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Securities code: 8524

June 3, 2021

To our shareholders:

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

NOTICE OF THE 165TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 165th Ordinary General Meeting of Shareholders of North Pacific Bank, Ltd. (the “Bank”), which will be held as described below.

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

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

1. Date and Time: Friday, June 25, 2021 at 10:00 a.m. (Japan Standard Time)

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

3. Purposes:

Items to be reported:

1. Business Report and Non-Consolidated Financial Statements for the 165th Term (from April 1, 2020 to March 31, 2021)
2. Consolidated Financial Statements for the 165th Term (from April 1, 2020 to March 31, 2021) and the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

Items to be resolved:

- Proposal 1:** Appropriation of surplus
Proposal 2: Election of eleven (11) Directors
Proposal 3: Election of two (2) Audit & Supervisory Board Members
Proposal 4: Amendment to the Articles of Incorporation

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of surplus

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

Under this policy, the Bank proposes the year-end dividend of surplus for the fiscal year ended March 31, 2021 as follows.

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof to shareholders
5.0 yen per common share of the Bank
Total amount of dividends: 1,947,993,950 yen
- (3) Effective date of distribution of dividends of surplus
Common share of the Bank: June 28, 2021

As a result, the annual dividend for the fiscal year ended March 31, 2021 will be 10.0 yen per common share including the interim dividend of 5.0 yen per common share, as stated in the dividend forecast announced on May 12, 2020.

(Reference) The Bank's comprehensive shareholder returns policy

Ordinary dividend:

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

Performance-linked dividend:

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

Repurchase of treasury shares:

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

Proposal 2: Election of eleven (11) Directors

The term of office for the current eleven (11) Directors will expire at the conclusion of the 165th Ordinary General Meeting of Shareholders. Accordingly, the Bank proposes the election of eleven (11) Directors. Although, Junji Ishii stepped down from being a Director due to his resignation on March 31, 2021, the Bank proposes election of eleven (11) Directors without filling the vacancy to improve agility of operations in the Board of Directors.

This proposal has been approved by the Board of Directors upon consultation with the Nomination and Remuneration Advisory Committee whose majority is comprised of Independent External Officers.

The candidates for Directors are as follows:

No.	Name	Position in the Bank	Responsibility	Attribute
1	Mitsuharu Yasuda	Director and President (Representative Director)	In charge of General Secretariat, Personnel Department, and Branch Support Department, and responsible for Group companies	[Reelection]
2	Iwao Takeuchi	Director and Deputy President (Representative Director)	<General Manager, Corporate Business Headquarters> In charge of Corporate Business Promotion Department, Corporate Solutions Department, Public and Financial Institutions Department, and International Department	[Reelection]
3	Minoru Nagano	Director and Deputy President (Representative Director)	<General Manager, Retail Business Headquarters> In charge of Retail Business Promotion Department, Personal Loan Department, Digital Marketing Department, and Retail Consulting Department	[Reelection]
4	Satoshi Shindo	Managing Director	<General Manager, Corporate Administration Headquarters> In charge of Risk Management Department, Legal and Compliance Department, Operations Planning Department, and System Department	[Reelection]
5	Takafumi Hiattari	Managing Director	Head Office Manager	[Reelection]
6	Hitoshi Masuda	Managing Executive Officer	Branch Manager, Obihiro-Chuo Branch, Branch Manager, Obihiro-Nishi Branch, and Branch Manager, Obihiro-Minami Branch	[New election]
7	Masanori Abe	Managing Executive Officer	General Manager, Branch Support Department	[New election]

No.	Name	Position in the Bank	Expertise expected by the Bank				Attribute
			Management	Banking	Law	Financial accounting	
8	Kazuaki Shimamoto	External Director	○				[Reelection] [External] [Independent]
9	Naoki Nishita	External Director		○			[Reelection] [External] [Independent]
10	Masako Taniguchi	External Director				○	[Reelection] [External] [Independent]
11	Makiko Sasaki	–			○		[New election] [External] [Independent]

