

Improving Corporate Value

FFG's Unique Growth Drivers

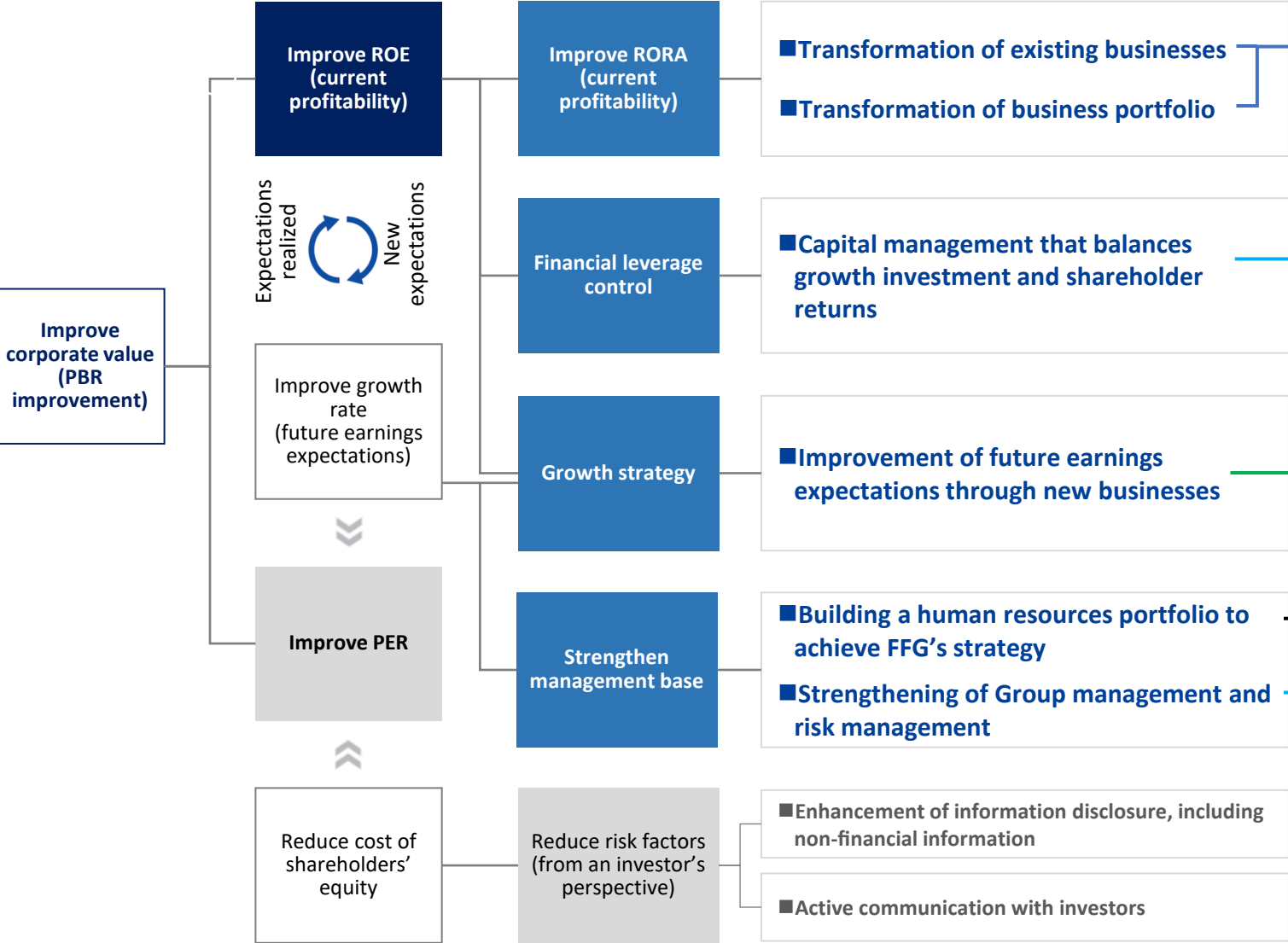
September 8, 2025



Create diverse forms of abundance with
our communities through advanced ideas

Today's Agenda

■ Logic tree



Today's agenda = FFG's Unique Growth Drivers

1. Current State and Future Growth of Kyushu's Economy
2. FFG's Customer Base
3. Formation of a Semiconductor-Related Ecosystem
4. Investment Banking Business
5. Evolution of Single Platform/Multiple Brands
6. Growth Strategy Pivoting on Digital Technology (Building the FFG Economic Zone)
7. Acquisition and Training of Human Resources

1. Current State and Future Growth of Kyushu's Economy #1

Forecast of Kyushu's real GRP for FY2025
¥54.2 trillion
(Projected to be record high for third consecutive year)

Source: Kyushu Economic Research Center

Nagasaki Prefecture: Once-in-a-century period of transformation

Opening of Nishi Kyushu Shinkansen
Opening of the New Nagasaki Station Building

Nishi Kyushu Shinkansen users:
106% of pre-opening levels
(2nd year of operation)

Source: Kyushu Railway Company



Opening of Nagasaki Stadium City

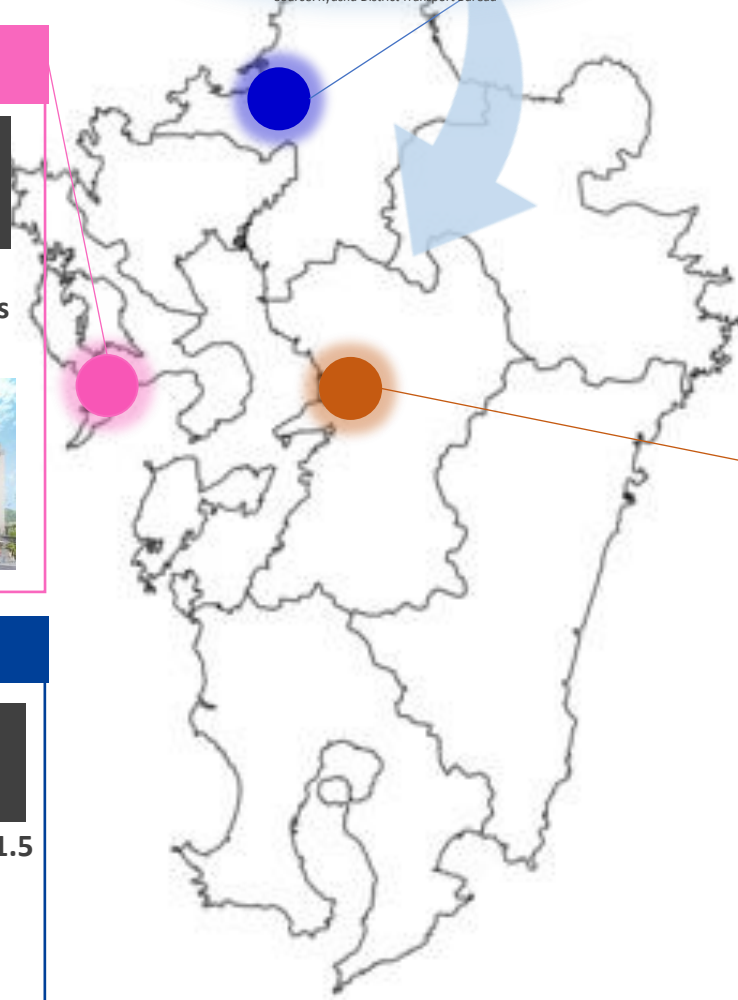
Number of visitors:
2.5 million in six months



Source: Press release of Japanet Holdings Co., Ltd.

Inbound tourists to Kyushu
Approx. 5 million per year

Source: Kyushu District Transport Bureau



Fukuoka Prefecture: Large-scale redevelopment projects, etc. underway

Hakata Connected Tenjin BigBang

Economic impact: Total of ¥1.3 trillion per year

Source: Fukuoka City



Image source: Press release of Nishi-Nippon Railroad Co., Ltd.

Second runway at Fukuoka Airport starts operation

Up to 20% increase in takeoffs and landings

Source: Kyushu Regional Development Bureau



Image source: Press release of Kyushu Regional Development Bureau

Kumamoto Prefecture: Entry of TSMC and development of transportation infrastructure

Entry of TSMC

Second factory: Construction scheduled to begin within the year
(as of August 21 press report)



Aso Kumamoto Airport Access Railway

Construction scheduled to begin in FY2027



阿蘇くまもと空港
アクセス鉄道
Asokumamoto Airport Access Railway

Other topics

Development of data centers by APL

Investment plans of ¥1 trillion to develop data centers in Kitakyushu City and Itoshima City, Fukuoka Prefecture

