
- (5) The Trust shall not exercise voting rights pertaining to the Company’s shares in the Trust account in accordance with the instructions of the Trust administrator independent from the Company.
- (6) The Trust will provide the Company’s shares in proportion to the number of points granted to the beneficiaries who have retired as the Eligible Officers and who satisfy the requirements for beneficiaries, as stipulated in the Officers’ Stock Benefit Regulations (the “Beneficiaries”). However, if the Eligible Officers satisfy the requirements stipulated in the Officers’ Stock Benefit Regulations, the Trust will provide cash equivalent to the market value of the Company’s shares for a certain percentage of the points.

End

Business Report for the 11th Term

(From April 1, 2025 to March 31, 2026)

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 25 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 generally continued a moderate recovery against the backdrop of wage increases resulting from the spring labor negotiations and improvements in the income environment, amid the impact of the U.S. tariff policies being seen mainly in the automobile industry. As capital investment picks up and the employment situation continues to improve, the Bank of Japan raised the policy interest rate to around 0.75% in December.

In this economic environment, the Nikkei index fluctuated significantly. In the first half of the year, in April, the Nikkei index fell to a 31,000 yen level, the third largest decline in history, due to the impact of the U.S. tariff policies. However, with the progress in U.S.-Japan negotiations, growing demand for AI and semiconductors, and the FRB's resumption of interest rate cuts that boosted the market, in September, the Nikkei index reached a 45,000 yen level for the first time in history. In the second half of the year, the upward trend continued, recording an all-time high of 58,850 yen for the closing price on February 27. However, due to the expectations of an interest rate hike by the Bank of Japan and escalating tensions in the Middle East situation, the Nikkei index subsequently became unstable and the closing price at the end of the fiscal year stood at 51,063 yen. Although the foreign exchange market progressed with yen appreciation to a level of ¥140 per dollar in early April due to concerns over the U.S. economic slowdown caused by the tariff policies, it depreciated against the backdrop of the progress in U.S.-Japan negotiations and a global stock market rally, reaching to a level of ¥148 per dollar by the end of September. In the second half of the year, yen depreciation progressed due to the difference between the U.S. and Japanese interest rates, reaching a level of ¥156 per dollar by the end of December. In the beginning of 2026, although it progressed with yen appreciation to a level of ¥152 per dollar in late January due to the concerns over the U.S. economic recession and the expectations of an interest rate hike by the Bank of Japan, it depreciated to a level of ¥159 per dollar in late March due to the effect of the Middle East situation and other factors.

In the local economy, despite the impact of rising prices, personal consumption moderately recovered due to the improvements in the income environment from wage increases. In addition, in Kumamoto, capital investment for the semiconductor industry driven by TSMC progressed at a high level.

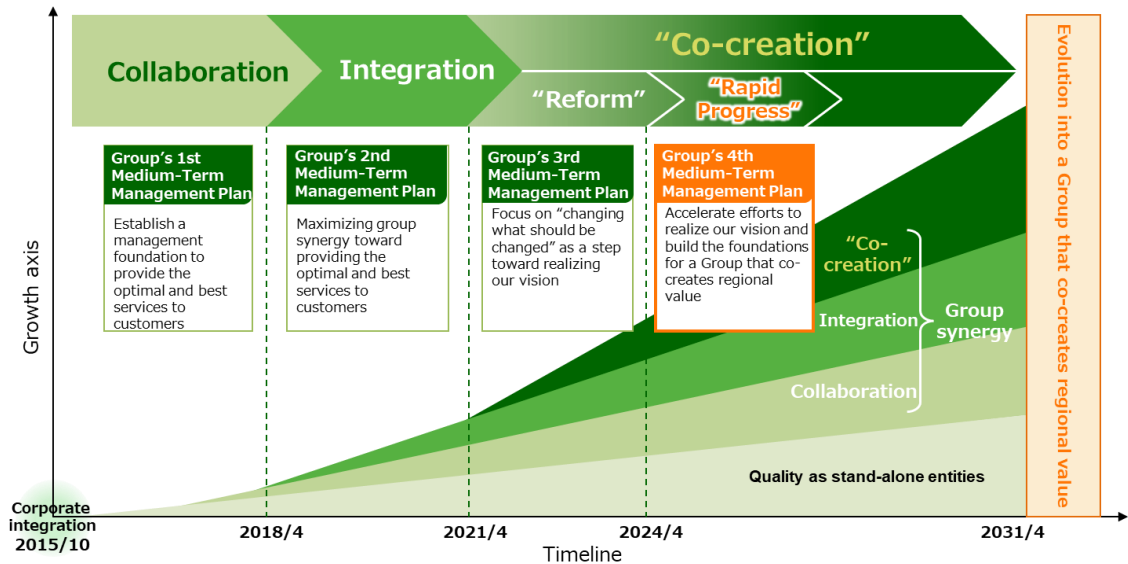
[Progress and results of the Group's operations]

