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Securities code: 8524

June 2, 2020

To our shareholders:

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

NOTICE OF THE 164TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 164th Ordinary General Meeting of Shareholders of North Pacific Bank, Ltd. (the “Bank”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail or electromagnetic means. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights.

- Regarding your attendance at the General Meeting of Shareholders, the exercise of your voting rights and other related details, please refer to “Measures to Prevent Infection of the Novel Coronavirus Disease (COVID-19),” “Instructions on Exercising Voting Rights” and “Instructions on Exercising Voting Rights via the Internet” (in Japanese only).

1. Date and Time: Thursday, June 25, 2020 at 10:00 a.m. (Japan Standard Time)

2. Venue: Banquet room “Hou-ou (鳳凰),”
2nd floor, Hotel Sapporo Garden Palace
3-1, Kita 1-jyo Nishi 6-chome, Chuo-ku, Sapporo, Hokkaido, Japan

3. Purposes:

Items to be reported:

1. Business Report and Non-Consolidated Financial Statements for the 164th Term (from April 1, 2019 to March 31, 2020)
2. Consolidated Financial Statements for the 164th Term (from April 1, 2019 to March 31, 2020) and the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

Items to be resolved:

- Proposal 1:** Appropriation of surplus
Proposal 2: Election of twelve (12) Directors
Proposal 3: Election of two (2) Audit & Supervisory Board Members

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of surplus

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

Under this policy, the Bank proposes the year-end dividend of surplus for the fiscal year ended March 31, 2020 as follows.

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof to shareholders
5.0 yen per common share of the Bank
Total amount of dividends: 1,947,994,900 yen
- (3) Effective date of distribution of dividends of surplus
Common share of the Bank: June 26, 2020

As a result, the annual dividend for the fiscal year ended March 31, 2020 will be 10.0 yen per common share including the interim dividend of 5.0 yen per common share, as stated in the dividend forecast announced on May 14, 2019.

(Reference) The Bank's comprehensive shareholder returns policy

Ordinary dividend:

We intend to pay 10 yen per common share in order to be able to pay stable dividends.

Performance-linked dividend:

For the part related to performance, when the profit attributable to shareholders of parent for the entire fiscal year is more than 15 billion yen, we intend to aim for a payment of 30% of the amount over 15 billion yen.

Repurchase of treasury shares:

After the amount of the year-end dividend, which is an item to be resolved in the Ordinary General Meeting of Shareholders, is approved by the Board of Directors, the Bank is planning to purchase its own shares to make the total amount of the annual dividends and treasury shares 40% of the profit attributable to shareholders of parent. If the annual dividend amount exceeds 40% of the profit attributable to shareholders of parent, the Bank will not purchase its own shares.

Proposal 2: Election of twelve (12) Directors

The term of office for the current eleven (11) Directors will expire at the conclusion of the 164th Ordinary General Meeting of Shareholders. In addition, Yoshiharu Maiya has resigned and stepped down as Director on March 31, 2020. Accordingly, the Bank proposes the election of twelve (12) Directors. With this proposal, the number of External Directors will be increased by one (1) to further enhance the transparency and fairness of the management. This proposal has been approved by the Board of Directors upon consultation with the Nomination and Remuneration Advisory Committee whose majority is comprised of Independent External Officers.

The candidates for Directors are as follows:

No.	Name	Position in the Bank	Responsibility	Attribute
1	Junji Ishii	Director and Chairman	Responsible for Group companies, in charge of General Secretariat	[Reelection]
2	Ryu Shibata	Director and Deputy Chairman	In charge of Treasury & Markets Department	[Reelection]
3	Mitsuharu Yasuda	Director and President (Representative Director)	In charge of Personnel Department and Branch Support Department	[Reelection]
4	Iwao Takeuchi	Director and Deputy President (Representative Director)	<General Manager, Corporate Business Headquarters> In charge of Corporate Business Promotion Department, Corporate Solutions Department, Public and Financial Institutions Department, and International Department In charge of Loan Administration Department	[Reelection]
5	Minoru Nagano	Director and Deputy President (Representative Director)	<General Manager, Retail Business Headquarters> In charge of Retail Business Promotion Department, Personal Loan Department, Digital Marketing Department, and Retail Consulting Department	[Reelection]
6	Satoshi Shindo	Managing Director	<General Manager, Corporate Administration Headquarters> In charge of Legal and Compliance Department, Risk Management Department, Operations Planning Department, and System Department	[Reelection]
7	Takafumi Hiataru	Managing Director	Head Office Manager	[Reelection]
8	Nobuo Wakakuri	Director	<Deputy General Manager, Corporate Business Headquarters> In charge of Local Industry Support Department, and Management Planning Department	[Reelection]
9	Rieko Ubagai	External Director	–	[Reelection] [External] [Independent]
10	Kazuaki Shimamoto	External Director	–	[Reelection] [External] [Independent]
11	Naoki Nishita	–	–	[New election] [External] [Independent]
12	Masako Taniguchi	–	–	[New election] [External] [Independent]