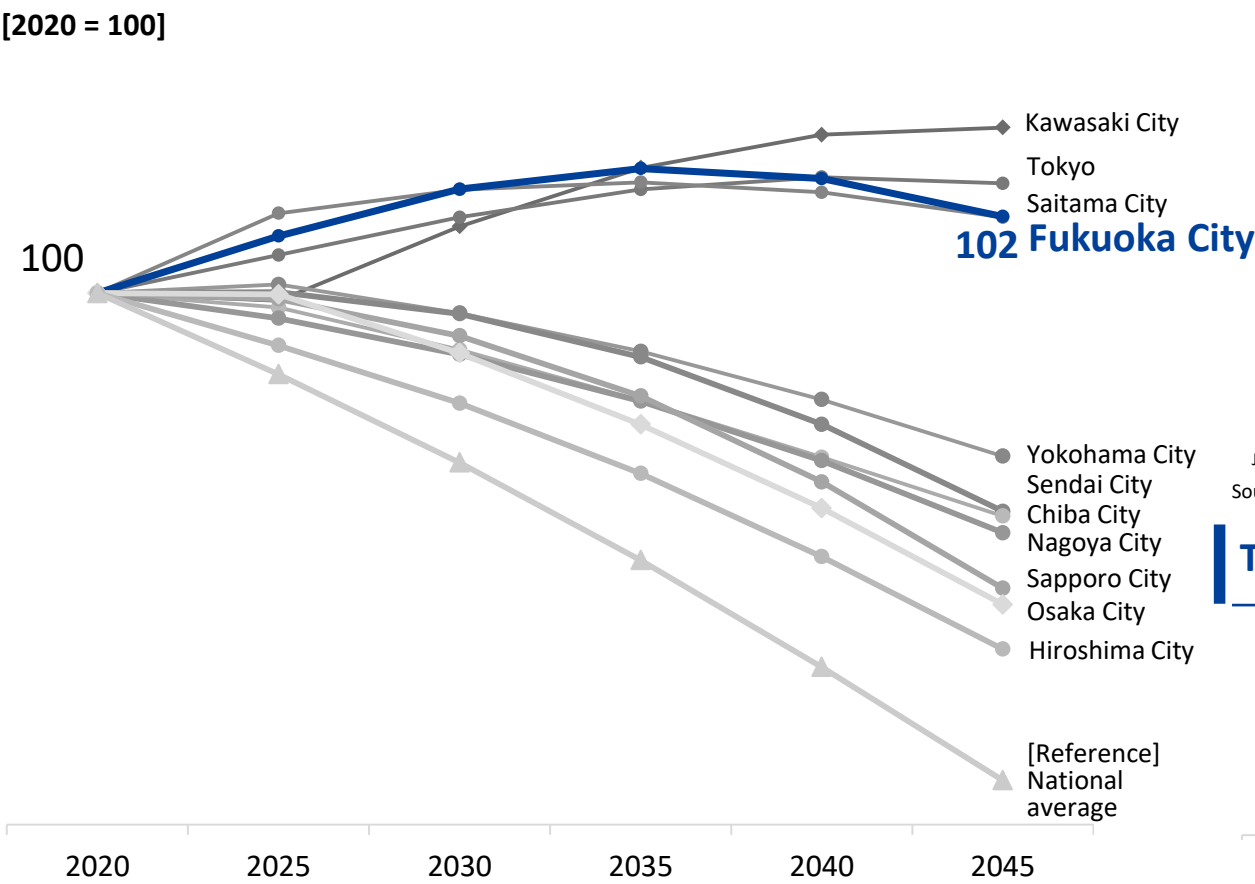
Decarbonization investment by Kyushu Electric Power Co., Inc.

Plans for investment of ¥1.5 trillion over 11 years (FY2025–FY2035)

1. Current State and Future Growth of Kyushu's Economy #2

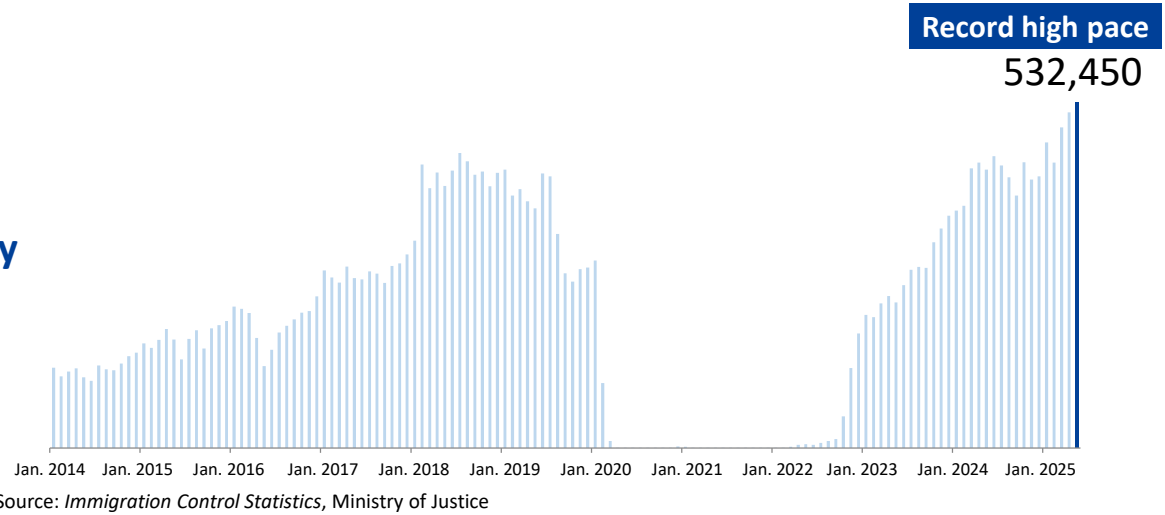
- Kyushu is the only region outside the Tokyo metropolitan area where population growth in core cities is expected
- Inbound tourism is increasing at a record-high pace; the pace of wage increases in Kyushu is also higher than the national average

Population projections for major ordinance-designated cities and Tokyo

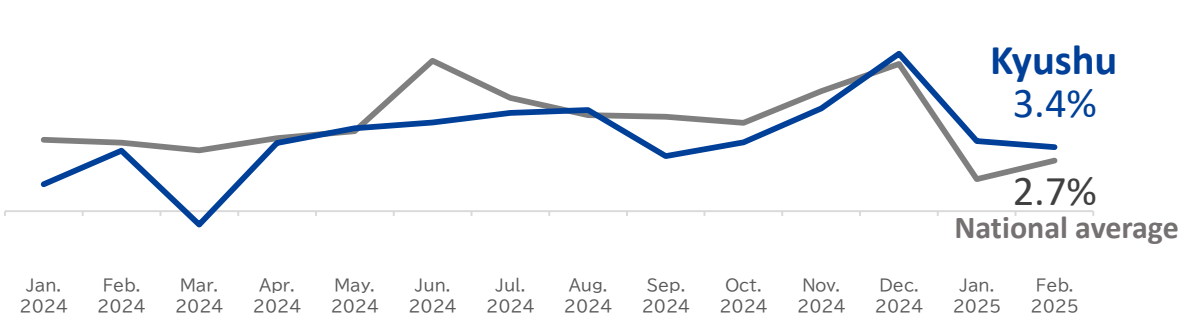


Source: *Population Projections for Japan (2023 revision)*, National Institute of Population and Social Security Research (IPSS)

Monthly foreign visitor arrivals in Kyushu



Total cash earnings (year-on-year change)



Source: *Monthly Labour Survey, Prefectural Survey*, Ministry of Health, Labour and Welfare (MHLW)

1. Current State and Future Growth of Kyushu's Economy #3

- In addition to Fukuoka City, where population growth is projected, land prices are also rising in Kumamoto City and Ozu Town on the back of TSMC's expansion into Kyushu
- Private sector capital investment in Kyushu is maintaining a level above the national average, in part due to the entry of TSMC

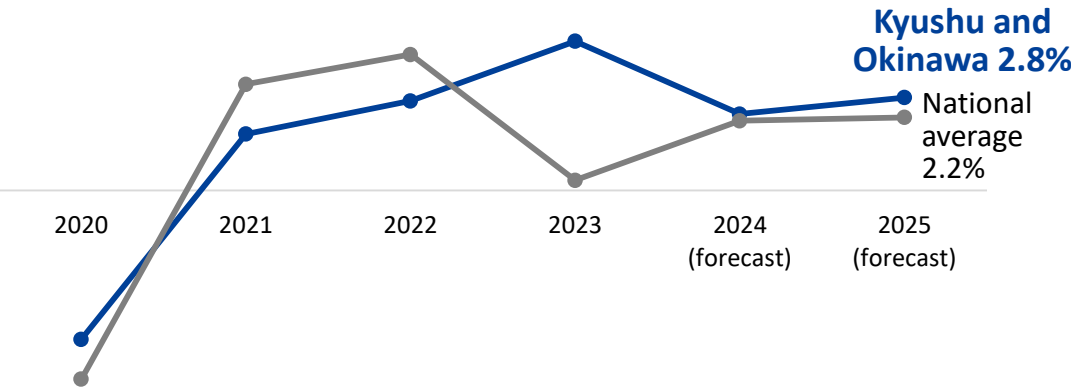
Rate of change in land market value (January 1, 2025)

[All uses]
Fukuoka City, Fukuoka Prefecture (average):
9.9% ... **1st** among 21 major cities

[Industrial land]
Ozu Town, Kikuchi District, Kumamoto Prefecture:
33.3% ... **1st** among all locations
Higashi Ward, Kumamoto City, Kumamoto Prefecture:
21.0%... **4th** among all locations

