

March 14, 2023

To whom it may concern:

Company Name: Fukuoka Financial Group, Inc.
Representative: Hisashi Goto, President
Head Office: 8-3, Otemon 1 chome, Chuo-ku, Fukuoka
(Code No. 8354 TSE Prime Market, FSE)
Contact: Teppei Mizoe, General Manager,
Corporate Planning Division
(Phone +81-92-723-2502)

Company Name: THE FUKUOKA CHUO BANK, LTD.
Representative: Eiji Araki, President
Head Office: 12-1, Daimyo 2 chome, Chuo-ku, Fukuoka
(Code No. 8540 FSE)
Contact: Miyuki Okano, Managing Director; and
General Manager, General Planning
Division
(Phone +81-92-751-4429)

**Final Agreement on Business Integration by way of Share Exchange between Fukuoka
Financial Group, Inc. and THE FUKUOKA CHUO BANK, LTD.**

We announce, as below, that Fukuoka Financial Group, Inc. (President: Hisashi Goto; hereinafter referred to as “Fukuoka Financial Group”) and THE FUKUOKA CHUO BANK, LTD. (President: Eiji Araki; hereinafter referred to as “Fukuoka Chuo Bank”; hereinafter Fukuoka Financial Group and Fukuoka Chuo Bank are collectively referred to as the “Companies”) resolved, at their respective board of directors meetings held today, and pursuant to the memorandum of understanding executed on November 11, 2022, to implement a business integration by way of share exchange, setting the effective date of the share exchange for October 1, 2023, (hereinafter referred to as the “Share Exchange”) (hereinafter referred to as the “Business Integration”) on the condition that the approval of a general meeting of shareholders of Fukuoka Chuo Bank and authorization or approvals from the relevant authorities are obtained; and a share exchange agreement (hereinafter referred to as the “Share Exchange Agreement”) has been executed by and between the Companies as of today.

1. Background of the Business Integration

Fukuoka Financial Group operates as a financial group that has broad business operations covering the entire Kyushu area and focusing primarily on the prefectures of Fukuoka, Kumamoto, and Nagasaki. Fukuoka Financial Group has set a long-term vision for the period from this fiscal year to the fiscal year 2030, under which it aims to become “the best regional bank, which contributes to the growth of all stakeholders through finance and consulting,” and is working together as a group to achieve this goal. On the other hand, Fukuoka Chuo Bank maintains its management philosophy of “fulfilling its mission and role as a financial institution specializing in small- and medium-sized enterprises (SMEs) and developing together with local communities, with Fukuoka Prefecture as its sales base,” and it is building strong relationships with SME customers and conducts community-based operations.

Fukuoka Prefecture, where the Companies are headquartered, is one of the most populous prefectures in Japan in terms of the number of SMEs located therein, and in particular, the rate of incorporation of SMEs in Fukuoka City is at top level, even amongst major cities. Therefore, in the context of regional financial institutions, it can be said that Fukuoka Prefecture is an attractive market where business operations of SMEs are active. On the other hand, the business environment surrounding the Companies continues to be challenging, with persistent low interest rates, competition intensifying due to the entry of companies from other industries into the financial field, and so on. Moreover, significant societal changes are occurring at an unprecedented pace as a result of (i) changes in social structures due to the evolution of technology and decarbonization, etc. and (ii) increased geopolitical risks, in addition to (iii) structural issues such as a declining population and an aging society with a declining birthrate in the region.

In order to continuously respond to this business environment and contribute to the sustainable development of the regional economy, the Companies have determined that it is necessary (i) to further solidify the management foundations of Fukuoka Chuo Bank by utilizing the creditworthiness and capital strength of Fukuoka Financial Group, and (ii) to support a wide range of customers in Fukuoka Prefecture in resolving their issues and in their growth by leveraging the management resources and strengths of each of the Companies. Pursuant to such determination, as already announced in the timely disclosure document published on November 11, 2022, “Memorandum of Understanding regarding Business Integration between Fukuoka Financial Group, Inc. and THE FUKUOKA CHUO BANK, LTD.,” the Companies have discussed and examined the implementation of the Business Integration by way of share exchange as of October 1, 2023; and today the Companies formally reached final agreement.

2. Purpose and Philosophy of the Business Integration

Through the Business Integration, the Companies will contribute to the sustainable development of the local economy by further leveraging their collective strengths as a group and supporting an entire range of regional customers.

3. Synergies Expected from the Business Integration

(1) Enhancement of customer support in Fukuoka Financial Group after the Business Integration

The Business Integration will enhance networks with customers by combining the strong relationships that the Companies have cultivated through transactions with an entire range of customers in Fukuoka Prefecture. After the Business Integration, Fukuoka Financial Group will, on a group-wide basis, provide multi-layered, high-quality and best-in-class financial services to customers in all segments by making maximum use of the management resources of the Companies and also by utilizing digital technologies to respond to diversifying customer needs quickly and accurately.

(2) Development of financial services for SMEs in Fukuoka Chuo Bank

Fukuoka Chuo Bank will promote business efficiency and build an optimal sales system, by consolidating the functions of the Companies' respective headquarters, integrating overlapping banking operations, and entrusting common operations to Fukuoka Financial Group. In addition, Fukuoka Chuo Bank will actively invest the management resources arising from such business efficiency and optimal sales system in areas that will lead to strengthened customer relationships. Moreover, Fukuoka Chuo Bank will function as a stable financial intermediary in the future and fulfill its mission and role as a "financial institution specializing in SMEs" more than ever before, by making full use of Fukuoka Financial Group's know-how and services in finance, information networks, the digital channels that are currently being developed, and the like, to expand customer engagement and respond precisely to the diversifying needs of customers.

4. Overview of the Business Integration

(1) Timetable of the Business Integration

November 11, 2022		Execution of Memorandum of Understanding regarding the Business Integration
March 14, 2023	(Today)	Resolutions of Board of Directors Meetings

of the Companies

Execution of the Share Exchange Agreement

March 31, 2023	(Planned)	Record Date for Ordinary General Meeting of Shareholders of Fukuoka Chuo Bank
June 29, 2023	(Planned)	Date of Ordinary General Meeting of Shareholders and General Meeting of Class Shareholders Constituted of Shareholders of Common Stock
September 27, 2023	(Planned)	Last Trading Date of Stocks of Fukuoka Chuo Bank
September 28, 2023	(Planned)	Date of Delisting of Fukuoka Chuo Bank
October 1, 2023	(Planned)	Effective Date of the Share Exchange

(Note 1) Fukuoka Financial Group will carry out the Share Exchange without obtaining approval by a resolution at a general meeting of shareholders, by implementing the procedures for a simplified share exchange pursuant to the provisions of Paragraph 2 of Article 796 of the Companies Act.

(Note 2) The timetable shown above may be subject to change, upon the agreement of the Companies, due to necessity with regard to the proceedings of the Business Integration or for other reasons.

(2) Method of the Share Exchange

Fukuoka Financial Group will be the wholly-owning parent company after the share exchange and Fukuoka Chuo Bank will be the wholly-owned subsidiary after the share exchange. Fukuoka Financial Group will carry out the Share Exchange without obtaining approval of a general meeting of shareholders by implementing the procedures for a simplified share exchange pursuant to the provisions of Paragraph 2 of Article 796 of the Companies Act, whereas Fukuoka Chuo Bank will obtain approval of the Share Exchange Agreement at the ordinary general meeting of shareholders and the general meeting of class shareholders constituted of shareholders of common stock that are scheduled to be held on June 29, 2023.

