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(Securities Code: 8364)

May 31, 2023

(Starting date of the measures for electronic provision: May 30, 2023)

**To Shareholders with Voting Rights:**

Yasuhiro Iwayama  
President and Representative Director  
The Shimizu Bank, Ltd.  
2-1 Fujimicho, Shimizu-ku,  
Shizuoka-shi, Shizuoka, Japan

**NOTICE OF CONVOCATION OF  
THE 148TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 148th Annual General Meeting of Shareholders of the Shimizu Bank, Ltd. (the “Bank”). The meeting will be held as described below.

The Bank has taken measures for the electronic provision of materials for this General Meeting of Shareholders, and posted the matters to be provided electronically on the following website.

The Bank’s website: <https://www.shimizubank.co.jp/english/>

In addition to the above, the materials to be provided electronically are disclosed on the following website.

Tokyo Stock Exchange’s website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

To view the information thus disclosed, please access the website above, search for us by entering our bank name or securities code, and select “Basic information” and then “Documents for public inspection/PR information.”

If you are unable to attend the meeting, you can exercise your voting rights in writing or by electromagnetic means (via the Internet etc.). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on Wednesday, June 21, 2023 (Japan standard time).

- 1. Date and Time:** Thursday, June 22, 2023 at 10:00 a.m. (Japan standard time)
- 2. Place:** Large Hall, 3F, Shimizu Bank Tenjin Head Office,  
7-30, Tenjin 1-chome, Shimizu-ku, Shizuoka-shi, Shizuoka, Japan
- 3. Meeting Agenda:**  
**Matters to be reported:**
  1. The Business Report and Non-consolidated Financial Statements for the Bank’s 148th Fiscal Year (from April 1, 2022 to March 31, 2023)
  2. Consolidated Financial Statements for the Bank’s 148th Fiscal Year (from April 1, 2022 to March 31, 2023) and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee

**Proposals to be resolved:**

**Proposal No. 1:** Appropriation of Surplus

**Proposal No. 2:** Election of Eleven (11) Directors (excluding Directors Serving as Audit & Supervisory Committee Members)

**Proposal No. 3:** Election of One (1) Director Serving as Audit & Supervisory Committee Members

**Proposal No. 4:** Revision of the Amount of Remuneration for Directors (excluding Directors Serving as Audit & Supervisory Committee Members)

**Proposal No. 5:** Determination of Remuneration for the Allotment of Shares with Restrictions on Transfer to Directors (excluding Directors Serving as Audit & Supervisory Committee Members and Outside Directors)

#### **4. Guide for Exercise of Voting Rights**

The following three methods are available for exercising voting rights.

##### **Exercise of Voting Rights by Attending the Meeting**

**Date and time: Thursday, June 22, 2023 at 10:00 a.m. (Japan standard time)**

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk on the day of the meeting for confirmation. You are also kindly requested to bring this Notice of Convocation.

##### **Exercise of Voting Rights by Proxy**

In the case of attendance by proxy, please present to the receptionist at the General Meeting of Shareholders a document evidencing authority of the proxy to act as such, together with the Voting Rights Exercise Form. (Please note that the proxy must be one other shareholder of the Bank entitled to exercise voting rights at the General Meeting of Shareholders.)

##### **Exercise of Voting Rights in Writing**

**Deadline: Wednesday, June 21, 2023 by 5:00 p.m. Japan standard time (time of receipt)**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it to us by the deadline.

Any voting right exercised in writing on the Voting Rights Exercise Form without indicating approval or disapproval for a particular proposal will be counted as a vote for approval of the proposal.

##### **Exercise of Voting Rights via the Internet**

**Deadline: Wednesday, June 21, 2023 by 5:00 p.m. Japan standard time (time of transmission)**

For exercising voting rights via the Internet, please refer to page 4 (in Japanese version only) and indicate your vote for or against the proposals by either of the following methods.

- (a) “Smart Exercise” by scanning the QR Code described on the right-hand side of the Voting Rights Exercise Form with a smartphone
- (b) Method by entering the Voting Rights Exercise Code and the Password

For institutional investors

As a method of exercising voting rights, you may use the “Electronic Voting System Platform” operated by ICJ, Inc.

##### **Handling of Duplicate Voting**

If you vote both in writing on the Voting Rights Exercise Form and via the Bank’s designated website for the exercise of voting rights on the Internet, only your vote placed via the Internet will be valid, irrespective of the date and time your votes arrive. In addition, if you place your votes multiple times via the Internet, only the last vote will be treated as valid.

##### **Split Voting**

If you intend to engage in split voting, please submit a written notice indicating the reasons for the split voting at least three days prior to the General Meeting of Shareholders.

##### **Other Matters to Which Electronic Provision Measures Apply (Matters Whose Recording in Physical Documents is Omitted)**

Of the matters to which electronic provision measures apply, the Matters related to Subscription Rights to the Bank’s Shares, System for Ensuring Proper Operations, the Non-consolidated Statement of Changes in Equity, the Notes to the Non-consolidated Financial Statements, the Consolidated Statement of Changes in Equity, and the Notes to the Consolidated Financial Statements have been posted on the Bank’s website and Tokyo Stock Exchange’s website in accordance with laws and regulations and the provisions of Article 17, Paragraph 2 of the Articles of Incorporation of the Bank, and are therefore not included in the documents provided to shareholders who made request for provision of physical documents. The Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements audited by the Audit & Supervisory Committee and the Accounting Auditor in preparing the Audit Report and the Independent Auditors’ Report, respectively, comprise the Matters related to Subscription Rights to the Bank’s Shares, System for Ensuring Proper Operations the Non-consolidated Statement of Changes in

Equity, the Notes to the Non-consolidated Financial Statements, the Consolidated Statement of Changes in Equity, and the Notes to the Consolidated Financial Statements, in addition to the documents included in this notice.

