These documents are translations of parts of the Japanese originals for reference purposes only.
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(Securities Code: 8341)
June 5, 2018

To Stockholders with Voting Rights:

Teruhiko Ujiie
President
The 77 Bank, Ltd.
3-20, Chuo 3-chome, Aoba-ku,
Sendai City, Miyagi Prefecture,
Japan

NOTICE OF CONVOCATION OF THE 134TH ANNUAL GENERAL MEETING OF STOCKHOLDERS

You are cordially invited to attend the 134th Annual General Meeting of Stockholders of The 77 Bank, Ltd. (the "Bank"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights by either of the methods described below. Please review the Reference Documents for the General Meeting of Stockholders described hereinafter and exercise your voting rights by 5:00 p.m. on Wednesday, June 27, 2018, Japan standard time.

Exercise of voting rights by mail

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

Exercise of voting rights via the Internet etc.

Please access the website for exercising voting rights designated by the Bank (https://www.e-sokai.jp) using the "voting rights exercise code" and the "password" indicated on the enclosed Voting Rights Exercise Form and follow the on-screen guidance to enter whether you are for or against each of the proposals.

Please confirm the "Instructions for Exercise of Voting Rights via the Internet" on pages 39 to 40 when voting via the Internet.

If you vote both in writing on the Voting Rights Exercise Form and via the Bank's designated voting website on the Internet, only your vote exercised via the Internet will be deemed valid. In addition, if you submit your vote multiple times via the Internet or submit in duplicate via a computer and a cellphone, only the last vote will be deemed valid.

1. **Date and Time:** Thursday, June 28, 2018 at 10:00 a.m. Japan standard time

2. **Place:** 4F, Conference Room, Head Office, the Bank, 3-20, Chuo 3-chome, Aoba-ku, Sendai City, Miyagi Prefecture, Japan

3. **Meeting Agenda:**
   Matters to be reported:
   1. The Business Report and Non-consolidated Financial Statements for the Bank's 134th Fiscal Year (from April 1, 2017 to March 31, 2018)
   2. Consolidated Financial Statements for the Bank's 134th Fiscal Year (from April 1, 2017 to March 31, 2018) and results of audits of the Consolidated

Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus

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

Proposal No. 3: Revision to Limit of Compensation for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

4. Matters Determined for Convocation

Notice of inconsistent voting

If you wish to make inconsistent voting, please notify the Bank in writing of your intention of making inconsistent voting and the reasons thereof at least three (3) days prior to the Annual General Meeting of Stockholders.

End

◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk of the Bank's head office on the day of the meeting for confirmation.

◎ Of the documents that need to be attached to this notice of convocation, the Non-consolidated Statement of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements, and the Consolidated Statement of Changes in Net Assets and the Notes to the Consolidated Financial Statements are, in accordance with laws and regulations as well as Article 16 of the Articles of Incorporation of the Bank, posted on the Bank's website (http://www.77bank.co.jp/) and are therefore not included with this document.

Accordingly, the Attached Documents of this Convocation Notice are part of the Non-consolidated Financial Statements and the Consolidated Financial Statements that have been audited by the Accounting Auditor and the Audit & Supervisory Committee in preparing their respective audit reports.

◎ In the case where revisions are made to the Reference Documents for the General Meeting of Stockholders, the Business Report, the Non-consolidated Financial Statements and Consolidated Financial Statements, the revised version will be posted on the Bank's website (http://www.77bank.co.jp/).

◎ The temperature of the venue is set slightly higher to save energy, and as such we would like to request our stockholders to wear light clothing when attending.

Reference Documents for the General Meeting of Stockholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

With respect to the appropriation of surplus, the Bank's basic policy is to continue stable dividend payment, taking into consideration the public nature of the banking business and maintaining soundness of management, while paying attention to the internal reserve to strengthen the management structure. It is proposed that the surplus be appropriated as follows:

1. Matters concerning year-end dividends
   (1) Type of dividend property
   Cash
   (2) Matters concerning the allotment of dividend property and the total amount
   22.50 yen per share of common stock, for a total of 1,682,019,990 yen
   The Bank conducted consolidation of shares at a ratio of 5 shares to 1 share on October 1, 2017, the effective date. The amount of the interim dividend (4.50 yen per share) whose record date was September 30, 2017 would be 22.50 yen per share, when converted based on the number of shares after the consolidation of shares. Therefore, including the interim dividend, dividends to be paid for the full year would be equivalent to 45.00 yen per share.
   (3) Effective date of distribution of surplus
   June 29, 2018
2. Other matters concerning the appropriation of surplus
   (1) Item and the amount of surplus to be increased
   General reserve 13,000,000,000 yen
   (2) Item and amount of surplus to be decreased
   Retained earnings brought forward 13,000,000,000 yen

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

The terms of office of all the fourteen (14) Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same applies in this Proposal) will expire at the conclusion of this Annual General Meeting of Stockholders.

