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[Translation]

(Stock Exchange Code 7327)  
May 31, 2019

**To Shareholders with Voting Rights:**

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

## **NOTICE OF CONVOCATION OF THE 1ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 1st Annual General Meeting of Shareholders of Daishi Hokuetsu Financial Group, Inc. (the “Company”). The meeting will be held for the purposes described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights **by 5:45 p.m. on Monday, June 24, 2019, Japan time.**

- 1. Date and Time:** Tuesday, June 25, 2019, at 10 a.m. Japan time  
(The reception begins at 9 a.m.)
- 2. Place:** Daishi Hall on the second floor of The Daishi Bank, Ltd.’s head office located at 1071-1, Higashiborimae-dori, 7-bancho, Chuo-ku, Niigata, Japan  
(Please refer to the “Location of General Meeting of Shareholders” attached at the end of this document (Japanese version only). We have also established a broadcast venue at the Hokuetsu Bank’s head office (Nagaoka). For details, please see page58 of the Japanese version.)

### **3. Agenda:**

- Matters to be reported:**
1. The Business Report and the Consolidated Financial Statements for the Company's 1st Fiscal Year (October 1, 2018-March 31, 2019) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
  2. The Non-consolidated Financial Statements for the Company's 1st Fiscal Year (October 1, 2018-March 31, 2019)

- Proposals to be resolved:**
- Proposal 1:** Election of Eight (8) Directors Not Serving as Audit & Supervisory Committee Members
- Proposal 2:** Remuneration for Directors Not Serving as Audit & Supervisory Committee Members
- Proposal 3:** Remuneration for Directors Serving as Audit & Supervisory Committee Members
- Proposal 4:** Remuneration and Contents of Stock Options for Directors Not Serving as Audit & Supervisory Committee Members

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- When attending the meeting, please submit the Voting Rights Exercise Form at the reception desk. For the purpose of conserving paper resources, please bring this notice with you.
  - If the above-stated place of meeting is full, you will be guided to a secondary or third meeting site.

#### 4. Instructions for the Exercise of Voting Rights

(1) Methods for the exercise of voting rights

You can exercise your voting rights by three methods: attending the meeting in person, mailing the Voting Rights Exercise Form or via the Internet, etc. For details, please see page 5~8.

(2) Handling of duplicate votes

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

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

(3) Handling of diverse exercise

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

(4) Exercise of voting rights by proxy

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

(5) Disclosure via the Internet

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

1) "Note Concerning Share Options, etc." in the Business Report

2) Consolidated Statement of Shareholders' Equity and Notes to the Consolidated Financial Statements

3) Non-consolidated Statement of Shareholders' Equity and Notes to the Non-consolidated Financial Statements

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

End

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

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Documents

#### Proposal 1: Election of Eight (8) Directors Not Serving as Audit & Supervisory Committee Members

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

The Company has established the Nomination and Remuneration Committee to enhance corporate governance by ensuring the opportunity to receive appropriate involvement and advice from Outside Directors on important matters such as the election and dismissal of Directors, and thereby reinforce fairness, transparency, and objectivity (the Committee is an advisory body to the Board of Directors composed of six (6) members: four (4) Outside Directors and two (2) Representative Directors). The appointment of the candidates for Director was decided based on the deliberations and findings of this Committee.

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

The candidates for Director are as follows:

No.	Name		Current position in the Company	Attendance at Meetings of the Board of Directors
1	Katsuya Sato	Renomination	Chairman and Representative Director	6/6 (100%)
2	Fujio Namiki	Renomination	President and Representative Director	6/6 (100%)
3	Satoshi Hasegawa	Renomination	Director	6/6 (100%)
4	Kazuyoshi Hirokawa	Renomination	Director	6/6 (100%)
5	Takuya Watanabe	Renomination	Director	6/6 (100%)
6	Kiyofumi Obara	Renomination	Director	6/6 (100%)
7	Makoto Takahashi	Renomination	Director	6/6 (100%)
8	Michiro Ueguri	Renomination	Director	6/6 (100%)

