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Securities code: 8524

Date of sending by postal mail: June 4, 2024

Start date of measures for electronic provision: May 28, 2024

To our shareholders:

Hironobu Tsuyama
Director and President
North Pacific Bank, Ltd.
7, Odori Nishi 3-chome, Chuo-ku, Sapporo, Hokkaido

NOTICE OF THE 168TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 168th Ordinary General Meeting of Shareholders of North Pacific Bank, Ltd. (the “Bank”), which will be held as described below. In convening this General Meeting of Shareholders, the Bank has taken measures to provide electronically the information contained in Reference Documents for the General Meeting of Shareholders, etc. (matters for which electronic provision measures are taken), and has posted the information on the Bank’s website, etc. Please access the websites by using the Internet address shown below to review the information.

The Bank’s website:

<https://www.hokuyobank.co.jp/ir/shareholder/meeting.html> (in Japanese)

In addition to posting matters for which electronic provision measures are taken on the website above, the Bank also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information from the latter website, access the TSE website (Listed Company Search) by using the Internet address shown below, enter “North Pacific Bank, Ltd.” in the “issue name (company name)” or “8524” in the “securities code,” and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/8524/teiji/> (in Japanese)

If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet, etc., or by postal mail. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m., Tuesday, June 25, 2024 (JST).

Regarding the exercise of your voting rights, please refer to “Instructions on Exercising Voting Rights” on the next page.

- 1. Date and Time:** Wednesday, June 26, 2024 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** Banquet room “Hou-ou (鳳凰),” 2nd floor, Hotel Sapporo Garden Palace
3-1, Kita 1-jyo Nishi 6-chome, Chuo-ku, Sapporo, Hokkaido, Japan

3. Purposes:

Items to be reported:

1. Business Report and Non-Consolidated Financial Statements for the 168th Term (from April 1, 2023 to March 31, 2024)
2. Consolidated Financial Statements for the 168th Term (from April 1, 2023 to March 31, 2024) and the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

Items to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Amendments to the Articles of Incorporation
- Proposal 3:** Election of six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 4:** Election of four (4) Directors who are Audit and Supervisory Committee Members
- Proposal 5:** Setting remuneration amounts for Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 6:** Setting remuneration amounts for Directors who are Audit and Supervisory Committee Members
- Proposal 7:** Partial revision to remuneration, etc., amounts and contents related to the performance-linked share remuneration system for Directors (excluding Directors who are Audit and Supervisory Committee Members and External Directors)

4. Instructions on Exercising Voting Rights

- (1) If attending the meeting in person, please present your voting form at the reception desk.
 - (2) If you exercise your voting rights in writing (by postal mail) and your voting form does not indicate your approval or disapproval for the proposals, you will be deemed to have indicated approval.
 - (3) If you exercise your voting rights in duplicate by voting form and via the Internet, etc., the voting rights exercised via the Internet, etc., shall be deemed valid. If you exercise your voting rights multiple times via the Internet, etc., the last exercise of voting rights shall be deemed valid.
 - (4) If you wish to make a diverse exercise of your voting rights, please notify the Bank in writing of your intention to do so and the reasons thereof at least three (3) days prior to the date of the ordinary general meeting of shareholders.
 - (5) In the case of attendance by proxy, please present your voting form and a letter of proxy at the reception desk. The qualified proxy is limited to one shareholder having voting rights for this general meeting.
- Paper-based documents stating matters for which electronic provision measures are taken are sent to shareholders who have requested the delivery of paper-based documents, however those documents do not include the following matters in accordance with the provisions of laws and regulations and Article 16, paragraph 2 of the Bank's Articles of Incorporation.
- (i) "Systems to ensure operational appropriateness" in the Business Report
 - (ii) "Non-consolidated Statement of Changes in Net Assets" and "Notes to Non-consolidated Financial Statements" in the Non-Consolidated Financial Statements
 - (iii) "Consolidated Statement of Changes in Net Assets" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
- Accordingly, the Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements included in the paper-based documents are part of the documents audited by the Accounting Auditor and the Audit & Supervisory Board in preparing their respective Audit Reports.
- If revisions to the matters for which electronic provision measures are taken arise, a notice of the changes and the details of the matters before and after the revisions will be posted on the Bank's aforementioned website, the TSE website, and the website for posted informational materials for the general meeting of shareholders.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of surplus

The Bank's basic policy is to provide a comprehensive return of profits to shareholders through the performance-linked dividend system which includes stable dividend payments, and repurchase of treasury shares, etc., taking into consideration such factors as trends in the capital adequacy ratio and performance and changes in the business environment from the perspective of ensuring sound management in view of the public nature of the banking business. Under this policy, the Bank proposes the year-end dividend of surplus for the fiscal year ended March 31, 2024 as follows.

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof to shareholders
5.0 yen per common share of the Bank
Total amount of dividends: 1,930,540,555 yen
- (3) Effective date of distribution of dividends of surplus
Common share of the Bank: June 27, 2024

As a result, the annual dividend for the fiscal year ended March 31, 2024 will be 10.0 yen per common share including the interim dividend of 5.0 yen per common share, as stated in the dividend forecast announced on May 15, 2023. Regarding dividends starting in fiscal 2024 (fiscal year ending March 31, 2025), while maintaining a stable dividend, dividend policy will be integrated with the dividend payout ratio for a system that is easier to understand for shareholders. In addition, we will target a total return ratio* of 50% and work to further enhance profit returns to shareholders by flexibly and agilely repurchasing treasury shares.

*Total return ratio = (total annual dividend + total treasury shares repurchased) / profit attributable to shareholders of parent

<Changes in shareholder returns policy>

	Item	Contents
Before change	Ordinary dividend	We intend to pay an annual dividend of 10 yen per common share in order to be able to pay stable dividends.
	Performance-linked dividend	When the profit attributable to shareholders of parent for the entire fiscal year is more than 15 billion yen, we intend to aim for a payment of 30% of the amount over 15 billion yen.
	Repurchase of treasury shares	After the amount of the year-end dividend, which is an item to be resolved in the Ordinary General Meeting of Shareholders, is approved by the Board of Directors, the Bank is planning to purchase its own shares to make the total amount of the annual dividends and treasury shares 40% of the profit attributable to shareholders of parent. If the annual dividend amount exceeds 40% of the profit attributable to shareholders of parent, the Bank will not purchase its own shares.

	Item	Contents
After change	Ordinary dividend	Dividend payout ratio of 30% or higher while maintaining an annual dividend of 10 yen per share to be able to pay stable dividends.
	Performance-linked dividend	- (Abolished)
	Repurchase of treasury shares	While considering capital adequacy ratio levels, performance forecasts, and the external environment, the total amount of annual dividends and repurchased treasury shares shall target 50% of the profit attributable to shareholders of parent, and treasury shares shall be repurchased with flexibility and agility.

Proposal 2: Amendments to the Articles of Incorporation

1. Reasons for the amendment

- (1) The Bank proposes changing to a Company with Audit and Supervisory Committee to further strengthen corporate governance and to work for sustained growth and to raise corporate value over the medium- to long-term.
Accordingly, the Bank’s Articles of Incorporation are to be amended to establish new provisions related to the Audit and Supervisory Committee and Directors who are Audit and Supervisory Committee Members and to delete provisions on the Audit & Supervisory Board and Audit & Supervisory Board Members. In addition, a Company with Audit and Supervisory Committee can stipulate in its Articles of Incorporation that important decisions on business execution be delegated to the Board of Directors in part or in full, so the new provisions are needed to make it possible to further expedite managerial decision-making and business execution.
- (2) For an agile capital policy and dividend policy, provisions are to be changed so that it becomes possible for the Board of Directors to make resolutions on dividends of surplus, etc., as stipulated in Article 459, Paragraph 1 of the Companies Act. Provisions will not be established in the Articles of Incorporation based on Article 460, Paragraph 1 of the Companies Act (Restrictions on Rights of Shareholders), so dividends of surplus, etc., made by resolution of the Ordinary General Meeting of Shareholders will not be eliminated.
- (3) Further, necessary changes are to be made such as revisions to original terms in relation to the aforementioned changes.

