

# Improving Corporate Value

## FFG's Unique Growth Drivers

September 8, 2025

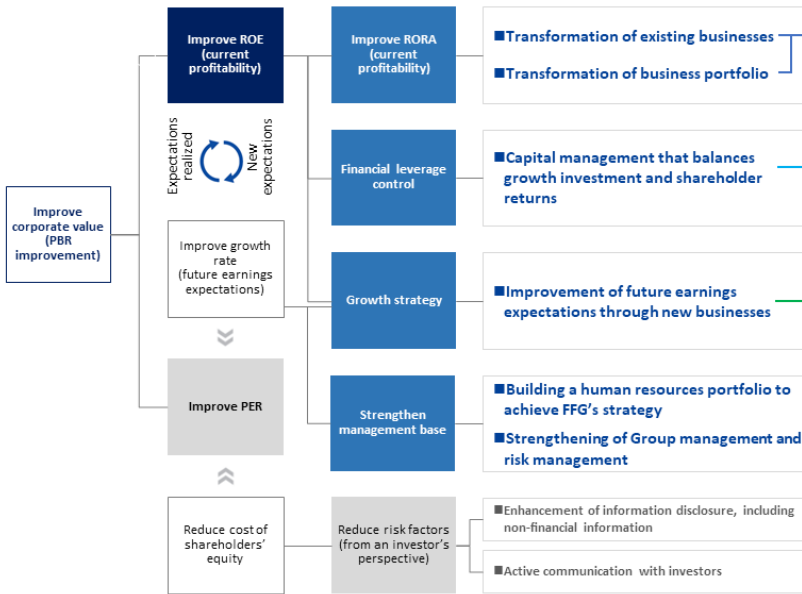


Create diverse forms of abundance with  
our communities through advanced ideas

- My name is Hisashi Goto, and I am the President of the Fukuoka Financial Group.
- Thank you all for taking the time to join us today.
- Today, I would like to speak with you about various topics, including what makes FFG different and what we are thinking about right now.
- At our presentation in May, we promised to actively engage in IR activities, and I hope to be able to exchange ideas with you in this way as much as possible.

## 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

- This slide shows a logic tree for improving FFG's PBR.
- Today, I will talk about FFG's unique growth drivers, as listed on the right side of this slide.

## 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 Japan Holdings Co., Ltd.

**Inbound tourists to Kyushu**  
**Approx. 5 million per year**

**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-Nagasaki 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

### 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)

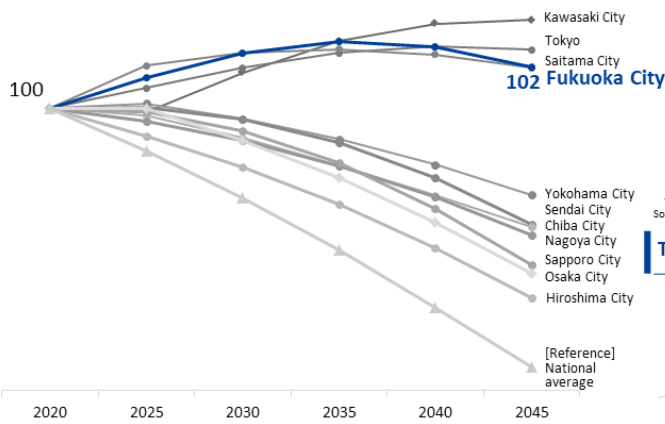
- The first topic I will talk about is the current state and future growth of Kyushu's economy.
- Kyushu's real GRP is forecast to reach 54.2 trillion yen in FY2025. This would be a new record high for the third consecutive year.
- Various factors are behind Kyushu's economic growth, including the entry of TSMC into Kyushu. I will now discuss this in more detail along with some supporting data.

## 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

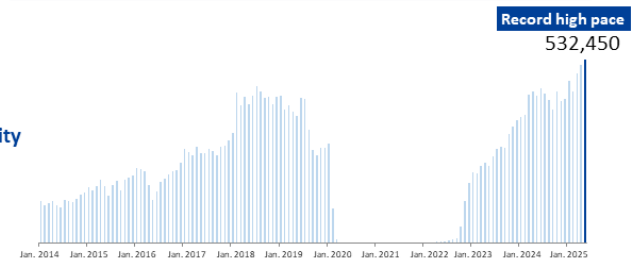
### Population projections for major ordinance-designated cities and Tokyo

[2020 = 100]



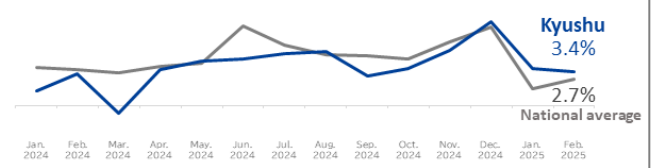
Source: Population Projections for Japan (2023 revision), National Institute of Population and Social Security Research (IPSS)

