May 14, 2026

To whom it may concern,

Company name: Kyushu Financial Group, Inc.
Representative: Yoshihisa Kasahara, President and Representative Director
Code number: 7180 TSE Prime and FSE
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Notice Regarding Revision of the Executive Remuneration System, Including Revision of Directors' Remuneration and Partial Revision of the Stock Compensation Plan

The Company hereby announces that, at the meeting of the Board of Directors held today, it resolved to submit to the 11th Ordinary General Meeting of Shareholders to be held on June 26, 2026 (the "General Meeting of Shareholders") a proposal regarding the revision of the Executive Remuneration System, including a revision to the maximum amount of cash remuneration for Directors and a partial revision of the stock compensation plan, namely the "Board Benefit Trust (BBT)" (the "BBT System"; the trust established pursuant to the trust agreement entered into with Mizuho Trust & Banking Co., Ltd. in relation to the BBT System is hereinafter referred to as the "Trust"), as set forth below.

1. Background and details of the revisions

Under the 4th Group Medium-Term Management Plan "Leap Forward," the Company has adopted "Leap Forward to Become a Group That Co-creates Regional Value" as its basic policy. Based on the core strategies of accelerating initiatives to create regional value for the future, strengthening core businesses to support regional economic growth, and establishing a robust management foundation for sustainable growth, the Company seeks to maximize social value and shareholder value by pursuing capital efficiency through a range of businesses centered on banking operations, including financial services businesses such as leasing, credit cards, trust banking, and financial instruments business operations, as well as regional value co-creation businesses such as digital transformation

(DX) solution services. In order to secure and retain talented management personnel to steadily advance the Company's next stage of growth, and to enhance corporate governance by increasing commitment and motivation toward the achievement of business performance targets, the Board of Directors resolved at its meeting held today to revise the Executive Remuneration System, including a revision to the maximum amount of cash remuneration for Directors and a partial revision of the stock compensation plan.

These revisions are intended to establish remuneration levels that take into account peer companies competing with the Company in terms of business operations and talent acquisition, while transitioning to a remuneration structure with a higher degree of linkage to business performance. Specifically, the Company will increase the proportion of short-term performance-linked remuneration payable in cash, increase the proportion of remuneration under the BBT System, and newly incorporate a performance-linked structure into the BBT System.

The revisions to the maximum amount of cash remuneration for Directors and the partial revision of the BBT System will be subject to the approval of the relevant proposals at the General Meeting of Shareholders as originally proposed. In addition, the revisions relating to the Company's subsidiaries as part of the partial revision of the BBT System will be subject to the approval and adoption of the relevant proposals as originally proposed at the shareholders' meetings of the respective subsidiaries to be held in May of this year.

2. Revision of Directors' remuneration

The maximum amount of remuneration for the Company's Directors was approved at the 6th Ordinary General Meeting of Shareholders held on June 18, 2021, in an aggregate amount not exceeding 300 million yen per year, of which an amount not exceeding 36 million yen per year was allocated to Outside Directors, and has remained unchanged to date.

In light of changes in economic conditions and the business environment, expansion of the scale of the Company's business, the need to secure talented personnel in connection with the strengthening of corporate governance, and the enhancement of medium- to long-term incentives, the Company has determined that a review of its remuneration structure has become necessary.

Accordingly, after considering various circumstances, the Company proposes that the maximum amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) be set at an aggregate amount not exceeding 500 million yen per year, including an amount not exceeding 36 million yen per year for Outside Directors.

The Company currently has 10 Directors, including 3 Outside Directors. If Proposal No. 1, "Election of 11 Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)," is approved and adopted as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be 11, including 3 Outside Directors.

The Company's policy regarding Directors' remuneration emphasizes fairness and transparency. This proposal was determined by the Board of Directors following consultation with the Nomination and Remuneration Advisory Committee in accordance with such policy, and the Company therefore considers the proposal to be appropriate.

