

May 2, 2007

Dear Shareholders and Bondholders

Name of Listed Company: Fukuoka Financial Group, Inc.
Representative: Masaaki Tani, Chairman of the Board & President
Head Office: 13-1 Tenjin 2-chome, Chuo-ku, Fukuoka
(Code No. 8354 TSE First Section, OSE First Section, FSE)

Management Support for Shinwa Bank

Today, the Fukuoka Financial Group (hereinafter referred to as “the Company”) received a request for management support from Kyushu Shinwa Holdings, Inc. (hereinafter referred to as “Kyushu Shinwa HD”) and The Shinwa Bank, Ltd. (hereinafter referred to as “the Shinwa Bank”). The requested management support is primarily in the form of proceeding with the corporate turnaround of the Shinwa Bank under the control of the Company, and the Company providing the Shinwa Bank with capital support for the purpose of building a stable capital base for the said bank.

According to Kyushu Shinwa HD, in the Shinwa Bank’s financial results for the year ended March 31, 2007, the equity capital was notably damaged as a result of significant increases in its allowance for loan losses, and based on the additional fact that there were dim prospects for improvements to business results in this fiscal year or the future, it was determined that it would be difficult for the Shinwa Bank to continue unaided as an ongoing concern in the future. Ideas of corporate rehabilitation under its own strength were abandoned, and this led to drastic management support being sought from the Company.

In light of this request for management support, and on the assumption that it is in the interests of the Company shareholders, at today’s meeting of the Board of Directors, the Company resolved to set about both efforts for sufficient capital support for the purpose of promptly restoring the financial health of the Shinwa Bank, and efforts for management reconstruction measures for the purpose of ensuring profitability into the future, all the while keeping business integration in mind for the purpose of stabilizing regional financial systems.

The Company will immediately commence talks with Kyushu Shinwa HD and the Shinwa Bank, and we will proceed with our examinations of the matter so that concrete measures for management support can be announced by the end of May. Currently, two directors (Masazumi Tsuru and

Takashige Shibato) are being dispatched from the Company to the Shinwa Bank. In holding detailed discussions regarding the business integration, there is a possibility that this may give rise to a conflict of interest, and in our relationship with Kyushu Shinwa HD as well, it may compromise the impartiality of the discussions on management support measures. For this reason, from the viewpoint of ensuring impartiality of future discussions on management support measures, the two directors in question have, on this day, resigned from their respective positions as director at the Shinwa Bank. In no way does this suggest instability in the Company's relationship with Kyushu Shinwa HD and the Shinwa Bank.

A consultative body will be established to discuss the specific conditions of the management support, thereby forging a close alliance between the Company and the management of Kyushu Shinwa HD. The Company will continue to maintain the affiliation stemming from the *Basic Agreement for Operational and Capital Alliance Related to the Collaboration of Business Revitalization*, which was concluded by the Fukuoka Bank with Kyushu Shinwa HD and the Shinwa Bank last October. Furthermore, by proceeding with the business revitalization and support for financial strengthening of the Shinwa Bank's business clients, we will concurrently proceed to put a process in motion to release the Shinwa Bank from its problem of nonperforming loans.

Further details will be formally announced as they are decided.

For inquiries regarding this announcement, contact:
Planning Group, Corporate Planning Division, Fukuoka Financial Group
Phone +81-92-723-2502

[Reference] Outline of the target banks under consideration for management support

(1) The Shinwa Bank (non-consolidated)

Trade name	The Shinwa Bank, Ltd.			
Date of incorporation	September 1939			
Address	10-12, Shimanose-cho, Sasebo, Nagasaki			
Representative	Takashige Araki, President			
Capital	¥45.2 billion		Note 1	
Number of shares outstanding	Common stock: 560,671,954	Preferred stock: 30,000,000	Note 1	
Net assets	¥56.7 billion		Note 2	
Total assets	¥2,398.4 billion		Note 2	
Accounting term	March 31			
Number of employees	1,850		Note 2	
Major shareholders and shareholding ratio	Kyushu Shinwa Holdings, Inc. 100%			
Performance for the most recent fiscal years		Year ending March 31, 2004	Year ending March 31, 2005	Year ending March 31, 2006
	Ordinary income (billion yen)	66.8	73.1	85.4
	Net business profits (billion yen)	17.1	22.8	31.7
	Ordinary profit (billion yen)	-35.6	-17.8	12.2
	Net income (billion yen)	-34.3	-20.5	5.0

(2) Kyushu Shinwa HD

Trade name	Kyushu Shinwa Holdings, Inc.	
Date of incorporation	April 2002	
Address	10-12, Shimanose-cho, Sasebo, Nagasaki	
Representative	Takashige Araki, President	
Capital	¥59.3 billion	Note 1
Number of shares outstanding	Common stock: 458,715,531 First preferred stock: 30,000,000 Third preferred stock: 23,000,000	Note 1
Accounting term	March 31	
Number of employees	44	Note 2
Business activities	Business management of banks and other subsidiaries, and associated incidental operations	
Major shareholders and shareholding ratio	(1) Common stock Bank of Fukuoka, Ltd. 11.39% Japan Trustee Services Bank, Ltd. (trust account) 4.79% Morgan Stanley and Company, Inc. 4.24% Japan Trustee Services Bank, Ltd. (trust account 4) 3.12% Master Trust Bank of Japan, Ltd. (trust account) 1.64% Note 1 (2) First preferred stock The Resolution and Collection Corporation 100.00% (3) Third preferred stock KSFG Partners, LLC 100.00%	

Note 1: as of March 31, 2007

Note 2: as of September 30, 2006