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: 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: ① Strengthening support for growth of regional industries 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

3. Major financial indicators

Indicator	Fiscal 2025 plan	Fiscal 2025 actual	Fiscal 2026 plan
(1) Net income	¥31.0 billion	¥37.6 billion	¥45.0 billion
(2) Net income from core business	¥42.7 billion	¥48.3 billion	¥62.0 billion
(3) Business profits from services provided to customers	¥26.0 billion	¥25.0 billion	¥32.0 billion
(4) OHR	65.6%	66.2%	60.0%
(5) Ratio of consolidated to non-consolidated results (net income)	1.02 times	1.01 times	1.00 times
(6) ROE on shareholders' equity	4.5%	5.4%	6.0%
(7) Capital adequacy ratio	10.75%	11.34%	11.00%
(8) RORA	0.48%	0.61%	0.66%
(9) PBR	0.70 times or more	0.62 times	0.88 times or more

Fiscal 2025 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 ¥231.6 billion over the end of the previous fiscal year to ¥10,811.0 billion, mainly as a result of increases in corporate deposits and personal deposits.

(Loans)

Loans rose by ¥201.8 billion over the end of the previous fiscal year to ¥9,244.2 billion, mainly as a result of increases in enterprise and personal loans.

(Securities)

Securities rose by ¥279.0 billion over the end of the previous fiscal year to ¥2,143.5 billion, mainly as a result of an increase in government bonds, etc.

(Profit and loss)

Consolidated ordinary income rose by ¥11,958 million year on year to ¥263,250 million due primarily to increases in interest income and fees and commissions. Consolidated ordinary profit rose by ¥10,774 million year on year to ¥53,766 million. Additionally, profit attributable to owners of parent rose by ¥7,306 million year on year to ¥37,674 million.

The Company proposes to pay a year-end dividend for the fiscal year under review of ¥16 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 ¥237.9 billion year on year to ¥5,764.2 billion owing primarily to increases in corporate deposits and public deposits. Loans increased by ¥164.4 billion year on year to ¥4,867.3 billion due mainly to higher enterprise and personal loans. Securities decreased by ¥41.7 billion year on year to ¥1,055.6 billion mostly as a result of a decrease in government bonds.

Additionally, net business profit increased by ¥7,304 million year on year to ¥17,511 million, ordinary profit increased by ¥4,536 million year on year to ¥26,725 million, and net income increased by ¥3,037 million year on year to ¥18,851 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) decreased by ¥5.6 billion year on year to ¥5,064.2 billion owing primarily to a decrease in public deposits, loans increased by ¥56.9 billion year on year to ¥4,480.4 billion owing primarily to increases in personal and public loans, and securities increased by ¥320.0 billion year on year to ¥1,088.8 billion due mainly to an increase in government bonds.

Additionally, net business profit increased by ¥8,367 million year on year to ¥21,837 million, ordinary profit increased by ¥6,953 million year on year to ¥26,432 million, and net income increased by ¥4,528 million year on year to ¥18,543 million.

