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(Securities Code: 8364)  
June 2, 2021

**To Shareholders with Voting Rights:**

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

**NOTICE OF CONVOCAION OF  
THE 146TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 146th Annual General Meeting of Shareholders of the Shimizu Bank, Ltd. (the “Bank”). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or by electromagnetic means (via the Internet etc.). Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and exercise your voting rights by 5:00 p.m. on Wednesday, June 23, 2021 (Japan standard time).

- 1. Date and Time:** Thursday, June 24, 2021 at 10:00 a.m. (Japan standard time)
- 2. Place:** Large Hall, 3F, Shimizu Bank Tenjin Head Office,  
7-30, Tenjin 1-chome, Shimizu-ku, Shizuoka-shi, Shizuoka, Japan
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report and Non-consolidated Financial Statements for the Bank’s 146th Fiscal Year (from April 1, 2020 to March 31, 2021)
    2. Consolidated Financial Statements for the Bank’s 146th Fiscal Year (from April 1, 2020 to March 31, 2021) and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee
  - Proposals to be resolved:**
    - Proposal No. 1:** Appropriation of Surplus
    - Proposal No. 2:** Election of Eleven (11) Directors (excluding Directors Serving as Audit & Supervisory Committee Members)
    - Proposal No. 3:** Election of One (1) Director Serving as Audit & Supervisory Committee Member
    - Proposal No. 4:** Determination of Specific Details of Stock Options for Directors (excluding Directors Serving as Audit & Supervisory Committee Members and Outside Directors)

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

The following three methods are available for exercising voting rights.

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

**Date and time: Thursday, June 24, 2021 at 10:00 a.m. Japan standard time**

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

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

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

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

**Deadline: Wednesday, June 23, 2021 by 5:00 p.m. Japan standard time (time of receipt)**

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

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

**Deadline: Wednesday, June 23, 2021 by 5:00 p.m. Japan standard time (time of transmission)**

For exercising voting rights via the Internet, please refer to page 3 (in Japanese version only) and indicate your vote for or against the proposals by either of the following methods.

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

For institutional investors

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

Please refer to the “Information on Exercising Voting Rights via the Internet” (in Japanese version only) on page 3 when voting via the Internet.

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

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

#### **Split Voting**

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

#### **Matters disclosed on the Internet**

Of the documents required to be appended to this Notice of Convocation as attachments, the Matters related to Subscription Rights to the Bank’s Shares, the Non-consolidated Statement of Changes in Equity, the Notes to the Non-consolidated Financial Statements, the Consolidated Statement of Changes in Equity, and the Notes to the Consolidated Financial Statements have been posted on the Bank’s website (<http://www.shimizubank.co.jp/>) in accordance with laws and regulations and Article 17 of the Articles of Incorporation of the Bank, and are therefore not included in the attached documents.

The Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements audited by the Audit & Supervisory Committee and the Accounting Auditor in preparing the Audit Report and the Independent Auditors’ Report, respectively, comprise the Matters related to Subscription Rights to the Bank’s Shares, the Non-consolidated Statement of Changes in Equity, the Notes to the Non-consolidated Financial Statements, the Consolidated Statement of Changes in Equity, and the

Notes to the Consolidated Financial Statements, in addition to the documents included in the attached documents.

Any updates to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, or the Consolidated Financial Statements will be posted on the Bank's website (<http://www.shimizubank.co.jp/>).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

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

1. Matters concerning year-end dividends of surplus
  - (1) Type of dividend property  
Cash
  - (2) Allotment of dividend property to shareholders and the total amount  
30 yen per share of common stock of the Bank  
Total amount: 347,613,510 yen  
Including interim dividend, dividends to be paid for the full year amount to 60 yen per share.
  - (3) Effective date of distribution of surplus  
June 25, 2021
2. Other matters concerning appropriation of surplus
  - (1) Item and the amount of surplus to be increased  
General reserve 1,500,000,000 yen
  - (2) Item and the amount of surplus to be decreased  
Retained earnings brought forward 1,500,000,000 yen

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

The terms of office of all ten (10) incumbent Directors (excluding Directors serving as Audit & Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, in order to further enhance the management system, the election of eleven (11) Directors (excluding Directors serving as Audit & Supervisory Committee Members), including an increase of one (1) Outside Director, is proposed.