Accordingly, the election of eleven (11) Directors is proposed.

The Audit & Supervisory Committee examined this proposal but there were no specific findings about this proposal as the nomination of candidates is done appropriately in accordance with the policy on nomination of candidates and the nomination procedures specified in the basic policy on corporate governance.

The candidates for directors are as follows.

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions)	Number of shares of the Bank held
1	Reappointment Teruhiko Ujiie (Aug. 29, 1946)	Apr. 1969 Joined The Industrial Bank of Japan, Limited Aug. 1992 Associate Director-General, Related Business Department, The Industrial Bank of Japan, Limited Jun. 1993 Director and General Manager, Business Development Div., the Bank Jun. 1995 Director and General Manager, Business Promotion Div., the Bank Jun. 1997 Director and General Manager, Head Office Business Div., the Bank Jun. 1998 Managing Director and General Manager, Head Office Business Div., the Bank Jun. 1999 Managing Director and General Manager, Investigation Div., the Bank Mar. 2000 Managing Director, the Bank Jun. 2002 Senior Managing Director, the Bank Jun. 2005 Representative Director and Deputy President, the Bank Jun. 2010 Representative Director and President, the Bank (current position) (Responsibilities) Audit & Inspection Div. (Significant concurrent positions) Outside Audit & Supervisory Board Member, TOHOKU STEEL CO., LTD.	174,384 shares
	(Reasons for selection as a candidate for Director) Based on his long experience in financial operations and successful track record of exercising leadership in management of the Bank as a Director since June 1993 and as a Representative Director since June 2005, the Bank believes that Mr. Teruhiko Ujiie has knowledge and experience that enable him to precisely, fairly and efficiently perform management oversight and has sufficient social credibility, and thus selected him as a candidate for Director.		

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions, and responsibilities
(Significant concurrent positions)</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">2</td><td>Reappointment

Hidefumi Kobayashi
(Sep. 22, 1957)</td><td>Apr. 1981 Joined the Bank
Jun. 2006 General Manager, Treasury Div., the Bank
Jun. 2008 General Manager, General Planning & Coordination Div., the Bank
Jun. 2010 Director and General Manager, General Planning & Coordination Div., the Bank
Jun. 2013 Director and General Manager, Head Office Business Div., the Bank
Jun. 2014 Managing Director and General Manager, Head Office Business Div., the Bank
Jun. 2015 Managing Director, the Bank
May. 2016 Managing Director, the Bank
General Manager, Ishinomaki Branch and Minato Branch
Jun. 2016 Managing Director, the Bank
Jun. 2017 Representative Director and Deputy President, the Bank (current position)
(Responsibilities)
Secretariat, Compliance Management Div., Personnel Div., Tokyo Liaison Office</td><td>4,700 shares</td></tr>
<tr><td colspan="3">(Reasons for selection as a candidate for Director)
Based on his long experience in financial operations and successful track record of exercising leadership in management of the Bank as a Director since June 2010 and as a Representative Director since June 2017, the Bank believes that Mr. Hidefumi Kobayashi has knowledge and experience that enable him to precisely, fairly and efficiently perform management oversight and has sufficient social credibility, and thus selected him as a candidate for Director.</td></tr>
<tr><td rowspan="2">3</td><td>Reappointment

Makoto Igarashi
(Mar. 18, 1957)</td><td>Apr. 1980 Joined the Bank
Sep. 2000 General Manager, Onahama Branch, the Bank
Jun. 2002 General Manager, Bashonotsuji Branch, the Bank
Jun. 2004 General Manager, Shiroishi Branch, the Bank
Jun. 2005 General Manager, General Affairs Div., the Bank
Jun. 2006 General Manager, Personnel Div., the Bank
Jun. 2009 Director and General Manager, Tokyo Branch, the Bank
Jun. 2012 Director and General Manager, Business Promotion Div., the Bank
Jun. 2013 Managing Director, the Bank
Jun. 2017 Senior Managing Director, the Bank (current position)
(Responsibilities)
General Planning & Coordination Div., Risk Management Div.</td><td>5,100 shares</td></tr>
<tr><td colspan="3">(Reasons for selection as a candidate for Director)
After serving as General Manager of the Bank’s branches and General Manager of the Personnel Div., Mr. Makoto Igarashi was appointed Director in June 2009. Ever since, he has been mainly responsible for Planning Div. and has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions, and responsibilities
(Significant concurrent positions)</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">4</td><td>Reappointment