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
1	<p>Mitsuharu Yasuda (date of birth: October 5, 1959) [Reelection] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 7 years Male</p>	<p>Apr. 1983 Joined Hokuyo Sogo Bank, Ltd. (currently the Bank) Apr. 2004 Manager, Planning Section, Management Planning Department, the Bank Apr. 2005 Branch Manager, Miyanosawa Branch, the Bank Aug. 2007 Assistant General Manager, Personnel Department, the Bank (temporary transfer to Ishiya Co., Ltd.) Apr. 2009 Senior Deputy General Manager, Loan Administration Department I, the Bank June 2011 Senior Deputy General Manager, Loan Administration Department I and General Manager, Credit Planning Office, the Bank June 2013 Executive Officer and General Manager, Loan Administration Department I, the Bank June 2014 Director and General Manager, Management Planning Department, the Bank June 2016 Managing Director, the Bank Apr. 2018 Director and President, the Bank (present position)</p>	69,400
<p>[Reason for selection as Director nominee] Mitsuharu Yasuda has successively held positions such as Branch Manager of the Miyanosawa Branch, General Manager of the Loan Administration Department I and General Manager of the Management Planning Department. He has broad knowledge and experience regarding the banking operations. He held positions such as General Manager of the Corporate Banking Promotion Headquarters and was responsible for the Business Strategy Department and the banking departments in his capacity as Managing Director from June 2016, and has been Director and President since April 2018. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
2	<p>Iwao Takeuchi (date of birth: April 5, 1958) [Reelection] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 5 years Male</p>	<p>Apr. 1981 Joined Hokuyo Sogo Bank, Ltd. (currently the Bank) July 2000 Branch Manager, Date Branch, the Bank Sept. 2002 Administrator, Sales Promotion Department, the Bank Oct. 2002 Administrator, Management Planning Department, the Bank Dec. 2002 Administrator, Loan Administration Department I, the Bank June 2004 Manager, Chitose Airport Sub Branch, Branch Manager, Chitose-Chuo Branch, the Bank May 2007 General Manager in charge of liaison, Head Office, the Bank Nov. 2008 General Manager, Corporate Banking Department, Head Office, the Bank June 2010 Branch Manager, Sapporo-eki Minami-guchi Branch, the Bank June 2012 Executive Officer and Branch Manager, Kushiro-Chuo Branch, the Bank Nov. 2013 Executive Officer and Senior Deputy General Manager, Loan Administration Department I, the Bank June 2014 Managing Executive Officer, the Bank June 2016 Managing Director, the Bank June 2019 Director and Deputy President, the Bank (present position)</p>	39,900
<p>[Reason for selection as Director nominee] Iwao Takeuchi has successively held positions such as Branch Manager of the Sapporo-eki Minami-guchi Branch, the Kushiro-Chuo Branch, and Senior Deputy General Manager of the Loan Administration Department I. He has broad knowledge and experience regarding the banking operations. He has worked as General Manager of Corporate Business Headquarters in his capacity as Managing Director from June 2016 and as Deputy President since June 2019. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
3	<p style="text-align: center;">Minoru Nagano (date of birth: November 16, 1959) [Reelection] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 7 years Male</p>	<p>Apr. 1982 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank June 2005 Manager, Planning Section, Management Planning Department, the Bank Apr. 2009 Senior Deputy General Manager, Management Planning Department, and Manager, Planning Section I, the Bank June 2009 General Manager, Management Planning Department, the Bank Jan. 2011 General Manager, Management Planning Department, and Manager, Planning Section II, the Bank June 2011 Executive Officer and General Manager, Business Promotion Department, the Bank June 2012 Executive Officer and Branch Manager, Asahikawa-Chuo Branch, the Bank June 2014 Director and Branch Manager, Asahikawa- Chuo Branch, the Bank Apr. 2015 Director and Head Office Manager, the Bank June 2016 Managing Director and Head Office Manager, the Bank June 2017 Managing Director, the Bank June 2019 Director and Deputy President, the Bank (present position) [Significant concurrent positions outside the Bank] Audit & Supervisory Board Member (External), Nakamichi Leasing Co., Ltd.</p>	57,600
<p>[Reason for selection as Director nominee] Minoru Nagano has successively held positions such as General Manager of the Business Promotion Department, Branch Manager of the Asahikawa-Chuo Branch, and Head Office Manager. He has broad knowledge and experience regarding the banking operations. He has worked as General Manager of Retail Business Headquarters in his capacity as Managing Director from June 2016 and as Deputy President since June 2019. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
4	<p>Satoshi Shindo (date of birth: October 27, 1963) [Reelection] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 3 years Male</p>	<p>Apr. 1987 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank Apr. 2009 Manager, Trading Section, Treasury and Securities Department, the Bank Oct. 2012 Manager, Management Administration Section, Management Planning Department, the Bank Apr. 2014 Manager, Management Planning Section, Management Planning Department, the Bank June 2014 Senior Deputy General Manager, Management Planning Department and Manager, Management Planning Section, the Bank Oct. 2015 Senior Deputy General Manager, Management Planning Department and Manager, Management Planning Section, the Bank June 2016 General Manager, Management Planning Department, the Bank Apr. 2017 Executive Officer and General Manager, Management Planning Department, the Bank June 2018 Director and General Manager, Management Planning Department, the Bank Apr. 2019 Director, the Bank June 2019 Managing Director, the Bank (present position)</p>	21,800
