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[Translation]

(Stock Exchange Code 7327)
May 31, 2021

To Shareholders with Voting Rights:

Michiro Ueguri
President and Representative Director
Daishi Hokuetsu Financial Group, Inc.
2-14 Otedori 2-chome, Nagaoka, Niigata, Japan

NOTICE OF CONVOCATION OF THE 3RD ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are hereby notified that the 3rd Annual General Meeting of Shareholders of Daishi Hokuetsu Financial Group, Inc. (the “Company”) will be held for the purposes described below.

In view of the unabated spread of novel coronavirus (COVID-19) infections, we have decided to hold the meeting with appropriate preventative measures in place. We would appreciate your understanding that, as last year, the number of seats available will be substantially reduced accordingly. From the perspectives of preventing the spread of the infection and prioritizing the health and safety of our shareholders, we strongly request that you refrain from attending in person on the day of the meeting.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in writing or via the Internet **by 5:20 p.m. on Thursday, June 24, 2021, Japan time.**

The Company plans to subsequently provide a video record of this General Meeting of Shareholders via its webpage (<https://www.dhfg.co.jp/english/>).

- 1. Date and Time:** Friday, June 25, 2021, at 10 a.m. Japan time
(The reception begins at 9 a.m.)
- 2. Place:** Daishi Hokuetsu Hall on the second floor of The Daishi Hokuetsu Bank, Ltd.’s head office located at 1071-1, Higashiborimae-dori, 7-bancho, Chuo-ku, Niigata, Japan
(Please refer to the “Location of General Meeting of Shareholders” attached at the end of this document (Japanese version only).)

3. Agenda:

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the Company's 3rd Fiscal Year (April 1, 2020-March 31, 2021) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
2. The Non-consolidated Financial Statements for the Company's 3rd Fiscal Year (April 1, 2020-March 31, 2021)

Proposals to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of Eight (8) Directors Not Serving as Audit & Supervisory Committee Members
- Proposal 3:** Election of One (1) Director Serving as Audit & Supervisory Committee Member
- Proposal 4:** Amount and Contents of Stock Compensation, etc. for Directors Not Serving as Audit & Supervisory Committee Members

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- For further details on measures to prevent the infection of COVID-19, please refer to the attached document "Requests to Prevent Spread of COVID-19 Infection." (The details will be posted on the Company's website (<https://www.dhfg.co.jp/english/>.) Any changes to operations of the meeting will be updated on the website.
 - On the day of the meeting, a video of the will be filmed from the rear of the venue for later broadcast. We request your understanding in this matter.

4. Instructions for the Exercise of Voting Rights

(1) Methods for the exercise of voting rights

You can exercise your voting rights by three methods: attending the meeting in person, mailing the Voting Rights Exercise Form or via the Internet, etc.

(2) Handling of duplicate votes

If you have exercised your voting rights both by the Voting Rights Exercise Form and via the Internet, etc., the vote exercised via the Internet shall be deemed effective.

If you have exercised your voting rights more than once via the Internet, etc., only the last vote shall be deemed effective.

(3) Handling of diverse exercise

If you wish to make a diverse exercise of your voting rights, please notify the Company in writing of your intention of making a diverse exercise of your voting rights and the reasons thereof by three (3) days prior to the General Meeting of Shareholders.

(4) Exercise of voting rights by proxy

If you are unable to attend the meeting, you may exercise your voting rights by proxy. Such proxy must be a shareholder of the Company who holds voting rights and will be required to submit a document certifying the authority as proxy.

(5) Disclosure via the Internet

Among the documents to be attached to this notice of convocation, the information listed in 1) to 3) below is disclosed on our website (<https://www.dhfg.co.jp/>) and not included in the attached documents, pursuant to the relevant laws and regulations and the provision of Article 15 of the Company's Articles of Incorporation.

- 1) "Notes concerning Share Options, etc.," "Corporate Structure to Ensure Appropriate Business Operations," "Matters concerning Specified Wholly-Owned Subsidiaries," and "Matters concerning Dealings with Parent Company, etc.," in the Business Report
- 2) Consolidated Statement of Shareholders' Equity and Notes to the Consolidated Financial Statements
- 3) Non-consolidated Statement of Shareholders' Equity and Notes to the Non-consolidated Financial Statements

The Business Report and the Non-consolidated and Consolidated Financial Statements that were audited by the Audit & Supervisory Committee include the above 1) to 3) provided on our website, as well as those attached to this notice of convocation. The Non-consolidated and Consolidated Financial Statements that were audited by the Accounting Auditors include the above 2) and 3) provided on our website, as well as those attached to this notice of convocation.

End

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- Should any amendments be made to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements, they will be posted on the Company's website (<https://www.dhfg.co.jp/>).
 - Matters disclosed via the Internet are available in a printed version (Japanese only). If you wish to receive the documents by mail, please call the head office at 025-224-7111.
These documents are also available at the reception desk on the day of the meeting, so please let us know if you need the documents.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Documents

Proposal 1: Partial Amendment to the Articles of Incorporation

1. Reason for the amendment

The head office of the Company has been at the address of the head office of The Hokuetsu Bank, Ltd. in Nagaoka City, Niigata Prefecture since the time of the Company's establishment. However, pursuant to the merger of The Daishi Bank, Ltd. and the former The Hokuetsu Bank, Ltd. in January this year, the head office functions of the Company and its subsidiary bank have been consolidated in Niigata City, Niigata. The Company therefore proposes to amend the head office address set forth in Article 3 of the Articles of Incorporation to Niigata City, Niigata Prefecture.

2. Details of the amendment

Details of the amendment are as follows.

This amendment to the Articles of Incorporation will take effect at the conclusion of this General Meeting of Shareholders.

(The amended portion is underlined)

Current Articles of Incorporation	After Amendment
Chapter 1: General Provisions (Location of Head Office) Article 3. The Company's head office shall be located in <u>Nagaoka City</u> , Niigata Prefecture.	Chapter 1: General Provisions (Location of Head Office) Article 3. The Company's head office shall be located in <u>Niigata City</u> , Niigata Prefecture.

Proposal 2: Election of Eight (8) Directors Not Serving as Audit & Supervisory Committee Members

The term of office of all of the eight (8) current Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same applies within this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect eight (8) Directors.