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
1	<p style="text-align: center;">Junji Ishii (date of birth: May 25, 1951) [Reelection] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 16 years Male</p>	<p>Apr. 1975 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Administrator, Business Promotion Department, the Bank Apr. 1999 Manager, Planning Section II, Management Planning Department, the Bank May 2003 General Manager, Corporate Banking Promotion Department, the Bank Apr. 2004 Branch Manager, Odori Branch, the Bank June 2004 Director, Sapporo Hokuyo Holdings, Inc. (currently the Bank) June 2004 Director and Branch Manager, Odori Branch, the Bank Apr. 2005 Director and General Manager, Business Planning Department, the Bank Apr. 2006 Managing Director and General Manager, Business Planning Department, the Bank June 2006 Managing Director, the Bank June 2009 Managing Director and Senior General Manager, Business Promotion Headquarters, the Bank June 2010 Director and Deputy President, Sapporo Hokuyo Holdings, Inc. June 2010 Director and Deputy President, the Bank Apr. 2012 Director and President, Sapporo Hokuyo Holdings, Inc. Apr. 2012 Director and President, the Bank June 2015 Audit & Supervisory Board Member (External), Hokkaido Railway Company (present position) Apr. 2018 Director and Chairman, the Bank (present position) [Significant concurrent positions outside the Bank] Audit & Supervisory Board Member (External), Hokkaido Railway Company</p>	145,400
<p>[Reason for selection as Director nominee] Junji Ishii has successively held positions such as General Manager of the Business Planning Department, Managing Director in charge of the Risk Management and System Department, and Senior General Manager of the Business Promotion Headquarters. He has broad knowledge and experience regarding the banking operations. He worked as Director and President from April 2012 and has been Director and Chairman since April 2018. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
2	<p>Ryu Shibata (date of birth: January 25, 1957) [Reelection] Attendance at meetings of the Board of Directors 12/13 (92%) Number of years in office as a Director 16 years Male</p>	<p>Apr. 1981 Joined Hokuyo Sogo Bank, Ltd. (currently the Bank) Nov. 1998 Administrator, Loan Administration Department I, the Bank June 2000 Manager, Screening Section, Loan Administration Department I, the Bank July 2002 General Manager, Risk Management Office, the Bank Apr. 2004 General Manager, Management Planning Department, the Bank June 2004 Director, Sapporo Hokuyo Holdings, Inc. (currently the Bank) June 2004 Director and General Manager, Management Planning Department, the Bank Apr. 2006 Managing Director and General Manager, Management Planning Department, the Bank June 2009 Managing Director, the Bank Apr. 2010 Audit & Supervisory Board Member (External), Nakamichi Leasing Co., Ltd. (present position) June 2010 Director and Deputy President, Sapporo Hokuyo Holdings, Inc. June 2010 Director and Deputy President, the Bank Apr. 2018 Director and Deputy Chairman, the Bank (present position) [Significant concurrent positions outside the Bank] Audit & Supervisory Board Member (External), Nakamichi Leasing Co., Ltd.</p>	138,400
<p>[Reason for selection as Director nominee] Ryu Shibata has successively held positions such as General Manager of the Risk Management Office and Management Planning Department and Managing Director in charge of the System Department. He has broad knowledge and experience regarding the banking operations. He worked as Director and Deputy President from June 2010 and has been Director and Deputy Chairman since April 2018. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
3	<p>Mitsuharu Yasuda (date of birth: October 5, 1959) [Reelection] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 6 years Male</p>	<p>Apr. 1983 Joined Hokuyo Sogo Bank, Ltd. (currently the Bank) Apr. 2004 Manager, Planning Section, Management Planning Department, the Bank Apr. 2005 Branch Manager, Miyanosawa Branch, the Bank Aug. 2007 Assistant General Manager, Personnel Department, the Bank (temporary transfer to Ishiya Co., Ltd.) Apr. 2009 Deputy General Manager, Loan Administration Department I, the Bank June 2011 Senior Deputy General Manager, Loan Administration Department I and General Manager, Credit Planning Office, the Bank June 2013 Executive Officer and General Manager, Loan Administration Department I, the Bank June 2014 Director and General Manager, Management Planning Department, the Bank June 2016 Managing Director, the Bank Apr. 2018 Director and President, the Bank (present position)</p>	53,800
<p>[Reason for selection as Director nominee] Mitsuharu Yasuda has successively held positions such as Branch Manager of the Miyanosawa Branch, General Manager of the Loan Administration Department I and General Manager of the Management Planning Department. He has broad knowledge and experience regarding the banking operations. He held positions such as General Manager of the Corporate Banking Promotion Headquarters and was responsible for the Business Strategy Department and the banking departments in his capacity as Managing Director from June 2016, and has been Director and President since April 2018. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
4	<p>Iwao Takeuchi (date of birth: April 5, 1958) [Reelection] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 4 years Male</p>	<p>Apr. 1981 Joined Hokuyo Sogo Bank, Ltd. (currently the Bank) July 2000 Branch Manager, Date Branch, the Bank Sept. 2002 Administrator, Sales Promotion Department, the Bank Oct. 2002 Administrator, Management Planning Department, the Bank Dec. 2002 Administrator, Loan Administration Department I, the Bank June 2004 Manager, Chitose Airport Sub Branch, Branch Manager, Chitose-Chuo Branch, the Bank May 2007 General Manager in charge of liaison, Head Office, the Bank Nov. 2008 General Manager, Corporate Banking Department, Head Office, the Bank June 2010 Branch Manager, Sapporo-eki Minami-guchi Branch, the Bank June 2012 Executive Officer and Branch Manager, Kushiro-Chuo Branch, the Bank Nov. 2013 Executive Officer and Senior Deputy General Manager, Loan Administration Department I, the Bank June 2014 Managing Executive Officer, the Bank June 2016 Managing Director, the Bank June 2019 Director and Deputy President, the Bank (present position)</p>	29,500
<p>[Reason for selection as Director nominee] Iwao Takeuchi has successively held positions such as Branch Manager of the Sapporo-eki Minami-guchi Branch, the Kushiro-Chuo Branch, and Senior Deputy General Manager of the Loan Administration Department I. He has broad knowledge and experience regarding the banking operations. He has worked as General Manager of Corporate Business Headquarters in his capacity as Managing Director from June 2016 and as Deputy President since June 2019. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