2. Details of amendment

The details of amendments are as follows.

This amendment to the Articles of Incorporation will become effective at the close of this General Meeting of Shareholders.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendment
Chapter I General Provisions Article 1 to Article 4 <text omitted>	Chapter I General Provisions Article 1 to Article 4 <as currently written>
Chapter II Stock Article 5 to Article 9 <text omitted>	Chapter II Stock Article 5 to Article 9 <as currently written>
(Shareholder Register Administrator) Article 10 (1) The Bank shall have a shareholder register administrator. (2) The shareholder register administrator and place where administration is handled shall be stipulated <u>by resolution of the Board of Directors</u> and notified publicly. (3) The creation and keeping of the Bank’s shareholder register and share option register and other share-related administration shall be handled by the shareholder register administrator and shall not be handled by the Bank.	(Shareholder Register Administrator) Article 10 (1) The Bank shall have a shareholder register administrator. (2) The shareholder register administrator and place where administration is handled shall be stipulated by resolution of the Board of Directors <u>or by a Director delegated by resolution of the Board of Directors</u> and notified publicly. (3) The creation and keeping of the Bank’s shareholder register and share option register and other share-related administration shall be handled by the shareholder register administrator and shall not be handled by the Bank.
(Share Handling Rules) Article 11 The Bank’s procedures for exercising stockholder’s rights and other handling related to shares and share acquisition rights shall accord with the law, regulations, Articles of Incorporation and share handling rules stipulated <u>by</u> the Board of Directors.	(Share Handling Rules) Article 11 The Bank’s procedures for exercising stockholder’s rights and other handling related to shares and share acquisition rights shall accord with the law, regulations, Articles of Incorporation and share handling rules stipulated by the Board of Directors <u>or a Director delegated by resolution of the Board of Directors</u> .
Article 12 <text omitted>	Article 12 <as currently written>

<p style="text-align: center;">Chapter III General Meeting of Shareholders Article 13 to Article 19 <text omitted></p> <p>Article 20 <u>Deleted</u></p> <p style="text-align: center;">Chapter IV Directors and Board of Directors (Number of Members) Article <u>21</u> The Bank's Board of Directors shall have no more than <u>14</u> members.</p> <p style="text-align: center;"><New></p> <p>(Election) Article <u>22</u> (1) The Bank's Directors shall be elected by resolution of the General Meeting of Shareholders.</p> <p>(2) The election resolution referred to in the preceding paragraph shall take place by a majority vote of shareholders with at least one-third of the voting rights of shareholders capable of exercising them in attendance.</p> <p>(3) Resolutions on the election of Directors shall not be by cumulative voting.</p> <p>(Term of Office) Article <u>23</u> The term of office of Directors shall be until the close of the final General Meeting of Shareholders held within the fiscal year that ends within one year of election.</p> <p style="text-align: center;"><New></p> <p style="text-align: center;"><New></p> <p style="text-align: center;"><New></p> <p>Article <u>24</u> <text omitted></p>	<p style="text-align: center;">Chapter III General Meeting of Shareholders Article 13 to Article 19 <as currently written></p> <p style="text-align: center;"><Deleted></p> <p style="text-align: center;">Chapter IV Directors and Board of Directors (Number of Members) Article <u>20</u> (1) <u>The Bank shall have no more than seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members (hereinafter referred to as "Audit and Supervisory Committee Members"))</u>.</p> <p>(2) <u>The Bank's Audit and Supervisory Committee shall have no more than six (6) members.</u></p> <p>(Election) Article <u>21</u> (1) The Bank's Directors <u>shall be divided between Audit and Supervisory Committee Members and other Directors</u> and shall be elected by resolution of the General Meeting of Shareholders.</p> <p>(2) The election resolution referred to in the preceding paragraph shall take place by a majority vote of shareholders with at least one-third of the voting rights of shareholders capable of exercising them in attendance.</p> <p>(3) Resolutions on the election of Directors shall not be by cumulative voting.</p> <p>(Term of Office) Article <u>22</u> (1) <u>The term of office of Directors (excluding Audit and Supervisory Committee Members) shall be until the close of the final General Meeting of Shareholders held within the fiscal year that ends within one year of election.</u></p> <p>(2) <u>The term of office of Audit and Supervisory Committee Members shall be until the close of the final General Meeting of Shareholders held within the fiscal year that ends within two years of election.</u></p> <p>(3) <u>The term of office of an Audit and Supervisory Committee Member appointed as a substitute for an Audit and Supervisory Committee Member that stepped down before the end of the term shall be until the end of the term of the Audit and Supervisory Committee Member that stepped down.</u></p> <p>(4) <u>The effectiveness of the election of an Audit and Supervisory Committee Member appointed as a substitute under Article 329, Paragraph 3 of the Companies Act shall be until the close of the final General Meeting of Shareholders held within the fiscal year that ends within two years of election.</u></p> <p>Article <u>23</u> <as currently written></p>
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<p>(Executive Directors) Article <u>25</u> The Board of Directors, by resolution, may select from among Directors one Director and President or one Director and Chairman and one Director and Deputy Chairman and may select a small number of Directors and Deputy Presidents, Senior Managing Directors and Managing Directors.</p> <p>Article <u>26</u> <text omitted></p> <p>(Remuneration, etc., for Directors) Article <u>27</u> Director remuneration, bonuses, and other financial benefits received from the Bank as compensation for rendering duties (<u>hereinafter referred to as "Remuneration, etc."</u>) shall be decided by resolution of the General Meeting of Shareholders.</p> <p>Article <u>28</u> <text omitted> (Convocation Notice for the Board of Directors)</p> <p>Article <u>29</u> (1) When meetings of the Board of Directors are convened, Directors <u>and Audit & Supervisory Board Members</u> shall be notified three days in advance of the meeting. However, this period may be shortened when matters are urgent. (2) Meetings of the Board of Directors may be held without following convocation procedures when there is agreement among all Directors <u>and Audit & Supervisory Board Members</u>.</p> <p>Article <u>30</u> <text omitted></p> <p>(Method of Resolutions) Article <u>31</u> (1) Resolutions by the Board of Directors shall be made by majority vote when a majority of Directors that can participate in the vote are in attendance, except in cases otherwise stipulated by law. (2) Regarding resolutions by the Board of Directors, when agreement is expressed in writing by all Directors (limited to those Directors capable of participating in the vote), the Bank shall regard a resolution of the Board of Directors as having been made approving the matter in question. <u>However, this does not apply when an Audit & Supervisory Board Member has made an objection to the resolution in question.</u></p> <p style="text-align: center;"><New></p>	<p>(Executive Directors) Article <u>24</u> The Board of Directors, by resolution, may select from among Directors (<u>excluding Audit and Supervisory Committee Members</u>) one Director and President or one Director and Chairman and one Director and Deputy Chairman and may select a small number of Directors and Deputy Presidents, Senior Managing Directors and Managing Directors.</p> <p>Article <u>25</u> <as currently written></p> <p>(Remuneration, etc., for Directors) Article <u>26</u> Director remuneration, bonuses, and other financial benefits received from the Bank as compensation for rendering duties <u>shall have the distinction made between Audit and Supervisory Committee Members and other Directors</u> and be decided by resolution of the General Meeting of Shareholders.</p> <p>Article <u>27</u> <as currently written> (Convocation Notice for the Board of Directors)</p> <p>Article <u>28</u> (1) When meetings of the Board of Directors are convened, Directors shall be notified three days in advance of the meeting. However, this period may be shortened when matters are urgent. (2) Meetings of the Board of Directors may be held without following convocation procedures when there is agreement among all Directors.</p> <p>Article <u>29</u> <as currently written></p> <p>(Method of Resolutions) Article <u>30</u> (1) Resolutions by the Board of Directors shall be made by majority vote when a majority of Directors that can participate in the vote are in attendance, except in cases otherwise stipulated by law. (2) Regarding resolutions by the Board of Directors, when agreement is expressed in writing <u>or by electronic means</u> by all Directors (limited to those Directors capable of participating in the vote), the Bank shall regard a resolution of the Board of Directors as having been made approving the matter in question.</p> <p><u>(Delegation of Decisions on Important Business Execution to Directors)</u> Article <u>31</u> <u>In accordance with the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Bank may delegate decisions on important business execution (excluding matters enumerated in Paragraph 5 of the same article) in part or in full to Directors by resolution of the Board of Directors.</u></p>
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<p>(Board of Director Meeting Minutes) Article 32 Minutes to meetings of the Board of Directors shall be created in accordance with the law and signed <u>or</u> stamped by Directors, <u>and Audit & Supervisory Board Members</u> in attendance.</p> <p>Article 33 <text omitted></p> <p style="text-align: center;">Chapter V <u>Audit & Supervisory Board Members and the Audit & Supervisory Board</u></p> <p>(Establishment of <u>Audit & Supervisory Board Members and the Audit & Supervisory Board</u>) Article 34 The Bank shall appoint <u>Audit & Supervisory Board Members</u> and establish the <u>Audit & Supervisory Board</u>.</p> <p>(<u>Number of Members</u>) Article 35 <u>The Bank shall have no more than five (5) Audit & Supervisory Board Members.</u></p> <p>(<u>Election</u>) Article 36 (1) <u>The Bank's Audit & Supervisory Board Members shall be elected by resolution of the General Meeting of Shareholders.</u> (2) <u>The election resolution referred to in the preceding paragraph shall take place by a majority vote of shareholders with at least one-third of the voting rights of shareholders capable of exercising them in attendance.</u></p> <p>(<u>Term of Office</u>) Article 37 (1) <u>The term of office of Audit & Supervisory Board Members shall be until the close of the final General Meeting of Shareholders held within the fiscal year that ends within four years of election.</u> (2) <u>The term of office of Audit & Supervisory Board Members selected as substitute shall be until the end of the term of office of the Audit & Supervisory Board Members that stepped down.</u></p> <p>(<u>Standing Audit & Supervisory Board Members</u>) Article 38 <u>The Audit & Supervisory Board shall select standing Audit & Supervisory Board Members from among Audit & Supervisory Board Members.</u></p> <p>(<u>Audit & Supervisory Board Members remuneration</u>) Article 39 <u>Remuneration, etc., for Audit & Supervisory Board Members shall be determined by resolution of the General Meeting of Shareholders.</u></p>	<p>(Board of Director Meeting Minutes) Article 32 Minutes to meetings of the Board of Directors shall be created in accordance with the law and signed <u>or</u> stamped <u>or electronically signed</u> by Directors in attendance.</p> <p>Article 33 <as currently written></p> <p style="text-align: center;">Chapter V <u>Audit and Supervisory Committee</u></p> <p>(Establishment of an <u>Audit and Supervisory Committee</u>) Article 34 The Bank shall establish the <u>Audit and Supervisory Committee.</u></p> <p style="text-align: right;"><Deleted></p> <p style="text-align: right;"><Deleted></p> <p style="text-align: right;"><Deleted></p> <p>(<u>Standing Audit and Supervisory Committee Members</u>) Article 35 <u>The Audit and Supervisory Committee may select standing Audit and Supervisory Committee Members from among Audit and Supervisory Committee Members by resolution.</u></p> <p style="text-align: right;"><Deleted></p>
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(Convocation of Audit & Supervisory Board Meetings)

