Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 8350
June 2, 2020

To our shareholders:

Takayuki Fujisawa
President
THE MICHINOKU BANK, LTD.
1-3-1, Katta, Aomori City, Aomori, Japan

Notice of the 48th Annual General Meeting of Shareholders

We are pleased to announce the 48th Annual General Meeting of Shareholders of THE MICHINOKU BANK, LTD. (the "Bank"), which will be held as indicated below.
When you exercise your voting rights in writing or through electronic means (via the Internet), please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights by 5:00 p.m. on Tuesday, June 23, 2020 (JST).
There are concerns about the spread of infections with the novel coronavirus (COVID-19). In order to prevent the spread of infections, the Bank requests that shareholders consider exercising their voting rights in writing (by postal mail) or via the Internet and refrain from attending on the day of the General Meeting of Shareholders. Shall there be any major change in the way the General Meeting of Shareholders will be run, shareholders will be informed via the Bank's website (URL: https://www.michinokubank.co.jp/).

1. Date and Time: Wednesday, June 24, 2020, at 10:00 a.m. (JST)
2. Venue: 8th floor Large Conference Room, THE MICHINOKU BANK, LTD. Head Office
1-3-1, Katta, Aomori City, Aomori, Japan
3. Purpose of the Meeting
Matters to be reported:
1. The Business Report and Non-consolidated Financial Statements for the 48th fiscal year (from April 1, 2019 to March 31, 2020)
2. The Consolidated Financial Statements for the 48th fiscal year (from April 1, 2019 to March 31, 2020) and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Committee

Matters to be resolved:
Proposal No. 1 Appropriation of Surplus
Proposal No. 2 Election of Five Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
Proposal No. 3 Election of Four Directors Who Are Audit & Supervisory Committee Members

Information on Exercise of Voting Rights

You may exercise your voting rights by the following three methods.
Attending the General Meeting of Shareholders
Please present the enclosed voting form at the reception desk upon your arrival. In addition, please bring this notice as reference materials for the proceedings.
Date and time: Wednesday, June 24, 2020, at 10:00 a.m.
Exercising voting rights in writing (by mail)
Please indicate your approval or disapproval of each proposal in the enclosed voting form and return the form to the Bank by postal mail so that your vote is received by the deadline.
Deadline: Tuesday, June 23, 2020, at 5:00 p.m. (JST)
Exercising voting rights via the Internet

Deadline: Tuesday, June 23, 2020, at 5:00 p.m. (JST)
<Handling of multiple exercises>
If you exercise your voting rights both in writing and via the Internet, the vote exercised via the Internet will be deemed valid. If you exercise your voting rights more than once via the Internet, only the last vote will be deemed valid.

Among the documents to be provided to this Notice, the items below are posted on the Bank's Internet website pursuant to laws and regulations, as well as Article 20 of the Articles of Incorporation; therefore, they are not included in this Notice. Therefore, the Non-consolidated Financial Statements and Consolidated Financial Statements included in the attached documents of this Notice were among the documents audited when the Financial Auditor and Audit & Supervisory Committee created the accounting audit report and audit report.

1) Notes to the Non-consolidated Financial Statements
2) Notes to the Consolidated Financial Statements

In case there are any required changes to the Reference Documents for General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements or Consolidated Financial Statements, these revisions will be posted on the Bank's website.

MICHINOKU BANK website: https://www.michinokubank.co.jp/

Reference Documents for General Meeting of Shareholders

Proposals and Reference Materials

Proposal No. 1 Appropriation of Surplus

The Bank proposes to appropriate surplus as follows:
Year-end dividends
The Bank has given consideration to the continuation of stable dividends payments and the business performance of the fiscal year, and it proposes to pay year-end dividends for the fiscal year as follows:

(1) Type of dividend property
To be paid in cash.
(2) Allotment of dividend property, and the aggregate amount thereof
The Bank proposes to pay a dividend of ¥20 per common share and ¥27.15 per Class A preferred share.
In this event, the total dividends will be ¥468,495,380.
(Common shares: ¥359,895,380; Class A preferred shares: ¥108,600,000)
Accordingly, the dividend for the fiscal year will be ¥20 per common share, and will be ¥54.30 per share of Class A preferred share, which includes the interim dividend.
(3) Effective date of dividends of surplus
The effective date of dividends will be Thursday, June 25, 2020.

Proposal No. 2 Election of Five Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office for all five Directors (excluding Directors who are Audit & Supervisory Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this annual general meeting of shareholders. Therefore, the Bank proposes the election of five Directors.