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

No.	Name		Current positions at the Bank
1	Reappointment	Katsuichiro Toyoshima	Chairman
2	Reappointment	Yasuhiro Iwayama	President
3	Reappointment	Ayato Mochizuki	Senior Managing Director
4	Reappointment	Fumitoshi Yabuzaki	Managing Director
5	Reappointment	Keiko Higashi	Outside Independent Officer Outside Director
6	Reappointment	Takashi Aizawa	Outside Independent Officer Outside Director
7	New appointment	Youichiro Ito	Outside Independent Officer Outside Director and Audit & Supervisory Committee Member
8	Reappointment	Yosuke Wakabayashi	Director
9	Reappointment	Naoyuki Tamura	Director
10	Reappointment	Masashi Hiraiwa	Director
11	New appointment	Nobuhide Fukazawa	Executive Officer

No.	Name (Date of birth)	Brief personal history, positions, responsibilities and significant concurrent positions	Number of the Bank's shares held
1	Katsuichiro Toyoshima (July 6, 1957) <u>Reappointment</u>	Apr. 1981 Joined the Bank Jun. 1996 General Manager of Secretariat Office Apr. 2001 Senior General Manager of Corporate Administration Division Jun. 2003 Director, General Manager of Fuji Branch Jun. 2005 Managing Director Jun. 2007 Senior Managing Director Apr. 2011 Deputy President Apr. 2012 President Apr. 2020 Chairman (incumbent)	14,673 shares
[Reasons for nomination as a candidate for Director] Mr. Katsuichiro Toyoshima, serving as the President since April 2012 and the Chairman since April 2020, has a wealth of management experience gained through his involvement in a wide range of banking business processes, including management planning, risk management, finance, business promotion, credit, and personnel affairs. Thus, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.			
2	Yasuhiro Iwayama (July 13, 1964) <u>Reappointment</u>	Apr. 1988 Joined the Bank Jun. 2005 General Manager of Fuji-eki Nan Branch Apr. 2012 Senior General Manager of Fuji Branch, Fuji Shiyakusho-mae Branch and Matsuoka Branch Apr. 2014 Managing Executive Officer Jun. 2015 Director, General Manager of Corporate Administration Division Oct. 2016 Managing Director May 2019 Senior Managing Director Apr. 2020 President (incumbent)	5,300 shares
[Reasons for nomination as a candidate for Director] Mr. Yasuhiro Iwayama, serving as the Senior Managing Director since May 2019 and the President since April 2020, has a wealth of management experience gained through his involvement in a wide range of banking business processes, including management planning, risk management, finance, business promotion, and credit. Thus, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.			

No.	Name (Date of birth)	Brief personal history, positions, responsibilities and significant concurrent positions	Number of the Bank’s shares held
3	Ayato Mochizuki (January 27, 1964) <u>Reappointment</u>	Apr. 1986 Joined the Bank Jun. 2007 General Manager of Fujieda-eki Nishi Branch Jul. 2011 Senior General Manager of Sales Division, Head Office, Okitsu Branch and Yagima Branch Jul. 2012 Senior General Manager of Sales Division, Head Office Jun. 2013 Director, General Manager of Sales Division, Head Office Jun. 2015 Managing Director Nov. 2018 Senior Managing Director (incumbent)	4,900 shares
		[Reasons for nomination as a candidate for Director] Mr. Ayato Mochizuki, currently serving as the Senior Managing Director, has a wealth of management experience gained though his involvement in a wide range of banking business processes, including management planning, risk management, finance, business promotion, credit, and personnel affairs. Thus, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.	
4	Fumitoshi Yabuzaki (June 1, 1962) <u>Reappointment</u>	Apr. 1985 Joined the Bank Jun. 2007 General Manager of Markets and International Division Oct. 2010 General Manager of Tokyo Branch Apr. 2012 Senior General Manager of Corporate Administration Division Jun. 2013 Executive Officer Apr. 2015 Managing Executive Officer Jun. 2017 Director May 2019 Managing Director (incumbent)	10,500 shares
		[Reasons for nomination as a candidate for Director] Mr. Fumitoshi Yabuzaki, currently serving as the Managing Director, has a wealth of management experience gained though his involvement in a wide range of banking business processes, including management planning, risk management, finance, investment, and personnel affairs. Thus, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.	