5	<p style="text-align: center;">Minoru Nagano (date of birth: November 16, 1959) [Reelection] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 6 years Male</p>	<p>Apr. 1982 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank June 2005 Manager, Planning Section, Management Planning Department, the Bank Apr. 2009 Deputy General Manager, Management Planning Department, and Manager, Planning Section I, the Bank June 2009 General Manager, Management Planning Department, the Bank Jan. 2011 General Manager, Management Planning Department, and Manager, Planning Section II, the Bank June 2011 Executive Officer and General Manager, Business Promotion Department, the Bank June 2012 Executive Officer and Branch Manager, Asahikawa-Chuo Branch, the Bank June 2014 Director and Branch Manager, Asahikawa- Chuo Branch, the Bank Apr. 2015 Director and Head Office Manager, the Bank June 2016 Managing Director and Head Office Manager, the Bank June 2017 Managing Director, the Bank June 2019 Director and Deputy President, the Bank (present position)</p>	44,700
<p>[Reason for selection as Director nominee] Minoru Nagano has successively held positions such as General Manager of the Business Promotion Department, Branch Manager of the Asahikawa-Chuo Branch, and Head Office Manager. He has broad knowledge and experience regarding the banking operations. He has worked as General Manager of Retail Business Headquarters in his capacity as Managing Director from June 2016 and as Deputy President since June 2019. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
6	<p>Satoshi Shindo (date of birth: October 27, 1963) [Reelection] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 2 years Male</p>	<p>Apr. 1987 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank Apr. 2009 Manager, Trading Section, Treasury and Securities Department, the Bank Oct. 2012 Manager, Management Administration Section, Management Planning Department, the Bank Apr. 2014 Manager, Management Planning Section, Management Planning Department, the Bank June 2014 Deputy General Manager, Management Planning Department and Manager, Management Planning Section, the Bank Oct. 2015 Senior Deputy General Manager, Management Planning Department and Manager, Management Planning Section, the Bank June 2016 General Manager, Management Planning Department, the Bank Apr. 2017 Executive Officer and General Manager, Management Planning Department, the Bank June 2018 Director and General Manager, Management Planning Department, the Bank Apr. 2019 Director, the Bank June 2019 Managing Director, the Bank (present position)</p>	14,000
<p>[Reason for selection as Director nominee] Satoshi Shindo has successively held positions such as Manager of the Trading Section of the Treasury and Securities Department and General Manager of the Management Planning Department. He has broad knowledge and experience regarding the banking operations. He has worked as General Manager of Corporate Administration Headquarters in his capacity as Director from June 2018 and as Managing Director since June 2019. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
7	<p style="text-align: center;">Takafumi Hiataru (date of birth: June 9, 1963) [Reelection] Attendance at meetings of the Board of Directors 10/10 (100%) Number of years in office as a Director 1 year Male</p>	<p>Apr. 1987 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank Apr. 2009 Branch Manager, Hoshioki Branch, the Bank Oct. 2010 Branch Manager, Hoshioki Branch and Shin- Hoshioki Branch, the Bank June 2011 Administrator, Loan Administration Department I, the Bank Nov. 2012 Manager, Corporate Banking Promotion Section I, Corporate Banking Department, the Bank June 2013 Manager, Corporate Banking Planning Section, Corporate Banking Department, the Bank June 2014 Deputy General Manager, Corporate Banking Department and Manager, Corporate Banking Planning Section, the Bank Apr. 2015 Deputy General Manager, Public and Financial Institutions Department, the Bank Oct. 2015 Senior Deputy General Manager, Channel Development Department, the Bank Jan. 2016 General Manager, Channel Development Department, the Bank Apr. 2017 Executive Officer and Deputy Head Office Manager, the Bank June 2019 Managing Director and Head Office Manager, the Bank (present position)</p>	8,700
<p>[Reason for selection as Director nominee] Takafumi Hiataru has successively held positions such as Deputy General Manager of the Public and Financial Institutions Department, General Manager of the Channel Development Department, and the Deputy Head Office Manager. He has broad knowledge and experience regarding the banking operations. He has worked as Head Office Manager in his capacity as Managing Director since June 2019. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
8	Nobuo Wakakuri (date of birth: November 3, 1961) [Reelection] Attendance at meetings of the Board of Directors 10/10 (100%) Number of years in office as a Director 1 year Male	Apr. 1985 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank May 2007 Branch Manager, Fukuzumi Branch, the Bank Nov. 2008 Branch Manager, Bandaicho Branch, the Bank May 2010 Manager, Business Promotion Section, Business Promotion Department, the Bank Oct. 2012 Deputy General Manager, Management Planning Department, the Bank June 2014 General Manager, Loan Administration Planning Department, the Bank Apr. 2016 Executive Officer and Deputy Head Office Manager, the Bank Apr. 2017 Managing Executive Officer and Branch Manager, Tokyo Branch, the Bank Apr. 2019 Managing Executive Officer and Senior Deputy General Manager, Business Strategy Department, the Bank June 2019 Director, the Bank (present position)	12,300
		[Reason for selection as Director nominee] Nobuo Wakakuri has successively held positions such as General Manager of the Loan Administration Planning Department, Deputy Head Office Manager, and Branch Manager of the Tokyo Branch. He has broad knowledge and experience regarding the banking operations. He has worked as Deputy General Manager of Corporate Business Headquarters in his capacity as Director since June 2019. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.	
9	Rieko Ubagai (date of birth: April 20, 1960) [Reelection] [External] [Independent] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 5 years Female	Apr. 1996 Registered as a lawyer, opened Ubagai Law Office. Nov. 1999 Member, Kita Ishikari Labor Dispute Committee (present position) Apr. 2002 Part-time Director, Hokkaido Housing Supply Corporation Nov. 2003 Opened Hirooka & Ubagai Law Office (currently Ubagai & Nakatsuji Law Office) (present position) Apr. 2004 Member, Management Committee, Hokkaido University of Education Oct. 2004 Supervisor, Hokkaido Housing Supply Corporation July 2007 Member, Hokkaido Prefectural Public Safety Commission June 2015 Director (External), the Bank (present position) June 2016 Member, Sapporo Personnel Affairs Commission (present position)	1,700
		[Reason for selection as Director nominee] Rieko Ubagai is active in the front line as an attorney and has also held positions of responsibility in various public bodies such as being a member of the Management Committee at Hokkaido University of Education and also a member of the Hokkaido Prefectural Public Safety Commission. The Bank concluded that she can use those varied experiences and specialist's knowledge on legal affairs and can continue to contribute to supervision of the management and constructive discussions toward securing the continued health of management with a point of view independent of that of the Bank's management in the Board of Directors and so made her a candidate for External Director.	