<p>[Reason for selection as Director nominee] Satoshi Shindo has successively held positions such as Manager of the Trading Section of the Treasury and Securities Department and General Manager of the Management Planning Department. He has broad knowledge and experience regarding the banking operations. He has worked as General Manager of Corporate Administration Headquarters in his capacity as Director from June 2018 and as Managing Director since June 2019. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
5	<p style="text-align: center;">Takafumi Hiataru (date of birth: June 9, 1963) [Reelection] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 2 years Male</p>	<p>Apr. 1987 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank Apr. 2009 Branch Manager, Hoshioki Branch, the Bank Oct. 2010 Branch Manager, Hoshioki Branch and Shin- Hoshioki Branch, the Bank June 2011 Administrator, Loan Administration Department I, the Bank Nov. 2012 Manager, Corporate Banking Promotion Section I, Corporate Banking Department, the Bank June 2013 Manager, Corporate Banking Planning Section, Corporate Banking Department, the Bank June 2014 Senior Deputy General Manager, Corporate Banking Department and Manager, Corporate Banking Planning Section, the Bank Apr. 2015 Senior Deputy General Manager, Public and Financial Institutions Department, the Bank Oct. 2015 Senior Deputy General Manager, Channel Development Department, the Bank Jan. 2016 General Manager, Channel Development Department, the Bank Apr. 2017 Executive Officer and Deputy Head Office Manager, the Bank June 2019 Managing Director and Head Office Manager, the Bank (present position)</p>	16,500
<p>[Reason for selection as Director nominee] Takafumi Hiataru has successively held positions such as Senior Deputy General Manager of the Public and Financial Institutions Department, General Manager of the Channel Development Department, and the Deputy Head Office Manager. He has broad knowledge and experience regarding the banking operations. He has worked as Head Office Manager in his capacity as Managing Director since June 2019. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
6	<p style="text-align: center;">Hitoshi Masuda (date of birth: October 30, 1964) [New election] Male</p>	<p>Apr. 1987 Joined Hokuyo Sogo Bank, Ltd. (currently the Bank)</p> <p>Mar. 2009 Branch Manager, Naebo Branch, the Bank</p> <p>Oct. 2010 Assistant General Manager, Personnel Department, the Bank (temporary transfer to Sapporo Hokuyo Holdings, Inc.)</p> <p>June 2011 Manager, Loan Division, Personal Banking Department, the Bank</p> <p>June 2014 Senior Deputy General Manager, Personal Loan Promotion Department and Manager, Consumer Finance Promotion Division, the Bank</p> <p>Apr. 2015 Branch Manager, Toyohira Branch, the Bank</p> <p>Apr. 2017 Executive Officer and Branch Manager, Tomakomai-Chuo Branch, the Bank</p> <p>Apr. 2019 Managing Executive Officer and Branch Manager, Obihiro-Chuo Branch, the Bank</p> <p>June 2020 Managing Executive Officer and Branch Manager, Obihiro-Chuo Branch, and Branch Manager, Obihiro-Minami Branch, the Bank</p> <p>Mar. 2021 Managing Executive Officer and Branch Manager, Obihiro-Chuo Branch, Branch Manager, Obihiro-Nishi Branch, and Branch Manager, Obihiro-Minami Branch, the Bank (present position)</p>	7,100
<p>[Reason for selection as Director nominee] Hitoshi Masuda has successively held positions such as Senior Deputy General Manager of the Personal Loan Promotion Department, Branch Manager of the Toyohira Branch, and Branch Manager of the Tomakomai-Chuo Branch. He has broad knowledge and experience regarding the banking operations. Currently he works as Branch Manager of the Obihiro-Chuo Branch in his capacity as Managing Executive Officer and has been appropriately fulfilling those duties and responsibilities. Therefore, the Bank concluded based on the new perception for the future of the Bank that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>			
7	<p style="text-align: center;">Masanori Abe (date of birth: July 5, 1965) [New election] Male</p>	<p>Apr. 1988 Joined Hokuyo Sogo Bank, Ltd. (currently the Bank)</p> <p>Oct. 2010 Branch Manager, Shinkawa-Chuo Branch, the Bank</p> <p>Oct. 2012 Deputy General Manager, Hakodate-Chuo Branch (at the rank of Branch Manager)</p> <p>Apr. 2015 Senior Deputy General Manager, Management Planning Department and Deputy General Manager, Public Relations Office, the Bank</p> <p>Apr. 2017 Branch Manager, Sapporo-eki Minami-guchi Branch, the Bank</p> <p>Apr. 2018 Managing Executive Officer and Branch Manager, Kushiro-Chuo Branch, the Bank</p> <p>Apr. 2020 Managing Executive Officer and General Manager, Branch Support Department, the Bank (present position)</p>	12,300
<p>[Reason for selection as Director nominee] Masanori Abe, has successively held positions such as Deputy General Manager of the Public Relations Office, Branch Manager of the Sapporo-eki Minami-guchi Branch, and Branch Manager of the Kushiro-Chuo Branch. He has broad knowledge and experience regarding the banking operations. Currently he works as General Manager of the Branch Support Department in his capacity as Managing Executive Officer and has been appropriately fulfilling those duties and responsibilities. Therefore, the Bank concluded based on the new perception for the future of the Bank that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
