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Securities code: 8521

June 8, 2021

To our shareholders:

Hitoshi Nishizawa
President
THE NAGANO BANK, LTD.
2-9-38, Nagisa, Matsumoto City, Nagano

NOTICE OF THE 62ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 62nd Ordinary General Meeting of Shareholders of THE NAGANO BANK, LTD. (the “Bank”), which will be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights through either of the means described below, in which case we ask you to exercise your voting rights no later than 5:00 p.m., Thursday, June 24, 2021 (Japan Standard Time) after examining the accompanying Reference Documents for the General Meeting of Shareholders.

To exercise your voting rights by postal mail:

Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it by postal mail to reach us no later than the voting deadline stated above.

To exercise your voting rights online, etc.:

After reading the accompanying Guide to Exercising Voting Rights, Etc. (Japanese only), please access via smartphone, personal computer, etc. the voting website designated by the Bank (<https://soukai.mizuho-tb.co.jp/>) and follow the instructions on screen to indicate your approval or disapproval of the proposals no later than the deadline stated above.

1. Date and Time: Friday, June 25, 2021 at 10:00 a.m. (Reception starts at 9:00 a.m.) (Japan Standard Time)

2. Venue: The Bank’s Head Office, Second Floor Conference Room
2-9-38, Nagisa, Matsumoto City, Nagano

3. Purposes:

Items to be reported:

1. Business Report and Non-consolidated Financial Statements for the 62nd Term (from April 1, 2020 to March 31, 2021)
2. Consolidated Financial Statements for the 62nd Term (from April 1, 2020 to March 31, 2021), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors

Items to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Partial amendments to the Articles of Incorporation
- Proposal 3:** Election of seven (7) Directors
- Proposal 4:** Election of one (1) Auditor
- Proposal 5:** Reestablishment of portion under performance-based stock compensation scheme for Directors

4. Guide to Exercising Voting Rights, Etc.:

Voting by proxy

If you are unable to attend the General Meeting of Shareholders, you may appoint one other shareholder of the Bank who holds voting rights to attend the General Meeting of Shareholders as your proxy. However, a document must be submitted proving that the person has been appointed as your proxy.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Matters

Proposal 1: Appropriation of surplus

The Bank proposes the appropriation of surplus as follows:

Matters related to year-end dividends

In addition to striving to enhance its capital base through its internal reserves, the Bank makes it its basic policy to return dividends to its shareholders in a stable way.

In acknowledgment of the constant support of its shareholders, the Bank would like to set the year-end dividend as follows:

1. Type of dividend property
Cash
2. Allocation of dividend property and total amount thereof
25 yen per common share of the Bank
Total amount of dividends: 226,908,525 yen
The total yearly dividend, combined with the interim dividend of 25 yen, will be 50 yen per share.
3. Effective date of distribution of dividends of surplus
June 28, 2021

Proposal 2: Partial amendments to the Articles of Incorporation

Partial amendments to the Current Articles of Incorporation are proposed as follows.

1. Reason for proposal

Concerning Article 21 of the Current Articles of Incorporation (Number of Member), considering the number of Directors stipulated in the said Article and the actual number of Directors, and the need to enhance management structure and increase business efficiency, the number of Directors shall be reduced from not more than 18 to not more than 13.

2. Details of the amendments

The details of the changes are as follows:

Note that the text of non-amended provisions in the Current Articles of Incorporation has been omitted.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed amendment
Articles 1 through 20 (Omitted) Chapter 4 Director and Board of Directors (Number of Member) Article 21 The Bank shall have not more than <u>18</u> Directors. Articles 22 through 42 (Omitted)	Articles 1 through 20 (Unchanged) Chapter 4 Director and Board of Directors (Number of Member) Article 21 The Bank shall have not more than <u>13</u> Directors. Articles 22 through 42 (Unchanged)

(Reference) The Bank will introduce a managing officer system with the aim of enhancing management structure and facilitating flexible and swift execution of operations by making the size of the Board of Directors appropriate and reinforcing the decision-making and supervision function of the management. A managing officer is an important employee, and the Board of Directors shall, by resolution, elect or dismiss them.