The Company has established the Nomination and Remuneration Committee to ensure the opportunity to receive appropriate involvement and advice from Outside Directors on important matters such as the election and dismissal of Directors, and thereby reinforce fairness, transparency, and objectivity (the Committee is an advisory body to the Board of Directors composed of seven (7) members: four (4) Outside Directors and three (3) Representative Directors). The appointment of the candidates for Director was decided based on the deliberations and findings of this Committee.

Although this proposal was discussed by the Audit & Supervisory Committee, there were no special matters to note.

The candidates for Director are as follows:

No.	Name		Current position in the Company	Attendance at Meetings of the Board of Directors
1	Fujio Namiki	Renomination	Chairman and Representative Director	12/12 (100%)
2	Michiro Ueguri	Renomination	President and Representative Director	12/12 (100%)
3	Kazuyoshi Hirokawa	Renomination	Representative Director and Senior Managing Director	12/12 (100%)
4	Makoto Takahashi	Renomination	Director	12/12 (100%)
5	Ken Shibata	Renomination	Director	12/12 (100%)
6	Takayoshi Tanaka	New nomination	-	-
7	Toshiyuki Maki	New nomination	General Manager, Regional Revitalization Division	-
8	Masami Watanabe	New nomination	-	-

Note: Candidates No. 6 to 8 are all Senior Managing Executive Officers of Daishi Hokuetsu Bank, Ltd.

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
1	Fujio Namiki (June 20, 1951) <u>Renomination</u>	April 1975 Joined The Daishi Bank, Ltd. August 1998 General Manager, Kashiwazaki Minami Office February 2000 General Manager, Business Development Division February 2002 General Manager, Tsubame Office June 2004 General Manager, Sanjo Office and General Manager, Sanjo Minami Office June 2005 Director, General Manager, Sanjo Office June 2006 Director stationed in Joetsu/General Manager, Takada Office April 2007 Director and Executive Officer stationed in Joetsu/General Manager, Takada Office April 2008 Managing Director, General Manager in charge of Business Promotion Division/Retail Business Division/Financial Service Division/Customer Consulting Office June 2009 Managing Director in charge of Business Promotion Division/Retail Business Division/Financial Service Division/Customer Consulting Office July 2009 Managing Director in charge of Business Promotion Division/Retail Business Division/Financial Service Division June 2010 Managing Director in charge of Credit Supervision Division/Loan Examination Division/Loan Administration Division June 2011 Senior Managing Director in charge of Planning Coordination Division/Credit Supervision Division/Loan Examination Division/Loan Administration Division/Tokyo Representative Office June 2012 President, Chairman of Board of Directors in charge of Supervision/Secretariat October 2018 President and Representative Director, Chairman of Board of Directors, Supervision, the Company February 2019 President, Chairman of Board of Directors in charge of Supervision/Secretariat/Audit and Inspection Division, The Daishi Bank, Ltd. January 2021 President, Chairman of Board of Directors in charge of Supervision/Secretariat/Audit and Inspection Division, Daishi Hokuetsu Bank, Ltd. April 2021 Chairman and Representative Director in charge of Supervision/Audit and Inspection Division, the Company (current position) Director in charge of Supervision/Audit and Inspection Division, Daishi Hokuetsu Bank, Ltd. (current position)	8,000

	<p>[Reason for nomination as Director] Since he assumed the office of Director of The Daishi Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) in June 2005, Mr. Fujio Namiki has supervised the divisions of business promotion, credit/loans, and management planning, thereby accumulating considerable experience and broad knowledge. Having assumed the office of the bank's Representative Director in June 2011, President in June 2012, the Company's President and Representative Director since its establishment in October 2018, and the Company's Chairman and Representative Director since April 2021, he has adequately fulfilled his duties and responsibilities. He has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.</p>
	<p>[Significant concurrent positions] Director, Daishi Hokuetsu Bank, Ltd. Outside Director, HOKURIKU GAS CO., LTD. Outside Director, Broadcasting System of Niigata Inc. * Mr. Fujio Namiki plans to retire as Director of Daishi Hokuetsu Bank, Ltd. on June 17, 2021.</p>

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
2	Michiro Ueguri (December 24, 1962) <u>Renomination</u>	April 1986 Joined The Daishi Bank, Ltd. April 2008 General Manager, Kashiwazaki Minami Office June 2009 Acting General Manager, Planning Coordination Division June 2012 General Manager, Planning Coordination Division June 2015 General Manager, Tokyo Office, and Chief Representative, Tokyo Representative Office June 2016 Executive Officer, General Manager, Tokyo Office, and Chief Representative, Tokyo Representative Office April 2017 Executive Officer and General Manager, Group Strategy Planning Division June 2017 Director, Executive Officer and General Manager, Group Strategy Planning Division June 2018 Managing Director in charge of Planning Coordination Division/Tokyo Representative Office October 2018 Director in charge of Corporate Planning Division, the Company June 2019 Managing Director in charge of Planning Coordination Division/Tokyo Representative Office/General Affairs Division/Human Resources Division, The Daishi Bank, Ltd. June 2020 Director in charge of Systems Administration Management Division and Business Planning Division, the Company Managing Director, General Manager, Operation Headquarters, in charge of Administration Management Division/System Planning Division/Operation Centralization Division/Operation Support Division, The Daishi Bank, Ltd. January 2021 Director in charge of Business Planning Division, the Company Managing Director, General Manager, Business Headquarters, Daishi Hokuetsu Bank, Ltd. April 2021 President and Representative Director, Chairman of Board of Directors, Supervision, the Company (current position) President and Director, Chairman of Board of Directors in charge of Supervision/Secretariat Division, Daishi Hokuetsu Bank, Ltd. (current position)	2,400
[Reason for nomination as Director] Since he assumed the office of Director of The Daishi Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) in June 2017, Mr. Michiro Ueguri has supervised the divisions of management planning, general affairs, human resources, administration and sales, thereby accumulating considerable experience and broad knowledge. He has served as Director of the Company since its establishment in October 2018, and was appointed President and Representative Director of the Company and President and Director of Daishi Hokuetsu Bank, Ltd. in April 2021. He has adequately fulfilled his			

	duties and responsibilities, and he has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.
	[Significant concurrent positions] President and Director (Representative Director), Daishi Hokuetsu Bank, Ltd.

