These documents are partial translations of the Japanese originals for reference purposes only.
In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damage arising from the translations.

(Securities Code: 8714)
June 1, 2022

To Shareholders with Voting Rights:

Atsushi Ukawa
Representative Director, President and CEO
Senshu Ikeda Holdings, Inc.
18-14, Chayamachi, Kita-ku,
Osaka, Japan

NOTICE OF CONVOCATION OF THE 13TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially notified of the 13th Annual General Meeting of Shareholders of Senshu Ikeda Holdings, Inc. (the "Company"). The meeting will be held for the purposes described below.

If you do not attend the meeting, you may still exercise your voting rights in writing or electronically (on the Internet). Please review the Reference Documents for the General Meeting of Shareholders described hereinafter, then follow the methods described on pages 3 to 5 to exercise your voting rights by 5:40 p.m., on Monday, June 27, 2022, Japan time.

The Annual General Meeting of Shareholders will be broadcast live via the Internet.
For details, please refer to page 6 to 7.
Viewing the live webcast over the Internet is not deemed attendance of the General Meeting of Shareholders under the Companies Act. Accordingly, if you participate in the meeting via the Internet, you will not be able to ask questions, exercise your voting rights, or propose a motion, which is permitted to the shareholders attending the General Meetings of Shareholders. Please exercise your voting rights by mailing the Voting Rights Exercise Form or via the Internet as shown in the separate guide in consideration of the exercise deadline.

1. **Date and Time:** Tuesday, June 28, 2022, at 10:00 a.m. Japan time

2. **Place:** 10F, Conference Room, Osaka International Convention Center ("Grand Cube Osaka"), 5-3-51, Nakanoshima, Kita-ku, Osaka, Japan
Depending on the status of the spread of the novel coronavirus infection, we might have to change the venue and/or the start time. In that case, the detail of the changes will be posted on the Company's website (https://www.senshuikeda-hd.co.jp/). Please check the website.

3. **Meeting Agenda:**

Matters to be reported:

1. The Business Report and Consolidated Financial Statements for the Company's 13th Fiscal Year (from April 1, 2021, to March 31, 2022) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

2. Non-consolidated Financial Statements for the Company's 13th Fiscal Year (from April 1, 2021, to March 31, 2022)

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Partial Amendments to the Articles of Incorporation
Proposal No. 3: Election of Nine (9) Directors
Proposal No. 4: Election of One (1) Substitute Audit & Supervisory Board Member
Proposal No. 5: Reduction in the Amount of Legal Capital Surplus (Transfer of Legal Capital Surplus to Other Capital Surplus)

End

Guide to the Exercise of Voting Rights

Exercise of Voting Rights via the Internet, etc.	Exercise of Voting Rights in Writing	Exercise of Voting Rights by Attending the Meeting
You are kindly requested to access the Exercise of Voting Rights Website (https://evote.tr.mufg.jp/) and follow the on-screen instructions to indicate your approval or disapproval of each proposal.	You are kindly requested to mark and return the enclosed Voting Rights Exercise Form with your vote of approval or disapproval of each proposal via mail by no later than the deadline below.	In order to prevent the spread of novel coronavirus infection, we kindly ask you to consider refraining from attending the meeting in person, regardless of your health condition. You may exercise your voting rights by attending the meeting, in writing, or via the Internet. Please be kindly requested to take advantage of the latter two methods.
Deadline for exercise: Until 5:40 p.m. Monday, June 27, 2022	Deadline for exercise: Arrival until 5:40 p.m. Monday, June 27, 2022	When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk on the day of the meeting.

※ The Voting Rights Exercise Form that the Company will receive on the day of the meeting is for identity verification (It is not intended to receive the details of your vote).

※ If you exercise your voting rights using the Voting Rights Exercise Form, please return it no later than 5:40 p.m. Monday, June 27, 2022.

To institutional investors:
If you have applied in advance to use the "Electronic Voting Platform," which is operated by ICJ Inc., you can exercise your voting rights on the Platform.

◎ Among the documents needed to be attached to this notice of convocation, the following matters are, in accordance with laws and regulations as well as Article 23 of the Articles of Incorporation of the Company, posted on the Company's website (https://www.senshuikeda-hd.co.jp/) and are therefore not included in this document.

1. Business Report
   (1) Matters concerning stock subscription rights, etc. of the Company
   (2) Basic policy regarding the party who controls decisions on the Company's financial and business policies
   (3) Structure to ensure the adequacy of business operation and its management status
   (4) Matters concerning specified wholly owned subsidiaries
   (5) Matters concerning transactions with the parent, etc.
   (6) Other
2. Financial Statements, etc.
   (1) Notes to the Non-consolidated Financial Statements
   (2) Non-consolidated Statements of Changes in Net Assets
   (3) Notes to the Consolidated Financial Statements
   (4) Consolidated Statements of Changes in Net Assets

The Attached Documents are part of the Non-consolidated Financial Statements and the Consolidated Financial Statements, which have been audited by the Accounting Auditor in preparing the Accounting Audit Report, and part of the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements, which have been audited by the Audit & Supervisory Board Members in preparing the Audit Report.

◎ In the event that any revisions to the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements and/or the Reference Documents for the General Meeting of Shareholders are required, revised items will be posted on the Company's website presented above.

About Senshu Ikeda Holdings Mini Disclosure Report (SIHD REPORT)

To deliver a more substantial report promptly, the Company binds together this notice of convocation and mini disclosure report to send to the shareholders and post on the Company's website (https://www.senshuikeda-hd.co.jp/ir/kabunushisoukai.html).

Procedures for the Exercise of Voting Rights via the Internet

When exercising your voting rights via the Internet, please access the Exercise of Voting Rights Website designated by the Company (https://evote.tr.mufg.jp/) from your smartphone or computer, etc., and follow the on-screen instructions to exercise your voting rights.