Any updates to the matters to which electronic provision measures apply will be posted on respective websites.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

With respect to the appropriation of surplus, the Bank's basic policy is to maintain stable distribution of dividends to shareholders while securing internal reserve to enhance management quality and to prepare for changes in the operating environment. Accordingly, it is proposed that the surplus be appropriated as follows:

1. Matters concerning year-end dividends of surplus
  - (1) Type of dividend property  
Cash
  - (2) Allotment of dividend property to shareholders and the total amount  
30 yen per share of common stock of the Bank  
Total amount: 345,609,180 yen  
Including interim dividend, dividends to be paid for the full year amount to 60 yen per share.
  - (3) Effective date of distribution of surplus  
June 23, 2023
2. Other matters concerning appropriation of surplus
  - (1) Item and the amount of surplus to be increased  
General reserve                      500,000,000 yen
  - (2) Item and the amount of surplus to be decreased  
Retained earnings brought forward    500,000,000 yen

**Proposal No. 2:** Election of Eleven (11) Directors (excluding Directors Serving as Audit & Supervisory Committee Members)

The terms of office of all eleven (11) incumbent Directors (excluding Directors serving as Audit & Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of eleven (11) Directors (excluding Directors serving as Audit & Supervisory Committee Members) is proposed.

This proposal has been discussed by the Audit & Supervisory Committee, and there are no special matters to be stated pursuant to the provisions of the Companies Act.

The candidates for Directors (excluding Directors serving as Audit & Supervisory Committee Members) are as follows:

No.		Name		Current positions at the Bank
1	Reappointment	Katsuichiro Toyoshima		Chairman
2	Reappointment	Yasuhiro Iwayama		President
3	Reappointment	Ayato Mochizuki		Senior Managing Director
4	Reappointment	Fumitoshi Yabuzaki		Senior Managing Director
5	Reappointment	Masashi Hiraiwa		Managing Director
6	Reappointment	Keiko Higashi	Outside Director Independent Officer	Outside Director
7	Reappointment	Yoshiki Shimma	Outside Director Independent Officer	Outside Director
8	New appointment	Makoto Kono	Outside Director Independent Officer	Outside Director and Audit & Supervisory Committee Member
9	Reappointment	Naoyuki Tamura		Director
10	Reappointment	Nobuhide Fukazawa		Director
11	New appointment	Masaki Yagi		Senior General Manager of Management Planning Division

No.	Name (Date of birth)	Brief personal history, positions, responsibilities and significant concurrent positions	Number of the Bank's shares held
1	Katsuichiro Toyoshima (July 6, 1957) <u>Reappointment</u>  Attendance at Board of Directors meetings: 100% (15/15 meetings)	Apr. 1981 Joined the Bank Jun. 1996 General Manager of Secretariat Office Apr. 2001 Senior General Manager of Corporate Administration Division Jun. 2003 Director, General Manager of Fuji Branch Jun. 2005 Managing Director Jun. 2007 Senior Managing Director Apr. 2011 Deputy President Apr. 2012 President Apr. 2020 Chairman (incumbent)	16,973 shares
		[Reasons for nomination as a candidate for Director] Mr. Katsuichiro Toyoshima, serving as the President since April 2012 and the Chairman since April 2020, has a wealth of management experience gained through his involvement in a wide range of banking business processes, including business strategies, sales, market operation, personnel and labor affairs, risk management, corporate credit review, and system clerical work. Based on his insight and experience, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.	
2	Yasuhiro Iwayama (July 13, 1964) <u>Reappointment</u>  Attendance at Board of Directors meetings: 100% (15/15 meetings)	Apr. 1988 Joined the Bank Jun. 2005 General Manager of Fuji-eki Nan Branch Apr. 2012 Senior General Manager of Fuji Branch, Fuji Shiyakusho-mae Branch and Matsuoka Branch Apr. 2014 Managing Executive Officer Jun. 2015 Director, General Manager of Corporate Administration Division Oct. 2016 Managing Director May 2019 Senior Managing Director Apr. 2020 President (incumbent)	9,000 shares
		[Reasons for nomination as a candidate for Director] Mr. Yasuhiro Iwayama, serving as the Senior Managing Director since May 2019 and the President since April 2020, has a wealth of management experience gained through his involvement in a wide range of banking business processes, including business strategies, sales, market operation, personnel and labor affairs, risk management, corporate credit review, and system clerical work. Based on his insight and experience, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.	

