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(Securities Code: 8382)  
June 3, 2021

**To Shareholders with Voting Rights:**

Sadanori Kato  
President  
The Chugoku Bank, Ltd.  
1-15-20 Marunouchi, Kita-ku,  
Okayama, Japan

**NOTICE OF CONVOCAION OF  
THE 140TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We are pleased to inform you that the 140th Ordinary General Meeting of Shareholders of The Chugoku Bank, Ltd. (the “Bank”) will be held for the purposes as described below.

Amid uncertainties about the end of the spread of the novel coronavirus disease (COVID-19), in order to maintain the safety of our shareholders and prevent the spread of infection, we would like to advise our shareholders to refrain from attending the Ordinary General Meeting of Shareholders this year. Instead, we request that our shareholders exercise their voting rights either in writing or via the Internet, etc. When you exercise your voting right in advance, please review the “Reference Documents for the General Meeting of Shareholders” described hereinafter and exercise your voting rights by Thursday, June 24, 2021, at 5:00 p.m. Japan time.

- 1. Date and Time:** Friday, June 25, 2021 at 10:00 a.m. Japan time
- 2. Place:** 3F Auditorium, Head Office, the Bank, 1-15-20 Marunouchi, Kita-ku, Okayama, Japan
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report and Non-consolidated Financial Statements for the Bank’s 140th Fiscal Year (from April 1, 2020 to March 31, 2021)
    2. Consolidated Financial Statements for the Bank’s 140th Fiscal Year (from April 1, 2020 to March 31, 2021) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
  - Proposals to be resolved:**
    - Proposal No. 1:** Appropriation of Surplus
    - Proposal No. 2:** Partial Amendments to the Articles of Incorporation
    - Proposal No. 3:** Election of Ten (10) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
    - Proposal No. 4:** Determination of Amount and Details of Stock Option Compensation

## Exercise of Voting Rights

### Exercise of Voting Rights by Attending the Meeting

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

### Exercise of Voting Rights in Writing

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by the aforementioned deadline.

### Exercise of Voting Rights via the Internet, etc.

If voting via the Internet, etc., please confirm the “Procedures to Exercise of Voting Rights via the Internet, etc.” and exercise your voting rights by the aforementioned deadline.

- (1) If you exercise your vote multiple times via the Internet, etc., the last vote exercised will be deemed valid.
- (2) If you vote both in writing on the Voting Rights Exercise Form and the Internet, etc., the vote placed via the Internet, etc. will be deemed valid.

End

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- ◎ There is no distribution of souvenirs to our shareholders attending the meeting. We sincerely appreciate your understanding.
  - ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Additionally, please bring this Notice of Convocation with you to conserve resources.
  - ◎ The reception is scheduled to begin at 9:00 a.m. Japan time.
  - ◎ Pursuant to laws and regulations as well as Article 16 of the Articles of Incorporation of the Bank, the following items are posted on the Bank’s website and are not included in this Notice of Convocation.
    1. Business Report
      - (1) “Matters Concerning Stock Acquisition Rights of the Bank, etc.”
      - (2) “Matters Concerning the Accounting Auditor (excluding matters concerning indemnification agreements)”
      - (3) “Basic Policy Regarding the Desirable State of Parties Controlling the Determination of the Bank’s Financial and Business Policies”
      - (4) “Systems to Secure the Appropriateness of Operations”
      - (5) “Matters Concerning Specified Wholly-Owned Subsidiaries”
      - (6) “Matters Concerning Transactions with the Parent Company”
      - (7) “Matters Concerning Accounting Advisor”
    2. Financial Statements
      - (1) “Non-Consolidated Statements of Changes in Net Assets” and “Notes to the Non-consolidated Financial Statements”
      - (2) “Consolidated Statements of Changes in Net Assets” and “Notes to the Consolidated Financial Statements”

Accordingly, the attached documents in this Notice of Convocation are a part of the documents audited by the Accounting Auditor and the Audit and Supervisory Committee during preparation of the Audit Reports.

- ◎ Revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and Consolidated Financial Statements will be posted on the Bank’s website.