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
3	Kazuyoshi Hirokawa (August 19, 1961) <div style="border: 1px solid black; padding: 2px; display: inline-block;">Renomination</div>	April 1985 Joined The Hokuetsu Bank, Ltd. July 2008 Deputy General Manager, Human Resources Division July 2010 General Manager, Miyauchi Branch June 2012 General Manager, Operation Supervision Division June 2015 Director and General Manager, General Planning Division June 2017 Senior Managing Director in charge of General Planning Division/Human Resources Division/Secretarial Office/Tokyo Office, Supervision of affiliated companies June 2018 Senior Managing Director in charge of Human Resources Division/Secretarial Office/Tokyo Office October 2018 Director in charge of Personnel Planning Division, the Company April 2019 Senior Managing Director in charge of Risk Control Division/Human Resources Division/Secretarial Office/Tokyo Office, The Hokuetsu Bank, Ltd. January 2021 Senior Managing Director in charge of Human Resources Division, Daishi Hokuetsu Bank, Ltd. April 2021 Representative Director and Senior Managing Director in charge of Personnel Planning Division/ Risk Management Division, the Company (current position) Senior Managing Director in charge of Human Resources Division/Risk Supervision Division, Daishi Hokuetsu Bank, Ltd. (current position)	4,200
<p>[Reason for nomination as Director] Mr. Kazuyoshi Hirokawa assumed the office of Director of The Hokuetsu Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) in June 2015 and has supervised the divisions of business planning, human resources and risk management, thereby accumulating considerable experience and broad knowledge. Having assumed the office of the bank's Representative Director in June 2017, the Company's Director since its establishment in October 2018, Senior Managing Director of Daishi Hokuetsu Bank, Ltd. since January 2021, and the Company's Representative Director and Senior Managing Director since April 2021, he has appropriately fulfilled his duties and responsibilities. He has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.</p>			
<p>[Significant concurrent positions] Senior Managing Director, Daishi Hokuetsu Bank, Ltd.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
4	<p style="text-align: center;">Makoto Takahashi (February 23, 1962)</p> <p style="border: 1px solid black; padding: 2px;">Renomination</p>	<p>April 1985 Joined The Hokuetsu Bank, Ltd.</p> <p>July 2008 Senior Manager, General Planning Division</p> <p>July 2009 General Manager, Gosen Branch</p> <p>June 2011 Deputy General Manager and Business Promotion Manager, Business Supervision Division</p> <p>July 2012 Senior Manager, Loan Division</p> <p>June 2013 General Manager, Loan Division</p> <p>June 2015 General Manager, Business Supervision Division</p> <p>June 2017 Director, General Manager, General Planning Division</p> <p>June 2018 Managing Director, General Manager, General Planning Division, Supervision of affiliates</p> <p>October 2018 Director in charge of Consolidation Promotion Division, the Company</p> <p>April 2019 Managing Director in charge of General Planning Division/Consolidation Promotion Division, Supervision of affiliates, The Hokuetsu Bank, Ltd.</p> <p>January 2021 Director in charge of Consolidation Promotion Division/Systems Operation Administration Division, the Company Managing Director, General Manager, Operation Headquarters, in charge of Operation Administration Division /System Planning Division/Operation Centralization Division/Operation Support Division, Daishi Hokuetsu Bank, Ltd.</p> <p>April 2021 Director in charge of Regional Revitalization Division /Systems Operation Administration Division, the Company (current position) Managing Director, General Manager, Operation Headquarters, in charge of Administration Management Division/System Planning Division/Operation Centralization Division/Operation Support Division/Business Headquarters, Daishi Hokuetsu Bank, Ltd. (current position)</p>	3,150
<p>[Reason for nomination as Director] Since he assumed the office of Director of The Hokuetsu Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) in June 2017, Mr. Makoto Takahashi has supervised the divisions of management planning and consolidation promotion, thereby accumulating considerable experience and broad knowledge. Since the establishment of the Company in October 2018, he has served as Director, and as Managing Director of Daishi Hokuetsu Bank, Ltd. since January 2021, and has adequately fulfilled his duties and responsibilities. He has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.</p>			
<p>[Significant concurrent positions] Managing Director, Daishi Hokuetsu Bank, Ltd.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
6	Takayoshi Tanaka (June 15, 1963) <u>New nomination</u>	April 1987 Joined The Daishi Bank, Ltd. February 2009 General Manager, Nagaoka Shiyakushomae Office February 2011 General Manager, Gosen Office June 2013 General Manager, Tokamachi Office June 2015 General Manager, Human Resources Division June 2017 Executive Officer, General Manager, Human Resources Division October 2018 General Manager in charge of Personnel Planning Division, the Company June 2019 Director and Executive Officer, General Manager, Human Resources Division, The Daishi Bank, Ltd. June 2020 Managing Director, General Manager, Head Office Business Division, and Manager, Niigata Airport Sub-office, in charge of Personnel Division, The Daishi Bank, Ltd. January 2021 Senior Managing Executive Officer, General Manager, Head Office Business Division and Manager, Niigata Airport Sub-office, Daishi Hokuetsu Bank, Ltd. (current position)	4,626
<p>[Reason for nomination as Director] Mr. Takayoshi Tanaka served as General Manager of the Personnel Division of The Daishi Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) from June 2015, and assumed the office of Director in June 2019. He served as Managing Director and General Manager of the Head Office Business Division from June 2020, and has served as Senior Managing Executive Officer and General Manager of the Head Office Business Division of Daishi Hokuetsu Bank, Ltd. since January 2021. He has adequately fulfilled his duties and responsibilities, and he has therefore been nominated as Director in the judgment that he will be able to contribute to the management of our Group.</p>			
<p>[Significant concurrent positions] Senior Managing Executive Officer, General Manager, Head Office Business Division and Manager, Niigata Airport Sub-office, Daishi Hokuetsu Bank, Ltd.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
7	<p>Toshiyuki Maki (December 19, 1966)</p> <p>New nomination</p>	<p>April 1990 Joined The Daishi Bank, Ltd.</p> <p>April 2013 Deputy General Manager, Corporate Sales Support Division</p> <p>June 2014 Deputy General Manager, Loan Examination Division</p> <p>June 2015 General Manager, Kameda Office</p> <p>June 2017 General Manager, Sanjo Office and General Manager, Sanjo Higashi Office</p> <p>June 2018 Executive Officer and General Manager, Consulting Promotion Division</p> <p>October 2018 General Manager, Business Planning Division, the Company</p> <p>June 2019 Director, Executive Officer and General Manager, Consulting Promotion Division, The Daishi Bank, Ltd.</p> <p>June 2019 Director, Executive Officer and General Manager, Business Headquarters</p> <p>June 2020 Managing Director, General Manager, Business and Regional Revitalization Headquarters</p> <p>January 2021 Senior Managing Executive Officer and General Manager, Business and Regional Revitalization Headquarters, Daishi Hokuetsu Bank, Ltd. (current position)</p> <p>April 2021 General Manager, Regional Revitalization Division, the Company (current position)</p>	800
<p>[Reason for nomination as Director] Mr. Toshiyuki Maki served as Executive Officer and General Manager of the Consulting Promotion Division of The Daishi Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) from June 2018, and assumed the office of Director in June 2019. He served as Managing Director and General Manager of the Business and Regional Revitalization Headquarters from June 2020, and has served as Senior Managing Executive Officer and General Manager of the Business and Regional Revitalization Headquarters of Daishi Hokuetsu Bank, Ltd. since January 2021. He has adequately fulfilled his duties and responsibilities, and he has therefore been nominated as Director in the judgment that he will be able to contribute to the management of our Group.</p>			
<p>[Significant concurrent positions] Senior Managing Executive Officer and General Manager, Business and Regional Revitalization Headquarters, Daishi Hokuetsu Bank, Ltd.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
8	Masami Watanabe (January 23, 1961) <u>New nomination</u>	<p>April 1983 Joined The Hokuetsu Bank, Ltd.</p> <p>June 2006 General Manager, Assessment Management Office, Audit and Inspection Division</p> <p>June 2008 General Manager, Shirone Branch</p> <p>December 2009 Loan Examination Supervisor, No. 2 Loan Division</p> <p>April 2010 Deputy General Manager, No. 2 Loan Division</p> <p>June 2012 General Manager, Naoetsu Branch</p> <p>April 2014 General Manager, No. 2 Loan Division</p> <p>April 2017 General Manager, Loan Division</p> <p>June 2017 Director and General Manager, Niigata Branch</p> <p>June 2019 Managing Director in charge of Loan Division/Market and Capital Division</p> <p>January 2021 Senior Managing Executive Officer in charge of the Jochuetsu region, Daishi Hokuetsu Bank, Ltd.</p> <p>April 2021 Senior Managing Executive Officer and General Manager, Nagaoka Head Office Business Division (current position)</p>	912
[Reason for nomination as Director] Mr. Masami Watanabe assumed the office of Director of The Hokuetsu Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) in June 2017 and supervised the loan and securities management divisions as Managing Director from June 2019. He has served as Senior Managing Executive Officer of Daishi Hokuetsu Bank, Ltd. since January 2021, and has appropriately fulfilled his duties and responsibilities. He has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.			
[Significant concurrent positions] Senior Managing Executive Officer and General Manager, Nagaoka Head Office Business Division, Daishi Hokuetsu Bank, Ltd.			

