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Kyushu Financial Group, Inc.
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This document describes the state of the corporate governance at Kyushu Financial Group, Inc. ("Kyushu Financial")

Basic Stance on Corporate Governance and Capital Structure, Business Attributes, and Other Basic Information

1. Basic Stance Updated

The Kyushu Financial Group (the "Group") establishes Purpose, Vision, and Value as the Group Philosophy System, and in order to carry it into action, complies with laws and regulations and ensures appropriate business decision-making and execution of operations as well as endeavors to achieve high degrees of transparency, openness, and soundness of management, thereby enhancing corporate governance.

<Purpose (Raison D'être)>
We exist to build the future of our communities alongside local stakeholders and customers, cultivating, safeguarding, and passing on our customers' assets and businesses, as well as our communities' industries, cultures, and nature.

<Vision (What We Aim to Be)>
Evolution into a Group that co-creates regional value, building a better future together with customers, local communities, and employees

<Values (Value and Behavioral Guidelines)>
Sincerity: Act with a high sense of ethics
Initiative: Think for yourself and act without fear of failure
Team KFG: Act as one with the Group, keeping the Group's best interests in mind

In accordance with its basic stance on the corporate governance system stated below, Kyushu Financial has adopted the form as a Company with Audit and Supervisory Committee because it regards the form suitable to accelerate and improve the efficiency of decision making through delegation of authority for further enhancement of discussions regarding medium- to long-term management strategies at the Board of Directors, which consists of 16 Directors (including six External Directors), as well as to enhance supervision of the Board of Directors and strengthen corporate governance by establishing an Audit and Supervisory Committee, the majority on which consist of the External Directors, and giving voting rights at the Board of Directors meeting to the Directors who are Audit and Supervisory Committee Members (hereinafter the "Audit and Supervisory Committee Members").

<Basic stance on the corporate governance system>
1. We clearly define supervision and execution in order to establish an environment that allows the Board of Directors to focus on the supervision of Directors' performance of duty, thereby ensuring the effectiveness of corporate governance.
2. The Board of Directors delegates decision-making on the execution of individual operations to the Senior Management wherever possible unless it involves matters specified in laws and regulations or the articles of incorporation, or material matters of execution of operations such as policies, strategies, or plans pertaining to Kyushu Financial's management.
3. We have in place and leverage optional internal bodies, including the Group Executive Commission and other various committees, in order to help the Senior Management with prompt and decisive decision-making, thereby ensuring flexible execution of operation and enhancing our corporate governance.
4. We leverage objective views offered by our External Officers wherever possible in order to ensure the fairness and transparency of our decision-making process pertaining to our operation.

We have also formulated and published our "Corporate Governance Guidelines" with the aim of achieving the sustainable growth of the Group and increasing our medium- and long-term corporate value. The Group's officers and employees read the Guidelines for a full understanding so that they act accordingly.
(URL: https://www.kyushu-fg.co.jp/english/company/governance/)

[Disclosure pursuant to the principles of the Corporate Governance Code] Updated

(Disclosure pursuant to the principle requiring that specified matters be disclosed)
[Principle 1-4] Cross-held Shares
(1) Cross-shareholding policy and criteria for exercising voting rights
Article 27 (Cross-held Shares), paragraphs 1 and 3 of the Corporate Governance Guidelines specify our cross-shareholding policy and criteria for exercising voting rights. Please visit our website, where the Article is published.

(URL: https://www.kyushu-fg.co.jp/english/company/governance/)

■ Our Approach to Reduction in Cross-held Shares

The Group holds the review stated in "(2) Details of the review concerning cross-held shares" below in accordance with the Corporate Governance Guidelines. If the review has concluded that the necessity of cross-holding certain shares is low, we proceed with their gradual reduction with the consent of the issuers, taking account of any impact on the market.

■ Specific Criteria for Exercising Voting Rights

As a rule, the Group exercises its voting rights regarding all proposals in accordance with the Corporate Governance Guidelines. We also discuss whether we agree or disagree with each proposal* that will likely have an impact on the corporate value of our Group and/or investee companies.

* The following are examples of proposals.

- Proposal for appointment of a Director/Auditor; proposal for compensation or retirement bonuses (when there is a governance-related concern [e.g. occurrence of a scandal or poor performance over a certain period])
- Proposal for appropriation of surplus (dividends paid despite a loss; no dividend payment despite a surplus for a certain period)
- Proposal for material changes to the articles of incorporation
- Proposal for issuance of new shares
- Proposal for material reorganization (e.g. M&A, business merger)
- Proposal for anti-takeover measures, etc.

(2) Details of the review concerning cross-held shares

The Group regularly makes qualitative (e.g. the purposes of holding the shares and compliance) and quantitative* evaluation of respective cross-held shares in order to comprehensively determine whether retaining those shares is still relevant, and reports the details of the review to the Board of Directors.

* Formula for quantitative evaluation

Gross income from business (Net interest income + Fee and commissions) + Annual dividend - Expenses - Cost of credit/Book value ≧ Return on shareholders' equity

Please note that, even when the review concludes that a stock fails to meet the quantitative criteria, we may retain the stock if the issuer likely improves its performance through dialogue with us.

We also set the alarm (watching) point to review, as appropriate, each stock that may make market risk come to surface and determine whether to retain it. We also monitor the details and results of reviews by the Group companies and report them to the Board of Directors and other relevant bodies, and ensure consolidated market risk management in order to enhance our functions as a holding company.

[Principle 1-7] Transactions with Affiliated Parties

Please see Article 24 (Prevention of Transactions Contrary to the Interest of Shareholders) of the Corporate Governance Guidelines published on our website.

(URL: https://www.kyushu-fg.co.jp/english/company/governance/)

[Supplementary Principle 2-4 (1)] Ensuring Diversity in Appointment of Core Human Resources

(1) Promotion of Female Participation

Higo Bank and Kagoshima Bank of the Group formulated their General Employer Action Plans based on the Act on the Promotion of Women's Active Engagement in Professional Life to realize a workplace environment that would motivate all female employees and enable them to continue their respective careers and demonstrate their abilities, and set forth goals for appointing them to managerial positions.

<Ratio of female employees in managerial positions: targets and results (as of the end of March 2026)>

[Higo Bank] Third Action Plan (from April 2023 to the end of March 2027)

Target: 20.0% or higher Result: 18.6% [33.9%]

[Kagoshima Bank]: Third Action Plan (from April 2026 to the end of March 2028)

Target: 16.0% or higher Result: 13.2% [20.6%]

NOTE: Figures in brackets indicate the percentages of female employees in managerial positions.

The banks have been evaluating well-motivated, capable human resources for promotion in a fair manner irrespective of their gender. In order to further promote female participation, we intend to increase the number of female managers, the starting point for future executives, by boosting their abilities as well as by developing a female-friendly working environment and raising awareness by supporting their career development.

Based on the fiscal year action plan, we will continue to develop a workplace environment that allows all employees to fully demonstrate their individuality and ability by holding individual interviews and group training sessions, offering opportunities for information exchange, and operation of an in-house nursery school.

(2) Hiring Foreign Employees

As of the end of March 2026, a total of 22 foreign employees work at Kyushu Financial and its subsidiaries (16 at Higo Bank, four at Kagoshima Bank, and two at Kyushu Digital Solutions). Kyushu Financial wants to enable vitalization and creation of innovation within the Group by bringing in diverse human resources and values. In addition, there is a rising need to deepen ties with foreign countries from a long-term perspective. Kyushu Financial, through the hiring of foreign workers, aims to implement measures that would popularize the acceptance of foreign labor throughout the local region while strengthening our business framework in growing Asia.

(3) Mid-Career Recruitment

The Group practices mid-career recruitment for the following purposes:

(i) Hire highly specialized human resources for the future business strategy and business expansion as well as for strengthening of governance structure in order to further accelerate the speed of implementation and contribute to the business of Kyushu Financial.
(ii) Hire our own employees and combine them with dispatched employees to develop a diverse corporate culture and promote vitalization of Kyushu Financial as a whole.
(iii) Increase the name recognition of Kyushu Financial Group by Group-wide hiring activities and generate synergy effects with hiring activities at each of the Group banks to realize high-quality hiring at the Group as a whole.

In fiscal 2025, Kyushu Financial and its subsidiaries hired a total of 84 mid-career employees (nine at Kyushu Financial, 38 at Higo Bank, 24 at Kagoshima Bank, four at Kyushu Digital Solutions, seven at Kyushu FG Securities, and two at Kyushu Mirai Creation).

(4) Human Resources Development Policy
In line with the Human Resources Development Policy formulated in May 2023, the Group is working on the development of diverse human resources under the theme of building a human resources portfolio that will support the future KFG Group in the 4th Group Medium-Term Management Plan.

<Human Resources Development Policy>
Based on our Purpose, the Group will develop diverse human resources capable of contributing in a variety of fields beyond finance, in order to realize our Co-creation Vision.

(5) Internal Environment Development Policy
In line with the Internal Environment Development Policy formulated in May 2023, the Group is working on the improvement of the internal environment under the theme of development of an employee-friendly workplace where diverse human resources play active roles in the 4th Group Medium-Term Management Plan.

<Internal Environment Development Policy>
In accordance with our Human Rights Policies, the Group will build an internal environment in which each employee can fully demonstrate his or her abilities and play an active role in his or her own manner, under a free and vigorous organizational climate.