Proposal 3: Election of seven (7) Directors

The terms of six (6) Directors, Hitoshi Nishizawa, Masayasu Kondo, Sachio Miyazaki, Katsuo Tokutake, Sayuri Uchikawa and Keizo Futatsugi, expire at the conclusion of this Ordinary General Meeting of Shareholders. Director Masayasu Kondo will retire at the conclusion of this Ordinary General Meeting of Shareholders. In addition, Director Masanao Watanabe will resign at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Bank proposes that seven (7) Directors be elected.

The candidates for Directors are as follows:

No.	Name of candidate			Current position of the Bank
1	Reelection	Hitoshi Nishizawa		President
2	Reelection	Sachio Miyazaki		Managing Director
3	Reelection	Katsuo Tokutake		Director
4	New election	Hiroyuki Agata		Manager of Sales and Marketing Division
5	Reelection	Sayuri Uchikawa	Outside Independent officer	Director (Outside Director)
6	Reelection	Keizo Futatsugi	Outside Independent officer	Director (Outside Director)
7	New election	Akira Iguchi	Outside Independent officer	–

Outside: Candidate for Outside Director

Independent officer: Candidate for Independent Officer as provided for by the Tokyo Stock Exchange

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Bank)	Number of the Bank's shares owned
1	<p style="text-align: center;">Hitoshi Nishizawa (March 26, 1963) Reelection Number of years in office 6 years Attended 14 of the 14 Board of Directors meetings</p>	<p>Apr. 1985 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2008 Mizuho Information & Research Institute, Inc., Deputy Manager of Corporate Planning Division</p> <p>May 2010 Mizuho Information & Research Institute, Inc., Manager of Division 3, Market Systems Sector</p> <p>Dec. 2011 Mizuho Information & Research Institute, Inc., Manager of Division 1, Market Systems Sector</p> <p>July 2013 Mizuho Bank, Ltd., Assistant Director of Internal Audit Department</p> <p>Apr. 2014 Joined the Bank Deputy Manager of International Securities Division</p> <p>June 2015 The Bank, Director and Manager of International Securities Division</p> <p>July 2016 The Bank, Managing Director and Manager of International Securities Division (In charge of International Securities Division, Administration Division)</p> <p>June 2017 The Bank, Managing Director (In charge of Corporate Planning Division, General Affairs Division, Human Resources Division)</p> <p>Apr. 2019 The Bank, Managing Director (In charge of Corporate Planning Division, Risk Management Division, General Affairs Division, Human Resources Division)</p> <p>June 2019 The Bank, President (Representative Director) (present position) (In charge of Audit Division)</p>	4,400
<p>[Reasons for nomination as candidate for Director]</p> <p>Hitoshi Nishizawa developed extensive business experience in the areas of marketing, banking systems, and audit during his stint at Mizuho Bank. He assumed the office of the Bank's Director in June 2015 and of President (Representative Director) in June 2019. He is demonstrating excellent leadership in all aspects of business administration of the Bank.</p> <p>The Bank judges that he will be able to leverage his extensive knowledge and experience in the management of the Bank as a Director and will contribute to its sustainable growth and medium- and long-term improvements of corporate value. Therefore, the Bank requests his reelection as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Bank)	Number of the Bank's shares owned
2	<p>Sachio Miyazaki (January 30, 1962) Reelection Number of years in office 2 years Attended 14 of the 14 Board of Directors meetings</p>	<p>Apr. 1985 Joined Nagano Mutual Bank June 2004 The Bank, Manager of Minowa Branch Dec. 2007 The Bank, Manager of Okayakita Branch June 2010 The Bank, Manager of Sakaki Branch June 2013 The Bank, Manager of Corporate Finance Division in charge of Credit July 2016 The Bank, Manager of Nakano Branch June 2018 The Bank, Manager of Human Resources Division June 2019 The Bank, Director, Manager of Human Resources Division June 2020 The Bank, Managing Director and Manager of Human Resources Division Oct. 2020 The Bank, Managing Director (present position) (In charge of Risk Management Division, General Affairs Division, Human Resources Division, Administration Division)</p>	2,400