Notes:

1. There is no special interest between each candidate for Director and the Company.
2. The Company has concluded a directors and officers liability insurance contract with an insurance company to cover legal damages and litigation expenses in the event that a claim for damages is made against the insured parties.
Directors of the Company, Directors and Executive Officers of the Company's subsidiary bank are the insured parties under the insurance contract. The insurance premiums are fully paid by the Company and its subsidiary bank, in proportion to their respective number of insured parties. If this proposal is approved and passed without alteration, then all candidates for the position of Director will be insured under the contract.
The Company intends to renew the directors and officers liability insurance contract under the same terms when it comes due for renewal.

Proposal 3: Election of One (1) Director Serving as Audit & Supervisory Committee Member

The Company proposes to elect one (1) Director serving as Audit & Supervisory Committee Member, in order to further strengthen the corporate governance structure, with the aim of further improving the transparency, soundness and diversity of the Board of Directors, and enhancing the Company’s medium- and long-term corporate value.

The Company has established the Nomination and Remuneration Committee to ensure the opportunity to receive appropriate involvement and advice from Outside Directors on important matters such as the election and dismissal of Directors, and thereby reinforce fairness, transparency, and objectivity (the Committee is an advisory body to the Board of Directors composed of seven (7) members: four (4) Outside Directors and three (3) Representative Directors). The appointment of the candidates for Director was decided based on the deliberations and findings of this Committee.

This proposal has been approved by the Audit & Supervisory Committee.

If Proposal 2 “Election of Eight (8) Directors Not Serving as Audit & Supervisory Committee Members” and this proposal are both approved and passed without alteration, then there will be five (5) independent directors based on the regulations of the Tokyo Stock Exchange Inc., and more than one third of the Company’s directors will be independent directors.

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

Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
<p style="text-align: center;">Kunio Mori (March 26, 1949)</p> <p style="border: 1px solid black; padding: 2px; display: inline-block;">New nomination</p>	<p>April 1971</p> <p>April 2005</p> <p>April 2008</p> <p>April 2016</p> <p>June 2018</p> <p>June 2020</p>	<p>Joined the Niigata Prefectural Government Office</p> <p>General Manager, General Affairs Division, Niigata Prefecture</p> <p>Deputy Governor, Niigata Prefecture</p> <p>Director, Niigata Industrial Creation Organization</p> <p>Deputy Representative Director, The Economic Research Institute for Northeast Asia (current position)</p> <p>Outside Director, Bourbon Corporation (current position)</p>	0
<p>[Reason for nomination as Outside Director and summary of expected roles]</p> <p>Mr. Kunio Mori possesses extensive knowledge and advanced insight from his work in regional administration, including serving as Deputy Governor of Niigata Prefecture for eight (8) years from April 2008. He has been nominated as Outside Director because he can be expected to utilize this experience and insight to provide useful suggestions and advice to fulfill the Company’s management philosophy of continuing to contribute to regional society. He is also judged to be capable of contributing to the enhancement of the effectiveness of our Group’s auditing function as well as decision-making and supervisory functions of its Board of Directors.</p> <p>For this reason, although he has never been directly involved in corporate management other than as an outside officer, Mr. Kunio Mori has been judged capable of adequately fulfilling his duties as Outside Director for the reasons above.</p>			
<p>[Significant concurrent positions]</p> <p>Outside Director, Bourbon Corporation</p>			
<p>[Independence]</p> <p>Mr. Kunio Mori served in the Niigata prefectural government, which has normal transactions with Group companies, but he retired in 2016. He also has normal banking transactions with Group companies, but satisfies the “independence criteria” (please refer to <Reference> on Page 18) prescribed by the Company.</p>			