◎ If you have exercised your voting rights both by mail and via the Internet, the vote exercised via the Internet will be taken as valid.
◎ If you have exercised your voting rights multiple times via the Internet, the final vote will be taken as valid. If you have exercised your voting rights on the website for computers and smartphones redundantly, the final vote cast will be taken as valid.

Deadline for the Exercise of Voting Rights	Until 5:40 p.m., Monday, June 27, 2022 *Please note that the voting service becomes unavailable daily from 2:00 a.m. to 5:00 a.m.

Method by scanning the QR Code

Using a smartphone (including a tablet computer)
You can log in by scanning the "Login QR Code" without entering the "Login ID" and the "Temporary Password."
*You can exercise your voting rights by the following method only once.

1) Scan the QR Code	2) Choose the method to exercise your voting rights	3) Choose "Approve" or "Disapprove" for each proposal
Please scan the "Login QR Code" provided on the stub of the enclosed Voting Rights Exercise Form (the right side) with your smartphone.	Please choose the method to exercise your voting rights on the screen for choosing the method to approve or disapprove the proposals.	Please follow the on-screen instructions to choose "Approve" or "Disapprove" for each proposal. Follow the on-screen instructions and you will complete your exercise.

QR Code is a registered trademark of DENSO WAVE INCORPORATED.

For inquiries about the system or other matters, contact:	Securities Business Division (Help Desk) Mitsubishi UFJ Trust and Banking Corporation Phone: 0120-173-027 (Toll Free) (Available from 9 a.m. to 9 p.m.)

Your exercise of voting rights will contribute to medical support for COVID-19 countermeasures.
The Company will donate the mailing costs reduced by exercising voting rights via the Internet, etc. to emergency support for COVID-19.

Mailing costs reduced by exercising voting rights via the Internet, etc. will be donated to medical support for taking measures against the novel coronavirus (COVID-19). The Shareholders' exercise of voting rights will contribute to society. Please take advantage of exercising your voting rights via the Internet.

Donate to:
International Medical Volunteers
Specified Nonprofit Organization Japan Heart
"Emergency Support for COVID-19"

Information on the Internet Livestream of the General Meeting of Shareholders

The Company will livestream the General Meeting of Shareholders on the "Engagement Portal," an exclusive website for shareholders so that you will be able to view the Meeting from home or any other location of your convenience. We hope that you will find it helpful.

Livestream date and time:
Tuesday, June 28, 2022 from 10 a.m. until the conclusion of the General Meeting of Shareholders

※ The livestream website will be accessible from around 9:30 a.m. on the day of the Meeting, 30 minutes before the start.

How to log in to the exclusive website for shareholders "Engagement Portal"

Please scan the Login QR code with your smartphone, etc. or access the following website to enter your Login ID and Password. If you use your smartphone, etc., you can log in by scanning the QR code provided on the reverse side of the enclosed Voting Rights Exercise Form without entering your "Login ID" and "Password."

1) Enter your Login ID and Password provided on the reverse side of the enclosed Voting Rights Exercise Form
2) Confirm the terms and conditions and check the "Agree with Terms and Conditions" check box
3) Click the "Login" button

URL of the online site for the General Meeting of Shareholders:
https://engagement-portal.tr.mufg.jp/

Information on the Internet Livestream of the General Meeting of Shareholders

Information on the livestream

The Company will livestream the General Meeting of Shareholders so that you will be able to view the meeting. In consideration of the privacy of the attending shareholders, the video of the meeting will only show the vicinity of the Chairperson and Officers' seats. However, please note that there may be cases in which shareholders in attendance are unavoidably reflected on the screen.

Livestream date and time:

Tuesday, June 28, 2022 from 10 a.m. until the conclusion of the General Meeting of Shareholders

※ The livestream website will be accessible from around 9:30 a.m. on the day of the Meeting, 30 minutes before the start.

※ Please note that the Internet livestreaming may not be possible in the event of a natural disaster or other emergency.

Important Notes:

- Under the Company's Act, viewing a livestream via the Internet is not deemed as attendance at the General Meeting of Shareholders. Accordingly, when participating in the Meeting via the Internet, you will not be able to ask questions, exercise your voting rights, or propose motions, which is permitted to the shareholders at a General Meeting of Shareholders. When exercising your voting rights, please make note of the deadline and mail your Voting Rights Exercise Form, vote via the Internet as shown in the separate guide, or attend the Meeting by a proxy who has been granted the authority of representation via a power of attorney, etc.
- Only shareholders may participate in the General Meeting of Shareholders held via the Internet.
- It is strictly prohibited to capture, record, or save the live broadcast or publish it on any social network site, etc.
- Please note that there may be visual or audio malfunctions depending on your computer environment (model, performance, etc.) and your internet connection environment (line status, connection speed, etc.).
- Communication charges, etc. for viewing shall be borne by each shareholder.

For inquiries about the shareholder-dedicated website, contact:	Securities Business Division Mitsubishi UFJ Trust and Banking Corporation Phone: 0120-676-808 (Toll Free) (Available from 9 a.m. to 5 p.m. excluding Saturdays, Sundays and holidays. For the day of the General Meeting of Shareholders, available from 9 a.m. to the conclusion of the Meeting)
For inquiries about the livestream (viewing problem of the video player, etc.), contact:	J-Stream Inc. Phone: 0120-597-260 (Toll Free) (On the day of the General Meeting of Shareholders, available from 9:30 a.m. to the conclusion of the Meeting)

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

Matters concerning year-end dividends

(1) Type of dividend property
Cash

(2) Matters concerning the allotment of dividend property and the total amount
For each share of the First Series of Class 7 Preferred Shares, the Company proposes a dividend of 15 yen (thereby making the annual dividend including the interim dividend 30 yen per share), pursuant to the Articles of Incorporation.
For ordinary shares, the Company proposes a dividend of 6.25 yen per share (thereby making the annual dividend including the interim dividend 10 yen per share).
The total amount of dividends in this case will be 2,126,826,407 yen.