<p>[Reasons for nomination as candidate for Director] Sachio Miyazaki served as a manager of the Nakano Branch (a local main branch) and also as a manager of the Corporate Finance Division in charge of Credit and a manager of the Human Resources Division at the head office. He has extensive experience and broad knowledge and is familiar with overall business operations. He assumed the office of the Bank's Director and Manager of the Human Resources Division in June 2019, has served as a Managing Director since June 2020 and is currently an officer in charge of the Risk Management Division, General Affairs Division, Human Resources Division and Administration Division. The Bank judges that he will be able to leverage his extensive knowledge and experience in the management of the Bank as a Director and will contribute to its sustainable growth and medium- and long-term improvements of corporate value. Therefore, the Bank requests his reelection as a candidate for Director.</p>			
3	<p>Katsuo Tokutake (October 9, 1960) Reelection Number of years in office 2 years Attended 14 of the 14 Board of Directors meetings</p>	<p>Apr. 1984 Joined Nagano Mutual Bank Apr. 2004 The Bank, Manager of Yanagimachi Branch Apr. 2007 The Bank, Manager of Sakaki Branch Apr. 2011 The Bank, Manager of Nagano Branch June 2014 The Bank, Manager of Nakano Branch July 2016 The Bank, Manager of Corporate Finance Division in charge of Credit June 2017 The Bank, Manager of Suwa Branch June 2019 The Bank, Director, Manager of Nagano Sales Division and Manager of Yanagimachi Branch, Serita Branch, Yanagihara Branch, and Wakatsuki Branch (present position)</p>	2,100
<p>[Reasons for nomination as candidate for Director] Katsuo Tokutake served as a manager of several branches including the Nakano and Suwa Branches (local main branches) and also as a manager of the Corporate Finance Division in charge of Credit at the head office. He assumed the office of Director in June 2019 and currently manages four branches in the Nagano region while serving as a manager of the Nagano Sales Division. The Bank judges that he will be able to leverage his extensive knowledge and experience in the management of the Bank as a Director and will contribute to its sustainable growth and medium- and long-term improvements of corporate value. Therefore, the Bank requests his reelection as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Bank)	Number of the Bank's shares owned	
4	Hiroyuki Agata (September 13, 1962) New election	Apr. 1985	Joined Nagano Mutual Bank	2,200
		Apr. 2007	The Bank, Manager of Suzakaminami Branch	
Apr. 2008	The Bank, Deputy Manager of Administration Division			
June 2014	The Bank, Manager of Administration Division			
June 2020	The Bank, Manager of Sales and Marketing Division in charge of Planning			
Oct. 2020	The Bank, Manager of Sales and Marketing Division (present position)			
[Reasons for nomination as candidate for Director] Hiroyuki Agata served as a deputy manager and a manager of the Administration Division at the head office and is currently serving as a manager of the Sales and Marketing Division. He has long been engaged mainly in the administration system area and possesses specialized knowledge and extensive experience. The Bank judges that he will be able to leverage his extensive knowledge and experience in the management of the Bank as a Director and will contribute to its sustainable growth and medium- and long-term improvements of corporate value. Therefore, the Bank requests his election as a candidate for Director.				
5	Sayuri Uchikawa (November 7, 1950) Reelection Outside Number of years in office 8 years Attended 14 of the 14 Board of Directors meetings	Apr. 1973	Joined Marunouchi Typist School	2,600
		Apr. 1976	Marunouchi College of Business (change of school name)	
Apr. 1991	Marunouchi College of Business, Vice Principal			
Apr. 1996	Marunouchi College of Business, Principal			
Apr. 2012	Marunouchi College of Business, Principal and Establisher			
June 2013	The Bank, Outside Director (present position)			
Dec. 2017	Shuoukai Marunouchi College of Business (became an incorporated educational institution), Chair and Principal (present position)			
June 2020	KISSEI PHARMACEUTICAL CO., LTD., Outside Director (present position)			
(Significant concurrent positions outside the Bank)		Shuoukai Marunouchi College of Business, Chair and Principal and KISSEI PHARMACEUTICAL CO., LTD., Outside Director		
[Reasons for nomination as candidate for Outside Director and outline of expected roles] Sayuri Uchikawa has played an active role as an educator and school administrator and also as Chair and Principal of the Shuoukai Marunouchi College of Business for many years. The Bank judges that her extensive experience and broad knowledge developed over the years as an educator enable her to contribute to its sustainable growth, as well as to medium- and long-term improvements of corporate value from an objective and neutral standpoint. Therefore, the Bank requests her reelection as a candidate for Outside Director.				