During fiscal 2025, the second 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>

Kyushu Mirai Creation Co., Ltd., a regional trading company business established in April 2023, celebrated the third anniversary of its opening. Our e-commerce mall, Yoka Mall offers a wider range of excellent products from Southern Kyushu and at the end of March 2026, the number of items for sale has increased to approximately 900 and the number of memberships has increased to approximately 45,000. In the overseas export business, we are working to expand sales of products such as matcha green tea, seaweed, and mulberry leaves. In July 2025, we launched the operation of hometown tax donation portal website “FURUSATO 1BAN,” the first portal site in Japan to be run solely by a regional financial institution group to expand our business coverage.

In addition, in March 2026, we entered into a memorandum of understanding with FPT Japan Holdings Co., Ltd., a leading Vietnamese IT company, with the aim of achieving sustainable growth. This will enable us to strengthen the Group’s software development capabilities as well as provide multi-dimensional support for our customers’ entry into the Vietnamese market and their sales channel expansion, and for our co-creation of regional value.

<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 and Kagoshima Bank established and invested in Minami Kyushu Search Fund in collaboration with Miyazaki Bank and Nihon M&A Center Holdings Inc. in April 2025 to further strengthen our response to business succession needs for small- and medium-sized companies.

In October 2025, with the aim of enhancing well-being and regional value in the community, Higo Bank established Kyushu Kenkoukeiei Labo Co., Ltd., a health management operating subsidiary. In addition, in February 2026, our group company KS Energy Co., Ltd. started discussions on joint development and operation of an extra-high-voltage grid energy storage facility with Hitachi, Ltd. in order to ensure a stable supply of renewable energy and realize regional carbon neutrality.

In January 2026, with the aim of achieving regional digitalization, Kagoshima Bank acquired Pastem Solutions Co., Ltd., a company engaged in digital-related business, as a subsidiary. In addition, in October 2025, our group company Kagoshima Guarantee Service Co., Ltd. started a business alliance with ZENHOREN CO., LTD. to develop a rent payment guarantee business that corresponds to recent changes in family structures.

Strengthening core businesses for local economic growth

<Strengthening support for growth of regional industries>

JASM Kumamoto Factory 1, the first production base in Japan for Taiwan Semiconductor Manufacturing Company Limited (hereinafter referred to as “TSMC”), launched mass production in December 2024. With preparations underway for its Factory 2 to launch operation by the end of 2027, the concentration of the semiconductor-related industry is progressing rapidly.

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 378.8 billion yen cumulatively from April 2022 to March 2026, and the number of companies supported for supply chain entrance became 29 companies at the end of March 2026. Higo Bank will continue to provide support on realizing New Silicon Island Kyushu.

In addition, in order to promote broad collaboration, in September 2025, Higo Bank entered into “Memorandum of Understanding on Semiconductor Supply Chain Establishment” with North Pacific Bank, Ltd., and in February 2026, it invested in Rapidus Corporation, a company which designs and manufactures next-generation semiconductors. Through these initiatives, we are working on creating new business opportunities that link Hokkaido and Kyushu.

As a Group, under the framework of Kyushu-Okinawa-Banking Alliance Semiconductor Solutions (nicknamed: Q-BASS) by 13 regional banks in Kyushu, Okinawa and Yamaguchi, we strengthened support for small- and medium-sized companies and improved convenience through a sustainability promotion project which was adopted as “GX Support System Enhancement Project” by the Ministry of Economy, Trade and Industry in September 2025, and support for raising awareness of “Penri,” a one-stop moving service in November 2025.

<Deepening life plan consulting>

The Group is working to support customers’ asset-building by leveraging NISA (Nippon individual savings account) through collaboration between Higo Bank, Kagoshima Bank, and Kyushu FG Securities Inc. to develop consulting sales activities as a whole group.