Article 40

- (1) When meetings of the Audit & Supervisory Board are convened, Audit & Supervisory Board Members shall be notified three days in advance of the meeting. However, this period may be shortened when matters are urgent.
- (2) Meetings of the Audit & Supervisory Board may be held without following convocation procedures when there is agreement among all Audit & Supervisory Board Members.

(Administration)

Article 41

Administration of the Audit & Supervisory Board shall accord with the law, regulations, Articles of Incorporation and the rules of the Audit & Supervisory Board stipulated by the Audit & Supervisory Board.

(Method of Resolutions)

Article 42

Resolutions by the Audit & Supervisory Board shall be by majority vote of Audit & Supervisory Board Members unless otherwise stipulated by law.

(Audit & Supervisory Board Meeting Minutes)

Article 43

Minutes to meetings of the Audit & Supervisory Board shall be created in accordance with the law and signed or stamped by Audit & Supervisory Board Members in attendance.

(Liability Exemption for External Audit & Supervisory Board Members)

Article 44

The Bank may enter into agreements with External Audit & Supervisory Board Members limiting liability under Article 423, Paragraph 1 of the Companies Act in accordance with Article 427, Paragraph 1 of the act. However, the upper limit of liability based on the agreement is the higher of either the pre-determined amount of 10.00 million yen or higher or the amount established by law.

Chapter VI
Financial Auditor

Article 45 to Article 47 <text omitted>

(Remuneration, etc.)

Article 48

Remuneration, etc., for the Financial Auditor shall be determined by the Representative Director upon approval by the Audit & Supervisory Board.

Chapter VII
Calculations

Article 49 <text omitted>

(Convocation of Audit and Supervisory Committee Meetings)

Article 36

- (1) When meetings of the Audit and Supervisory Committee are convened, Audit and Supervisory Committee Members shall be notified three days in advance of the meeting. However, this period may be shortened when matters are urgent.
- (2) Meetings of the Audit and Supervisory Committee may be held without following convocation procedures when there is agreement among all Audit and Supervisory Committee Members.

(Rules of the Audit and Supervisory Committee)

Article 37

Matters related to the Audit and Supervisory Committee shall accord with the law, regulations, Articles of Incorporation and the rules of the Audit and Supervisory Committee stipulated by the Audit and Supervisory Committee.

(Method of Resolutions)

Article 38

Resolutions by the Audit and Supervisory Committee shall be by majority vote when a majority of Audit and Supervisory Committee Members are in attendance unless otherwise stipulated by law.

(Audit and Supervisory Committee Meeting Minutes)

Article 39

Minutes to meetings of the Audit and Supervisory Committee shall be created in accordance with the law and signed or stamped, or electronically signed, by Audit and Supervisory Committee Members in attendance.

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Chapter VI
Financial Auditor

Article 40 to Article 42 <as currently written>

(Remuneration, etc.)

Article 43

Remuneration, etc., for the Financial Auditor shall be determined by the Representative Director upon approval by the Audit and Supervisory Committee.

Chapter VII
Calculations

Article 44 <as currently written>

<p>(Allocation of Surplus) Article <u>50</u> The Bank's <u>surplus shall be allocated</u> by resolution of the <u>General Meeting of Shareholders unless otherwise</u> stipulated by law.</p> <p>(Appropriation of Surplus) Article <u>51</u> The Bank's dividend of surplus shall be made to shareholders or registered pledgees recorded or listed in the final register of shareholders as of March 31 of each year.</p> <p style="text-align: center;"><New></p> <p style="text-align: center;"><New></p> <p>(Interim Dividends) Article <u>52</u> <u>The Bank may allocate an interim dividend to shareholders or registered pledgees recorded or listed in the final register of shareholders as of September 30 of each year by resolution of the Board Directors.</u></p> <p>Article <u>53</u> <text omitted></p> <p>Supplementary Provisions Article 1 to Article 2 <text omitted></p>	<p>(Allocation of Surplus) Article <u>45</u> <u>Unless otherwise stipulated by law, the Bank may decide on matters enumerated in Article 459, Paragraph 1 of the Companies Act</u> by resolution of the <u>Board of Directors</u>.</p> <p>(Appropriation of Surplus) Article <u>46</u> (1) <u>The Bank's year-end dividend of surplus shall be made to shareholders or registered pledgees recorded or listed in the final register of shareholders as of March 31 of each year.</u> (2) <u>The Bank's interim dividend of surplus may be made to shareholders or registered pledgees recorded or listed in the final register of shareholders as of September 30 of each year.</u> (3) <u>In addition to the two preceding paragraphs, the Bank may set a date of record and distribute a dividend of surplus to shareholders or registered pledgees recorded or listed in the final register of shareholders as of that date.</u></p> <p style="text-align: center;"><Deleted></p> <p>Article <u>47</u> <as currently written></p> <p>Supplementary Provisions Article 1 to Article 2 <as currently written></p>
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Proposal 3: Election of six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The term of office for the current ten (10) Directors will expire at the conclusion of the 168th Ordinary General Meeting of Shareholders. If Proposal 2, “Amendments to the Articles of Incorporation,” is approved as written, the Bank will change to a Company with Audit and Supervisory Committee.