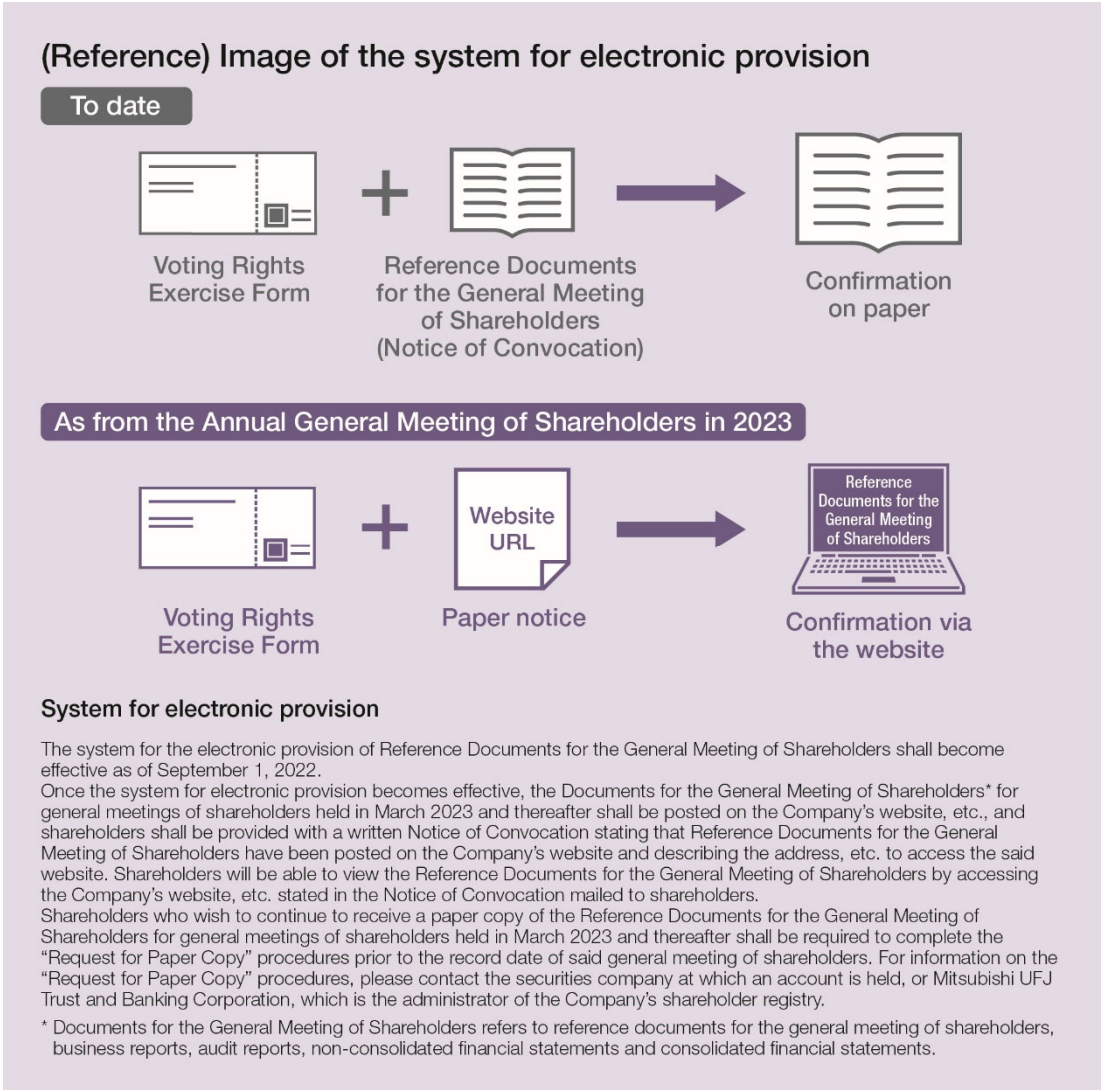
(3) Effective date of distribution of surplus
June 29, 2022

As its policy to return profits to shareholders, the Company targets a shareholder return ratio of 30% or more. In addition, profit attributable to owners of the parent for the fiscal year under review includes interests of 1.3 billion yen, which was additionally remunerated ("special remuneration") under the "Special Deposit Facility to Enhance the Resilience of the Regional Financial System" set forth by the Bank of Japan. Based on the purpose of this facility, the Company has deemed it inappropriate to include the special remuneration in the appropriation of surplus. Accordingly, the dividends of surplus have been set to be an amount in line with a shareholder return ratio of 30%, as against profits after deducting the special remuneration.

Proposal No. 2: Partial Amendments to the Articles of Incorporation

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) shall become effective as of September 1, 2022. Accordingly, in order to prepare for the system for electronic provision of reference documents for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

(1) The proposed amendment to Article 23, Paragraph 1 stipulates that information contained in the Reference Documents for the General Meeting of Shareholders, etc. shall be provided electronically.
(2) The proposed amendment to Article 23, Paragraph 2 establishes provisions to limit the scope of matters to be stated in a paper copy to be provided to shareholders who have requested it.
(3) The stipulations regarding Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 23 of the current Articles of Incorporation) shall no longer be required. Accordingly, these stipulations shall be deleted.
(4) In accordance with the aforementioned establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.



(Details of changes to the Articles of Incorporation)

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
Chapter 4 General Meeting of Shareholders (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)	Chapter 4 General Meeting of Shareholders (Measures for Electronic Provision, Etc.)
Article 23 The Company may, when convening a general meeting of shareholders, deem that it has provided its shareholders with information pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business reports, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.	Article 23 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically. 2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.
	Supplementary provisions 1. The deletion of Article 23 (Internet Disclosure and Deemed Provision of Reference Documents, Etc. for the General Meeting of Shareholders) of the current Articles of Incorporation and the establishment of the proposed Article 23 (Measures for Electronic Provision, Etc.) shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the "Effective Date"). 2. Notwithstanding the provisions of the preceding paragraph, Article 23 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date. 3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of

Current Articles of Incorporation	Proposed Amendments
	shareholders set forth in the preceding paragraph, whichever is later.