8	<p>Kazuaki Shimamoto (date of birth: October 7, 1946) [Reelection] [External] [Independent] Attendance at meetings of the Board of Directors 13/13 (100%) Number of years in office as a Director 5 years Male</p>	<p>Apr. 1978 Doctor of Medicine Sept. 1996 Professor, Internal Medicine Seminar II, School of Medicine, Sapporo Medical University Apr. 2000 Deputy Hospital Superintendent, Sapporo Medical University Hospital Mar. 2004 Hospital Superintendent, Sapporo Medical University Hospital Apr. 2010 Chairperson and President, Sapporo Medical University Apr. 2016 Chancellor, Incorporated Educational Institution Japan Health Care College (present position) June 2016 Director (External), the Bank (present position) [Significant concurrent positions outside the Bank] Chancellor, Incorporated Educational Institution Japan Health Care College</p>	-
<p>[Reason for selection as Director nominee and overview of expected roles] Kazuaki Shimamoto has held successive positions such as Hospital Superintendent of Sapporo Medical University Hospital and Chairperson and President of Sapporo Medical University, and currently works as Chancellor of Incorporated Educational Institution Japan Health Care College. The Bank concluded that he can use his extensive experience and specialist's knowledge as an executive in the medical field which is one of the important growing industries in the region, and can continue to discussions at meetings of the Board of Directors, etc. that lead to the development of the regional economy and the enhancement of medical welfare and supervision of the management for the sustainable growth of the Bank and the region, and so made him a candidate for External Director.</p>			
9	<p>Naoki Nishita (date of birth: April 21, 1959) [Reelection] [External] [Independent] Attendance at meetings of the Board of Directors 9/10 (90%) Number of years in office as a Director 1 year Male</p>	<p>Apr. 1982 Joined Tokai Local Finance Bureau, Ministry of Finance July 2001 Director, Financial Cooperatives Office, Planning and Management Division, Supervision Bureau, Financial Services Agency July 2003 Director, Postal Savings Supervision, Planning and Management Division, Supervision Bureau, Financial Services Agency July 2006 Director, Deposit Insurance and Resolution Framework Office, Planning and Management Division, Supervision Bureau, Financial Services Agency July 2008 Director, Banking Business Division II, Supervision Bureau, Financial Services Agency July 2012 Director, Planning and Management Division, Supervision Bureau, Financial Services Agency July 2014 Deputy Director-General, Planning and Coordination Bureau, Financial Services Agency July 2018 Director-General, Hokuriku Local Finance Bureau, Ministry of Finance (retired in July 2019) June 2020 Director (External), the Bank (present position)</p>	-
<p>[Reason for selection as Director nominee and overview of expected roles] Naoki Nishita has held successive positions in the Financial Services Agency such as Director of Financial Cooperatives Office, Director of Banking Business Division II and Deputy Director-General of Planning and Coordination Bureau, and have in-depth knowledge on community-based financial initiatives and management strategies of regional financial institutions. The Bank concluded that he can continue to use his varied experiences and specialist's knowledge on financial administration and can continue to contribute to discussions on the picture of the Bank's future at meetings of the Board of Directors, etc. and supervision of the management for the sustainable growth of the Bank and the region and so made him a candidate for External Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned	
10	Masako Taniguchi (date of birth: December 11, 1960) [Reelection] [External] [Independent] Attendance at meetings of the Board of Directors 10/10 (100%) Number of years in office as a Director 1 year Female	Oct. 1990 Mar. 1994 Aug. 2007 July 2010 July 2013 Aug. 2013 Dec. 2013 Apr. 2016 Apr. 2016 Aug. 2017 June 2020 [Significant concurrent positions outside the Bank] Representative Partner, Ginga Audit Corporation	Joined Chuo Shinko Audit Corporation Registered as a certified public accountant Joined Ernst & Young ShinNihon LLC Appeals Judge, Sapporo National Tax Tribunal Established Masako Taniguchi CPA Office (present position) Registered as a certified public tax accountant Joined Ginga Audit Corporation Auditor, Kitami Institute of Technology (present position) Auditor, Sapporo City University (present position) Representative partner, Ginga Audit Corporation (present position) Director (External), the Bank (present position)	-
[Reason for selection as Director nominee and overview of expected roles] Masako Taniguchi has been engaged in the duties of certified public accountant and certified tax accountant for many years, and has specialist's knowledge on finance and accounting. The Bank concluded that she can use those varied experiences and knowledge and can continue to contribute to active proposals to management from the perspective of financial risk and corporate accounting at meetings of the Board of Directors, etc., discussions and supervision of the management toward securing the health of management, and so made her a candidate for External Director.				
11	Makiko Sasaki (date of birth: November 30, 1973) [New election] [External] [Independent] Female	Apr. 1999 June 2016 Apr. 2018 Apr. 2018	Registered as an attorney Established Sapporo Moegi Law Office (present position) Member of Sapporo City Public Work Accident Compensation Examination Committee (present position) Member of Sapporo City Branch Examination Committee of Accident Compensation Fund for Local Public Employees (present position)	-
[Reason for selection as Director nominee and overview of expected roles] Makiko Sasaki has been engaged in the duties of attorney for many years and has specialist's knowledge in legal matters. The Bank concluded that she can use those varied experiences and knowledge and can contribute to active proposals to management from the perspective of legal risk and compliance at meetings of the Board of Directors, etc., discussions and supervision of the management toward securing the health of management, and so made her a candidate for External Director.				

