

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities code: 7381

May 24, 2022

To our shareholders:

Shuji Tsuemura  
Director and President  
**Hokkoku Financial Holdings, Inc.**  
2-12-6 Hirooka, Kanazawa, Ishikawa, 920-8670 Japan

## NOTICE OF THE 1ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 1st Ordinary General Meeting of Shareholders of Hokkoku Financial Holdings, Inc. (the “Company”), which will be held as described below.

You may exercise your voting rights either in writing (by post) or via internet. After reviewing the attached reference documents for the General Meeting of Shareholders, please exercise your voting rights no later than 5:30 p.m., Monday, June 13, 2022 (Japan Standard Time).

1. **Date and Time:** Tuesday, June 14, 2022 at 10:00 a.m. (Japan Standard Time)
2. **Venue:** Main Hall, 3F Hokkoku Financial Holdings Head Office Building  
2-12-6 Hirooka, Kanazawa, Ishikawa

### 3. Purposes:

#### Items to be reported:

The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the 1st Term (from October 1, 2021 to March 31, 2022), as well as the results of audits by the Accounting Auditor and the Audit and Supervisory Committee

#### Items to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Amendment to Articles of Incorporation
- Proposal 3:** Election of Four (4) Directors who are not Audit and Supervisory Committee Members
- Proposal 4:** Amount of Remuneration for Directors who are not Audit and Supervisory Committee Members (Excluding Outside Directors)
- Proposal 5:** Amount of Remuneration for Directors who are Audit and Supervisory Committee Members

## Notes Regarding General Meeting of Shareholders

The following are the measures that will be taken to prevent novel coronavirus infection at the 1st Ordinary General Meeting of Shareholders, and we request your understanding regarding and cooperation with these measures.

### 1. Requests to shareholders

- We request that you do not attend the meeting in person but make use of the ability to exercise your voting rights in advance by mail or Internet.

Deadline for exercising voting rights: Received or sent electronically no later than 5:30 p.m., Monday, June 13, 2022 (Japan Standard Time)

- We intend to place seats well spaced apart at the venue. There may be an insufficient number of seats for shareholders who attend the meeting in person. We apologize if this causes any inconvenience.
- We particularly request that the following shareholders do not attend the General Meeting of Shareholders: those who are elderly, those with existing health conditions, those who are concerned about their health, those who are pregnant, and those who have recently traveled abroad.
- If you are considering attending the General Meeting of Shareholders in person, you should give sufficient consideration to the state of your health on the day of the meeting, such as taking their temperature, and not make unnecessary efforts to attend the meeting. If you attend the meeting in person, you should be sure to have a mask with you.

### 2. The Company's response

- A live streaming of the General Meeting of Shareholders will be conducted to allow even shareholders who do not attend in person to view it via the internet.

For details, please refer to “Guidance on viewing the live streaming of the General Meeting of Shareholders” (page 5) (available in Japanese only).

- Shareholders are able to submit their questions for the General Meeting of Shareholders beforehand.  
For details, please refer to “Guidance on submitting questions in advance” (page 6) (available in Japanese only).
- We will not provide gifts to shareholders who attend the meeting in person.
- Officers and staff running the meeting will fully check the state of their health, including having their temperatures taken on the day of the meeting.
- Staff conducting the meeting will wear masks.
- There will be disinfectant near the reception desk for use by shareholders.
- Shareholders who start to feel ill at the meeting should notify the staff running the meeting. Staff may say something to shareholders who they think are not feeling well.

We request that you appropriately check the Company's website because changes may be made to the above as a result of subsequent developments. <https://www.hfhd.co.jp/ir/stock/soukai.html> (available in Japanese only).

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of Surplus

The Company maintains a basic policy of paying dividends from surplus to its shareholders on a stable and continual basis while striving to improve owned capital by enhancing internal reserves.

In addition, as its policy for returning profit to shareholders, the Company targets a total return ratio, including dividends and share buybacks, of 40% or higher.

Considering the business performance for the fiscal year under review and future business development, the Company proposes the payment of year-end dividends as follows:

Matters related to year-end dividends:

- (1) Type of dividend property  
To be paid in cash.
- (2) Allocation of dividend property and total amount thereof:  
¥50 per common share of the Company  
Total amount of dividends: ¥1,345,400,550
- (3) Effective date of distribution of dividends of surplus is  
June 15, 2022

**Proposal 2:** Amendment to Articles of Incorporation

1. Reason for Proposal

Since the revised provisions stipulated in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to come into effect September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation to introduce a system for providing reference documents for the general meeting of shareholders in electronic format.

- (1) Article 16 (Measures, etc., for Providing Information in Electronic Format), Paragraph 1 will be added because the Articles of Incorporation must stipulate that the Company shall take measures to provide information included in the reference documents for the general meeting of shareholders, etc., in electronic format.
- (2) Article 16 (Measures, etc., for Providing Information in Electronic Format), Paragraph 2 will be added so that for items for which measures to provide information included in the reference documents for the general meeting of shareholders, etc., in electronic format are taken, the items for which paper-based documents are provided to shareholders who requested such documents can be limited to those items designated by Ministry of Justice Order.
- (3) Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation will be deleted because when the system to provide reference documents for the general meeting of shareholders in electronic format is introduced, said article will no longer be required.
- (4) Supplementary Provisions related to the above newly added and deleted provisions coming into effect will be added. These Supplementary Provision will be deleted after the Effective Date.