No.	Name (Date of birth)	Brief personal history, positions, responsibilities and significant concurrent positions	Number of the Bank's shares held
3	Ayato Mochizuki (January 27, 1964) <u>Reappointment</u>  Attendance at Board of Directors meetings: 100% (15/15 meetings)	Apr. 1986 Joined the Bank Jun. 2007 General Manager of Fujieda-eki Nishi Branch Jul. 2011 Senior General Manager of Sales Division, Head Office, Okitsu Branch and Yagima Branch Jul. 2012 Senior General Manager of Sales Division, Head Office Jun. 2013 Director, General Manager of Sales Division, Head Office Jun. 2015 Managing Director Nov. 2018 Senior Managing Director (incumbent)	6,400 shares
		[Reasons for nomination as a candidate for Director] Mr. Ayato Mochizuki, currently serving as the Senior Managing Director, has a wealth of management experience gained through his involvement in a wide range of banking business processes, including business strategies, sales, personnel and labor affairs, risk management, corporate credit review, and system clerical work. Based on his insight and experience, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.	
4	Fumitoshi Yabuzaki (June 1, 1962) <u>Reappointment</u>  Attendance at Board of Directors meetings: 100% (15/15 meetings)	Apr. 1985 Joined the Bank Jun. 2007 General Manager of Markets and International Division Oct. 2010 General Manager of Tokyo Branch Apr. 2012 Senior General Manager of Corporate Administration Division Jun. 2013 Executive Officer Apr. 2015 Managing Executive Officer Jun. 2017 Director May 2019 Managing Director Apr. 2022 Senior Managing Director (incumbent)	16,000 shares
		[Reasons for nomination as a candidate for Director] Mr. Fumitoshi Yabuzaki, currently serving as the Senior Managing Director, has a wealth of management experience gained through his involvement in a wide range of banking business processes, including business strategies, market operation, personnel and labor affairs, risk management, and system clerical work. Based on his insight and experience, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.	



No.	Name (Date of birth)	Brief personal history, positions, responsibilities and significant concurrent positions	Number of the Bank's shares held
5	Masashi Hiraiwa (April 17, 1968) <u>Reappointment</u>  Attendance at Board of Directors meetings: 100% (15/15 meetings)	Apr. 1991 Joined the Bank Jul. 2010 General Manager of Shimokanuki Branch Apr. 2016 General Manager of Tokyo Branch Apr. 2018 General Manager of Markets and International Division May 2019 General Manager of Corporate Administration Division Jun. 2020 Director Apr. 2022 Managing Director (incumbent)	3,200 shares
		[Reasons for nomination as a candidate for Director] Mr. Masashi Hiraiwa, serving as Managing Director, has a wealth of managing experience gained through his involvement in a wide range of banking business processes, including sales, market operation, and risk management. Based on his insight and experience, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.	
6	Keiko Higashi (August 23, 1953) <u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u>  Attendance at Board of Directors meetings: 100% (15/15 meetings)	Apr. 1980 Full-time Lecturer, Tokai University Junior College Apr. 1990 Assistant Professor, Tokai University Junior College Apr. 2004 Professor, Tokai University Junior College Apr. 2007 Professor, Department of Kansei Design, School of Development Engineering, Tokai University Apr. 2011 Professor, Department of Environmental and Societal Affairs, School of Marine Science and Technology, Tokai University Jun. 2015 Director of the Bank (incumbent) Apr. 2019 Professor Emeritus, Tokai University (incumbent)	4,400 shares
		[Reasons for nomination as a candidate for Outside Director and expected role as Outside Director] Ms. Keiko Higashi has academic experience and social credibility cultivated as a university professor. She has appropriately fulfilled her duties and responsibilities as Outside Director of the Bank. Thus, the Bank has nominated her as a candidate for Outside Director in the expectation that based on her insight and experience, she will continue to provide supervision and advice, etc.	

No.	Name (Date of birth)	Brief personal history, positions, responsibilities and significant concurrent positions	Number of the Bank's shares held
7	Yoshiki Shimma (October 15, 1948) <u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u>	Apr. 1972 Joined Suzuyo & Co., Ltd. Nov. 2005 Managing Director, Suzuyo & Co., Ltd. Jun. 2009 Senior Managing Director, Suzuyo & Co., Ltd. Jan. 2012 President and Director, Suzuyo Holdings Co., Ltd. May 2013 President and Representative Director, Suzuyo Marine Co., Ltd. Apr. 2014 President and Representative Director, Suzuyo Transportation Co., Ltd. Nov. 2020 Senior Advisor, Suzuyo Transportation Co., Ltd. (incumbent) Jun. 2022 Director of the Bank (incumbent)	700 shares
	Attendance at Board of Directors meetings: 100% (12/12 meetings)		
[Reasons for nomination as a candidate for Outside Director and expected role as Outside Director] Mr. Yosiki Shimma has a wealth of experience in the field of corporate management. He has appropriately fulfilled his duties and responsibilities as Outside Director of the Bank. Thus, the Bank has nominated him as a candidate for Outside Director in the expectation that based on his insight and experience, he will continue to provide supervision and advice, etc.			
8	Makoto Kono (November 12, 1970) <u>New appointment</u> <u>Outside Director</u> <u>Independent Officer</u>	Oct. 2000 Registered as attorney-at-law with Tokyo Bar Association Joined Aikawa Law Office Apr. 2005 Registered as attorney-at-law with Shizuoka Bar Association Joined Kono Law Office Sep. 2010 Representative Partner, Kono Law Office (incumbent) Jun. 2020 Director and Audit & Supervisory Committee Member of the Bank (incumbent)	4,000 shares
[Reasons for nomination as a candidate for Outside Director and expected role as Outside Director] Mr. Makoto Kono has extensive experience as an attorney-at-law over many years. He has appropriately fulfilled his duties and responsibilities as the Bank's Director and Audit & Supervisory Committee Member since June 2020. Thus, the Bank has nominated him as a candidate for Outside Director in the expectation that based on his insight and experience, he will continue to provide supervision and advice, etc.			