Each candidate for Director is highly versed in bank operations and can utilize his or her knowledge and experience to precisely, fairly, and effectively execute the management of the Bank. The Bank chose the candidates because each one can be expected to strengthen the supervisory and decision-making functions of the Board of Directors.

Furthermore, the Audit & Supervisory Committee has determined that the candidates for Director have been selected through a fair process based on the policies for selection of Directors at the Meeting for Nomination and Remuneration (a majority of the members of this meeting are made up of outside experts and outside Directors). To ensure the effectiveness of the Board of Directors, each candidate's experience and ability have been carefully examined before determining that each candidate is appropriate for the position of Director of the Bank. The Audit & Supervisory Committee has also determined that the design of remuneration system and the calculation of remuneration amount for Directors are being conducted appropriately.

The candidates for Director are as follows:

Candidate No.	Name		Position and responsibility in the Bank
1	Kunihiro Takada	Reelection	Chairman
2	Takayuki Fujisawa	Reelection	President
3	Tsutomu Inaniwa	New election	Senior Executive Officer (Credit Division, Treasury and Securities Division)
4	Yumiko Kamada	Reelection Outside Independent officer	Outside Director
5	Kazunari Higuchi	New election Outside Independent officer	-

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank		Type and number of Bank's shares owned
1	Kunihiro Takada (May 18, 1957) Reelection	Apr. 1981	Joined the Bank	Common shares 2,739 shares
		Apr. 1999	General Manager of Koyanagi Branch Office	
		June 2002	General Manager of Katada Branch Office	
		Dec. 2005	General Manager of Management Planning Division	
		Mar. 2006	Executive Officer and General Manager of Management Planning Division	
		June 2006	Director, Executive Officer, and General Manager of Management Planning Division	
		Apr. 2007	Director and Executive Officer	
		Mar. 2008	Director and Managing Executive Officer	
		June 2012	Vice-president	
		June 2013	President	
		June 2018	Chairman (current position)	
	Reasons for nomination as candidate for Director Kunihiro Takada had served as President since 2013 and has served as Chairman since 2018, and has properly fulfilled his responsibility and duties. He has thorough knowledge about the overall operations, along with his involvement in management planning, systems, and audit. He has the ability to execute management properly, fairly, and efficiently. The Bank has nominated him as a candidate for Director because the Bank expects that the decision-making and supervisory functions of the Board of Directors will be further enhanced with the aim of achieving sustainable growth and the enhancement of the corporate value of the Bank.			
2	Takayuki Fujisawa (August 26, 1966) Reelection	Apr. 1990	Joined the Bank	Common shares 2,000 shares
		Oct. 2006	Deputy Manager of Management Planning Division	
		Apr. 2007	General Manager of Management Planning Division	
		Apr. 2010	General Manager of Furukawa Branch Office	
		Apr. 2012	General Manager of Personnel Division	
		Apr. 2015	Executive Officer, General Manager of Sales Headquarters, and General Manager of Sales Strategy Division	
		June 2016	Managing Executive Officer, General Manager of Sales Headquarters, and General Manager of Sales Strategy Division	
		Apr. 2017	Senior Executive Officer, General Manager of Sales Headquarters	
		June 2018	President (current position)	
	Reasons for nomination as candidate for Director Takayuki Fujisawa has demonstrated strong leadership as President since 2018 and properly fulfilled his responsibility and duties. He has thorough knowledge about the overall operations, along with his involvement in corporate planning, personnel, and sales promotion. He has the ability to execute management properly, fairly, and efficiently. The Bank has nominated him as a candidate for Director because the Bank expects that the decision-making and supervisory functions of the Board of Directors will be further enhanced with the aim of achieving sustainable growth and the enhancement of the corporate value of the Bank.			