In addition, the Companies have no plans to conduct a merger between Fukuoka Chuo Bank and The Bank of Fukuoka, Ltd. (President: Hisashi Goto; hereinafter referred to as “Fukuoka Bank”), a subsidiary of Fukuoka Financial Group, after the Business

Integration because the two banks' development of their businesses by leveraging their respective strengths will achieve the purpose of the Business Integration.

(3) Allotment Details of the Share Exchange

(i) Common Stock

	Fukuoka Financial Group	Fukuoka Chuo Bank
Share Exchange Ratio	1	0.81

(Note 1) Allotment Details of the Share Exchange

Fukuoka Financial Group will allot and deliver 0.81 shares of its stock against each share of common stock of Fukuoka Chuo Bank. Upon the Share Exchange, if the number of shares of common stock of Fukuoka Financial Group to be delivered to the common shareholders of Fukuoka Chuo Bank includes fractions that are less than one share, such shareholders shall be paid the amount equivalent to such fractions in accordance with the provisions of Article 234 of the Companies Act and other related laws and ordinances. It is to be noted that the share exchange ratio stated above may be subject to change upon consultation between the Companies if any significant change will occur or be found in the preconditions which are the basis of calculation.

(Note 2) Number of Shares to be Delivered by Fukuoka Financial Group upon the Share Exchange

Common stock: 1,890,824 shares (planned)

The number of the common stock stated above is calculated based on the total number of issued and outstanding shares of common stock of Fukuoka Chuo Bank as of December 31, 2022 (2,737,160 shares including the treasury stock). However, as Fukuoka Chuo Bank plans to cancel all of the treasury stock held by itself, including the shares to be acquired in response to the share purchase demand related to the Share Exchange by dissenting shareholders pursuant to Paragraph 1 of Article 785 of the Companies Act, by the time immediately before the effective time of the Share Exchange (hereinafter referred to as the "Base Time"), the number of shares of the treasury stock held by Fukuoka Chuo Bank as of December 31, 2022 (551 shares) is excluded in the calculation of the number of shares of the common stock stated above. Shares of Fukuoka Chuo Bank held in the executive compensation BIP trust are not included in the number of shares of the treasury stock stated above. In addition, prior to the Share Exchange, as Fukuoka Bank, a subsidiary of Fukuoka Financial Group, plans to deliver 402,258 shares of common stock of Fukuoka Chuo Bank and 30,000 shares of first series class A preferred stock held by Fukuoka Bank to Fukuoka Financial Group as dividends, the 402,258 shares of common stock of Fukuoka Chuo Bank held by Fukuoka Bank are also excluded from the calculation of the number of shares of the common stock stated above.

If the number of the treasury stock of Fukuoka Chuo Bank as of December 31, 2022 changes before the Base Time for reasons such as acquisition of the treasury stock by Fukuoka Chuo Bank, the number of shares to be delivered by Fukuoka Financial Group may change.

All of the shares planned to be delivered by Fukuoka Financial Group upon the Share Exchange are treasury stock held by Fukuoka Financial Group. However, if there is a shortfall, Fukuoka Financial Group plans to newly issue the number of shares of common stock equivalent to such shortfall at the time of delivery of shares upon the Share Exchange.

(Note 3) Treatment of Shares Constituting Less than One Unit

If the Business Integration is realized, the shareholders of Fukuoka Chuo Bank who are allotted shares of common stock of Fukuoka Financial Group constituting less than one unit (100 shares) (hereinafter referred to as the “Shares Less than One Unit”) upon the Share Exchange may not sell the Shares Less than One Unit on the Tokyo Stock Exchange, Inc. (hereinafter referred to as the “TSE”), the Fukuoka Stock Exchange as a securities membership corporation (hereinafter referred to as the “FSE”) or any other financial instruments exchanges. The shareholders who hold such Shares Less Than One Unit may, pursuant to the provisions of Paragraph 1 of Article 192 of the Companies Act, demand that Fukuoka Financial Group purchase the Shares Less than One Unit that they hold. Alternatively, such shareholders may, pursuant to the provisions of Paragraph 1 of Article 194 of the Companies Act and the articles of incorporation, demand that Fukuoka Financial Group sell to them the number of shares that would, together with the number of Shares Less than One Unit that they hold, constitute one unit unless the number of shares of the treasury stock of Fukuoka Financial Group is insufficient to meet the number of shares that such shareholders demanded be sold.

(ii) First Series Class A Preferred Stock

With respect to the share exchange in respect of the first series class A preferred stock of Fukuoka Chuo Bank (hereinafter referred to as the “Preferred Stock”), the variable share exchange ratio method is adopted. Under the variable share exchange ratio method, the value of the Preferred Stock of Fukuoka Chuo Bank is determined at the time of decision on the share exchange, and the number of allotted shares of common stock of Fukuoka Financial Group to be delivered as consideration for each share of the Preferred Stock of Fukuoka Chuo Bank is determined based on the average stock price of the shares of Fukuoka Financial Group during a certain period immediately prior to the effective date.

In the share exchange in respect of the Preferred Stock of Fukuoka Chuo Bank, Fukuoka Financial Group shall allot, in exchange for the shares of the Preferred Stock of Fukuoka Chuo Bank, to the shareholders of the Preferred Stock of Fukuoka Chuo Bank as of the Base Time, the number of shares of common stock of Fukuoka

Financial Group which is obtained by multiplying the number of shares of the Preferred Stock of Fukuoka Chuo Bank that such shareholders hold by the share exchange ratio calculated by the following formula:

Share Exchange Ratio = 10,000 yen / Average stock price of the common stock of Fukuoka Financial Group

(Note 1) Calculation Method of Share Exchange Ratio

The share exchange ratio is calculated to the third decimal place and rounded to the second decimal place. The average stock price of the common stock of Fukuoka Financial Group shall be the simple average of the per share closing price of the common stock of Fukuoka Financial Group in the TSE Prime Market on each of the 10 trading days from September 4, 2023 to September 15, 2023, which period has been set taking into account the time required to complete the necessary procedures prior to the effective date, except for days on which no trading is conducted, calculated to the first decimal place and rounded to the nearest whole number.

(Note 2) Number of Shares to be Delivered by Fukuoka Financial Group upon Share Exchange

Fukuoka Financial Group will deliver the number of shares of common stock of Fukuoka Financial Group which is obtained by multiplying the total number of shares of the Preferred Stock of Fukuoka Chuo Bank held by the shareholders of the Preferred Stock of Fukuoka Chuo Bank (provided, however, this excludes the 30,000 shares of the Preferred Stock that will be held by Fukuoka Financial Group as a result of the dividend by Fukuoka Bank prior to the Share Exchange as described in (Note 2) of “(i) Common Stock” above.) by the share exchange ratio stated above. In addition, all of the shares planned to be delivered by Fukuoka Financial Group upon the Share Exchange are treasury stock held by Fukuoka Financial Group. However, if there is a shortfall, Fukuoka Financial Group plans to newly issue the number of shares of common stock equivalent to such shortfall at the time of delivery of shares upon the Share Exchange. Upon the Share Exchange, if the number of shares of common stock of Fukuoka Financial Group to be delivered to the shareholders of the Preferred Stock of Fukuoka Chuo Bank includes fractions that are less than one share, such shareholders shall be paid the amount equivalent to such fractions in accordance with the provisions of Article 234 of the Companies Act and other related laws and ordinances.