No.	Name (Date of birth)	Brief personal history, positions, responsibilities and significant concurrent positions	Number of the Bank's shares held
9	<p>Naoyuki Tamura (September 22, 1964) <u>Reappointment</u></p> <p>Attendance at Board of Directors meetings: 100% (15/15 meetings)</p>	<p>Apr. 1987 Joined the Bank</p> <p>Oct. 2003 General Manager of Ejiri Branch</p> <p>Dec. 2006 General Manager of Business Planning Division</p> <p>Jul. 2009 General Manager of Management Planning Division</p> <p>Apr. 2011 General Manager of Yaizu Branch, Tajiri Branch and Otomi Branch</p> <p>Apr. 2012 General Manager of Tokyo Branch</p> <p>Apr. 2014 General Manager of General Affairs and Human Resources Division</p> <p>Apr. 2016 General Manager of Internal Audit Division</p> <p>Apr. 2017 Senior General Manager of Corporate Administration Division</p> <p>Jun. 2019 Director (incumbent)</p>	3,800 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Naoyuki Tamura has been involved in a wide range of banking business processes, including business strategies, market operation, personnel and labor affairs, risk management, corporate credit review, and system clerical work. Based on his insight and experience, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.</p>			
10	<p>Nobuhide Fukazawa (December 29, 1966) <u>Reappointment</u></p> <p>Attendance at Board of Directors meetings: 100% (15/15 meetings)</p>	<p>Apr. 1989 Joined the Bank</p> <p>Jul. 2008 General Manager of Eastern Loan Center</p> <p>Apr. 2011 General Manager of Kambara Branch and AEON TOWN Kambara Branch</p> <p>Apr. 2014 General Manager of Nagoya Branch and General Manager of Business Information Office Nagoya</p> <p>Apr. 2016 General Manager of Takahashi Branch, Ihara Branch, Oshikiri Branch, Tsuji Branch and Shimono Branch</p> <p>Apr. 2018 Senior General Manager of Fuji Branch and Matsuoka Branch</p> <p>Apr. 2020 Executive Officer, General Manager of Branch Advisory Division</p> <p>Apr. 2021 Executive Officer, General Manager of Management Planning Division</p> <p>Jun. 2021 Director, General Manager of Management Planning Division</p> <p>Apr. 2022 Director (incumbent)</p>	3,500 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Nobuhide Fukazawa has been involved in a wide range of banking business processes, including business strategies, sales, and corporate credit review. Based on his insight and experience, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Brief personal history, positions, responsibilities and significant concurrent positions	Number of the Bank's shares held
11	Masaki Yagi (December 31, 1971) New appointment	Apr. 1994 Joined the Bank Apr. 2016 General Manager of Fujieda-eki Nishi Branch Feb. 2019 General Manager of Mishima Branch Apr. 2020 Senior General Manager of Corporate Administration Division Apr. 2021 Senior General Manager of Sales Division, Head Office Apr. 2023 Senior General Manager of Management Planning Division (incumbent)	1,000 shares
<p>[Reasons for nomination as a candidate for Director] Mr. Masaki Yagi has been involved in a wide range of banking business processes, including business strategies and risk management. Based on his insight and experience, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.</p>			

- (Notes)
- Special interest relationship between each candidate for Director and the Bank
    - Mr. Makoto Kono is the Bank's legal counsel and the Bank pays him counseling fees.
    - No special interest exists between any other candidates for Directors and the Bank.
  - Independence of candidates for Outside Directors (Independence Criteria for Outside Directors of the Bank are listed on page 20.)  
Ms. Keiko Higashi, Mr. Yoshiki Shimma, and Mr. Makoto Kono are candidates for Outside Director who meet the criteria for determining the independence of Outside Directors of the Bank. The Bank has submitted notifications to Tokyo Stock Exchange to register Ms. Keiko Higashi, Mr. Yoshiki Shimma, and Mr. Makoto Kono as independent officers of the Bank. If their election is approved as originally proposed, they will continue to be independent officers.
  - Number of years in office as Outside Director  
The terms of office as Outside Director will be eight (8) years for Ms. Keiko Higashi and one (1) year for Mr. Yoshiki Shimma at the conclusion of this Annual General Meeting of Shareholders. Mr. Makoto Kono currently holds the position of Director serving as Audit & Supervisory Committee Member (the term of office is three (3) years), and is scheduled to resign as Director serving as Audit & Supervisory Committee Member at the conclusion of this Annual General Meeting of Shareholders.
  - Limited liability agreements with Outside Directors  
Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank has concluded agreements with Ms. Keiko Higashi, Mr. Yoshiki Shimma, and Mr. Makoto Kono to limit their liabilities in the event that they neglect their duties and that the limit of the liability under such agreements shall be the amount provided by laws and regulations. If the election of Ms. Keiko Higashi, Mr. Yoshiki Shimma, and Mr. Makoto Kono is approved, the Bank intends to renew the limited liability agreements with them.
  - Directors and officers liability insurance contract  
The Bank has concluded a directors and officers liability insurance contract with an insurance company to insure its Directors as stipulated in Article 430-3, Paragraph 1 of the Companies Act. All insurance premiums are borne by the Bank.  
The insurance contract covers damages incurred by the insured in the event of a claim for damages arising from acts by the insured in the course of his or her duties, and is renewed each year. However, the insurance contract has certain exclusions, such as not covering any loss or damage caused by an insured who knowingly violated laws and regulations. Should each candidate be appointed and assume office as Director, each candidate will be insured under the insurance contract. The Bank intends to renew the insurance contract during the term of office of each candidate.