[Principle 2-6] Fulfillment of Functions as an Asset Owner of Corporate Pensions
The Group manages the reserves of the corporate pensions through the corporate pension funds offered by Higo Bank and Kagoshima Bank (hereafter the "Funds"). To ensure stable and long-term total earnings for corporate pensions and the payment of pension benefits over the years to come, we have thorough reviews and discussions by the asset management committees, councils, and board of representatives (hereafter the "Bodies") at these Funds and work with investment consultants and asset managers, thereby forming optimum pension assets.
With regard to the management of reserves, we make the following efforts so that we will serve functions expected to be as an asset owner.

- At the Funds, the Bodies discuss matters regarding managements (e.g., the selection of investment products, allocation of investments, and earnings/risk analysis). Then the Funds appraise investments and manage earnings in accordance with the investment policies they have determined. We also conduct overall evaluations and monitoring of asset managers, taking account of their track records, investment policies, investment systems, and investment processes, among others.
- We select the Funds' employees who are qualified in terms of skills in investments and administration (e.g. Heads of Market, Personnel, and Planning departments; union representatives) as the members of the Bodies at the Funds. Moreover, we assign employees with expertise in investments (e.g. those with experience in market departments) to the position of business managers at the Funds.
- In December 2019, the Funds announced that they would adopt the "Principles for Responsible Institutional Investors <<Japan's Stewardship Code>>" (hereafter the "SS Code"). In the role of "Institutional investors as asset owners," the Funds will urge asset managers to follow the principles of the SS Code, thereby helping increase the corporate value of investee companies and boosting medium- and long-term return on investment.

[Principle 3-1 (i)] The Group Philosophy System and Medium-Term Management Plan
The Group established and published Purpose, Vision, and Value as Group Philosophy System. The details of the philosophy system are stated in "I. 1. Basic Stance" in this document. The Group Medium-term Management Plan is also published on our website.
(URL: https://www.kyushu-fg.co.jp/english/company/plan/)

[Principle 3-1 (ii)] Basic Stance on Corporate Governance and Basic Policy
Details are stated in "I. 1. Basic Stance" in this document. Please also refer to Article 3 (Basic Stance of the Group on Corporate Governance) of the Corporate Governance Guidelines published on our website.
(URL: https://www.kyushu-fg.co.jp/english/company/governance/)

[Principle 3-1 (iii)] Policy and Procedure for Determining Directors' Remuneration
Please see Article 17 (Compensation to Directors) of the Corporate Governance Guidelines published on our website.
(URL: https://www.kyushu-fg.co.jp/english/company/governance/)
Proposals concerning the annual compensation for Directors who are not Audit and Supervisory Committee Members are submitted to the Nominating and Remuneration Advisory Committee for deliberation and determined by the Board of Directors every fiscal year. Proposals concerning individual compensation for them are submitted to the committee for deliberation and

determined by President and Representative Director, with the compensation amount for the fiscal year as the upper limit decided at the Board of Directors Meeting. Proposals concerning individual compensation for Directors who are Audit and Supervisory Committee Members are determined in accordance with the "Audit and Supervisory Committee Regulations."

[Principle 3-1 (iv)] Policy and Procedure for Appointment, Dismissal, or Nomination of Directors
Please see Article 9 (Selection of Representative Directors), etc. of the Corporate Governance Guidelines published on our website.
(URL: https://www.kyushu-fg.co.jp/english/company/governance/)

- Article 9 (Selection of Representative Directors)
- Article 10 (Removal of Representative Directors)
- Article 11 (Appointment of Directors [Excluding Those Who Are Audit and Supervisory Committee Members])
- Article 12 (Dismissal of Directors [Excluding Those Who Are Audit and Supervisory Committee Members])
- Article 15 (Appointment of Directors Who Are Audit and Supervisory Committee Members)
- Article 16 (Dismissal of Directors Who Are Audit and Supervisory Committee Members)

The Company has made the selection and removal of Representative Directors as well as the appointment and dismissal of management (Directors and Executive Officers) as matters to be referred to the Nominating and Remuneration Advisory Committee and thus has established procedures that ensure transparency and fairness in the decision-making process.

[Principle 3-1 (v)] Explanation about the Appointment, Dismissal, or Nomination of each Candidate for the Post of Director in nominating them
The reasons for the appointment of individual candidates for the posts of Directors at Kyushu Financial are disclosed in the attachment to the Convocation Notice of the General Shareholders Meeting. Copies of the Convocation Notice of the General Shareholders Meeting are mailed to all shareholders. The Notice is also published on our website.
(URL: https://www.kyushu-fg.co.jp/english/ir/stock/shareholders/)
We will also ensure accountability should we dismiss a Director.

[Supplementary Principle 3-1 (3)] Sustainability Initiatives
After the formulation of the "Sustainability Declaration" in February 2019, Higo Bank and Kagoshima Bank of the Group drew up the "Overall Sustainability Concept." In September 2020, Kyushu Financial signed the Principles for Responsible Banking (PRB) established by United Nations Environment Programme Finance Initiative (UNEP FI) and, based on the PRB, has been conducting businesses that take into account impacts on economy, environment, and society. Also, in connection with the formulation of the 4th Group Medium-Term Management Plan, the Group identified six social issues that have the most significant impact on its customers, local communities, and the Group in the medium to long term. Kyushu Financial addresses social issues and takes steps to achieve sustainable local communities.

For details, see "Sustainability Declaration/Sustainability Materiality" and "Integrated Report" published on our website.
(URL of "Sustainability Declaration/Sustainability Materiality": https://www.kyushu-fg.co.jp/english/csr/vision/)
(URL of "Integrated Report": https://www.kyushu-fg.co.jp/english/ir/library/disclosure/)

(1) Adapting to climate change
Kyushu Financial Group regards environmental issues, including climate change, as important management challenges, and declared its support for the TCFD recommendations in June 2019. It carries out disclosure of information in accordance with the frameworks of "governance," "strategies," "risk management" and "indicators and targets." In May 2022, Kyushu Financial joined PCAF and is pushing forward the calculation and disclosure of GHG emissions of its borrowers and investees to strengthen its response to climate change. Regarding the impact that risks and opportunities related to climate change bring about on the Group, Kyushu Financial will continue to work on disclosure with transparency through efforts such as pursuing sophistication of scenario analysis and data accuracy.
For details, see "Addressing climate change" and "Integrated Report" published on our website.
(URL of "Addressing climate change": https://www.kyushu-fg.co.jp/english/csr/sdgs/climate/)
(URL of "Integrated Report": https://www.kyushu-fg.co.jp/english/ir/library/disclosure/)

(2) Natural capital and biodiversity
Following the participation in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum in September 2022, the Group, in January 2024, registered as an Early Adopter of the TNFD recommendations. In April 2024, the Group formulated the Biodiversity Conservation Policy to declare its determination to actively work on realization of a society that co-exists with nature through conservation of biodiversity.
The Group strives to grasp the dependencies and impacts of its business activities on natural capital and biodiversity as well as risks and opportunities regarding them to enhance the associated initiatives and to carry out transparent disclosure in Securities Report and other documents in accordance with the TNFD framework.
For details, see "Securities Report" published on our website.
(URL: https://www.kyushu-fg.co.jp/english/ir/library/securities/)

(3) Human rights
The Group established the Human Rights Policies in 2022, publicly committing to respecting the human rights of officers, employees, customers, and suppliers at all Group companies, and to conducting business activities that respect human rights. We initiated human rights due diligence based on our Human Rights Policies in fiscal 2023, established the Procurement Guidelines in May 2024, and published our expectations for suppliers while continuing to conduct survey-based interviews with our Group's external contractors regarding their ESG initiatives. Moreover, we continue to provide training on diversity and harassment to the

Group's officers and employees, with the aim of fostering awareness of respect for human rights and diversity. In March 2026, we established "AI Policies" to properly address risks specific to AI and actively utilize AI, and we have adopted a "human-centered principle" to take necessary measures against inaccurate information and bias generated by AI. Going forward, we will continue to perform regular human rights due diligence and strive to conduct business activities that respect the human rights of all rights holders.

For details, see "integrated Report" published on our website.
(URL: https://www.kyushu-fg.co.jp/english/ir/library/disclosure/)

(4) Investment in human capital
For investment in human capital, the Group works on "building a human resources portfolio that will support the future of KFG Group" and "development of an employee-friendly workplace where diverse human resources play active roles" as stipulated in the 4th Group Medium-Term Management Plan.

For details, see "Human Capital Management Practices" and "Integrated Report" published on our website.
(URL of "Human Capital Management Practices": https://www.kyushu-fg.co.jp/english/csr/sdgs/employee/)
(URL of "Integrated Report": https://www.kyushu-fg.co.jp/english/ir/library/disclosure/)

[Supplementary Principle 4-1 (1)] Summary of the Scope of Delegation to the Management
Please see Article 8 (Roles of Directors and the Board of Directors), Paragraph 2 of the Corporate Governance Guidelines published on our website.
(URL: https://www.kyushu-fg.co.jp/english/company/governance/)

[Principle 4-9] Criteria for independence of an Independent External Director and his/her qualifications
Please see the Attachment (Criteria for Independence of an External Officer) to the Corporate Governance Guidelines published on our website.
(URL: https://www.kyushu-fg.co.jp/english/company/governance/)

[Supplementary Principle 4-10 (1)] Authority and Roles of Nominating and Remuneration Committee
Kyushu Financial has the Nominating and Remuneration Committee (hereinafter the "Committee") as the advisory body for the Board of Directors in order to make our decision-making process fairer and more transparent, thereby helping improve our corporate governance, through focused discussions and exchanges of opinions with Representative Directors and Independent External Directors about matters pertaining to the nomination of and compensation to the management (Directors [including Directors who are Audit and Supervisory Committee Members] and Executive Officers).
The Committee is consulted regarding matters such as selection and dismissal of representative directors, appointment and dismissal of management, compensation to the management, and plans for successors of the president. Seeking prior consultation with the Nominating and Remuneration Advisory Committee is built into the decision-making process when submitting matters regarding appointment and dismissal of representative directors and management, and compensation to the management to the Board of Directors. In addition, the Committee meets whenever necessary and had sufficient discussions on matters such as nomination of and compensation to the management, thereby contributing to the strengthening of independence and objectivity of the functions and accountability of the Board of Directors.
Furthermore, the Company has set forth Independent External Directors to account for a majority in the Committee. It currently has a total of five members consisting of two Representative Directors and three Independent External Directors, and is chaired by the President and Representative Director.