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Bank)	Number of the Bank's shares owned
6	Keizo Futatsugi (October 30, 1945) Reelection Outside Number of years in office 6 years Attended 14 of the 14 Board of Directors meetings	Apr. 1964 Joined Shinano Sanrin Co., Ltd. (currently SANRIN Co., Ltd.) July 1986 SANRIN Co., Ltd., Director Aug. 1995 SANRIN Co., Ltd., Managing Director Aug. 1996 SANRIN Co., Ltd., Representative Director and Senior Managing Director June 1998 SANRIN Co., Ltd., Representative Director and President June 2008 SANRIN Co., Ltd., Representative Director and Chairman June 2012 SANRIN Co., Ltd., Advisor (present position) June 2015 The Bank, Outside Director (present position) (Significant concurrent positions outside the Bank) SANRIN Co., Ltd., Advisor	3,900
[Reasons for nomination as candidate for Outside Director and outline of expected roles] Keizo Futatsugi served as Representative Director of SANRIN Co., Ltd. for many years and has extensive experience in corporate management. The Bank judges that his extensive experience and broad knowledge developed over the years as a management executive enable him to contribute to its sustainable growth, as well as to medium- and long-term improvements of corporate value from an objective and neutral standpoint. Therefore, the Bank requests his reelection as a candidate for Outside Director.			
7	Akira Iguchi (March 11, 1952) New election Outside	June 1974 Joined Fuji Heavy Industries Ltd. (currently SUBARU CORPORATION), Aircraft Business Department Feb. 1981 The Asahi Shimbun Company, Aviation Department Oct. 1987 Air Nippon Co., Ltd. (ANK, currently ALL NIPPON AIRWAYS CO., LTD. (ANA)) Oct. 1994 Marui Co., Ltd., Director Mar. 2011 Marui Co., Ltd., President and CEO (present position) (Significant concurrent positions outside the Bank) Marui Co., Ltd., President and CEO	-
[Reasons for nomination as candidate for Outside Director and outline of expected roles] Akira Iguchi has long been engaged in the aviation industry. After starting a new career as a management executive, he has fully demonstrated his management skills, while actively striving to promote the expansion of the own brand overseas as well as working on supporting and nurturing the regional and local industries. The Bank judges that his many experiences and broad knowledge enable him to contribute to its sustainable growth, as well as to medium- and long-term improvements of corporate value from an objective and neutral standpoint. Therefore, the Bank requests his election as a candidate for Outside Director.			

- Notes:
1. There is no special interest between the candidates and the Bank. In addition, there is no special interest between the Bank and the Shuoukai Marunouchi College of Business for which the candidate Sayuri Uchikawa serves as a Chair and Principal. There is no special interest between the Bank and Marui Co., Ltd. for which the candidate Akira Iguchi serves as a President and CEO.
 2. Sayuri Uchikawa, Keizo Futatsugi and Akira Iguchi are candidates for Outside Director.
 3. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank has entered into a liability limitation contract with Sayuri Uchikawa and Keizo Futatsugi to limit their liability to the minimum limited liability specified by the laws and regulations. If their reelection is approved, the Bank plans to renew the aforementioned contract with them. If the election of Akira Iguchi as a new candidate is approved, the Bank plans to enter into a liability limitation contract with the same content with him.
 4. Pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act, the Bank has entered into a directors and officers liability insurance policy with an insurance company, under which the Bank's Directors and Auditors are the insured, and legal fees and other costs associated with damage claim the insured may incur are covered. If the candidates are elected and assume the office of Director, they will be included as the insured in the aforementioned insurance policy. The Bank plans to renew the aforementioned insurance policy with the same content at the time of the next renewal.