The Bank’s Website	<a href="https://www.chugin.co.jp/">https://www.chugin.co.jp/</a>
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# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

The Bank proposes the following regarding appropriation of surplus.

#### 1. Matters concerning year-end dividends

The Bank's policy on dividends, in view of working to provide further profit returns to shareholders, is to have a stable annual dividend of 18 yen per share which is unaffected by business results, and to have a shareholder return ratio, the sum of dividends and purchases of treasury stock, of 35% of consolidated net income (net income attributable to owners of parent). Based on this policy, the Bank proposes the following year-end dividends including the commemorative dividends to celebrate the Bank's 90th anniversary on December 21, 2020 for the 140th fiscal year.

- (1) Matters concerning the allotment of dividend property to shareholders and the total amount  
12 yen per share of common stock, including the ordinary dividend of 11 yen and the commemorative dividend of 1 yen, for a total of 2,256,708,600 yen  
\*As 11 yen was paid as an interim dividend, dividends to be paid for the full fiscal year amount to 23 yen, increased by 1 yen from the previous fiscal year.
- (2) Effective date of distribution of surplus  
Monday, June 28, 2021

#### 2. Matters concerning appropriation of other surplus

For the reinforcement of its management base, future business development, etc., the Bank proposes the following regarding appropriation of other surplus.

- (1) Item and amount of surplus to be increased  
General reserve 10,000,000,000 yen
- (2) Item and amount of surplus to be decreased  
Retained earnings brought forward 10,000,000,000 yen

**Proposal No. 2: Partial Amendments to the Articles of Incorporation**

1. Reasons for the amendments

- (1) The Bank proposes to amend the convenor and chair of meetings of the Board of Directors designated under Article 27 of the current Articles of Incorporation, from the Director and President to a Director predesignated by the Board of Directors, in order to enable more flexible operation of Board of Directors meetings.
- (2) The Bank further proposes to amend the title of Article 1 of the Supplementary Provisions to match the content of the Article.

2. Details of the amendments

The details of the amendment are as follows.

(Amended sections are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Convenor and chair of meetings of the Board of Directors) Article 27 Meetings of the Board of Directors shall be convened and chaired by <u>the Director and President</u> , except as otherwise provided by laws and regulations. 2. If <u>the Director and President</u> is unable to act, then meetings of the Board of Directors shall be convened and chaired by another Director, determined according to an order predesignated by the Board of Directors.	(Convenor and chair of meetings of the Board of Directors) Article 27 Meetings of the Board of Directors shall be convened and chaired by <u>a Director predesignated by the Board of Directors</u> , except as otherwise provided by laws and regulations. 2. If <u>the Director predesignated in accordance with the previous paragraph</u> is unable to act, then meetings of the Board of Directors shall be convened and chaired by another Director, determined according to an order predesignated by the Board of Directors.
Article 28 – Article 38 (Omitted)	Article 28 – Article 38 (Unchanged)
Supplementary Provisions (Transitional measures for <u>limited liability agreements</u> with Outside Audit & Supervisory Board Members) Article 1 (Omitted)	Supplementary Provisions (Transitional measures for <u>liability exemption agreements</u> with Outside Audit & Supervisory Board Members) Article 1 (Unchanged)

**Proposal No. 3:** Election of Ten (10) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The terms of office of ten (10) Directors (excluding Directors serving as Audit and Supervisory Committee Members; the same applies in the rest of this Proposal) will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of ten (10) Directors is proposed.

Candidates for the Directors are decided by the resolution of the Board of Directors upon the deliberation by the Nominating and Compensation Committee that is chaired by an outside director, and the Bank judges that each of the candidates is qualified for a Director of the Bank.