The Company therefore proposes to elect six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members) after the change to a Company with Audit and Supervisory Committee.

Regarding the candidates for Director, in order to ensure the objectivity of nominations, candidates were decided by the Board of Directors following deliberations by the Nomination and Remuneration Advisory Committee, which has Independent External Officers as its majorities.

Regarding this proposal, it shall go into effect only if the changes to the Articles of Incorporation in Proposal 2 go into effect.

The candidates for Director (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

No.	Name	Position in the Bank	Attribute	Responsibility
1	Mitsuharu Yasuda	Director and Chairman	[Reelection]	Responsible for Group and General Secretariat
2	Hironobu Tsuyama	Director and President (Representative Director)	[Reelection]	Responsible for Personnel Department and Risk Management Department
3	Hitoshi Masuda	Senior Managing Director	[Reelection]	Head Office Manager
4	Akira Yamada	Director	[Reelection]	Responsible for Corporate Business Promotion Department (as General Manager), Corporate Solutions Department (as General Manager), Local Industry Support Department, International Department, and Loan Administration Department
5	Kazushi Yoneta	Director	[Reelection]	Responsible for Management Planning Department, Branch Support Department (as General Manager), Retail Business Promotion Department, Personal Loan Department, Digital Marketing Department, and Retail Consulting Department
6	Toshiaki Kobe	External Director	[Reelection] [External] [Independent]	—

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
1	Mitsuharu Yasuda (date of birth: October 5, 1959) [Reelection] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 10 years Male	Apr. 1983 Joined Hokuyo Sogo Bank, Ltd. (currently the Bank) June 2013 Executive Officer and General Manager, Loan Administration Department I, the Bank June 2014 Director and General Manager, Management Planning Department, the Bank June 2016 Managing Director, the Bank Apr. 2018 Director and President, the Bank Apr. 2024 Director and Chairman, the Bank (present position) [Significant concurrent positions outside the Bank] Audit & Supervisory Board Member (External), Hokkaido Railway Company	121,200
[Reason for selection as Director nominee] Mitsuharu Yasuda has successively held positions such as General Manager of the Loan Administration Department I and General Manager of the Management Planning Department. He has broad knowledge and experience regarding the banking operations. He held positions such as General Manager of the Corporate Banking Promotion Headquarters and was responsible for the Business Strategy Department and the banking departments in his capacity as Managing Director from June 2016, and was Director and President from April 2018 to March 2024. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value as well as to make contribution to local economy and so made him a candidate for Director.			
2	Hironobu Tsuyama (date of birth: February 17, 1968) [Reelection] Attendance at meetings of the Board of Directors 10/10 (100%) Number of years in office as a Director 1 year Male	Apr. 1991 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank Apr. 2019 Executive Officer and General Manager, Management Planning Department, the Bank Apr. 2020 Executive Officer and Deputy Head Office Manager, the Bank June 2021 Managing Executive Officer and Branch Manager, Obihiro-Chuo Branch, Branch Manager, Obihiro-Nishi Branch, and Branch Manager, Obihiro-Minami Branch, the Bank June 2023 Managing Director, the Bank Apr. 2024 Director and President, the Bank (present position)	14,500
[Reason for selection as Director nominee] Hironobu Tsuyama has successively held positions such as General Manager of the Management Planning Department and Branch Manager of the Obihiro-Chuo Branch. He has broad knowledge and experience regarding the banking operations. He has been responsible for the Management Planning Department and Personnel Department, etc., in his capacity as Managing Director since June 2023, and has been appropriately fulfilling those duties and responsibilities. He assumed the office of president in April 2024, and the Bank concluded based on the new perception for the future of the Bank that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value as well as to make contribution to local economy and so made him a candidate for Director.			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
3	Hitoshi Masuda (date of birth: October 30, 1964) [Reelection] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 3 years Male	Apr. 1987 Joined Hokuyo Sogo Bank, Ltd. (currently the Bank) Apr. 2017 Executive Officer and Branch Manager, Tomakomai-Chuo Branch, the Bank Apr. 2019 Managing Executive Officer and Branch Manager, Obihiro-Chuo Branch, the Bank June 2021 Managing Director, the Bank June 2022 Senior Managing Director, the Bank (present position)	28,800
	[Reason for selection as Director nominee] Hitoshi Masuda has successively held positions such as Branch Manager of the Tomakomai-Chuo Branch, and Branch Manager of Obihiro-Chuo Branch. He has broad knowledge and experience regarding the banking operations. He has worked as Head Office Manager in his capacity as Senior Managing Director since June 2022, and has been appropriately fulfilling those duties and responsibilities. Therefore, the Bank concluded based on the new perception for the future of the Bank while being attentive to our customers, that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value as well as to make a contribution to the local economy and so made him a candidate for Director.		
4	Akira Yamada (date of birth: July 2, 1966) [Reelection] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 2 years Male	Apr. 1990 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank Apr. 2019 Executive Officer and Deputy Head Office Manager, the Bank Mar. 2020 Executive Officer and Deputy Head Office Manager, and General Manager, Corporate Business Department, the Bank Apr. 2020 Managing Executive Officer and Branch Manager, Hakodate-Chuo Branch, and Branch Manager, Suehirocho Branch, the Bank Apr. 2022 Managing Executive Officer and General Manager, Corporate Business Promotion Department, and General Manager, Corporate Solutions Department, the Bank June 2022 Director, the Bank (present position)	11,800
	[Reason for selection as Director nominee] Akira Yamada has successively held positions such as Deputy Head Office Manager and Branch Manager of the Hakodate-Chuo Branch. He has broad knowledge and experience regarding the banking operations. Currently he works as General Manager of the Corporate Business Promotion Department and General Manager of the Corporate Solutions Department in his capacity as Director and has been appropriately fulfilling those duties and responsibilities. Therefore, the Bank concluded based on the new perception for the future of the Bank that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value as well as to make a contribution to the local economy and so made him a candidate for Director.		