2. Details of Changes

The details of the changes are as follows.

(Changes are indicated by an underline)

| Current Articles of Incorporation   | Proposed changes   |
|---|--|
| <p><u>Article 16</u><br/> <u>(Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.)</u><br/> <u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or indicated in the reference documents of the general meeting of shareholders, business report, financial statements and/or consolidated financial statements (including the financial audit report and the audit report of the consolidated financial statements) through the internet in accordance with the provisions of laws and regulations, it may be deemed that the Company has provided this information to shareholders.</u></p> <p style="text-align: center;">(newly added)</p> | <p style="text-align: center;">(deleted)</p> <p><u>Article 16</u><br/> <u>(Measures, etc., for Providing Information in Electronic Format)</u><br/> <u>(1) When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc., in electronic format.</u><br/> <u>(2) Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by Ministry of Justice Order from the paper-based documents to be delivered to shareholders who requested the delivery of such documents by the record date of voting rights.</u></p> |

| Current Articles of Incorporation   | Proposed changes  |
|---|---|
| <p>(newly added)</p> <p><u>Article 1 - Article 2 (Omitted)</u></p> <p><u>Article 3</u></p> <p><u>These supplementary provisions shall be removed at the conclusion of the first ordinary general meeting of shareholders held after the establishment of the Company.</u></p> | <p><u>SUPPLEMENTARY PROVISIONS</u></p> <p><u>Article 1</u><br/> <u>(Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p> <p><u>(1) The deletion of Article 16 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents of the General Meeting of Shareholders, Etc.) and addition of Article 16 (Measures, etc., for Providing Information in Electronic Format) shall come into effect as of September 1, 2022.</u></p> <p><u>(2) Notwithstanding the provision of the preceding paragraph, Article 16 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective regarding any general meeting of shareholders held on a date within six (6) months of September 1, 2022.</u></p> <p><u>(3) These supplementary provisions shall be deleted on the date when six (6) months have elapsed from September 1, 2022 or three (3) months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p> <p><u>Article 2 - Article 3 (Unchanged)</u></p> <p><u>Article 4</u></p> <p><u>Article 2 to Article 4 of these supplementary provisions shall be removed at the conclusion of the first ordinary general meeting of shareholders held after the establishment of the Company.</u></p> |

**Proposal 3:** Election of Four (4) Directors who are not Audit and Supervisory Committee Members

Mr. Hideaki Hamasaki resigned as Director as of February 28, 2022 and the terms of office of other Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter in this proposal) will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Company proposes the election of four (4) Directors.

Please note that when selecting the candidates for Directors, appropriate procedures, such as deliberation by the optional Nomination and Compensation Committee (a majority of which is outside Directors) have been performed. Considering their execution of duties in the fiscal year under review, the Audit and Supervisory Committee judges that the candidates are suitable for the position of Director at the Company.

The candidates for Directors are as follows:

| No. | Name            |                | Current position and responsibilities at the Company | Attendance at Board of Directors meetings for fiscal 2021 |
|-----|-----------------|----------------|--|---|
| 1   | Shuji Tsuemura  | For reelection | Director and President (Representative Director)     | 100%<br>(7/7)   |
| 2   | Kazuya Nakamura | For reelection | Director (Representative Director)                   | 100%<br>(7/7)   |
| 3   | Koichi Nakada   | For reelection | Director   | 100%<br>(7/7)   |
| 4   | Yuji Kakuchi    | For reelection | Director   | 100%<br>(7/7)   |

| No.   | Name<br>(Date of Birth)                            | Career summary, positions and responsibilities at the Company   | Number of the<br>Company's shares<br>owned |
|---|--|---|--|
| 1   | Shuji Tsuemura<br>(July 6, 1961)<br>For reelection | <p>Apr. 1985      Joined The Hokkoku Bank, Ltd.</p> <p>June 2008      Executive Officer, General Manager of General Planning Department and System Department</p> <p>June 2009      Director and Executive Officer, General Manager of General Planning Department and Operations Department</p> <p>June 2010      Managing Director and Executive Officer, General Manager of General Planning Department and Operations Department</p> <p>Apr. 2011      Managing Director and Executive Officer, General Manager of General Planning Department</p> <p>Apr. 2013      Managing Director and Executive Officer</p> <p>June 2013      Senior Managing Director (Representative Director)</p> <p>June 2020      President (Representative Director) (present position)</p> <p>Oct. 2021      President (Representative Director) of the Company (present position)</p> <p>■ Significant concurrent positions outside the Company<br/>President (Representative Director), The Hokkoku Bank, Ltd.<br/>Corporate Auditor (Outside), TAKAMATSU MACHINERY CO., LTD.</p> | 7,100                                      |
| <p>■ Reason for nomination as candidate for Director</p> <p>Mr. Shuji Tsuemura has long been involved in the field of corporate planning since joining The Hokkoku Bank, Ltd., a Group company, and he has significantly contributed to improving corporate value by taking the lead cross-organizationally for core projects of the Company. He has vigorously promoted rebuilding business models and implementing DX within bank operations, and he was appointed Director and President (Representative Director) in October 2021. He was nominated as a candidate for Director because the Company judges that he will be able to utilize his many years of experience and knowledge to execute management of the Company accurately, fairly, and efficiently. The Company expects that he will further strengthen the effectiveness of decision-making and auditing function of the Board of Directors.</p> |  |   |  |