In addition, through campaigns, seminars and asset management fairs in collaboration with Kyushu Mirai Creation Co., Ltd., as of March 2026, the balance of assets under management at Kyushu FG Securities was approximately 480.0 billion yen, an increase of approximately 100.0 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 Group started the trust business at banks in April 2019. Number of trust business contracts during the fiscal year ended March 31, 2026 reached 2,833, an increase of 845 from the previous year, placing us among the top regional banks nationwide in terms of the number of trust contracts. We will continue to contribute to the creation and succession of our customers’ assets by providing highly specialized, one-stop services through collaboration of “bank, securities and trust.”

Establishing a solid management foundation for sustainable growth

<Enhancing employee value through human capital management practices>

In formulating the 4th Medium-Term Management Plan, the Group has formulated the human resources portfolio required in the areas of corporate consulting, personal consulting, IT/DX, market, and corporate, with the aim of evolving into a Regional Value Co-Creation Group. To develop human resources with knowledge, experience and achievements that can thrive in each specialized field, we are working on planned personnel rotations and support for the acquisition of highly specialized public qualifications, while also actively recruiting experienced human resources.

We are strengthening group training, etc. by department in traditional banking and comprehensive financial services. Meanwhile, we are enhancing Group synergies to take on new businesses and expand our business domains through group-wide joint IT planning training and generative AI data utilization and idea creation training. In addition, for the fiscal year ended March 31, 2026, we resumed overseas training and dispatched a total of 40 employees from various group companies to Taiwan and Vietnam. Furthermore, approximately 250 employees attended a mindset seminar aimed at expanding the pool of DX personnel.

To improve work engagement in addition to a wage increase of 5% or more (including a base pay raise for the fourth consecutive year), as a result of the in-house open recruitment system “Career Challenge” to create opportunities for employees to take on new challenges, and the expansion of voluntary training programs, the engagement score became 76 points, an improvement of 2 points from the previous year.

<Advanced initiatives related to GX>

The Group considers climate change, natural capital and biodiversity as key management issues. In order to promote the decarbonization of regional society proactively, we announced the KFG Carbon Neutrality Declaration for Scope 1 and Scope 2 emissions in March 2023, and newly established “2050 Net Zero Long-term Target” in March 2026. In addition to our Scope 3 emissions, we will continue to establish interim targets as part of our transition plan to reduce greenhouse gas emissions across our entire supply chain, including our investment and loan portfolios. Furthermore, from the viewpoint to strengthen governance, we established a Sustainability Advisory Board in August 2025 to reflect the insights of external experts into our management.

In the field of natural capital and biodiversity, we endorsed the principles of the J-GBF in November 2025, and published “Nature Positive Declaration.” In addition, since the fiscal year ended March 31, 2025, we have been disclosing information in accordance with the TNFD recommendations. In the

fiscal year ended March 31, 2026, we participated in “FY2025 Practical Program for Analyzing Nature-related Information for Achieving Decarbonized Society,” held by the Ministry of the Environment. Through the analysis of our dependence on and impact on nature in key sectors, we are organizing the relationship between nature and our investment and loan portfolios.

<Advanced initiatives related to DX>

As part of efforts to promote cashless in the community, we are continuously enhancing our regional payment platform through Kumamon! Pay, a cashless payment app in Kumamoto, and Paydon in Kagoshima.

Following the new “Higo Bank app.” service in March 2024, Higo Bank released Kumamon! Pay, a mobile app that took over Kumamon no IC CARD in June 2025. The app supports touch payment at Visa merchants worldwide. In addition, in March 2026, we added a QR code payment system that does not require a payment terminal, and we are currently rolling it out primarily within Kumamoto Prefecture.

Kagoshima Bank is expanding its business of digital regional promotion coupons and premium point program through Paydon in cooperation with each of the local municipalities and regional companies. We are steadily increasing local government initiatives, including childcare support, measures to address rising prices, and revitalization of shopping districts. In addition, in July 2025, we launched the “Kagin App,” which allows customers to complete account openings and various notifications entirely in non-face-to-face channels, thereby enhancing convenience for our customers and streamlining branch operations.