5. To ensure the independence of Outside Directors, augmenting the criteria for outside officers stipulated by the Tokyo Stock Exchange, the Bank has established its own criteria for assessing the independence of Outside Officers as described on page 16. Sayuri Uchikawa, Keizo Futatsugi and Akira Iguchi meet all the criteria. The Bank has submitted notification to the Tokyo Stock Exchange that Sayuri Uchikawa and Keizo Futatsugi have been designated as independent officers as provided for by the aforementioned exchange. If their reelection is approved, the Bank plans for their appointment as independent officers to continue. If the election of Akira Iguchi as a new candidate is approved, the Bank plans to submit notification to the Tokyo Stock Exchange that he is designated as independent officer as provided for by the aforementioned exchange.
6. In the column of candidate's name, the number of years in office is set as of the conclusion of this Ordinary General Meeting of Shareholders.

Proposal 4: Election of one (1) Auditor

Since Auditor Hayato Todoroki will reach the end of his term at the conclusion of this Ordinary General Meeting of Shareholders, the Bank proposes that one (1) Auditor be elected.

The Board of Auditors has given its consent to this proposal.

The candidate for Auditor is as follows:

Name (Date of birth)	Career summary and position (significant concurrent positions outside the Bank)	Number of the Bank's shares owned
Hayato Todoroki (July 11, 1959) Reelection Outside Number of years in office 8 years Attended 14 of the 14 Board of Directors meetings Attended 13 of the 13 Board of Auditors meetings	Apr. 1993 Registered as a certified public accountant Mar. 1994 Registered as a certified public tax accountant Oct. 2010 Todoroki Tax and Accounting Office, Director (present position) Apr. 2013 Kanto-Shinetsu Certified Public Tax Accountants' Association Nagano Prefecture Branch Federation, Managing Director (Retired in March 2015) June 2013 The Bank, Outside Auditor (present position) June 2014 Japanese Institute of Certified Public Accountants Tokyo Chapter, Nagano Prefecture Section, Vice President (Retired in June 2016)	2,400
[Reasons for nomination as candidate for Outside Auditor] Hayato Todoroki possesses specialized knowledge in the area of finance and accounting as a certified public accountant and certified public tax accountant with extensive practical experience. The Bank judges that he can conduct audits in an objective and fair manner and prove useful advice to the Board of Directors mainly from an accounting standpoint, and therefore requests his reelection as a candidate for Outside Auditor.		

- Notes:
1. There is no special interest between the candidate Hayato Todoroki and the Bank.
 2. The candidate Hayato Todoroki is a candidate for Outside Auditor.
 3. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank has entered into a liability limitation contract with Hayato Todoroki to limit his liability to the minimum limited liability specified by the laws and regulations. If his reelection is approved, the Bank plans to renew the aforementioned contract with him.
 4. Pursuant to the provisions of Article 430-3, Paragraph 1 of the Companies Act, the Bank has entered into a directors and officers liability insurance policy with an insurance company, under which the Bank's Directors and Auditors are the insured, and legal fees and other costs associated with damage claim the insured may incur are covered. If the candidate is elected and assume the office of Auditor, he will be included as the insured in the aforementioned insurance policy. The Bank plans to renew the aforementioned insurance policy with the same content at the time of the next renewal.
 5. To ensure the independence of Outside Auditors, augmenting the criteria for outside officers stipulated by the Tokyo Stock Exchange, the Bank has established its own criteria for assessing the independence of Outside Officers as described on page 16. Hayato Todoroki meets all the criteria. The Bank has submitted notification to the Tokyo Stock Exchange that Hayato Todoroki has been designated as an independent officer as provided for by the aforementioned exchange. If his reelection is approved, the Bank plans for him appointment as independent officers to continue.
 6. In the column of candidate's name, the number of years in office is set as of the conclusion of this Ordinary General Meeting of Shareholders.

Proposal 5: Reestablishment of portion under performance-based stock compensation scheme for Directors

1. Reasons for the proposal and why they provide reasonable grounds

At the 57th Ordinary General Meeting of Shareholders held on June 24, 2016, shareholders approved the resolution to introduce a performance-based stock compensation scheme (the “Scheme”) for Directors (excluding Outside Directors; same below in this Proposal unless otherwise noted) (hereinafter, the resolution at the above-mentioned meeting is referred to as the “Original Resolution”). In line with the implementation of the Act Partially Amending the Companies Act (Act No. 70 of 2019) on March 1, 2021, the Bank requests approval to reestablish a performance-based stock compensation portion for Directors in place of the current portion of directorial remuneration under the Scheme.