| No.  | Name<br>(Date of Birth)                             | Career summary, positions and responsibilities at the Company   | Number of the<br>Company's shares<br>owned |
|--|---|---|--|
| 2  | Kazuya Nakamura<br>(July 6, 1959)<br>For reelection | <p>Apr. 1983      Joined The Hokkoku Bank, Ltd.</p> <p>Apr. 2011      Executive Officer, Tokyo Branch Manager and<br/>General Manager of Tokyo Office, General<br/>Planning Department</p> <p>Apr. 2013      Executive Officer, General Manager of General<br/>Planning Department and Human Resource<br/>Development Office</p> <p>June 2013      Director and Executive Officer, General<br/>Manager of General Planning Department and<br/>Human Resource Development Office</p> <p>Apr. 2016      Director, General Manager of Sales Supervisory<br/>Department</p> <p>Apr. 2017      Director, General Manager of Branch<br/>Management Department, Overseas Business<br/>Strategy Department, Retail Customer Support<br/>Department, and Public Institution Business</p> <p>June 2017      Managing Director, General Manager of Branch<br/>Management Department, Overseas Business<br/>Strategy Department, Retail Customer Support<br/>Department, and Public Institution Business</p> <p>Apr. 2018      Managing Director, General Manager of Branch<br/>Management Department and Public Institution<br/>Business</p> <p>Apr. 2019      Managing Director, General Manager of Head<br/>Office Sales Department</p> <p>June 2020      Managing Director, General Manager of Head<br/>Office Sales Department (Representative<br/>Director)</p> <p>Mar. 2021      Director, Senior Executive Officer<br/>(Representative Director) (present position)</p> <p>Oct. 2021      Director (Representative Director) of the<br/>Company (present position)</p> <p>■ Significant concurrent positions outside the Company<br/>Director, Senior Executive Officer (Representative Director),<br/>The Hokkoku Bank, Ltd.<br/>President and Representative Director, The Hokkoku Credit<br/>Guarantee Co., Ltd.<br/>President and Representative Director, The Hokkoku Credit<br/>Service Co., Ltd. (expected to take up position in June)<br/>Company Auditor (Outside), I-O DATA DEVICE, INC.</p> | 2,650                                      |
| <p>■ Reason for nomination as candidate for Director</p> <p>In addition to having served as the General Manager of multiple sales branches in key locations after joining The Hokkoku Bank, Ltd., a Group company, Mr. Kazuya Nakamura has been involved in fields such as corporate planning, marketing, and human resource development. He has both a wealth of business experience and wide-ranging, extensive knowledge of corporate management. He was appointed Director in October 2021. He was nominated as a candidate for Director because the Company judges that he will be able to execute management of the Company accurately, fairly, and efficiently. The Company expects that he will further strengthen the effectiveness of decision-making and auditing function of the Board of Directors.</p> |   |   |  |



| No.  | Name<br>(Date of Birth)                                 | Career summary, positions and responsibilities at the Company  | Number of the<br>Company's shares<br>owned |
|--|---|--|--|
| 3  | Koichi Nakada<br>(September 11, 1960)<br>For reelection | <p>Apr. 1983      Joined The Hokkoku Bank, Ltd.</p> <p>Apr. 2011      Executive Officer, General Manager of<br/>Komatsu Area and Komatsu Branch Manager</p> <p>June 2013      Director and Executive Officer, General<br/>Manager of Komatsu Area and Komatsu<br/>Branch Manager</p> <p>Apr. 2015      Director and Executive Officer, Tokyo Branch<br/>Manager</p> <p>Apr. 2017      Director, General Manager of Management<br/>Administration Department and Legal Office</p> <p>June 2017      Managing Director, General Manager of<br/>Management Administration Department and<br/>Legal Office</p> <p>Mar. 2021      Director, Senior Executive Officer (present<br/>position)</p> <p>Oct. 2021      Director of the Company (present position)</p> <p>■ Significant concurrent positions outside the Company<br/>Director, Senior Executive Officer, The Hokkoku Bank, Ltd.<br/>President and Representative Director, COREZO Inc.<br/>President and Representative Director, The BPO Management,<br/>Ltd.<br/>Direct and Audit &amp; Supervisory Committee Member (Outside),<br/>KOMATSU WALL INDUSTRY CO., LTD.</p> | 2,600                                      |
| <p>■ Reason for nomination as candidate for Director</p> <p>In addition to having served as the General Manager of multiple sales branches in key locations after joining The Hokkoku Bank, Ltd., a Group company, Mr. Koichi Nakada has been involved in fields such as risk management, financial strategy, and human resource development. He has both a wealth of business experience and wide-ranging, extensive knowledge of corporate management. He was appointed Director in October 2021. He was nominated as a candidate for Director because the Company judges that he will be able to execute management of the Company accurately, fairly, and efficiently. The Company expects that he will further strengthen the effectiveness of decision-making and auditing function of the Board of Directors.</p> |   |  |  |