The candidates for Director are as follows:

No.	Name	Current position at the Bank		Attendance at meetings of the Board of Directors
1	Sadanori Kato	Director and President (Representative Director)	[Reappointment] [Male]	11/11 (100%)
2	Koji Terasaka	Senior Managing Director (Representative Director)	[Reappointment] [Male]	11/11 (100%)
3	Ikuhide Harada	Senior Managing Director (Representative Director)	[Reappointment] [Male]	11/11 (100%)
4	Masato Miyanaga	Director and Chairman	[Reappointment] [Male]	11/11 (100%)
5	Shinichi Taniguchi	Managing Director	[Reappointment] [Male]	11/11 (100%)
6	Tatsuo Hiramoto	Managing Director	[Reappointment] [Male]	11/11 (100%)
7	Hiroyuki Ohara	Managing Director	[Reappointment] [Male]	11/11 (100%)
8	Hiromichi Kato	Managing Director	[Reappointment] [Male]	11/11 (100%)
9	Yoshio Sato	Outside Director	[Reappointment] [Outside] [Independent] [Male]	11/11 (100%)
10	Akira Kodaera	Outside Director	[Reappointment] [Outside] [Independent] [Male]	10/11 (90.9%)

1

## Sadanori Kato

[Reappointment]  
[Male]

**Date of birth**  
August 23, 1957

**Term of office as Director:**  
8 years (at the conclusion of  
this General Meeting of  
Shareholders)

**Attendance at meetings of  
the Board of Directors:**  
11/11 (100%)

**Number of shares of the  
Bank held:**  
21,657 shares

### Past experience, positions, responsibilities, and significant concurrent positions

Apr.	1981	Joined the Bank
Feb.	2003	General Manager, Kamogata Branch
Feb.	2005	General Manager, Konan Branch
Feb.	2008	Senior Deputy General Manager, Computer System Department
Jun.	2008	General Manager, Computer System Department
Jun.	2012	Commissioner and General Manager, Computer System Department
Jun.	2013	Director and General Manager, Personnel Department
Jun.	2015	Managing Director
Jun.	2017	Senior Managing Director (Representative Director)
Jun.	2019	Director and President (Representative Director) (current position)

### Responsibilities:

Overall business, Secretariat and NEXT 10 Promotion Department

### Reasons for selecting the candidate for Director and outline of expected roles:

Since joining the Bank in 1981, he has gained experience in the Management Planning Department and Business Planning Department, has served as General Manager of the Konan Branch, the Computer System Department, and the Personnel Department, and has held the posts of supervisor of the Management Planning Department, Compliance Department, Computer System Department and Risk Management Department, as Managing Officer. He possesses deep knowledge of a wide range of operations from his wealth of experience, with a sense of balance and high trustworthiness. He has been serving as Director and President since 2019, and has been aptly fulfilling those duties and responsibilities. He has formulated the medium-term management plan, “The Stage II, Plan for Creating the Future Together” in March 2020, with leveraging his future-oriented mind to positively perceive the shift in the market as a chance, and working towards the actualization of the growth strategy with the Bank’s collective group efforts. The Bank nominates him as candidate for Director, as it expects him to utilize his wealth of experience and wide range of knowledge to lead the Bank’s business performance development as he has high management planning ability and a sense of balance.

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## Koji Terasaka

[Reappointment]  
[Male]

**Date of birth**  
October 25, 1957

**Term of office as Director:**  
8 years (at the conclusion of this General Meeting of Shareholders)

**Attendance at meetings of the Board of Directors:**  
11/11 (100%)

**Number of shares of the Bank held:**  
14,076 shares

### Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1980 Joined the Bank  
Feb. 2003 General Manager, Hinase Branch  
Jun. 2005 General Manager, Fuchu Branch  
Jun. 2009 General Manager, Credit Supervision Department and General Manager, Credit Rating Center  
Oct. 2011 General Manager, Credit Supervision Department  
Jun. 2012 Commissioner and General Manager, Credit Supervision Department  
Jun. 2013 Director and General Manager, Shikoku Regional Headquarters  
Feb. 2015 Director and General Manager, Head Office Business Department  
Jun. 2017 Managing Director  
Jun. 2019 Senior Managing Director (Representative Director) (current position)

### Responsibilities:

Overall business, Audit & Inspection Department and Personnel Department

### Reasons for selecting the candidate for Director and outline of expected roles:

Since joining the Bank in 1980, he has gained experience in the Credit Supervision Department, served as a General Manager of the Credit Supervision Department, Shikoku Regional Headquarters, and Head Office Business Department, and has held the posts of supervisor of the Credit Supervision Department, Administrative Planning Department, Treasury Administration Department, Personal Department and Audit & Inspection Department as Managing Officer. He possesses deep knowledge in a credit decision, and overall operation of management and administration, in addition to marketing from a wealth of business experience. He has been serving as Senior Managing Director since 2019 and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director, as he has strong skill at building customer relationships and has a great network, and he is expected to utilize his wealth of experience and wide range of knowledge to contribute to the Bank's business performance development.