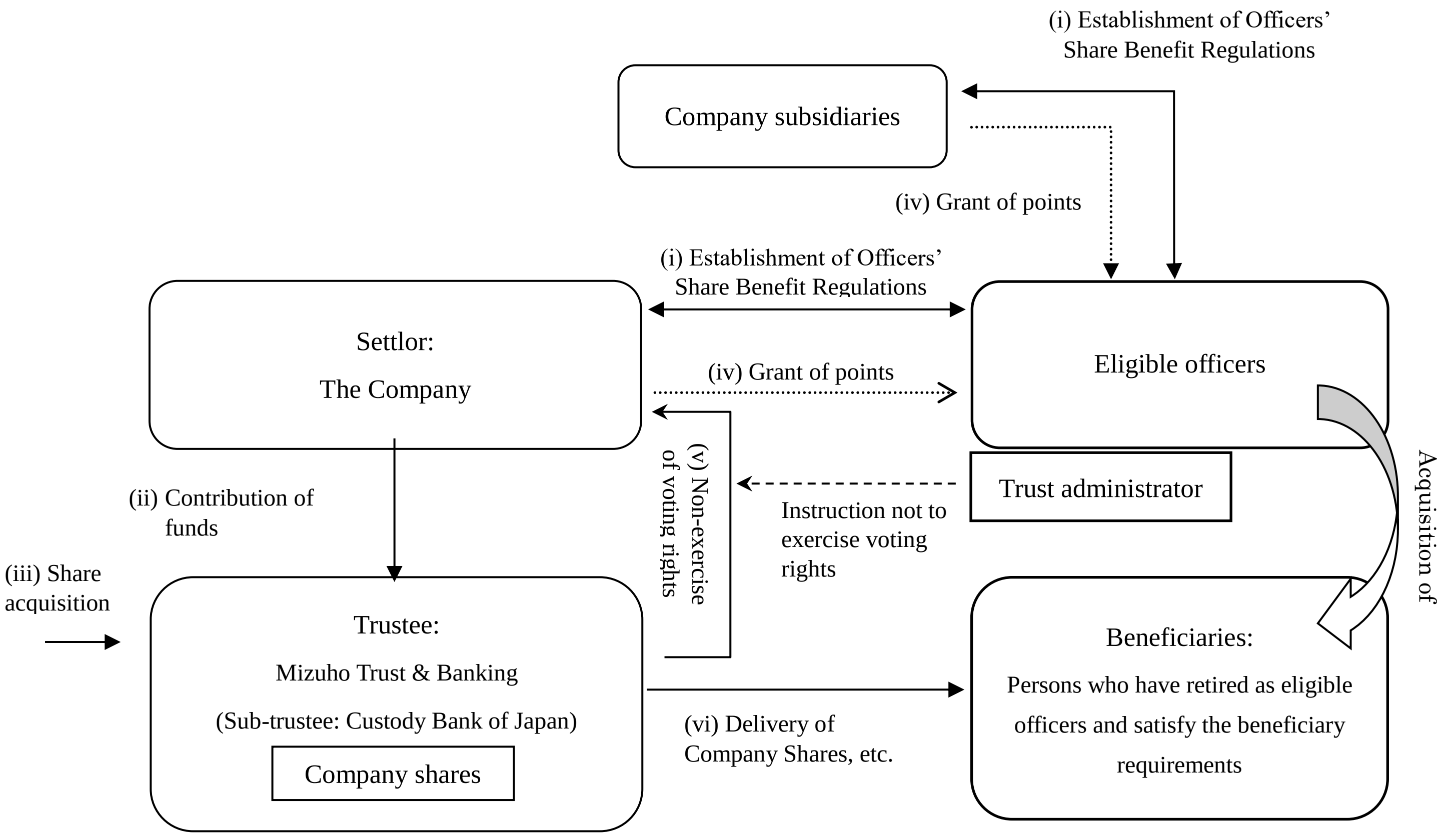
3. Overview of the BBT System

The BBT System will be partially revised as set forth below. The main revisions are underlined.

(1) Overview of the BBT System

The BBT System is a <u>performance-linked</u> stock compensation plan under which the Company's shares are acquired through the Trust using funds contributed by the Company, and the Company's shares and cash in an amount equivalent to the market value of such shares (collectively, the "Company Shares, etc.") are delivered to eligible officers through the Trust in accordance with the respective Officers' Share Benefit Regulations established by the Company and its subsidiaries. In principle, eligible officers will receive the Company Shares, etc., upon their retirement.