Proposal No. 3: Election of Nine (9) Directors

The terms of office of all nine (9) Directors: Atsushi Ukawa, Takayuki Ota, Yasuki Hosomi, Shinji Inoue, Toshiyuki Wada, Minoru Furukawa, Takao Koyama, Tomokazu Yamazawa and Atsuko Ogasawara will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the Company proposes to elect nine (9) Directors in total, including four (4) Outside Directors.

The candidates for Directors are as follows.

< Basic policy for nominating candidates for Directors >

In accordance with its management philosophy, the Company nominates candidates for Directors based on their potential to contribute to the Company's sustainable growth and enhancement of medium-to long-term corporate value.

While the Company is required to have a certain number of the Board members who are well versed in the Company's operations and its challenges, the diversity of expertise, experience and capability of the Board members must be secured in order to ensure its independence and objectivity. From this perspective, it is the Company's basic policy to nominate individuals with thorough knowledge of the Company's operations and challenges as candidates for management executives and other executive director positions, and individuals with a wide range of insights and background as candidates for Outside Directors.

< Procedures for nominating candidates for Directors >

The Company has established the Personnel Committee, and matters regarding the nomination of candidates for Directors are deliberated and finalized by the Board of Directors based on a result of the review by the said committee.

No.	Name		Current position within the Company	Attendance at the Board of Directors meetings
1	Atsushi Ukawa	(Reappointment)	Representative Director, President and CEO	100% (15/15)
2	Takayuki Ota	(Reappointment)	Representative Director and Chairman	100% (15/15)
3	Toshiyuki Wada	(Reappointment)	Director and Senior Managing Executive Officer	100% (15/15)
4	Hirohito Sakaguchi	(New Appointment)		
5	Osamu Tsukagoshi	(New Appointment)	Managing Executive Officer	
6	Minoru Furukawa	(Reappointment) (Outside Director)	Director (Outside Director)	100% (15/15)
7	Takao Koyama	(Reappointment) (Outside Director)	Director (Outside Director)	100% (15/15)
8	Tomokazu Yamazawa	(Reappointment) (Outside Director)	Director (Outside Director)	100% (15/15)
9	Atsuko Ogasawara	(Reappointment) (Outside Director)	Director (Outside Director)	100% (15/15)

No.	Reappointment/Male	Date of birth	July 19, 1956	Age	65
1	Atsushi Ukawa	Years as a Director	10 years		
		Class and number of the Company's shares held		Ordinary shares 45,000 shares	

Past experience (Positions, responsibilities, and significant concurrent positions)

Apr. 1980 Joined the Bank of Ikeda, Ltd. (currently The Senshu Ikeda Bank, Ltd.)
Aug. 2006 General Manager, Corporate Planning Division, the Bank of Ikeda, Ltd.
Nov. 2006 Executive Officer, the Bank of Ikeda, Ltd.
May 2010 Executive Officer, The Senshu Ikeda Bank, Ltd.
Jun. 2011 Director, The Senshu Ikeda Bank, Ltd.
Jun. 2012 Director, the Company
Jun. 2014 Managing Director, The Senshu Ikeda Bank, Ltd.
Jun. 2016 Director and Senior Managing Executive Officer, The Senshu Ikeda Bank, Ltd.
Jun. 2018 Representative Director, President and CEO, the Company (current position)
Jun. 2018 Representative Director, President and CEO, The Senshu Ikeda Bank, Ltd. (current position)
(Significant concurrent position)
Representative Director, President and CEO, The Senshu Ikeda Bank, Ltd.

< Reason for appointing Mr. Atsushi Ukawa as a candidate for Director >

Mr. Atsushi Ukawa assumed the position of a Director of The Senshu Ikeda Bank, Ltd., a Group company, after having served in the Corporate Planning, operation & system and several other departments. After assuming the position of Director of The Senshu Ikeda Bank, Ltd., he successively held the positions of General Manager of the Operation Management Division and the Corporate Planning Division, Director in charge of Regional Headquarters and Director in charge of the Loan, personnel affairs and several other departments. He is especially well versed in the Corporate Planning and operation & system departments. Accordingly, the Company believes that he has abundant knowledge and experience to ensure precise, fair and efficient execution of the overall business of the Group and sufficiently high social credibility as Representative Director.

No.	Reappointment/Male	Date of birth	January 29, 1958	Age	64
2	Takayuki Ota	Years as a Director	6 years		
		Class and number of the Company's shares held		Ordinary shares 43,580 shares	

Past experience (Positions, responsibilities, and significant concurrent positions)

Apr. 1981 Joined the Senshu Bank, Ltd. (currently The Senshu Ikeda Bank, Ltd.)
Jun. 2009 General Manager, Credit Analysis Division, The Senshu Bank, Ltd.
May 2010 Executive Officer, The Senshu Ikeda Bank, Ltd.
Jun. 2011 Administration Officer, General Manager, Credit Division I, The Senshu Ikeda Bank, Ltd.
Jun. 2013 Executive Officer, The Senshu Ikeda Bank, Ltd.
Jun. 2014 Managing Executive Officer, The Senshu Ikeda Bank, Ltd.
Jun. 2016 Director, the Company
Jun. 2016 Director and Senior Managing Executive Officer, The Senshu Ikeda Bank, Ltd.
Jun. 2018 Representative Director and Chairman, the Company (current position)
Jun. 2018 Representative Director and Chairman, The Senshu Ikeda Bank, Ltd. (current position)
(Significant concurrent position)
Representative Director and Chairman, The Senshu Ikeda Bank, Ltd.