(Note 3) Treatment of Shares Constituting Less than One Unit

If the Business Integration is realized, the shareholders of Fukuoka Chuo Bank who are allotted the Shares Less than One Unit of Fukuoka Financial Group upon the Share Exchange may not sell the Shares Less than One Unit on the TSE, the FSE or any other financial instruments exchanges. The shareholders who hold such Shares Less Than One Unit may, pursuant to the provisions of Paragraph 1 of Article 192 of the Companies Act, demand that Fukuoka Financial Group purchase the Shares Less than One Unit that they hold. Alternatively, such shareholders may, pursuant to the provisions of Paragraph 1 of Article 194

of the Companies Act and the articles of incorporation, demand that Fukuoka Financial Group sell to them the number of shares that would, together with the number of Shares Less than One Unit that they hold, constitute one unit unless the number of shares of the treasury stock of Fukuoka Financial Group is insufficient to meet the number of shares that such shareholders demanded be sold.

In the ordinary share exchange, the share exchange ratio and number of shares of the wholly-owning parent company that are to be delivered as consideration to the shareholders of the wholly-owned subsidiary upon the share exchange, shall be determined at the time of execution and announcement of the share exchange agreement (hereinafter referred to as the “Time of Announcement”). Therefore, the value of shares of the wholly-owning parent company that the shareholders of the wholly-owned subsidiary are ultimately to hold as of the effective date, is undetermined as at the Time of Announcement and may change in accordance with the stock price performance of the wholly-owning parent company during the period from the Time of Announcement to the effective date. In contrast, under the variable share exchange ratio method, the fair value of shares of the wholly-owned subsidiary is determined as at the Time of Announcement, and the number of shares of the wholly-owning parent company, which are to be delivered as consideration per share of the wholly-owned subsidiary upon the share exchange, is determined by dividing such fair value by the average stock price of the wholly-owning parent company for a certain period immediately prior to the effective date. As a result, the shareholders of the Preferred Stock will be able to receive the number of shares of common stock of Fukuoka Financial Group equivalent to the fair value of the Preferred Stock at the market price immediately prior to the effective date of the Share Exchange. Therefore, compared to the ordinary share exchange where the number of shares of the wholly-owning parent company to be received by the shareholders of the wholly-owned subsidiary upon the share exchange is determined by the market price immediately prior to the execution date of the share exchange agreement, it is expected that there will be a shortening of the period until the effective date during which there may be variation, in accordance with the stock price performance, in the value of shares of the wholly-owning parent company that are to be held by shareholders of the wholly-owned subsidiary upon the share exchange as of the effective date, and that such value will approximate to the value of the shares of the wholly-owned subsidiary. After examining these characteristics and carefully discussing which method is optimal in light of the fact that the Preferred Stock of Fukuoka Chuo Bank is an unlisted stock subject to call that, after a specified period of time, Fukuoka Chuo Bank may acquire in exchange for the amount of money equivalent to the amount paid for the Preferred Stock on a per share basis (10,000

yen), the Companies decided that it would be appropriate to make the value of the shares of Fukuoka Financial Group, which is to be ultimately held by shareholders of the Preferred Stock of Fukuoka Chuo Bank as of the effective date, approximate to the valuation of the Preferred Stock of Fukuoka Chuo Bank stated above (10,000 yen per share), and ultimately decided to adopt the variable share exchange ratio method.

(4) Treatment of Share Options and Bonds with Share Options of the Wholly-Owned Subsidiary After the Share Exchange

Fukuoka Chuo Bank has not issued any share options or bonds with share options.

5. Basis for the Allotment Details of the Share Exchange

(1) Basis and Reasons for the Allotment Details

As stated in “1. Background of the Business Integration” above, the Companies reached basic agreement on November 11, 2022, under which the Companies are to engage in discussion and examination toward realization of the Business Integration, and have discussed and examined the Business Integration by establishing the Integration Preparation Committee with a view to the Business Integration to be implemented with the effective date of the share exchange of October 1, 2023 (planned).

As stated in “(4) Measures to Ensure Fairness” below, Fukuoka Financial Group selected Nomura Securities Co., Ltd. (hereinafter referred to as “Nomura Securities”) as a third-party valuation institution of Fukuoka Financial Group and Nagashima Ohno & Tsunematsu as its legal advisor in order to ensure the fairness of the consideration for the Share Exchange and the fairness of any other matters concerning the Business Integration, and commenced examination of the Business Integration. As a result of careful discussion and examination by referring to the valuation report on the share exchange ratio regarding common stock dated March 13, 2023, which was received from Nomura Securities, its third-party valuation institution, and the legal advice from Nagashima Ohno & Tsunematsu, its legal advisor, Fukuoka Financial Group concluded that it would be appropriate to implement the Business Integration based on the share exchange ratio stated in “4. Overview of the Business Integration, (3) Allotment Details of the Share Exchange” above.

On the other hand, as stated in “(4) Measures to Ensure Fairness” below, Fukuoka Chuo Bank selected Mizuho Securities Co., Ltd. (hereinafter referred to as “Mizuho Securities”) as a third-party valuation institution of Fukuoka Chuo Bank and Mori Hamada & Matsumoto as its legal advisor in order to ensure the fairness of the

consideration for the Share Exchange and the fairness of any other matters concerning the Business Integration, and commenced examination of the Business Integration. As a result of careful discussion and examination by referring to the valuation report on the share exchange ratio regarding common stock, and the valuation report on the Preferred Stock, which were received on March 13, 2023 from Mizuho Securities, its third-party valuation institution, and the legal advice from Mori Hamada & Matsumoto, its legal advisor, Fukuoka Chuo Bank concluded that it would be appropriate to implement the Business Integration based on the share exchange ratio described in “4. Overview of the Business Integration, (3) Allotment Details of the Share Exchange” above.

As stated above, the Companies carefully and repeatedly negotiated and discussed the share exchange ratio by referring to such calculation and analysis results by the third-party valuation institutions and advice from legal advisors, and comprehensively taking into consideration factors, including the market price, the financial conditions, future prospects, etc. of the Companies based on the results of due diligence that each of the Companies conducted on the other. As a result, the Companies ultimately concluded that the share exchange ratio stated in “4. Overview of the Business Integration, (3) Allotment Details of the Share Exchange” above is appropriate. Therefore, the Companies decided and agreed on the share exchange ratio to be used for the Share Exchange at the board of directors meetings of the Companies held today.

(2) Matters Concerning Calculation

(i) Common Stock

(a) Names of Valuation Institutions and their Relationships with the Companies

Nomura Securities as a financial advisor (third-party valuation institution) to Fukuoka Financial Group and Mizuho Securities as a financial advisor (third-party valuation institution) to Fukuoka Chuo Bank do not fall under interested parties of Fukuoka Financial Group and Fukuoka Chuo Bank. They do not have any significant interest in the Business Integration to be noted.