[Supplementary Principle 4-11 (1)] About the Balance between Knowledge, Experience, and Skills Required of the Board of Directors
Please see Articles 7 (Composition of the Board of Directors), 11 (Appointment of Directors [Excluding Those Who Are Audit and Supervisory Committee Members]), 15 (Appointment of Directors Who are Audit and Supervisory Committee Members) of the Corporate Governance Guidelines published on our website.
(URL: https://www.kyushu-fg.co.jp/english/company/governance/)
For the medium- to long-term value creation to realize its co-creation vision of "evolution into a regional value co-creation Group that creates a better future together with customers, local communities, and employees," Kyushu Financial identified the following 10 skills that Directors are expected to have, in light of "reinforcement and enhancement of corporate governance" and "execution of management strategies and medium- to long-term plans": corporate management, sales strategies, market investment, legal/risk management, financial affairs/accounting, regional industry promotion, global business, personnel/human resource strategies, sustainability, and DX/technology. Kyushu Financial also prepared a skills matrix that lists the knowledge, experience, and ability of each Director.
The selected skills, the reason for selecting them, and the skills matrix are included on the last page of this report.

[Supplementary Principle 4-11 (2)] Directors Serving as Officers at Other Listed Companies
Our Directors who also serve as officers at other listed companies are disclosed on Page 50 in the Convocation Notice of the General Shareholders Meeting. Copies of the Convocation Notice of the General Shareholders Meeting are mailed to all shareholders. The Notice is also published on our website.
(URL: https://www.kyushu-fg.co.jp/english/ir/stock/shareholders/)

[Supplementary Principle 4-11 (3)] Summary of Analysis and Evaluation of the Overall Effectiveness of the Board of Directors
In Article 8 (Roles of Directors and the Board of Directors) of the Corporate Governance Guidelines, the Company stipulates that

the Board of Directors analyzes and evaluates the overall effectiveness of the Board of Directors annually, referring to Directors' self-assessments and other relevant information.
The overview of the evaluation method and evaluation results for fiscal 2025 is as follows.
<Evaluation method>
The Board of Directors Meeting in May 2026 conducted the analysis and evaluation based on self-assessments of all Directors.

[Self-assessment items]
(i) Composition and operations of the Board of Directors
(ii) Management strategies and business strategies
(iii) Corporate ethics and risk management
(iv) Performance monitoring and management evaluation and remuneration
(v) Dialogue with shareholders and other stakeholders
<Evaluation result>
The analysis and evaluation by the Board of Directors confirmed that the overall effectiveness of the Board of Directors is ensured.

[Initiatives in fiscal 2025]
■ Improvement of the operations for vitalization of strategic discussions
We reported on the results of our assessment of the integration effect on the 10th anniversary of our founding, our initiatives in regional value co-creation business, and our policy regarding the project to migrate to next-generation systems. We also worked to ensure sufficient opportunities and time for deliberation on management strategies and challenges by conducting individual briefings on important matters in addition to the preliminary briefings, and by providing comprehensive briefings and reports on related agenda items.

■ Development of environment for enhancing information sharing and opinion exchange with External Officers
We have launched a new Representative successions in addition to our existing Director successions, thereby creating opportunities for information sharing and the exchange of opinions with External Officers. In addition, we worked to enhance opinion exchange opportunities and information provision through the business reporting by subsidiaries, including both subsidiary banks, and the feedback on deliberations in the Nominating and Remuneration Advisory Committee.

[Issues for fiscal 2026 and direction of actions]
To further boost the effectiveness of the Board of Directors, we recognize the following two points as the challenges for fiscal 2026 and have shared the direction of actions.

■ Improvement of the operations for vitalization of strategic discussions
To ensure the opportunities and time for deliberations on management strategies and co-creation visions, we will promote approaches such as selecting strategic themes and effectively utilizing preliminary briefings for External Directors.
(Main Themes)
- The current status and future strategic use of the digital integration platform
- The KFG Group's human resources portfolio strategy
- Redefinition of the regional value co-creation business and future initiatives, etc.

■ Development of an environment for enhancing information sharing with External Directors
We will actively share information with External Directors by providing opinion exchange opportunities, improving the quality of succession plans, and other initiatives.

[Supplementary Principle 4-14 (2)] Policy on Training for Directors
Please see Article 18 (Assistance System and Training Policies for Directors) of the Corporate Governance Guidelines published on our website.
(URL: https://www.kyushu-fg.co.jp/english/company/governance/)

[Principle 5-1] Policy on Constructive Dialogue with Shareholders
For the policy to develop a system and measures to promote constructive dialogue with shareholders, please see Article 25 (Dialogue with Shareholders) of the Corporate Governance Guidelines published on our website.
(URL: https://www.kyushu-fg.co.jp/english/company/governance/)

[Measures to realize management that is conscious of capital costs and stock prices] [Disclosed also in English] [Last Update: May 25, 2026]
For the outline of the measures to realize management that is conscious of capital costs and stock prices in the Group, please refer to the materials posted on the Company's website.
(URL of "Company Information Meeting May 2026": https://www.kyushu-fg.co.jp/english/ir/library/seminar/)

[Status of Dialogue with Shareholders]
(1) Aiming to achieve sustainable growth and increase its medium- and long-term corporate value through constructive dialogue with shareholders and investors, the Company's management engages in dialogue in the following manners;
<Activities in fiscal 2025>
(i) Meetings with departments in charge of exercising voting rights of domestic institutional investors who are large

shareholders of the Company (Officer in charge of Corporate Planning Division and others): 16 companies
(ii) Company information sessions for analysts and institutional investors (President and Director, and Officer in charge of Corporate Planning Division): two times (171 participants)
(iii) One-on-one meetings with analysts and institutional investors (Officer in charge of Corporate Planning Division, General Manager of Corporate Planning Division and others): 50 companies
(iv) Online briefing sessions for individual investors (President and Director, and Officer in charge of Corporate Planning Division): one time (a total of 2,045 participants)

For details of dialogue with shareholders and investors, see "Integrated Report" published on our website.
(URL: https://www.kyushu-fg.co.jp/english/ir/library/disclosure/)

(2) Feedback on matters such as long-term business strategies, utilization of human capital and governance system of the Company received through dialogue with shareholders and investors are reported to the Board of Directors.
(3) Based on such feedback, the Company will further improve disclosure on integrated reports and other means, as well as addressing medium- and long-term issues.

2. Capital structure

Stock ownership by foreign investors	10% to less than 20%

[Status of large shareholders] Updated

Name	Number of Shares Held	Proportion (%)
The Master Trust Bank of Japan, Ltd. (trust account)	49,850,300	11.76
Iwasaki Ikuei Bunka Zaidan	20,936,070	4.94
Custody Bank of Japan, Ltd. (Trust Account)	18,974,200	4.47
Meiji Yasuda Life Insurance Company	18,568,563	4.38
Employees' Stock Ownership Association of Kyushu Financial Group, Inc.	12,629,276	2.98
The Bank of Fukuoka, Ltd.	12,620,730	2.97
Takara Kogyo Co., Ltd.	9,088,000	2.14
Iwasaki Sangyo Co., Ltd.	7,616,887	1.79
GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A., Tokyo Branch, 6-27-30 Shinjuku, Shinjuku-ku, Tokyo)	7,114,225	1.67
The Miyazaki Bank, Ltd.	6,212,126	1.46

Controlling shareholders (excluding the parent company)	———
Parent company	N/A

Note

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3. Business attributes

Stocks listed on	Prime Market of the Tokyo Stock Exchange; Main Board of the Fukuoka Stock Exchange
Fiscal year-end	March
Industry	Banking
(Consolidated) Number of employees at the end of the previous fiscal year	1,000 or more
(Consolidated) Net sales for the previous fiscal year	100 billion to less than 1 trillion
Number of consolidated subsidiaries at the end of the previous fiscal year	10 to less than 50

4. Policy on the protection of minority shareholders when a transaction, etc. is conducted with the controlling shareholder

———

5. Other special circumstances that may have a material impact on corporate governance

There are no other special circumstances that may have a material impact on our corporate governance.