< Reason for appointing Mr. Takayuki Ota as a candidate for Director >

Mr. Takayuki Ota successively held the positions of General Manager of divisions and headquarters mainly in the Loan and CS departments of The Senshu Ikeda Bank, Ltd., a Group company. He also has considerable achievements in administering branch management as Director in charge of Regional Headquarters. Accordingly, the Company believes that he has abundant knowledge and experience to ensure precise, fair and efficient execution of the overall business of the Group and sufficiently high social credibility as Representative Director.

No.	Reappointment/Male	Date of birth	October 8, 1963	Age	58
3	Toshiyuki Wada	Years as a Director	2 years		
		Class and number of the Company's shares held		Ordinary shares 24,700 shares	

Past experience (Positions, responsibilities, and significant concurrent positions)

Apr.	1986	Joined the Bank of Japan
May	2007	Associate Director-General, Personnel and Corporate Affairs Department, the Bank of Japan
Jul.	2010	General Manager, Matsumoto Branch, the Bank of Japan
Oct.	2012	Principal Examiner, Financial System and Bank Examination Department, the Bank of Japan
Jun.	2014	Deputy Director-General and Principal Examiner, Financial System and Bank Examination Department, the Bank of Japan
Apr.	2016	Director-General and Internal Auditor, Internal Auditors' Office, the Bank of Japan
Jun.	2017	Managing Executive Officer, The Senshu Ikeda Bank, Ltd.
May	2019	Executive Officer, the Company
Jun.	2020	Director, the Company
Jun.	2020	Director and Senior Managing Executive Officer, The Senshu Ikeda Bank, Ltd. (current position)
Jun.	2021	Director and Senior Managing Executive Officer, the Company (current position)
		(Significant concurrent position)
		Director and Senior Managing Executive Officer, The Senshu Ikeda Bank, Ltd.

< Reason for appointing Mr. Toshiyuki Wada as a candidate for Director >

Mr. Toshiyuki Wada has successively held key positions in the personnel department, the financial system department, etc., of the Bank of Japan. He assumed office as Officer secondarily in charge of the Loan department and Officer in charge of the personnel affairs and Corporate Planning departments of The Senshu Ikeda Bank, Ltd. in June 2017 and has properly fulfilled his duties and responsibilities. Accordingly, the Company believes that he has abundant knowledge and experience to ensure precise, fair and efficient execution of the overall business of the Group and sufficiently high social credibility.

No.	New Appointment/Male	Date of birth	October 26, 1964	Age	57
4	Hirohito Sakaguchi	Years as a Director	—		
		Class and number of the Company's shares held		Ordinary shares 23,940 shares	

Past experience (Positions, responsibilities, and significant concurrent positions)

Apr.	1988	Joined the Bank of Ikeda, Ltd. (currently The Senshu Ikeda Bank, Ltd.)
May	2016	General Manager, Honmachi Branch, The Senshu Ikeda Bank, Ltd.
Jun.	2016	Executive Officer, The Senshu Ikeda Bank, Ltd.
Jun.	2020	Managing Executive Officer, The Senshu Ikeda Bank, Ltd.
Jun.	2021	Director and Managing Executive Officer, The Senshu Ikeda Bank, Ltd. (current position)
		(Significant concurrent position)
		Director and Managing Executive Officer, The Senshu Ikeda Bank, Ltd.

< Reason for appointing Mr. Hirohito Sakaguchi as a candidate for Director >

Mr. Hirohito Sakaguchi has long experience in the Loan department of The Senshu Ikeda Bank, Ltd., a Group company, successively serving as General Manager of the Honmachi Branch, Officer in charge of Regional Headquarters, and Deputy General Manager of the CS department. After assuming the position of Director of The Senshu Ikeda Bank, Ltd., he has continued to make considerable achievements in serving as Officer in charge of the CS department. Accordingly, the Company believes that he has abundant knowledge and experience to ensure precise, fair and efficient execution of the overall business of the Group and sufficiently high social credibility.

No.	New Appointment/Male	Date of birth	December 27, 1964	Age	57
5	Osamu Tsukagoshi	Years as a Director	—		
		Class and number of the Company's shares held		Ordinary shares 19,800 shares	

Past experience (Positions, responsibilities, and significant concurrent positions)

Apr. 1988 Joined the Senshu Bank, Ltd. (currently The Senshu Ikeda Bank, Ltd.)
Jun. 2016 General Manager, Internal Audit Division, The Senshu Ikeda Bank, Ltd.
Jun. 2017 Executive Officer, The Senshu Ikeda Bank, Ltd.
May 2019 Executive Officer, the Company
Jun. 2021 Managing Executive Officer, the Company (current position)
Jun. 2021 Director and Managing Executive Officer, The Senshu Ikeda Bank, Ltd. (current position)
(Significant concurrent position)
Director and Managing Executive Officer, The Senshu Ikeda Bank, Ltd.

< Reason for appointing Mr. Osamu Tsukagoshi as a candidate for Director >
Mr. Osamu Tsukagoshi successively served as General Manager in the Loan, Internal Audit, and Corporate Planning departments of The Senshu Ikeda Bank, Ltd., a Group company. After assuming the position of Director of The Senshu Ikeda Bank, Ltd., he has continued to make considerable achievements in serving as Officer in charge of the personnel affairs department. Accordingly, the Company believes that he has abundant knowledge and experience to ensure precise, fair and efficient execution of the overall business of the Group and sufficiently high social credibility.