Structure of the BBT System



(i) The Company and its subsidiaries will obtain resolutions relating to officers' remuneration in respect of the BBT System at their respective shareholders' meetings and will establish the Officers' Share Benefit Regulations within the frameworks approved at such shareholders' meetings.

(ii) The Company will contribute funds to the Trust within the scope approved at the General Meeting of Shareholders described in (i) above.

(iii) Using the funds contributed in (ii), the Trust will acquire the Company's shares either through purchases on the stock market or through the acquisition of treasury shares from the Company.

(iv) The Company and its subsidiaries will grant points to eligible officers in accordance with the Officers' Share Benefit Regulations.

(v) The Trust will not exercise voting rights attached to the Company's shares held in the Trust account, in accordance with the instructions of the trust administrator who is independent from the Company.

(vi) The Trust will deliver the Company's shares to persons who have retired as eligible officers and satisfy the beneficiary requirements set forth in the Officers' Share Benefit Regulations (the "Beneficiaries"), in a number corresponding to the points granted to the Beneficiaries. However, where eligible officers satisfy the requirements set forth in the Officers' Share Benefit Regulations, a certain portion of the points will be settled in cash in an amount equivalent to the market value of the Company's shares.

(2) Eligible persons under the BBT System

Directors (excluding Directors who are Audit and Supervisory Committee Members and, among the other Directors, Outside Directors and non-executive Directors) and executive officers of the Company, and Directors (excluding Directors who are Audit and Supervisory Committee Members and, among the other Directors, Outside Directors and non-executive Directors) and executive officers of the Company's subsidiaries (The Higo Bank, Ltd., and The Kagoshima Bank, Ltd.)

(3) Trust period

From September 2023 until the termination of the Trust. (No specific termination date is set for the Trust period, and the Trust will continue as long as the BBT System remains in effect. The BBT System will terminate upon delisting of the Company's shares, abolition of the Officers' Share Benefit Regulations, or other similar events.)

(4) Amount of funds to be contributed to the Trust

The Company has introduced the BBT System for the three fiscal years from the fiscal year ended March 31, 2024, to the fiscal year ended March 31, 2026 (the "Initial Applicable Period"), and for each subsequent three-fiscal-year period thereafter. The Initial Applicable Period and each such subsequent period are each referred to as an "Applicable Period." Following approval and adoption at the General Meeting of Shareholders, the Company's shares and cash remaining in the trust assets that were acquired by the Trust using funds contributed by the Company will be applied to the benefits to be provided under the BBT System. After the Initial Applicable Period, for so long as the BBT System continues, the Company will, in principle, make additional contributions to the Trust for each Applicable Period, in an amount considered necessary for the Trust to acquire in advance the number of shares reasonably expected to be required for the delivery of benefits to eligible officers under the BBT System. However, if, when making such additional contributions, there are Company shares remaining in the trust assets (excluding those corresponding to the number of points already granted for prior Applicable Periods for which delivery has not yet been completed) and cash (collectively, the "Remaining Shares, etc."), the Remaining Shares, etc., will be used to fund the benefits under the BBT System for subsequent Applicable Periods, and the amount of additional contributions will be determined after taking into account such Remaining Shares, etc. If the Company decides to make any additional contribution, it will disclose such decision in a timely and appropriate manner.

(Note) The actual amount of funds to be contributed by the Company to the Trust will include, in addition to the funds for the acquisition of shares described above, the estimated amount of necessary expenses such as trust fees.

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

The Trust will acquire the Company's shares using the funds contributed as described in (4) above, either through the stock exchange market or through the acquisition of treasury shares from the Company.

As described in (6) below, the maximum number of points to be granted to eligible officers is 1,500,000 points per fiscal year. Accordingly, the maximum number of the Company's shares to be acquired by the Trust for each Applicable Period will be 4,500,000 shares. Details of the acquisition of the Company's shares by the Trust will be disclosed in a timely and appropriate manner.

(6) Maximum number of Company Shares, etc., to be delivered to eligible officers.