Notes:

1. There is no special interest between Mr. Kunio Mori and the Company.
2. Mr. Kunio Mori is a candidate for Outside Director.
3. The Company intends to enter into a limited liability agreement pursuant to Article 423, Paragraph 1 of the Companies Act with Mr. Kunio Mori. The maximum amount of liability in accordance with said agreement shall be the minimum amount of liability stipulated in Article 425, Paragraph 1 of said Act.
4. The Company has concluded a directors and officers liability insurance contract with an insurance company to cover legal damages and litigation expenses in the event that a claim for damages is made against the insured parties.
Directors of the Company, Directors and Executive Officers of the Company's subsidiary bank are the insured parties under the insurance contract. The insurance premiums are fully paid by the Company and its subsidiary bank, in proportion to their respective number of insured parties. If this proposal is approved and passed without alteration, then Mr. Kunio Mori will be insured under the contract.
The Company intends to renew the directors and officers liability insurance contract under the same terms when it comes due for renewal.
5. If this proposal is accepted and passed unaltered, then the Company will designate Mr. Kunio Mori as an independent director based on the criteria established by the Tokyo Stock Exchange Inc., and register him with the said exchange.

End

<Reference>

In addition to fulfilling the independence criteria established by the Tokyo Stock Exchange Inc. on the appointment of outside directors, the candidates must also satisfy the following “independence criteria.”

<Independence Criteria>

As a general rule, candidates for outside directors must not currently or recently^{*1} qualify in any of the following requirements listed below.

- (1) Major^{*2} customers of the Group or the executive officer of such customers;
- (2) Business operators whose major^{*2} customer is the Group, or the executive officer of such business operators;
- (3) Those who are either consultants, financial experts or legal experts who receive large monetary sums^{*3} or other assets from the Group other than a director’s compensation (where the entity in receipt of such assets are legal entities or any other associations, those who are affiliated to such entities are also included);
- (4) Those who are in receipt of large sums^{*3} of donations from the Group or is the executive officer of such entities;
- (5) Major shareholder^{*4} of the Group or executive officer of such shareholders; and
- (6) Relatives^{*6} of the following (excluding those who are considered to be not important^{*5})
 - Those who qualify under (1) to (5) above;
 - A director of the Group who is not an executive officer or an executive officer of a subsidiary.

Definitions:

*1 “recent” means a situation that can substantially mean current where, for instance, it would apply in the event of approving the resolutions at the Annual General Meeting of Shareholders where a new outside director was appointed.

*2 “major” means recording more than 1% of the consolidated net proceeds (in the case of the Group, consolidated gross profits) of the most recent fiscal year.

*3 “large sums” means more than 10 million yen per year for the average of the previous three years.

*4 “major shareholders” means a shareholding equity of more than 10%.

*5 “those who are considered to be not important” means those who do not hold positions as directors or general managers of a company, and for individuals whose affiliations are with accounting or law firms, those individuals who are not qualified as accountants or lawyers.

*6 “relatives” mean an individual’s spouse and relatives within a second degree of kinship.

<Reference>

- The fields in which the internal candidates for Director have experience, and the fields in which Outside Directors (including candidates) are particularly expected to contribute, are shown below.

Name	Fields in which the internal candidates for Director have experience (as a corporate officer or general manager)						
	Management strategy	Risk management	HR management	Sales	Corporate audit	Market operations	System administration
Directors not serving as Audit & Supervisory Committee Members							
Fujio Namiki [Renomination]	●	●		●	●		
Michiro Ueguri [Renomination]	●		●	●			●
Kazuyoshi Hirokawa [Renomination]	●	●	●				●
Makoto Takahashi [Renomination]	●			●	●		●
Ken Shibata [Renomination]	●	●				●	
Takayoshi Tanaka [New Nomination]			●				
Toshiyuki Maki [New Nomination]				●			
Masami Watanabe [New Nomination]					●	●	
Directors serving as Audit & Supervisory Committee Members							
Yutaka Kimura		●					
Koichi Masuda [Outside]							
Hiroshi Fukuhara [Outside]							
Toshizo Oda [Outside]							
Kazuaki Matsumoto [Outside]							
Kunio Mori [New Nomination] [Outside]							
Name	Fields in which the Company's Outside Directors (including candidates) are particularly expected to contribute						
	Corporate management	Management theory	Finance and accounting	Legal affairs	Regional administration		
Directors serving as Audit & Supervisory Committee Members							
Yutaka Kimura							
Koichi Masuda [Outside]			●				
Hiroshi Fukuhara [Outside]				●			
Toshizo Oda [Outside]	●						
Kazuaki Matsumoto [Outside]		●					
Kunio Mori [New Nomination] [Outside]					●		

Notes:

- [Outside] indicates an Outside Director who fulfills the independence criteria established by the Tokyo Stock Exchange Inc.
- The table above does not represent all of the expertise possessed by the Company's Outside Directors.
- Mr. Yutaka Kimura, Mr. Koichi Masuda, Mr. Hiroshi Fukuhara, Mr. Toshizo Oda and Mr. Kazuaki Matsumoto are incumbent Directors serving as Audit & Supervisory Committee Members

Proposal 4: Amount and Contents of Stock Compensation, etc. for Directors Not Serving as Audit & Supervisory Committee Members

[Overview of the Share-option Based Compensation Plan]

The share-option based compensation plan is a system whereby a trust established through monetary contributions by the Company and its consolidated subsidiary, Daishi Hokuetsu Bank, Ltd., acquires shares of the Company, and delivers (hereinafter “delivery, etc.”) shares of the Company and cash equivalent to the realizable disposal value of shares of the Company (hereinafter “the Company’s shares, etc.”) to Directors of the Company (excluding Directors serving as Audit & Supervisory Committee Members, Outside Directors and Directors who do not reside in Japan), and Directors (excluding Directors serving as Audit & Supervisory Committee Members, Outside Directors and Directors who do not reside in Japan) and Executive Officers (excluding those who do not reside in Japan) of the Company’s consolidated subsidiary, Daishi Hokuetsu Bank, Ltd., at the time of their retirement. (Details are presented in 2. below.)