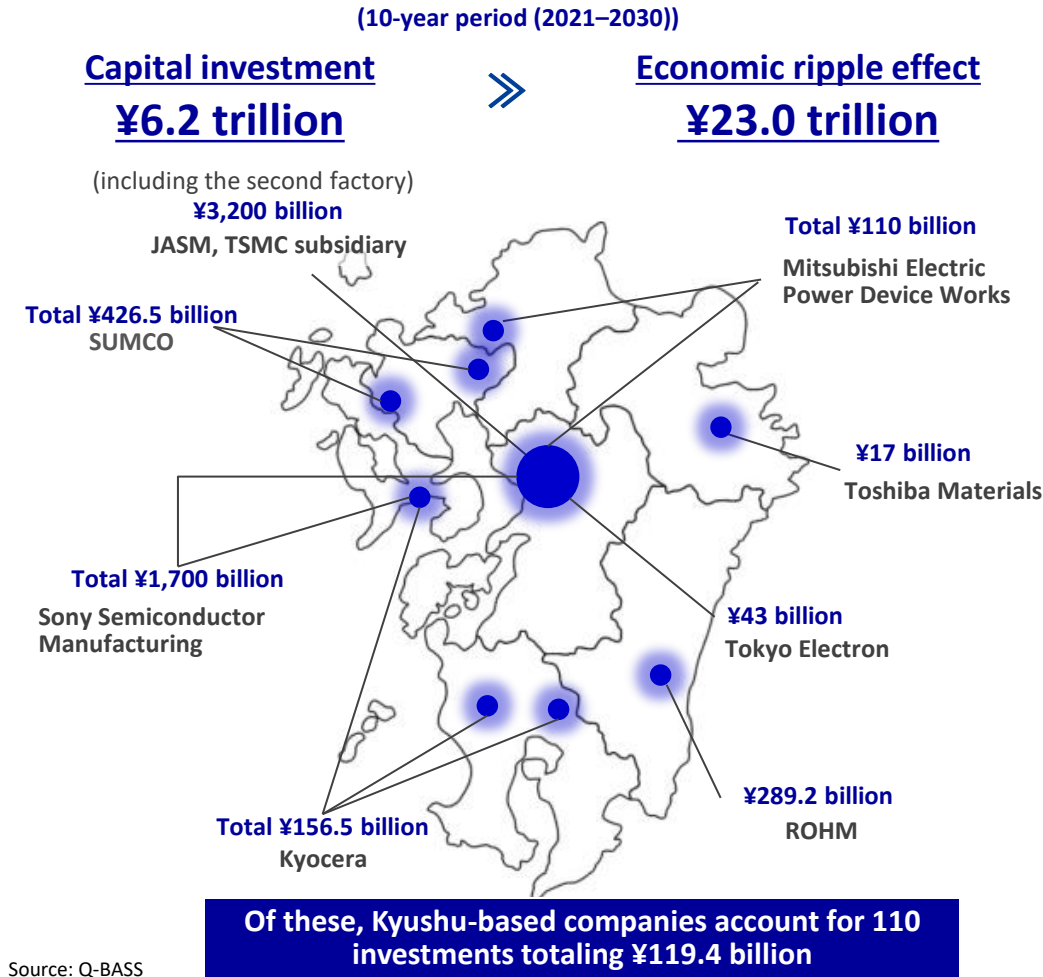
* 21 major cities = 20 ordinance-designated cities 20 + Wards of Tokyo
Sources: 2025 Land Market Value Publication, Ministry of Land, Infrastructure, Transport and Tourism (MLIT), Fukuoka Facts, Fukuoka City

Private sector capital investment (year-on-year change)



Source: Kyushu Business Review, Kyushu Economic Research Center

Planned semiconductor-related capital investment in Kyushu

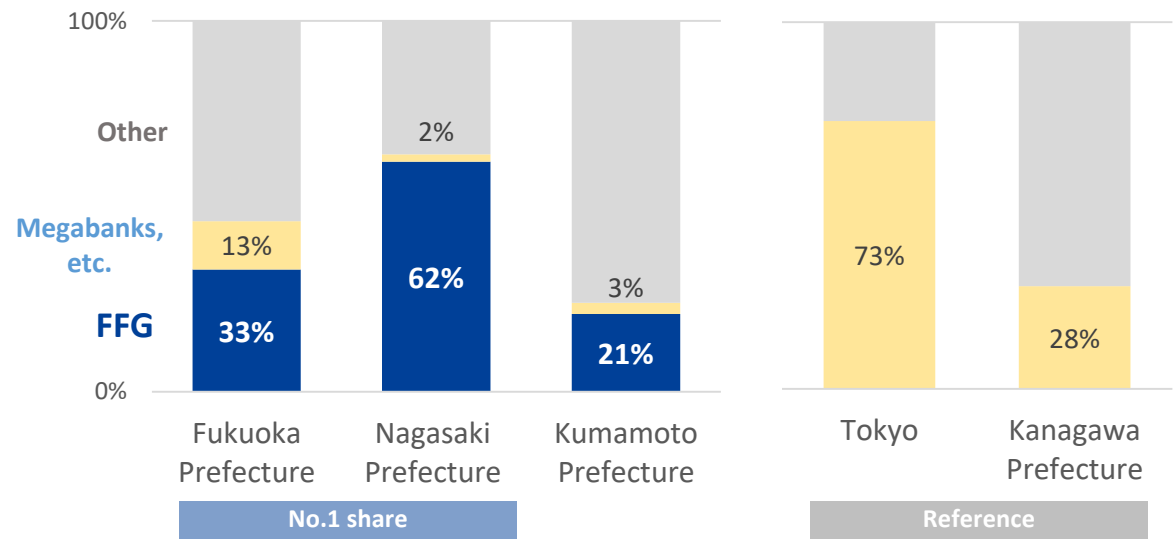


Source: Q-BASS

2. FFG's Customer Base

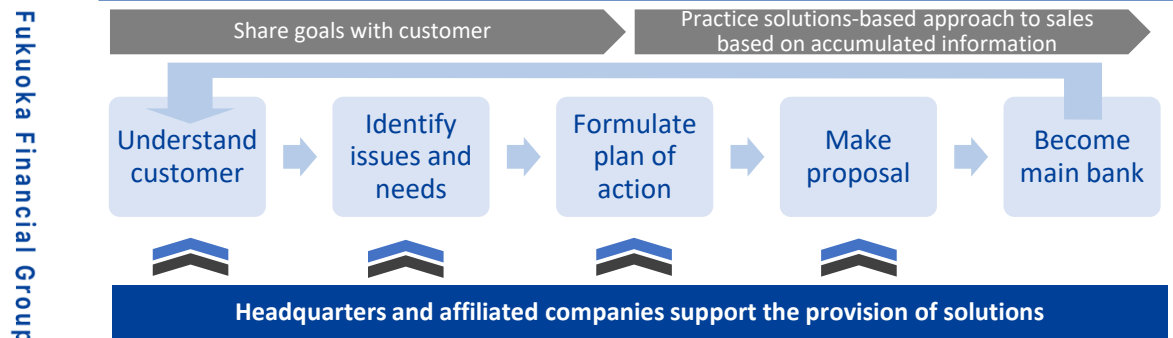
- FFG has a high market share in its sales area; Megabanks have a comparatively small presence in Kyushu
- As a result of “goal-based sales” since the 7th MTMP, number of main bank clients has increased at a faster pace than other banks

Market share of loans in each prefecture of sales area
(as of March 2024)



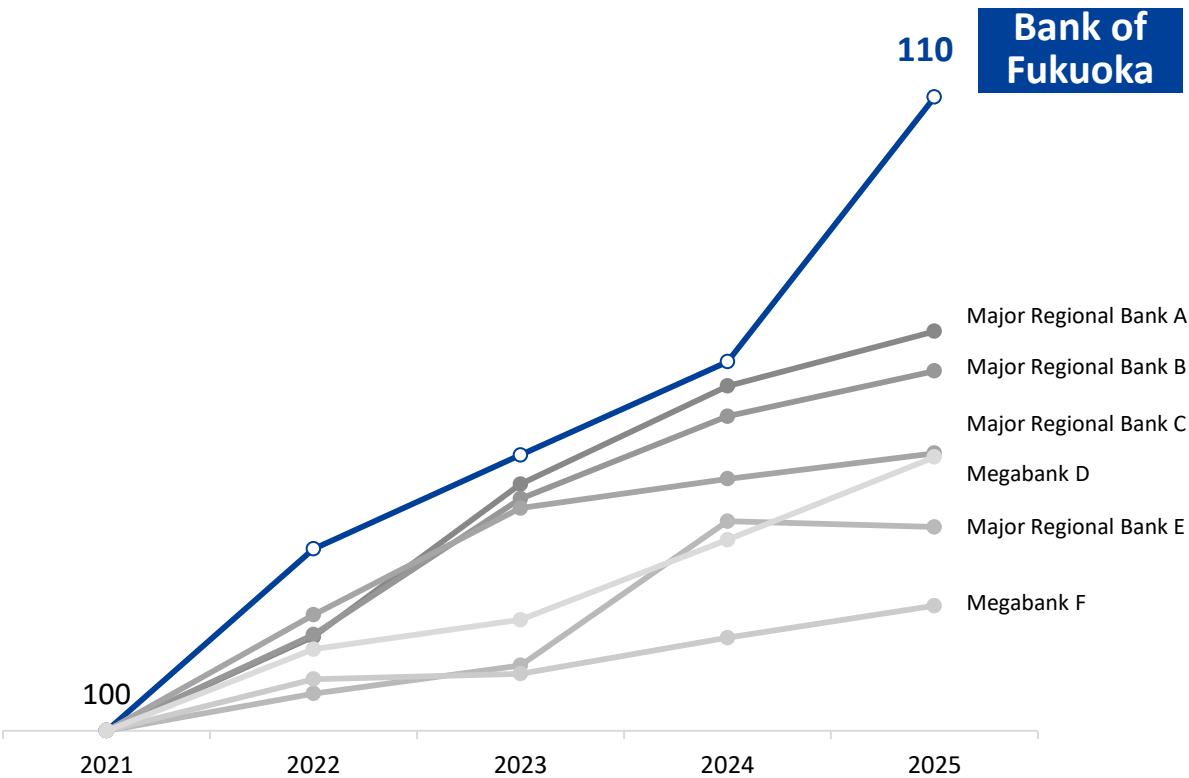
Source: Kinyu Journal

Goal-based sales and core business support initiatives
(since the 7th MTMP)