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	Katsuya Sato (July 8, 1955)  <u>Renomination</u>	April 1978      Joined The Hokuetsu Bank, Ltd. April 2001      General Manager, Koyo Branch April 2003      Deputy General Manager, Planning Division April 2006      General Manager, Aramachi Branch, General Manager, Nagaoka-kita Branch June 2008      General Manager, Human Resources Division April 2010      General Manager, Loan Division June 2012      Director and General Manager, Loan Division June 2013      Managing Director in charge of Operation Supervision Division/Market and Capital Division April 2014      Managing Director in charge of Operation Supervision Division/Operation Support Division/Market and Capital Division June 2015      Senior Managing Director in charge of Niigata Office July 2016      Senior Managing Director in charge of General Planning Division/Human Resources Division/Secretarial Office/Tokyo Office, Supervision of affiliates June 2017      President and CEO (current position) October 2018    Chairman and Representative Director, Supervision, the Company (current position)	3,000
<p>[Reason for nomination as Director]</p> <p>Since he assumed the office of Director of The Hokuetsu Bank, Ltd. in June 2012, Mr. Katsuya Sato has supervised the divisions of loan, operation, securities operation, business planning, and human resources, thereby accumulating considerable experience and broad knowledge. Having assumed the office of the bank's Representative Director in June 2017, President and CEO in June 2012, and the Company's Chairman and Representative Director since its establishment in October 2018, he has adequately fulfilled his duties and responsibilities. He has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
2	Fujio Namiki (June 20, 1951)  <u>Renomination</u>	April 1975      Joined The Daishi Bank, Ltd. August 1998    General Manager, Kashiwazaki Minami Office February 2000   General Manager, Business Development Division February 2002   General Manager, Tsubame Office June 2004        General Manager, Sanjo Office and General Manager, Sanjo Minami Office June 2005        Director, General Manager, Sanjo Office June 2006        Director stationed in Joetsu/General Manager, Takada Office April 2007       Director and Executive Officer stationed in Joetsu/General Manager, Takada Office April 2008       Managing Director, General Manager in charge of Business Promotion Division/Retail Business Division/Financial Service Division/Customer Consulting Office June 2009       Managing Director in charge of Business Promotion Division/Retail Business Division/Financial Service Division/Customer Consulting Office July 2009       Managing Director in charge of Business Promotion Division/Retail Business Division/Financial Service Division June 2010       Managing Director in charge of Credit Supervision Division/Loan Examination Division/Loan Administration Division June 2011       Senior Managing Director in charge of Planning Coordination Division/Credit Supervision Division/Loan Examination Division/Loan Administration Division/Tokyo Representative Office June 2012       President, Chairman of Board of Directors in charge of Supervision/Secretariat October 2018    President and Representative Director, Chairman of Board of Directors, Supervision, the Company (current position) February 2019   President, Chairman of Board of Directors in charge of Supervision/Secretariat/Audit and Inspection Division, The Daishi Bank, Ltd. (current position)	5,600
<p>[Reason for nomination as Director]</p> <p>Since he assumed the office of Director of The Daishi Bank, Ltd. in June 2005, Mr. Fujio Namiki has supervised the divisions of business promotion, credit/loans, and management planning, thereby accumulating considerable experience and broad knowledge. Having assumed the office of the bank's Representative Director in June 2011, President in June 2012, and the Company's President and Representative Director since its establishment in October 2018, he has adequately fulfilled his duties and responsibilities. He has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
3	Satoshi Hasegawa (July 7, 1953)  <u>Renomination</u>	April 1977      Joined The Daishi Bank, Ltd. February 1998      General Manager, Shibata Nishi Office February 2000      Acting General Manager, Business Development Division June 2002      General Manager, Itoigawa Office June 2004      General Manager, Kameda Office June 2005      General Manager, Nagaoka Office April 2007      Executive Officer and General Manager, Sanjo Office April 2008      Executive Officer, General Manager, Head Office Business Division, and Manager, Niigata Airport Sub-office June 2008      Director and Executive Officer, General Manager, Head Office Business Division and Manager, Niigata Airport Sub-office June 2011      Managing Director, Head of Nagaoka Area in charge of General Affairs Division June 2012      Managing Director in charge of Credit Supervision Division/Loan Examination Division/Loan Administration Division June 2015      Senior Managing Director in charge of Planning Coordination Division/Personnel Division/Tokyo Representative Office April 2017      Senior Managing Director in charge of Group Strategy Planning Division/Planning Coordination Division/Personnel Division/Tokyo Representative Office June 2017      Senior Managing Director in charge of Group Strategy Planning Division/Planning Coordination Division/Tokyo Representative Office June 2018      Deputy President in charge of Audit and Inspection Division/Risk Supervision Division/Loan Examination Division October 2018      Director in charge of Risk Management Division, the Company (current position) February 2019      Deputy President in charge of Risk Supervision Division/Loan Examination Division, The Daishi Bank, Ltd. (current position)	2,600
<p>[Reason for nomination as Director]</p> <p>Since he assumed the office of Director of The Daishi Bank, Ltd. in June 2008, Mr. Satoshi Hasegawa has supervised the divisions of general affairs, credit/loans, management planning, personnel affairs, and risk management, thereby accumulating considerable experience and broad knowledge. Having assumed the office of the bank's Representative Director in June 2015 and the Company's Director since its establishment in October 2018, he has adequately fulfilled his duties and responsibilities. He has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
