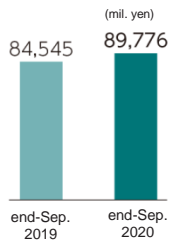
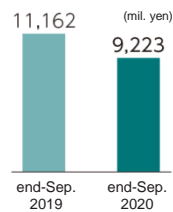


# Financial Highlights (six months ended September 30, 2020)

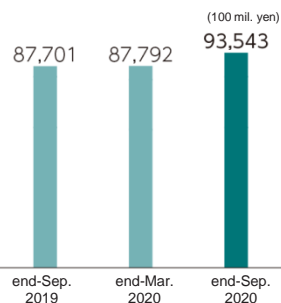
## Ordinary income (KFG consolidated)



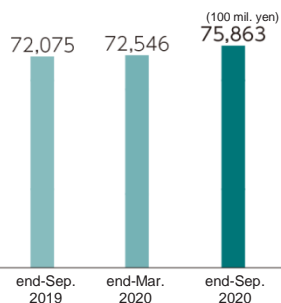
## Profit attributable to owners of parent (KFG consolidated)



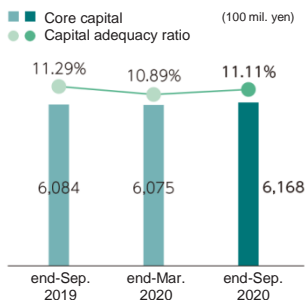
## Total deposits (combined total of two banks' non-consolidated figures)



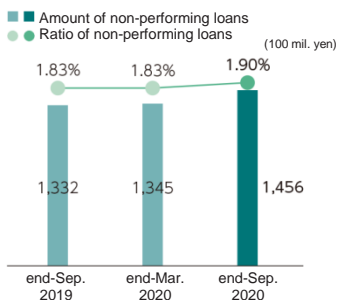
## Loans (combined total of two banks' non-consolidated figures)



## Capital adequacy ratio (KFG consolidated)



## Loans based on the Financial Reconstruction Act (combined total of two banks' non-consolidated figures)



Note: Partial direct write-off method is not used.

## Long-term ratings (as of September 30, 2020)

Rating and Investment Information, Inc. (R&I)	S&P Global Ratings Japan Inc.
肥後銀行 (Fukui Bank)	A+
鹿児島銀行 (Kagoshima Bank)	A+
Kyushu Financial Group	A+

# To Our Shareholders

## Numbers of shares and shareholders (as of September 30, 2020)

Total number of outstanding shares (common shares)	463,375,978
Number of shareholders	17,319

## Interim dividend in fiscal year ending March 2021

Dividend per share

Common share  
End of 2Q  
¥6.00

## Shareholder note

Business year: April 1 - March 31

Record date for dividend of surplus: March 31  
(September 30 for interim dividend, if there is any)

Ordinary general meeting of shareholders: Held within three months from the day after the last date of every business year

Number of shares constituting one unit: 100

Shareholders registry administrator: 1-2-1, Yaesu, Chuo-ku, Tokyo  
Mizuho Trust & Banking

Method of public notice: Electronic notices (<https://www.kyushu-fg.co.jp/english/>)

If an electronic notice cannot be given due to an accident or other adverse circumstances, such notices will be given in Kumamotonichinichi Shimbun, Minami-Nippon Shimbun and Nihon Keizai Shimbun dailies.

	Shareholders with an account at a securities company or other institutions	Shareholders who do not have an account with a securities company or other institutions (in case of special account)
Mailing address	Your securities company	2-8-4, Izumi, Suginami-ku, Tokyo 168-8507 Stock Transfer Agency Department, Mizuho Trust & Banking
Contact number		0120-288-324 (toll free) (9:00-17:00, except for Saturdays, Sundays and holidays)
Institutions handling procedures (change of addresses, change of methods for receiving dividend, etc.)	Mizuho Securities	Head office, branches across Japan, and Planet Booths (branches opened in Mizuho Banks)
	Mizuho Trust & Banking	Head office and branches across Japan *Please note that Trust Lounges are not available for use for this purpose.
Payment of unpaid dividend	Head offices and branches across Japan of Mizuho Trust & Banking and Mizuho Bank (Mizuho Securities only handles agent services.)	

\*Please note that you cannot trade shares except for the purchase or additional purchase of shares less than one unit through your special account. You will need to open an account with a securities company or other institutions to transfer shares held in your special account.

## Company Profile (as of September 30, 2020)



### Kyushu Financial Group Inc.

Location of main branch (registered address)	6-6, Kinsei-cho, Kagoshima-shi, Kagoshima
Location of headquarters (headquarters functions)	1, Renpei-cho, Chuo-ku, Kumamoto-shi, Kumamoto
Representatives	Chairman and Representative Director: Sumihiro Matsuyama (President, The Kagoshima Bank, Ltd.) President and Representative Director: Yoshihisa Kasahara (President, The Higo Bank, Ltd.)
Capital	¥36.0 billion
Date of founding	October 1, 2015
Listed stock exchanges	Tokyo Stock Exchange (1st section) Fukuoka Stock Exchange (main board)
Securities code	7180

Please visit our website for details:

<https://www.kyushu-fg.co.jp/english/>



# Kyushu Financial Group

# 2020

Interim Disclosure Report and  
Interim Business Report  
April 1, 2020 ▶ September 30, 2020



## We will work to contribute to creating sustainable local communities through the field-oriented management based on our management philosophy

Thank you for your continued support of the Kyushu Financial Group.