### Monthly foreign visitor arrivals in Kyushu



Source: Immigration Control Statistics, Ministry of Justice

### Total cash earnings (year-on-year change)



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

- As you know, Japan's nationwide population is expected to decrease. However, in Fukuoka City, where the Fukuoka Financial Group is headquartered, the population is expected to grow.
- As you can see, just four cities in Japan are expected to experience population growth through 2045: Kawasaki City, Tokyo, Saitama City, and Fukuoka City.
- While Fukuoka City is seeing an outflow of people to the Tokyo metropolitan area, it is also experiencing an inflow from each prefecture in Kyushu.
- In addition to an increasing population, the city has a wealth of educational institutions, including Kyushu University, and this is creating a positive cycle where students who study in Fukuoka also find jobs here or start businesses here.
- The top right of the slide shows our inbound tourism situation, which continues to hit new record highs.
- The pace of wage increases in Kyushu is also higher than the national average, and I think that one contributing factor for this is the impact of TSMC.

## 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

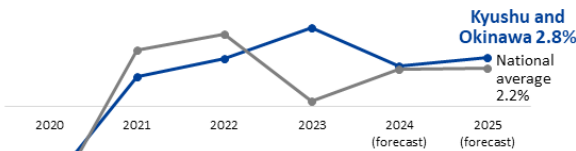
### Rate of change in land market value (January 1, 2025)

[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

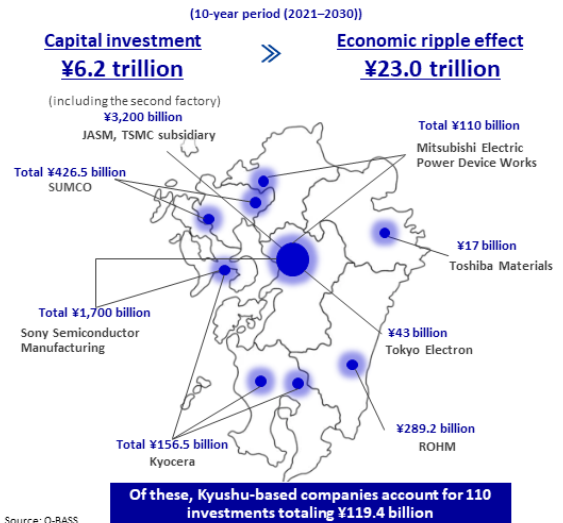
\* 21 major cities = 20 ordinance-designated cities 20 + Wards of Tokyo  
Sources: 2025 Land Market Value Publication, Ministry of Land, Infrastructure, Transport and Tourism (MLIT), Fukuoka Facts, Fukuoka City

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



Source: Kyushu Business Review, Kyushu Economic Research Center

### Planned semiconductor-related capital investment in Kyushu



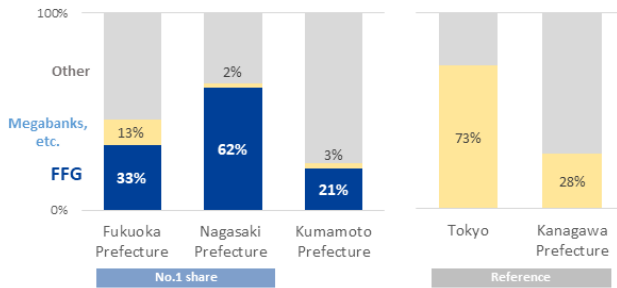
Source: Q-BASS

- Looking at land market values in FFG's sales areas from January this year, Fukuoka City has the highest rate of land value increase among major cities.
- The demand for housing in Fukuoka Prefecture is expanding from inner city areas to surrounding areas, which is also leading to the revitalization of districts outside of Fukuoka City.
- In addition, land values in Ozu Town and Kumamoto City, which are adjacent to the TSMC plant, are also rising significantly.
- Private sector capital investment in Kyushu is maintaining a level above the national average, supported by semiconductor-related investments and urban development in the central areas of each prefecture.
- The right side of the slide shows planned semiconductor-related capital investment in Kyushu. Its economic ripple effect is estimated to be approximately 23 trillion yen.
- As I will discuss later, we believe there is still room for growth as an ecosystem for the semiconductor-related industry continues to take shape.
- On the next slide, I will talk about FFG's customer base.

