



July 24, 2025

Company name: Kyushu Financial Group, Inc.
Representative: Yoshihisa Kasahara, President and
Representative Director
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Notice Regarding the Disposal of Treasury Stock for Share Granting through the Employees' Shareholding Association

Kyushu Financial Group, Inc. (the "Company") hereby announces that, at the Board of Directors' meeting held today, it has resolved to grant common stock to employees (the "Eligible Employees") of the Company and its subsidiaries who are the members of the Kyushu Financial Group Employees' Shareholding Association (the "Shareholding Association"), and to dispose of treasury stock through third-party allotment to the Shareholding Association (the "Disposal of Treasury Stock") as described below.

1. Outline of the disposal

(1) Disposal date	November 28, 2025
(2) Type and number of shares to be disposed of	260,000 shares of the Company's common stock (Note)
(3) Disposal price	780.3 yen per share
(4) Total disposal value	202,878,000 yen (Note)
(5) Method of disposal	Third-party allotment
(6) Scheduled allottee	Kyushu Financial Group Employees' Shareholding Association: 260,000 shares
(7) Other	The Disposal of Treasury Stock is conditional upon the effectiveness of the securities registration statement filed in accordance with the Financial Instruments and Exchange Act.

(Note) The number of shares to be disposed of (260,000 shares) and the total disposal value (202,878,000 yen) are the maximum values as of today, and calculated assuming that the expected maximum number of Eligible Employees, 5,200, join the Shareholding Association, and that 50 shares are to be granted to each Eligible Employee who is the member of the Shareholding Association as of October 1, 2025. The actual number of

shares to be disposed of and the total disposal value are expected to be finalized following the confirmation of the number of members of the Shareholding Association as of October 1, 2025 after the promotion to join the Shareholding Association for non-members has ended.

2. Purpose and reasons for the disposal

The Company will celebrate its 10th anniversary on October 1, 2025. In order to express gratitude to its employees for their hard work over the past 10 years, the Company decided to grant them its common stock. Additionally, the Company, which has always aimed to encourage the employees of the Company and its subsidiaries to take an interest in stock prices and work toward enhancing corporate value with the same perspective as its shareholders, has determined that granting its common stock to employees through the Shareholding Association is an appropriate measure.

The Disposal of Treasury Stock will be carried out through a third-party allotment in which special incentives are granted to Eligible Employees who are the members of the Shareholding Association, the Eligible Employees contribute the special incentives to the Shareholding Association, which then pays the contribution to the Company, and the Company disposes of its common stock to the Shareholding Association. The number of shares to be disposed of will be finalized later as mentioned in (Note) of “1. Outline of the Disposal,” and the Company expects to dispose of a maximum of 260,000 shares to the Shareholding Association.