**Proposal No. 3: Election of One (1) Director Serving as Audit & Supervisory Committee Member**

Mr. Makoto Kono, who is Director serving as Audit & Supervisory Committee Member, will retire at the conclusion of this Annual General Meeting of Shareholders to assume office as Director (excluding Director serving as Audit & Supervisory Committee Member). Accordingly, the election of one (1) Director serving as Audit & Supervisory Committee Member is proposed.

The term of office of the Director serving as Audit & Supervisory Committee Member to be elected will be the remainder of the term of office of the retiring Director serving as Audit & Supervisory Committee Member in accordance with the provisions of Article 22, Paragraph 3 of the Articles of Incorporation of the Bank.

The consent of the Audit & Supervisory Committee has been obtained for the submission of this proposal.

The candidate for Director serving as Audit & Supervisory Committee Member is as follows:

No.	Name (Date of birth)	Brief personal history, positions, responsibilities and significant concurrent positions	Number of the Bank's shares held
1	Kanako Ito (April 12, 1953) New appointment Outside Director Independent Officer	Apr. 1983 Registered as attorney-at-law with Dai-Ichi Tokyo Bar Association Apr. 1996 Registered as attorney-at-law with Shizuoka Bar Association Joined Ito Law Office (incumbent)	0 shares
[Reasons for nomination as a candidate for Outside Director and expected role as Outside Director] Ms. Kanako Ito has extensive experience as an attorney-at-law over many years. Thus, the Bank has nominated her as a candidate for Outside Director serving as Audit & Supervisory Committee Member in the expectation that based on her insight and experience, she will provide supervision and advice, etc.			

- (Notes)
- Special interest relationship between the candidate for Director serving as Audit & Supervisory Committee Member and the Bank  
Ms. Kanako Ito is the Bank's legal counsel and the Bank pays her counseling fees.
  - Independence of candidates for Outside Directors (Independence Criteria for Outside Directors of the Bank are listed on page 20)  
Ms. Kanako Ito is a candidate for Outside Director who meets the Independence Criteria for Outside Directors of the Bank. If the election of Ms. Kanako Ito is approved, the Bank intends to submit a notification to Tokyo Stock Exchange to register her as an independent officer of the Bank.
  - Limited liability agreements with Outside Directors  
If the election of Ms. Kanako Ito is approved, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank intends to conclude an agreement with her to limit her liability in the event that she neglects her duties and that the limit of the liability under such an agreement shall be the amount provided by laws and regulations.
  - Directors and officers liability insurance contract  
The Bank has concluded a directors and officers liability insurance contract with an insurance company to insure its Directors as stipulated in Article 430-3, Paragraph 1 of the Companies Act. All insurance premiums are borne by the Bank.  
The insurance contract covers damages incurred by the insured in the event of a claim for damages arising from acts by the insured in the course of his or her duties, and is renewed each year. However, the insurance contract has certain exclusions, such as not covering any loss or damage caused by an insured who knowingly violated laws and regulations. Should the candidate be appointed and assume office as Director, the candidate will be insured under the insurance contract. The Bank intends to renew the insurance contract during the term of office of the candidate.

**Proposal No. 4:** Revision of the Amount of Remuneration for Directors (excluding Directors Serving as Audit & Supervisory Committee Members)

At the 145th Annual General Meeting of Shareholders held on June 25, 2020, approval was granted for the amount of remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) to be set at a maximum of 270 million yen per annum for fixed remuneration (including a maximum of 20 million yen for Outside Directors) and, separate from this fixed remuneration framework, a maximum of 30 million yen per annum for performance-based remuneration (excluding Directors serving as Audit & Supervisory Committee Members and Outside Directors) and a maximum of 36 million yen per annum for share remuneration-based stock options.

As part of the review of the remuneration system for its officers, the Bank requests the approval of the revision of the frameworks for fixed remuneration and performance-based remuneration as follows, in consideration of the changes in the economic environment and the increase in the responsibilities of Directors associated with the expansion of the Bank's business scale, etc.

The current number of Directors (excluding Directors serving as Audit & Supervisory Committee Members) is eleven (11), including three (3) Outside Directors. If Proposal No. 2 is approved as originally proposed, the number of Directors (excluding Directors serving as Audit & Supervisory Committee Members) will remain eleven (11), including three (3) Outside Directors.

[Details of the Revision]

With the above-mentioned purpose in mind, it is proposed that the amount of monetary remuneration to be provided to Directors (excluding Directors serving as Audit & Supervisory Committee Members) be set at a maximum of 260 million yen per annum (including a maximum of 20 million yen per annum for Outside Directors) for the framework for fixed remuneration and, as shown in the table below, the amount of monetary remuneration to be provided to Directors (excluding Directors serving as Audit & Supervisory Committee Members and Outside Directors) be set at a maximum of 40 million yen per annum for the framework for performance-based remuneration.