4	Kazuyoshi Hirokawa (August 19, 1961)  <div style="border: 1px solid black; padding: 2px; display: inline-block;">Renomination</div>	April 1985      Joined The Hokuetsu Bank, Ltd. July 2008      Deputy General Manager, Human Resources Division July 2010      General Manager, Miyauchi Branch June 2012      General Manager, Operation Supervision Division June 2015      Director and General Manager, General Planning Division June 2017      Senior Managing Director in charge of General Planning Division/Human Resources Division/Secretarial Office/Tokyo Office, Supervision of affiliated companies June 2018      Senior Managing Director in charge of Human Resources Division/Secretarial Office/Tokyo Office October 2018    Director in charge of Personnel Planning Division, the Company (current position) April 2019      Senior Managing Director in charge of Risk Control Division/Human Resources Division/Secretarial Office/Tokyo Office, The Hokuetsu Bank, Ltd. (current position)	1,100
<p>[Reason for nomination as Director]</p> <p>Mr. Kazuyoshi Hirokawa assumed the office of The Hokuetsu Bank, Ltd.'s Director in June 2015 and has supervised the divisions of business planning and human resources, thereby accumulating considerable experience and broad knowledge. Having assumed the office of the bank's Representative Director in June 2017, and the Company's Director since its establishment in October 2018, and has appropriately fulfilled his duties and responsibilities. He has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
5	Takuya Watanabe (September 7, 1956)  <u>Renomination</u>	April 1980      Joined The Daishi Bank, Ltd. February 2002    General Manager, Horinouchi Office June 2003        Acting General Manager, Planning Coordination Division June 2006        Personnel Officer April 2008        General Manager, Treasury and Capital Markets Division June 2010        Executive Officer, General Manager, Treasury and Capital Markets Division June 2014        Managing Director in charge of Treasury and Capital Markets Division and International Division/General Affairs Division June 2016        Managing Director in charge of Treasury and Capital Markets Division and International Division March 2017        Managing Director in charge of Treasury and Capital Markets Division June 2018        Senior Managing Director, General Manager, Business and Regional Revitalization Headquarters, in charge of Business Promotion Division/Consulting Promotion Division October 2018     Director in charge of Business Planning Division, the Company (current position) February 2019    Senior Managing Director, General Manager, Business and Regional Revitalization Headquarters, in charge of Business Promotion Division/Consulting Promotion Division/Treasury and Capital Markets Division, The Daishi Bank, Ltd. (current position)	2,800
<p>[Reason for nomination as Director]            Mr. Takuya Watanabe assumed the office of The Daishi Bank, Ltd.'s Director in June 2014 and has supervised the divisions of securities operation, international business, general affairs, and business promotion, thereby accumulating considerable experience and broad knowledge. Having assumed the office of the bank's Representative Director in June 2018, and the Company's Director since its establishment in October 2018, and has appropriately fulfilled his duties and responsibilities. He has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
6	Kiyofumi Obara (September 28, 1958)  <u>Renomination</u>	April 1982      Joined The Daishi Bank, Ltd. March 2005      General Manager, Sanjo Kita Office June 2006      Acting General Manager, Planning Coordination Division June 2009      General Manager, Planning Coordination Division June 2012      Executive Officer, General Manager, Tokyo Office, and Chief Representative, Tokyo Representative Office June 2015      Executive Officer, General Manager, Consulting Promotion Division June 2016      Managing Director, General Manager, Business and Regional Revitalization Headquarters, General Manager, Consulting Promotion Division, and in charge of Business Promotion Division June 2017      Managing Director, General Manager, Business and Regional Revitalization Headquarters, in charge of Business Promotion Division, Consulting Promotion Division and System Planning Division June 2018      Managing Director, General Manager, Operation Headquarters, in charge of Operation Administration Division/Systems Planning Division/Operation Centralization Division/Operation Support Division (current position) October 2018    Director in charge of System Operation Supervision Division, the Company (current position)	1,800
<p>[Reason for nomination as Director]            Since he assumed the office of The Daishi Bank, Ltd.'s Director in June 2016, Mr. Kiyofumi Obara has supervised the divisions of business promotion and operation, and since the establishment of the Company in October 2018, he has served as Director and has adequately fulfilled his duties and responsibilities. He has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
7	Makoto Takahashi (February 23, 1962)  <u>Renomination</u>	April 1985 July 2008 July 2009 June 2011  July 2012 June 2013 June 2015 June 2017  June 2018  October 2018  April 2019	Joined The Hokuetsu Bank, Ltd. Senior Manager, General Planning Division General Manager, Gosen Branch Deputy General Manager and Business Promotion Manager, Business Supervision Division Senior Manager, Loan Division General Manager, Loan Division General Manager, Business Supervision Division Director, General Manager, General Planning Division Managing Director, General Manager, General Planning Division, Supervision of affiliates Director in charge of Consolidation Promotion Division, the Company (current position) Managing Director in charge of General Planning Division/Consolidation Promotion Division, Supervision of affiliates, The Hokuetsu Bank, Ltd. (current position)	1,150
<p>[Reason for nomination as Director]            Since he assumed the office of The Hokuetsu Bank, Ltd.'s Director in June 2017, Mr. Makoto Takahashi has supervised the division of management planning, and since the establishment of the Company in October 2018, he has served as Director and has adequately fulfilled his duties and responsibilities. He has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.</p>				