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank</th><th>Type and number of Bank's shares owned</th></tr>
<tr><td rowspan="2">3</td><td>Tsutomu Inaniwa
(April 10, 1961)

New election</td><td>Apr. 1985 Joined the Bank
June 2004 General Manager of Tonyamachi Branch Office
Dec. 2005 General Manager of Credit Management Division
Mar. 2006 Executive Officer and General Manager of Credit Division
Mar. 2007 Executive Officer and General Manager, Head Office
Apr. 2010 Managing Executive Officer
June 2010 Director and Managing Executive Officer
Apr. 2015 Director, Managing Executive Officer, and General Manager of Personnel Division
Apr. 2016 Director and Managing Executive Officer
June 2016 Managing Executive Officer
June 2017 Senior Executive Officer (current position)
[Areas of responsibility in the Bank]
Credit Division, Treasury and Securities Division</td><td>Common shares
800 shares</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for Director
Tsutomu Inaniwa has served as Senior Executive Officer since 2017 and properly fulfilled his responsibility and duties. He has thorough knowledge about the overall operations, along with his involvement in management planning, corporate management, personnel and general affairs, credit, and sales promotion as well as serving as General Manager of Branch Office. He has the ability to execute management properly, fairly, and efficiently. The Bank has nominated him as a candidate for Director because the Bank expects that the decision-making and supervisory functions of the Board of Directors will be further enhanced with the aim of achieving sustainable growth and the enhancement of the corporate value of the Bank.</td></tr>
<tr><td rowspan="2">4</td><td>Yumiko Kamada
(February 23, 1966)

Reelection
Outside
Independent officer</td><td>Apr. 1989 Joined East Japan Railway Company
June 2005 President and CEO of JR East Station Retailing Co., Ltd.
Nov. 2008 General Manager of Life-style Business Development Headquarters of East Japan Railway Company (Regional Revitalization, Childcare Services)
May 2013 Deputy Director of Frontier Service Development Laboratory, Research and Development Center
Jan. 2015 Retired from East Japan Railway Company
Feb. 2015 Senior Executive Officer of Calbee, Inc.
Feb. 2015 Part-time Director of LUMINE Co., LTD. (current position)
Mar. 2015 Outside Director of POLA ORBIS HOLDINGS INC.
June 2015 Outside Director of the Bank (current position)
Dec. 2018 Representative Director of ONE GLOCAL Co., Ltd. (current position)
[Significant concurrent positions outside the Bank]
Representative Director of ONE GLOCAL Co., Ltd.
Part-time Director of LUMINE Co., LTD.</td><td>-</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for outside Director
Yumiko Kamada has served as Outside Director of the Bank since 2015 and properly fulfilled her responsibility and duties. She has been involved in the development of new businesses of companies in other industries while engaging in the customer service field, etc., and has a wealth of experience and broad knowledge, and has provided advice and suggestions to the Bank's management from an independent and objective standpoint. The Bank has nominated her as a candidate for outside Director because the Bank expects that she will further strengthen corporate governance and services, as well as accelerate to enhance the effectiveness of the Board of Directors' decision-making and supervisory functions with the aim of achieving sustainable growth and the enhancement of the corporate value of the Bank.</td></tr>
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Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank	Type and number of Bank's shares owned
5	Kazunari Higuchi (January 3, 1957) New election Outside Independent officer	Apr. 1980 Joined the Fuji Bank, Limited (current Mizuho Bank, Ltd.) Mar. 2006 General Manager, Kabutocho Corporate Banking and Securities Business Division of Mizuho Corporate Bank, Ltd. (current Mizuho Bank, Ltd. Apr. 2008 General Manager, Settlement & Clearing Services Division Apr. 2009 Executive Officer, General Manager, Internal Audit Division Mar. 2010 Retired from Mizuho Corporate Bank, Ltd. Apr. 2010 Advisor of Mizuho Research Institute, Ltd. May 2010 Managing Executive Officer Apr. 2011 Retired from Managing Executive Officer May 2011 President and CEO of UC CARD Co., Ltd. May 2011 Director of Qubitous Co., Ltd. (current Credit Saison Co., Ltd.) Apr. 2016 Advisor of UC CARD Co., Ltd. Apr. 2016 Retired from Director of Qubitous Co., Ltd. (current Credit Saison Co., Ltd.) June 2016 Retired from Advisor of UC CARD Co., Ltd. June 2016 Audit & Supervisory Board Member (full time) of Taiyo Nippon Sanso Corporation June 2020 Scheduled to retire as Audit & Supervisory Board Member (full time) of Taiyo Nippon Sanso Corporation June 2020 Scheduled to assume the position of Director of KUREHA CORPORATION [Significant concurrent positions outside the Bank] Scheduled to assume the position of Director of KUREHA CORPORATION	-
	Reasons for nomination as candidate for outside Director Kazunari Higuchi has financial business experience at major banks and served as President and CEO of a major credit card company until 2016. The Bank has nominated him as a candidate for outside Director because the Bank expects that he will utilize his wealth of experience and broad insight to provide advice and suggestions to the Bank's management from an independent and objective standpoint, and further strengthen corporate governance and services, as well as accelerate to enhance the effectiveness of the Board of Directors' decision-making and supervisory functions with the aim of achieving sustainable growth and the enhancement of the corporate value of the Bank.		