| No.  | Name<br>(Date of Birth)                           | Career summary, positions and responsibilities at the Company  | Number of the<br>Company's shares<br>owned |
|--|---|--|--|
| 4  | Yuji Kakuchi<br>(July 15, 1960)<br>For reelection | <p>Apr. 1983      Joined The Hokkoku Bank, Ltd.</p> <p>Apr. 2014      Executive Officer, General Manager of Capital Market Department and International Department</p> <p>Apr. 2017      Executive Officer, General Manager of Capital Market Department</p> <p>June 2017      Director, General Manager of Capital Market Department</p> <p>June 2020      Managing Director, General Manager of Capital Market Department</p> <p>Mar. 2021      Director, Senior Executive Officer (present position)</p> <p>Oct. 2021      Director of the Company (present position)</p> <p>■ Significant concurrent positions outside the Company</p> <p>Director, Senior Executive Officer, The Hokkoku Bank, Ltd.</p> <p>President and Representative Director, QR Investment Co., Ltd.</p> <p>President and Representative Director, FD Advisory Co., Ltd.</p> | 3,300                                      |
| <p>■ Reason for nomination as candidate for Director</p> <p>Mr. Yuji Kakuchi has been mainly involved in the fields of financial strategy, overseas business, and market operations since joining The Hokkoku Bank, Ltd., a Group company. He has a wealth of business experience and wide-ranging, extensive knowledge of corporate management. He was appointed Director in October 2021. He was nominated as a candidate for Director because the Company judges that he will be able to execute management of the Company accurately, fairly, and efficiently. The Company expects that he will further strengthen the effectiveness of decision-making and auditing function of the Board of Directors.</p> |   |  |  |

- Notes:
1. There is no special interest between any of the candidates and the Company.
  2. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, and a summary of the terms of the insurance agreement is provided on page 37 of the Business Report (available in Japanese only). If the election of each of the candidates for Directors is approved, each of them will continue to be included as an insured in the insurance agreement. The Company intends to renew the agreement with the same terms the next time it is renewed.

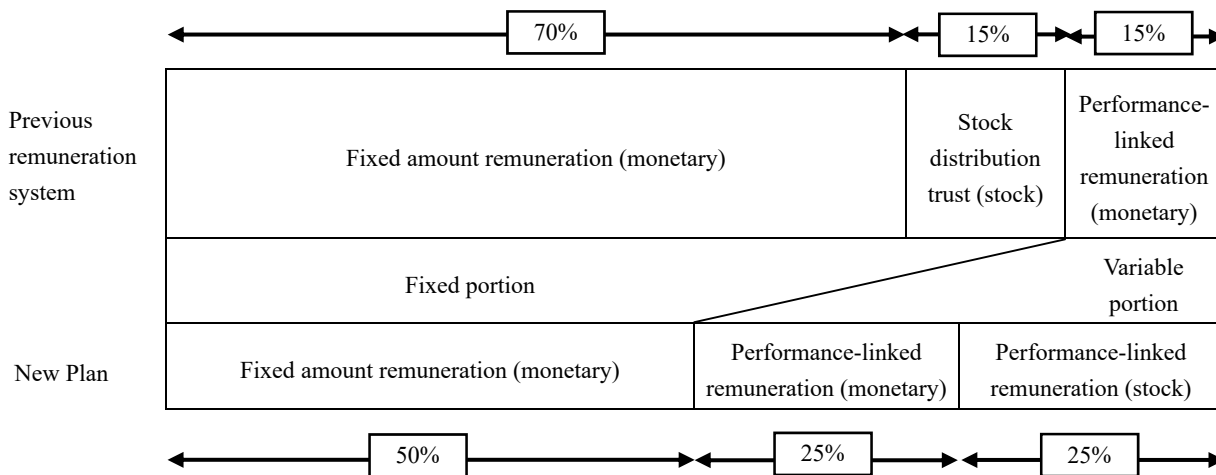
**Proposal 4:** Amount of Remuneration for Directors who are not Audit and Supervisory Committee Members (Excluding Outside Directors)

It was provided for in the supplementary provisions of the Articles of Incorporation, which were established on October 1, 2021, that the total amount remuneration, etc. to be paid as cash to the current Directors who are not Audit and Supervisory Committee Members of the Company for the period from the establishment of the Company until the conclusion of the first ordinary general meeting of shareholders shall not exceed ¥60 million per year.

At this time it has been decided to revise the Company’s remuneration system for officers to provide incentives to Directors of the Company who are not Audit and Supervisory Committee Members (excluding outside Directors, hereinafter referred to as the “Eligible Directors”) for the purpose of further enhancing share value for shareholders and to improve the corporate value of the Company.

The remuneration of Eligible Directors in the post-revision remuneration plan for officers (hereinafter referred to as the “Plan”) will be comprised of (1) fixed amount remuneration (fixed monetary), (2) performance-linked monetary remuneration (variable monetary) and (3) performance-linked stock remuneration (variable stock). It has also been decided to increase the proportion of the performance-linked variable portion remuneration compared to the conventional remuneration system for officers of The Hokkoku Bank, Ltd.

**<Remuneration composition ratio of the Plan>**



\* The above illustration is based on certain assumptions of positions and the Company’s performance. The ratios may fluctuate depending on positions and the Company’s performance.

Therefore, approval is sought that the following amounts be instituted for Eligible Directors: (1) total amount of fixed amount remuneration at ¥150 million or less per year, (2) total amount of performance-linked monetary remuneration at ¥70 million or less per year, and (3) total number of stock shares given to Eligible Directors as performance-linked stock remuneration at 80,000 shares per year or less (Total number of shares will be adjusted to a reasonable extent if a stock split (including gratis allotment of the Company’s common stock) or reverse stock split of the Company’s common stock is carried out, or if there is any other reason that requires adjustment of the total number of the Company’s common stock to be issued or disposed of after the date on which this proposal is approved.) and total amount of performance-linked monetary remuneration at ¥250 million or less per year.