## 2. FFG's Customer Base

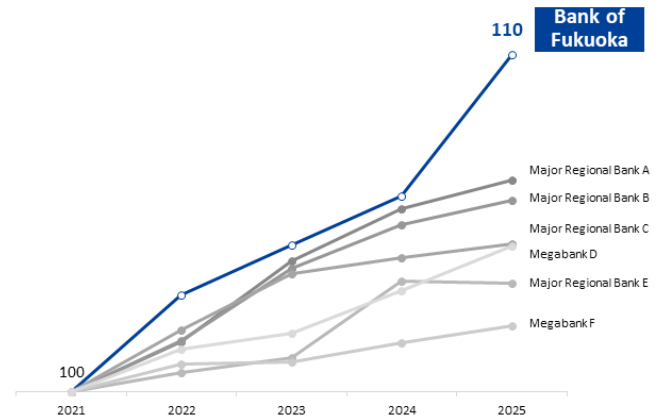
- FFG has a high market share in its sales area; Megabanks have a comparatively small presence in Kyushu
- As a result of “goal-based sales” since the 7th MTMP, number of main bank clients has increased at a faster pace than other banks

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

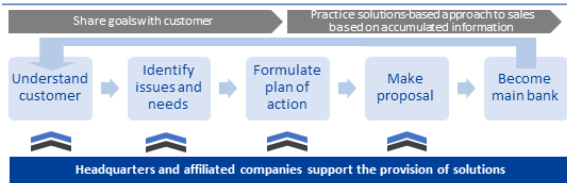


Number of main bank clients (growth rate)

[2021 = 100]



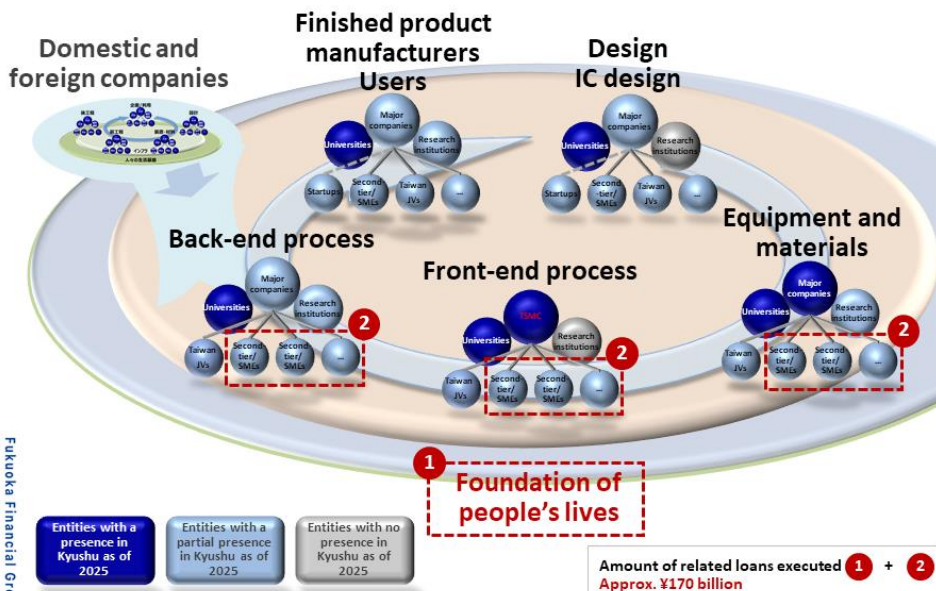
Goal-based sales and core business support initiatives  
(since the 7th MTMP)



- The top left of the slide shows our market share of loans in each prefecture of our sales area.
- In Kyushu, regional banks, including FFG, command a strong market share, while that of megabanks is relatively low.
- Since our 7th Medium-Term Management Plan, FFG has been working on a “goal-based sales” approach, which supports our customers’ core businesses with a variety of solutions—including from our affiliated companies—to help them achieve their future targets and goals.
- As a result, and as shown on the right side of the slide, the Bank of Fukuoka has seen a dramatic increase in the number of its main bank clients compared to other major regional banks and megabanks.
- For further growth, we need to expand the overall industry pie in Kyushu. And as one initiative for this, I will now talk about the formation of a semiconductor ecosystem.

### 3. Formation of a Semiconductor-Related Ecosystem #1

#### ■ Semiconductor ecosystem and FFG's main business opportunities



#### 1 Amount of related loans executed, excluding semiconductor



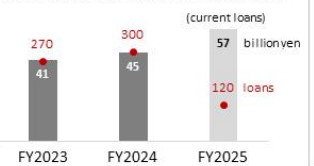
#### ■ Kumamoto Bank's annual growth rate of loans (average balance)

|  | 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



- This July, when I was in Europe for IR activities, I visited imec, a Belgian organization involved in the development of semiconductor technology. I toured manufacturing plants and exchanged ideas with them.
- In Europe, top companies from around the world—including the Dutch semiconductor lithography equipment manufacturer ASML, TSMC, and major Japanese manufacturers—are gathered, centered around imec in Belgium, to advance next-generation semiconductor research and development.
- Then last month, I visited Taiwan and exchanged ideas with various stakeholders, including TSMC, CMSC (a design company with a presence in Fukuoka), and major Japanese suppliers that have expanded into Taiwan.
- In both Belgium and Taiwan, people told me that “the formation of an ecosystem within a country or region is a strong driving force for industrial growth,” and I feel the same way.
- When the news of TSMC's expansion into Kyushu first broke, we were only focused on the front-end process at the bottom of the slide. However, through our discussions in July and August, it became clear that growth of Kyushu's economy and semiconductor industry could not be achieved solely through the expansion of TSMC, which is involved in the front-end process. It is crucial to attract and grow companies involved in the finished goods manufacturing, design, and IC design sectors.