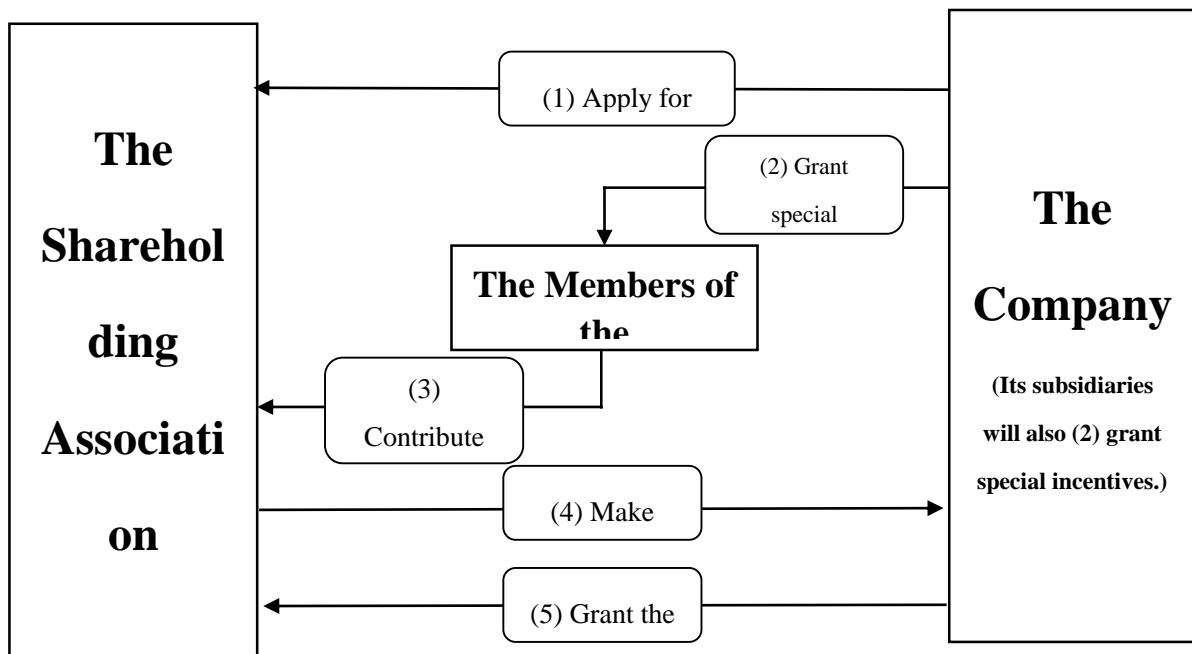
The maximum number of shares to be disposed of (260,000 shares) through the Disposal of Treasury Stock is 0.06% of the total number of issued shares (rounded to the third decimal place, 0.06% of the total number of voting rights as of March 31, 2025), and the expected dilution is not considered to be significant.

<Outline of the Disposal of Treasury Stock>

- (1) The Shareholding Association will apply for the subscription of shares offered through the Disposal of Treasury Stock.
- (2) The Company or its subsidiaries will grant special incentives to Eligible Employees who are the members of the Shareholding Association.
- (3) Eligible Employees who are the members of the Shareholding Association will contribute the special incentives to the Shareholding Association.
- (4) The Company will dispose of the treasury stock through third-party allotment and allocate them to the Shareholding Association, which will make payment for the Disposal of Treasury Stock with the contributed special incentives.
- (5) The Company will grant the treasury stock to the Shareholding Association.

The actual payment related to (2) and (3) will be made directly by the Company to the designated deposit account of the Shareholding Association. The allocated common stock of the Company will be distributed and managed within the Shareholding Association as members' shares.

[Outline of the scheme]



* The Eligible Employees can withdraw the allocated common stock of the Company in accordance with the rules of the Shareholding Association.

3. Basis for the calculation of disposal price and specific details

The disposal price is set at 780.3 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the Board of Directors' resolution date for the disposal of treasury stock (July 23, 2025). This represents the market price immediately prior to the resolution date, and in the absence of any special circumstances that prevent reliance on recent stock prices, it is considered a reasonable and appropriate reflection of the Company's corporate value and does not offer any particular favor to the scheduled allottee.

The deviation rates of the disposal price from the average closing price of the Company's shares on the Tokyo Stock Exchange Prime Market are as follows (with decimals rounded to the third decimal place):

Period	Closing price (rounded down to the nearest yen)	Deviation rate
1 month (June 24, 2025 to July 23, 2025)	744 yen	4.88%
3 months (April 24, 2025 to July 23, 2025)	726yen	7.48%
6 months (January 24, 2025 to July 23, 2025)	721 yen	8.22%

Furthermore, the Company's Directors who also serve as Audit and Supervisory Committee Members (five in total, three of whom are Outside Directors) have expressed their opinion regarding the disposal price. They have

stated that the process by which the Company has determined that the disposal price is not particularly advantageous to the Shareholding Association, the allottee, is rational and such decision is appropriate, given that the Disposal of Treasury Stock is intended for the purpose of granting shares through the Shareholding Association, and considering that the disposal price is the closing price on the business day prior to the Board of Directors' resolution date.

4. Procedures in accordance with the corporate code of conduct

The Disposal of Treasury Stock does not require procedures to obtain an independent third-party opinion or confirm the intentions of shareholders as prescribed in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, since (1) the dilution rate is less than 25% and (2) there are no changes in controlling shareholders.