- Notes:
- There is currently no special interest between each of the candidates and the Bank.
 - A limited liability agreement under the provision of Article 427, paragraph 1 of the Companies Act has been concluded between Kazuaki Shimamoto, Naoki Nishita and Masako Taniguchi, and the Bank. The Bank intends to continue this agreement with Kazuaki Shimamoto, Naoki Nishita and Masako Taniguchi in the event that their reappointments are approved. In addition, the Bank plans to enter into a limited liability agreement with Makiko Sasaki in accordance with Article 427, paragraph 1 of the Companies Act in the event that her appointment is approved.
An overview of the limited liability agreements is as follows.
 - In the event of damage to the Bank caused by failure to perform duties as External Directors, they will be liable to the maximum amount below so long as their duties are performed in good faith and without gross negligence.
 - The maximum amount of liability shall be whichever is the higher of 20 million yen or the amount provided for by legislation (the minimum liability provided for under Article 425, paragraph 1, of the Companies Act).
 - The Bank has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. The summary of the details of the said insurance policy is described on Page 46 of this notice of convocation (in Japanese only). If the election of the candidates for Director is approved, they will be included as insureds in the said insurance policy.
In addition, the Bank plans to renew the said insurance policy at the time of next expiration of the policy period.
 - Matters pertaining to candidates for External Directors provided for under Article 74, paragraph 4 of the Ordinance for Enforcement of the Companies Act