Masakatsu Tsuda
(Jul. 3, 1956)</td><td>Apr. 1981 Joined the Bank
Mar. 2003 General Manager, Wakuya Branch, the Bank
Mar. 2005 General Manager, Nagoya Branch, the Bank
Jun. 2007 General Manager, Nakakecho Branch, the Bank
Jun. 2009 General Manager, Personnel Div., the Bank
Jun. 2011 Director and General Manager, Personnel Div. and General Manager, Affected People Support Office, the Bank
Jun. 2014 Director, Executive Officer and General Manager, Personnel Div., the Bank
Jun. 2016 Managing Director, General Manager, Personnel Div., the Bank
Jun. 2017 Managing Director, the Bank (current position)
(Responsibilities)
Business Promotion Div., Consulting Promotion Div., Treasury Administration & International Div.</td><td>3,600 shares</td></tr>
<tr><td colspan="3">(Reasons for selection as a candidate for Director)
After serving as General Manager of the Bank’s branches and General Manager of the Personnel Div., Mr. Masakatsu Tsuda was appointed Director in June 2011. Ever since, he has been mainly responsible for the Business Promotion Div. and has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.</td></tr>
<tr><td rowspan="2">5</td><td>Reappointment

Toru Sugawara
(Dec. 21, 1959)</td><td>Apr. 1983 Joined the Bank
Jun. 2003 General Manager, Ogimachi Branch, the Bank
Jun. 2005 General Manager, Kitasendai Branch, the Bank
Jun. 2006 General Manager, Osaka Branch, the Bank
Jun. 2008 Deputy General Manager, System Development Div., the Bank
Jun. 2009 General Manager, System Development Div., the Bank
Jun. 2013 Director and General Manager, System Development Div., the Bank
Jun. 2014 Director, Executive Officer and General Manager, System Development Div., the Bank
Jun. 2017 Managing Director, the Bank (current position)
(Responsibilities)
Personal Banking & Direct Promotion Div., General Affairs Div., Operations Management Div., System Development Div.</td><td>3,300 shares</td></tr>
<tr><td colspan="3">(Reasons for selection as a candidate for Director)
After serving as General Manager of the Bank’s branches and General Manager of the System Development Div., Mr. Toru Sugawara was appointed Director in June 2013. Ever since, he has been mainly responsible for the System Development Div. and has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions, and responsibilities
(Significant concurrent positions)</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">6</td><td>Reappointment

Koichi Suzuki
(Feb. 26, 1962)</td><td>Apr. 1984 Joined the Bank
Mar. 2005 General Manager, Wakuya Branch, the Bank
Sep. 2007 General Manager, Masuda Branch, the Bank
Jun. 2009 General Manager, General Affairs Div., the Bank
Jun. 2013 General Manager, Business Promotion Div., the Bank
Jun. 2014 Executive Officer and General Manager, Business Promotion Div., the Bank
Jun. 2015 Director, Executive Officer and General Manager, Oroshimachi Branch, the Bank
(current position)</td><td>1,500 shares</td></tr>
<tr><td colspan="3">(Reasons for selection as a candidate for Director)
After serving as General Manager of the Bank’s branches and General Manager of the Business Promotion Div., Mr. Koichi Suzuki was appointed Executive Officer in June 2014 and Director and Executive Officer in June 2015. Ever since, serving as General Manager of the Oroshimachi Branch, he has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.</td></tr>
<tr><td rowspan="2">7</td><td>Reappointment

Atsushi Shito
(Feb. 7, 1962)</td><td>Apr. 1985 Joined the Bank
Jun. 2005 Chief Secretary, the Bank
Jun. 2008 General Manager, Fukushima Branch, the Bank
Jun. 2010 General Manager, Izumi Branch, the Bank
Jun. 2012 General Manager, Treasury Administration & International Div., the Bank
Jun. 2014 Executive Officer and General Manager, Tokyo Branch, the Bank
Jun. 2016 Director, Executive Officer and General Manager, Head Office Business Div., the Bank
(current position)</td><td>3,300 shares</td></tr>
<tr><td colspan="3">(Reasons for selection as a candidate for Director)
After serving as General Manager of the Bank’s branches and General Manager of the Treasury Administration & International Div., Mr. Atsushi Shito was appointed Executive Officer in June 2014 and Director and Executive Officer in June 2016. Ever since, serving as General Manager of the Head Office Business Div., he has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions, and responsibilities
(Significant concurrent positions)</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">8</td><td>Reappointment