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
10	<p>Kazuaki Shimamoto (date of birth: October 7, 1946) [Reelection] [External] [Independent] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 4 years Male</p>	<p>Apr. 1978 Doctor of Medicine Sept. 1996 Professor, Internal Medicine Seminar II, School of Medicine, Sapporo Medical University Apr. 2000 Deputy Hospital Superintendent, Sapporo Medical University Hospital Mar. 2004 Hospital Superintendent, Sapporo Medical University Hospital Apr. 2010 Chairperson and President, Sapporo Medical University Apr. 2016 Chancellor, Incorporated Educational Institution Japan Health Care College (present position) June 2016 Director (External), the Bank (present position) [Significant concurrent positions outside the Bank] Chancellor, Incorporated Educational Institution Japan Health Care College</p>	-
<p>[Reason for selection as Director nominee] Kazuaki Shimamoto has held successive positions of responsibility such as Hospital Superintendent of Sapporo Medical University Hospital and Chairperson and President of Sapporo Medical University, and from April 2016 he has been working as Chancellor of Incorporated Educational Institution Japan Health Care College. The Bank concluded that he can use his extensive experience and specialist's knowledge as an executive in the medical field which is one of the growing industries in the region, and can continue to contribute to constructive discussions and supervision of management to promoting continued growth of the Bank and the region with a point of view independent of that of the Bank's management in the Board of Directors and so made him a candidate for External Director.</p>			
11	<p>Naoki Nishita (date of birth: April 21, 1959) [New election] [External] [Independent] Male</p>	<p>Apr. 1982 Joined Tokai Local Finance Bureau, Ministry of Finance July 2001 Director, Financial Cooperatives Office, Planning and Management Division, Supervision Bureau, Financial Services Agency July 2003 Director, Postal Savings Supervision, Planning and Management Division, Supervision Bureau, Financial Services Agency July 2006 Director, Deposit Insurance and Resolution Framework Office, Planning and Management Division, Supervision Bureau, Financial Services Agency July 2008 Director, Banking Business Division II, Supervision Bureau, Financial Services Agency July 2012 Director, Planning and Management Division, Supervision Bureau, Financial Services Agency July 2014 Deputy Director-General, Planning and Coordination Bureau, Financial Services Agency July 2018 Director-General, Hokuriku Local Finance Bureau, Ministry of Finance (retired in July 2019)</p>	-
<p>[Reason for selection as Director nominee] Naoki Nishita has held successive positions of responsibility in the Financial Services Agency such as Director of Financial Cooperatives Office, Director of Banking Business Division II and Deputy Director-General of Planning and Coordination Bureau, and have in-depth knowledge on community-based financial initiatives and management strategies of regional financial institutions. The Bank concluded that he can use his varied experiences and specialist's knowledge on financial administration and can contribute to supervision of the management and constructive discussions to promoting continued growth of the Bank and the region with a point of view independent of that of the Bank's management in the Board of Directors and so made him a candidate for External Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
12	Masako Taniguchi (date of birth: December 11, 1960) [New election] [External] [Independent] Female	Oct. 1990 Joined Chuo Shinko Audit Corporation Mar. 1994 Registered as a certified public accountant Aug. 2007 Joined Ernst & Young ShinNihon LLC July 2010 Appeals Judge, Sapporo National Tax Tribunal July 2013 Established Masako Taniguchi CPA Office (present position) Aug. 2013 Registered as a certified public tax accountant Dec. 2013 Joined Ginga Audit Corporation Apr. 2016 Auditor, Kitami Institute of Technology (present position) Apr. 2016 Auditor, Sapporo City University (present position) Aug. 2017 Representative partner, Ginga Audit Corporation (present position) [Significant concurrent positions outside the Bank] Representative Partner, Ginga Audit Corporation	-
[Reason for selection as Director nominee] As a certified public accountant and certified tax accountant, Masako Taniguchi has served as a representative partner of an audit corporation and has held successive positions of responsibility in various organizations such as Auditor of Kitami Institute of Technology and Auditor of Sapporo City University. The Bank concluded that she can use those varied experiences and specialist's knowledge on financial affairs and corporate accounting, and can contribute to supervision of the management and constructive discussions toward securing the continued health of management with a point of view independent of that of the Bank's management in the Board of Directors and so made her a candidate for External Director.			