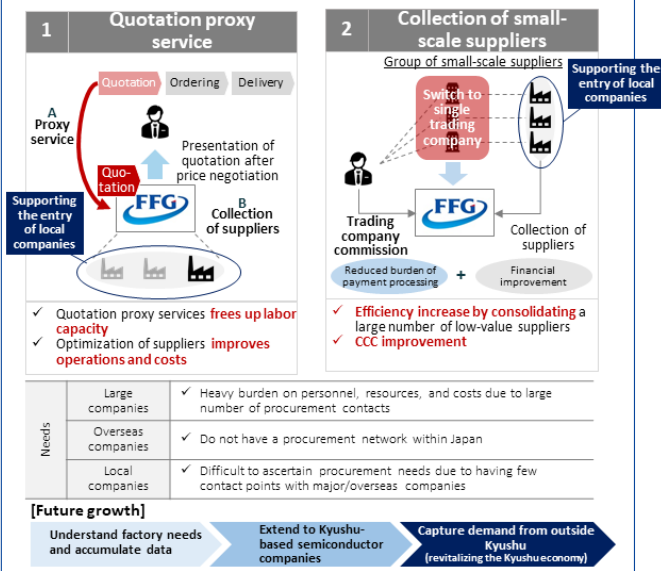


- Furthermore, we believe there are opportunities for success for startups, not just existing companies. We felt that highly specialized engineers from university-launched ventures would also emerge in Kyushu to provide design and IC design services to companies like TSMC.
- We also met with CMSC in Taiwan, a company with a very high level of expertise. They told us that by collaborating with Kyushu University and the Kyushu Economic Federation, they believe they can advance various initiatives.
- Going forward, it is crucial to form this ecosystem in Kyushu.
- Furthermore, we believe it is necessary to collaborate not only within Kyushu but also with Hokkaido, where Rapidus has begun operations, to advance the formation of a Japan-wide ecosystem.
- To do that, we need excellent talent and an environment where that talent can learn. Kyushu has universities, such as Kyushu University, that are conducting cutting-edge research and development. As FFG, we will strengthen our collaboration with these educational institutions.
- On the following slides, I would like to introduce some examples of FFG's support related to the formation of a semiconductor-related ecosystem.

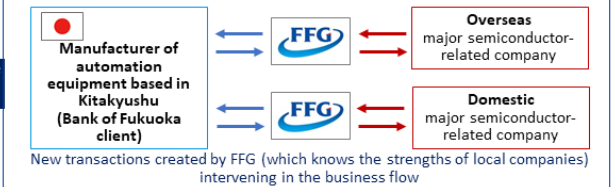


### 3. Formation of a Semiconductor-Related Ecosystem #2 [Case Study: Supporting Local Companies to Enter the Supply Chain]

#### A) FFG Industries accepts commissioned procurement work from semiconductor-related companies (domestic and overseas)

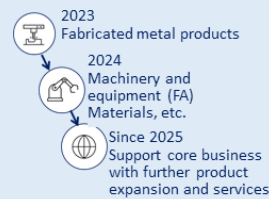


#### B) Credit enhancement for new transactions between major semiconductor-related companies (domestic and overseas) and local SMEs



#### [Reference] FFG Industries

|              |              |
|--------------|--------------|
| Shareholder  | FFG 100%     |
| Established  | May 2023     |
| FY2024 sales | ¥600 million |



#### FFG Industries Co., Ltd

| Segment               | Description                                                                                                                                  |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Order support         | <ul style="list-style-type: none"> <li>– Metal processing</li> <li>– Equipment assembly</li> </ul>                                           |
| Facilities support    | <ul style="list-style-type: none"> <li>– Automation equipment</li> <li>– New factory construction</li> <li>– Renovation proposals</li> </ul> |
| Business flow support | <ul style="list-style-type: none"> <li>– Credit enhancement</li> <li>– Procurement proxy service</li> </ul>                                  |

– Enhance FFG's solutions using data and knowledge gained from involvement in client's core business  
 – Maximize Group revenue by becoming client's main bank and expanding integrated transactions

- This slide shows an example of our support for local companies to enter the supply chain.
- In 2023, we established FFG Industries, a general trading company.
- Initially, we started by having FFG act as an intermediary to solve challenges on both sides. Local factories, especially in the metal processing industry, struggled to allocate enough time or personnel for sales activities. Manufacturers, on the other hand, had difficulty identifying the technical capabilities of local companies and found managing credit took up a lot of time and effort.
- Currently, as shown on the left side of the slide, we are also handling commissioned procurement work from semiconductor-related companies, such as quotation proxy services and collection of small-scale suppliers.
- As the example on the slide shows, by having FFG involved in procurement for large companies, we can provide our clients with opportunities to enter the supply chain.
- Furthermore, as shown on the right side of the slide, we are also providing credit enhancement for transactions between major semiconductor-related companies and local small- and medium-sized enterprises.