(b) Overview of Calculation

In order to ensure the fairness of calculation of the share exchange ratio to be used for the Share Exchange, Fukuoka Financial Group selected Nomura Securities as its third-party valuation institution and Fukuoka Chuo Bank selected Mizuho Securities as its third-party valuation institution, and asked the

respective institutions to calculate and analyze the share exchange ratio.

With respect to the shares of Fukuoka Financial Group, as Fukuoka Financial Group is listed on the Prime Market of the TSE and on the FSE and its shares have a market price, Nomura Securities performed its calculation using the average market price analysis.

With respect to the shares of Fukuoka Chuo Bank, Nomura Securities performed its calculation using (a) the average market price analysis, as Fukuoka Chuo Bank is listed on the FSE and its shares have a market price, (b) the comparable companies analysis, as there are multiple listed companies that are comparable to Fukuoka Chuo Bank and Nomura Securities could estimate the share value of Fukuoka Chuo Bank by comparing the comparable companies, as well as (c) the dividend discount model analysis (hereinafter referred to as “DDM Analysis”), which is a method of analyzing share value at the present values by discounting, using the cost of capital, the value attributable to the shareholders after taking into account retained earnings and other factors necessary to maintain a certain capital structure, and is a method generally used for the analysis of financial institutions, in order to take into account the company’s future business activities in performing its calculation. The respective ranges for the share exchange ratio in the case where the share value per share of common stock of Fukuoka Financial Group is one are as follows:

	Analysis Method	Range of Share Exchange Ratio
1	Average Market Price Analysis (Reference Date (i))	0.75~0.83
2	Average Market Price Analysis (Reference Date (ii))	0.81~1.03
3	Comparable Companies Analysis	0.77~1.03
4	DDM Analysis	0.50~1.25

With respect to the average market price analysis, Nomura Securities (a) set as a calculation reference date the business day immediately prior to November 11, 2022, the date on which the execution of the memorandum of understanding was announced (hereinafter referred to as the “Reference Date (i)”), and took the closing price on the Reference Date (i) and simple average closing prices of trading days for, respectively, the five-business-day period, one-month period, three-month period, and six month-period until the Reference Date (i), and (b) set March 13, 2023 as a calculation reference date (hereinafter referred to as the “Reference Date (ii)”), and took the closing price on the Reference Date (ii) and

simple average closing prices of trading days for, respectively, the five-business-day period, one-month period, three-month period, and six month-period until the Reference Date (ii).

For the analysis of the share exchange ratio, Nomura Securities has used information provided by the Companies, and information disclosed to the public, etc. Nomura Securities has assumed the accuracy and completeness of all such materials and information, and has not independently verified the accuracy or completeness of such information; neither has Nomura Securities undertaken an independent evaluation, appraisal or assessment of the assets or liabilities (including contingent liabilities), on an aggregate or individual basis, of the Companies or any of their respective associated companies (meaning “associated company” defined in Article 8, Paragraph 8 of the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements; hereinafter the same), nor did it make any request to a third party for appraisal or assessment. Nomura Securities’ analysis of the share exchange ratio reflects information and economic conditions until the calculation reference dates, and, with respect to the financial forecasts of Fukuoka Chuo Bank (including profit plans and other information), Nomura Securities assumes the financial forecasts of Fukuoka Chuo Bank for the fiscal year ending March 31, 2023 and subsequent fiscal years, taking into account multiple factors, including business plans which were provided by Fukuoka Chuo Bank and confirmed by Fukuoka Financial Group, interviews with Fukuoka Chuo Bank, and information disclosed to the public. The calculation provided by Nomura Securities is solely for the purpose of serving as a reference for the Board of Directors of Fukuoka Financial Group to examine the share exchange ratio. In the future financial forecasts for Fukuoka Chuo Bank that were used by Nomura Securities as the basis of evaluation in conducting a DDM Analysis, there are no fiscal years in which a significant increase or decrease in profit is anticipated.

With respect to the Companies’ share exchange ratio, Mizuho Securities performed its calculation using (a) the average market price analysis, because Fukuoka Financial Group’s shares are listed on the Prime Market of the TSE and the FSE and Fukuoka Chuo Bank’s shares are listed on the FSE, and market prices are available for the Companies’ shares, as well as (b) the comparable companies analysis, because there are multiple listed companies that are comparable to each of the Companies and Mizuho Securities could estimate the share value of each of the Companies by comparing the comparable companies. Furthermore, in order to take into account, in performing its calculation, the projection in relation to the company’s future business activities, Mizuho

Securities conducted a DDM Analysis, which is a method of analyzing share value at the present value by discounting, using the cost of capital, the value attributable to the shareholders after taking into account retained earnings and other factors necessary to maintain a certain capital structure, and is a method generally used for the analysis of financial institutions. The result of each analysis is indicated below. The respective ranges for the share exchange ratio represent the number of common shares of Fukuoka Financial Group to be allotted for one (1) common share of Fukuoka Chuo Bank.

	Analysis Method	Range of Share Exchange Ratio
1	Average Market Price Analysis (Reference Date (i))	0.75~0.83
2	Average Market Price Analysis (Reference Date (ii))	0.81~1.03
3	Comparable Companies Analysis	0.65~1.88
4	DDM Analysis	0.76~1.58

Furthermore, in the average market price analysis, Mizuho Securities (a) set as a calculation reference date the business day immediately prior to November 11, 2022, the date on which the execution of the memorandum of understanding was announced (Reference Date (i)), and used the closing price on the Reference Date (i) and the average closing prices for, respectively, the one-month period, the three-month period, and the six-month period until the Reference Date (i), and (b) set as a calculation reference date March 13, 2023, which is the date of preparation of the valuation report on the share exchange ratio (Reference Date (ii)), and took the closing price on the Reference Date (ii) and average closing prices for, respectively, the one-month period, three-month period, and six month-period until the Reference Date (ii).

For the analysis of the share exchange ratio, Mizuho Securities has used information provided by the Companies and public information. Mizuho Securities has assumed the accuracy and completeness of all such materials and information, and has not independently verified the accuracy or completeness of such information. Also, Mizuho Securities has not undertaken an independent evaluation, appraisal or assessment of the assets or liabilities (including contingent liabilities), on an aggregate or individual basis, of the Companies or any of their respective associated companies, nor did it make any such request to a third party. Mizuho Securities' analysis of the share exchange ratio reflects information and economic conditions until March 13, 2023, and it assumes that

the financial forecasts of the Companies (including profit plans and other information) were reasonably prepared based on the best-available estimates and judgment of the management of each of the Companies. In the future profit plans of Fukuoka Financial Group that were used by Mizuho Securities as the basis for calculation in conducting a DDM Analysis, there are fiscal years in which a significant increase or decrease in profit is anticipated as compared to the Mid-Term Management Plan (which was timely disclosed on May 13, 2022 in the document titled; “Decision on 7th Mid-Term Management Plan”) and earnings forecast for the fiscal year ending March 31, 2023 (which was timely disclosed on January 31, 2023 in the document titled; “Revision of consolidated earnings forecast for FY2022”). Specifically, in the fiscal year ending March 31, 2023, Fukuoka Financial Group recorded a loss due to the restructuring of its securities investment portfolio, mainly that of foreign bonds. However, as it was only a one-time loss, Fukuoka Financial Group expects a significant increase in profit in the fiscal year ending March 31, 2024, as compared to the previous fiscal year.