- Notes:
- There is currently no special interest between each of the candidates and the Bank.
 - A limited liability agreement under the provision of Article 427, paragraph 1 of the Companies Act has been concluded between Rieko Ubagai and Kazuaki Shimamoto, and the Bank. The Bank intends to continue this agreement with Rieko Ubagai and Kazuaki Shimamoto in the event that their reappointments are approved. In addition, the Bank plans to enter into limited liability agreements with Naoki Nishita and Masako Taniguchi in accordance with Article 427, paragraph 1 of the Companies Act in the event that their appointments are approved.
An overview of the limited liability agreements is as follows.
 - In the event of damage to the Bank caused by failure to perform duties as External Directors, they will be liable to the maximum amount below so long as their duties are performed in good faith and without gross negligence.
 - The maximum amount of liability shall be whichever is the higher of 20 million yen or the amount provided for by legislation (the minimum liability provided for under Article 425, paragraph 1, of the Companies Act).
 - Matters pertaining to candidates for External Directors provided for under Article 74, paragraph 4 of the Ordinance for Enforcement of the Companies Act
 - Rieko Ubagai, Kazuaki Shimamoto, Naoki Nishita and Masako Taniguchi are candidates for External Director.
 - Rieko Ubagai, Kazuaki Shimamoto, Naoki Nishita and Masako Taniguchi have no previous experience of being involved in corporate management other than serving as External Director or External Audit & Supervisory Board Member. However, it is deemed that they are able to execute duties appropriately as described in the "Reason for selection as Director nominee."
 - With reference to the specific standards for determination that the Bank has established regarding stock exchange criteria for independence ("Independence Determination Standards" below), Rieko Ubagai and Kazuaki Shimamoto are independent from the executive management team. Therefore, the Bank has designated them as Independent Directors stipulated under Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange and Rule 5-2 of the Corporate Conduct Rules of the Sapporo Securities Exchange. In the event that their reappointments are approved, the Bank intends to continue this designation.
With reference to the Independence Determination Standards, listed later, Naoki Nishita and Masako Taniguchi are independent from the executive management team. Therefore, if their elections are approved, the Bank intends to designate them as Independent Audit & Supervisory Board Member stipulated under Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange and Rule 5-2 of the Corporate Conduct Rules of the Sapporo Securities Exchange.
Although the Bank has general business transactions with Incorporated Educational Institution Japan Health Care College where Kazuaki Shimamoto holds the position of Chancellor and Ginga Audit Corporation where Masako Taniguchi holds the position of Representative Partner, those organizations are not applicable to the "major trading partner" defined in the Bank's Independence Determination Standards (a partner for which transactions account for