No.	Reappointment/Outside Director/Male	Date of birth	June 13, 1943	Age	78
6	Minoru Furukawa	Years as a Director	5 years		
		Class and number of the Company's shares held		Ordinary shares 25,000 shares	

Past experience (Positions, responsibilities, and significant concurrent positions)

Apr. 1966 Joined Hitachi Zosen Corporation
Jun. 1994 Chief Manager, Accounting Department, Hitachi Zosen Corporation
Apr. 1998 Director, Hitachi Zosen Corporation
Jun. 2001 Representative Director and Senior Managing Director, Hitachi Zosen Corporation
Apr. 2005 Representative Director and President, Hitachi Zosen Corporation
Jun. 2010 Representative Director, Chairman and President, Hitachi Zosen Corporation
Apr. 2013 Representative Director, Chairman and CEO, Hitachi Zosen Corporation
Apr. 2016 Representative Director and Chairman, Hitachi Zosen Corporation
Jun. 2016 Outside Director, The Senshu Ikeda Bank, Ltd.
Apr. 2017 Senior Corporate Advisor Director, Hitachi Zosen Corporation
Jun. 2017 Senior Corporate Advisor, Hitachi Zosen Corporation
Jun. 2017 Outside Director, UNITIKA LTD. (current position)
Jun. 2017 Outside Director, the Company (current position)
Jun. 2017 Non-Executive Director (non-full time), The Senshu Ikeda Bank, Ltd. (current position)
Jun. 2018 Outside Director, OKK Corporation (current position)
Jun. 2021 Advisor, Hitachi Zosen Corporation (current position)
(Significant concurrent positions)
Advisor, Hitachi Zosen Corporation
Outside Director, UNITIKA LTD.
Outside Director, Osaka International Convention Center Corporation
Outside Director, OKK Corporation
Auditor, Osaka Chamber of Commerce and Industry
Vice-Chairman, The Japan Machinery Federation
Executive Director, Kansai Economic Federation
Non-Executive Director (non-full time), The Senshu Ikeda Bank, Ltd.

< Reason for appointing Mr. Minoru Furukawa as a candidate for Outside Director and expected roles>
Mr. Minoru Furukawa has successively held such positions as Representative Director of Hitachi Zosen Corporation as well as key positions for Osaka Chamber of Commerce and Industry, The Japan Machinery Federation, and Kansai Economic Federation. He has properly overseen corporate management as an Outside Director since June 2017. The Company highly values his experience and capabilities, and believes that he will provide supervision and advice based on his knowledge if he is elected as Outside Director. The Company, therefore, proposes to reelect him as Outside Director.

<Independence>
There is no special interest between Mr. Minoru Furukawa and the Company.
Mr. Furukawa satisfies the "Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members" set forth by the Company.
There are standard banking transactions between Hitachi Zosen Corporation, where Mr. Furukawa serves as Advisor, and the Group company. However, because such transactions in the most recent fiscal year account for less than 1% of each company's ordinary income, they do not affect the independence of Mr. Furukawa.
Mr. Furukawa's role as Advisor at Hitachi Zosen Corporation is mainly to contribute to the business community and society, and he has not engaged in corporate management. Additionally, it has been five years since he left the office of Director of Hitachi Zosen Corporation.

No.	Reappointment/Outside Director/Male	Date of birth	December 11, 1948	Age	73
7	Takao Koyama	Years as a Director	5 years		
		Class and number of the Company's shares held		Ordinary shares 25,000 shares	

Past experience (Positions, responsibilities, and significant concurrent positions)

Apr.	1971	Joined Hitachi, Ltd.
Apr.	2004	General Manager, Kanto Area Operation, Hitachi, Ltd.
Apr.	2007	Vice President and Executive Officer; and General Manager of Kansai Area Operation, Hitachi, Ltd.
Apr.	2011	Representative Director, Executive Vice President and Executive Officer, Hitachi Solutions, Ltd.
Apr.	2012	Director, Executive Vice President and Executive Officer, Hitachi Solutions, Ltd.
Jun.	2016	Outside Director, The Senshu Ikeda Bank, Ltd.
Jun.	2017	Outside Director, the Company (current position)
Jun.	2017	Non-Executive Director (non-full time), The Senshu Ikeda Bank, Ltd. (current position)
		(Significant concurrent position)
		Non-Executive Director (non-full time), The Senshu Ikeda Bank, Ltd.

< Reason for appointing Mr. Takao Koyama as a candidate for Outside Director and expected roles >

As Vice President, Executive Officer and General Manager of Kansai Area Operation of Hitachi, Ltd., Mr. Takao Koyama successively held such positions as Deputy General Manager of Corporate Sales & Marketing Group, followed by his position as a Representative Director and Executive Vice President of Hitachi Solutions, Ltd. He has properly overseen corporate management as an Outside Director since June 2017. The Company highly values his experience and capabilities, and believes that he will provide supervision and advice based on his knowledge if he is elected as Outside Director. The Company, therefore, proposes to reelect him as Outside Director.

<Independence>

There is no special interest between Mr. Takao Koyama and the Company.

Mr. Koyama satisfies the "Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members" set forth by the Company.

No.	Reappointment/Outside Director/Male	Date of birth	November 26, 1947	Age	74
8	Tomokazu Yamazawa	Years as a Director	4 years		
		Class and number of the Company's shares held		Ordinary shares 25,740 shares	

Past experience (Positions, responsibilities, and significant concurrent positions)

Apr.	1971	Joined Keihanshin Electric Express Railway Co., Ltd. (currently Hankyu Hanshin Holdings, Inc.)
Jun.	1999	Deputy General Manager of Corporate Control Division and Head of Public Relations Office, Hankyu Corporation
Jun.	2000	Director and General Manager of Corporate Control Division, Hankyu Corporation
Apr.	2002	Director, Hankyu Corporation
Apr.	2002	President and Representative Director, Dai-ichi Hankyu Hotels Co., Ltd.
Apr.	2005	President and Representative Director, Hankyu Hotel Management Co., Ltd.
Jun.	2007	Director, Hankyu Hanshin Holdings, Inc.
Apr.	2008	President and Representative Director, Hankyu Hanshin Hotels Co., Ltd.
Apr.	2012	Chairman and Representative Director, Hankyu Hanshin Hotels Co., Ltd.
Jun.	2012	Advisor, Hankyu Hanshin Hotels Co., Ltd.
Jun.	2012	President and Representative Director, Hanshin Expressway Co., Ltd.
Apr.	2014	Special Advisor, Hankyu Hanshin Hotels Co., Ltd.
Jun.	2016	Special Advisor, Hanshin Expressway Co., Ltd.
Jun.	2017	Outside Director, The Senshu Ikeda Bank, Ltd.
Sep.	2017	Outside Director, Charm Care Corporation (current position)
Jun.	2018	Outside Director, the Company (current position)
Jun.	2018	Non-Executive Director (non-full time), The Senshu Ikeda Bank, Ltd. (current position)
Apr.	2019	Honorary Advisor, Hankyu Hanshin Hotels Co., Ltd. (current position)
Jun.	2020	Senior Advisor, Hanshin Expressway Co., Ltd. (current position)