### 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]

- Investment by FFG Growth Investment**
- LBO loans from the Bank of Fukuoka**
- 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                     |

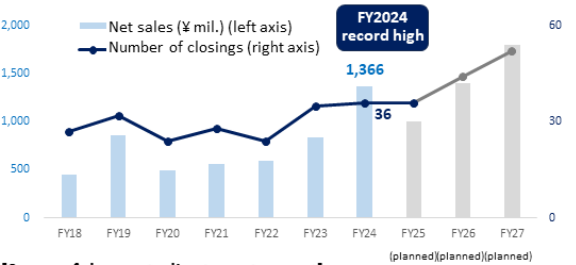
Details of the cases are available on the FFG Growth Investment website.  
<https://www.ffg-growth.co.jp/case/#>

- This slide provides an example of our support for business succession.
- The left side of the slide shows the case study of a company in Fukuoka with a history of over 60 years.
- We are providing comprehensive support for the succession and growth of this business. This includes investment by FFG Growth Investment, a fund in which FFG has a 100% stake, LBO loans from the Bank of Fukuoka, and customer promotion and development by FFG Industries.
- FFG Growth Investment makes investments in companies like those listed on the right side of the slide, focusing on business succession and business turnaround.

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

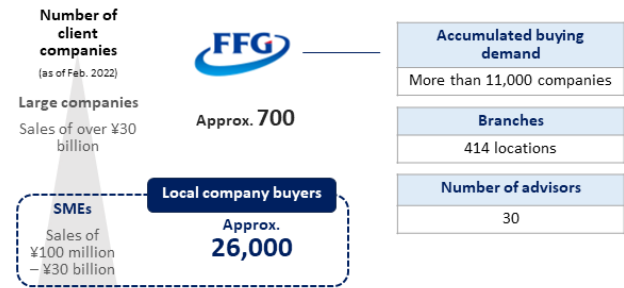


[Successful case studies (partial excerpt)]

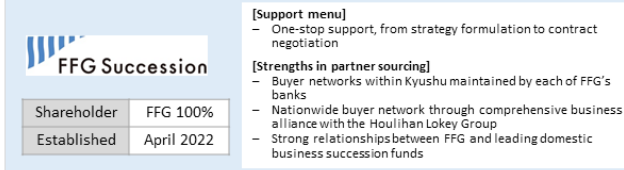
| Seller                                                                                                                          | Buyer                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Manbou Corp.<br>(Saga / Food and beverage manufacturing)                                                                        | Kyushu Railway Company<br>(Fukuoka / Railway)                                                       |
| Fund operated by Fukuoka Capital Partners Co., Ltd.<br>[Target company: <b>Topran, Ltd.</b> (Fukuoka / Food manufacturing)]     | Yamae Group Holdings Co., Ltd.<br>(Fukuoka / Food wholesale)                                        |
| Fund operated by Endeavour United Co., Ltd.<br>[Target company: <b>Nakajyo Construction Co., Ltd.</b> (Fukuoka / Construction)] | Toami Corporation<br>(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)



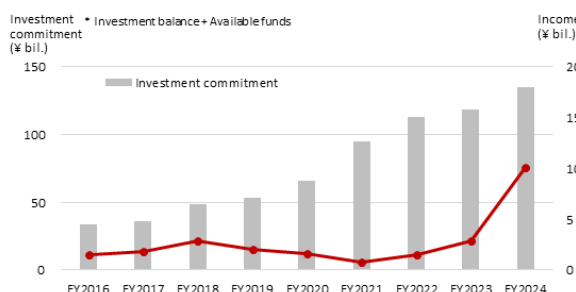
- Next, I will talk about our investment banking business.
- While we are a regional bank group centered on commercial banking, the expansion of our investment banking business is extremely important for our future growth.
- First, regarding our M&A business performance, as shown in the graph on the left, we had 36 closings and 1,366 million yen in net sales in FY2024.
- Earlier, I mentioned that our number of main bank clients has dramatically increased. FFG has a system where personnel from each of our subsidiary banks identifies our clients' M&A and business succession needs through their daily sales activities, and FFG Succession (our specialist M&A company) addresses those needs.
- There are still many business succession and other M&A needs. We will respond firmly to these needs and provide support that extends beyond the closing of M&A deals to include post-merger integration (PMI).
- We are striving for an M&A business that only a bank can achieve, aiming to provide a detailed response to clients wanting to grow their business through M&A or wanting to pass on their company's technology to the next generation.