No.	Name (Date of birth)	Brief personal history, positions, responsibilities and significant concurrent positions	Number of the Bank's shares held
5	Keiko Higashi (August 23, 1953) Reappointment Outside Director Independent Officer	Apr. 1980 Full-time Lecturer, Tokai University Junior College Apr. 1990 Assistant Professor, Tokai University Junior College Apr. 2004 Professor, Tokai University Junior College Apr. 2007 Professor, Department of Kansei Design, School of Development Engineering, Tokai University Apr. 2011 Professor, Department of Environmental and Societal Affairs, School of Marine Science and Technology, Tokai University Jun. 2015 Director of the Bank (incumbent) Apr. 2019 Professor Emeritus, Tokai University (incumbent)	2,900 shares
[Reasons for nomination as a candidate for Outside Director and expected role as Outside Director] Ms. Keiko Higashi has experience and social credibility cultivated as a university professor. She has appropriately fulfilled her duties and responsibilities as Outside Director of the Bank. Thus, the Bank expects to continue to reflect her profound insight in the Bank's management and has nominated her as a candidate for Outside Director.			
6	Takashi Aizawa (October 16, 1946) Reappointment Outside Director Independent Officer	Apr. 1969 Joined The Long-Term Credit Bank of Japan, Ltd. Jun. 1996 Director, The Long-Term Credit Bank of Japan, Ltd. Oct. 1997 Managing Director, Senior Managing Director, Chogin Securities Inc. Jun. 1998 Managing Director, Kumagai Gumi Co., Ltd. Nov. 2002 Director, Suzuyo Construction Co., Ltd. Apr. 2005 President and Representative Director, Suzuyo Construction Co., Ltd. Dec. 2006 President and Representative Director, Suzuyo Construction Holdings Co., Ltd. (incumbent) Jul. 2012 Chairman and Representative Director, New Dream Plaza Co., Ltd. (currently Dream Plaza Co., Ltd.) (incumbent) Nov. 2016 Chairman and Representative Director, Suzuyo Construction Co., Ltd. Jun. 2017 Director of the Bank (incumbent)	1,000 shares
[Reasons for nomination as a candidate for Outside Director and expected role as Outside Director] Mr. Takashi Aizawa has a wealth of experience and extensive knowledge concerning corporate management. He has appropriately fulfilled his duties and responsibilities as Outside Director of the Bank. Thus, the Bank expects to continue to reflect his profound insight in the Bank's management and has nominated him as a candidate for Outside Director.			

No.	Name (Date of birth)	Brief personal history, positions, responsibilities and significant concurrent positions	Number of the Bank’s shares held
7	Youichiro Ito (February 1, 1948) <div>New appointment</div> <div>Outside Director</div> <div>Independent Officer</div>	Apr. 1990 Registered as attorney-at-law with Tokyo Bar Association Apr. 1995 Registered as attorney-at-law with Shizuoka Bar Association Opened Ito Law Office in Aoi-ku, Shizuoka City (incumbent) Apr. 1999 Acting Corporate Auditor of the Bank The term of office ended in June 1999 Jun. 2009 Audit & Supervisory Board Member Jun. 2020 Director and Audit & Supervisory Committee Member (incumbent)	1,000 shares
		[Reasons for nomination as a candidate for Outside Director and expected role as Outside Director] Mr. Youichiro Ito has insight and experience as an attorney-at-law over many years. He has appropriately fulfilled his duties and responsibilities as Outside Audit & Supervisory Board Member of the Bank since his appointment in June 2009 based on his deep insight and perspective as a legal expert. Thus, the Bank expects him to continue to perform his duties appropriately based on such perspective and has nominated him as a candidate for Outside Director.	
8	Yosuke Wakabayashi (December 23, 1965) <div>Reappointment</div>	Apr. 1989 Joined the Bank Apr. 2012 General Manager of Shimada Branch Apr. 2014 General Manager of Shizuoka-minami Branch Apr. 2016 General Manager of General Affairs and Human Resources Division Apr. 2017 General Manager of Management Planning Division Jun. 2017 Director, General Manager of Management Planning Division May 2019 Director (incumbent)	3,600 shares
		[Reasons for nomination as a candidate for Director] Mr. Yosuke Wakabayashi has been involved in a wide range of banking business processes, including management planning, risk management, business promotion, investment, and personnel affairs. Thus, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.	