Framework for Performance-based Remuneration

Profit level	Remuneration framework (per annum)
4,000 million yen or more	40 million yen
3,000 million yen or more and less than 4,000 million yen	30 million yen
2,000 million yen or more and less than 3,000 million yen	20 million yen
1,000 million yen or more and less than 2,000 million yen	10 million yen
Less than 1,000 million yen	0 yen

At the meeting of the Board of Directors held on February 22, 2021, the Bank established decision policies pertaining to the contents of remuneration to each Director, with the overview of the contents being described on pages 32 to 34 of the Business Report herein. With the approval of this proposal as a condition, the Bank plans to modify the contents of said policies to fit this proposal. The revision of the amount of remuneration for Directors has been decided following recommendations of the Nomination and Remuneration Advisory Committee. In addition, the Audit & Supervisory Committee has reviewed the contents of deliberations at the Nomination and Remuneration Advisory Committee, the remuneration structure, and the method of calculation for specific amounts of remuneration. The Audit & Supervisory Committee has also reviewed this proposal to conclude that there are no special matters that should be disclosed pursuant to the provisions of the Companies Act. For the reasons stated above, the content of this proposal is deemed to be reasonable.

**Proposal No. 5: Determination of Remuneration for the Allotment of Shares with Restrictions on Transfer to Directors (excluding Directors Serving as Audit & Supervisory Committee Members and Outside Directors)**

At the 145th Annual General Meeting of Shareholders held on June 25, 2020, approval was granted for the amount of remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) to be set at a maximum of 270 million yen per annum for fixed remuneration (including a maximum of 20 million yen for Outside Directors) and, separate from this fixed remuneration framework, a maximum of 30 million yen per annum for performance-based remuneration (excluding Directors serving as Audit & Supervisory Committee Members and Outside Directors) and a maximum of 36 million yen per annum for share remuneration-based stock options. (the Bank is asking for shareholders' approval under Proposal No. 4 "Revision of the Amount of Remuneration for Directors (excluding Directors Serving as Audit & Supervisory Committee Members)" at this General Meeting of Shareholders that the amount of fixed monetary remuneration be set at a maximum of 260 million yen per annum (including a maximum of 20 million yen per annum for Outside Directors) and the amount of performance-based remuneration be set at a maximum of 40 million yen per annum.)

The Bank requests approval to provide new remuneration for the allotment of shares with restrictions on transfer to its Directors (excluding Directors serving as Audit & Supervisory Committee Members and Outside Directors), which is separate from these frameworks for remuneration, in lieu of the above-mentioned share remuneration-based stock options, with a view to providing Directors, including those to be elected in the future, with incentives to contribute to sustainable enhancement of the Bank's corporate value and further promote their sharing of value with the Bank's shareholders. If this proposal is approved, the share remuneration-based stock options will be abolished, except for those already allotted, and no share acquisition rights as share remuneration-based stock options will be issued going forward.

The total amount of monetary remuneration to be provided for the allotment of shares with restrictions on transfer to the Bank's Directors (excluding Directors serving as Audit & Supervisory Committee Members and Outside Directors; hereinafter, the "Eligible Directors") pursuant to this proposal will be a maximum of 36 million yen per annum, which is deemed to be a reasonable amount given the above-mentioned purpose. Allocation of the amount to each Eligible Director will be determined at a meeting of the Board of Directors.

The current number of Directors (excluding Directors serving as Audit & Supervisory Committee Members) is eleven (11), including three (3) Outside Directors. If Proposal No. 2 is approved as originally proposed, the number of Directors (excluding Directors serving as Audit & Supervisory Committee Members) will remain eleven (11), including three (3) Outside Directors.

Eligible Directors shall, based on a resolution of the Bank's Board of Directors, tender all the monetary compensation receivables awarded according to this proposal as a contribution in kind to have shares of the Bank's common stock issued thereto or disposed of therefore. The total number of common stock of the Bank thus issued or disposed of shall not exceed 26,000 shares of the Bank's common stock per annum. Provided, however, that said total number may be adjusted within a reasonable range in the case that a stock split (including a gratis allotment) or a reverse stock split of the Bank's common stock is conducted on or after the day when this proposal is approved, or any other reason arises that would require the adjustment of the total number of the Bank's common shares that are issued or disposed of as shares with restrictions on transfer. The amount to be paid per such share shall be determined by the Board of Directors within a range that is not excessively favorable for Eligible Directors, based on the closing price of the Bank's common stock at the Tokyo Stock Exchange on the business day preceding the day when the relevant resolution is made by the Bank's Board of Directors or, if the stock's trading is not closed, the closing price on the day when such trading is closed immediately before.

Regarding the issuance or disposal of the Bank's common stock upon such payment, a contract on the allotment of shares with restrictions on transfer (hereinafter, the "Allotment Contract") that includes the following provisions shall be concluded between the Bank and an Eligible Director.

- (1) An Eligible Director must not transfer, create a security interest in or otherwise dispose of the shares of the Bank's common stock that are allotted according to the Allotment Contract (hereinafter, the "Allotted Shares") during the period between the date of allotment of shares with restrictions on transfer and the date when the Eligible Director loses a position on the board or other positions

prescribed by the Board of Directors of the Bank (hereinafter, the “Transfer Restriction Period”). (Such restrictions are hereinafter collectively referred to as “Transfer Restrictions.”)