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## Ikuhide Harada

[Reappointment]  
[Male]

**Date of birth**  
April 6, 1961

**Term of office as Director:**  
4 years (at the conclusion of this General Meeting of Shareholders)

**Attendance at meetings of the Board of Directors:**  
11/11 (100%)

**Number of shares of the Bank held:**  
13,963 shares

### Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1985 Joined the Bank  
Oct. 2007 General Manager, Hirai Branch  
Jun. 2009 General Manager, Fuchu Branch  
Jun. 2011 General Manager, Osaka Branch  
Jun. 2013 General Manager, Fukuyama Branch and Senior Deputy General Manager, Bingo Regional Headquarters  
Jun. 2015 Executive Officer and General Manager, Personnel Department  
Jun. 2017 Managing Director  
Jun. 2019 Senior Managing Director (Representative Director) (current position)

### Responsibilities:

Overall business, Management Planning Department, Computer System Department and Tokyo Liaison Office

### Reasons for selecting the candidate for Director and outline of expected roles:

Since joining the Bank in 1985, he has gained experience in the Business Promotion Department, served as General Manager of the Osaka Branch, Fukuyama Branch, and Personnel Department and has held the posts of supervisor of Computer System Department, Risk Management Department and Management Planning Department, as Managing Officer. He possesses deep knowledge in business promotion, personnel planning, system, risk management, as well as overall management planning from a wealth of business experience. He has been serving as Senior Managing Director since 2019, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director, as he has excellent logicity and sense of balance, planning and creative skills, and he is expected to utilize his wealth of experience and wide range of knowledge to contribute to the Bank's business performance development.

## 4 Masato Miyanaga

[Reappointment]  
[Male]

**Date of birth**  
September 12, 1954

**Term of office as Director:**  
16 years (at the conclusion of this General Meeting of Shareholders)

**Attendance at meetings of the Board of Directors:**  
11/11 (100%)

**Number of shares of the Bank held:**  
25,700 shares

### Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1977 Joined the Bank  
Jun. 1999 General Manager, Tanokuchi Branch  
Oct. 2000 General Manager, Credit Administration Department  
Jun. 2003 General Manager, Fukuyama Branch and Senior Deputy General Manager, Bingo Regional Headquarters  
Jun. 2005 Director and General Manager, Credit Supervision Department  
Jun. 2006 Director, General Manager, Credit Supervision Department and General Manager, Credit Rating Center  
Jun. 2007 Managing Director  
Jun. 2011 Director and President (Representative Director)  
Jun. 2019 Director and Chairman (current position)

### Reasons for selecting the candidate for Director and outline of expected roles:

Since joining the Bank in 1977, he has gained examination and planning experience in the Credit Supervision Department, served as General Manager of the Credit Administration Department, General Manager of the Fukuyama Branch, General Manager of the Credit Supervision Department, and has also held the posts of supervisor of the Management Planning Department, Risk Management Department, Compliance Department, as Managing Officer. He possesses deep knowledge from his wealth of experience in a wide range of business, in addition to a high sense of balance. He has served as Director and President since 2011, and has formulated and implemented the 10-year long-term management plan, "Vision 2027: Plan for Creating the Future Together", by quickly responding to changes in the business environment. He has been serving as Director and Chairman since 2019. The Bank nominates him as a candidate for Director with the expectation that he will continue to contribute to the Bank's business performance development by using his wealth of management experience and deep knowledge mainly in the Bank's external activities.