□. *State of business management bodies pertinent to business decision-making, execution, and supervision and other corporate governance frameworks*

1. Matters pertaining to the structure of bodies and organizational operation, etc.

Organizational form	Company with Audit and Supervisory Committee

[Directors]

Number of directors specified in the articles of incorporation	20
Term of office of directors specified in the articles of incorporation	1 year
Chairperson of the Board	Chairperson of Kyushu Financial (except when he/she also serves as the President)
Number of directors Updated	16
Appointment of External Directors	Yes
Number of External Directors	6
Number of External Directors designated as independent officers	6

Relations with the Company (1)

Name	Attribute	Relations with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Yuji Nemoto	from another company											
Ken Shibusawa	from another company											
Nobuaki Fukumoto	from another company											
Yuko Tashima	from another company											
Nobuya Suzuki	from another company											
Rie Taiko	from another company											

* **Classified into the following items**
* **"○" means the director presently falls or has recently fallen under the category; "Δ" means the director fell under the category in the past**
* **"●"means a close relative of the director presently falls or has recently fallen under the category; "▲" means a close relative of the director fell under the category in the past**

a Executive of a listed company or its subsidiary
b Executive or non-executive director of the parent company of a listed company
c Executive of a fellow subsidiary of a listed company
d Person or executive of a company whose major trading partner is a listed company
e Major trading partner of a listed company or executive of a major trading partner thereof

f Consultant, accounting expert, or legal expert who receives a large sum of money or any other financial benefits other than executive compensation from a listed company
g Major shareholder of a listed company (In case the major shareholder is a corporation, executive of the corporation)
h Executive of a listed company's trading partner who is not classified into d, e, or f above (applicable only to the person)
i Executive of an entity with which a listed company has exchanged personnel as External Officers (applicable only to the person)
j Executive of an entity to which a listed company makes donations (applicable only to the person)
k Other

Relations with the Company (2)

Name	Audit and Supervisory Committee Member	Independent Officer	Note to the Classified Item	Reason for Appointment
Yuji Nemoto		Yes	International PPP Institute, Toyo University Senior Research Partner	Yuji Nemoto engages in regional policies as a university professor and has a great wealth of experience as well as a broad view and extensive knowledge as an expert in public policy, urban development, and regional development. We have decided that he would provide a neutral and objective view necessary to supervise the overall operation of the Group, and thus we have appointed him as an External Director. He meets the criteria for independence specified by the stock exchanges and fulfills the Criteria for Independence of an External Officer that we have established.
Ken Shibusawa		Yes	Chief Executive Officer, Shibusawa and Company, Inc. Chairman, Commons Asset Management Inc. Founder and CEO, &Capital Inc. Outside Director, Seven Bank, Ltd.	Ken Shibusawa has a great wealth of experience as well as a broad view and extensive knowledge on general corporate management that he has acquired as CEO at companies that he founded and Independent Director for other company. We have decided that he would provide a neutral and objective view necessary to supervise the overall operation of the Group, and thus we have appointed him as an External Director. He meets the criteria for independence specified by the stock exchanges and fulfills the Criteria for Independence of an External Officer that we have established.
Nobuaki Fukumoto		Yes	Executive Officer, PSC Inc.	Nobuaki Fukumoto has served in key positions in the system departments of major companies in Japan and overseas. He has a great wealth of experience as well as a broad view and extensive knowledge. We have decided that he would provide a neutral and objective view necessary to supervise the overall operation of the Group, and thus we have appointed him as an External Director. He meets the criteria for independence specified by the stock exchanges and fulfills the Criteria for Independence of an External Officer that we have established.

Yuko Tashima	Yes	Yes	Partner, Sawayaka Law Office	Yuko Tashima has a great wealth of experience as well as a broad view and extensive knowledge that she has acquired as a public prosecutor and an attorney. We have decided that she would provide a neutral and objective view necessary to conduct audits that ensure the sound management of the Group, and thus we have appointed her as an External Director who is an Audit and Supervisory Committee Member. She meets the criteria for independence specified by the Stock Exchanges and fulfills the Criteria for Independence of an External Officer that the Company has established.
Nobuya Suzuki	Yes	Yes	Special Advisor, Meiji Yasuda Life Insurance Company The Group has capital ties with Meiji Yasuda Life Insurance Company. Meiji Yasuda Life also has regular transactions with Higo Bank and Kagoshima Bank, both of which are the Group's wholly-owned subsidiaries. The appointee himself has no special interest in the Group.	Nobuya Suzuki has a great wealth of experience as well as a broad view and extensive knowledge that he has acquired as a manager at a major financial institution and as an audit and supervisory committee member of a regional bank. We have decided that he would provide a neutral and objective view necessary to conduct audits that ensure the sound management of the Group, and thus we have appointed him as an External Director who is an Audit and Supervisory Committee Member. He meets the criteria for independence specified by the Stock Exchanges and fulfills the Criteria for Independence of an External Officer that the Company has established.
Rie Taiko	Yes	Yes	Partner (Attorney) with TMI Associates Our wholly owned subsidiary Kagoshima Bank has a contract for legal advisory services with TMI Associates that the appointee jointly serves as Partner (Attorney). The appointee herself has no special interest in the Group.	Rie Taiko has a great wealth of experience as well as a broad view and extensive knowledge that she has acquired as an attorney. We have decided that she would provide a neutral and objective view necessary to conduct audits that ensure the sound management of the Group, and thus we have appointed her as an External Director who is an Audit and Supervisory Committee Member. She meets the criteria for independence specified by the stock exchanges and fulfills the Criteria for Independence of an External Officer that the Company has established.

[Audit and Supervisory Committee]

Composition of the Committee and attributes of the chairperson

	All Committee Members (persons)	Full-time Committee Member (persons)	Internal Director (persons)	External Director (persons)	Chairperson
Audit and Supervisory Committee	5	1	2	3	Internal Director

Directors and employees who assist duties of the Audit and Supervisory Committee	Yes

Matters regarding independence of the said Directors and employees from non-executive directors Updated

Kyushu Financial has established the Office of Audit and Supervisory Committee as the department that helps the Audit and Supervisory Committee and its members with their duty, and appropriately assigns employees who serve as assistants thereto. Some of them are dedicated staff, while others work also for different departments.
Kyushu Financial places these employees under the command of the Audit and Supervisory Committee and its Members in order to ensure their independence from Directors who are not Audit and Supervisory Committee Members.
Kyushu Financial has established the Rules concerning Employees Assisting With the Duties of the Audit and Supervisory Committee and Directors Who are Audit and Supervisory Committee Members. The rules specify that the Audit and Supervisory Committee and its members are asked in advance to give their opinions regarding the appointment, performance evaluation, or transfer of, or disciplinary action against the employees who assist with their duty and such opinions are respected.

How Audit and Supervisory Committee, Financial Auditors, and the internal audit unit work together

The Audit and Supervisory Committee Members have experience and insight related to finance and accounting. They meet our Financial Auditors regularly or as necessary to receive reports and exchange opinions as part of their efforts to work closely with the Financial Auditors.
The Members also work closely with the Audit Division, which is our internal audit department, and request the Division to conduct an investigation or take other necessary actions in order to ensure efficient and effective audits.
The Audit Division regularly or as necessary reports to the Board of Directors the results of internal audits in the Group, along with the evaluations of the Group's internal management process that are based on these audit results. If the Division obtains any cases or problems that may have material effects on our operation, it promptly reports them to the Board of Directors and the Audit and Supervisory Committee. It also works with the Financial Auditors for internal control pertaining to financial reporting.

[Discretionary committees]

Any discretionary committee equivalent to a nomination committee or a compensation committee	Yes

How discretionary committees have been set up, their composition, and attributes of chairpersons

	Name of Committee	All Committee Members (persons)	Full-time Committee Member (persons)	Internal Director (persons)	External Director (persons)	External Expert (persons)	Other (persons)	Chairperson
Discretionary Committee Equivalent to a Nomination Committee	Nominating and Remuneration Committee	5	0	2	3	0	0	Internal Director
Discretionary Committee Equivalent to a Compensation Committee	Nominating and Remuneration Committee	5	0	2	3	0	0	Internal Director

Note

We have the Nomination and Remuneration Advisory Committee as the advisory body for the Board of Directors in order to make our decision-making process fairer and more transparent and contribute to the strengthening of corporate governance through focused discussions and exchanges of opinions with Representative Directors and Independent External Directors about matters pertaining to the nomination of and compensation to the management.

[Independent Officers]

Number of independent officers	6

Other matters regarding independent officers

We designate all external officers as independent officers if they qualify.

[Incentives]

Measures taken in relation to the provision of incentives for Directors	Introduction of a performance-linked compensation plan

Note to the applicable item Updated

The compensation for Directors who are not Audit and Supervisory Committee Members (excluding Non-executive Directors and External Directors) consists of basic compensation which is a fixed compensation, earnings-based bonus which is a short-term performance-linked compensation, and stock compensation linked to a medium- to long-term improvement in corporate value. The other Directors are paid only basic compensation in consideration of their duties.
The performance-linked compensation is a monetary and non-monetary compensation that reflects performance indicators for raising awareness for enhancing performance for each business year and enhancing corporate value over the medium to long term, and an amount calculated according to the degree of achievement of consolidated net income and other metrics against the target value in each business year and points determined in accordance with the Officers' Stock Benefit Regulations are paid and granted at a fixed time every year. Target performance indicators and their values will be set at the time of formulation of the Medium-Term Management Plan to ensure consistency with the plan and will be revised as appropriate in response to changes in the environment.

Those entitled to stock options	

Note to the applicable item

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[Compensation to Directors]

Disclosure status (of individual compensation for Directors)	Individual amounts of compensation are not disclosed.

Note to the applicable item Updated

The total amount of compensation that the Company paid to its Directors in fiscal 2025 is as follows.
- Total amount of compensation for 10 Directors (excluding Audit and Supervisory Committee Members and External Directors): 172 million yen
  (including fixed compensation of 116 million yen, performance-linked compensation of 32 million yen, and non-monetary compensation, etc. of 23 million yen)
- Total amount of compensation for three Audit and Supervisory Committee Members (excluding External Audit and Supervisory Committee Members): 15 million yen
- Total amount of compensation for eight External Officers: 43 million yen

* The above includes the six Directors who retired at the conclusion of the 10th Ordinary General Meeting of Shareholders held on June 20, 2025.
* Non-monetary compensation, etc. (the amount of stock compensation) is the expenses of the points given to officers corresponding to the concerned business year in accordance with the Officers' Stock Benefit Regulations stipulated by the Company.