Number of main bank clients (growth rate)

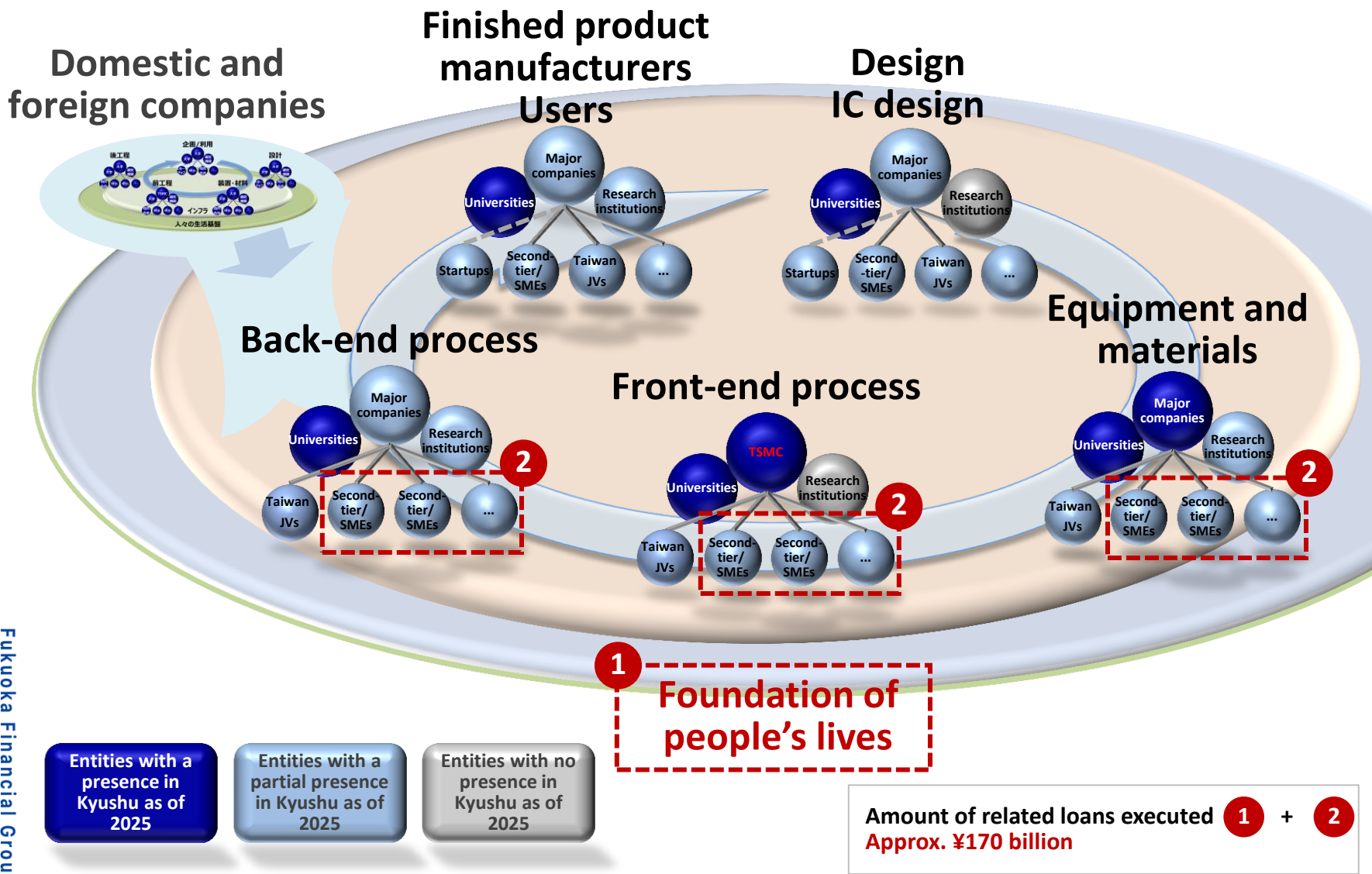
[2021 = 100]



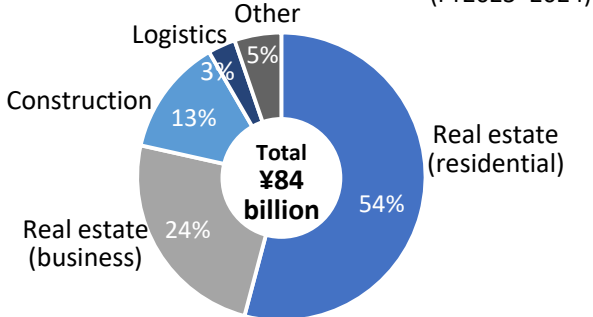
Source: TOKYO SHOKO RESEARCH, LTD

3. Formation of a Semiconductor-Related Ecosystem #1

■ Semiconductor ecosystem and FFG’s main business opportunities



1 Amount of related loans executed, excluding semiconductors (FY2023–2024)



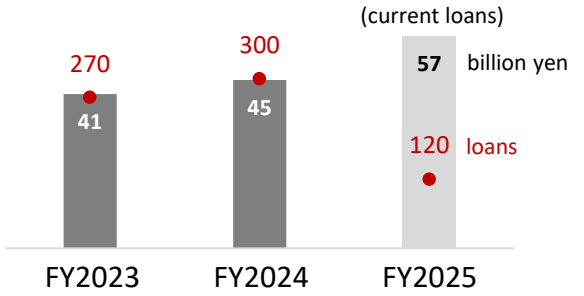
■ Kumamoto Bank’s annual growth rate of loans (average balance)