Notes:
1. There is no special interest between the candidates for Director and the Bank.
2. Yumiko Kamada and Kazunari Higuchi are candidates for outside Director.
3. Yumiko Kamada is currently outside Director of the Bank. At the conclusion of this general meeting, her tenure will have been five years.
4. Limited liability agreements with candidates for Director
   The Bank has signed an agreement with the candidate for outside Director Yumiko Kamada to limit her damage liabilities to the Bank. A summary of the details of the agreement are as follows:
   - In cases where outside Directors are liable for any damages arising from his or her negligence to the Bank, they shall compensate for such damages only to the total of the amounts stipulated in each item of Article 425, paragraph 1 of the Companies Act.
   - The limitation of the liability above shall apply only when the outside Director acted in good faith and without gross negligence in performing the duties giving rise to said liabilities.

   This agreement will continue to be in effect when the reelection of Yumiko Kamada is approved. If the election of Kazunari Higuchi is approved, the Bank will enter into a limited liability agreement under the same terms and conditions with him.

5. Candidates for outside Director Yumiko Kamada and Kazunari Higuchi are free of any conflicts of interest with shareholders and thus fulfill the requirements for independent officers as defined by the Tokyo Stock Exchange. If their elections are approved, the Bank plans to designate Yumiko Kamada as an independent officer once again and designate Kazunari Higuchi as a new independent officer.

Proposal No. 3 Election of Four Directors Who Are Audit & Supervisory Committee Members

The terms of office of all four Directors who are Audit & Supervisory Committee Members will expire at the conclusion of this annual general meeting of shareholders.
Therefore, the Bank proposes the election of four Directors who are Audit & Supervisory Committee Members.
In addition, the consent of the Audit & Supervisory Committee has been obtained for this proposal.
The Candidates for Director who is an Audit & Supervisory Committee Member are as follows:

Candidate No.	Name		Position and responsibility in the Bank
1	Kazuhiko Odanaka	Reelection	Director and Full-time Audit & Supervisory Committee Member
2	Seiichi Tsurumi	Reelection Outside Independent officer	Outside Director and Full-time Audit & Supervisory Committee Member
3	Toshihiro Nishiya	Reelection Outside Independent officer	Outside Director and Audit & Supervisory Committee Member
4	Tetsutaro Wakatsuki	New election Outside Independent officer	Outside Director

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank</th><th>Type and number of Bank's shares owned</th></tr>
<tr><td rowspan="2">1</td><td>Kazuhiko Odanaka
(February 25, 1959)

Reelection</td><td>Apr. 1981
June 2005
July 2007

Apr. 2009

Apr. 2012
Apr. 2013

Apr. 2015
June 2015
June 2016</td><td>Joined the Bank
General Manager of International Division
General Manager of Treasury Administration and International Division
General Manager of Tokyo Branch Office and Head of Tokyo Office, Management Planning Division
Head of Secretariat Department
Executive Officer and General Manager of Aomori Branch Office
Advisor
Full-time Audit & Supervisory Board Member
Director and Full-time Audit & Supervisory Committee Member (current position)</td><td>Common shares
5,739 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for Audit & Supervisory Committee Member
Kazuhiko Odanaka has served as a Director and Full-time Audit & Supervisory Committee Member since 2016 and properly fulfilled his duties and responsibilities. He has thorough knowledge in the Bank's operations, possessing an extensive financial business experience, while having served as General Manager for principal branch offices of the Bank and worked in the international operation-related division in the Head Office. The Bank has nominated him as a candidate for Audit & Supervisory Committee Member because the Bank expects that he will be able to maintain and improve the transparency and soundness of the management of the Bank, further strengthen its corporate governance, and accelerate to enhance the decision-making and supervisory functions of the Board of Directors.</td></tr>
<tr><td rowspan="2">2</td><td>Seiichi Tsurumi
(March 20, 1962)

Reelection
Outside
Independent officer</td><td>Apr. 1984
May 1997
July 1997
Mar. 2001
July 2002