(ii) Preferred Stock

The Preferred Stock of Fukuoka Chuo Bank is an unlisted stock subject to call after a specified period of time and its dividend yield is fixed at 1.75% per annum. It is common in practice to determine the value of such corporate bond-type preferred stock at the present value by discounting future principal and interest (surplus) using the cost of capital.

Considering the fact that Fukuoka Chuo Bank has the option to call the Preferred Stock for cash consideration on or after April 1, 2027, as well as the fact that preferred dividends will be paid on the Preferred Stock, Mizuho Securities has calculated the share value of the Preferred Stock using the discounted cash flow analysis (hereinafter referred to as “DCF Analysis”), based on the amount of preferred dividends and redemption attributable to the shareholders of the Preferred Stock. As indicated below, the par value of the Preferred Stock has been within the range of the share value per share.

In such calculation, the interim dividend of the Preferred Stock (87.5 yen per share), the record date of which is set as September 30, 2023, is excluded from the value of the Preferred Stock, because the claims and obligations have already been defined and the interim dividend is to be paid separately in early December 2023, after the effective date of the Share Exchange. Therefore, the value of the Preferred Stock has been calculated, using a DCF Analysis, based on the amount of preferred dividends

with the record date on and after March 31, 2024, and the amount of redemption to be paid pursuant to the call option stated above.

	Analysis Method	Range of Share Value per Share
1	DCF Analysis	9,901 yen~10,100yen

With respect to the share exchange ratio for the Preferred Stock, such ratio was determined after Fukuoka Financial Group obtained advice from Nomura Securities and the Companies conducted careful and repeated negotiations and discussions based on the following details of the Preferred Stock, etc., and therefore, Fukuoka Financial Group did not obtain any valuation report from a third-party valuation institution.

Fukuoka Chuo Bank may acquire all or part of the Preferred Stock on April 1, 2027 or a subsequent date separately specified by its board of directors and, if it exercises such option, Fukuoka Chuo Bank shall, in exchange for acquiring such Preferred Stock, deliver per share of the Preferred Stock the amount equivalent to the amount paid for the Preferred Stock (10,000 yen) (the amount will be appropriately adjusted if any stock split, gratuitous allotment of shares, reverse stock split or any other event similar thereto occurs with respect to the Preferred Stock) plus the amount equivalent to the accrued dividends for the first series class A preferred stock. Regarding the interim dividend of the Preferred Stock (87.5 yen per share), the record date of which is set as September 30, 2023, the claims and obligations have already been defined and the interim dividend is to be paid separately in early December 2023 after the effective date of the Share Exchange.

(3) Prospect of Delisting and Grounds thereof

If the Share Exchange is realized, the common stock of Fukuoka Chuo Bank will be delisted on or around September 28, 2023 in accordance with the FSE's delisting standards.

On the other hand, the common stock of Fukuoka Financial Group, which will be delivered in consideration for the Share Exchange, has been listed on the Prime Market of the TSE and the FSE and will continue to be able to be traded on the Prime Market of the TSE and the FSE.

(4) Measures to Ensure Fairness

Fukuoka Financial Group has taken the following measures in order to ensure the

fairness of the Business Integration.

- (i) Procurement by Fukuoka Financial Group of a Valuation Report on the Share Exchange Ratio, etc. from an Independent Third-Party Valuation Institution

As stated in “(1) Basis and Reasons for the Allotment Details” above, in order to ensure the fairness of the Business Integration, Fukuoka Financial Group selected Nomura Securities as its third-party valuation institution, and obtained from Nomura Securities a valuation report on the share exchange ratio regarding common stock in order to use such report as the basis of an agreement on the share exchange ratio to be used for the Share Exchange. Fukuoka Financial Group negotiated and discussed with Fukuoka Chuo Bank by referring to the analysis and opinion of Nomura Securities, its third-party valuation institution, and resolved at its board of directors meeting held today that the Share Exchange will be implemented using the share exchange ratio stated in “4. Overview of the Business Integration, (3) Allotment Details of the Share Exchange” above.

In addition, Fukuoka Financial Group has obtained from Nomura Securities an opinion as of March 13, 2023 to the effect that the share exchange ratio to be used for the Share Exchange regarding common stock is appropriate for Fukuoka Financial Group from a financial perspective (a fairness opinion). For material assumptions, etc. regarding the fairness opinion of Nomura Securities, see Attachment 1. With respect to the share exchange ratio in the Share Exchange regarding the Preferred Stock, Fukuoka Financial Group did not obtain from Nomura Securities an opinion to the effect that the share exchange ratio regarding the Preferred Stock is appropriate from a financial perspective (a fairness opinion).

- (ii) Advice to Fukuoka Financial Group from an Independent Law Firm

In order to ensure the fairness and appropriateness of the decision-making by the board of directors, Fukuoka Financial Group has obtained from Nagashima Ohno & Tsunematsu, as its legal advisor independent from the Companies, legal advice in relation to the methods and procedures concerning the decision-making by Fukuoka Financial Group and other procedures related to the Business Integration.

On the other hand, Fukuoka Chuo Bank has taken the following measures in order to ensure the fairness of the Business Integration.

- (i) Procurement by Fukuoka Chuo Bank of a Valuation Report on the Share Exchange Ratio, etc. from an Independent Third-Party Valuation Institution

As stated in “(1) Basis and Reasons for the Allotment Details” above, in order to

ensure the fairness of the Business Integration, Fukuoka Chuo Bank selected Mizuho Securities as its third-party valuation institution, and obtained from Mizuho Securities a valuation report on the share exchange ratio regarding common stock and a valuation report on the preferred stock in order to use such reports as the basis of an agreement on the share exchange ratio to be used for the Share Exchange. Fukuoka Chuo Bank negotiated and discussed with Fukuoka Financial Group by referring to the analysis and opinion of Mizuho Securities, its third-party valuation institution, and resolved at its board of directors meeting held today that the Share Exchange will be implemented using the share exchange ratio stated in “4. Overview of the Business Integration, (3) Allotment Details of the Share Exchange” above. In addition, Fukuoka Chuo Bank has obtained from Mizuho Securities an opinion as of March 13, 2023 that the share exchange ratio to be used for the Share Exchange in respect of common stock is appropriate for Fukuoka Chuo Bank from a financial perspective (a fairness opinion). For material assumptions, etc. regarding the fairness opinion of Mizuho Securities, see Attachment 2.

(ii) Advice to Fukuoka Chuo Bank from an Independent Law Firm

In order to ensure the fairness and appropriateness of the decision-making by the board of directors, Fukuoka Chuo Bank has obtained from Mori Hamada & Matsumoto, as its legal advisor independent from the Companies, legal advice in relation to the methods and procedures concerning the decision-making by Fukuoka Chuo Bank and other procedures related to the Business Integration.

(5) Measures to Avoid Conflicts of Interest

Among the directors of Fukuoka Chuo Bank, Mr. Jiro Furumura, Mr. Eiji Araki, Mr. Keiichiro Fuse and Mr. Shoichi Masuda are former officers and employees of Fukuoka Financial Group or its subsidiary, Fukuoka Bank. These directors were not involved in the deliberations and resolutions of the board of directors regarding the Business Integration.