Any policy on how to finalize the amounts of compensation or how to calculate the amounts	Yes

Disclosed details of the policy on how to finalize the amounts of compensation or how to calculate the amounts Updated

The Board of Directors, at its meeting on May 14, 2026, passed a resolution on the policy on deciding the details of individual compensation for Directors, and its outline is as follows.

(1) Basic policy
The compensation for Directors of the Company is structured so that it sufficiently functions as a sound incentive for the purpose of improving business performance and increasing corporate value in the medium to long term. In determining the compensation for individual Directors, the basic policy is to set the compensation at an appropriate level, taking their respective duties into consideration. Specifically, the compensation for Directors who are not Audit and Supervisory Committee Members (excluding Non-executive Directors and External Directors) consists of basic compensation which is a fixed compensation, earnings based bonus which is a short-term performance-linked compensation, and stock compensation linked to a medium- to long-term improvement in corporate value. The other Directors are paid only basic compensation in consideration of their duties. Compensation for Directors of the Company who are not Audit and Supervisory Committee Members is determined by the Board of Directors after consultation with the Nominating and Remuneration Advisory Committee, the majority of whose members comprise independent External Directors, to ensure transparency, fairness, and reasonableness within the limit of compensation determined by resolutions of the General Meeting of Shareholders.

(2) Matters regarding basic compensation
The basic compensation for the Directors of the Company is a fixed monthly compensation and is determined by comprehensively taking into account their positions and duties.

(3) Matters regarding performance-linked compensation
The performance-linked compensation is a monetary and non-monetary compensation that reflects performance indicators for raising awareness for enhancing performance for each business year and enhancing corporate value over the medium to long term, and an amount calculated according to the degree of achievement of consolidated net income and other metrics against the target value in each business year and points determined in accordance with the Officers' Stock Benefit Regulations are paid and granted at a fixed time every year. Target performance indicators and their values will be set at the time of formulation of the Medium-Term Management Plan to ensure consistency with the plan and will be revised as appropriate in response to changes in the environment.

(4) Matters regarding non-monetary compensation
Non-monetary compensation consists of stock compensation in order to establish a compensation structure linked to medium- to long-term improvement in corporate value. Points are granted at a fixed time every year in consideration of the positions and other factors of eligible Directors in accordance with the Officers' Stock Benefit Regulations. At the time of retirement of the eligible Directors, the Company provides the Company's shares equivalent to the accumulated points granted to such Directors; provided, however, that if the requirements prescribed in the Officers' Stock Benefit Regulations are satisfied, monetary benefits equivalent to the market value of the Company's shares will be paid in lieu of the payment of the Company's shares for a certain percentage of the points.

(5) Percentage composition of compensation
The percentage of compensation paid to Directors who are not Audit and Supervisory Committee Members (excluding Non-executive Directors and External Directors) is set based on their roles, responsibilities and performance evaluation based on their position. In general, however, the basic compensation is approximately 60%, the earnings-based bonus 20%, and the stock compensation 20%.

[Support System for External Directors]

The Corporate Planning Division assists External Directors who are not Audit and Supervisory Committee Members with their duty, and the Office of Audit and Supervisory Committee assists Directors who are Audit and Supervisory Committee Members with theirs.
Board meeting documents are provided to External Directors ahead of the meeting, and Directors in charge of each departments provide explanations about the documents prior to the meeting.

[Status of retiring representative directors, presidents, etc.]

< Names of former CEOs and other advisors and consultants >

Name	Position/Title	Responsibility	Employment status/condition	Date of retirement of President and Representative Director, etc.	Term
Takahiro Kai	Advisor, Higo Bank	Economic organization activities, etc.	Part-time with remuneration	June 21, 2019	1 year

Total number of advisors and consultants who are former CEOs, etc.	1

<Others>
We do not have an advisor or consultant system.
The above explanation describes the situation where our ex-Chairman and Representative Director serves as an Advisor at Higo Bank, Ltd.

2. Matters pertaining to such functions as the execution of operations, audits and supervision, nomination, and determination of compensation (summary of the current corporate governance framework) Updated

<Execution of operations>
(1) Board of Directors;
Our Board of Directors is defined as the decision-making body for matters specified in laws and regulations or the articles of incorporation and for the execution of the Group's material operations. Matters to be discussed and standards for monetary amounts have been established and specified in the Rules for the Board of Directors in order to distinguish supervision and execution.

(2) Group Management and Execution Council
The Group Management and Execution Council consists of Representative Directors and Senior Managing Executive Officers or above, and deliberates and makes decisions on matters delegated by the Board of Directors and discusses material matters concerning the Group's operation. The Council promotes in-depth and active discussions toward prompt and decisive decision-making.

(3) Committees under the Group Management and Execution Council
The following committees individually hold regular discussions on matters for which they are responsible in order to effectively, efficiently, and promptly address the Group's cross-organizational issues.
- Comprehensive Budgeting Committee
  The Comprehensive Budgeting Committee discusses the Group's overall budget, progress toward goals, and cross-organizational issues, among others, based on the medium-term management plan.
- ALM Committee
  The ALM Committee discusses matters regarding comprehensive management as well as various related measures of assets and liabilities of the whole Group.
- Risk Management Committee
  The Risk Management Committee discusses matters regarding comprehensive management of various risks faced by the Group including integrated risks.
- Compliance and Customer Protection Committee
  The Compliance and Customer Protection Committee discusses matters regarding comprehensive management of the Group's compliance with laws, regulations, etc. and customer protection.
- Human Capital and Value-for-Employees Enhancement Committee
  The committee discusses matters regarding policies for the Group's human capital management and increasing value for employees, formulation of strategies, their realization, and verification of their effects.
- Digital Innovation Committee
  The Digital Innovation Committee discusses matters concerning the development and implementation of policies and strategies regarding how to take advantage of digital technologies adopted to change the Group's marketing and business processes and how to develop the infrastructure for these technologies. The Committee also examines the effects brought about by the implementation of these policies and strategies.
- Sustainability Promotion Committee
  We grasp the status of implementation of the measures related to sustainability of our Group on a regular basis, and have cross-organizational discussions on measures that contribute to sustainability of the Group, customers, and the region.

(4) Executive Officers
We have introduced the executive officer system in order to separate the "functions of business decision-making and supervising Directors' performance of duty," for which Directors should be responsible, and the "function of executing operations," for which Executive Officers should be responsible. The separation has led to clear definitions of Directors' and Executive Officers' roles and responsibilities, systematically enabling flexible and efficient execution of operations.

<Supervision and audit>
(1) Supervision by the Board of Directors
Our Board of Directors consists of 10 Directors, who are financial experts and have developed their careers in the Group, and six independent External Directors, who supervise the overall operation of the Group from a neutral and objective perspective. The Board primarily makes decisions regarding matters specified in laws and regulations or the articles of incorporation as well as the execution of material operations pertaining to the Group's business, and supervises the performance of Directors' duty.

(2) Audit by Audit and Supervisory Committee
In our framework, Audit and Supervisory Committee Members attend important meetings (including the Board of Directors

meetings, the Group Management and Execution Council, and other committees) and hold regular report and interview session with the Audit Division and risk management departments in accordance with the audit policy and audit plan formulated each fiscal year. Furthermore, the Committee Members with considerable knowledge about corporate management, including finance, conduct monitoring and inspection related to financial audits.

(3) Internal audit

The Audit Division of Kyushu Financial is independent from the audited departments. The Division audits the appropriateness and effectiveness of the internal management system, which covers risk management, in accordance with the audit policy and plan for the fiscal year. The Division also reports the details of internal audits to the Board of Directors, the Group Management and Execution Council, and the Audit and Supervisory Committee.

(4) Financial audit

We have a financial audit contract with Deloitte Touche Tohmatsu LLC that has been executed pursuant to the Companies Act and the Financial Instruments and Exchange Act so that Deloitte conducts audits accordingly.

<Nomination; Determination of compensation>

(1) Nominating and Remuneration Committee

We have the Nomination and Remuneration Advisory Committee as the advisory body for the Board of Directors in order to make our decision-making process fairer and more transparent and contribute to the strengthening of corporate governance through focused discussions and exchanges of opinions with Representative Directors and Independent External Directors about matters pertaining to the nomination of and compensation to the management.

(2) Nomination of Management

[Selection of Representative Directors]

In selecting Representative Directors of the Company as well as Higo Bank and Kagoshima Bank, based on the following selection standards, the Nominating and Remuneration Committee of each company deliberates about persons qualified for Representative Directors and the Board of Directors resolves on them at its meeting.

[Selection Standards]

(i) A Representative Director must have outstanding leadership and excellent integrity as well as high ethical views.
(ii) A Representative Director must have a long-term perspective toward the future and be able to proactively express his or her own opinions, full understanding the Group's philosophy (Purpose [Raison D'être], Vision [What We Aim to Be], and Values [Value and Behavioral Guidelines]).
(iii) A Representative Director must have a wealth of experience and a high level of insight as well as an outstanding track record and be able to demonstrate his or her management skills to improve business performance.

[Appointment of Directors who are not Audit and Supervisory Committee Members]

In appointing Directors who are not Audit and Supervisory Committee Members, based on the following appointment standards, the Nominating and Remuneration Committee deliberates about persons qualified for such Director and then the Board of Directors resolves to submit a proposal for appointing the relevant Directors to the General Meeting of Shareholders.

[Appointment 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, full understanding the Group's philosophy (Purpose [Raison D'être], Vision [What We Aim to Be], and Values [Value 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.

On the assumption that candidates for Directors who are not Audit and Supervisory Committee Members satisfy the statutory requirements, the appointment policies are as follows.