This Proposal is procedural along with the amendment of the Act and does not entail the addition of the actual portion of directorial remuneration compared with that of the Original Resolution. As in the Original Resolution, the Bank aims to raise awareness of Directors’ contribution to improvements in medium- and long-term business results and the enhancement of corporate value by further clarifying the interrelationship between the remuneration of Directors and the Bank’s business results and share value, and enabling Directors to share the benefits and risks of share price fluctuations with the shareholders. The Bank judges that the details of this Proposal provide reasonable grounds since they also match the Policy on the determination of the details of remuneration, etc. for each Director of the Bank (please refer to the Business Report (Japanese only)).

Through this Proposal, the Bank requests approval to the amount of remuneration and specifics to pay remuneration to the Bank’s Directors under the Scheme, separate from the amount of directorial remuneration agreed to at the Ordinary General Meeting of Shareholders held on June 26, 2009 (within 180 million yen annually). Details of the Scheme shall be decided by the Board of Directors within the framework laid out in 2. below.

Additionally, at present, the number of Directors to whom the Scheme applies is seven (7), and if Proposal 3 is approved as proposed, the number of such Directors shall be six (6).

This Proposal shall take effect retrospectively from March 1, 2021.

2. Amount of remuneration under the Scheme and specifics

(1) Scheme overview (the main amended parts are underlined)

1) Target of the Scheme	- Directors (Outside Directors are not eligible for the Scheme)
2) Maximum amount of money in trust (as set forth in (2) below)	- 50 million yen for each fiscal year (150 million yen for each Target Period)
3) Method for acquiring the Bank’s shares and number of shares acquired by the Trust (as set forth in (2) and (3) below)	- On the market or by taking up the Bank’s disposed treasury stock - <u>25,000 shares for each fiscal year (corresponding to 25,000 points)</u>
4) Timing for payment of the Bank’s Shares (as set forth in (5) below)	- After the retirement of each Director (however, he/she is unable to obtain the right to receive the payment if a resolution to dismiss him/her is approved.)

The Scheme is a performance-based stock compensation scheme whereby shares in the Bank shall be acquired through a trust (a trust established under the Scheme shall hereinafter be referred to as the “Trust”) using money contributed by the Bank and, pursuant to the Executive Share Payment Rules determined by the Bank, the Bank’s shares and cash equivalent to an amount calculated based on the market value of the Bank’s shares (the “Bank’s Shares, etc.”) shall be paid to Directors via the Trust.

(2) Amount of money in trust

The Bank has introduced the Scheme for the three-year period from the fiscal year ended March 31, 2017 to the fiscal year ended March 31, 2019 (this three-year period, and each three-year period that started after this three-year period had ended, shall hereinafter be referred to as the “Target Period”) and for each subsequent Target Period. For the initial Target Period, the Bank has contributed a maximum of 150 million yen to fund the acquisition of shares to be distributed to the Bank’s Directors under the Scheme and established the Trust for Directors who meet the requirements for eligible beneficiaries as beneficiaries. The Trust acquired 797,000 shares of the Bank’s shares using the funds entrusted by the

Bank during the initial Target Period.

Furthermore, even after the initial Target Period has ended, the Bank shall make additional contributions of a maximum of 150 million yen for each Target Period until the Scheme comes to an end. However, when the Bank makes these additional contributions, in the event that, on the last day of the Target Period directly preceding the Target Period for which the additional contribution is intended, shares of the Bank and cash remain in trust (excluding shares of the Bank corresponding to points granted to Directors which have not yet been issued to Directors) (“Remaining Shares, etc.”), the sum of the value of the Remaining Shares, etc. (the price of the Bank’s shares shall be set at their book value on the last day of the preceding Target Period) and the additional contribution shall not exceed the maximum contribution approved under this Proposal. When the Bank decides to make additional contributions, the details shall be disclosed in a timely and appropriate manner.