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
5	Kazushi Yoneta (date of birth: March 27, 1965) [Reelection] Attendance at meetings of the Board of Directors 10/10 (100%) Number of years in office as a Director 1 year Male	Apr. 1989 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank June 2020 Executive Officer and General Manager, Corporate Solutions Department, the Bank June 2021 Managing Executive Officer and General Manager, Corporate Solutions Department, and General Manager, Corporate Business Promotion Department, the Bank Apr. 2022 Managing Executive Officer and Branch Manager, Hakodate-Chuo Branch, and Branch Manager, Suehirocho Branch, the Bank June 2023 Director, the Bank (present position)	16,000
<p>[Reason for selection as Director nominee]</p> <p>Kazushi Yoneta has successively held positions such as General Manager of the Corporate Solutions Department and General Manager of the Corporate Business Promotion Department. He has broad knowledge and experience regarding the banking operations. He currently works as General Manager of the Branch Support Department in his capacity as Director, and has been appropriately fulfilling those duties and responsibilities. Therefore, the Bank concluded based on the new perception for the future of the Bank that he can contribute to the Bank's continued growth and increase in medium- to long-term corporate value as well as to make a contribution to the local economy and so made him a candidate for Director.</p>			
6	Toshiaki Kobe (date of birth: January 9, 1964) [Reelection] [External] [Independent] Attendance at meetings of the Board of Directors 10/10 (100%) Number of years in office as a Director 1 year Male	Apr. 1988 Joined The Hokkaido Takushoku Bank, Ltd. Dec. 1997 Retired from The Hokkaido Takushoku Bank, Ltd. Oct. 2002 Registered as an attorney Oct. 2006 Established Kobe Law Office Jan. 2009 Established Kobe Law Office, LPC Oct. 2014 Office name changed to Kobe Manji and Fukuda Law Office Representative Partner (present position) June 2018 Director (External), Nippon Grande Co., Ltd. (present position) June 2023 Director (External), the Bank (present position) [Significant concurrent positions outside the Bank] Representative Partner, Kobe Manji and Fukuda Law Office Director (External), Nippon Grande Co., Ltd.	-
<p>[Reason for selection as Director nominee and overview of expected roles]</p> <p>Toshiaki Kobe is a leading attorney and has varied experiences and specialized knowledge on legal operations. The Bank places the highest priority on compliance management, and so has concluded that he can continue to contribute to active proposals to management and constructive discussions at meetings of the Board of Directors, etc., and supervision of the management through his expertise in legal risk, compliance, and corporate legal operations and so made him a candidate for External Director.</p>			

- Note:
1. There is currently no special interest between each of the candidates and the Bank.
 2. A limited liability agreement under the provision of Article 427, paragraph 1 of the Companies Act has been concluded between Toshiaki Kobe and the Bank. The Bank intends to continue this agreement with Toshiaki Kobe in the event that his reappointment is approved.

An overview of the limited liability agreements is as follows.

- In the event of damage to the Bank caused by failure to perform duties as External Directors, they will be liable to the maximum amount below so long as their duties are performed in good faith and without gross negligence.
 - The maximum amount of liability shall be whichever is the higher of 20 million yen or the amount provided for by legislation (the minimum liability provided for under Article 425, paragraph 1, of the Companies Act).
3. The Bank has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. If the election of the candidates for Director is approved, they will be included as insureds in the said insurance policy.

In addition, the Bank plans to renew the said insurance policy at the time of next expiration of the policy period.

An overview of the directors and officers liability insurance policy is as follows.

- All premiums are borne by the Bank.
 - The insurance covers damages that may arise should the insured assume liability for the execution of his or her duties or be subject to a claim related to the pursuit of such liability, and is renewed annually.
 - As measures to prevent undermining the appropriateness of the insured director's execution of duties, the insurance includes certain disclaimers such as limiting the coverage and setting the indemnity limit.
4. Matters pertaining to candidates for External Directors provided for under Article 74, paragraph 4 of the Ordinance for Enforcement of the Companies Act

- (1) Toshiaki Kobe is a candidate for External Director.
- (2) Toshiaki Kobe has no previous experience of being involved in corporate management other than serving as External Director or External Audit & Supervisory Board Member. However, it is deemed that he is able to execute duties appropriately as described in the "Reason for selection as Director nominee and overview of expected roles."
- (3) With reference to the specific standards for determination that the Bank has established regarding stock exchange criteria for independence ("Independence Determination Standards" as described below), Toshiaki Kobe is independent from the executive management team. Therefore, the Bank has designated him as an Independent Director stipulated under Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange and Rule 5-2 of the Corporate Conduct Rules of the Sapporo Securities Exchange. In the event that his reappointment is approved, the Bank intends to continue this designation.

Although the Bank has general business transactions with Kobe Manji and Fukuda Law Office, where Toshiaki Kobe is a Representative Partner, and with Nippon Grande Co., Ltd. where Toshiaki Kobe serves as an External Director, those organizations are not applicable to the "major trading partner" defined in the Bank's Independence Determination Standards (a partner for which transactions account for 2% or more of the Bank's consolidated gross profit or the trading partner's consolidated net sales of the most recent fiscal year) and therefore will not affect his independence.

- (4) The term of office of Toshiaki Kobe as External Director shall be one (1) year at the conclusion of this General Meeting of Shareholders.

Proposal 4: Election of four (4) Directors who are Audit and Supervisory Committee Members

If Proposal 2, “Amendments to the Articles of Incorporation,” is approved as written, the Bank will change to a Company with Audit and Supervisory Committee. Accordingly, the Bank proposes that four (4) Directors who are Audit and Supervisory Committee Members be elected.

Regarding the candidates for Director, in order to ensure the objectivity of nominations, candidates were decided by the Board of Directors following deliberations by the Nomination and Remuneration Advisory Committee, which has Independent External Officers as its majorities. Furthermore, this proposal has received the consent of the Audit & Supervisory Board.

Note that this proposal shall go into effect only if the changes to the Articles of Incorporation in Proposal 2 go into effect.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name	Position in the Bank	Attribute	Responsibility
1	Hitoshi Oshino	Standing Audit & Supervisory Board Member	[New election]	—
2	Naoki Nishita	External Director	[New election] [External] [Independent]	—
3	Masako Taniguchi	External Director	[New election] [External] [Independent]	—
4	Sakuyo Tahara	External Director	[New election] [External] [Independent]	—

Note: Sakuyo Tahara’s registered name is Sakuyo Ikeda.