Dec. 2003

July 2004

May 2007
June 2010

Feb. 2011

Apr. 2014

May 2016
June 2018</td><td>Joined the Bank of Japan
Investigator of Marketing Department
Investigator of Personnel Department
Investigator of Investigation Department
Head of Investigation Division, Investigation Department
Head of Public Relation Division, Secretariat of the Policy Board
Associate Director-General of Secretariat of the Policy Board
General Manager of Aomori Branch
Associate Director-General of Research and Statistics Department
Deputy Director-General of Secretariat of the Policy Board
Deputy Director-General of Personnel and Corporate Affairs Department
Head of Public Relations Department
Outside Director and Full-time Audit & Supervisory Committee Member of the Bank (current position)</td><td>Common shares
200 shares</td></tr>
<tr><td colspan="4">Reasons for nomination as candidate for outside Audit & Supervisory Committee Member
Seiichi Tsurumi has served as an outside Director and Full-time Audit & Supervisory Committee Member since 2018 and properly fulfilled his duties and responsibilities. He has a wealth of financial business experience through his service in key departments of the Bank of Japan, such as the Public Relations Department and Investigation Department, as well as serving as the General Manager of the branch. He has provided advice and suggestions to the Bank's management from an independent and objective standpoint. The Bank has nominated him as a candidate for Audit & Supervisory Committee Member (outside) because the Bank expects that he will be able to maintain and improve the transparency and soundness of the management of the Bank, further strengthen its corporate governance, and accelerate to enhance the decision-making and supervisory functions of the Board of Directors.</td></tr>
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<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)</th><th>Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank</th><th>Type and number of Bank's shares owned</th></tr>
<tr><td rowspan="2">3</td><td>Toshihiro Nishiya
(October 18, 1968)

Reelection
Outside
Independent officer</td><td>Oct. 1997 Joined Deloitte Touche Tohmatsu LLC
June 1999 Joined the Japan Bank for International Cooperation
Nov. 2001 Opened Toshihiro Nishiya CPA Office
Nov. 2001 Joined Nishiya Computer Accounting Firm Ltd.
Apr. 2002 Opened Toshihiro Nishiya Tax Accounting Firm
Mar. 2006 Director of Nishiya Computer Accounting Firm Ltd.
July 2012 Representative Director (current position)
June 2016 Outside Director and Audit & Supervisory Committee Member of the Bank (current position)
[Significant concurrent positions outside the Bank]
Representative Director of Nishiya Computer Accounting Firm Ltd.</td><td>-</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for outside Audit & Supervisory Committee Member
Toshihiro Nishiya has served as an outside Director and Audit & Supervisory Committee Member since 2016 and properly fulfilled his duties and responsibilities. He has a wealth of professional experience and extensive knowledge as a certified public accountant, particularly in the field of corporate management such as management support, and has provided advice and suggestions to the Bank's management from an independent and objective standpoint. The Bank has nominated him as a candidate for Audit & Supervisory Committee Member (outside) because the Bank expects that he will be able to maintain and improve the transparency and soundness of the management of the Bank, further strengthen its corporate governance, and accelerate to enhance the decision-making and supervisory functions of the Board of Directors.</td></tr>
<tr><td rowspan="2">4</td><td>Tetsutaro Wakatsuki
(October 22, 1974)

New election
Outside
Independent officer</td><td>Apr. 2000 Registered as an attorney-at-law (Tokyo Bar Association)
Apr. 2000 Joined Mori Sogo (current Mori Hamada & Matsumoto)
Apr. 2004 Representative Partner of MURATA & WAKATSUKI LAW OFFICES (current position)
Apr. 2008 Part-time Lecturer of Graduate School of Law, Hosei University
Apr. 2010 Part-time Professor of Graduate School of Law, Hosei University
Dec. 2012 Outside Auditor of DO HOUSE Inc.
Mar. 2014 Outside Auditor of TPC Co., Ltd. (current position)
June 2014 Outside Auditor of SBI Life Living Inc.
Mar. 2015 Outside Audit & Supervisory Board Member of Otsuka Corporation
June 2015 Outside Auditor of SBI MONEY PLAZA Co., Ltd.
June 2019 Outside Director of the Bank (current position)
[Significant concurrent positions outside the Bank]
Representative Partner of MURATA & WAKATSUKI LAW OFFICES</td><td>-</td></tr>
<tr><td colspan="3">Reasons for nomination as candidate for outside Audit & Supervisory Committee Member
Tetsutaro Wakatsuki has served as an outside Audit & Supervisory Committee Member since 2019 and properly fulfilled his duties and responsibilities. He has a wealth of practical business experience focused on corporate legal affairs while possessing cutting-edge legal knowledge as an attorney at law and IT knowledge, and has provided advice and suggestions to the Bank's management from an independent and objective standpoint. The Bank has nominated him as a candidate for Audit & Supervisory Committee Member (outside) because the Bank expects that he will be able to maintain and improve the transparency and soundness of the management of the Bank, further strengthen its corporate governance, and accelerate to enhance the decision-making and supervisory functions of the Board of Directors.</td></tr>
</table>

Notes: 1. There is no special interest between the candidates for Audit & Supervisory Committee Member and the Bank.