Furthermore, both banks have introduced tablets at the storefront to reduce the burden of filling out documents for customers and to improve the efficiency of our branch counter services by digitization of application documents. They have also introduced an electronic contract service for mortgage and business borrowing, in which procedures are completed by electronically signing a PDF file, even after business hours. We are steadily promoting paperless operations and productivity improvement.

In addition, we have positioned the use of AI as the core technologies of our DX initiatives and are strengthening our efforts in this area to streamline business processes and improving productivity. In October 2025, we established a dedicated AI department and are gradually implementing AI technologies into our internal operations, including document creation and proofreading, meeting minutes preparation, and responding to internal inquiries. In addition, in March 2026, we established an “AI Policy” with the aim of addressing risks and actively utilizing the technology.

<Transformation of KFG business model>

In the 4th Group Medium-Term Management Plan, as part of our efforts to strengthen our management foundation for sustainable growth, we have raised the enhancement of our digital infrastructure and system optimization (integration and standardization) as key initiatives.

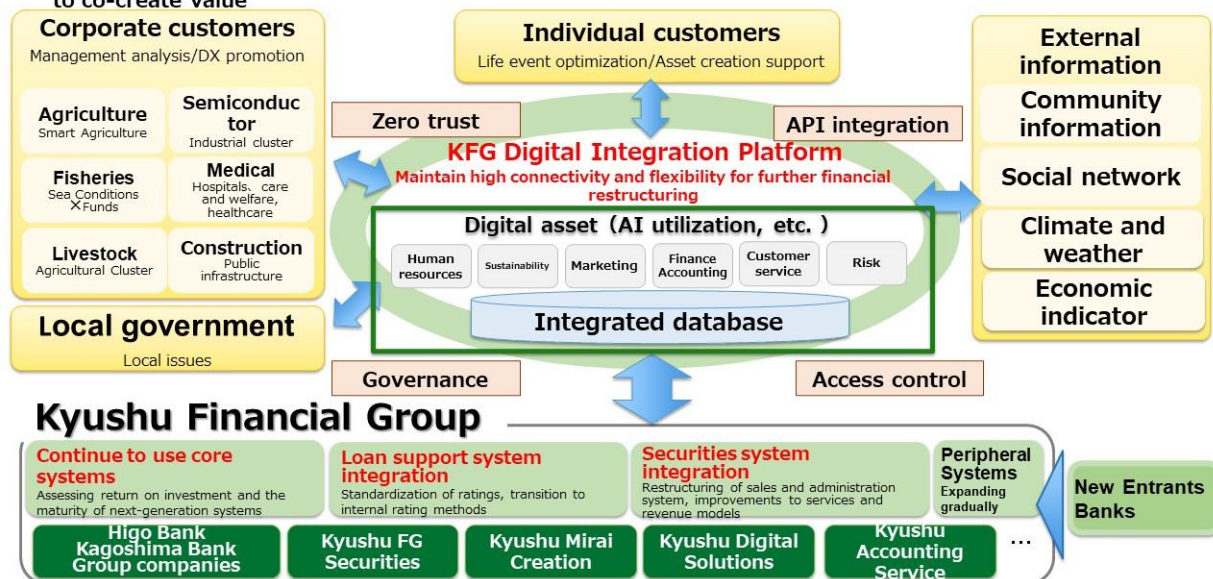
For the system integration we have been studying, with the aim of evolving into “a Group that co-creates regional value,” we will strategically proceed with the initial construction of the KFG digital integration platform while continuing to utilize our core systems.

We will work to build a digital integration platform as a system for driving cross-group data integration and for creating value through the effective use of AI. We believe that establishing this platform will not only enhance the Group’s management capabilities, but also enable us to maintain flexibility in industry restructuring.

In addition, since our core systems, such as those for loan and securities offer significant integration benefits and directly contribute to enhancing service value, we will prioritize their integration.

Future Vision Utilizing KFG Digital Integration Platform

- KFG Digital Integration Platform = The “Kyushu Platform” where regions, industries, and finance interact to co-create value



[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 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.”