We have marked the fifth anniversary of our founding in this October. We deeply appreciate your support during this period.

Looking back, we have faced various issues such as the declining birth-rate and aging population, continuing ultra-low interest policy, and frequent natural disasters. In addition to these issues, in the first half of fiscal 2020, the spread of COVID-19 caused dramatic changes in the economic environment and our lifestyle.

Under such a severe environment, we were able to achieve business results described in this report by practicing the "field-oriented management based on our management philosophy" and thoroughly implementing initiatives to provide support close to customers with the aim of contributing to customers and local communities.

In this fiscal year, which is the final year of the Group's 2nd Medium-Term Management Plan, we will continue to work together on a Group basis with a focus on efforts on digitalization and SDGs, which form keywords for enhancing sustainability of local communities. We would sincerely appreciate your further support and patronage for the Kyushu Financial Group.



December 2020  
Yoshihisa Kasahara  
President and Representative Director

### Group Management Philosophy

1

The Group will respond to the trust and expectations of customers and will provide the optimal and best comprehensive financial services to its customers.

2

The Group will develop alongside the region and actively contribute to the realization of a vigorous local community.

3

The Group will nurture an abundance of creativity and a free-spirited organizational culture, continuing to challenge itself to move toward a better future.

## Creating a Sustainable Society

To "develop alongside the region and actively contribute to the realization of a vigorous local community" as stated in its management philosophy, the Kyushu Financial Group has developed the Sustainability Declaration and has been working to offer solutions to various issues facing customers and the region according to environmental, social, and governance (ESG) criteria. The Group will continue to help the local communities sustainably develop and, through this effort, increase its corporate value.

### Signing of the Principles for Responsible Banking (PRB)

The Kyushu Financial Group signed the Principles for Responsible Banking (PRB)\* in September 2019. We are the second local bank in Japan to sign this principle.

\* The Principles for Responsible Banking, advocated by the United Nations Environment Programme Finance Initiative (UNEP FI) and launched in September 2019, is a framework for encouraging signatory banks to carry out business activities aligned with the vision and goals set out in the Sustainable Development Goals (SDGs) and the Paris Climate Agreement.



## Environment



### Creation of an environmentally friendly region

#### Efforts on climate change

The Group announced endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations in June 2019 and has worked on information disclosure and initiatives regarding climate change.

In September 2020, the Group's Higo Bank was selected as a participant institution for the "project to support the pilot programs for scenario analysis of climate-related risks and opportunities in line with TCFD Recommendations" implemented by the Ministry of the Environment.

We will continue to work to realize sustainable business management and regional communities.



#### Efforts to reduce environmental load

Our Group companies, Higo Bank and Kagoshima Bank have stopped using plastic bags for handing out little gifts or other materials as part of the Agreement on Cooperation Regarding Regional Environment Cohabitation Zone in Central and Southern Kyushu, which aims to reinforce measures to support the region and sustainable regional revitalization. Furthermore, Kagoshima Bank has started to hand out reusable bags to local customers for free to help reduce plastic shopping bags used in the region.



A reusable bag emblazoned with "Shirodon," the Kagoshima Bank's mascot

Amount of loans executed for renewable energy projects **¥7.93 billion**

Balance of environmentally responsible time deposits **¥236.1 billion**

(as of September 30, 2020)

## Social

### Creation of regional infrastructure to support all people

#### Support of local disaster recovery efforts: 2020 Kyushu Floods

The Group has worked to support local recovery efforts in the Kumamoto region affected by the 2020 Kyushu Floods by sending a total of 671 volunteers and deploying mobile ATM vans and special consultation desks. Glocal Crowdfunding Inc., which was funded by the Group, launched a donation-style crowdfunding project to support reconstruction of the "Kuma" regional brand of spirits and the local tourism industry and successfully gave donations totalling approximately ¥4 million.



#### Kyushu FG Securities launches IPO support services

Our Group company, Kyushu FG Securities worked with Higo Bank and Kagoshima Bank to launch IPO support services on October 1, 2020 for customers aiming for initial public offering. Through these services, we aim to contribute to the realization of a vigorous local community by helping Kyushu-based regional companies achieve IPO.

### Creation of a workplace and region where all people take an active part

#### Side-job human resource referral service launched

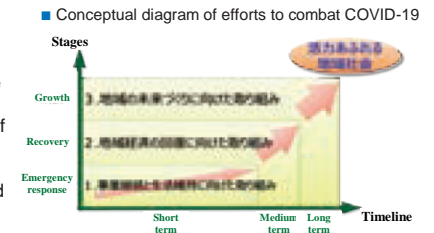
Our Group companies, Higo Bank, Higin Office Business and Kagoshima Bank worked with Mirai Works Inc. to launch a referral service that matches local companies with workers in urban areas who seek a side job. Through this project, we aim to help create related population in the region through the active use of professionals and resolve issues facing local companies.

## Governance

### Creation of an organization needed from the region

#### Efforts to combat COVID-19

The Group has set up the Committee to Combat COVID-19 through which we have been working to enhance governance of our risk management, support customers' business continuity and maintenance of living and help revitalize regional economy.



See our Integrated Report for details.