## 5 Shinichi Taniguchi

[Reappointment]  
[Male]

**Date of birth**  
October 21, 1964

**Term of office as Director:**  
4 years (at the conclusion of this General Meeting of Shareholders)

**Attendance at meetings of the Board of Directors:**  
11/11 (100%)

**Number of shares of the Bank held:**  
9,235 shares

### Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1987 Joined the Bank  
Jun. 2008 General Manager, Kakogawa Branch  
Jun. 2011 General Manager, Tanokuchi Branch  
Jun. 2013 General Manager, Management Planning Department  
Jun. 2015 Executive Officer and General Manager, Tsuyama Branch  
Jun. 2017 Managing Director and General Manager, Bingo Regional Headquarters  
Jun. 2019 Managing Director (current position)

### Responsibilities:

Business Promotion Department and Solution Business Department

### Reasons for selecting the candidate for Director and outline of expected roles:

Since joining the Bank in 1987, he has gained experience in the Management Planning Department, served as General Manager of the Management Planning Department and Tsuyama Branch, and has held the posts of supervisor of Bingo Regional Headquarters and the Business Marketing Promotion Department, as Managing Officer. He possesses deep knowledge in management planning and business promotion from a wealth of business experience. He has been serving as Managing Director since 2017, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to contribute to the Bank's business performance development.



## 6 Tatsuo Hiramoto

[Reappointment]  
[Male]

**Date of birth**  
January 16, 1964

**Term of office as Director:**  
2 years (at the conclusion of this General Meeting of Shareholders)

**Attendance at meetings of the Board of Directors:**  
11/11 (100%)

**Number of shares of the Bank held:**  
11,529 shares

### Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1987 Joined the Bank  
Jun. 2009 General Manager, Mizushima Higashi Branch  
Jun. 2011 General Manager, Tamashima Branch  
Jun. 2013 General Manager, Tokyo Branch  
Jun. 2015 Executive Officer and General Manager, Management Planning Department  
Jun. 2017 Managing Executive Officer and General Manager, Management Planning Department  
Apr. 2019 Managing Executive Officer, General Manager, Management Planning Department and General Manager, Cost Management Center  
May 2019 Managing Executive Officer, General Manager, Management Planning Department, General Manager, Cost Management Center and General Manager, General Affairs Department  
Jun. 2019 Managing Director (current position)

### Responsibilities:

Credit Supervision Department, Administrative Planning Department and Treasury Administration Department

### Reasons for selecting the candidate for Director and outline of expected roles:

Since joining the Bank in 1987, he has gained experience in the Credit Supervision Department, served as a General Manager of Tokyo Branch and Management Planning Department, and has held the posts of supervisor of Credit Supervision Department, Administrative Planning Department and Treasury Administration Department, as Managing Officer. He possesses deep knowledge in management planning and credit decision operation from a wealth of business experience. He has been serving as Managing Director since 2019, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to contribute to the Bank's business performance development.

## 7 Hiroyuki Ohara

[Reappointment]  
[Male]

**Date of birth**  
July 10, 1962

**Term of office as Director:**  
2 years (at the conclusion of this General Meeting of Shareholders)

**Attendance at meetings of the Board of Directors:**  
11/11 (100%)

**Number of shares of the Bank held:**  
5,379 shares

### Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1985 Joined the Bank  
Feb. 2006 General Manager, Takehara Branch  
Feb. 2008 General Manager supervising Credit Supervision Department and General Manager, Management Support Center  
Jun. 2011 General Manager, Yonago Branch  
Jun. 2013 General Manager, Credit Supervision Department  
Jun. 2017 Executive Officer and General Manager, Personnel Department  
Jun. 2019 Managing Director (current position)

### Responsibilities:

Risk Management Department and Compliance Department

### Reasons for selecting the candidate for Director and outline of expected roles:

Since joining the Bank in 1985, he has gained experience in the Credit Supervision Department, served as General Manager of the Credit Supervision Department and Personnel Department, and has held the posts of supervisor of Compliance Department and Risk Management Department, as Managing Officer. He possesses deep knowledge in personnel planning and credit decision operation from a wealth of business experience. He has been serving as Managing Director since 2019, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to contribute to the Bank's business performance development.