6. Overview of the Companies which are Parties Subject to the Business Integration

- (1) Overview of the Companies (as of March 31, 2022, except as otherwise specified; information relevant to Fukuoka Financial Group is rendered on a consolidated basis whereas information relevant to Fukuoka Chuo Bank is rendered on a non-consolidated basis)

	Wholly-owning parent company after the share exchange		Wholly-owned subsidiary after the share exchange	
Company Name	Fukuoka Financial Group		Fukuoka Chuo Bank	
Head office	8-3, Otemon 1 chome, Chuo-ku, Fukuoka		12-1, Daimyo 2 chome, Chuo-ku, Fukuoka	
Name and Title of Representative (as of March 14, 2023)	Hisashi Goto, President		Eiji Araki, President	
Description of Businesses	Banking business		Banking business	
Stated Capital	124,799 million yen		4,000 million yen	
Date of Establishment	April 2, 2007		June 5, 1951	
Number of Issued and Outstanding Shares	Common stock 191,138 thousand shares		Common stock 2,737 thousand shares First series class A preferred stock 300 thousand shares	
Fiscal Year End	March 31		March 31	
Total Assets	29,171,912 million yen		570,111 million yen	
Net Assets	941,066 million yen		30,166 million yen	
Deposit Balance	20,085,823 million yen		493,864 million yen	
Loan Balance	16,703,622 million yen		433,110 million yen	
Number of Employees	7,830		462	
Major Shareholders and Respective Shareholding Ratios (By number of shares owned)	The Master Trust Bank of Japan, Ltd. (trust account)	18.15%	Fukuoka Bank	14.38%
	Custody Bank of Japan, Ltd. (trust account)	7.92%	Fukuoka Chuo Bank Employee Stock Ownership Association	7.20%
	Nippon Life Insurance Company	2.24%	Custody Bank of Japan, Ltd. (trust account 4)	7.02%
	Meiji Yasuda Life Insurance Company	2.15%	THE NISHI-NIPPON CITY BANK, LTD.	5.05%
	Sumitomo Life Insurance Company	1.99%	SAIBU GAS HOLDINGS CO., LTD.	4.76%
Relationship between the Companies which are Parties				

Capital Relationship	Fukuoka Bank, a subsidiary of Fukuoka Financial Group, holds 402 thousand shares of common stock and 30 thousand shares of first series class A preferred stock of Fukuoka Chuo Bank, and is a major shareholder and the largest shareholder among the major shareholders of Fukuoka Chuo Bank. Fukuoka Chuo Bank holds 744 thousand shares of common stock of Fukuoka Financial Group.
Personnel Relationship	Among the directors of Fukuoka Chuo Bank, Mr. Jiro Furumura, Mr. Eiji Araki, Mr. Keiichiro Fuse and Mr. Shoichi Masuda are former officers and employees of Fukuoka Financial Group or its subsidiary, Fukuoka Bank. These directors were not involved in the deliberations and resolutions of the board of directors regarding the Business Integration.
Business Relationship	There are no transactions other than ordinary interbank transactions.
Status as a Related Party	Not applicable.

- (2) Financial summary for the last three fiscal years (Unit: million yen, except as otherwise specified; The results of gross business profit, business profit, and core business profit show the sum of the non-consolidated results of Fukuoka Bank, The Kumamoto Bank, Ltd., and The Juhachi-Shinwa Bank, Ltd.

Fiscal Year	Fukuoka Financial Group (Consolidated)			Fukuoka Chuo Bank (Non-consolidated)		
	FY ended March 31, 2020	FY ended March 31, 2021	FY ended March 31, 2022	FY ended March 31, 2020	FY ended March 31, 2021	FY ended March 31, 2022
Net assets	853,062	958,833	941,066	29,122	30,733	30,166
Total assets	25,068,405	27,510,013	29,171,912	516,793	574,504	570,111
Net assets per share (yen)	4,487.30	5,043.70	4,949.87	9,646.13	10,223.62	10,083.89
Ordinary Income	283,186	274,754	280,427	9,472	9,377	8,758
Gross	201,256	202,535	204,938	7,654	7,699	7,423

business profit						
Business profit	18,174	92,362	88,701	960	788	1,308
Core business profit	78,871	79,678	97,535	960	1,094	1,127
Ordinary profit (loss)	(5,250)	60,427	76,086	582	798	1,273
Net income attributable to owners of the parent	110,607	44,647	54,118	544	519	869
Net income per share (yen)	581.83	234.86	284.69	199.74	172.47	301.73
Dividend per share (yen)	85.00	85.00	95.00	Common stock 50.00 First series class A preferred stock 10.55	Common stock 50.00 First series class A preferred stock 175.00	Common stock 60.00 First series class A preferred stock 175.00

7. Status after the Business Integration

	Wholly-owning parent company after the share exchange
(1) Name	Fukuoka Financial Group, Inc.
(2) Location	8-3, Otomon 1 chome, Chuo-ku, Fukuoka
(3) Name and Title of Representative	Hisashi Goto, President
(4) Description of Business	Banking business
(5) Stated Capital	124,799 million yen
(6) Fiscal Year End	March 31
(7) Net Assets	To be determined. (Not determined at present)
(8) Total Assets	To be determined. (Not determined at present)

8. Outline of Accounting Treatment

The accounting treatment associated with the Share Exchange falls under “acquisition” under the Accounting Standards for Business Combinations, and accordingly, it is expected that the Share Exchange will be treated by the purchase method with Fukuoka Financial Group as the acquiring company and Fukuoka Chuo Bank as the acquired company. At present, the amount of goodwill (and negative goodwill) arising from the Share Exchange is not determined, but will be announced as soon as it is determined.

9. Future Outlook

The impact of the Business Integration on the results of the Companies for the fiscal year ending March 31, 2023 is expected to be immaterial. The financial outlook, etc., of the Companies for the next and subsequent fiscal years is being prepared and will be announced as soon as it is determined.

10. Conditions Precedent to Execution of the Business Integration

The Business Integration shall be executed on the condition that the Share Exchange Agreement and the necessary matters for the Business Integration have been authorized at a general meeting of shareholders of Fukuoka Chuo Bank and that the authorization or approvals required for the execution of the Business Integration have been obtained from the relevant authorities.

(Reference) Consolidated earnings projections of Fukuoka Financial Group for the fiscal year ending March 31, 2023 (released on January 31, 2023) and consolidated results thereof for the prior fiscal year

(Unit: millions of yen)	Ordinary profit	Net income attributable to owners of the parent	Net income per share (yen)
Consolidated earnings projections for the current year (Fiscal year ending March 31, 2023)	45,000	30,500	162.07
Consolidated results for the prior year (Fiscal year ended March 31, 2022)	76,086	54,118	284.69

(Reference) Earnings projections of Fukuoka Chuo Bank for the fiscal year ending March 31, 2023 (released on February 7, 2023) and results thereof for the prior fiscal year

(Unit: millions of yen)	Ordinary profit	Net income	Net income per share (yen)
Earnings projections for the current year (Fiscal year ending March 31, 2023)	850	750	259.32
Results for the prior year (Fiscal year ended March 31, 2022)	1,273	869	301.73

<Contact for inquiries regarding this matter>

Fukuoka Financial Group: Corporate Planning Division, Corporate Strategy Group

Phone +81-92-723-2622

Fukuoka Chuo Bank: General Planning Division

Phone +81-92-751-4429

Attachment 1: Assumption and Disclaimer of Fairness Opinion provided by Nomura Securities Co., Ltd.