(i) Based on the Appointment Standards, candidates for Directors who are not Audit and Supervisory Committee Members originally from the Group must be appointed with a balanced representation of backgrounds.
(ii) Multiple candidates for Directors who are not Audit and Supervisory Committee Members 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 appointed.

[Appointment of Directors who are Audit and Supervisory Committee Members]

In appointing Directors who are Audit and Supervisory Committee Members, based on the following appointment standards, the Nominating and Remuneration Committee deliberates about persons qualified for Directors who are Audit and Supervisory Committee Members and submits a proposal for appointing the relevant Directors who are Audit and Supervisory Committee Members to the General Meeting of Shareholders, having gained consent of the Audit and Supervisory Committee. Upon their appointment, the Company appoints one or more candidates for Directors who are Audit and Supervisory Committee Members originally from the Group who have high level of insight of finance and accounting in particular.

[Appointment 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, full understanding the Group's philosophy (Purpose [Raison D'être], Vision [What We Aim to Be], and Values [Value 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.

On the assumption that candidates for Directors who are Audit and Supervisory Committee Members satisfy the statutory requirements, the appointment policies are as follows.

(i) Based on the Appointment Standards, a majority of all appointed candidates for Directors who are Audit and Supervisory Committee members who have insight 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 appointed.

[Executive Officers]

We consult the Nominating and Remuneration Committee about candidates for the posts of Executive Officers, and then the candidates are appointed at a Board of Directors meeting.

(3) Remuneration for Management

Proposals concerning the annual compensation for Directors who are not Audit and Supervisory Committee Members are submitted to the Nominating and Remuneration Advisory Committee for deliberation and determined by the Board of Directors every fiscal year. Proposals concerning individual compensation for them are submitted to the committee for deliberation and determined by President and Representative Director, with the total compensation amount for the fiscal year as the upper limit decided at the Board of Directors Meeting. The details of the decisions are evaluation and distribution of the basic compensation of each of Directors who are not Audit and Supervisory Committee Members and Executive Officers as well as of the performance-linked compensation (earnings-based bonus) based on the performance of respective operations they are in charge. The reason for delegating the authority is because the President and Representative Director is the most appropriate to grasp the performance of the Company in a comprehensive manner and evaluate Directors who are not Audit and Supervisory Committee Members and Executive Officers. With regard to the stock compensation plan, the number of shares to be granted to individual Directors is determined based on the Officers' Stock Benefit Regulations established by the Board of Directors. In addition, the amount of compensation for individual Directors who also serve as Audit and Supervisory Committee Members is determined in accordance with the Audit and Supervisory Committee Regulations.

Status of the details of resolution for compensation made at the General Meetings of Shareholders is as follows.

- The 11th Ordinary General Meeting of Shareholders held on June 26, 2026, passed a resolution setting annual compensation for Directors who are not Audit and Supervisory Committee Members at 500 million yen or less (36 million yen to External Directors, among them).
- In addition to the upper limit above, the 11th Ordinary General Meeting of Shareholders held on June 26, 2026, passed a resolution setting the stock compensation granted to Directors (excluding Directors who also serve as Audit and Supervisory Committee Members, the other Directors who are External Directors and Non-executive Directors) per fiscal year shall be up to 300,000 points (one point = one share of the Company's stock).
- The 6th Ordinary General Meeting of Shareholders held on June 18, 2021, passed a resolution setting annual compensation for Directors who are Audit and Supervisory Committee Members at 120 million yen or less.

3. Reason for the adoption of our current corporate governance framework

Please see "I. 1. Basic Stance" in this document for the reason why we have adopted the current system.

□. *Status of measures concerning shareholders and other stakeholders*

1. Efforts to revitalize the General Shareholders Meeting and facilitate the exercise of voting rights Updated

	Note
Early mailing of the Convocation Notice of the General Shareholders Meeting	In addition to mailing the notice of the meeting ahead of the statutory deadline, we disclose Matters Subject to Electronic Provision Measures on the websites of the Company and the Tokyo Stock Exchange before mailing the notice, in order to make sure that our shareholders have ample time to read all proposals.
Scheduling the General Shareholders Meeting for a date on which few other shareholders meetings are held	The 11th Ordinary General Meeting of Shareholders was held on June 26, 2026.
Exercising voting rights by an electronic means	We have introduced an online voting system.
Participation in an electronic platform for the exercise of voting rights and other efforts to improve the environment for the exercise of voting rights by institutional investors	We use the electronic platform designed for institutional investors to exercise their voting rights. The platform is run by ICJ, Inc.
Preparing the notice of the meeting (summary) in English	We publish the notice of the meeting in English on our website and make it available at the Tokyo Stock Exchange and on the platform for exercising voting rights.
Other	We make the following efforts to ensure that the Shareholders Meeting proceeds with clarity and transparency for our shareholders. - The notice of the meeting includes information on trends in dividends and shareholder returns, as well as the rationale for selecting specific skills of the board members. - Business reports are explained using visuals projected onto a screen. - In addition to the main venue, satellite venues are set up in order to stream the meeting live for as many local shareholders as possible.

2. Status of IR-related activities

	Note	Briefing by Representative
Preparing and publishing our disclosure policy	Please see Article 29 (Ensuring Appropriate Disclosure of Information and Transparency) of the Corporate Governance Guidelines published on our website. (URL: https://www.kyushu-fg.co.jp/english/company/governance/)	
Holding regular briefing sessions for individual investors	We have been holding briefing sessions for individual investors since fiscal 2016.	Yes
Holding regular briefing sessions for analysts and institutional investors	The Company holds semiannual briefing sessions for analysts and institutional investors where the management team provide explanations about its business strategies and financial condition. It also holds individual online meetings.	Yes
Publishing IR materials on our website	We publish information about our financial results, timely disclosure information, and documents used at corporate recruiting sessions, among others, on our website. In addition to the annual report, Kyushu Financial discloses financial summary reports, Annual Securities Report, Integrated Report, and company briefing materials in English.	
Establishing IR-related departments (staff)	IR departments: Public Relations and IR Division	

3. Status of efforts toward sustainable relations with stakeholders Updated

	Note
Establishing our determination to maintain sustainable relations with stakeholders in the internal rules	Please see Chapter 3 (Ensuring Shareholders' Rights and Equality) and Chapter 4 (Appropriate Cooperation with Stakeholders Other Than Shareholders) of the Corporate Governance Guidelines published on our website. (URL: https://www.kyushu-fg.co.jp/english/company/governance/)
Environmental actions and CSR initiatives	The Group has formulated "Environmental policy" and "Green Procurement Regulations" shared across the Group and have been working on the conservation of the bountiful natural environment of Kumamoto and Kagoshima. The Group's Higo Bank has planted more than 140,000 trees in cumulative total in the Aso Daikan no Mori it owns. Kagoshima Bank has been participating in a forestry project every year, undertaken by companies nurturing the environment, and is engaged in environmental conservation through afforestation activities. We also continue with proactive efforts for local revitalization, which consists of participation in local events, sponsorships for sports and cultural events, and contribution to social services, among others. For details, see the websites and integrated reports of Kyushu Financial, Higo Bank and Kagoshima Bank. "Environmental policy" and "Green Procurement Regulations" of Kyushu Financial Group (URL: https://www.kyushu-fg.co.jp/english/csr/csrmanagement/) "Reducing environmental impact and environmental conservation activities" of Kyushu Financial Group (URL: https://www.kyushu-fg.co.jp/english/csr/sdgs/practice/) "Environmental conservation activities" of Higo Bank (URL: https://www.higobank.co.jp/aboutus/csr/#environment) "Environmental initiatives" of Kagoshima Bank (URL: https://www.kagin.co.jp/investor/315_eco.html) Integrated Report (URL: https://www.kyushu-fg.co.jp/english/ir/library/disclosure/)
Establishing a policy pertaining to the provision of information for stakeholders	We have an established set of rules pertaining to timely disclosure for the purpose of providing information to stakeholders, thereby ensuring appropriate information disclosure.
Other	Higo Bank and Kagoshima Bank in the Group have made their General Employer Action Plans in relation to the Act on the Promotion of Female Participation and Career Advancement in the Workplace. These banks have established and expanded their internal systems to support employees with children in developing their careers while parenting as part of their efforts to facilitate women's successful careers. The Group will continue to focus on talent development as a gateway to women's career advancement and actively assign female employees to managerial positions.

□. *Matters regarding our internal control system*

1. Basic stance on the internal control system and how it has been organized Updated

(1) Systems for ensuring that the performance of duty by the Group's Directors, Executive Officers, and other employees conforms to laws and regulations as well as the articles of incorporation

A. Kyushu Financial defines compliance as one of its most important management issues. We have established the Group-wide Basic Compliance Policy in order to ensure that Directors, Executive Officers, and other employees in the Group are committed to compliance.

B. Kyushu Financial has the CR Management Division as the Group's compliance management department. We also have a regular committee to deliberate material matters pertaining to compliance across the Group, thereby ensuring that our compliance system fully works and keeps improving.

C. Kyushu Financial has established the Group-wide Basic Policy on Actions against Anti-social Forces in order to make sure that Directors, Executive Officers, and other employees in the Group firmly reject any connections with anti-social forces that threaten the order and safety of civil society.

D. Kyushu Financial has established the Group-wide Basic Management Policy on Customer Protection in order to make sure that Directors, Executive Officers, and other employees in the Group are committed to protecting customers' interests and improving convenience for customers.
E. Kyushu Financial has established the Group-wide Compliance Hotline Rules. The Group's whistleblowing hotline has been set up according to the Rules to receive reports on any misconduct or violations of laws or requests for consultation about such misconduct or violations, thereby ensuring that appropriate actions are taken to address the problems.
F. Kyushu Financial has established the Group-wide Basic Policy on Internal Audits and Internal Audit Rules. Our Audit Division or the Group companies' audit departments regularly conduct(s) internal audits in order to examine the appropriateness and effectiveness of the Group's control environments for legal compliance and customer protection.