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

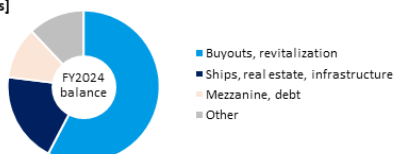
- Through many years of efforts, achieved exit profits from fund investments and built up high-quality structured finance deals
- Business resources (know-how, profit) acquired in the Tokyo metropolitan area, etc. will be integrated into our commercial banking business, such as support for local core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

### Fund investment

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



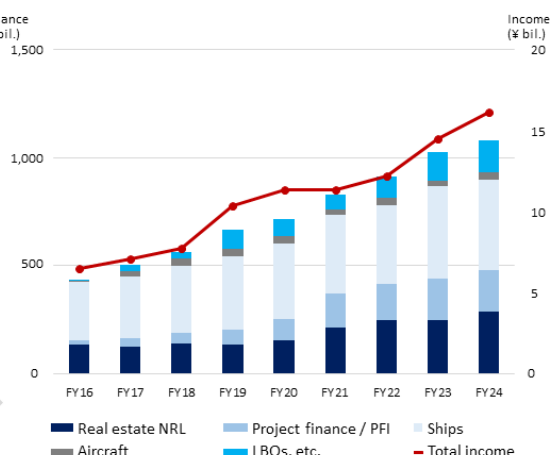
[Fund types]



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

### Structured finance

[Bank of Fukuoka's balance and income]



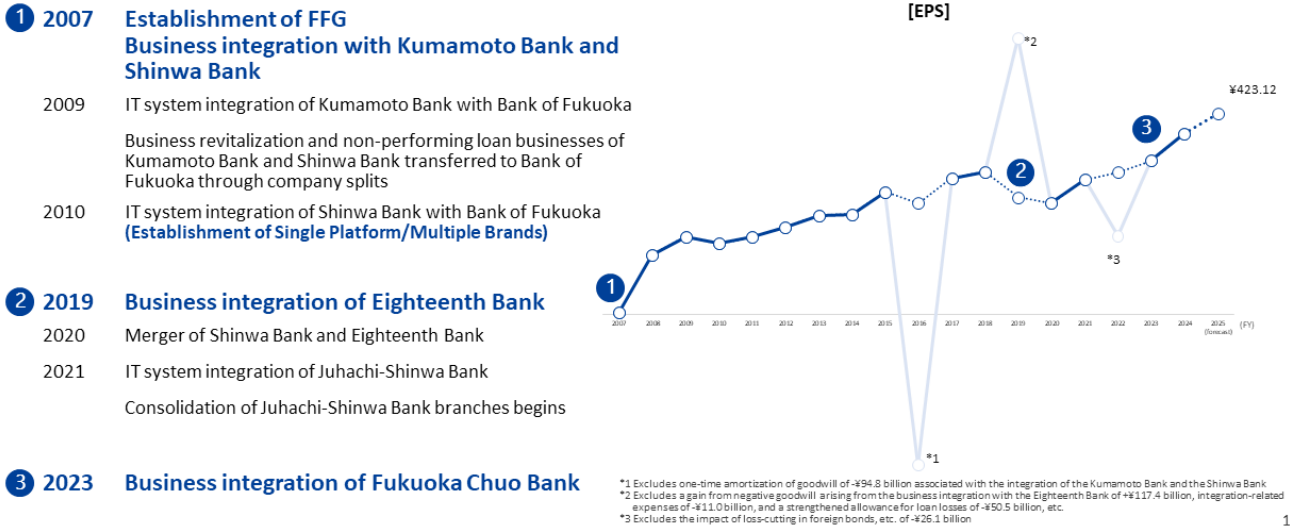
Real estate NRL, Aircraft, Project finance / PFI, Ships, LBOs, etc., Total income

- Next, I will talk about our fund investment and structured finance business.
- Since the 2000s, we have grown our fund investments and solutions business while proactively dealing with non-performing loans.
- We have been involved in fund investments for nearly 20 years, which has led to collaborations with various fund partners.
- As shown on the left side of the slide, our investment commitment to funds has expanded to 140 billion yen, and annual income has grown to approximately 10 billion yen, making it one of our key revenue pillars.
- We are also advancing collaboration with our fund partners, which has specifically led to the acquisition of high-quality structured finance deals, such as LBO loans and real estate non-recourse loans.
- As shown on the right side of the slide, our balance of structured finance exceeds 1 trillion yen, and annual income has grown to 16 billion yen.
- We aim to further strengthen our investment banking business with the know-how we have cultivated over many years and the relationships of trust we have built with our fund partners.