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
1	<p>Hitoshi Oshino (date of birth: August 4, 1962) [New election] Attendance at meetings of the Audit & Supervisory Board 16/16 (100%) Number of years in office as an Audit & Supervisory Board Member 3 years Male</p>	<p>Apr. 1985 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank June 2014 General Manager, Audit & Supervisory Board Members' Office, the Bank Apr. 2016 General Manager, Legal and Compliance Department, the Bank Apr. 2017 Executive Officer and General Manager, Audit and Inspection Department, the Bank Oct. 2018 Managing Executive Officer and General Manager, Audit and Inspection Department, the Bank June 2021 Standing Audit & Supervisory Board Member, the Bank (present position)</p>	26,600
<p>[Reason for selection as Director nominee] Hitoshi Oshino has held successive positions such as General Manager of the Audit & Supervisory Board Members' Office and General Manager of the Legal and Compliance Department. He served as Executive Officer from April 2017, and has served as Managing Executive Officer and General Manager of the Audit and Inspection Department since October 2018, and as Audit & Supervisory Board Member since June 2021, and has been appropriately fulfilling those duties and responsibilities. The Bank concluded that he can use his abundant knowledge of banking and extensive experience in internal audits and compliance to conduct highly effective audits and supervision of the management and greatly contribute to securing managerial health of the Bank, so made him a candidate for Director who is Audit and Supervisory Committee Member.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
2	<p style="text-align: center;">Naoki Nishita (date of birth: April 21, 1959) [New election] [External] [Independent] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 4 years Male</p>	<p>Apr. 1982 Joined Tokai Local Finance Bureau, Ministry of Finance</p> <p>July 2001 Director, Financial Cooperatives Office, Planning and Management Division, Supervision Bureau, Financial Services Agency</p> <p>July 2003 Director, Postal Savings Supervision, Planning and Management Division, Supervision Bureau, Financial Services Agency</p> <p>July 2006 Director, Deposit Insurance and Resolution Framework Office, Planning and Management Division, Supervision Bureau, Financial Services Agency</p> <p>July 2008 Director, Banking Business Division II, Supervision Bureau, Financial Services Agency</p> <p>July 2012 Director, Planning and Management Division, Supervision Bureau, Financial Services Agency</p> <p>July 2014 Deputy Director-General, Planning and Coordination Bureau, Financial Services Agency</p> <p>July 2018 Director-General, Hokuriku Local Finance Bureau, Ministry of Finance (retired in July 2019)</p> <p>June 2020 Director (External), the Bank (present position)</p> <p>June 2022 Director (External), Organization for restructuring businesses after Great East Japan Earthquake (present position)</p>	-
<p>[Reason for selection as Director nominee and overview of expected roles] Naoki Nishita has held successive positions in the Financial Services Agency such as Director of Financial Cooperatives Office, Director of Banking Business Division II and Deputy Director-General of Planning and Coordination Bureau, and has in-depth knowledge on community-based financial initiatives and management strategies of regional financial institutions. The Bank concluded that he can continue to use his varied experiences and specialist's knowledge on financial administration and can continue to contribute to discussions on the picture of the Bank's future at meetings of the Board of Directors, etc., and supervision of the management for the sustainable growth of the Bank and the region, and also contribute to ensure the soundness of management through objective and impartial audits, and so made him a candidate for External Director who is an Audit and Supervisory Committee Member.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
3	Masako Taniguchi (date of birth: December 11, 1960) [New election] [External] [Independent] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 4 years Female	Oct. 1990 Joined Chuo Shinko Audit Corporation Mar. 1994 Registered as a certified public accountant Aug. 2007 Joined Ernst & Young ShinNihon LLC July 2010 Appeals Judge, Sapporo National Tax Tribunal July 2013 Established Masako Taniguchi CPA Office (present position) Aug. 2013 Registered as a certified public tax accountant Dec. 2013 Joined Ginga Audit Corporation Apr. 2016 Auditor, Kitami Institute of Technology Apr. 2016 Auditor, Sapporo City University (present position) Aug. 2017 Representative partner, Ginga Audit Corporation (present position) June 2020 Director (External), the Bank (present position) [Significant concurrent positions outside the Bank] Representative Partner, Ginga Audit Corporation	16,700
[Reason for selection as Director nominee and overview of expected roles] Masako Taniguchi has been engaged in the duties of certified public accountant and certified tax accountant for many years, and has specialist's knowledge on finance and accounting. The Bank concluded that she can use those varied experiences and knowledge and can contribute to active proposals to management from the perspective of financial risk and corporate accounting at meetings of the Board of Directors, etc., and supervision of the management, and also contribute to ensure the soundness of management through objective and impartial audits, and so made her a candidate for External Director who is an Audit and Supervisory Committee Member.			
4	Sakuyo Tahara (date of birth: June 21, 1968) [New election] [External] [Independent] Attendance at meetings of the Board of Directors 10/10 (100%) Number of years in office as a Director 1 year Female	Apr. 1994 Joined the Ministry of Labor (currently the Ministry of Health, Labour and Welfare) Apr. 1998 Specialist for Welfare of Women Workers, Hokkaido Labour Bureau, Ministry of Health, Labour and Welfare Apr. 2006 Instructor for Employment Coordination, Employment Security Department, Hokkaido Labour Bureau, Ministry of Health, Labour and Welfare Apr. 2008 Registered as a public consultant on social and labor insurance Established HOKUOH Labor Legal Affairs Office (present position) Aug. 2012 Member of Municipal City Planning Council of Kitahiroshima City June 2023 Director (External), the Bank (present position)	-
[Reason for selection as Director nominee and overview of expected roles] Sakuyo Tahara has been engaged in the duties of public consultant on social and labor insurance for many years, and has specialist's knowledge on corporate working environment and personnel system. The Bank concluded that she can continue to use those varied experiences and knowledge to contribute to supervision of the management through making active proposals to management on human resource development and diversity initiatives and leading discussions concerning human resource strategies at meetings of the Board of Directors, etc., and also contribute to ensure the soundness of management through objective and impartial audits, and so made her a candidate for External Director who is an Audit and Supervisory Committee Member.			

Note: Sakuyo Tahara's registered name is Sakuyo Ikeda.

- Notes:
1. There is currently no special interest between each of the candidates and the Bank.
 2. A limited liability agreement under the provision of Article 427, paragraph 1 of the Companies Act has been concluded between Naoki Nishita, Masako Taniguchi, and Sakuyo Tahara, and the Bank. The Bank intends to continue this agreement with Naoki Nishita, Masako Taniguchi, and Sakuyo Tahara in the event that their elections are approved.
An overview of the limited liability agreements is as follows.
 - In the event of damage to the Bank caused by failure to perform duties as External Directors, they will be liable to the maximum amount below so long as their duties are performed in good faith and without gross negligence.
 - The maximum amount of liability shall be whichever is the higher of 20 million yen or the amount provided for by legislation (the minimum liability provided for under Article 425, paragraph 1, of the Companies Act).
 3. The Bank has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. If the election of the candidates for Director is approved, they will be included as insureds in the said insurance policy.
In addition, the Bank plans to renew the said insurance policy at the time of next expiration of the policy period.
An overview of the directors and officers liability insurance policy is as follows.
 - All premiums are borne by the Bank.
 - The insurance covers damages that may arise should the insured assume liability for the execution of his or her duties or be subject to a claim related to the pursuit of such liability, and is renewed annually.
 - As measures to prevent undermining the appropriateness of the insured director's execution of duties, the insurance includes certain disclaimers such as limiting the coverage and setting the indemnity limit.
 4. Matters pertaining to candidates for External Directors provided for under Article 74-3, paragraph 4 of the Ordinance for Enforcement of the Companies Act
 - (1) Naoki Nishita, Masako Taniguchi, and Sakuyo Tahara are candidates for External Director.
 - (2) Naoki Nishita, Masako Taniguchi, and Sakuyo Tahara have no previous experience of being involved in corporate management other than serving as External Director or External Audit & Supervisory Board Member. However, it is deemed that they are able to execute duties appropriately as described in the "Reason for selection as Director nominee and overview of expected roles."
 - (3) With reference to the Independence Determination Standards (listed on the next page), Naoki Nishita, Masako Taniguchi, and Sakuyo Tahara are independent from the executive management team. Therefore, the Bank has designated them as Independent Directors stipulated under Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange and Rule 5-2 of the Corporate Conduct Rules of the Sapporo Securities Exchange. If their elections are approved, the Bank intends to continue this designation.
Although the Bank has general business transactions with Ginga Audit Corporation where Masako Taniguchi holds the position of Representative Partner, the organization is not applicable to the "major trading partner" defined in the Bank's Independence Determination Standards (a partner for which transactions account for 2% or more of the Bank's consolidated gross profit or the trading partner's consolidated net sales of the most recent fiscal year) and therefore will not affect her independence.
 - (4) The term of office of Naoki Nishita and Masako Taniguchi as External Directors shall be four (4) years at the conclusion of this General Meeting of Shareholders. Also, the term of office of Sakuyo Tahara as External Director shall be one (1) year at the conclusion of this General Meeting of Shareholders.

<Reference> Independence Determination Standards

At the Bank, if none of the following conditions apply to External Directors for the past one (1) year, it is decided that the concerned External Director has independence.

1. A person or entity to whom the Bank is a major trading partner (*1), or an Executive for such person or entity (an executive director, executive officer or any other officer or employee who executes the business of a company, etc. The same shall apply hereinafter).
2. A major trading partner (*1) of the Bank or an Executive of such entity.
3. Consultant, accounting specialist or legal specialist who receives large amounts (*2) of monies or other assets other than Officer Remuneration from the Bank (if the recipient of the applicable assets is a corporation or group such as an Association, refers to a person belonging to that organization).
4. A major shareholder of the Bank (*3) or an Executive for such person or entity.
5. An entity which receives large amounts (*2) of donations from the Bank, or an Executive for such person or entity.
6. A closely related person (*5) of any of the following people (limited to important (*4) persons):
 - (1) A person to whom any of 1-5 above applies
 - (2) An Executive of the Bank or one of its subsidiaries
 - (3) A director who is not an Executive of the Bank or one of its subsidiaries (limited to determining the independence of External Directors who are Audit and Supervisory Committee Members)

*1. Definition of “major trading partner” (a partner to which any of the following applies)

- a. A partner for which transactions account for 2% or more of the Bank’s consolidated gross profit or the trading partner’s consolidated net sales of the most recent fiscal year (however, excludes regional public organizations)
- b. A partner for whom the Bank is the largest lender and it is thought that procurement from another financial institution would be difficult for the concerned partner