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
8	Michiro Ueguri (December 24, 1962)  <u>Renomination</u>	April 1986 April 2008 June 2009  June 2012 June 2015 June 2016 April 2017 June 2017 June 2018  October 2018	Joined The Daishi Bank, Ltd. General Manager, Kashiwazaki Minami Office Acting General Manager, Planning Coordination Division General Manager, Planning Coordination Division General Manager, Tokyo Office, and Chief Representative, Tokyo Representative Office Executive Officer, General Manager, Tokyo Office, and Chief Representative, Tokyo Representative Office Executive Officer and General Manager, Group Strategy Planning Division Director, Executive Officer and General Manager, Group Strategy Planning Division Managing Director in charge of Planning Coordination Division/Tokyo Representative Office (current position) Director in charge of Corporate Planning Division, the Company (current position)	1,500
<p>[Reason for nomination as Director]            Since he assumed the office of The Daishi Bank, Ltd.'s Director in June 2017, Mr. Michiro Ueguri has supervised management planning division, and since its establishment in October 2018, he has served as Director of the Company. He has adequately fulfilled his duties and responsibilities, and he has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.</p>				

**Proposal 2: Remuneration for Directors Not Serving as Audit & Supervisory Committee Members**

As provided in Article 2.1 of the Supplementary Provisions to the Company's Articles of Incorporation, the total amount of remunerations, etc., for Directors who are not serving as Audit & Supervisory Committee Members of the Company for the period from the date of incorporation of the Company until the 1st Annual General Meeting of Shareholders concludes shall be no more than 300 million yen.

We therefore request the approval of our shareholders for the amount of remunerations, etc., for Directors who are not serving as Audit & Supervisory Committee Members of the Company after the conclusion of this General Meeting.

This proposal requests the approval of our shareholders in that the amount of remunerations for Directors who are not serving as Audit & Supervisory Committee Members shall continue to be no more than 300 million yen as a result of the careful consideration of various circumstances including the state of the Company's management system and the economic situation. This proposal has been determined based on the deliberations and findings of the Nomination and Remuneration Committee.

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

The specific amount, payment date, etc., for each Director who is not serving as Audit & Supervisory Committee Member shall be determined by resolution of the Board of Directors based on the deliberations and findings of the Nomination and Remuneration Committee.

Directors' remuneration does not include any employee remuneration for Directors who are also employees.

If Proposal 1 "Election of Eight (8) Directors Not Serving as Audit & Supervisory Committee Members" is approved as proposed, the number of Directors who are not serving as Audit & Supervisory Committee Members will be eight (8).

**Proposal 3: Remuneration for Directors Serving as Audit & Supervisory Committee Members**

As provided in Article 2.2 of the Supplementary Provisions to the Company's Articles of Incorporation, the total amount of remunerations, etc., for Directors serving as Audit & Supervisory Committee Members of the Company for the period from the date of incorporation of the Company until the 1st Annual General Meeting of Shareholders concludes shall be no more than 85 million yen.