(Significant concurrent positions)
Honorary Advisor, Hankyu Hanshin Hotels Co., Ltd.
Outside Director, Charm Care Corporation
Senior Advisor, Hanshin Expressway Co., Ltd.
Non-Executive Director (non-full time), The Senshu Ikeda Bank, Ltd.

< Reason for appointing Mr. Tomokazu Yamazawa as a candidate for Outside Director and expected roles >
Mr. Tomokazu Yamazawa has successively held such positions as Representative Director of the group companies of Hankyu Hanshin Holdings, Inc. as well as Representative Director of Hanshin Expressway Co., Ltd. Mr. Yamazawa has properly overseen corporate management as an Outside Director since June 2018. The Company highly values his experience and capabilities, and believes that he will provide supervision and advice based on his knowledge if he is elected as Outside Director. The Company, therefore, proposes to reelect him as Outside Director.

<Independence>
There is no special interest between Mr. Tomokazu Yamazawa and the Company.
Mr. Yamazawa satisfies the "Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members" set forth by the Company.
There are standard banking transactions between Hankyu Hanshin Hotels Co., Ltd., where Mr. Yamazawa serves as Honorary Advisor, and the Group company. However, because such transactions in the most recent fiscal year account for less than 1% of each company's ordinary income, they do not affect the independence of Mr. Yamazawa.
Mr. Yamazawa's role as Honorary Advisor at Hanky Hanshin Hotels Co., Ltd. is mainly to contribute to the business community and society, and he has not engaged in corporate management. Additionally, it has been fourteen years and ten years since he left the office of Director of Hankyu Hanshin Holdings, Inc. and Director of Hankyu Hanshin Hotels Co., Ltd., respectively.

No.	Reappointment/Outside Director/ Female	Date of birth	October 6, 1960	Age	61
9	Atsuko Ogasawara	Years as a Director	2 years		
		Class and number of the Company's shares held		Ordinary shares 4,700 shares	

Past experience (Positions, responsibilities, and significant concurrent positions)

Apr.	1983	Joined The Mainichi Newspapers Co., Ltd.
Apr.	2006	General Manager, Okayama Bureau, The Mainichi Newspapers Co., Ltd.
Apr.	2008	General Manager, Economic Department, Osaka Headquarters, The Mainichi Newspapers Co., Ltd.
May	2011	General Manager, Kyoto Bureau, The Mainichi Newspapers Co., Ltd.
Jul.	2014	Deputy General Manager, Editorial Bureau, Osaka Headquarters, The Mainichi Newspapers Co., Ltd.
Apr.	2016	General Manager, General Business Bureau, The Mainichi Newspapers Co., Ltd.
May	2017	Director, Japan High School Baseball Federation (current position)
Jun.	2018	Deputy Representative, Osaka Headquarters, The Mainichi Newspapers Co., Ltd.
Jun.	2018	Director, The Daido Life Foundation (current position)
Apr.	2020	Executive Director (Part-time), National University Corporation Osaka University (current position)
Jun.	2020	Outside Director, the Company (current position)
Jun.	2020	Non-Executive Director (non-full time), The Senshu Ikeda Bank, Ltd. (current position)
Feb.	2021	Director, Kansai Innovation Center (current position)

(Significant concurrent positions)
Director, Japan High School Baseball Federation
Director, The Daido Life Foundation
Executive Director (Part-time), National University Corporation Osaka University
Director, Kansai Innovation Center
Non-Executive Director (non-full time), The Senshu Ikeda Bank, Ltd.

< Reason for appointing Ms. Atsuko Ogasawara as a candidate for Outside Director and expected roles >
Ms. Atsuko Ogasawara held key positions at The Mainichi Newspapers Co., Ltd. With her wide range of experience and achievements in the business world, Ms. Ogasawara has properly overseen corporate management as the first female Director of the Company since June 2020. The Company highly values her experience and capabilities and believes that she will provide supervision and advice based on her knowledge if she is elected as Outside Director. The Company, therefore, proposes to reelect her as Outside Director.

<Independence>
There is no special interest between Ms. Atsuko Ogasawara and the Company.
Ms. Ogasawara satisfies the "Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members" set forth by the Company.

Notes: 1. Mr. Minoru Furukawa, Mr. Takao Koyama, Mr. Tomokazu Yamazawa, and Ms. Atsuko Ogasawara are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act.
Mr. Minoru Furukawa, Mr. Takao Koyama, Mr. Tomokazu Yamazawa, and Ms. Atsuko Ogasawara satisfy the requirements provided for by the Tokyo Stock Exchange and the criteria for independence set forth by the Company. The Company, therefore, has submitted to the Exchange a notification designating them as Independent Officers. If they are elected as originally proposed, they will continue to be Independent Officers.

2. Mr. Minoru Furukawa, Mr. Takao Koyama, Mr. Tomokazu Yamazawa, and Ms. Atsuko Ogasawara are currently Outside Directors of the Company, and their respective terms of office as Outside Directors will be five (5) years for both Mr. Minoru Furukawa and Mr. Takao Koyama, four (4) years for Mr. Tomokazu Yamazawa, and two (2) years for Ms. Atsuko Ogasawara at the conclusion of this General Meeting of Shareholders.