- (1) Kazuaki Shimamoto, Naoki Nishita, Masako Taniguchi and Makiko Sasaki are candidates for External Director.
- (2) Kazuaki Shimamoto, Naoki Nishita, Masako Taniguchi and Makiko Sasaki have no previous experience of being involved in corporate management other than serving as External Director or External Audit & Supervisory Board Member. However, it is deemed that they are able to execute duties appropriately as described in the “Reason for selection as Director nominee and overview of expected roles.”
- (3) With reference to the specific standards for determination that the Bank has established regarding stock exchange criteria for independence (“Independence Determination Standards” as described on Page 16 of this notice of convocation), Kazuaki Shimamoto, Naoki Nishita and Masako Taniguchi are independent from the executive management team. Therefore, the Bank has designated them as Independent Directors stipulated under Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange and Rule 5-2 of the Corporate Conduct Rules of the Sapporo Securities Exchange. In the event that their reappointments are approved, the Bank intends to continue this designation.

With reference to the Independence Determination Standards, Makiko Sasaki is also independent from the executive management team. Therefore, if her election is approved, the Bank intends to designate her as Independent Audit & Supervisory Board Member stipulated under Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange and Rule 5-2 of the Corporate Conduct Rules of the Sapporo Securities Exchange.

Although the Bank has general business transactions with Incorporated Educational Institution Japan Health Care College where Kazuaki Shimamoto holds the position of Chancellor and Ginga Audit Corporation where Masako Taniguchi holds the position of Representative Partner, those organizations are not applicable to the “major trading partner” defined in the Bank’s Independence Determination Standards (a partner for which transactions account for 2% or more of the Bank’s consolidated gross profit or the trading partner’s consolidated net sales of the most recent fiscal year) and therefore will not affect their independence.

- (4) The term of office of Kazuaki Shimamoto as External Director shall be five (5) years at the conclusion of this General Meeting of Shareholders. The term of office of Naoki Nishita and Masako Taniguchi as External Directors shall be one (1) year at the conclusion of this General Meeting of Shareholders.

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

The term of office of Fumiyo Fujii and Hitoshi Kubota as Audit & Supervisory Board Members will expire at the conclusion of the 165th Ordinary General Meeting of Shareholders. Accordingly, the Bank proposes the election of two (2) Audit & Supervisory Board Members.

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

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

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
1	Hitoshi Oshino (date of birth: August 4, 1962) [New election] Male	Apr. 1985 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank Aug. 2008 Administrator, Audit and Inspection Department, the Bank Nov. 2012 Administrator, Loan Administration Department I, the Bank June 2014 General Manager, Audit & Supervisory Board Members' Office, the Bank Apr. 2016 General Manager, Legal and Compliance Department, the Bank Apr. 2017 Executive Officer and General Manager, Audit and Inspection Department, the Bank Oct. 2018 Managing Executive Officer and General Manager, Audit and Inspection Department, the Bank (present position)	14,000
[Reason for selection as Audit & Supervisory Board Member nominee] Hitoshi Oshino has held successive positions such as General Manager of the Audit & Supervisory Board Members' Office and General Manager of the Legal and Compliance Department. He served as Executive Officer from April 2017, and has served as General Manager of the Audit and Inspection Department in his capacity as Managing Executive Officer since October 2018 and has been appropriately fulfilling those duties and responsibilities. The Bank concluded that he can use his abundant knowledge of banking and extensive experience in internal audits and compliance to conduct highly effective audits and greatly contribute to securing managerial health of the Bank, so made him a candidate for External Audit & Supervisory Board Member.			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
2	Hitoshi Kubota (date of birth: April 13, 1956) [Reelection] [External] [Independent] Attendance at meetings of the Board of Directors 13/13 (100%) Attendance at meetings of the Audit & Supervisory Board 17/17 (100%) Number of years in office as an Audit & Supervisory Board Member 2 years Male	Apr. 1980 June 2003 Apr. 2005 June 2007 Apr. 2009 Apr. 2010 Apr. 2012 Apr. 2013 June 2015 Apr. 2017 June 2019 Joined Hokkaido Government Manager, PR & Public Consultation Department, Policy Office, General Planning Division, Hokkaido Government Manager, Secretarial Department, Governor's Office, Governor Policy Division, Hokkaido Government Chief, Commerce and Industry Bureau, Economics Division, Hokkaido Government Deputy General Manager, Economics Division, Hokkaido Government Chief, Kamikawa General Subprefectural Bureau, Hokkaido Government Chief, Tourism Promotion, Economics Division, Hokkaido Government General Manager, Governor's Office, General Policy Division, Hokkaido Government General Manager, General Policy Division, Hokkaido Government Deputy Governor, Hokkaido Government (retired in May 2019) Audit & Supervisory Board Member (External), the Bank (present position)	9,300
[Reason for selection as Audit & Supervisory Board Member nominee] Hitoshi Kubota has currently served as the Bank's Audit & Supervisory Board Member since June 2019, after successively holding positions such as General Manager of the Governor's Office of the General Policy Division, and General Manager of the General Policy Division in the Hokkaido Government, as well as serving as Deputy Governor of the Hokkaido Government. The Bank concluded that he can use his extensive experience and abundant knowledge in public administration as full-time External Audit & Supervisory Board Member to conduct highly effective audits from an objective viewpoint, and can continue to contribute to securing managerial health of the Bank, so made him a candidate for External Audit & Supervisory Board Member.			