(2) Systems for storage and management of information pertaining to the performance of duty by Directors
Kyushu Financial has established an independent set of rules about document management to ensure that information pertaining to the performance of duty by our Directors is kept and managed for a reasonable period.

(3) Rules for managing the risk of losses the Group may incur and other systems
A. Kyushu Financial defines risk management as one of its most important management issues. We have established the Group-wide Basic Policy on Risk Management in order to ensure that Kyushu Financial and its Group companies work together to appropriately manage various risks facing the Group.
B. Kyushu Financial has the CR Management Division as the Group's risk control department, along with a committee that discusses material matters concerning risk management across the Group, in order to ensure that its risk control works properly.
C. Kyushu Financial has established the Group-wide Basic Policy on Business Continuity in order to ensure in times of crisis the continuity of its business as well as the Group companies' business, and the restoration of the whole Group's regular functions as soon as possible.
D. Kyushu Financial has established the Group-wide Basic Policy on Internal Audits and Internal Audit Rules. Our Audit Division or the Group companies' audit departments regularly conduct(s) internal audits in order to examine the appropriateness and effectiveness of the Group's risk management system.

(4) Systems for ensuring that Directors in the Group efficiently perform their duty
A. The Rules for the Board of Directors at Kyushu Financial include basic provisions pertaining to how the Board of Directors is composed and operated. We also have the Group Management and Execution Council and other committees that deliberate and make decisions on matters delegated by the Board of Directors, thereby having in place the business management framework in which the Group is efficiently and appropriately operated in accordance with the Rules for the Group Management and Execution Council and the committees' guidelines.
B. Kyushu Financial has established the Organization Rules on Divisional Structure and Official Authority Rules that specify its organization, operations, and authority in order to ensure that Directors promptly and efficiently perform their duty.

(5) Systems for ensuring appropriate operations in the corporate group that consists of Kyushu Financial and its Group companies
A. Kyushu Financial has established the Group Business Management Rules, thereby having in place the Group's business management framework designed to provide guidance and perform management in order to ensure the subsidiaries' appropriate management while respecting the Group companies' management autonomy.
B. Kyushu Financial has the Rules concerning Matters for Discussion with and Reporting by Subsidiaries. These Rules specify that material matters regarding the Group companies' decision-making and execution of operations must be discussed with or reported to Kyushu Financial regularly or as necessary in order to ensure that Directors and Executive Officers in the Group efficiently and appropriately perform their duty.
C. Kyushu Financial has the Corporate Planning Division as the department that controls the operation of the Group companies. The Division provides assistance and guidance pertaining to the subsidiaries' business plans and supervises the promotion of the plans in accordance with the Organization Rules on Divisional Structure.
D. Kyushu Financial has established the Group-wide Basic Policy on Internal Control pertaining to Financial Reporting in order to ensure its compliance with the accounting standards and other relevant laws and regulations, and the appropriateness and reliability of its financial reporting.
E. Kyushu Financial has established the Basic Policy pertaining to Internal Transactions and the Basic Policy pertaining to Internal Business Alliances in order to ensure that transactions within the Group are appropriately conducted in accordance with laws and regulations.
F. Kyushu Financial has established the Group-wide Basic Policy on Internal Audits and Internal Audit Rules. Our Audit Division or the Group's audit departments regularly conduct(s) internal audits in order to examine the appropriateness and effectiveness of the control environment for transactions within the Group.

(6) Matters regarding employees assigned as assistants to the Audit and Supervisory Committee and Directors who are Audit and Supervisory Committee Members (hereinafter "Audit and Supervisory Committee Members) to assist their duty on their request
Kyushu Financial has established the Office of Audit and Supervisory Committee as the department that helps the Audit and Supervisory Committee and its members with their duty, and appropriately assigns employees who serve as assistants thereto. Some of them are dedicated staff, while others work also for different departments.

(7) Matters regarding ensuring the independence of the employees in the preceding paragraph from Directors who are not Audit and Supervisory Committee Members and ensuring effectiveness of instructions by the Audit and Supervisory Committee and its members to the said employees

A. Kyushu Financial places these employees under the command of the Audit and Supervisory Committee and its Members in order to ensure their independence from Directors who are not Audit and Supervisory Committee Members.
B. Kyushu Financial has established the Rules concerning Employees Assisting With the Duties of to the Audit and Supervisory Committee and Directors who are Audit and Supervisory Committee Members. The rules specify that the Audit and Supervisory Committee and its Members are asked in advance to give their opinions regarding the appointment, performance evaluation, or transfer of, or disciplinary action against the employees who assist with their duty and such opinions are respected.

(8) Systems for ensuring Directors who are not Audit and Supervisory Committee Members, Audit and Supervisory Committee Members, Executive Officers, Corporate Auditors, and other employees in the Group, or those who have received reports from them to make reports to the Audit and Supervisory Committee and systems regarding other reports to the Audit and Supervisory Committee

A. Kyushu Financial has established the Group-wide Rules of Reporting to the Audit and Supervisory Committee. When anyone of Directors who are not Audit and Supervisory Committee Members, Audit and Supervisory Committee Members, Executive Officers, Corporate Auditors, or other employees in the Group discover a fact that may cause considerable damage to Kyushu Financial or any Group company, he/she must report the fact immediately to our Audit and Supervisory Committee according to these Rules.
B. Directors who are not Audit and Supervisory Committee Members, Audit and Supervisory Committee Members, Executive Officers, Corporate Auditors, and other employees in the Group report on material matters pertaining to the execution of operations regularly or as necessary to the Audit and Supervisory Committee, and take appropriate actions when the Audit and Supervisory Committee asks them for reporting, pursuant to the Rules of Reporting to the Audit and Supervisory Committee. Furthermore, if a person receives a report on a material matter pertaining to the execution of operations from anyone of Directors who are not Audit and Supervisory Committee Members, Audit and Supervisory Committee Members, Executive Officers, Corporate Auditors, or other employees in the Group, he/she is required to report it to the Audit and Supervisory Committee.
C. Kyushu Financial has system in place pursuant to the Group-wide Compliance Hotline Rules, which enables anyone of Directors who are not Audit and Supervisory Committee Members, Audit and Supervisory Committee Members, Executive Officers, Corporate Auditors, or other employees in the Group to report directly to the Audit and Supervisory Committee if he/she needs to report any misconduct or violation of laws they have discovered. Furthermore, the CR Management Division promptly reports on whistleblowing in the Group to the Audit and Supervisory Committee Members.

(9) Systems for ensuring that those who have made a report to the Audit and Supervisory Committee Members do not receive disadvantageous treatment because of their report

Kyushu Financial has established the Group-wide Rules of Reporting to the Audit and Supervisory Committee and Compliance Hotline Rules, which forbid disadvantageous treatment of a person who has made a report to the Audit and Supervisory Committee.

(10) Matters regarding the prepayment of the expenses that arise from the performance of duty by the Audit and Supervisory Committee, the expenses that arise from reimbursement procedures and other performance of the duty, or the policy pertaining to debt disposal

When Audit and Supervisory Committee Members request the prepayment of any expenses, etc. arising from execution of duties by the Audit and Supervisory Committee, Kyushu Financial promptly pays the amount or disposes of the debt, except when it determines that the expenses are not necessary for the Audit and Supervisory Committee to perform their duty.

(11) Systems for ensuring that effective audits are conducted by the Audit and Supervisory Committee

A. The Audit and Supervisory Committee Members may attend the meetings of the Board of Directors, the Group Management Execution Council, or other committees to offer their opinions in accordance with the Rules for the Board of Directors, the Rules for the Group Management and Execution Council, and the committees' guidelines.
B. Directors who are not Audit and Supervisory Committee Members exchange opinions regularly or as necessary with Audit and Supervisory Committee Members in order to maintain appropriate communication.
C. The Audit Division of Kyushu Financial or the audit departments of its subsidiaries regularly report(s) audit results to the Audit and Supervisory Committee and work appropriately with the Office of Audit and Supervisory Committee, thereby ensuring effective audits by the Committee.

2. Basic stance on the exclusion of anti-social forces and our actions

(1) Basic stance

The Group has established the following principles in order to reject any connections with anti-social forces that threaten the order and safety of civil society.

A. We take Group-wide measures to handle any unreasonable demands from anti-social forces. These measures include legal responses that involve civil and criminal procedures.
B. We work closely with external professional bodies, including the police and attorneys, in ordinary times as part of our efforts to prepare ourselves to deal with anti-social forces.
C. We refuse any transactions as well as any other connections with anti-social forces.
D. Under no circumstances do we provide funds or any other benefits for anti-social forces.
E. We maintain our solid control environment in order to keep anti-social forces excluded and prevent any transactions with these forces.

(2) Present state

Our CR Management Division manages all information about anti-social forces that Kyushu Financial and the Group companies have. The Division collects and shares the information whenever possible.