The remuneration amounts for Directors does not include salary as employee paid to Directors serving concurrently as employees.

There are currently ten (10) Directors (including six (6) Directors who are Audit and Supervisory Committee Members), and if Proposal 3 is approved as originally proposed, there will be ten (10) Directors (including six (6) Directors who are Audit and Supervisory Committee Members).

If this proposal is approved, the Company also plans to introduce a similar remuneration plan for executive officers of the Company.

## 1. Summary of Each Type of Remuneration

### (1) Fixed Amount Remuneration (fixed monetary)

Fixed amount remuneration is a fixed amount of remuneration determined by the Board of Directors of the Company and granted as remuneration, etc. to the Eligible Directors in order to encourage them to perform their duties in a sound manner in accordance with the responsibilities of their positions.

### (2) Performance-linked Monetary Remuneration (variable monetary)

The performance-linked monetary remuneration is performance-linked remuneration that is granted to Eligible Directors for the period from April 1 of every year to March 31 of the following year (hereinafter referred to as the “Evaluation Period”; the initial evaluation period will be the fiscal year from April 1, 2022 to March 31, 2023) calculated based on 2 below in order to raise awareness of the need to improve the Company’s performance in each fiscal year.

Therefore, the performance-linked monetary remuneration is to be paid in proportion to the ratio of numerical performance objectives achieved, etc., and at the time of introduction of the Plan, whether or not performance-linked monetary remuneration is paid, or amount to be paid to each Eligible Director, is not determined.

### (3) Performance-linked Stock Remuneration (variable stock)

Performance-linked stock remuneration is performance-linked remuneration in which a number of shares of common stock of the Company calculated based on 2 below are granted to the Eligible Directors for each Evaluation Period as remuneration, etc. in order to give them further incentive to sustainably improve the Company’s medium- to long-term performance and corporate value, and to promote further value sharing with shareholders from the same perspective.

Therefore, the performance-linked stock remuneration is to grant the shares of common stock of the Company in proportion to the percentage of the achievement of numerical performance targets and other factors. and at the time of introduction of the Plan, whether or not such shares are granted, or the number of shares granted to each Eligible Director, is not determined

When issuing or disposing of the Company’s common stock as performance-linked stock remuneration, the Company shall also conclude with each Eligible Director (limited to Directors, Executive Officers of the Company or any other eligible persons in positions specified by the Board of Directors of the Company as of the date of the resolution to grant such shares) a stock allotment agreement with transfer restrictions (hereinafter referred to as the “Allotment Agreement”) that includes an outline and the following contents

- (i) Eligible Directors shall not transfer, establish security interest, or otherwise dispose of the shares of common stock of the Company allotted under this Allotment Agreement (hereinafter referred to as “Allotted Shares”) during the period from the date of delivery of the restricted shares to the date of loss of such position (However if the position is lost within 3 months after the end of the fiscal year that includes the date of delivery of the restricted shares, the Board of Directors of the Company shall separately determine the date within 6 months after the end of the relevant fiscal year) (hereinafter referred to as “Transfer Restriction Period”) as Directors, or Executive Officers of the Company or any position specified by the Board of Directors of the Company (hereinafter referred to as “Transfer Restriction”).
- (ii) In the event that the Board of Directors of the Company determines that it is appropriate for the Company to acquire the shares without consideration due to violation of laws and regulations, internal rules, the Allotment Agreement by an Eligible Director, or other reasons, the Company shall acquire the shares without consideration.
- (iii) If, during the Transfer Restriction Period, any proposals relating to a merger agreement under which the Company becomes an extinguished company, a share exchange agreement under which the Company becomes a wholly owned subsidiary, a share transfer plan, or other matters related to organizational restructuring are approved at the General Meeting of Shareholders of the Company (or by the Board of Directors of the Company if approval by the General Meeting of Shareholders of the

Company is not required for the organizational restructuring), the Company shall, by a resolution of the Board of Directors of the Company, cancel the Transfer Restriction with respect to all of the Allotted Shares prior to the effective date of said organizational restructuring.

In the event that an Eligible Director retires from a position as a Director of the Company or any other position specified by the Board of Directors of the Company due to death or other reasons deemed justified by the Board of Directors of the Company, or if a new Director or Executive Officer of the Company is appointed, or if any proposals relating to a merger agreement under which the Company becomes an extinguished company, a share exchange agreement under which the Company becomes a wholly owned subsidiary, a share transfer plan, or other matters related to organizational restructuring are approved at the General Meeting of Shareholders of the Company (or by the Board of Directors of the Company if approval by the General Meeting of Shareholders of the Company is not required for such organizational restructuring), or if there are other reasons deemed justified by the Board of Directors of the Company as needed, the Company may deliver the number of shares and monetary amounts in reasonably adjusted numbers and amounts at a time reasonably determined by the Board of Directors of the Company, or, instead of such delivery, the Company may pay monetary amounts reasonably calculated by the Board of Directors of the Company as an amount equivalent to such shares, etc.