No.	Name (Date of birth)	Brief personal history, positions, responsibilities and significant concurrent positions	Number of the Bank’s shares held
9	Naoyuki Tamura (September 22, 1964) <u>Reappointment</u>	Apr. 1987 Joined the Bank Oct. 2003 General Manager of Ejiri Branch Dec. 2006 General Manager of Business Planning Division Jul. 2009 General Manager of Management Planning Division Apr. 2011 General Manager of Yaizu Branch, Tajiri Branch and Otomi Branch Apr. 2012 General Manager of Tokyo Branch Apr. 2014 General Manager of General Affairs and Human Resources Division Apr. 2016 General Manager of Internal Audit Division Apr. 2017 Senior General Manager of Corporate Administration Division Jun. 2019 Director (incumbent)	2,200 shares
		[Reasons for nomination as a candidate for Director] Mr. Naoyuki Tamura has been involved in a wide range of banking business processes, including management planning, risk management, finance, investment, personnel affairs, and credit. Thus, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.	
10	Masashi Hiraiwa (April 17, 1968) <u>Reappointment</u>	Apr. 1991 Joined the Bank Jul. 2010 General Manager of Shimokanuki Branch Apr. 2016 General Manager of Tokyo Branch Apr. 2018 General Manager of Markets and International Division May 2019 General Manager of Corporate Administration Division Jun. 2020 Director (incumbent)	1,700 shares
		[Reasons for nomination as a candidate for Director] Mr. Masashi Hiraiwa has been involved in a wide range of banking business processes, including risk management, finance, business promotion, and investment. Thus, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.	

No.	Name (Date of birth)	Brief personal history, positions, responsibilities and significant concurrent positions	Number of the Bank's shares held
11	Nobuhide Fukazawa (December 29, 1966) New appointment	<p>Apr. 1989 Joined the Bank</p> <p>Jul. 2008 General Manager of Eastern Loan Center</p> <p>Apr. 2011 General Manager of Kambara Branch and AEON TOWN Kambara Branch</p> <p>Apr. 2014 General Manager of Nagoya Branch and General Manager of Business Information Office Nagoya</p> <p>Apr. 2016 General Manager of Takahashi Branch, Ihara Branch, Oshikiri Branch, Tsuji Branch and Shimono Branch</p> <p>Apr. 2018 Senior General Manager of Fuji Branch and Matsuoka Branch</p> <p>Apr. 2020 Executive Officer, General Manager of Branch Advisory Division</p> <p>Apr. 2021 Executive Officer, General Manager of Management Planning Division (incumbent)</p>	1,000 shares
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Nobuhide Fukazawa has been involved in a wide range of banking business processes, including management planning and business promotion. Thus, the Bank believes he is capable of appropriately executing management decisions for the Bank and has nominated him as a candidate for Director.</p>			

- (Notes)
- Special interest relationship between each candidate for Director and the Bank.
    - The Bank has transactions, including loans, with Dream Plaza Co., Ltd. where Mr. Takashi Aizawa serves as Chairman and Representative Director.
    - Mr. Youichiro Ito is the Bank's legal counsel and the Bank pays him counseling fees.
    - No special interest exists between any other candidates for Director and the Bank.
  - Independence of candidates for Outside Directors (Independence Criteria for Outside Directors of the Bank are listed on page 13)
 

Ms. Keiko Higashi, Mr. Takashi Aizawa, and Mr. Youichiro Ito are candidates for Outside Director who meet the criteria for determining the independence of Outside Directors of the Bank. The Bank has submitted notifications to Tokyo Stock Exchange, Inc. to register Ms. Keiko Higashi, Mr. Takashi Aizawa, and Mr. Youichiro Ito as independent officers of the Bank. If their election is approved as originally proposed, they will continue to be independent officers.
  - Number of years in office as Outside Director
 