2. Seiichi Tsurumi, Toshihiro Nishiya and Tetsutaro Wakatsuki are candidates for outside Audit & Supervisory Committee Member.
3. Seiichi Tsurumi and Toshihiro Nishiya are currently outside Audit & Supervisory Committee Member of the Bank. At the conclusion of this general meeting, Seiichi Tsurumi and Toshihiro Nishiya's tenure as outside Audit & Supervisory Committee Member will have been two years and four years, respectively. Tetsutaro Wakatsuki is currently an Outside Director of the Bank, and at the conclusion of this meeting, his tenure as Outside Director will have been one year.
4. Limited liability agreements with candidates for Audit & Supervisory Committee Member
   The Bank has signed an agreement with the candidate for Audit & Supervisory Committee Member Kazuhiko Odanaka and the candidates for outside Audit & Supervisory Committee Member Seiichi Tsurumi, Toshihiro Nishiya and Tetsutaro Wakatsuki to limit their damage liabilities to the Bank. A summary of the details of the agreement are as follows:
   - In cases where Directors who are Audit & Supervisory Committee Members are liable for any damages arising from his or her negligence to the Bank, they shall compensate for such damages only to the total of the amounts stipulated in each item of Article 425, paragraph 1 of the Companies Act.
   - The limitation of the liability above shall apply only when the Directors who are Audit & Supervisory Committee Members acted in good faith and without gross negligence in performing the duties giving rise to said liabilities.

   This agreement will continue to be in effect when the reelection of Kazuhiko Odanaka, Seiichi Tsurumi, Toshihiro Nishiya and Tetsutaro Wakatsuki is approved.
5. Candidates for outside Audit & Supervisory Committee Member Seiichi Tsurumi, Toshihiro Nishiya and Tetsutaro Wakatsuki are free of any conflicts of interest with shareholders and thus fulfill the requirements for independent officers as defined by the Tokyo Stock Exchange. If their elections are approved, the Bank plans to once again designate them as independent officers.

(Ref) Criteria for determining independence of outside Directors

Independent officers must, in principle, currently satisfy or have recently satisfied the following independence criteria in addition to the requirements prescribed by the Financial Services Agency:

(1) The independent officer is not a person for whom the Bank is a major trading partner nor an executing member of a company for which the Bank is a major trading partner.
(2) The independent officer is not a person who is a major trading partner of the Bank nor an executing member of a company which is a major trading partner of the Bank.
(3) The independent officer is not a consultant, accounting specialist, or legal specialist who is paid a substantial amount or other property from the Bank apart from the director's remuneration.
(4) The independent officer is not a major shareholder of the Bank nor an executing member of a company which is a major shareholder of the Bank.
(5) The independent officer is not a person who is receiving more than a certain amount of donation or subsidy, nor an executing member of a company which is receiving more than a certain amount of donation or subsidy.
(6) The independent officer is not a second-degree relative of the following (except those who are not in a significant position).
    A. A person who is applicable to one of above (1) to (5).
    B. A person who is a Director, Audit & Supervisory Board Member, Executive Officer, or an important employee of the Bank or its subsidiaries.

(Definition of terms)
- "recently" - Within one year from the date when the proposal for the annual general meeting of shareholders to select the person as an outside Director or outside Audit & Supervisory Board Member is determined.
- "major trading partner" - An entity that received payment accounting for 2% or more of the amount equivalent to its consolidated net sales for the latest fiscal year (annual consolidated ordinary profit for the Bank's case).
- "a substantial amount or other property" - The average over the past three years is ¥10 million or more.
- "major shareholder" - A shareholder with at least 10% of the voting rights.
- "more than a certain amount of donation or subsidy" - The average over the past three years is ¥10 million or 30% of the given party's annual costs, whichever is greater.
- "not in a significant position" - A person with a "significant" position is a Director of a company, General Manager of a division, or equivalent.