## 2. Method of Calculating Performance-linked Remuneration

After each Evaluation Period, the Company will pay as performance-linked monetary remuneration to each Eligible Director (i) an amount calculated on the basis of the composition ratio of the remuneration described below which is determined by the position of the Eligible Director and the percentage of achievement of numerical performance targets of Company based on the fixed amount of remuneration for each individual determined by the Board of Directors (hereinafter referred to as the “Base Amount”) multiplied by (ii) a ratio of service period.

After each Evaluation Period, the Company will determine the number of shares to be allotted to each Eligible Director as performance-linked stock remuneration by multiplying (i) the base number of shares to be delivered which is calculated based on the Base Amount by (ii) a ratio of service period. Eligible Directors are then paid a monetary remuneration credit for the amount calculated by multiplying the number of shares to be allotted by the paid-in amount for the shares of common stock of the Company to be allotted, and the shares of common stock of the Company is allotted to each Eligible Director in exchange for the in-kind contribution of the monetary remuneration credit by each Eligible Director. The amount to be paid in for the allotted shares of common stock of the Company shall be an amount determined by the Board of Directors of the Company based on the closing price of the common stock of the Company in regular trading on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors on the decision for allotment (if there is no trade on the same day, the closing price on the most recent trading day prior to that day will be used) to the extent not to provide any particular advantage to the Eligible Director. The number of shares to be allotted to each of the above Eligible Directors will be calculated according to the following formula.

[Calculation Formula]

Number of allotted shares = Base number of shares to be delivered (i) x Ratio of service period (ii)

- (i) The “base number of shares to be delivered” is the number of shares obtained by dividing the Base Amount by the closing price of the common stock of the Company in regular trading on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors on the decision for allotment of performance-linked monetary remuneration (if there is no trade on the same day, the closing price on the most recent trading day prior to that day will be used).
- (ii) The “ratio of service period” is the ratio of the number of months in office divided by the number of months in the Evaluation Period.

<Composition ratio of fixed-amount remuneration, performance-linked monetary remuneration, performance-linked stock remuneration>

Director and President

| ROE                            | Composition Ratio |                   |                |       |
|--------------------------------|-------------------|-------------------|----------------|-------|
|                                | Fixed             | Linked (monetary) | Linked (stock) | Total |
| 8% or higher                   | 45%               | 30%               | 105%           | 180%  |
| 7% or higher, but less than 8% | 45%               | 30%               | 75%            | 150%  |
| 6% or higher, but less than 7% | 45%               | 30%               | 45%            | 120%  |
| 5% or higher, but less than 6% | 45%               | 30%               | 25%            | 100%  |
| 4% or higher, but less than 5% | 45%               | 25%               | 20%            | 90%   |
| 3% or higher, but less than 4% | 45%               | 20%               | 15%            | 80%   |
| 2% or higher, but less than 3% | 45%               | 15%               | 10%            | 70%   |
| 1% or higher, but less than 2% | 45%               | 10%               | 5%             | 60%   |
| Less than 1%                   | 45%               | 0%                | 0%             | 45%   |

Directors (Excluding President)

| ROE                            | Composition Ratio |                   |                |       |
|--------------------------------|-------------------|-------------------|----------------|-------|
|                                | Fixed             | Linked (monetary) | Linked (stock) | Total |
| 8% or higher                   | 50%               | 25%               | 90%            | 165%  |
| 7% or higher, but less than 8% | 50%               | 25%               | 65%            | 140%  |
| 6% or higher, but less than 7% | 50%               | 25%               | 40%            | 115%  |
| 5% or higher, but less than 6% | 50%               | 25%               | 25%            | 100%  |
| 4% or higher, but less than 5% | 50%               | 20%               | 20%            | 90%   |
| 3% or higher, but less than 4% | 50%               | 15%               | 15%            | 80%   |
| 2% or higher, but less than 3% | 50%               | 10%               | 10%            | 70%   |
| 1% or higher, but less than 2% | 50%               | 5%                | 5%             | 60%   |
| Less than 1%                   | 50%               | 0%                | 0%             | 50%   |

(reference) Executive Officer

| ROE                            | Composition Ratio |                   |                |       |
|--------------------------------|-------------------|-------------------|----------------|-------|
|                                | Fixed             | Linked (monetary) | Linked (stock) | Total |
| 8% or higher                   | 55%               | 30%               | 45%            | 130%  |
| 7% or higher, but less than 8% | 55%               | 30%               | 35%            | 120%  |
| 6% or higher, but less than 7% | 55%               | 30%               | 25%            | 110%  |
| 5% or higher, but less than 6% | 55%               | 25%               | 20%            | 100%  |
| 4% or higher, but less than 5% | 55%               | 20%               | 15%            | 90%   |
| 3% or higher, but less than 4% | 55%               | 15%               | 10%            | 80%   |
| 2% or higher, but less than 3% | 55%               | 10%               | 5%             | 70%   |
| 1% or higher, but less than 2% | 55%               | 5%                | 0%             | 60%   |
| Less than 1%                   | 55%               | 0%                | 0%             | 55%   |

ROE as the numerical target for the Company's performance-linked remuneration shall be the ROE modified by the following formula.

$$\text{ROE} = \frac{\text{(Consolidated) Current net income attributable to owners of parent}}{\text{Amount of Core Capital per Basel Accord}}$$

If the total number of issued shares of the Company increases or decreases due to share split or reverse split (including gratis allotment of shares) by the time the shares are delivered or the payment is made based on the Plan, the number of shares for the calculation of the Plan will be adjusted by multiplying the ratio of split or reverse split.