The terms of office as Outside Director at the conclusion of this Annual General Meeting of Shareholders will be six (6) years for Ms. Keiko Higashi, and four (4) years for Mr. Takashi Aizawa. Mr. Youichiro Ito currently holds the position of Director serving as Audit & Supervisory Committee Member (the term of office is one (1) year), and, combined with his term of office as Outside Audit & Supervisory Board Member of the Bank, his term of office at the conclusion of this Annual General Meeting of Shareholders will be twelve (12) years. Mr. Youichiro Ito is scheduled to resign as Director serving as Audit & Supervisory Committee Member at the conclusion of this Annual General Meeting of Shareholders.
  - Limited liability agreements with Outside Directors
 

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank has concluded agreements with Ms. Keiko Higashi, Mr. Takashi Aizawa, and Mr. Youichiro Ito to limit their liabilities in the event that they neglect their duties and that the limit of the liability under such agreements shall be the amount provided by laws and regulations. If the election of Ms. Keiko Higashi, Mr. Takashi Aizawa, and Mr. Youichiro Ito is approved, the Bank intends to renew the limited liability agreements with them.
  - Directors and officers liability insurance contract
 

The Bank has concluded a directors and officers liability insurance contract with an insurance company to insure all Directors. The insurance contract will cover damages that may result from the insured Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. Should each candidate assume office as Director, each candidate will be insured under the insurance contract. The Bank intends to renew the insurance contract during the term of office of each candidate.

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

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

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

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

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

No.	Name (Date of birth)	Brief personal history, positions, responsibilities and significant concurrent positions	Number of the Bank's shares held
1	Shigeyuki Konagaya (January 1, 1954) New appointment Outside Director Independent Officer	<p>Jun. 1976 Employed by Shizuoka City</p> <p>Apr. 2005 Director, Policy and Legal Affairs Division, General Affairs Department, General Affairs Bureau</p> <p>Apr. 2008 Senior Advisor, Commerce and Industry Department, Economic Affairs Bureau and Director, Commercial Labor Administration Division</p> <p>Apr. 2010 Director, Administrative Management Department, Management Bureau</p> <p>Apr. 2011 Director, Management Bureau</p> <p>Apr. 2012 Director, General Affairs Bureau</p> <p>Oct. 2013 Deputy Mayor of Shizuoka City</p> <p>Mar. 2021 Retired as Deputy Mayor of Shizuoka City</p>	100 shares
<p>[Reasons for nomination as a candidate for Outside Director and expected role as Outside Director]</p> <p>Mr. Shigeyuki Konagaya has experience and social credibility cultivated in public administration as Deputy Mayor of Shizuoka City. The Bank expects to reflect his profound knowledge in the Bank's management and to have him perform his duties appropriately as the Bank's Audit &amp; Supervisory Committee Member and has nominated him as a candidate for Outside Director serving as Audit &amp; Supervisory Committee Member.</p>			

- (Notes)
1. No special interest exists between the candidate for Director serving as Audit & Supervisory Committee Member and the Bank.
  2. Independence of candidates for Outside Directors (Independence Criteria for Outside Directors of the Bank are listed on page 13)  
Mr. Shigeyuki Konagaya is a candidate for Outside Director who meets the criteria for determining the independence of Outside Directors of the Bank. If the election of Mr. Shigeyuki Konagaya is approved, the Bank intends to submit a notification to Tokyo Stock Exchange, Inc. to register him as an independent officer of the Bank.
  3. Limited liability agreements with Outside Directors  
If the election of Mr. Shigeyuki Konagaya is approved, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank intends to conclude an agreement with him to limit his liabilities in the event that he neglects his duties and that the limit of the liability under such an agreement shall be the amount provided by laws and regulations.
  4. Directors and officers liability insurance contract  
The Bank has concluded a directors and officers liability insurance contract with an insurance company to insure all Directors. The insurance contract will cover damages that may result from the insured Directors being liable for the performance of their duties or being subject to a claim for the pursuit of such liability. Should the candidate assume office as Director, the candidate will be insured under the insurance contract. The Bank intends to renew the insurance contract during the term of office of the candidate.

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

### **Independence Criteria**

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

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

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

**Proposal No. 4:** Determination of Specific Details of Stock Options for Directors (excluding Directors Serving as Audit & Supervisory Committee Members and Outside Directors)

At the 145th Annual General Meeting of Shareholders held on June 25, 2020, approval was granted for the determination of the amount and details of remuneration in stock options for Directors (excluding Directors serving as Audit & Supervisory Committee Members and Outside Directors) in order to increase their motivation to contribute to the enhancement of corporate value and to further increase their awareness of shareholder-oriented management.