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## Hiromichi Kato

[Reappointment]

[Male]

**Date of birth**

September 20, 1962

**Term of office as Director:**

2 years (at the conclusion of this General Meeting of Shareholders)

**Attendance at meetings of the Board of Directors:**

11/11 (100%)

**Number of shares of the Bank held:**

3,698 shares

**Past experience, positions, responsibilities, and significant concurrent positions**

Apr. 1986 Joined the Bank  
 Jun. 2009 General Manager, Hiroshima Funairi Branch  
 Jun. 2011 General Manager, Hirai Branch  
 Jun. 2013 General Manager, Himeji Branch  
 Jun. 2015 General Manager, Financial Business Department and General Manager, Structured Finance Center  
 Jun. 2017 Executive Officer and General Manager, Tsuyama Branch  
 Jun. 2019 Managing Director (current position)

**Responsibilities:**

Funds &amp; Securities Department, International Department and General Affairs Department

**Reasons for selecting the candidate for Director and outline of expected roles:**

Since joining the Bank in 1986, he has gained experience in the Funds & Securities Department, served as General Manager of the Financial Business Department and Tsuyama Branch, and has held the posts of supervisor of Funds & Securities Department, International Department, as Managing Officer. He possesses deep knowledge in precise fund operations from his wealth of experience, as well as international business operations. He has been serving as Managing Director since 2019, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to contribute to the Bank's business performance development.

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## Yoshio Sato

[Reappointment]

[Outside]

[Independent]

[Male]

**Date of birth**

February 14, 1949

**Term of office as Director:**

7 years (at the conclusion of this General Meeting of Shareholders)

**Attendance at meetings of the Board of Directors:**

11/11 (100%)

**Number of shares of the Bank held:**

3,100 shares

**Past experience, positions, responsibilities, and significant concurrent positions**

Jul. 1974 Joined Arthur Andersen & Co.  
 Jul. 1979 Resigned from Arthur Andersen & Co.  
 Aug. 1979 Joined Tohmatsu Aoki Audit Firm  
 Mar. 1981 Registered as Certified Public Accountant  
 Aug. 1986 Resigned from Tohmatsu Aoki Audit Firm  
 Sep. 1986 Established Yoshio Sato CPA Firm  
 Representative, Yoshio Sato CPA Firm (current position)  
 Jun. 2006 Outside Audit & Supervisory Board Member, the Bank  
 Jun. 2014 Outside Director (current position)

**Reasons for selecting the candidate for Outside Director and outline of expected roles:**

Through his many years of experience as a certified public accountant, he has gained a wealth of experience and a high level of knowledge and specialization in finance and accounting, in addition to being sufficiently familiar with the local economic community. The Bank nominates him as candidate for Outside Director with the expectation that he will give advice that utilizes his knowledge and strengthen the viability of the decision-making functions and supervisory functions of the Board of Directors from his position of being independent from management.

# 10

## Akira Kodera

[Reappointment]  
[Outside]  
[Independent]  
[Male]

**Date of birth**  
April 23, 1947

**Term of office as Director:**  
5 years (at the conclusion of this General Meeting of Shareholders)

**Attendance at meetings of the Board of Directors:**  
10/11 (90.9%)

**Number of shares of the Bank held:**  
3,900 shares

### Past experience, positions, responsibilities, and significant concurrent positions

Apr.	1970	Joined ITOCHU Corporation
Jun.	2000	Executive Officer, ITOCHU Corporation
Apr.	2002	Managing Executive Officer, ITOCHU Corporation
Jun.	2004	Representative Director and Managing Executive Officer, ITOCHU Corporation
Jun.	2006	Resigned from ITOCHU Corporation Assumed the office of Representative Director, ITOCHU ENEX CO., LTD.
Jun.	2012	Chairman of the Board of Directors, ITOCHU ENEX CO., LTD.
Mar.	2015	Resigned from ITOCHU ENEX CO., LTD.
Jun.	2016	Outside Director, the Bank (current position)

### Reasons for selecting the candidate for Outside Director and outline of expected roles:

He has held the posts of Representative Director and Managing Executive Officer of the ITOCHU Corporation and Representative Director, President and Chairman of ITOCHU ENEX CO., LTD. He possesses a wealth of corporate management experience and a high level of knowledge. The Bank nominates him as candidate for Outside Director with the expectation that he will give advice that utilizes his knowledge and experience as a corporate manager, and strengthen the viability of the decision-making functions and supervisory functions of the Board of Directors from his position of being independent from management.