Points will be granted to eligible officers for each fiscal year pursuant to the Officers' Share Benefit Regulations, taking into account such factors as their respective positions and the degree of achievement of performance targets. The total number of points to be granted to eligible officers per fiscal year shall be limited to 1,500,000 points (of which 300,000 points shall be allocated to Directors). This limit was determined after considering various factors, including the current level of officers' remuneration and trends in and future projections of the number of eligible officers, and the Company considers it appropriate.

Points granted to eligible officers will, upon delivery of the Company Shares, etc., as described in (7) below, be converted at a rate of one share of the Company's common stock per point. However, in the event of a stock split, share allotment without contribution, share consolidation, or any other similar event with respect to the Company's shares, reasonable adjustments will be made to the maximum number of points, the number of points already granted, or the conversion ratio, in accordance with the applicable ratio or other relevant factors.

The ratio of the number of voting rights (15,000 voting rights) pertaining to the shares corresponding to the maximum number of points to be granted to eligible officers per fiscal year to the total number of voting rights (4,238,301 voting rights as of March 31, 2026) in respect of the total number of issued shares is approximately 0.35%.

The number of points of each eligible officer to be used as the basis for the delivery of the Company Shares, etc., as described in (7) below will, in principle, be the total number of points granted to such eligible officer up to the time of retirement (the "Finalized Points").

(7) Delivery of the Company Shares, etc.

If an eligible officer retires and satisfies the beneficiary requirements set forth in the Officers' Share Benefit Regulations, such eligible officer will, in principle, after retirement and upon completion of the prescribed procedures for determination of beneficiary status, receive from the Trust the number of the Company's shares corresponding to the Finalized Points determined in accordance with (6) above. However, where the requirements set forth in the Officers' Share Benefit Regulations are satisfied, a certain portion of such benefits may be provided in cash equivalent to the market value of the Company's shares in lieu of the delivery of such shares. The Trust may sell the Company's shares to provide such cash benefits.

Even where points have been granted to an eligible officer, such officer will not acquire the right to receive benefits if the officer is dismissed by resolution of a shareholders' meeting, retires due to certain misconduct committed during the term of office, or engages in any improper conduct during the term of office that causes damage to the Company.

(8) Exercise of Voting Rights

Voting rights attached to the Company's shares held in the Trust account will not be exercised at all in accordance with the instructions of the trust administrator. This approach is intended to ensure neutrality toward the Company's management in the exercise of such voting rights.

(9) Treatment of Dividends

Dividends on the Company's shares held in the Trust account will be received by the Trust and used to pay the acquisition cost of the Company's shares and trust-related expenses, including trust fees. In the event of the termination of the Trust, any dividends and other funds remaining in the Trust will be distributed to eligible officers who are in office at the time of such termination, in proportion to the number of points held by each such eligible officer, in accordance with the Officers' Share Benefit Regulations.

(10) Treatment upon termination of the Trust

The Trust will terminate upon the occurrence of events such as the delisting of the Company's shares, the abolition of the Officers' Share Benefit Regulations.

Upon termination of the Trust, all of the Company's shares remaining as residual assets in the Trust will be acquired by the Company without consideration and are expected to be cancelled by resolution of the Board of Directors. Any residual cash remaining in the Trust upon termination of the Trust, less the portion to be provided to eligible officers as described in (9) above, will be distributed to the Company.

Overview of the Trust

(1) Name:	Board Benefit Trust (BBT)
(2) Settlor:	The Company
(3) Trustee:	Mizuho Trust & Banking Co., Ltd. (Sub-trustee: Custody Bank of Japan, Ltd.)
(4) Beneficiaries:	Eligible officers who satisfy the beneficiary requirements set forth in the Officers' Share Benefit Regulations
(5) Trust administrator:	A third party having no interest in the Company
(6) Type of trust:	A trust funded with cash other than a conventional money trust (a third-party benefit trust)
(7) Date of execution of the trust agreement:	September 11, 2023
(8) Date of cash contribution to the Trust:	September 11, 2023
(9) Trust period:	From September 11, 2023, until the termination of the Trust (No specific termination date is set for the Trust period, and the Trust will continue as long as the BBT System remains in effect.)