Accompanying the enforcement of the “Act Partially Amending the Companies Act (Act No. 70 of 2019),” matters to be resolved at the General Meeting of Shareholders in regard to granting share acquisition rights as remuneration to Directors have been clarified. Accordingly, it is proposed that, separate from the remuneration framework for Directors (excluding Directors serving as Audit & Supervisory Committee Members) (a maximum of 270 million yen per annum (including a maximum of 20 million yen for Outside Directors)) approved in Proposal No. 5 at the 145th Annual General Meeting of Shareholders, a maximum of 36 million yen per annum, the same amount as in the previous proposal, be set for the allotment of share remuneration-based stock options, and that the details of the share acquisition rights be set as described below (the same as the previous proposal with the addition of the underlined parts).

It is proposed that the payment timing and allocation to each Director be left to the discretion of the Board of Directors.

This proposal is considered to be appropriate in light of the policy for determining the content of remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members) of the Bank (page 24 of the Notice of Convocation; in Japanese version only).

There are currently eight (8) Directors who are eligible to be granted share acquisition rights as share remuneration-based stock options. If Proposal No. 2: Election of Eleven (11) Directors (excluding Directors serving as Audit & Supervisory Committee Members) is approved as originally proposed, the number of eligible Directors will be eight (8).

Details of the share acquisition rights

(1) Total number of share acquisition rights, and type and number of subject shares

The maximum number of share acquisition rights to be issued within one (1) year from the date of the Annual General Meeting of Shareholders pertaining to that business year shall be 2,200.

The shares subject to share acquisition rights shall be the Bank’s common stock, and the upper limit for the abovementioned one (1) year shall be 22,000 shares.

The number of shares subject to one (1) stock acquisition right (hereinafter, “the number of shares granted”) shall be ten (10) shares.

In the event that it becomes appropriate to amend the number of shares granted for reasons such as the execution by the Bank of a merger, company split, gratis allotment of shares, stock split, or reverse stock split, the Bank shall make necessary adjustments.

(2) Payment amount for the share acquisition rights

The fair value calculated by means such as the Black-Scholes Model on the date of allotment of the share acquisition rights shall be the payment amount. The person in receipt of the share acquisition rights shall offset the payment of said payment amount with compensation receivables from the Bank.

(3) Value of property invested upon the exercise of share acquisition rights

The value of property to be invested upon the exercise of share acquisition rights shall be one (1) yen per share delivered through the exercise of share acquisition rights, and shall be multiplied by the number of shares granted.

(4) Period during which share acquisition rights may be exercised

Share acquisition rights may be exercised for a period of twenty five (25) years from the date following the allotment date of the share acquisition rights. However, in the event that the last day of the exercise period falls on a Bank holiday, the previous working day shall apply.

(5) Main conditions for exercising share acquisition rights

The holder of share acquisition rights may, within the period described in (4) above, exercise share acquisition rights in their entirety within a period of ten (10) days from the day following the day on which the Director of the Bank lost his or her position.

(6) Transfer restrictions on share acquisition rights

Acquisition of share acquisition rights by transfer requires the approval of the Board of Directors of the Bank.

(7) Matter concerning acquisition of share acquisition rights

(a) In the event that the share acquisition rights cannot be exercised due to the provisions of above (5) or the provisions of the share acquisition rights (share remuneration-based stock options) allocation agreement before the holder of share acquisition rights exercises said rights, the Bank shall be able to acquire the share acquisition rights without consideration on a date separately prescribed by the Board of Directors.

(b) In the event that a proposal for approval of a merger agreement in which the Bank becomes the absorbed company, an absorption-type company split agreement or an incorporation-type split plan in which the Bank becomes the split company, or a share exchange agreement or a share transfer plan in which the Bank becomes a wholly owned subsidiary is approved by the General Meeting of Shareholders of the Bank, the share acquisition rights that have not been exercised as of that same date may be acquired without consideration on a date separately prescribed by the Board of Directors.

(8) Other details of share acquisition rights

Details described in (1) to (7) above and other details regarding share acquisition rights shall be determined by the Board of Directors, which decides matters regarding application of share acquisition rights.

[End of Document]