## 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

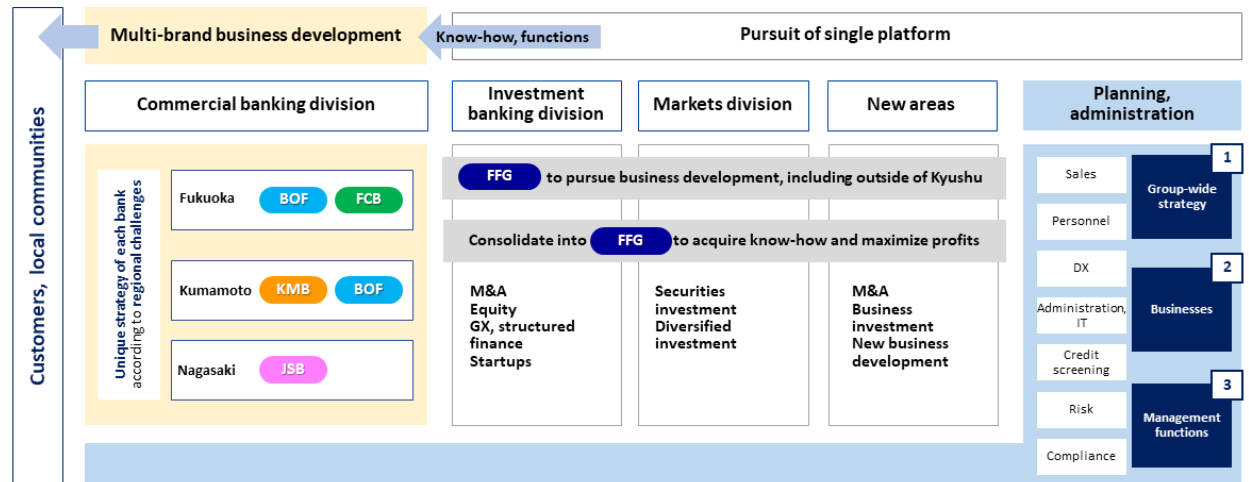


- Next, I will talk about the evolution of our “Single Platform/Multiple Brands” structure.
- Since the establishment of FFG in 2007, we have executed business integrations with the Shinwa Bank, the Eighteenth Bank, and the Fukuoka Chuo Bank. During this time, we also continued to take on many challenges and make growth investments, such as launching Minna Bank as a digital bank.
- As the graph on the right shows, our proactive growth investments, including business integrations, have kept FFG’s EPS on a steady upward trend, leading to sustainable growth even under negative interest rates.
- In a future world with positive interest rates, we believe that FFG’s approximately 33 trillion yen in assets, which have expanded through business integration, will prove to be a major strength. We also plan to maintain our growth trajectory by keeping inorganic growth in our sights.

## 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



- On this slide, I'll explain our "Single Platform/Multiple Brands" model, which is FFG's unique management structure and, we believe, the best fit for today's regional financial institutions.
- On the left side of the slide are "customers and local communities." The challenges they face vary from region to region.
- Fukuoka, Nagasaki, and Kumamoto each have their own unique issues, so in our view, each bank has a different set of priority issues and a unique vision for what it should be.
- For this reason, in our commercial banking division, we have built a system where each subsidiary bank solves customer and regional challenges with highly unique sales strategies, which in turn helps each bank's business to grow.
- On the other hand, functions like group governance and management, strategic planning, business portfolio management, resource allocation, and new business development are all consolidated into FFG.
- FFG will leverage the merits of our wide-area development and further evolve this system to maximize Group profits.

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

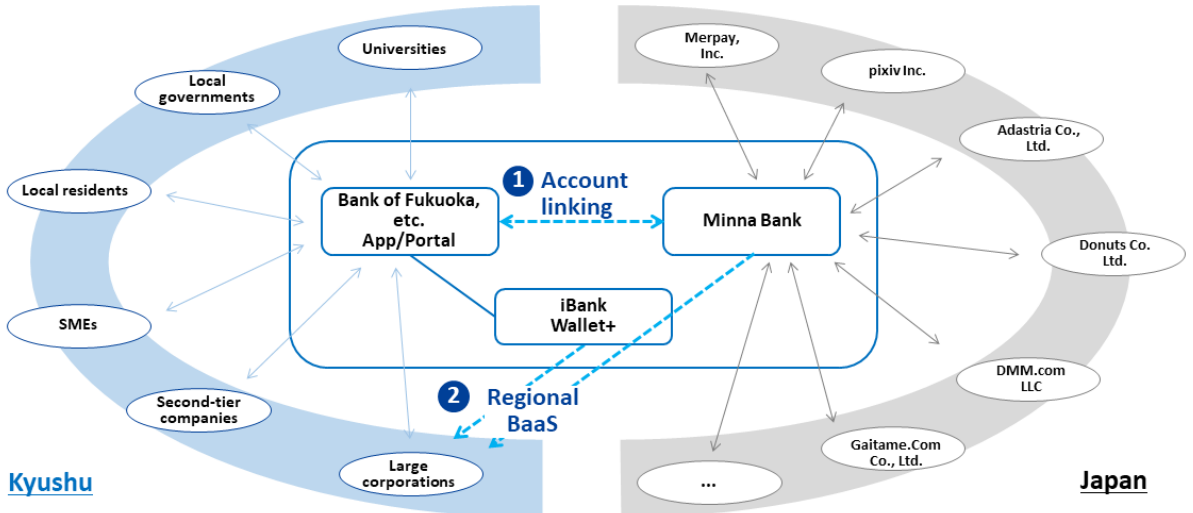
- Aim to retain local customers by leveraging FFG's digital knowledge and networks to improve convenience and benefit