Nomura Securities Co., Ltd. (hereinafter referred to as “Nomura”) has assumed and relied upon the accuracy and completeness of all public information reviewed by Nomura and all financial, legal, regulatory, tax, accounting and other information provided to Nomura for the purpose of rendering the fairness opinion (hereinafter referred to as “Fairness Opinion”). Nomura did not independently verify the accuracy and completeness of such information, nor does Nomura assume any responsibility for doing so. Nomura has not made any independent valuation, appraisal or assessment of any of the assets or liabilities (including derivatives, off-balance sheet assets and liabilities, and other contingent liabilities) of Fukuoka Financial Group, Inc. (hereinafter referred to as “Fukuoka Financial Group”), THE FUKUOKA CHUO BANK, LTD. (hereinafter referred to as “Fukuoka Chuo Bank”) (hereinafter, “Fukuoka Financial Group” and “Fukuoka Chuo Bank” are collectively referred to as the “Companies”) and their affiliates, including analyses or valuations of individual assets or liabilities,. Moreover, Nomura has not made any request to a third party for such valuation, appraisal or assessment. With respect to the financial projections and other forward-looking information concerning Companies provided to Nomura, Nomura has assumed that such information was reasonably prepared or reviewed by the management of Fukuoka Financial Group based on the best and bona fide estimates and judgments currently available, and that the future financial condition of Companies will be consistent with such projections. In preparing Fairness Opinion, Nomura has relied upon such projections and other forward-looking information without independent verification. Nomura provides no assurance whatsoever concerning the achievability of such financial projections. Nomura has assumed, without independent verification and assumption of any responsibility thereof, that the share exchange setting the effective date for 1st October, 2023 between Fukuoka Financial group and Fukuoka Chuo Bank (hereinafter referred to as the “Proposed Transaction”) will be carried out lawfully and validly in accordance with the terms set forth in the stock exchange agreement signed on 14th March, 2023 between Companies (hereinafter referred to as the “Agreement”) and that the Proposed Transaction will not have any tax consequences different from the assumed consequences provided to Nomura. In addition, Nomura has assumed, without independent verification and assumption of any responsibility thereof, that all governmental, regulatory or other consents and approvals necessary for the consummation of the Proposed Transaction will be obtained without any adverse effect on the contemplated benefits of the Proposed Transaction and that the Proposed Transaction will be consummated in accordance with the terms of the Agreement, without waiver, modification or amendment of any material term or agreement therein. Nomura was not asked by Fukuoka Financial Group to provide, and has not provided, any opinion on any transaction other than the

Proposed Transaction or on the relative merits of the Proposed Transaction as compared to any other transaction. Nomura is under no obligation to Fukuoka Financial Group or its Board of Directors to solicit indications of interest from any third party in connection with the Proposed Transaction, nor did Nomura make any such solicitations.

Nomura has acted as the financial advisor to Fukuoka Financial Group in connection with the Proposed Transaction and has been involved in a part of the negotiation thereto. Nomura expects to receive from Fukuoka Financial Group fees for such services including a fee contingent on submission of Fairness Opinion and the consummation of the Proposed Transaction. In addition, Nomura expects to receive from Fukuoka Financial Group reimbursement of certain expenses incurred by Nomura and its affiliates. The waiver and indemnity clauses specified in the agreement between Nomura and Fukuoka Financial Group are applicable in connection with the rendering of Fairness Opinion. Nomura and its affiliates may have provided in the past and may in the future provide investment banking, other financial instruments and financing services or other similar services to Fukuoka Financial Group, Fukuoka Chuo Bank, or their affiliates, for which Nomura and its affiliates would expect to receive compensation. As of the date hereof, Nomura Holdings, Inc., Nomura's wholly owning parent company, and Nomura each owns 87,811 shares and 94,550 shares of common stock of Fukuoka Financial Group respectively. In the ordinary course of business, Nomura and its affiliates may from time to time acquire, hold or sell certain equity, debt and other securities and various types of financial instruments, including derivatives, of Fukuoka Financial Group, Fukuoka Chuo Bank, or their affiliates for Nomura's own account or Nomura's clients' accounts.

Nomura's opinion expressed in Fairness Opinion (hereinafter referred to as "Nomura's Opinion") is provided for the information and assistance of the Board of Directors of Fukuoka Financial Group in connection with the share exchange ratio for common stock between Fukuoka Financial Group and Fukuoka Chuo Bank (hereinafter referred to as the "Share Exchange Ratio"). Nomura's Opinion addresses only the fairness of the Share Exchange Ratio, from a financial point of view, under the conditions and assumptions set out in Fairness Opinion. Nomura was not asked to provide, and does not provide herein, any opinion on any of the premises or assumptions upon which the determination of the Share Exchange Ratio was based or the underlying business decision of Fukuoka Financial Group to proceed with the Proposed Transaction. Nomura's Opinion does not constitute a recommendation as to how any holder of the shares of Fukuoka Financial Group common stock should vote or act on any matter relating to the Proposed Transaction. Furthermore, Fairness Opinion does not purport to provide any opinion on the past, current and future market prices of the common stock of Fukuoka Financial Group and Fukuoka Chuo Bank or the common stock of Fukuoka

Financial Group, or the post share exchange company. Nomura does not provide independent advice related to legal, regulatory, tax and accounting matters in connection with the Prospected Transaction, and has relied upon the judgment of Fukuoka Financial Group or its third-party advisors concerning such matters.

Except as otherwise specially permitted under the agreement between Fukuoka Financial Group and Nomura, Fairness Opinion may not be disclosed to any other person or used for any purpose other than as originally intended. Fukuoka Financial Group may not disclose, refer to, transmit or use Fairness Opinion, in whole or in part, without Nomura's prior consent in writing.

Nomura's Opinion is based on financial, economic, market, business and other conditions as they exist on the date of Fairness Opinion, and relies upon information that Nomura has as of the date of Fairness Opinion. Although Nomura's Opinion may be affected by future changes in conditions, Nomura does not assume any responsibility to modify, change or supplement this opinion in the future.

Attachment 2: Assumptions, etc. of Mizuho Securities' Fairness Opinion

Mizuho Securities issued a written opinion (the "Opinion") on March 13, 2023 to the effect that the Share Exchange Ratio is appropriate for Fukuoka Chuo Bank's holders of its ordinary shares from a financial point of view, and it assumed the following points upon that issuance.

In rendering its opinion in the Opinion, Mizuho Securities has relied on and assumed the accuracy and completeness of all public information reviewed by Mizuho Securities and all financial information and other information that the companies provided to Mizuho Securities or that Mizuho Securities discussed with the companies (the "Basic Information"), and that formed the substantial basis of the analysis in this Opinion. Furthermore, Mizuho Securities has not independently verified the accuracy or completeness of such information and does not bear a responsibility or duty to make such an independent verification. If there was a matter that would render materially inaccurate the Basic Information, or there was a fact or situation that was not disclosed at the time of the delivery of the Opinion or that occurred after the delivery of the Opinion (including facts that potentially existed at the time of the delivery of the Opinion and later became clear), it is possible that the conclusion expressed in the Opinion would be different. Mizuho Securities has assumed that the management of the companies is not aware of any facts that would render incomplete or misleading on the information that was provided to Mizuho Securities or that Mizuho Securities discussed with the Fukuoka Chuo Bank. Furthermore, Mizuho Securities has not undertaken an independent evaluation or assessment of the assets or liabilities (including derivatives transactions, off-balance-sheet assets and liabilities or other contingent liabilities) or the reserves of the companies or their respective affiliates, it has not analyzed the appropriateness of valuations for accounting or taxation purposes or the suitability of accounting treatments or taxation treatments, and it has not been provided with any such evaluations, assessments, or analyses by a third party or requested them from a third party. Mizuho Securities does not bear a duty to assess the assets or facilities of the companies or their respective affiliates, and it has not evaluated the shareholders' equity or solvency of the companies or their respective affiliates based on laws regarding insolvency or bankruptcy, etc.