(3) Method for acquiring the Bank’s shares and number of shares acquired by the Trust

The Bank’s shares shall be acquired by the Trust using the funds contributed in accordance with (2) above either on the market or by taking up the Bank’s disposed treasury stock. Furthermore, the total number of points granted to Directors for each fiscal year shall be limited to a maximum of 25,000 points. Therefore, the number of the Bank’s shares acquired by the Trust for each Target Period shall be limited to a maximum of 25,000 shares.

(4) Maximum number of the Bank’s Shares, etc. to be distributed to Directors

For each fiscal year, Directors shall be granted a number of points determined based on the Executive Share Payment Rules in accordance with factors such as rank, business results and the progress of the medium-term management plan. The total number of points granted to Directors for each fiscal year shall be limited to a maximum of 25,000 points. The Bank judges that the number of points is reasonable since it has been determined based on comprehensive consideration of the current director’s remuneration payment level, the trend of the number of Directors, future prospects, etc.

Each point granted to Directors shall, upon payment of the Bank’s Shares, etc. as set forth in (5) below, be exchangeable on a one-for-one basis for the Bank’s common shares. (However, if, after this Proposal has been approved, there is a stock split, gratis allocation of shares or share consolidation, etc. of the Bank’s shares, the maximum number of points, the points already granted and this conversion rate shall be proportionally adjusted in a reasonable way.)

The ratio of the number of shares corresponding to the maximum of points granted to Directors for each fiscal year (25,000 shares) to the total number of issued shares (as of March 31, 2021, excluding disposed treasury stock) is about 0.28%.

The number of points held by a Director used as the basis for the payment of the Bank’s Shares, etc. as set forth in (5) below shall basically be the total number of points granted to the Director until retirement (points calculated in this way shall hereinafter be referred to as “Fixed Points”).

(5) Payment of the Bank’s Shares, etc.

When one of Directors retires and he/she has met the requirements for eligible beneficiaries set forth in the Executive Share Payment Rules, after retirement, that Director shall basically, by completing the prescribed proceedings for determining eligibility as a beneficiary, receive from the Trust a quantity of the Bank’s shares corresponding to his/her number of Fixed Points determined as set forth in (4) above. However, if the Director meets the requirements set forth in the Executive Share Payment Rules, for a certain percentage, he/she shall, in place of a payment of the Bank’s shares, receive a payment of cash in the amount equivalent to the market value of the Bank’s shares. Besides, the Bank’s shares may at times be sold by the Trust in order to make such cash payments.

Even a Director, who has received points, shall be unable to obtain the right to receive the payment, if a general meeting of shareholders resolves to dismiss the Director.

(Reference) Independence Criteria for Independent Outside Officers

The Bank judges a candidate to be fully independent from the Bank if such candidate does not fall within any of the following categories:

- (1) A candidate is, or was in the past, an executive for the Bank or any of its subsidiaries (an executive director or other employee).
- (2) A candidate is a person to whom the Bank or its subsidiaries are major business partners or an executive (an executive director, an executive officer, a managing officer, a manager or other employee) in case that the foregoing is a company.
- (3) A candidate is a consultant, an accountant or a legal professional who receives money or other property from the Bank or any of its subsidiaries other than director's remuneration in excess of a certain amount (the annual average of past three years has been 10 million yen or 30% of the total annual expense of the organization to which such person belongs, whichever is greater).
- (4) A candidate is a major shareholder of the Bank (meaning a shareholder who holds 10% or more of the voting rights; hereinafter the same) or if the major shareholder is an incorporated entity, a candidate is a director, an auditor, an accounting advisor, an executive officer, an administration officer, a managing officer, a manager or other employee of such major shareholder or its material subsidiary.
- (5) A candidate is a non-executive director or an accounting advisor of the Bank or any of its subsidiaries (in case that the independent officer is an Outside Auditor).
- (6) A candidate is a close relative of the person who falls under any of the above cases (1) through (5) (excluding an insignificant person.)
- (7) A candidate is a person who has worked for an organization at which an outside officer of the Bank reciprocally has a position of outside officer.
- (8) A candidate is an organization that receives donations from the Bank or a person who has worked for such organization.
- (9) A candidate is a person who simultaneously serves as a director or auditor for more than three listed companies other than the Bank.