FY2023	FY2024	FY2025 (plan)
+ 2.4%	+ 5.0%	+ 4.1%

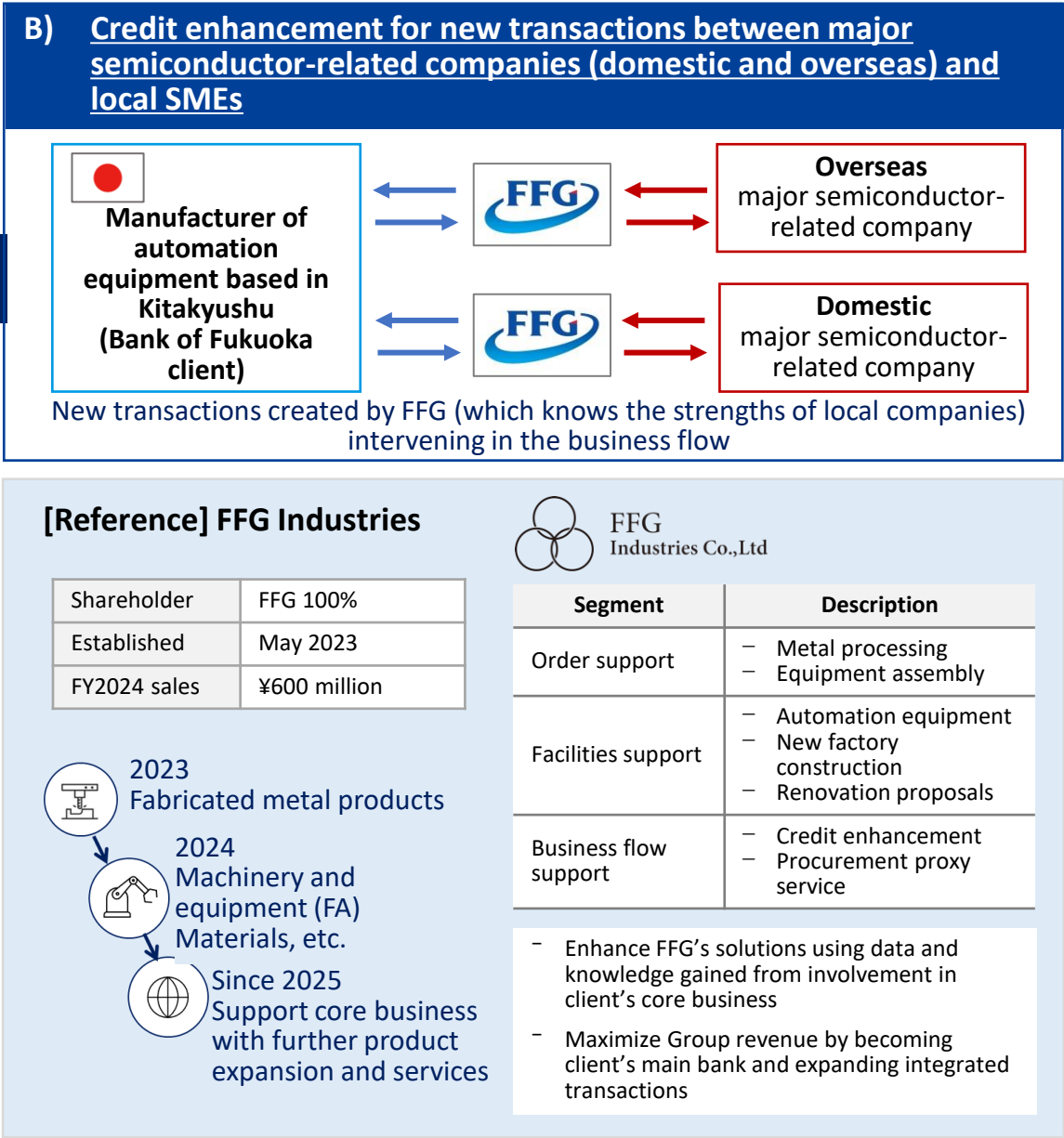
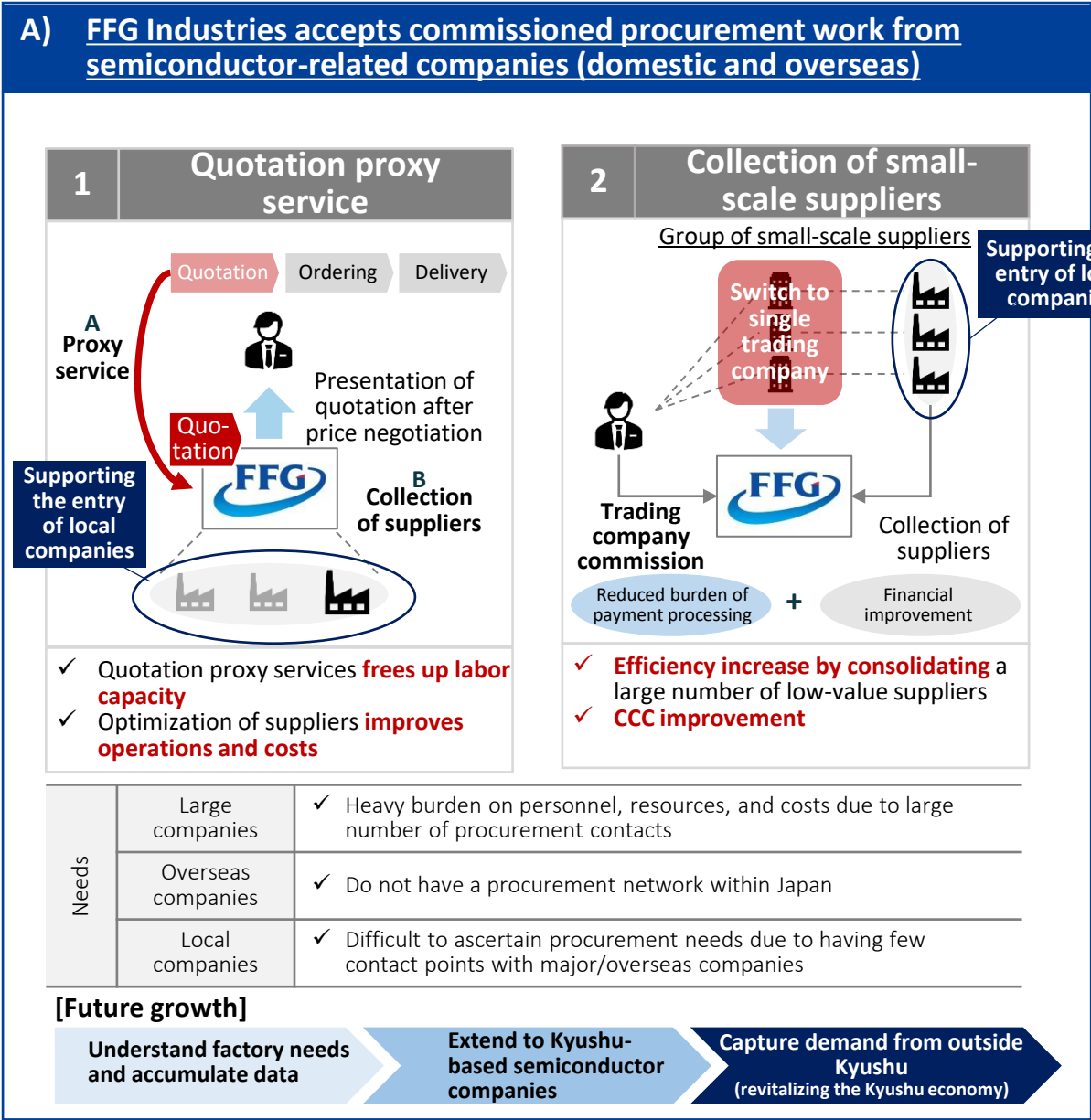
2 FFG’s semiconductor-related transactions (as of Jun. 30, 2025)

Number of clients	Approx. 600
Balance	Approx. ¥220 billion

■ Status of semiconductor-related loans executed (current loans)



3. Formation of a Semiconductor-Related Ecosystem #2 [Case Study: Supporting Local Companies to Enter the Supply Chain]



3. Formation of a Semiconductor-Related Ecosystem #3
[Case Study: Transfer of technological capability of local companies to the next generation]

Supporting the business succession of Tawara Kogyosyo Co., Ltd.
(support ongoing since March 2025)

[Company overview]

- With a history of over 60 years, Tawara Kogyosyo is a specialized precision sheet metal processing company that **manufactures frames and brackets for semiconductors, LCDs, machine tools, etc.** (main bank: Bank of Fukuoka)

[Background]

- To help **resolve the business succession challenges** faced by the company (**aging owner, no successor**) and to **support transition to organizational management**, **FFG Growth Investment provided capital** in a joint effort with a business partner

[Support provided by FFG]

1. Investment by FFG Growth Investment
2. LBO loans from the Bank of Fukuoka
3. Customer promotion and development by FFG Industries



[Reference]



Shareholder	FFG 100%
Established	April 2021

[Investment focus]

- Business succession / business turnaround / regional revitalization projects

[Investment case studies (partial excerpt)]

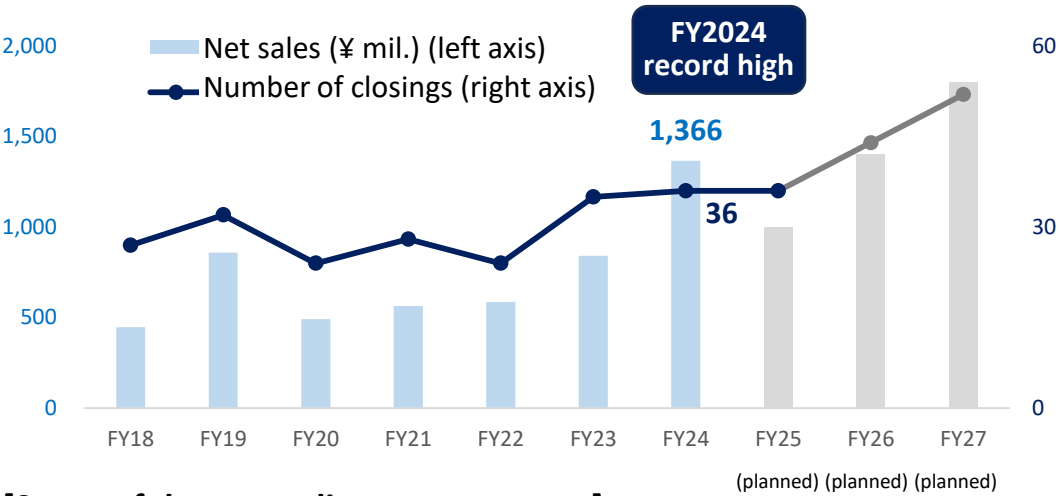
Company name	Industry	Investment period	Reason
Vicom Corporation	Video production (Fukuoka Prefecture)	March 2022 (complete)	Business succession
New Nagasaki Building Co., Ltd.	Hotel real estate leasing (Nagasaki Prefecture)	March 2022	Business succession business turnaround
C&G's Atelier Co., Ltd.	Confectionery manufacturing (Fukuoka Prefecture)	August 2022 (complete)	Business succession
Tawara Kogyosyo Co., Ltd.	Precision sheet metal processing (Fukuoka Prefecture)	March 2025	Business succession
Sakamoto Lime Industry Co., Ltd.	Lime desiccant manufacturing (Kumamoto Prefecture)	March 2025	Business succession

Details of the cases are available on the FFG Growth Investment website.
<https://www.ffg-growth.co.jp/case/#>

4. Investment Banking Business #1 [FFG's M&A Business]

■ FFG is focused on M&A business to support the business succession of local second-tier companies and SMEs that drive the regional economy