1. Reasons for the proposal and justification for the proposed compensation

Remuneration for Directors of the Company (excluding Audit & Supervisory Committee Members and Outside Directors) is currently composed of “fixed remuneration,” “bonuses” and “share-option based compensation.” The Company proposes to introduce a new stock compensation plan (hereinafter the “Plan”) in place of the existing share-option based compensation plan. Under the Plan, shares of the Company’s stock will be delivered to the Company’s Directors (excluding Directors serving as Audit & Supervisory Committee Members, Outside Directors and Directors who do not reside in Japan; the same applies throughout this proposal), and Directors (excluding Directors serving as Audit & Supervisory Committee Members, Outside Directors and Directors who do not reside in Japan; the same applies throughout this proposal) and Executive Officers (excluding those who do not reside in Japan) of the Company’s consolidated subsidiary, Daishi Hokuetsu Bank, Ltd. (hereinafter referred to as the “Eligible Subsidiary,” and together with the Company as the “Eligible Companies;” hereinafter the said Directors and Executive Officers of the Eligible Subsidiary are referred to as “Directors, etc. of the Eligible Subsidiary,” and, together with Directors of the Company are referred to as “Eligible Directors, etc.”).

The Company considers the introduction of the Plan appropriate in view of its purpose, which is to further clarify the link between compensation for Eligible Directors, etc. and the Company’s share price, to function as a healthy incentive for Eligible Directors to practice the Group’s management philosophy, achieve the goals of the medium-term management plan, and thus strive for sustainable growth, based on Japan’s Corporate Governance Code, for which revisions are planned in June this year, and the revisions to the Companies Act enforced in March this year.

Under this proposal, the Company proposes to pay stock compensation to Eligible Directors, etc., separate from the compensation limit (up to 300 million yen per annum) for Directors not serving as Audit & Supervisory Committee Members, approved by the 1st Annual General Meeting of Shareholders held on June 25, 2019.

Subject to the approval and passing of this proposal, the compensation limit (up to 130 million yen per fiscal year; no more than 6,500 units of share acquisition rights, corresponding to 65,000 shares of the Company’s common stock) pertaining to the system of share-option based compensation approved by the 1st Annual General Meeting of Shareholders held on June 25, 2019 shall be abolished, and no further grant of share acquisition rights as share-option based compensation shall be made. Moreover, any Eligible Director, etc. eligible for the Plan who holds previously granted and unexercised share acquisition rights granted as share-option based compensation shall be deemed to have relinquished these rights, subject to the approval and passing of this proposal unaltered, and the commencement of operation of the Plan. As a provisional measure for the transition from share-option based compensation, the Company shall award points under the Plan corresponding to the number shares for which unexercised share acquisition rights have been relinquished in this way.

However, an Eligible Director, etc. who no longer serves as either a Director (not serving as an Audit & Supervisory Committee Member) or an Executive Officer of an Eligible Company after the conclusion of this General Meeting of Shareholders may exercise any share acquisition rights already granted as share-

option based compensation during a period of ten (10) days commencing from the day following day on which he or she retired.

This proposal has been decided after deliberation and recommendations by the Nomination and Remuneration Committee. This proposal was also considered by the Audit & Supervisory Committee, and no particular issues were identified.

If Proposal 2 “Election of Eight (8) Directors Not Serving as Audit & Supervisory Committee Members” is approved and passed without alteration, then the Company will have eight (8) Directors not serving as Audit & Supervisory Committee Members eligible under the plan.

2. Amount and details of compensation, etc. under the Plan

(1) Overview of the Plan

<p>1) Persons eligible for the delivery, etc. of the Company's shares, etc. under this proposal</p>	<ul style="list-style-type: none"> • Directors not serving as Audit & Supervisory Committee Members (excluding Outside Directors and Directors who do not reside in Japan) of the Company • Directors not serving as Audit & Supervisory Committee Members (excluding Outside Directors and Directors who do not reside in Japan) and Executive Officers (excluding Executive Officers who do not reside in Japan) of Daishi Hokuetsu Bank, Ltd.
<p>2) Maximum amount of money to be contributed by the Eligible Companies (As in (2) below)</p>	<ul style="list-style-type: none"> • A total of 975 million yen over the eligible period of three fiscal years (Including 390 million yen for the Company) • However, an amount not exceeding 540 million yen (including 16 million yen for the Company) shall be contributed to fund the acquisition of shares of the Company corresponding to points awarded to Eligible Directors, etc., as a provisional measure for the transition from share-option based compensation
<p>3) Maximum number of the Company's shares, etc. to be acquired by Eligible Directors, etc. (As in (3) below)</p>	<ul style="list-style-type: none"> • The maximum total number of points to be awarded to Eligible Directors, etc. each fiscal year shall be 230,000 points (including a maximum of 90,000 points for Directors of the Company not serving as Audit & Supervisory Committee Members) • However, a maximum of 156,900 points shall be awarded in the fiscal year ending March 31, 2022 (including a maximum of 4,500 points for Directors of the Company not serving as Audit & Supervisory Committee Members), as a provisional measure for the transition from stock options granted as stock-based compensation.
<p>4) Method used to acquire shares of the Company (As in (2) below)</p>	<ul style="list-style-type: none"> • Shares of the Company shall be acquired through market transactions or (through the disposal of treasury stock) from the Company • The number of shares corresponding to the maximum number of points to be awarded to Eligible Directors, etc. each fiscal year is equivalent to approximately 0.50% of the total number of issued shares (after deducting treasury stock; as of March 31, 2021)
<p>5) Timing of the delivery, etc. of the Company's shares, etc. to Eligible Directors, etc. (As in (4) below)</p>	<ul style="list-style-type: none"> • When the Eligible Director, etc. ceases to serve as either Director (including as Director serving as an Audit & Supervisory Committee Member) or Executive Officer of the Eligible Companies

(2) Maximum amount of money to be contributed by the Eligible Companies

The period of the Plan (hereinafter the “Plan Period”) shall comprise three consecutive fiscal years (the initial Plan Period shall comprise the three fiscal years beginning from the fiscal year ending March 31, 2022, and concluding with the fiscal year ending March 31, 2024, and shall be extended in units of three

fiscal years if the trust period is extended as set forth in “Continuation of the Trust,” below).