- (Notes)
1. There are no special interests between the candidates and the Bank.
  2. The Bank has entered into a directors and officers liability insurance contract with an insurance company, which covers legal damages and litigation expenses to be borne by insured persons. However, the insurance contract does include certain exemption clauses, such as no compensation being given for liability attributable to acts in violation of laws or regulations that were carried out with full knowledge of their illegality. Each candidate for Director is insured under the insurance contract. The Bank plans to renew the insurance contract with the same contents at the next renewal. The insurance premiums are fully borne by the Bank.
  3. Messrs. Yoshio Sato and Akira Kodera are candidates for Outside Director. The Bank has registered Messrs. Yoshio Sato and Akira Kodera at the Tokyo Stock Exchange as Independent Director/Auditor stipulated by the aforementioned Exchange. If this Proposal is approved as proposed, the Bank plans to designate Messrs. Yoshio Sato and Akira Kodera as Independent Director/Auditor.
  4. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank has entered into an agreement with Outside Directors to limit their liability for damages as provided for by Article 423, Paragraph 1 of said Act. The liability amount for Outside Directors pursuant to such agreement shall be the minimum amount stipulated by laws and regulations. If this Proposal is approved as proposed, the Bank plans to continue to have the Agreement in effect with Messrs. Yoshio Sato and Akira Kodera.

#### **Proposal No. 4: Determination of Amount and Details of Stock Option Compensation**

Compensation in the form of stock options for Directors (excluding Directors serving as Audit and Supervisory Committee Members; the same applies throughout this proposal) was approved by the 135th Ordinary General Meeting of Shareholders of the Bank, held on June 24, 2016. In view of clarifications to matters for resolution regarding the details of stock compensation-type stock options pursuant to the enforcement of the Act Partially Amending the Companies Act (Law No. 70 of 2019), the Bank seeks renewed approval regarding the provision of stock acquisition rights to Directors in the form of stock compensation-type stock options up to a maximum value of 100 million yen per annum, in addition to basic fixed compensation and performance-linked compensation already resolved upon, as well as the details of these stock options.

The value of compensation in stock options is calculated as the fair and reasonable price per stock acquisition right on the date on which allocation takes place, multiplied by the number of stock acquisition rights allocated.

If Proposal No. 3 “Election of Ten (10) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)” is approved as proposed, the number of Directors to which the stock compensation-type stock options in this Proposal applies would be eight (8). Furthermore, the Bank seeks approval for the Board of Directors to determine the payment period and distribution, etc. to Directors, based on the “Decision Policy Concerning the Amount and Other Details of Compensation for Individual Directors” (decided at the Board of Directors meeting held on February 25, 2021).

The specific details of stock options contained in this proposal supplement the details approved by resolution of the General Meeting of Shareholders held on June 24, 2016, in accordance with the requirements clarified under the Act Partially Amending the Companies Act (Law No. 70 of 2019), etc., and do not substantially change these details.

There will be no change to the current compensation system for Directors, even if this proposal is approved.

The details of stock acquisition rights to be granted as compensation to Directors, and the justification for granting stock acquisition rights, are as follows:

1. Details of the stock acquisition rights
  - (1) Total number of stock acquisition rights, type and number of shares to be acquired

The maximum number of units of stock acquisition rights:  
1,000 within one year.

The type of stocks to be acquired:  
100 thousand shares of common stock shall be the maximum for a single year.