FFG's M&A business performance

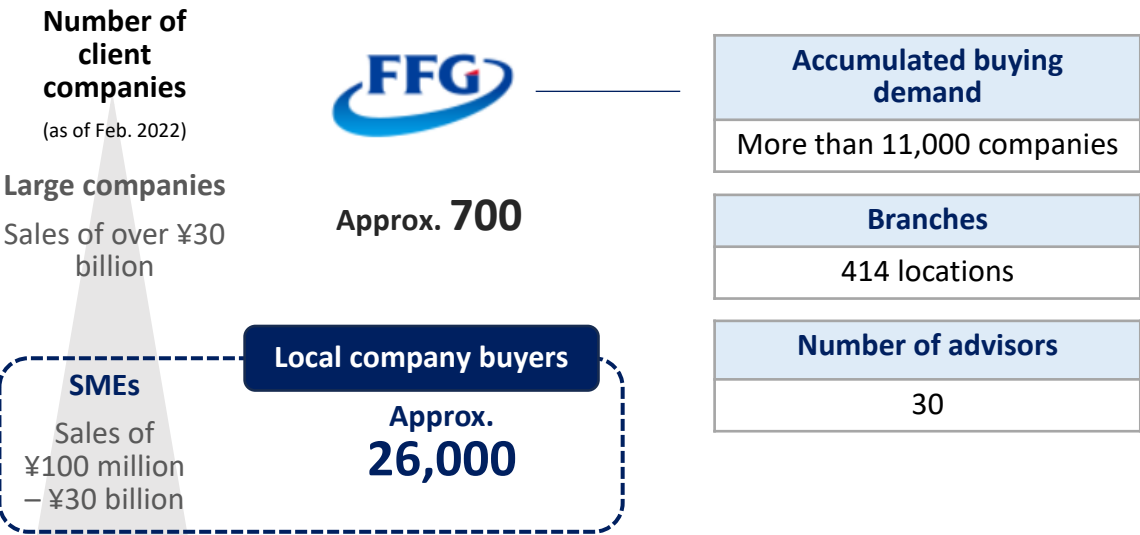


[Successful case studies (partial excerpt)]

Seller	Buyer
Manbou Corp. (Saga / Food and beverage manufacturing)	Kyushu Railway Company (Fukuoka / Railway)
Fund operated by Fukuoka Capital Partners Co., Ltd. [Target company: Topran, Ltd. (Fukuoka / Food manufacturing)]	Yamae Group Holdings Co., Ltd. (Fukuoka / Food wholesale)
Fund operated by Endeavour United Co., Ltd. [Target company: Nakajyo Construction Co., Ltd. (Fukuoka / Construction)]	Toami Corporation (Osaka / Manufacture and sale of civil engineering and construction materials)

Details of the cases are available on the FFG Succession website.
<https://www.fukuoka-ma.co.jp/#cases>

⇒ Since buyers are often core companies in the local region that are more likely to find synergies, FFG's network has an advantage



[Reference] FFG Succession (specialist M&A company)



Shareholder	FFG 100%
Established	April 2022

[Support menu]

- One-stop support, from strategy formulation to contract negotiation

[Strengths in partner sourcing]

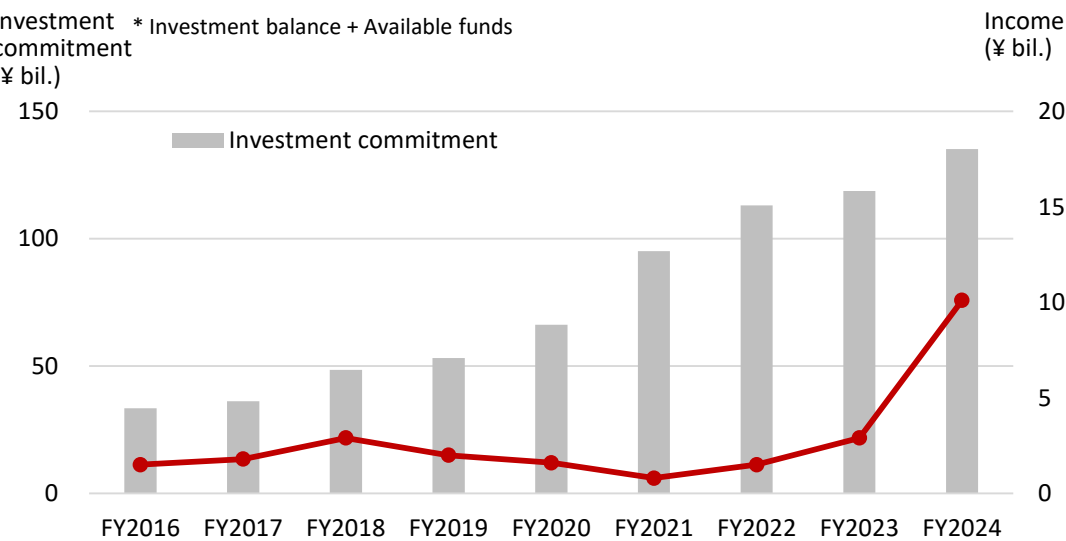
- Buyer networks within Kyushu maintained by each of FFG's banks
- Nationwide buyer network through comprehensive business alliance with the Houlihan Lokey Group
- Strong relationships between FFG and leading domestic business succession funds

4. Investment Banking Business #2 [Fund Investment and Structured Finance]

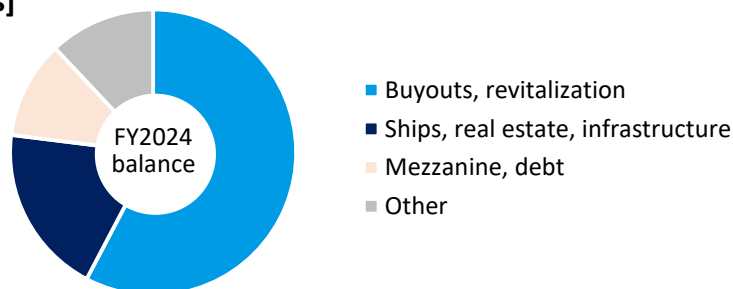
- Through many years of efforts, achieved exit profits from fund investments and built up high-quality structured finance deals
- Business resources (know-how, profit) acquired in the Tokyo metropolitan area, etc. will be integrated into our commercial banking business, such as support for local core companies

Fund investment

[Bank of Fukuoka's investment commitment and income] * Excluding venture investments



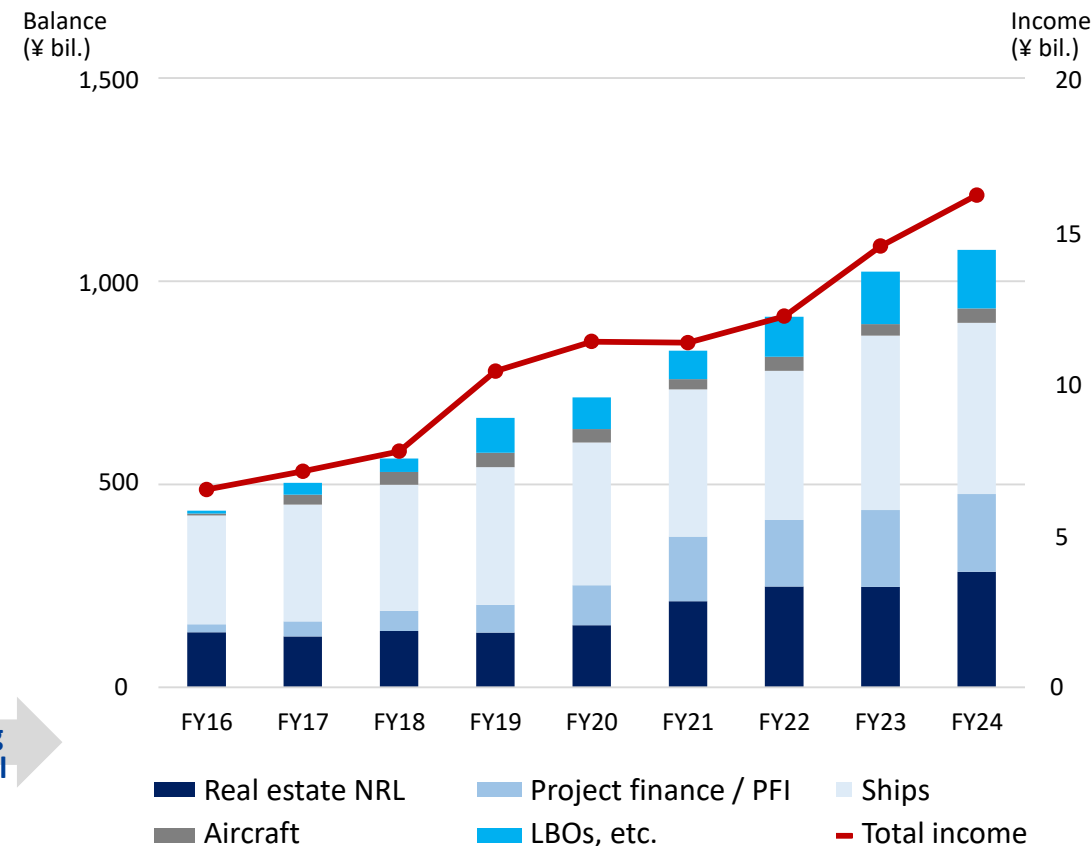
[Fund types]



Bringing in deals and collaborating on LBO loans, real estate NRLs, etc.