In each Plan Period, the Company shall contribute an amount of money as compensation for its Directors not serving as Audit & Supervisory Committee Members (the Company shall contribute a maximum of 390 million yen) which, together with the money contributed by the Eligible Subsidiary as compensation for its Directors, etc., shall not exceed 975 million yen in total. This shall be used to establish a trust (hereinafter “the Trust”; including the extension of the trust period set forth in “Continuation of the Trust,” below) with a trust period of three years. Eligible Directors, etc. who fulfill the requirements for beneficiaries shall be the beneficiaries of the Trust.

The monetary limit (975 million yen) corresponds to three years at a total of 325 million yen per year, which is the sum of the compensation limits for share-option based compensation (130 million yen each fiscal year for the Company, and 130 million yen each fiscal year for Daishi Hokuetsu Bank, Ltd.), which are to be abolished, as shown in the table below, and 65 million yen, which is an amount based on the actual compensation paid as share-option based compensation each fiscal year to Executive Officers of the Eligible Subsidiary.

<Basis for the monetary limits>

	Recipient	Share-option based compensation	
		Compensation limit per fiscal year	Approval by the General Meeting of Shareholders
1)	Directors of the Company not serving as Audit & Supervisory Committee Members	130 million yen	June 25, 2019 1st Annual General Meeting of Shareholders
2)	Directors of Daishi Hokuetsu Bank not serving as Audit & Supervisory Committee Members	130 million yen	June 24, 2010 199th Annual General Meeting of Shareholders of The Daishi Bank June 24, 2016 205th Annual General Meeting of Shareholders of The Daishi Bank
3)	Executive Officers of Daishi Hokuetsu Bank	65 million yen	(Amount based on past compensation)
4)	Per fiscal year: 1) 130 million yen + 2) 130 million yen + 3) 65 million yen = 4) 325 million yen		
5)	Total for 3 fiscal years: 4) 325 million × 3 years = 975 million yen		

Note: Resubmitted as limits for Directors not serving as Audit & Supervisory Committee Members, pursuant to the transition to a company with an Audit & Supervisory Committee (no change in the amount of the limits)

Provisional measures for the transition from share-option based compensation

For the initial Plan Period, the Trust shall be established through the contribution of a maximum of 540 million yen to fund the acquisition of shares corresponding to the points granted as a provisional measure for the transition from share-option based compensation, in addition to the compensation limit of 975 million yen over three fiscal years. (The Company shall contribute a maximum of 16 million yen to fund the acquisition of shares corresponding to the points granted as a provisional measure for the transition from share-option based compensation, in addition to the compensation limit of 390 million yen over three fiscal years, as compensation for its Directors not serving as Audit & Supervisory Committee Members.)

Method used to acquire shares of the Company

Under the Plan, shares of the Company shall be acquired through market transactions or from the Company (through the disposal of treasury stock), using money contributed to the Trust, in accordance with the directions of the trustee. The Eligible Companies shall award points to Eligible Directors, etc. (as set forth in (3) below) during the trust period, and the Trust shall complete the delivery, etc. of the Company's shares, etc.

Continuation of the Trust

At the conclusion of the period of the Trust, the Trust may be continued through the amendment of the trust agreement and additional contribution to the Trust. In this case, the trust period shall be extended by three years, and the Plan Period shall comprise the three fiscal years commencing from the time when the period was extended. For each trust period after extension, the Eligible Subsidiary shall make new contributions to the Company within the limits approved by resolution of the General Meeting of Shareholders of the Eligible Subsidiary. The Eligible Companies shall make a total additional contribution of up to 975 million yen (including up to 390 million yen for the Company) for each trust period after extension, and shall continue to award points to Eligible Directors, etc. during trust periods as they are extended. The Trust shall continue the delivery, etc. of the Company's shares, etc. after the extension of the trust period. The trust period may be extended multiple times, by the same method. However, where an additional contribution is made by the Company, and where shares of the Company (excluding shares awaiting delivery to an Eligible Director, etc. who holds a corresponding number of points) or cash (hereinafter "residual shares, etc.") remain among the trust assets as of the final day of the trust period immediately before extension, the sum of the value of these residual shares, etc. and the additional contribution paid as compensation to Eligible Directors, etc. must not exceed 975 million yen (including up to 390 million yen for the Company).

In the event that the trust agreement is not amended, nor an additional trust established at the conclusion of the trust period (or at the conclusion of the extended trust period, should the trust period be extended as described above), then no further points shall be awarded to Eligible Directors, etc. from that time on. If, however, at that time, there is a possibility that an incumbent Eligible Director, etc. may satisfy the requirements for eligible beneficiaries, then the period of the Trust may be extended temporarily for the purpose of completing the delivery, etc. of the Company's shares, etc. to this Eligible Director, etc.

(3) Calculation method and maximum number of the Company's shares, etc. to be acquired by Eligible Directors, etc.

During the trust period, a certain number of points are awarded to Eligible Directors, etc. at each Eligible Company, in accordance with their rank. Moreover, as set forth above, as a provisional measure for the transition from share-option based compensation, the Company shall, promptly after the establishment of the Trust, award points under the Plan to Eligible Directors, etc. who relinquish share acquisition rights granted as share-option based compensation pursuant to the introduction of the Plan, in an amount corresponding to the number shares for which unexercised share acquisition rights they relinquish in this way. Delivery, etc. of the Company's shares, etc. shall be made to each Eligible Director, etc. at the time of his or her retirement, in accordance with the number of points he or she has accumulated (hereinafter the "Accumulated Points").