*2. Definition of “large amount”

An annual amount averaging 10 million yen or more over the past three (3) years

*3. Definition of “major shareholder”

A shareholder with voting rights of 10% or more of the Bank’s total voting rights

*4. Examples of “important person”

- An officer or person of general manager level of a company
- The accounting specialist and legal specialist in 3. above, are persons with the specialized qualifications of a Certified Public Accountant or Attorney at Law

*5. Definition of “closely related person”

A spouse or relative in the second degree

<Reference>

The Skills Matrix of the Board of Directors (as scheduled after the 168th Ordinary General Meeting of Shareholders)

Name, title, and gender				Experience and expertise									
				Corpo- rate mana- gement Gover- nance	Consul- ting	SX & GX	IT & DX	Regio- nal devel- opment	Human capital	Finan- cial markets	Legal & compli- ance	Finan- cial account- ing	Risk manage- ment
Board of Directors	Mitsuharu Yasuda	Director and Chairman	Male	○	○	○		○	○		○	○	○
	Hironobu Tsuyama	Director and President (Representative Director)	Male	○	○	○	○	○	○			○	○
	Hitoshi Masuda	Director and Deputy President (Representative Director)	Male	○	○			○					○
	Akira Yamada	Managing Director	Male	○	○	○		○		○			○
	Kazushi Yoneta	Managing Director	Male	○	○	○	○	○		○		○	
	Toshiaki Kobe	External Director	Male	○							○		
	Hitoshi Oshino	Director Audit and Supervisory Committee Member	Male	○	○					○	○		○
	Naoki Nishita	External Director Audit and Supervisory Committee Member	Male	○				○			○		○
	Masako Taniguchi	External Director Audit and Supervisory Committee Member	Female	○						○		○	○
	Sakuyo Tahara	External Director Audit and Supervisory Committee Member	Female	○						○	○		

Note: The above list does not represent all the experience and expertise possessed by each Director and Audit and Supervisory Committee Member.

<Knowledge, experience, and skills necessary to support the banking business>

Corporate management and governance	Possesses advanced and specialized knowledge, experience, and skills in building relationships and solving issues related to corporate management and sustainability.
Human capital	Possesses specialized knowledge and practical experience in overall human resources, including human resource development, remuneration and compensation, benefits, and the promotion of diversity and inclusion.
Financial markets	Possesses specialized knowledge and practical experience in the financial environment, international operations, and market operations.
Legal & compliance	Possesses specialized knowledge and practical experience in legal systems and various regulations.
Financial accounting	Possesses sufficient knowledge of finance and accounting, such as holding professional qualifications like Certified Public Accountant (CPA) or having practical experience in accounting and finance departments.
Risk management	Possesses specialized knowledge and practical experience in risk management and the establishment of crisis management systems for overall corporate activities.

<Knowledge, experience, and skills necessary to realize value for customers>

Consulting	Possesses knowledge, experience, and skills in providing corporate solutions, including business growth proposals, SX and DX support, and startup discovery and development.
SX & GX	Possesses knowledge, experience, and skills in new businesses, sustainable loans, and fund investments in response to changes in the business environment, including SX and GX advances.
IT & DX	Possesses knowledge, experience, and skills in product development to improve convenience and in forming alliances to enhance productivity.
Regional development	Possesses knowledge, experience, and skills to realize a sustainable society through the linking of regions and growth industries and the development of key industries such as tourism and food.

Proposal 5: Setting remuneration amounts for Directors (excluding Directors who are Audit and Supervisory Committee Members)

If Proposal 2, “Amendments to the Articles of Incorporation,” is approved as written, the Bank will change to a Company with Audit and Supervisory Committee.

At the 156th Ordinary General Meeting of Shareholders, held on June 26, 2012, it was resolved that the amount of Remuneration, etc., for the Bank’s Directors would be within 340 million yen per year. However, with the transition to a Company with Audit and Supervisory Committee, we seek approval to abolish the current provisions regarding the amount of Remuneration, etc., for Directors and to newly set the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) at within 310 million yen per year (of which the portion for External Directors is within 30 million yen per year). Please note that this Remuneration, etc., does not include the salaries for employees who concurrently serve as Directors.

This proposal has been judged to be appropriate and it has been approved by the Board of Directors upon consultation with the Nomination and Remuneration Advisory Committee, whose majority is comprised of Independent External Officers, taking into consideration the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) and the economic situation.

Additionally, we plan to make terminology changes in the <Policy on Determining the Content of Individual Remuneration, etc., for Directors> as mentioned in the Business Report “2. Matters Concerning Company Officers (Directors and Audit & Supervisory Board Members) (2) Remuneration, etc., for Company Officers” due to the transition to a Company with Audit and Supervisory Committee.

If Proposal 2 “Amendments to the Articles of Incorporation” and Proposal 3 “Election of six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)” are approved as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be six (6) (including one External Director).

This proposal shall go into effect only if the changes to the Articles of Incorporation in Proposal 2 go into effect.

Proposal 6: Setting remuneration amounts for Directors who are Audit and Supervisory Committee Members

If Proposal 2, “Amendments to the Articles of Incorporation,” is approved as written, the Bank will change to a Company with Audit and Supervisory Committee.

Therefore, we seek approval to set the amount of remuneration for Directors who are Audit and Supervisory Committee Members at within 100 million yen per year.

This proposal has been judged to be appropriate and it has been approved by the Board of Directors upon consultation with the Nomination and Remuneration Advisory Committee, whose majority is comprised of Independent External Officers, taking into consideration the number of Directors who are Audit and Supervisory Committee Members and the economic situation.

If Proposal 2 “Amendments to the Articles of Incorporation” and Proposal 4 “Election of four (4) Directors who are Audit and Supervisory Committee Members” are approved as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will be four (4) (including three (3) External Directors).

This proposal shall go into effect only if the changes to the Articles of Incorporation in Proposal 2 go into effect.

Proposal 7: Partial revision to Remuneration, etc., amounts and contents related to the performance-linked share remuneration system for Directors (excluding Directors who are Audit and Supervisory Committee Members and External Directors)

1. Reason for the proposal and reason for considering the partial revision of remuneration appropriate

At the 162nd Ordinary General Meeting of Shareholders held on June 26, 2018, the Bank received approval to introduce a share remuneration system (hereinafter referred to as “the System”) for Directors excluding External Directors and those residing abroad, and this system is currently in place. This time, if Proposal 2 “Amendments to the Articles of Incorporation” is approved as originally proposed, the Bank will transition to a Company with Audit and Supervisory Committee. However, if the persons eligible under the System remain unchanged, Internal Directors who are Audit and Supervisory Committee Members will also be included in the System. Therefore, we seek approval to revise the System to exclude Internal Directors who are Audit and Supervisory Committee Members, in addition to External Directors and those residing abroad.

This proposal has been judged to be appropriate and it has been approved by the Board of Directors upon consultation with the Nomination and Remuneration Advisory Committee, whose majority is comprised of Independent External Officers, taking into consideration the number of Directors (excluding Internal Directors who are Audit and Supervisory Committee Members and External Directors) and the economic situation, and in view of the facts that it is a procedural matter accompanying the transition to a Company with Audit and Supervisory Committee, and the substantive content remains as approved at the 162nd Ordinary General Meeting of Shareholders.

Additionally, we plan to make terminology changes in the <Policy on Determining the Content of Individual Remuneration, etc., for Directors> as mentioned in the Business Report “2. Matters Concerning Company Officers (Directors and Audit & Supervisory Board Members) (2) Remuneration, etc., for Company Officers” due to the transition to a Company with Audit and Supervisory Committee.

If Proposal 2 “Amendments to the Articles of Incorporation” and Proposal 3 “Election of six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)” are approved as originally proposed, the number of Directors eligible under the System will be five (5).

This proposal shall go into effect only if the changes to the Articles of Incorporation in Proposal 2 “Amendments to the Articles of Incorporation” go into effect.