- (2) If an Eligible Director loses either position as provided in (1) above before the period separately determined by the Board of Directors of the Bank (hereinafter, the “Service Provision Period”) expires, the Bank may automatically acquire, without any compensation therefor, the Allotted Shares unless there exist reasons the Board of Directors of the Bank deems valid.
- (3) The Bank will lift the transfer restriction on all of the Allotted Shares at the expiration of the Transfer Restriction Period on the condition that an Eligible Director has served as either Director or other positions prescribed by the Board of Directors of the Bank without a break throughout the Service Provision Period. Provided, however, that if an Eligible Director loses all of the positions provided in (1) above for reasons the Board of Directors of the Bank deems valid as provided in (2) above before the expiration of the Service Provision Period, the number of the Allotted Shares whose Transfer Restrictions are to be lifted and the timing of the lifting of Transfer Restrictions will be reasonably adjusted as may be necessary.
- (4) The Bank may automatically acquire, without any compensation therefor, the Allotted Shares whose Transfer Restrictions are not lifted at the expiration of the Transfer Restriction Period pursuant to the provisions in (3) above.
- (5) In the case that a proposal for a merger agreement under which the Bank will be absorbed, a share exchange agreement or a stock transfer plan under which the Bank will become a wholly owned subsidiary, or other forms of reorganization of the Bank was approved by the Bank’s General Meeting of Shareholders (or the Bank’s Board of Directors when such reorganization does not require approval of the Bank’s General Meeting of Shareholders) during the Transfer Restriction Period, the Bank will, by a resolution of its Board of Directors, lift the Transfer Restrictions on the reasonably-determined number of the Allotted Shares prior to the effective date of such reorganization.
- (6) In cases prescribed in (5) above, the Bank will automatically acquire without any compensation therefor the Allotted Shares whose Transfer Restrictions have yet to be lifted at the time immediately after Transfer Restrictions have been lifted pursuant to the provisions in (5) above.
- (7) A method of indication of intention or notification under the Allotment Contract, a method of revising the Allotment Contract and/or other matters determined by the Board of Directors shall constitute the provisions of the Allotment Contract.

At the meeting of the Board of Directors held on February 22, 2021, the Bank established decision policies pertaining to the contents of remuneration to each Director, with the overview of the contents being described on pages 32 to 34 of the Business Report herein. With the approval of this proposal as a condition, the Bank plans to modify the contents of said policies to fit this proposal. In addition, as stated above, because the amount to be paid for shares with restrictions on transfer will be within a range that is not excessively favorable, and the dilution ratio is slight, the allotment of the shares with restrictions on transfer is deemed to be reasonable.

Remuneration for the allotment of shares with restrictions on transfer to Directors has been determined following recommendations of the Nomination and Remuneration Advisory Committee. In addition, the Audit & Supervisory Committee has reviewed the contents of deliberations at the Nomination and Remuneration Advisory Committee, etc. The Audit & Supervisory Committee has also reviewed this proposal to conclude that there are no special matters that should be disclosed pursuant to the provisions of the Companies Act.



(Reference) Decision policies pertaining to the contents of remuneration to each Director

1. Basic policy

The basic policy on remuneration for Directors of the Bank is that its scheme is linked with shareholders' interest so that remuneration will function adequately as an incentive to contribute to sustainable enhancement of the Bank's corporate value and that remuneration to each Director is set at a reasonable level by taking into account their duties. In more concrete terms, remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) shall consist of fixed remuneration, performance-based remuneration, and shares with restrictions on transfer, and Outside Directors and Directors serving as Audit & Supervisory Committee Members shall receive fixed remuneration only in light of their duties.

2. Decision policies pertaining to the amount and timing of provision of fixed remuneration to each Director

Fixed remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) shall be paid monthly in a fixed amount, which is determined, as approved at a General Meeting of Shareholders, at a maximum of 260 million yen per annum by comprehensively taking into account standards of other banks, performance of the Bank, and salaries to employees for respective rank, duties, and the length of service in the position.

3. Decision policies pertaining to the contents of performance indicators that concern performance-based remuneration and the amount and the timing of provision of such remuneration to each Director

With the aim of raising awareness on the part of Directors towards enhancing business performance for each business year, performance-based remuneration will be paid monthly on the basis of the net profit of a respective business year to Directors (excluding Directors serving as Audit & Supervisory Committee Members) who will be in office between June of the following business year and June of the business year after that in the amount determined by taking into consideration respective rank, duties, and the length of service in the position within the range as determined in the table below.

Framework for Performance-based Remuneration

Profit level	Remuneration framework (per annum)
4,000 million yen or more	40 million yen
3,000 million yen or more and less than 4,000 million yen	30 million yen
2,000 million yen or more and less than 3,000 million yen	20 million yen
1,000 million yen or more and less than 2,000 million yen	10 million yen
Less than 1,000 million yen	0 yen

4. Decision policies pertaining to the contents of non-monetary remuneration, calculation method of the amount or number and the timing of provision of such remuneration to each Director

Non-monetary remuneration will be paid with shares with restrictions on transfer in order to incentivize Directors to contribute to sustainable enhancement of the Bank's corporate value and further promote their sharing of value with the Bank's shareholders. Eligible Directors shall tender all the monetary compensation receivables awarded by the Bank as a contribution in kind to have shares of the Bank's common stock issued thereto or disposed of therefor. The total amount of monetary remuneration to be provided for the allotment of shares with restrictions on transfer will be a maximum of 36 million yen per annum, which is separate from the framework for monetary remuneration, and the total number of shares of the Bank's common stock thus issued or disposed of will be a maximum of 26,000 shares per annum. The number of shares with restrictions on transfer to be allotted to Eligible Directors will be determined by taking into consideration respective rank, duties, and the length of service in the position and, as a general rule, such shares will be delivered at a certain time of the year. The Transfer Restriction Period of shares with restrictions on transfer will be from the date of allotment of such shares and the date when the Eligible Director loses a position on the board or other positions prescribed by the Board of Directors of the Bank.