- 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



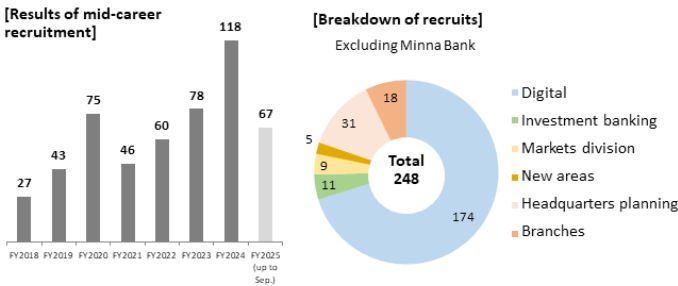
- Next, I will talk about FFG's growth strategy pivoting on digital technology.
- We often receive questions from investors about how FFG plans to leverage the advanced technologies and advantages of Minna Bank.
- We are thinking about how we can take what we've gained from our challenges and growth investments in the digital domain and use it across all of FFG to provide convenience and benefit to our local customers and our nationwide Minna Bank customers.
- This slide illustrates this strategy. Our goal for the future is to create a platform that can versatily connect Minna Bank's BaaS partners, each of our subsidiary banks' clients, and the financial functions of Minna Bank and all our subsidiary banks.
- In terms of current initiatives, as you can see in the center of the slide under "Account linking," we are considering building a system that links Minna Bank and the accounts of our subsidiary banks, making it easier for customers to use products and services from both.
- In addition, below that, under "regional BaaS," we are also thinking about linking iBank's Wallet+ and the functions of Minna Bank with our local customers in order to provide them to customers beyond our immediate reach.
- In this way, we want to expand FFG's digital economic zone. Not only will we continue to have Minna Bank grow in isolation, but we will also advance initiatives to leverage the advantages gained from all our digital challenges, starting with Minna Bank, and integrate them across all of FFG.



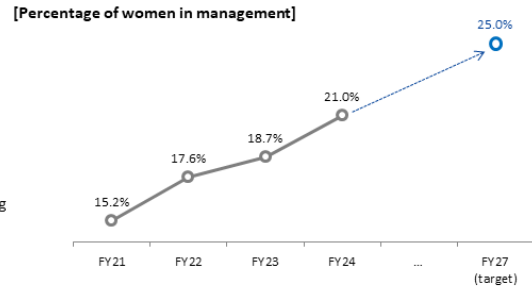
## 7. Acquisition and Training of Human Resources

■ 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



### Promotion of DE&I



### Training of specialized human resources through external secondments

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

### 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.

- Finally, I will talk about our human resources.
- Regarding mid-career recruitment, our experience in tackling various challenges, such as those related to Minna Bank, have created an impression among job seekers that “this looks like an interesting company” and “a company where I can do all sorts of things.” As a result, the number of people joining FFG is increasing.
- Last fiscal year, 118 people joined FFG, primarily digital professionals.
- As for the active participation of women, we are currently focusing our efforts on achieving a target of having women executives account for one in four management positions by FY2027.
- The employee engagement survey at the bottom right of the slide reflects our organizational culture. Our score last fiscal year was 59 points, which is a reasonably high result.
- Our goal is not to create a fun and relaxed company. We are executing various measures to build a company where challenges are demanding because results are expected, but they are also rewarding.
- To increase participation in our employee shareholding association, we encouraged employees to join this spring by distributing 50,000 yen worth of FFG stock to all participants.
- Our current participation rate has increased to approximately 82%. We want our employees to work with a sense of ownership, monitoring the stock price and feeling that they are growing the company themselves.

# Conclusion

## 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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- In conclusion, today, I have spoken with you about the factors that differentiate FFG from megabanks and regional banks in the Tokyo metropolitan area, and about the initiatives we are focusing on.
- This slide lists the four key points I wanted to convey to you today.
- First is Kyushu's economic growth. We are not just passively waiting for economic growth centered on semiconductor-related companies. We are actively expanding the Kyushu economic pie, and we aim to achieve growth by further expanding FFG's market share.
- Second is the Single Platform/Multiple Brands system. With this system, we are unifying our strategy, planning, and management divisions while each of our subsidiary banks in their respective regions firmly addresses local issues and earns the trust of local customers. This type of business development and expansion is unique to FFG.
- Third is our growth strategy pivoting on digital technology. We will take the advantages gained from challenges like iBank and Minna Bank and integrate them across the all of FFG.
- Fourth, we will continue to create a virtuous cycle for both FFG and our people, steadily training the human resources to realize our strategies, leading to further growth for FFG.
- That concludes my presentation. Thank you very much.

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For inquiries regarding this document, please contact  
Corporate Planning Group, Corporate Planning Division, Fukuoka Financial Group  
Phone: +81-92-723-2255 Email: [ffg-ir@fukuoka-fg.com](mailto:ffg-ir@fukuoka-fg.com)