Yoshikazu Onodera
(Mar. 19, 1962)</td><td>Apr. 1985 Joined the Bank
Sep. 2007 General Manager, Hachimanmachi Branch, the Bank
Mar. 2009 General Manager, Yoshioka Branch, the Bank
Jun. 2011 General Manager, Operations Management Div., the Bank
Jun. 2013 General Manager, General Planning & Coordination Div., the Bank
Jun. 2014 Executive Officer and General Manager, General Planning & Coordination Div., the Bank
Jun. 2016 Director, Executive Officer and General Manager, Ishinomaki Branch and Minato Branch, the Bank (current position)</td><td>1,700 shares</td></tr>
<tr><td colspan="3">(Reasons for selection as a candidate for Director)
After serving as General Manager of the Bank’s branches and General Manager of the General Planning & Coordination Div., Mr. Yoshikazu Onodera was appointed Executive Officer in June 2014 and Director and Executive Officer in June 2016. Ever since, serving as General Manager of Ishinomaki Branch and Minato Branch, he has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.</td></tr>
<tr><td rowspan="2">9</td><td>Reappointment
Outside Director
Independent Director

Masahiro Sugita
(Oct. 20, 1944)</td><td>Apr. 1967 Joined the Bank of Japan
May 1996 General Manager, International Dept., the Bank of Japan
Jun. 1998 Director, Research Institute of Overseas Investment, the Export-Import Bank of Japan
Sep. 1999 Auditor, the Bank of Japan
Dec. 2003 Standing Audit & Supervisory Board Member, Banyu Pharmaceutical Co., Ltd. (currently MSD K.K.)
Jun. 2006 Director, Horiba, Ltd. (current position)
Jun. 2007 Audit & Supervisory Board Member, the Bank
Oct. 2009 Standing Audit & Supervisory Board Member, Banyu Pharmaceutical Co., Ltd. (currently MSD K.K.)
Jun. 2013 Director, the Bank (current position)
(Significant concurrent positions)
Outside Director, Horiba, Ltd.</td><td>400 shares</td></tr>
<tr><td colspan="3">(Reasons for selection as a candidate for Director)
As Mr. Masahiro Sugita has a wealth of specialized knowledge and practical experience mainly in the financial field, the Bank believes that he is suitable for the position of Outside Director of the Bank and selected him as a candidate for Director.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions, and responsibilities
(Significant concurrent positions)</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">10</td><td>Reappointment
Outside Director
Independent Director

Ken Nakamura
(Jan. 7, 1948)</td><td>Apr. 1974 Registered as Attorney-at-Law (Sendai Bar Association)
Sep. 1977 Opened Nakamura Ken Law Office (current position)
Jun. 1996 Audit & Supervisory Board Member, KOHSOKU CORPORATION
Nov. 2004 Audit & Supervisory Board Member, HOKUSHU Co., Ltd. (current position)
Jun. 2007 Audit & Supervisory Board Member, the Bank
Jun. 2013 Director, KOHSOKU CORPORATION
Jun. 2015 Director, the Bank (current position)
Jun. 2016 Director (Audit & Supervisory Committee Member), KOHSOKU CORPORATION (current position)
(Significant concurrent positions)
Attorney-at-Law
Outside Director (Audit & Supervisory Committee Member), KOHSOKU CORPORATION</td><td>1,500 shares</td></tr>
<tr><td colspan="3">(Reasons for selection as a candidate for Director)
As Mr. Ken Nakamura has insight and experience gained through his long career as an attorney-at-law, the Bank believes that he is suitable for the position of Outside Director of the Bank and selected him as a candidate for Director.</td></tr>
<tr><td rowspan="2">11</td><td>New candidate
Outside Director
Independent Director

Emiko Okuyama
(Jun. 23, 1951)</td><td>Apr. 1975 Joined the Sendai City Government
Aug. 2009 Mayor, Sendai City</td><td>0 shares</td></tr>
<tr><td colspan="3">(Reasons for selection as a candidate for Director)
As Ms. Emiko Okuyama has a wealth of experience and wide-ranging knowledge gained through her involvement in local administration for many years, the Bank believes that she is suitable for the position of Outside Director of the Bank and selected her as a candidate for Director.</td></tr>
</table>