5. Decision policies pertaining to the ratio of the amounts of fixed remuneration, performance-based remuneration, or non-monetary remuneration to the amount of remuneration for each Director (excluding Directors serving as Audit & Supervisory Committee Members)

Composition ratios by type of remuneration to Directors (excluding Directors serving as Audit & Supervisory Committee Members) will be designed in a way that the weight of performance-based

remuneration is higher for Directors with a higher rank, based on the remuneration level benchmarked against enterprises, etc. whose business scale is similar to that of the Bank or which belong to related industries and business categories, and will be considered by the Nomination and Remuneration Advisory Committee, more than half of its members are Independent Outside Directors (excluding Directors serving as Audit & Supervisory Committee Members). The Board of Directors (Representative Director delegated by the Board of Directors in 6. below) will, with respect to the contents of recommendations made by the Nomination and Remuneration Advisory Committee, determine the contents of remuneration for each Director (excluding Directors serving as Audit & Supervisory Committee Members) within a composition ratio of each type of remuneration. A standard ratio among different types of remuneration, that is, fixed remuneration, performance-based remuneration, and non-monetary remuneration, will be 8:1:1.

6. Matters regarding decisions on the contents of remuneration, etc. for each Director (excluding Directors serving as Audit & Supervisory Committee Members)

Based on the resolution of the Board of Directors, the Representative Director is delegated the authority to determine specific details of the evaluation of performance and allocation of performance-based remuneration that take into account the amount of fixed remuneration and the performance of business he/she is responsible for. In order to ensure that such authority is exercised properly by the Representative Director, the Board of Directors shall submit a draft to the Nomination and Remuneration Advisory Committee to seek their recommendations, and the Representative Director shall make the decision in accordance with the contents of said recommendations.

The Board of Directors shall determine the number of shares with restrictions on transfer to be allocated to each Director (excluding Directors serving as Audit & Supervisory Committee Members) based on the recommendation of the Nomination and Remuneration Advisory Committee.

<Reference>

[Skill matrix of the Directors after Proposal No. 2 and Proposal No. 3 have been approved]

The following illustrates extensive experience and skills possessed by Directors.

Name		Experience and skills						
		Business strategy	Sales	Market operation	Personnel and labor affairs	Risk management	Corporate credit review	System clerical work
Katsuichiro Toyoshima	Male	●	●	●	●	●	●	●
Yasuhiro Iwayama	Male	●	●	●	●	●	●	●
Ayato Mochizuki	Male	●	●		●	●	●	●
Fumitoshi Yabuzaki	Male	●		●	●	●		●
Masashi Hiraiwa	Male		●	●		●		
Naoyuki Tamura	Male	●		●	●	●	●	●
Nobuhide Fukazawa	Male	●	●				●	
Masaki Yagi	Male	●				●		
Akihiro Mochizuki (Audit & Supervisory Committee Member)	Male	●	●	●	●	●	●	●

The following illustrates the areas of expertise possessed by Outside Directors.

Name		Area of expertise				
		Corporate management	Academic experience	Legal affairs	Finance and accounting	Regional economy
Keiko Higashi	Female		●			
Yoshiki Shimma	Male	●				
Makoto Kono	Male			●		
Kazuaki Isobe (Audit & Supervisory Committee Member)	Male				●	
Shigeyuki Konagaya (Audit & Supervisory Committee Member)	Male					●
Kanako Ito (Audit & Supervisory Committee Member)	Female			●		

\*The above tables do not indicate all of the insights and experiences possessed by each Director.

## Independence Criteria for Outside Directors of the Bank

The Bank appoints as its Independent Outside Directors persons who possess professional expertise, the necessary knowledge for the execution of duties, and extensive experience as a manager, and who meet the requirements for Outside Directors stipulated in the Companies Act as well as the Independence Criteria outlined below.

### **Independence Criteria**

In principle, persons who do not meet any of the following criteria either currently or recently.

1. A person for whom the Bank is a major business partner or the executor of business for said person, or a person that is a major business partner of the Bank or the executor of business for said person
2. A consultant, accounting specialist, or legal specialist, etc. who has received a significant amount of money or other assets from the Bank, other than executive remuneration
3. Employees, etc. of consulting offices, accounting offices, and law offices for whom the Bank is a major business partner
4. A person who is in receipt of a significant amount of donations from the Bank, or the business executor if said person is a corporation
5. A major shareholder of the Bank or the business executor if said shareholder is a corporation
6. Close relatives of the following persons (excluding insignificant persons)
  - a. A person to whom any of the above 1. to 5. applies
  - b. A Director, Audit & Supervisory Board Member, Executive Officer, and important employee, etc. of the Bank and its subsidiaries

- “Recently” refers to cases that can, for practical purposes, be regarded as occurring in the present. For example, this includes cases applicable at the point at which details of proposals at the General Meeting of Shareholders appointing Independent Officers as Outside Directors were decided. “Recently” does not refer to more than a year ago.
- “Major” refers to a business partner with whom the Bank has a transactional relationship that could affect business decisions, etc. to the same extent as a parent company, subsidiary, or affiliated company.
- A “significant amount” refers to an average of 10 million yen or more over the past three years.
- “Close relatives” refers to a spouse or relative within the second degree of kinship.
- “Insignificant persons” refers to officers and manager-level persons of a company or business partner, and persons other than certified public accountants affiliated with each audit corporation and lawyers affiliated with each law firm.

[End of Document]