Each point shall correspond to one share of the Company's stock. However, the number of the Company's shares, etc. per point may be adjusted, where adjustment is deemed reasonable due to an event such as a stock split or stock consolidation of the Company's shares, in accordance with the stock split ratio, consolidation ratio, or the like.

The maximum total number of points to be awarded to Eligible Directors, etc. each fiscal year shall be 230,000 points (of which, a maximum of 90,000 points shall be awarded to Directors of the Company not serving as Audit & Supervisory Committee Members). However, a maximum of 156,900 points (including up to 4,500 points for Directors of the Company not serving as Audit & Supervisory Committee Members) shall be awarded to Eligible Directors, etc. this fiscal year, in addition to the maximum number of points to be awarded each fiscal year stated above, as a provisional measure for the transition from share-option based compensation.

(4) Method and timing for the delivery, etc. of the Company's shares, etc. to Eligible Directors, etc.

An Eligible Director, etc. who has satisfied the requirements for eligible beneficiaries shall receive the delivery, etc. of a number of the Company's shares, etc. calculated based on (3) above, at the time of his or her retirement from the position of both Director (including Director serving as Audit & Supervisory Committee Member) and Executive Officer of the Eligible Companies.

The said Eligible Director, etc. shall receive the delivery of a number of shares of the Company's stock (rounded down to the nearest trading unit) equivalent to 50% of his or her accumulated points. The shares

corresponding to the remaining accumulated points shall be converted to cash within the Trust, and the Eligible Director, etc. shall receive cash equivalent to the realizable disposal value of the shares.

In the event of the death of an Eligible Director, etc., a number of shares of the Company corresponding to all accumulated points already awarded to that individual at that time shall be converted to cash within the Trust, and the heirs of the deceased Director, etc. shall receive cash equivalent to the realizable disposal value of the shares.

(5) Voting rights pertaining to shares of the Company held in the Trust

Voting rights pertaining to shares of the Company held in the Trust shall not be exercised for the duration of the trust period, in order to ensure neutrality with respect to the Company's management.

(6) Other details of the Plan

Other details of the Plan shall be determined by the Board of Directors when the Trust is established, when the trust agreement is amended, and when additional contributions are made to the Trust.

The Board of Directors, at its meeting held on May 14, 2021, revised the “Decision Policy on Compensation, etc. for Directors,” subject to the approval and passing of this proposal without alteration. The main revised content related to this proposal is shown below.

Decision Policy on Compensation, etc. for Directors (Excerpt)

(Policy on the determination of officers’ compensation for Directors)

Officers’ compensation for each Director of the Company shall be decided each fiscal year based on the following policy, within the overall limits approved by the General Meeting of Shareholders. The amounts of compensation for individual Directors not serving as Audit & Supervisory Committee Members shall be determined by resolution of the Board of Directors, after deliberation and recommendations by the Nomination and Remuneration Committee. The amounts of compensation for individual Directors serving as Audit & Supervisory Committee Members shall be determined through discussion among Directors serving as Audit & Supervisory Committee Members.

- The content of compensation shall be fair and reasonable, and ensure accountability to the Company’s shareholders and other stakeholders.
- The level of compensation shall be set, with consideration to the levels at other companies, at a level that is commensurate with the roles and responsibilities of the officers of the Group, which is a financial group that contributes to the local economy and society, with sustainable and stable growth through honest business operations.
- Compensation for Directors not serving as Audit & Supervisory Committee Members shall be composed so as to secure outstanding human resources to serve as the Group’s senior management, and increase motivation to improve annual business performance and enhance medium- to long-term corporate value.
- Specifically, with the exception of Outside Directors, in addition to basic compensation paid in accordance with roles and responsibilities, compensation for Directors not serving as Audit & Supervisory Committee Members shall be composed of bonuses linked to the achievement of targets for performance indicators in each fiscal year, and trust-based stock compensation as an incentive to enhance medium- to long-term corporate value.
- The basic salary for Directors who are Audit & Supervisory Committee Members shall only comprise fixed compensation, in view of their audit and supervisory function, as well as independence.

(Details and amount or number, or calculation method, of non-cash compensation (including the policy for determining the timing and conditions for granting compensation))

1) Full-time Directors not serving as Audit & Supervisory Committee Members

- Non-cash compensation shall consist of trust-based stock compensation. Benchmark compensation amounts for each rank shall be decided by the Board of Directors, after deliberation and recommendations by the Nomination and Remuneration Committee. Points corresponding to the amount of compensation shall be awarded annually. When the Director ceases to serve in the either of the positions of Director of Executive Officer of the Company or its subsidiary bank, he or she shall receive a number of the Company’s shares corresponding to the number of accumulated points, and an amount of money equivalent to the realizable disposal value of the Company’s shares.

2) Directors not serving as Audit & Supervisory Committee Members who concurrently serve as Directors of both the Company and its subsidiary bank

- Non-cash compensation shall consist of trust-based stock compensation. The amount shall, in principle, be equal to the amount of trust-based stock compensation for the subsidiary bank, increased by a certain proportion, and shall be decided by the Board of Directors, after deliberation and recommendations by the Nomination and Remuneration Committee. Points corresponding to the amount of compensation shall be awarded annually. When the Director ceases to serve in either of the positions of Director or Executive Officer of the Company or its subsidiary bank, he or she shall receive a number of the Company's shares corresponding to the number of accumulated points, and an amount of money equivalent to the realizable disposal value of the Company's shares.

(Policy on deciding the proportionate amounts of basic compensation, bonuses, and non-cash compensation for individual Directors)

- Compensation for Directors not serving as Audit & Supervisory Committee Members shall comprise basic compensation, bonuses, and trust-based stock compensation, a form of non-cash compensation. Benchmark compensation amounts shall be determined for each component of compensation, for each rank. If the performance-linked coefficient for bonuses is 100%, then the proportional composition of each component of compensation (fixed compensation : bonuses : trust-based stock compensation) shall be in the vicinity of 50 : 25 : 25.

End