- Notes:
1. There is currently no special interest between each of the candidates and the Bank.
 2. The Bank has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. The summary of the details of the said insurance policy is described on Page 46 of this notice of convocation (in Japanese only). If the election of the candidates for Audit & Supervisory Board Member is approved, they will be included as insureds in the said insurance policy.
In addition, the Bank plans to renew the said insurance policy at the time of next expiration of the policy period.
 3. Matters pertaining to candidates for External Audit & Supervisory Board Member provided for under Article 76, paragraph 4 of the Ordinance for Enforcement of the Companies Act
 - (1) Hitoshi Kubota is a candidate for External Audit & Supervisory Board Member.
 - (2) With reference to the Bank's Independence Determination Standards, Hitoshi Kubota is independent from the executive management team. Therefore, the Bank has designated him as Independent Audit & Supervisory Board Member stipulated under Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange and Rule 5-2 of the Corporate Conduct Rules of the Sapporo Securities Exchange. In the event that his reappointment is approved, the Bank intends to continue this designation. The Bank is the designated financial organization of Hokkaido Government; therefore, there are transactions such as deposits and loans. However, governors, mayors, and chiefs of regional public organizations are elected by public, and their administration is supervised by the elected assembly of the given body. Therefore, they cannot exert their influence on the Bank without rational reasons. The Bank considers the aforementioned transactions do not cause conflicts of interest with shareholders, and regional public organizations are excluded from "major trading partners" in the Independence Determination Standards.
 - (3) The term of office of Hitoshi Kubota as External Audit & Supervisory Board Member shall be two (2) years at the conclusion of this General Meeting of Shareholders.

Proposal 4: Amendment to the Articles of Incorporation

1. Reasons for the amendment

For the purpose of strengthening the supervisory function of the Board of Directors and governance through flexible selection of the Chairperson of the Board of Directors, the Bank proposes the amendment of the Articles of Incorporation so that the convener and chairperson of the Board of Directors may be appointed by resolution of the Board of Directors.

2. Details of amendment

The details of amendment are as follows.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendment
<p style="text-align: center;">Chapter IV Directors and Board of Directors (Convener and Chairmanship of Meeting of the Board of Directors) Article 28</p> <p>(1) Unless otherwise provided for by laws and regulations, <u>the Director and Chairman</u> shall convene meetings of the Board of Directors and chair the meetings.</p> <p>(2) In cases where <u>the Director and Chairman</u> is prevented from so acting <u>(including vacancies; the same shall apply hereinafter)</u>, <u>the Director and Deputy Chairman shall act as such instead, and if both the Director and Chairman and the Director and Deputy Chairman are unable to act, the Director and President shall act as such instead.</u></p> <p>(3) <u>In cases where the Director and Chairman, the Director and Deputy Chairman, and the Director and President are all prevented from so acting, another Director shall act as such instead.</u></p>	<p style="text-align: center;">Chapter IV Directors and Board of Directors (Convener and Chairmanship of Meeting of the Board of Directors) Article 28</p> <p>(1) Unless otherwise provided for by laws and regulations, <u>a Director predetermined by resolution of the Board of Directors</u> shall convene meetings of the Board of Directors and chair the meetings.</p> <p>(2) In cases where <u>the Director set forth in the preceding paragraph</u> is prevented from so acting, <u>another Director who is designated in accordance with an order of priority predetermined by resolution of the Board of Directors</u> shall act as such instead.</p> <p style="text-align: center;">(Deleted)</p>

<Reference> Independence Determination Standards

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

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

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

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

*2. Definition of “large amount”

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

*3. Definition of “major shareholder”

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

*4. Examples of “important person”

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

*5. Definition of “closely related person”

A spouse or relative in the second degree