The number of shares to be acquired upon the exercise of one unit of stock acquisition rights (the “Number of Granted Shares”) is 100 shares. In case the above number of shares needs to be adjusted due to merger, company split, gratis allotment, reverse stock splits, etc., the Bank may adjust the number of granted shares.
  - (2) The amount to be paid for the stock acquisition rights

The amount of payment for stock acquisition rights is calculated using the Black-Scholes model <sup>(Note)</sup> as of the stock acquisition rights allocation date. However, those who have received allotment of stock acquisition rights shall offset their compensation claims owed by the Bank against the amount to be paid for the stock acquisition right.
  - (3) The value of property to be contributed to the exercise of stock acquisition right

The value of property to be contributed to the exercise of stock acquisition right is equal to the amount of one yen (i.e. the per share amount of payment for the stocks issued or transferred by exercising the stock acquisition right) multiplied by the Number of Distributed Shares.
  - (4) Exercise period of the stock acquisition rights

Within 30 years from a day after the stock acquisition rights are allocated.
  - (5) Conditions on the exercise of the stock acquisition rights
    - 1) The holder of stock acquisition rights may only exercise his/her stock acquisition rights during the period of 10 days commencing from the day after he/she lost his/her position as Director of the Bank.

However, the holder of stock acquisition rights may not exercise his/her stock acquisition rights where any of the following cases apply.

    1. Where the Director has been dismissed
    2. Where there exists cause for disqualification under the Companies Act

3. Where the Director has violated the stock acquisition rights total subscription agreement with the Bank
4. Where the Director has engaged in actions that significantly damage the relationship of trust with the Bank
5. Where the Director has relinquished the stock acquisition rights
- 2) Details of other conditions on the exercise of stock acquisition rights shall be determined by the Board of Directors.
- (6) Restrictions on the acquisition of the stock acquisition rights by transfer  
Approval by resolution of the Board of Directors shall be required to acquire the stock acquisition rights by transfer.
- (7) Cause for the acquisition of the stock acquisition rights by the Bank  
The Bank shall be able to acquire the stock acquisition rights for no consideration, on a date designated separately by the Bank's Board of Directors, where any of the following cases apply.
  - 1) Where the stock acquisition rights holder fails to satisfy the conditions on the exercise of the stock acquisition rights, and is therefore unable to exercise the stock acquisition rights
  - 2) Where any of the following proposals are approved by the General Meeting of Shareholders (of by resolution of the Board of Directors, in cases where a resolution of the General Meeting of Shareholders is not required)
    1. A proposal to approve a merger agreement wherein the Bank becomes a non-surviving company
    2. A proposal to approve a corporate demerger agreement or corporate demerger plan wherein the Bank becomes a demerged company
    3. A proposal to approve a share exchange agreement or share exchange plan wherein the Bank becomes a wholly-owned subsidiary
- (8) Other details of stock acquisition rights  
Other matters concerning the stock acquisition rights shall be determined at the meeting of the Board of Directors where the subscription requirements for the stock acquisition rights are determined.

(Note) The Black-Scholes model calculates the option evaluation value with the stock price, exercise price, volatility, no-risk interest rate, and exercise period as variables, making it a calculation method that is practically established.

## 2. Justification for granting stock acquisition rights

Stock options shall be granted to Directors in order to further raise management consciousness of improving stockholder value over the mid- to long-term, by providing an effective incentive for Directors to raise corporate performance, and by sharing profits with shareholders, through an even stronger link between the Bank's performance and its share value.

The Bank established a Decision Policy Concerning the Amount and Other Details of Compensation for Individual Directors, summarized on pages 30 to 31 of this Notice of Convocation (Japanese version only), at the meeting of the Board of Directors held on February 25, 2021. The grant of stock acquisition rights under this proposal conforms to this Decision Policy, and is therefore deemed appropriate.

### \*Reference

Current compensation system for officers (the current system will remain unchanged if this proposal is approved)

Directors (excluding Directors serving as Audit and Supervisory Committee Members)	Basic fixed compensation (within 300 million yen per annum)	Performance-linked compensation (within 90 million yen per annum)	Compensation in the form of stock compensation-type stock options (within 100 million yen per annum)
[of which, Outside Directors]	[Basic fixed compensation (within 30 million yen per annum)]	[ - ]	[ - ]
Directors serving as Audit and Supervisory Committee Members	Basic fixed compensation (within 80 million yen per annum)		