### 3. Loss of Rights to Performance-linked Remuneration and Clawback

An Eligible Director shall lose the right to receive performance-linked monetary remuneration and performance-linked stock remuneration in the event of certain non-conformity specified by the Board of Directors of the Company, or retirement due to certain reasons specified by the Board of Directors of the Company.

In addition, Eligible Directors may be subject to return of all or part of performance-linked monetary remuneration and performance-linked stock remuneration received within the fiscal year and the three previous fiscal years in which a serious fraudulent act, revision of financial results due to a fraudulent act, or revision of financial results due to serious accounting error occurred, as determined by the Board of Directors based on the results of deliberation and reporting by the Nomination and Compensation Committee.

At the Board of Directors meeting held on October 1, 2021, the Company established a Policy for determining the details of remuneration, etc. for individual Directors. A summary of the content is described on page 36 of the Business Report (available in Japanese only). The Company plans to change the policy when this proposal is approved. An outline of amended content is described below. The Company believes that the content of this proposal is necessary and appropriate for determining the details of individual remuneration, etc. for Directors in line with the revised policy.

[Policy for determining the details of remunerations, etc. for Individual Directors]

1. Basic Policy

The basic policy for determining the remuneration of individual Directors of the Company is to select an appropriate level of remuneration based on each Director's duties in a way that functions to incentivize contributing to the development of the regional community and continuously enhancing corporate value with consideration for aligning with shareholder interests. Specifically, remuneration for Directors who are not Audit and Supervisory Committee Members consists of fixed-amount remuneration as a fixed remuneration, and monetary and share-based remuneration as performance-linked remuneration. Remuneration for Directors who are Audit and Supervisory Committee Members and have a supervisory function consists solely of fixed-amount remuneration based on their duties.

As a holding company, the Company shall establish and operate a remuneration structure integrally with each group company, and in the event that a Director concurrently holds a position at more than one of the group companies, the fixed-amount remuneration shall be apportioned at a fixed rate.

2. Policy for determining the amount of base remuneration (monetary remuneration) for individual directors (including policy for determining timing and conditions of remuneration)

The fixed-amount remuneration for Directors of the Company is a fixed monthly amount determined through comprehensive consideration of each Director's position and duties, the difficulty of executing Directorial duties, the weight of Directorial responsibility, the Group's performance, and balance with the salaries of the Company's employees.

3. Policy for determining the details and calculation method for the amount or number of performance-linked remuneration, etc. and non-monetary remuneration, etc. (including policy for determining timing and conditions of remuneration)

In order to incentivize performance improvements each fiscal year, performance-linked remuneration shall consist of monetary remuneration and stock-based remuneration reflecting performance indicators, and shall be calculated and determined at a specific time each year based on the level of achievement of performance targets. Specifically, the ROE of the Company is used as a performance indicator, and the monetary remuneration and stocks-based remuneration shall be delivered on the basis of the fixed amount of compensation for each individual composition ratio determined by each achievement level for performance indicators based on the fixed amount remuneration for each individual determined by resolution of the Board of Directors.

The composition ratio for remuneration is per outlined in Appendix 1

4. Policy on determining the ratio of monetary remuneration, performance-linked remuneration, or non-monetary remuneration amounts to the amount of remuneration for individual Directors

The composition ratio of different types of Directors is determined by the Board of Directors with respect for the opinion of the discretionary Nomination and Compensation Committee in line with the details of the individual remuneration.

5. Matters related to determining the details of remuneration for individual Directors

The amount of remuneration for individual Directors (i.e., the fixed-amount remuneration for Directors who are not Audit and Supervisory Committee Members) is determined after consulting the discretionary Nomination and Compensation Committee with original proposals and decided by the Board of Directors based on the Committee's opinion.



Appendix 1

Director and President

| ROE                            | Composition Ratio |                   |                |       |
|--------------------------------|-------------------|-------------------|----------------|-------|
|                                | Fixed             | Linked (monetary) | Linked (stock) | Total |
| 8% or higher                   | 45%               | 30%               | 105%           | 180%  |
| 7% or higher, but less than 8% | 45%               | 30%               | 75%            | 150%  |
| 6% or higher, but less than 7% | 45%               | 30%               | 45%            | 120%  |
| 5% or higher, but less than 6% | 45%               | 30%               | 25%            | 100%  |
| 4% or higher, but less than 5% | 45%               | 25%               | 20%            | 90%   |
| 3% or higher, but less than 4% | 45%               | 20%               | 15%            | 80%   |
| 2% or higher, but less than 3% | 45%               | 15%               | 10%            | 70%   |
| 1% or higher, but less than 2% | 45%               | 10%               | 5%             | 60%   |
| Less than 1%                   | 45%               | 0%                | 0%             | 45%   |

