

November 13, 2023

To whom it may concern:

Company Name	Fukuoka Financial Group, Inc.
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Contact	Tepei Mizoe, Executive Officer, Corporate Planning Division

### **Recording of Extraordinary Income (Gain on Negative Goodwill) and Revision to Consolidated Financial Forecast**

We hereby announce that we expect to report extraordinary income (gain on negative goodwill) for the third quarter of the fiscal year ending March 31, 2024. Accordingly, we have revised the consolidated financial forecast released on May 12, 2023 as follows:

1. Recording of extraordinary income (gain on negative goodwill)

We carried out a share exchange with the Fukuoka Chuo Bank, effective as of October 1, 2023, through which Fukuoka Financial Group became the wholly-owning parent company and the Fukuoka Chuo Bank became the wholly-owned subsidiary. Accordingly, we expect to report a gain on negative goodwill of about ¥21,500 million as extraordinary income for the third quarter of the fiscal year ending March 31, 2024. Please note that the amount was calculated on a tentative basis and that the exact amount is to be determined through our closing process from now on.

2. Revision to financial forecast  
(From April 1, 2023 to March 31, 2024)

(1) Revision

	Ordinary profit	Net income attributable to owners of the parent	Net income per share
	¥Million	¥Million	¥
Previous forecast (A)	90,000	61,000	324.98
Revised forecast (B)	59,500	61,500	326.47
Change (B-A)	(30,500)	500	
Change (%)	(33.9)	0.8	
(Reference) Results of FY2022	50,050	31,152	165.54

(2) Reason for revision

As described in the first section of this notice, “Reporting of extraordinary income (gain on negative goodwill)” , we expect to report a gain on negative goodwill of about ¥21,500 million as extraordinary income resulting from our business integration with the Fukuoka Chuo Bank. Meanwhile, in order to secure future profit and reduce future risks, we anticipate posting losses resulting from portfolio restructuring based on considering a domestic interest-rate environment (recognition of unrealized losses) and Fukuoka Chuo Bank’s adaption of the same reporting standards for allowance for loan losses with the group’s (mainly the introduction of our forward-looking approach).

Considering all the above conditions, we have revised the consolidated financial forecast for FY2023 as described above.

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(Note) The forecasts in this document were determined based on available information at present, and therefore they may be subject to change.