With the consent of Fukuoka Chuo Bank, Mizuho Securities has used assumptions that it considers reasonable and appropriate regarding information that was requested by Mizuho Securities during the preparation of the Opinion (i) that was not provided or disclosed by the companies, (ii) that although provided or disclosed has an uncertain

effect on the equity value of the companies at the present time, or (iii) that Mizuho Securities was unable to use as the basis of its evaluation even by other methods. The conclusion in the Opinion could differ in the event it becomes clear that such assumptions by Mizuho Securities differ from the facts in material respects.

Furthermore, Mizuho Securities has assumed that financial forecasts and other information regarding the future provided to Mizuho Securities (including forecasts regarding future profits and expenses, expectations of expenses reductions, and the companies' business plans) have been reasonably prepared by the companies' management based on the best currently available forecasts and judgments of the future business results and financial status of the companies and their respective affiliates. Mizuho Securities has relied on those financial forecasts and business plans without conducting any independent verifications of the feasibility of those financial forecasts and business plans, and Mizuho Securities is not expressing any judgment on the analyses or forecasts that are referenced in the Opinion, or on the assumptions that are the basis for those analyses or forecasts. In regard to synergy effects from this transaction, at the time of the delivery of the Opinion, Mizuho Securities is not aware of any matters that allow the qualitative evaluation of the possibility of a material effect on the expression of its opinion, and they have not been incorporated into the review under the Opinion. Mizuho Securities is not an expert in relation to law, regulation, or taxation, and it has relied on the evaluations carried out by the companies' outside experts regarding such matters. Since Mizuho Securities is not a licensed expertise in the field of laws, regulations or tax matters, it has relied on the evaluation by independent professionals retained by the companies. Furthermore, Mizuho Securities has assumed that this transaction is not taxable with respect to the companies under the Corporation Tax Act of Japan, and that other tax relationships regarding this transaction will not affect the Share Exchange Ratio.

Mizuho Securities has assumed, without conducting an independent verification, that this transaction will be completed in a timely fashion and that all consents and approvals of governmental and regulatory authorities or otherwise (regardless of whether legal or contractual) that are required to complete this transaction can be obtained without having any adverse effect on the companies or the benefit that is expected from this transaction, that the content of such consents and approvals will not affect the Share Exchange Ratio, and furthermore that any orders, measures, or dispositions that are issued or imposed on the companies by a regulatory authority, etc. will, except for those disclosed by the companies, either not have an effect on the companies' future results or will not occur in the future. It has also assumed that the companies and their respective affiliates have not in the past executed contracts, agreements, or any other documents that will have a material effect on the Share Exchange Ratio and have not made such decisions, and will

not execute such documents or make such decisions in the future, and that in the future the execution of this transaction will not breach a material agreement that is binding on the companies or their respective affiliates, and will not give rise to a right to cancel such a material agreement or a right to declare non-performance or exercise a remedy pursuant to such an agreement. Mizuho Securities has assumed that there are no contingent liabilities arising out of lawsuits or disputes, etc., or off-balance-sheet liabilities regarding the environment, taxation, or intellectual property rights, etc. on the part of the companies and their respective affiliates, except for those stated in the Basic Information, and the coverage of insurance policy contracted in connection with business of each company is sufficient in light with the operation of their business.

The Opinion is premised on the financial conditions, economic conditions, market conditions, and other conditions that existed and could be evaluated as of the date of the Opinion, and it relies on the information that Mizuho Securities had obtained as of the date of the Opinion. In addition, information that Mizuho Securities had obtained as of the date of the Opinion, and facts that are potentially included in such information, whose effect on the equity value of the companies were not necessarily clear as of the date of the Opinion were not subject to the review by Mizuho Securities. Mizuho Securities has also assumed that, now and in the future, there would be no technological innovation or other major technical changes that would materially affect the financial and business projections currently assumed by each company. Consequently, it is possible that the opinion of Mizuho Securities will be affected if the facts that were assumed in the review under the Opinion have changed or had an effect on or after the date of the Opinion, or an effect on equity value due to the discovery of potential facts such as those described above has become clear, but Mizuho Securities will not be obliged to amend, update, supplement or reconfirm the Opinion.

Mizuho Securities is expected to receive a fee (including success fee on the condition that this transaction is completed) from Fukuoka Chuo Bank as consideration for its services as a financial advisor of Fukuoka Chuo Bank in relation to this transaction. In the past, Mizuho Securities and its group companies provided financial advisory services, fundraising support services and other services to companies and their affiliates, for which Mizuho Securities and its group companies have received compensation. Fukuoka Chuo Bank has agreed to indemnify Mizuho Securities for certain obligations that arise on the part of Mizuho Securities due to its participation, including in relation to the submission of the Opinion. Furthermore, in the ordinary course of business or in relation to this transaction, Mizuho Securities or companies in the Mizuho Financial Group of which Mizuho Securities is a member may, on their own accounts or on customers' accounts, underwrite, hold, or sell various financial instruments including certain shares,

bonds or other securities issued by either of the companies or their respective affiliates, and they may possibly hold positions in such financial instruments at any time, and may possibly carry out derivatives transactions pertaining to either of the companies or their respective affiliates, or to various financial instruments issued by those companies. In addition, it is possible that Mizuho Securities or companies in the Mizuho Financial Group of which Mizuho Securities is a member may, in the course of ordinary business or in relation to this transaction, have financing or other transactional relationships with either of the companies or their respective affiliates and receive consideration regarding such acts.

Mizuho Securities was not required to submit an opinion on proceeding with this transaction or on the business decision-making at Fukuoka Chuo Bank that is the premise for executing this transaction, and Mizuho Securities' opinion does not cover such matters in any respect. In addition, Mizuho Securities was not requested to submit an opinion on transactions other than this transaction or on the comparative merits and demerits of this transaction and other transactions, and such opinions are not represented in the Opinion. Mizuho Securities does not bear a duty to encourage Fukuoka Chuo Bank or the board of directors of Fukuoka Chuo Bank to gather the concerns of third parties related to this transaction, and it has not carried out such encouragement.

Mizuho Securities' opinion is limited to whether the Share Exchange Ratio is appropriate for the common shareholders of Fukuoka Chuo Bank from a financial point of view as of the date of the Opinion, and Mizuho Securities has not represented an opinion regarding the appropriateness of the Share Exchange Ratio for holders of other types of securities, creditors, or other related parties of Fukuoka Chuo Bank. Furthermore, Mizuho Securities has not represented an opinion regarding the amount or quality of remuneration related to this transaction, or the appropriateness of such remuneration, for any directors, executive officers, employees, or equivalent persons of the companies.