Structured finance

[Bank of Fukuoka's balance and income]



5. Evolution of Single Platform/Multiple Brands #1

- FFG established unique management structure of “Single Platform/Multiple Brands” through business integration
- Achieved sustained EPS growth even under negative interest rates by capturing inorganic growth through business integration

History of business integration and changes in EPS

1 2007 Establishment of FFG Business integration with Kumamoto Bank and Shinwa Bank

2009 IT system integration of Kumamoto Bank with Bank of Fukuoka

Business revitalization and non-performing loan businesses of Kumamoto Bank and Shinwa Bank transferred to Bank of Fukuoka through company splits

2010 IT system integration of Shinwa Bank with Bank of Fukuoka
(Establishment of Single Platform/Multiple Brands)

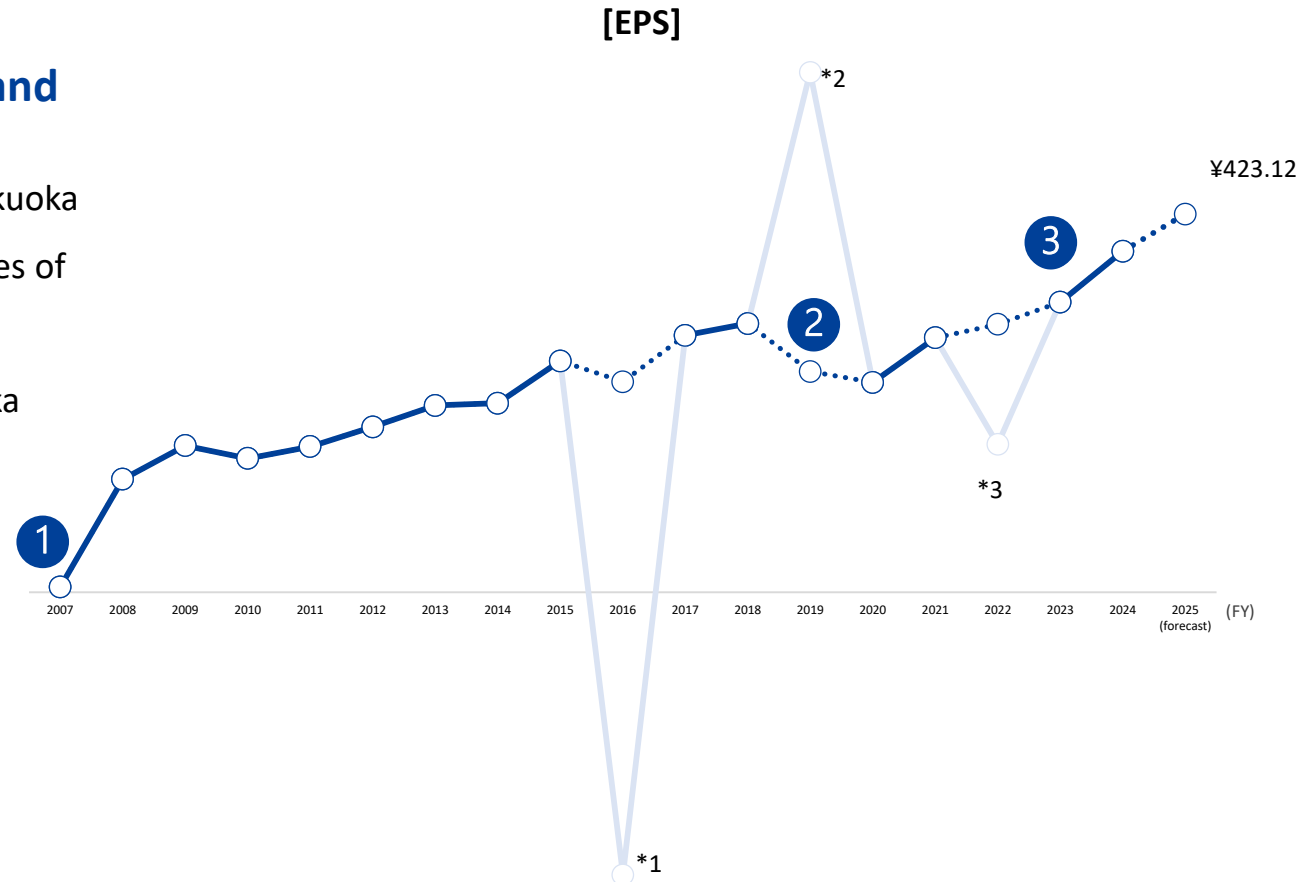
2 2019 Business integration of Eighteenth Bank

2020 Merger of Shinwa Bank and Eighteenth Bank

2021 IT system integration of Juhachi-Shinwa Bank

Consolidation of Juhachi-Shinwa Bank branches begins

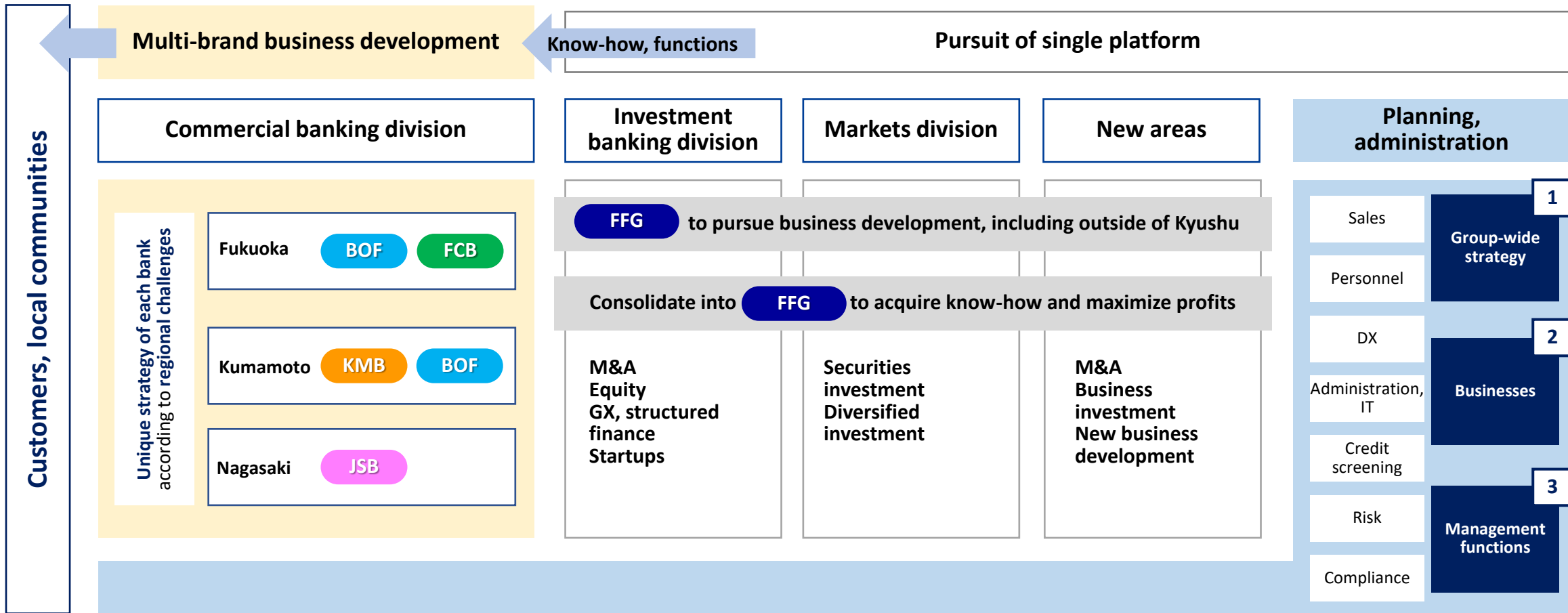
3 2023 Business integration of Fukuoka Chuo Bank



- *1 Excludes one-time amortization of goodwill of -¥94.8 billion associated with the integration of the Kumamoto Bank and the Shinwa Bank
- *2 Excludes a gain from negative goodwill arising from the business integration with the Eighteenth Bank of +¥117.4 billion, integration-related expenses of -¥11.0 billion, and a strengthened allowance for loan losses of -¥50.5 billion, etc.
- *3 Excludes the impact of loss-cutting in foreign bonds, etc. of -¥26.1 billion

5. Evolution of Single Platform/Multiple Brands #2

- Maximizing Group profits (ROE) by pursuing Single Platform/Multiple Brands
 - 1 Formulation of a medium- to long-term strategy from a Group-wide optimal perspective [selection and concentration of management resources]
 - 2 Allocation of resources (personnel/RA) according to market potential
 - 3 Sophistication and efficiency achieved through consolidation of common operations into FFG