□. *Other*

1. Anti-takeover measures

Anti-takeover measures	N/A

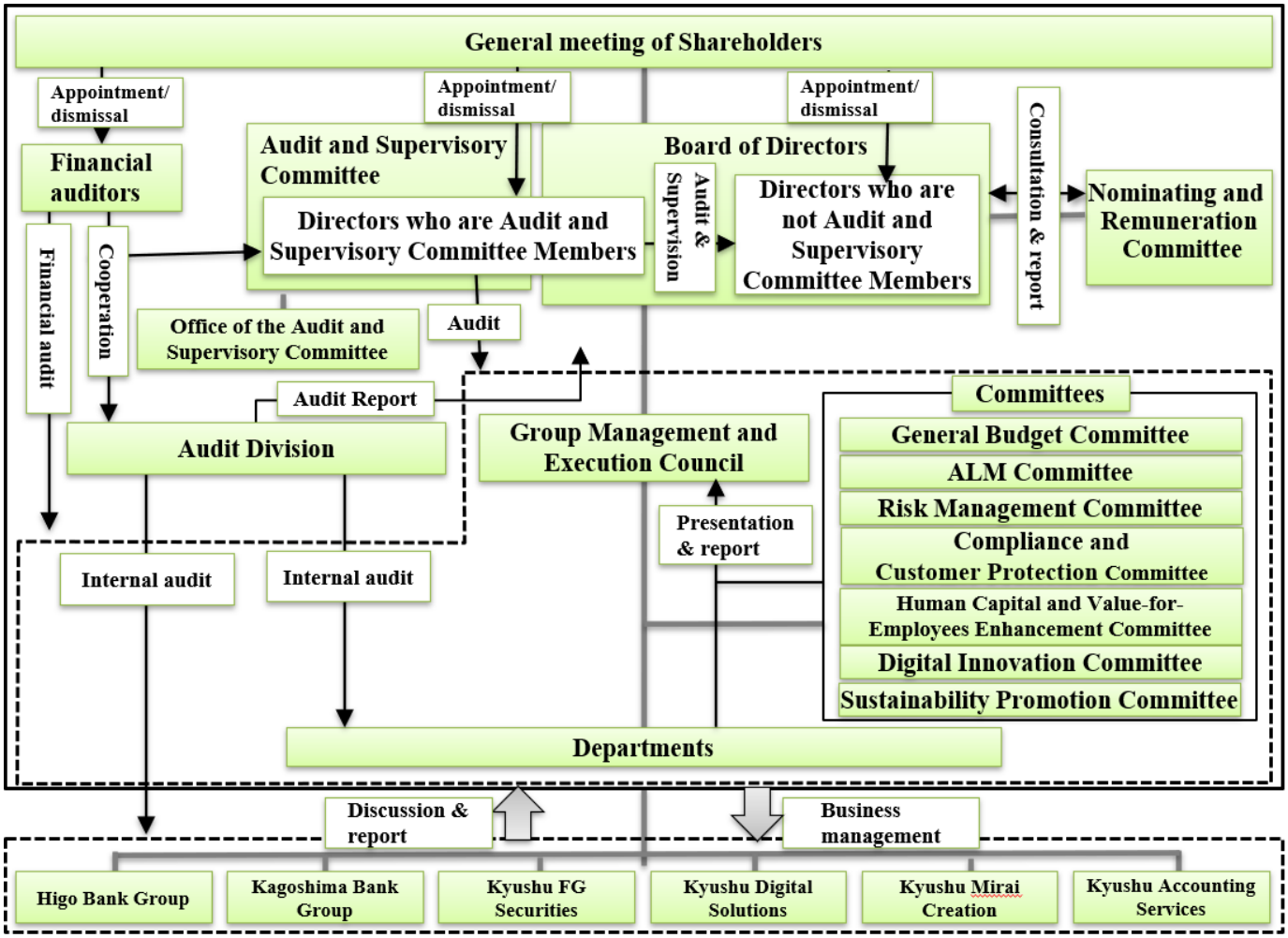
Note to the applicable item

———

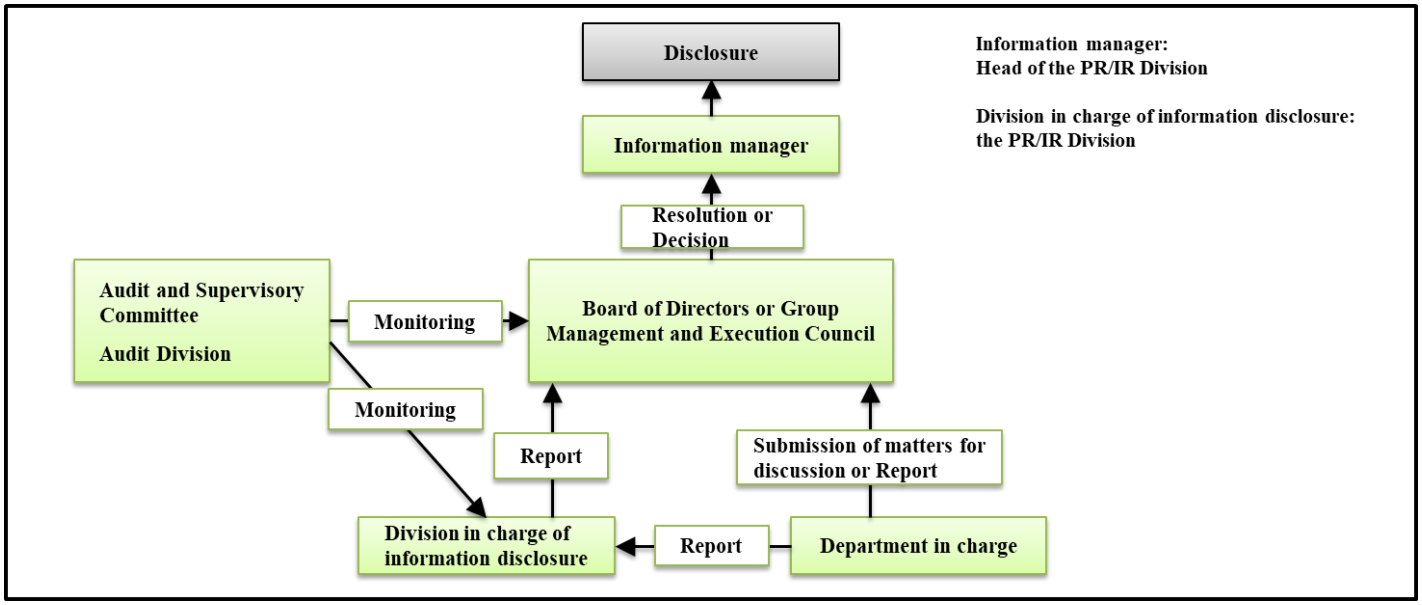
2. Other matters concerning our corporate governance framework Updated

Please see the attachment for the following.
■ Corporate Governance Framework
■ Framework of Timely Disclosure
■ Skills Matrix
- Reasons for selecting skills
- Skills Matrix for Directors

[Corporate Governance Framework]



[Framework of Timely Disclosure]



[Skills Matrix]

<Reasons for selecting skills>

Skill	Reasons for selection
(i) Corporate management	The Board of Directors should view the establishment of corporate goals and the setting of strategic direction as a major aspect of its roles and responsibilities, and it should engage in constructive discussions with respect to specific business strategies and business plans. Therefore, it is necessary to have directors who have experience in corporate management.
(ii) Sales strategy	The Board of Directors considers the establishment of an environment that supports appropriate risk-taking by senior management as a major aspect of the Board of Directors' roles and responsibilities. Therefore, Directors with knowledge, experience, and abilities in sales strategies and market investment are needed as they are required to support the timely and decisive decision-making of senior management.
(iii) Market investment	
(iv) Legal/risk management	The Board of Directors should exercise supervision to ensure timely and accurate information disclosure as well as appropriately develop an internal control system and a risk management framework. It has the potential to ensure appropriate compliance and support risk-taking, and the Board of Directors should appropriately establish such systems and oversee the operational status. Therefore, it is necessary to have directors who have knowledge, experience and capability concerning laws and risk management, and finance and accounting.
(v) Financial affairs/accounting	
(vi) Regional industry promotion	In the execution of the basic strategy 1 of the 4th Group Medium-Term Management Plan, "Accelerating initiatives to provide regional value that creates the future," Directors with knowledge, experience, abilities, and networks related to regional industrial promotion are needed in order to work on enhancement of the business domains by taking on the challenge of new businesses through collaboration with the region and local governments. In addition, Directors with knowledge, experience, and abilities in international business are needed in order to support creation of overseas businesses and expansion of sales channels as part of provision of regional and customer-oriented solutions.
(vii) Global business	
(viii) Human resource strategy	In the execution of the basic strategy 3 of the 4th Group Medium-Term Management Plan, "Establishing a solid management foundation for sustainable growth," Directors with knowledge, experience, and abilities in human resource strategy are needed in order to enhance employee value through human capital management practices by building human resource portfolio that support the future of the Group.
(ix) Sustainability	In the execution of the basic strategy 3 of the 4th Group Medium-Term Management Plan, "Establishing a solid management foundation for sustainable growth," Directors with knowledge, experience, abilities, network in sustainability are needed in order to provide support for realization of carbon neutral society in the region as part of advanced initiatives related to GX. In addition, Directors with knowledge, experience, and ability in DX and technology are needed to improve productivity by leveraging integration of core systems and digital technology as advanced initiatives related to DX.
(x) DX/Technology	

<Skills Matrix for Directors>

	Name		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 investment	Legal/risk management	Financial affairs/ accounting	Regional industry promotion	Global business	Human resource strategy	Sustainability	DX/ technology
Inside Director	Akihisa Koriyama	Male	Chairman and Representative Director	●	●	●	●	●	●		●		
	Yoshihisa Kasahara	Male	President and Representative Director	●	●				●	●	●	●	●
	Riichiro Tada	Male	Director and Managing Executive Officer		●		●		●				
	Shinichi Yamakata	Male	Director and Senior Executive Officer		●			●				●	
	Koichi Ichitsubo	Male	Director and Senior Executive Officer				●		●		●		
	Sayoko Kitamura	Female	Director and Senior Executive Officer		●		●						
	Hiromi 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 Director	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