Directors (Excluding President)

| ROE                            | Composition Ratio |                   |                |       |
|--------------------------------|-------------------|-------------------|----------------|-------|
|                                | Fixed             | Linked (monetary) | Linked (stock) | Total |
| 8% or higher                   | 50%               | 25%               | 90%            | 165%  |
| 7% or higher, but less than 8% | 50%               | 25%               | 65%            | 140%  |
| 6% or higher, but less than 7% | 50%               | 25%               | 40%            | 115%  |
| 5% or higher, but less than 6% | 50%               | 25%               | 25%            | 100%  |
| 4% or higher, but less than 5% | 50%               | 20%               | 20%            | 90%   |
| 3% or higher, but less than 4% | 50%               | 15%               | 15%            | 80%   |
| 2% or higher, but less than 3% | 50%               | 10%               | 10%            | 70%   |
| 1% or higher, but less than 2% | 50%               | 5%                | 5%             | 60%   |
| Less than 1%                   | 50%               | 0%                | 0%             | 50%   |

$$\text{ROE} = \frac{\text{(Consolidated) Current net income attributable to owners of parent}}{\text{Amount of Core Capital per Basel Accord}}$$

**Proposal 5:** Amount of Remuneration for Directors who are Audit and Supervisory Committee Members

It was provided for in the supplementary provisions of the Articles of Incorporation, which were established on October 1, 2021, that the amount among the compensation, etc. for the current Directors who are Audit and Supervisory Committee Members of the Company to be paid in cash for the period from the establishment of the Company until the conclusion of the first ordinary general meeting of shareholders shall not exceed ¥65 million per year.

Accordingly, the Company again proposes to set the total amount for items paid in cash among the remuneration, etc. for Directors who are Audit and Supervisory Committee Members of the Company after the conclusion of the General Meeting of Shareholders at an amount not exceeding ¥65 million per year, in consideration of matters including economic circumstances, etc.

Note that the current number of Directors who are Audit and Supervisory Committee Members is six (6) (of which five (5) are Outside Directors)

Reference: Specialization and Experience Required for Directors (Skill Matrix)

(expected at conclusion of the Ordinary General Meeting of Shareholders)

| Name of Director  |                  | Specialization and experience           |                                |                                |                        |           |            |                   |                   |                         |                     |
|---|------------------|---|--------------------------------|--------------------------------|------------------------|-----------|------------|-------------------|-------------------|-------------------------|---------------------|
|   |                  | Corporate planning/ Management strategy | Governance and risk management | Financial and capital strategy | ESG and sustainability | Marketing | Consulting | Overseas business | Market operations | Human resource strategy | Digital IT strategy |
| Directors who are not Audit and Supervisory Committee Members | Shuji Tsuemura   | ◎                                       | ●                              | ◎                              | ◎                      |           | ●          | ◎                 | ◎                 |                         | ◎                   |
|   | Kazuya Nakamura  | ◎                                       | ●                              | ◎                              | ●                      | ●         | ●          | ●                 |                   | ◎                       |                     |
|   | Koichi Nakada    | ●                                       | ◎                              |                                |                        |           |            |                   |                   | ◎                       | ●                   |
|   | Yuji Kakuchi     |   | ●                              |                                |                        | ●         | ●          | ◎                 | ◎                 |                         |                     |
| Directors who are Audit and Supervisory Committee Members     | Nobuhiro Torigoe | ●                                       |                                | ●                              | ●                      |           |            |                   |                   | ●                       | ●                   |
|   | Shigeru Nishii   |   | ●                              | ●                              |                        |           |            |                   |                   | ●                       |                     |
|   | Tadashi Onishi   | ●                                       | ●                              |                                |                        | ●         |            |                   |                   | ●                       |                     |
|   | Shuji Yamashita  | ●                                       | ●                              |                                |                        | ●         |            | ●                 |                   |                         | ●                   |
|   | Taku Oizumi      | ●                                       | ●                              | ●                              |                        | ●         |            | ●                 |                   |                         |                     |
|   | Naoko Nemoto     |   |                                | ●                              | ●                      |           |            | ●                 | ●                 |                         |                     |

\* Fields that the Company highly expects candidates for Directors who are not Audit and Supervisory Committee Members to contribute to are marked with “◎.”

\* The above list does not represent all the knowledge and experience of each Director.

## Reference: Independence Criteria for Outside Directors

The Company judges that a person to whom none of the following conditions applies satisfies the independence criteria for Outside Director.

In the event that none of the following conditions apply to an Outside Director (including a candidate), the Company judges that the Outside Director is an Independent Outside Director.

1. A party who was a business executive at the Company or its subsidiaries, etc., in the past 10 years (\*)
2. A party who has or is a business executive at a company that has the Company or its subsidiaries, etc., as a major client  
A major client or party who is a business executive at a company that is a major client of the Company or its subsidiaries, etc.
3. An attorney at law, certified public accountant, tax accountant or other consultant who receives monetary or other property benefits of ¥10 million or more annually from the Company or its subsidiaries, etc., separately from officers' remuneration
4. A party who is involved in organizations that have received donations or subsidies of ¥10 million or more from the Company or its subsidiaries, etc.
5. A major shareholder holding 10% or more of the Company's shares; or if said major shareholder is a corporation, business executive of said major shareholder, its parent company, or its significant subsidiary
6. A business executive of a company at which a business executive of the Company or its subsidiary, etc., is an officer
7. A certified public accountant who belongs to an audit corporation that is an accounting auditor of the Company or its subsidiaries, etc.
8. A party for whom any of the items 2 through 7 applies to in the past 3 years
9. Spouse or second-degree-or-closer relative of a party that any of the preceding items applies to
10. Notwithstanding the provisions of the preceding items, a party who is deemed to have other specific reasons that may cause a permanent and substantial conflict of interest with general shareholders

\* Business executives includes executive directors, executive officers, and significant employees.