6. Growth Strategy Pivoting on Digital Technology [Building the FFG Economic Zone]

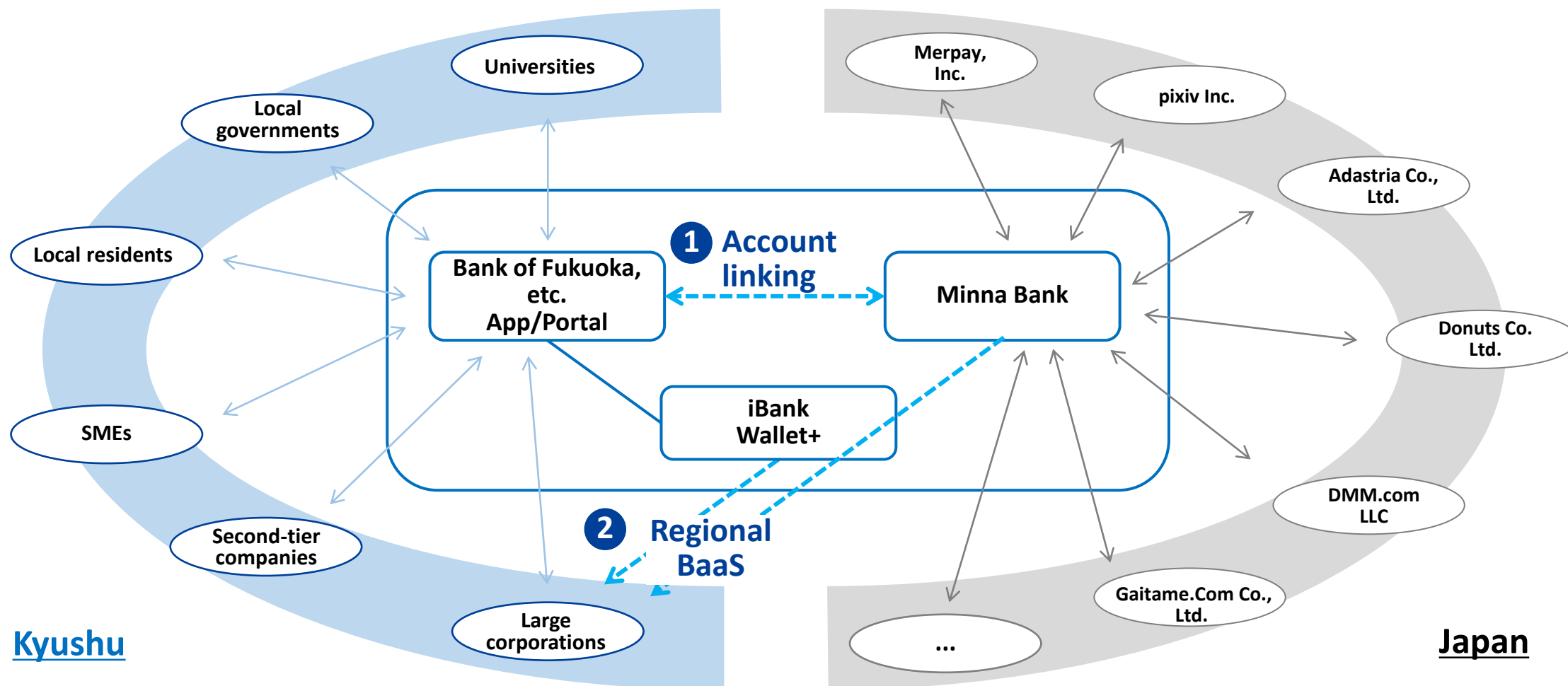
- Aim to retain local customers by leveraging FFG's digital knowledge and networks to improve convenience and benefit

- 1 Provide services offered by Minna Bank's BaaS partners to customers of Bank of Fukuoka, etc.
- 2 Provide BaaS to local companies by leveraging the functions and know-how of iBank and Minna Bank



Behavioral
change

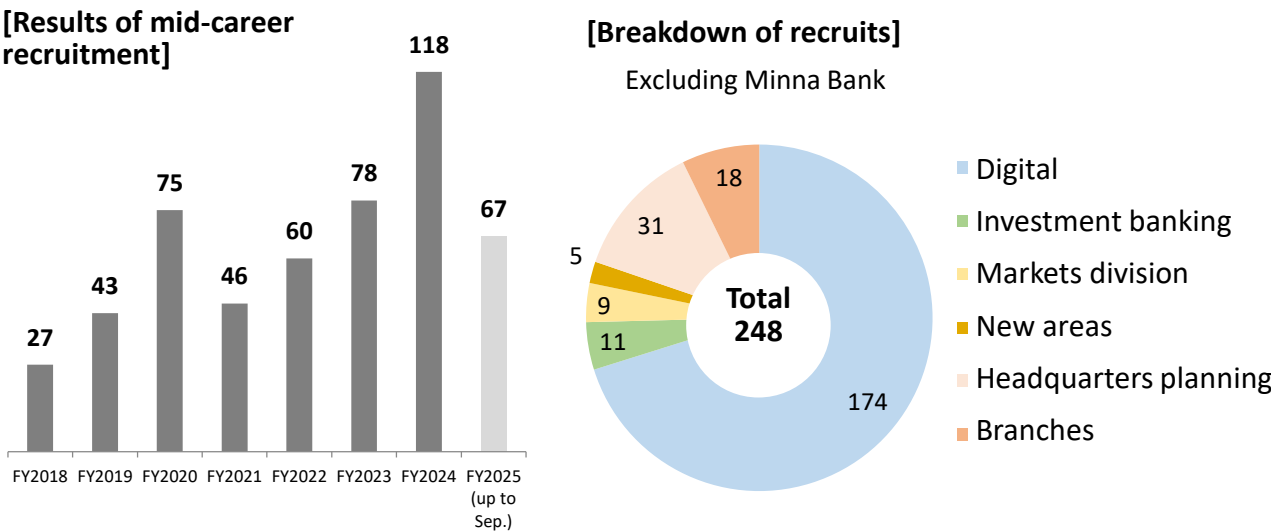
- ✓ Termination of business due to relocation outside of Kyushu
- ✓ Outflow of deposits due to inheritance
- ✓ Outflow of deposits and loans to other banks due to interest rate preference



7. Acquisition and Training of Human Resources

■ Continuing to actively invest in human capital to acquire and train human resources to realize FFG’s strategies

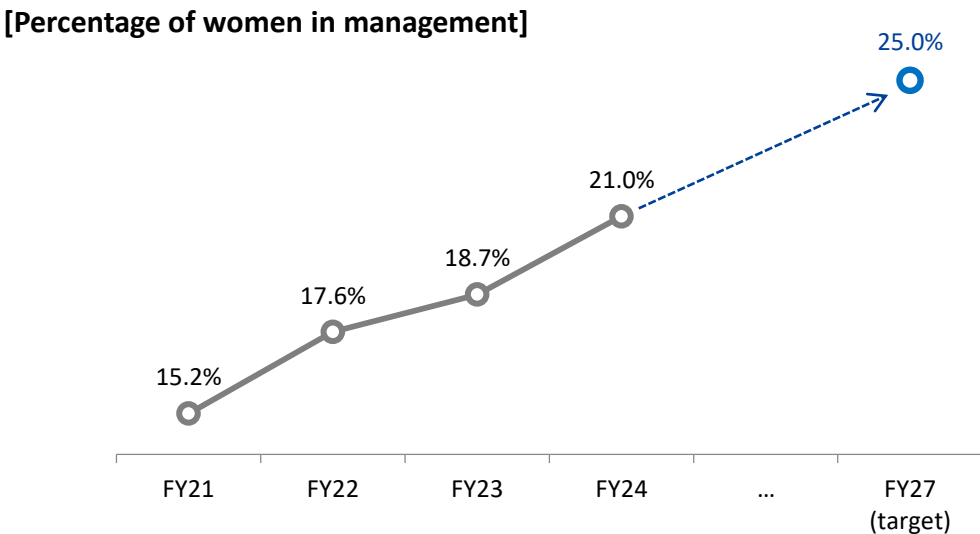
Strengthening acquisition of specialized human resources through mid-career recruitment



Training of specialized human resources through external secondments

Active employees who have been seconded (for training)		Focus area	Secondments
FY2023	84	Digital	Government agencies, system vendors, etc.
FY2024	64	Investment banking	Fukuoka Capital Partners, etc.
FY2025	63	Markets	Megabanks, securities firms, etc.
		Commercial banking	Universities, local governments, local core companies, etc.

Promotion of DE&I



Creation of a virtuous cycle of improving employee working conditions and enhancing corporate value

Wage increase rate		[Participation in employee shareholding association]	
FY2023	+6.0%	As of Jun. 2025	Number of employees participating
FY2024	+6.4%		7,200
FY2025	+6.0%		Participation rate
			82.5%

[Employee engagement score]
FY2024 result: 59.0 (rank A)

* The average score of about 10,000 companies using this survey is 50. Rank A is the third highest rating on a scale from AAA to DD.

FFG’s differentiating factors

- I. Kyushu’s economic growth and FFG’s presence in the sales area
 - Further growth in the Kyushu economy, mostly semiconductor-related
 - Possible to maintain and expand loan and deposit market share without engaging in interest rate competition, by providing high-value-added solutions unavailable at other banks
- II. Evolution of Single Platform/Multiple Brands
 - Maximization of Group profits (ROE) through the optimal allocation of resources according to market potential and greater efficiency by consolidating common operations
- III. Unique growth strategy pivoting on digital technology
 - Retention of local customers achieved by combining the functions and know-how gained from iBank and Minna Bank experience with FFG’s strong customer base
 - Nationwide approach through Minna Bank
- IV. Acquisition and training of human resources to realize FFG’s strategies
 - Creation of a virtuous cycle of corporate value enhancement through actively investing in human capital

» 8th Medium-Term Management Plan

(Year-on-year change)

		FY2024 results	FY2027 projected
Deposits	Corporate	+ 1.7%	+ 1.1%
	Retail	+ 2.4%	+ 2.2%
Loans	Large-sized enterprises	+ 2.3%	+ 2.4%
	SMEs	+ 2.7%	+ 3.2%
	Retail	+ 2.2%	+ 1.9%

		FY2024 results	FY2027 projected
Efficiency	Consolidated OHR	61.5%	Mid 50%
Profitability	ROE	7.4%	Approx. 9.0%
	Consolidated net income	¥72.1 billion	¥100 billion
Soundness	Capital adequacy ratio	10.0%	10% level



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