We therefore request the approval of our shareholders for the total amount of remunerations, etc., for Directors serving as Audit & Supervisory Committee Members of the Company after the conclusion of this General Meeting.

This proposal requests the approval of our shareholders in that the amount of remunerations for Directors serving as Audit & Supervisory Committee Members shall continue to be no more than 85 million yen as a result of the careful consideration of various circumstances including the state of the Company's management system and the economic situation. This proposal has been determined based on the deliberations and findings of the Nomination and Remuneration Committee.

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

The specific amount, payment date, etc., for each Director serving as Audit & Supervisory Committee Member shall be determined through discussions of the Directors serving as Audit & Supervisory Committee Members.

Current number of Directors serving as Audit & Supervisory Committee Members is five (5) including four (4) Outside Directors.

**Proposal 4: Remuneration and Contents of Stock Options for Directors Not Serving as Audit & Supervisory Committee Members**

In addition to the amount of remunerations provided in Article 2.1 of the Supplementary Provisions to the Company's Articles of Incorporation, the value of stock options for Directors who are not serving as Audit & Supervisory Committee Members of the Company allotted as share-option based compensation of the remuneration, etc., for the period from the date of incorporation of the Company until the 1st Annual General Meeting of Shareholders concludes shall be no more than 130 million yen as provided in Article 2.3 of the Supplementary Provisions to the Company's Articles of Incorporation.

In addition to our request for the approval of our shareholders of the amount of remunerations for Directors who are not serving as Audit & Supervisory Committee Members in "Proposal 2 "Remuneration for Directors Not Serving as Audit & Supervisory Committee Members", this proposal requests the approval of our shareholders in that the value of the share-option based compensation for Directors who are not serving as Audit & Supervisory Committee Members shall continue to be no more than 130 million yen as a result of the careful consideration of various circumstances including the state of the Company's management system and the economic situation. This proposal has been determined based on the deliberations and findings of the Nomination and Remuneration Committee.

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

The value of remuneration in the form of share-option based compensation is calculated by multiplying the fair value per share option on the grant date by the number of share options granted.

The payment date, distributions, etc., for each Director who is not serving as Audit & Supervisory Committee Member shall be determined by resolution of the Board of Directors based on the deliberations and findings of the Nomination and Remuneration Committee.

In addition, the Directors' remuneration, etc., described above does not include any employee remuneration for Directors who are also employees.

If Proposal 1 "Election of Eight (8) Directors Not Serving as Audit & Supervisory Committee Members" is approved as proposed, the number of Directors who are not serving as Audit & Supervisory Committee Members will be eight (8).

The details of such share options shall be as follows:

1. Type and number of shares underlying share options

The type of shares underlying share options shall be common stock of the Company, and the number of shares to be issued upon the exercise of one (1) share option ("Number of Shares to be Issued") shall be ten (10) shares of stock.

The maximum number of shares that can be issued by exercising stock options within one (1) year from the date of the Annual General Meeting of Shareholders for each fiscal year shall be 65,000 shares.

The Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company's common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

Number of Shares to be Issued after adjustment = the Number of Shares to be Issued before adjustment × the split or consolidation ratio

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

2. Total number of share options

The total number of share options allotted to Directors who are not serving as Audit & Supervisory Committee Members within one (1) year from the date of the Annual General Meeting of Shareholders for each fiscal year shall be a maximum of 6,500 share options.

3. Amount to be paid in for share options

The amount to be paid in for each share option shall be the amount determined by the Board of Directors based

on the fair market value of the share options, calculated using a method such as the Black-Scholes model, when the share options are allotted.

4. Value of property to be contributed when share options are exercised

The value of property to be contributed when each share option is exercised shall be the one (1) yen amount to be paid in per share in order to be issued shares by exercising the share options multiplied by the Number of Shares to be Issued.

5. Period when share options may be exercised

The period when share options may be exercised shall be determined by the Board of Directors, with a maximum possible period of 30 years from the date immediately following the share option allotment date.

6. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

7. Conditions for exercise of share options

Parties allotted share options may exercise the share options from the date immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank, Ltd., or The Hokuetsu Bank, Ltd., and other conditions to the exercise thereof shall be set by the Board of Directors.

8. Other details of share options

The Board of Directors shall determine the details of matters set forth in Subparagraphs 1 through 7 above and other matters regarding share options.