2% or more of the Bank's consolidated gross profit or the trading partner's consolidated net sales of the most recent fiscal year) and therefore will not affect their independence.

- (4) The term of office of Rieko Ubagai as External Director shall be four (4) years at the conclusion of this General Meeting of Shareholders. Also, the term of office of Kazuaki Shimamoto as External Director shall be four (4) years at the conclusion of this General Meeting of Shareholders.

Proposal 3: Election of two (2) Audit & Supervisory Board Members

The term of office of Makoto Nojima and Kimihiro Homma as Audit & Supervisory Board Members will expire at the conclusion of the 164th Ordinary General Meeting of Shareholders. Accordingly, the Bank proposes the election of two (2) Audit & Supervisory Board Members.

This proposal has been approved by the Board of Directors after obtaining approval from the Audit & Supervisory Board upon consultation with the Nomination and Remuneration Advisory Committee whose majority is comprised of Independent External Officers.

The candidates for Audit & Supervisory Board Member are as follows:

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
1	Tateo Wada (date of birth: January 6, 1950) [New election] [External] [Independent] Male	Oct. 1981 Associate Professor, Faculty of Commerce, Otaru University of Commerce Oct. 1991 Professor, Faculty of Commerce, Otaru University of Commerce July 2000 Dean of Students, Faculty of Commerce, Otaru University of Commerce Apr. 2001 Vice President, Faculty of Commerce, Otaru University of Commerce Apr. 2004 Director (Vice President) and Dean, Faculty of Commerce, Otaru University of Commerce Apr. 2008 Director (Vice President) and Dean, the Graduate School of Commerce, Otaru University of Commerce Apr. 2014 President, Faculty of Commerce, Otaru University of Commerce (retired in March 2020)	-
[Reason for selection as Audit & Supervisory Board Member nominee] Tateo Wada worked as a professor specializing in economic laws in Otaru University of Commerce for many years, and served as President of Otaru University of Commerce until March 2020 after successively holding positions such as Vice President in charge of general affairs and financial affairs. The Bank concluded that he can use his specialist's knowledge gained as an academic personnel and experience involved with financial affairs and university management to conduct audits in an objective and neutral manner and greatly contribute to securing managerial health of the Bank, so made him a candidate for External Audit & Supervisory Board Member.			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
2	Yoshiharu Ishii (date of birth: January 17, 1954) [New election] [External] [Independent] Male	<p>Apr. 1976 Joined Hokkaido-Tohoku Development Finance Public Corporation</p> <p>Oct. 1999 Deputy General Manager, General Affairs Division, Development Bank of Japan Inc.</p> <p>June 2000 Deputy Director, Regional Policy Research Center and Associate Director-General, General Affairs Division, Development Bank of Japan Inc.</p> <p>Apr. 2002 Senior Deputy General Manager, General Affairs Division and Director, Policy Finance Assessment Office, Development Bank of Japan Inc.</p> <p>June 2003 Shikoku Branch Manager, Development Bank of Japan Inc.</p> <p>Apr. 2005 Professor, Hokkaido University Graduate School of Public Policy</p> <p>Apr. 2015 Dean, Hokkaido University, Graduate School of Public Policy</p> <p>June 2016 Director and Chairman, Tomatoh Inc.</p> <p>Apr. 2017 Specially Appointed Professor, Hokkaido University Graduate School of Public Policy</p> <p>Apr. 2019 Visiting Professor, Hokkaido University Graduate School of Public Policy (present position)</p> <p>June 2019 Representative Director and Chairman, Tomatoh Inc. (present position)</p> <p>Aug. 2019 Member, Hokkaido Prefectural Public Safety Commission (present position)</p> <p>[Significant concurrent positions outside the Bank] Representative Director and Chairman, Tomatoh Inc.</p>	—
<p>[Reason for selection as Audit & Supervisory Board Member nominee] Yoshiharu Ishii has held successive positions of responsibility such as Deputy Director of Regional Policy Research Center and Shikoku Branch Manager in Development Bank of Japan Inc. and professor and Dean of Hokkaido University Graduate School of Public Policy. He currently serves as Representative Director and Chairman, Tomatoh Inc. The Bank concluded that he can use his extensive experience on the management of financial institutions and operating companies and his specialist's knowledge on regional and public policies to conduct audits in an objective and neutral manner and greatly contribute to securing managerial health of the Bank, so made him a candidate for External Audit & Supervisory Board Member.</p>			