2. Amount and details of Remuneration, etc., under the System

(1) Overview of the System

The System is a share remuneration system under which the Bank’s shares are acquired through a trust funded by the amount of remuneration for Directors contributed by the Bank, and the Bank’s shares and the equivalent amount of cash from the disposal of the Bank’s shares (hereinafter referred to as “the Bank’s Shares, etc.”) are issued and paid (hereinafter referred to as “Issuance, etc.”) to Directors (excluding External Directors, Internal Directors who are Audit and Supervisory Committee Members, and those residing abroad, hereinafter referred to as “Directors”). (Details are as described in (2) and beyond below.)

Item	Overview of the content of the System
(i) Persons eligible for the Issuance, etc., of the Bank’s Shares, etc., under the System	• The Bank’s Directors (excluding External Directors, Internal Directors who are Audit and Supervisory Committee Members, and those residing abroad)
(ii) Period covered by the System (as described in (2) below)	• Three (3) consecutive fiscal years (hereinafter referred to as the “Applicable Period”)
(iii) Upper limit of funds contributed by the Bank (as described in (2) below)	• The upper limit of funds contributed for the applicable period of three (3) fiscal years is 300 million yen.
(iv) Upper limit of the number of the Bank’s Shares, etc., issued to Directors (as described in (3) below)	• The upper limit of the total number of points granted to Directors per fiscal year is 600,000 points, and the upper limit of the total number of the Bank’s Shares, etc., issued to Directors for the Applicable Period of three (3) fiscal years is 1,800,000 shares. • The number of shares equivalent to the upper limit of the number of points granted to Directors per fiscal year (600,000 shares) is approximately 0.15% of the total number of issued shares (as of March 31, 2024, excluding treasury shares).

(v) Method of repurchasing the Bank's shares (as described in (2) below)	<ul style="list-style-type: none"> The Bank's shares are expected to be repurchased through purchases from the stock market or the disposal of the Bank's treasury shares.
(vi) Content of performance achievement conditions (as described in (3) below)	<ul style="list-style-type: none"> Varies according to the degree of achievement of performance targets (such as profit attributable to shareholders of parent) for each fiscal year.
(vii) Timing of the Issuance, etc., of the Bank's Shares, etc. (as described in (4) below)	<ul style="list-style-type: none"> Upon the resignation of the Director * In the event of the Director's death, the cash equivalent to the disposal value of the Bank's shares corresponding to the accumulated points granted to the Director at the time of death will be paid to the heirs.

(2) Upper limit of funds contributed by the Bank

The System covers an Applicable Period consisting of three (3) consecutive fiscal years. Currently, a trust has been established for Directors (excluding External Directors and those residing abroad) for the three (3) fiscal years ending March 31, 2024, to March 31, 2026. Therefore, the Applicable Period immediately after the revision by this proposal will be the three (3) fiscal years from the fiscal year ending March 31, 2024, to the fiscal year ending March 31, 2026.

The Bank will contribute funds up to the upper limit of 300 million yen for each Applicable Period as remuneration for its Directors and will establish a trust for a trust period of three (3) years (hereinafter referred to as "the Trust"), with Directors who meet the requirements for beneficiaries (including the extension of the trust period as stated in the fourth paragraph of (2), the same hereinafter).

The Trust will acquire the Bank's shares using the funds entrusted, either through purchases from the stock market or the disposal of the Bank's treasury shares, under the instructions of the trust administrator. During the trust period, the Bank will grant points to the Directors (as described in (3) below), and the Trust will issue the Bank's Shares, etc., accordingly.

At the expiration of the trust period of the Trust, the Trust may be continued by amending the trust agreement and making an additional trust instead of establishing a new trust. In such a case, the trust period of the Trust will be extended by three (3) years, and the three (3) fiscal years starting from the business year to which the commencement date of the extended trust period belongs will become the new Applicable Period. For each extended trust period, the Bank will make additional contributions within the limit of 300 million yen and will continue to grant points to the Directors during the extended trust period, and the Trust will continue to issue the Bank's Shares, etc., during the extended trust period.

However, in the case of such additional contributions, if there are any remaining Bank shares within the trust property as of the end date of the trust period before the extension (excluding the Bank shares corresponding to the points granted to Directors for which Issuance, etc., has not been completed) and cash (hereinafter referred to as "Remaining Shares, etc."), the total amount of the value of the Remaining Shares, etc., and the additional trust money will be within the limit of 300 million yen.

The extension of the trust period is not limited to one time only; the trust period may be further extended in a similar manner thereafter. In addition, even in the event of termination of the Trust, the trust period may be extended for a certain period of time without immediately terminating the Trust, if at the expiration of the trust period there are Directors in office who may satisfy the requirements for beneficiaries.

(3) Method of calculating the number of the Bank's Shares, etc., issued to Directors and the upper limit

At a certain time each year during the trust period, Directors will be granted "fixed points" based on their position and "performance-linked points" based on the degree of achievement of performance targets for each fiscal year, calculated according to the points calculation formula defined separately by the Bank in the Share Issuance Regulations. Upon the resignation of the Director, the Bank's Shares, etc., will be issued based on the cumulative value of the points (hereinafter referred to as "Cumulative Points").

(Fixed points)

Share remuneration base amount of fixed points*1 ÷ Average acquisition unit price*2

(Performance-linked points)

Share remuneration base amount of performance-linked points*1 ÷ Average acquisition unit price*2 × Performance-linked coefficient*3

- *1. The “Share remuneration base amount of fixed points” and the “Share remuneration base amount of performance-linked points” are determined considering the director’s position, base compensation, the ratio of cash compensation to share remuneration, the performance-linked ratio, etc.
- *2. The average acquisition unit price of the Bank’s shares acquired by the Trust. If the trust period of the Trust is extended by amending the trust agreement and making additional trusts, the average acquisition unit price will be based on the Bank’s shares acquired by the Trust after the extension.
- *3. The performance-linked coefficient varies according to the degree of achievement of performance targets (such as profit attributable to shareholders of parent).

One point corresponds to one share of the Bank’s stock. However, if during the trust period, events such as stock splits or reverse stock splits of the Bank’s shares occur, which necessitate adjusting the points for fairness, the number of shares per point will be adjusted according to the split or reverse split ratio, etc.

The total number of points granted to Directors per fiscal year is capped at 600,000 points. This upper limit on the total number of points is set with reference to past share prices, etc., considering the upper limit of the trust money mentioned in (2), the current level of remuneration for the Bank’s Directors, trends and future prospects regarding the number of Directors, the status and contribution of the Directors’ business execution, and the share price level of the Bank, and is deemed appropriate.

(4) Timing of Issuance, etc., of the Bank’s Shares, etc., to Directors

Directors who meet the requirements for beneficiaries will receive the Issuance, etc., of the Bank’s Shares, etc., corresponding to the Cumulative Points calculated based on (3) upon their resignation. At this time, the Director will receive the issuance of the number of the Bank’s shares equivalent to 50% of the Cumulative Points (rounded up to the nearest whole share for fractional shares), and the remaining shares corresponding to the Cumulative Points will be converted into cash within the Trust, and the Director will receive payment of the equivalent amount of cash.

In the event that a Director’s death during the trust period, all the Bank’s shares corresponding to the Cumulative Points granted at that time will be converted into cash within the Trust, and the Director’s heirs will receive payment of the equivalent amount of cash. Additionally, if a Director becomes a resident abroad during the trust period, all the Bank’s shares corresponding to the Cumulative Points granted at that time will be converted into cash within the Trust, and the Director will receive payment of the equivalent amount of cash.

(5) Voting rights pertaining to the Bank’s shares

To ensure neutrality in management, the voting rights of the Bank’s shares within the Trust will not be exercised during the trust period.

(6) Other content of the System

Other contents of the System will be determined by the Board of Directors each time the Trust is established, the trust agreement is amended, or additional contributions are made to the Trust.