Outside Director	Candidate for Outside Director provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act
Independent Director	Candidate for Director whom the Bank intends to designate as an independent director as defined by the Tokyo Stock Exchange and the Sapporo Securities Exchange and notify them of the designation

(Notes) 1. There is no special interest relationship between the candidates and the Bank.
2. Mr. Masahiro Sugita, Mr. Ken Nakamura, and Ms. Emiko Okuyama are candidates for Outside Director. The Bank designated Mr. Masahiro Sugita and Mr. Ken Nakamura as independent directors as defined by the Tokyo Stock Exchange and the Sapporo Securities Exchange and notified them of the designation. Additionally, the Bank intends to designate Ms. Emiko Okuyama as an independent director as defined by the Tokyo Stock Exchange and the Sapporo Securities Exchange and notified them of the designation.
3. Mr. Masahiro Sugita will have served as an Outside Director of the Bank for five years and Mr. Ken Nakamura will have served as an Outside Director for three years at the conclusion of this Annual General Meeting of Stockholders.
4. Mr. Masahiro Sugita is a business partner of the Bank. The nature of the transactions is ordinary banking transactions as an individual depositor and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.
5. Mr. Ken Nakamura and Nakamura Ken Law Office are business partners of the Bank. The nature of the transactions with the Bank is ordinary banking transactions as individual depositors and it is

deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.

6. Ms. Emiko Okuyama is a business partner of the Bank. The nature of the transactions is ordinary banking transactions as an individual depositor and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.
7. Ms. Emiko Okuyama used to work for Sendai City, which is a business partner of the Bank. The Bank is a financial institution designated by Sendai City and handles administrative tasks of collection and payment of public funds and the transactions of Sendai City with the Bank include deposits and loans. In light of the nature of the transactions, it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.
8. Although Mr. Ken Nakamura has never been directly involved in corporate management, he has a wealth of experience and wide-ranging knowledge as an attorney-at-law. Therefore, it is the Bank's judgment that he is suitable for the position of Outside Director of the Bank and capable of appropriately fulfilling his duties as an Outside Director of the Bank.
9. Although Ms. Emiko Okuyama has never been directly involved in corporate management, she has a wealth of experience and wide-ranging knowledge gained through her involvement in local administration. Therefore, it is the Bank's judgment that she is suitable for the position of Outside Director of the Bank and capable of appropriately fulfilling her duties as an Outside Director of the Bank.
10. If election of candidates for Outside Director Mr. Masahiro Sugita and Mr. Ken Nakamura is approved as proposed, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank plans to continue with the liability limitation agreements that have been concluded with Mr. Masahiro Sugita and Mr. Ken Nakamura, which limit their liability as Outside Directors of the Bank for damages arising from neglect of their duties to the minimum liability amount stipulated by laws and regulations.
    If election of candidate for Outside Director Ms. Emiko Okuyama is approved as proposed, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank plans to conclude a liability limitation agreement, which limits her liability as Outside Director of the Bank for damages arising from neglect of her duties to the minimum liability amount stipulated by laws and regulations.

Proposal No. 3: Revision to Limit of Compensation for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

Regarding the limit of compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same applies within this Proposal) of the Bank, it was approved at the Annual General Meeting of Stockholders held on June 29, 2017 to set the maximum amount of compensation for Directors at 270 million yen per year as "base compensation" (including 15 million yen for Outside Directors) and 90 million yen per year as "performance-linked monetary compensation."

For the purpose of further strengthening corporate governance, the Bank plans to increase the number of Outside Directors. In order to accommodate the increase in the number of Outside Directors, it is proposed to revise the maximum amount of compensation for Outside Directors from 15 million yen to 20 million yen but leave the maximum amount of base compensation for Directors as is.

After the revision, the maximum amount of compensation for Directors will be 270 million yen per year as "base compensation" (including 20 million yen for Outside Directors) and 90 million yen per year as "performance-linked monetary compensation."

The "performance-linked monetary compensation" shall be linked to the level of net income.

Compensation for Outside Directors shall solely consist of "base compensation," and the base compensation and performance-linked monetary compensation for Directors concurrently serving as employees shall not include the employee portion of the salaries (bonuses).

The current number of Directors is fourteen (14) (including two (2) Outside Directors). If Proposal No. 2, "Election of Eleven (11) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)," is approved as originally proposed, the number of Directors will be eleven (11) (including three (3) Outside Directors).

The resolution of this Proposal shall take effect, provided that the election of Directors in Proposal No. 2 "Election of Eleven (11) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)" takes effect.

The Audit & Supervisory Committee examined this proposal but there were no specific findings about this proposal.