- Notes:
- There is currently no special interest between each of the candidates and the Bank.
 - The Bank plans to enter into a limited liability agreement with Tateo Wada and Yoshiharu Ishii in accordance with Article 427, paragraph 1 of the Companies Act in the event that their appointments are approved.
An overview of the limited liability agreements is as follows.
 - In the event of damage to the Bank caused by failure to perform duties as External Audit & Supervisory Board Member, they will be liable to the maximum amount below so long as their duties are performed in good faith and without gross negligence.
 - The maximum amount of liability shall be whichever is the higher of 10 million yen or the amount provided for by legislation (the minimum liability provided for under Article 425, paragraph 1, of the Companies Act).
 - Matters pertaining to candidates for External Audit & Supervisory Board Member provided for under Article 76, paragraph 4 of the Ordinance for Enforcement of the Companies Act
 - Tateo Wada and Yoshiharu Ishii are candidates for External Audit & Supervisory Board Member.
 - Tateo Wada has no previous experience of being involved in corporate management other than serving as External Director or External Audit & Supervisory Board Member. However, it is deemed that he is able to execute duties appropriately as described in the "Reason for selection as Audit & Supervisory Board Member nominee."
 - With reference to the Independence Determination Standards, listed later, Tateo Wada and Yoshiharu Ishii are independent from the executive management team. Therefore, if their elections are approved, the Bank intends to designate them as Independent Audit & Supervisory Board Member stipulated under Rule 436-2 of the Securities

Listing Regulations of the Tokyo Stock Exchange and Rule 5-2 of the Corporate Conduct Rules of the Sapporo Securities Exchange.

Although the Bank has general business transactions with Tomatoh Inc. where Yoshiharu Ishii holds the position of Director and Chairman, the organization is not applicable to the “major trading partner” defined in the Bank’s Independence Determination Standards (a partner for which transactions account for 2% or more of the Bank’s consolidated gross profit or the trading partner’s consolidated net sales of the most recent fiscal year) and therefore will not affect his independence.

<Reference> Independence Determination Standards

At the Bank, if none of the following conditions apply to External Directors or External Audit & Supervisory Board Members (hereinafter both referred to as “External Officers”) for the past one (1) year, it is decided that the concerned External Officer has independence.

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

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

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

*2. Definition of “large amount”

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

*3. Definition of “major shareholder”

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

*4. Examples of “important person”

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

*5. Definition of “closely related person”

A spouse or relative in the second degree