3. Liability limitation agreements with Outside Directors
In accordance with stipulations in the Articles of Incorporation, the Company has concluded liability limitation agreements with Outside Directors to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount stipulated in Article 425, Paragraph 1 of the Companies Act, assuming that the duties of the Outside Directors are performed in good faith and without gross negligence. If Mr. Minoru Furukawa, Mr. Takao Koyama, Mr. Tomokazu Yamazawa, and Ms. Atsuko Ogasawara are elected as Outside Directors at this General Meeting of Shareholders, the Company plans to continue these agreements with them.

4. Directors and Officers liability insurance (hereinafter, "D&O insurance") contract
The Company has concluded a D&O insurance contract that insures all Directors with an insurance company. This contract will cover any damages that may arise in the event that Directors assume liability resulting from the execution of their duties. The term of the D&O insurance contract is one year and will be renewed upon the Board of Directors' resolution before the expiration date of the said term. If each candidate assumes office, they will be insured under the insurance contract.

Proposal No. 4: Election of One (1) Substitute Audit & Supervisory Board Member

To prepare for an eventuality in which the number of Audit & Supervisory Board Members falls short of that stipulated by laws and regulations, the Company proposes the election of one (1) substitute Audit & Supervisory Board Member.

This proposal has been approved by the Audit & Supervisory Board.

The candidate for substitute Audit & Supervisory Board Member is as follows.

Outside/Male Kenichi Yoshimoto	Date of birth	March 31, 1949	Age	73
	Years as an Audit & Supervisory Board Member		—	
	Class and number of the Company's shares held		Ordinary shares - shares	

Past experience (Positions and significant concurrent positions)		
Apr.	1974	Assistant, Faculty of Economics, Wakayama University
Apr.	1979	Associate Professor, Faculty of Economics, Wakayama University
Apr.	1986	Associate Professor, School of Law, Osaka University
Apr.	1994	Professor, School of Law, Osaka University
Aug.	1997	Councilor, Osaka University
Apr.	1999	Professor, Graduate School of Law and Politics, Osaka University
Jan.	2003	Vice Chairman, Corporate Legal Committee, Osaka Chamber of Commerce and Industry
Apr.	2004	Dean, Osaka University Law School
Apr.	2004	Professor, Graduate Schools, Osaka University
Apr.	2005	General Manager, Legal Office, Osaka University
May	2006	External Director, FURUNO ELECTRIC CO., LTD.
Apr.	2012	Professor, School of Law, Kobe Gakuin University
Aug.	2012	Special Counsel, DAICHI LEGAL PROFESSIONAL CORPORATION (current position)
Apr.	2014	Councilor, Kobe Gakuin University
Jun.	2016	Outside Director, The Senshu Ikeda Bank, Ltd. (current position)
		(Significant concurrent position) Special Counsel, DAICHI LEGAL PROFESSIONAL CORPORATION Outside Director, The Senshu Ikeda Bank, Ltd.

Notes: 1. There is no special interest between Mr. Kenichi Yoshimoto and the Company.

2. Mr. Kenichi Yoshimoto is a candidate for substitute Outside Audit & Supervisory Board Member and satisfies the requirements provided for by the Tokyo Stock Exchange and the criteria for independence set forth by the Company. Therefore, if he assumes office as Outside Audit & Supervisory Board Member, the Company will submit to the Exchange a notification designating him as Independent Officer.

3. The reason for nominating Mr. Kenichi Yoshimoto as a candidate for a substitute Outside Audit & Supervisory Board Member is that we believe that he will be able to conduct objective and neutral audits of the legality of the Company's business execution and other matters based on his experience as a university professor and his extensive insight.
Although he has not been involved in corporate management other than in his capacity as an outside director in the past, the Company believes that he will be able to appropriately perform his duties as an Outside Audit & Supervisory Board Member for the abovementioned reasons.

4. Liability limitation agreements with substitute Outside Audit & Supervisory Board Members
In the event that Mr. Kenichi Yoshimoto assumes office as Outside Audit & Supervisory Board Member, the Company intends to conclude a liability limitation agreement with him to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount stipulated in Article 425, Paragraph 1 of the Companies Act, in accordance with stipulations in the Articles of Incorporation.

5. D&O insurance contract
The Company has concluded D&O insurance contract with an insurance company, which covers any damages that may arise in the event that Audit & Supervisory Board Members assume liability resulting from the execution of their duties.
If Mr. Kenichi Yoshimoto assumes office as Audit & Supervisory Board Member, he will be insured under the insurance contract.

<Reference>

Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members

The Senshu Ikeda Group judges the independence of the respective candidates for Outside Directors/Audit & Supervisory Board Members according to the following criteria.

<Standard for judging the independence>
At the Senshu Ikeda Group, as a general rule, Outside Directors/Audit & Supervisory Board Members shall be those who do not fall under any of the following requirements, at present or recently.[1]

1. A person who deems the Group to be a major[2] business partner, or in the case of a company, an executing person thereof.
2. A person who the Group deems to be a major business partner, or in the case of a company, an executing person thereof.
3. A business consultant, an accounting specialist or a legal specialist who has received a large sum[3] of money and other properties other than Officers' remuneration from the Group (or a quasi-executing person who has belonged to the payee's group).
4. A person who the Company deems to be a major shareholder[4] of the Company, or in the case of a company, an executing person thereof.
5. A payee of a large sum of donation from the Group, or a quasi-executing person of the payee's group, in the case where the receiver of the monies, etc., is an entity.
6. A former executing person of any of the Group companies in the past.[5]
7. A relative[6] of a person (excluding those who are not significant) mentioned below:
   A. A person who is mentioned in the aforementioned items 1 through 6
   B. Directors, Audit & Supervisory Board Members, Executive Officers and important employees of any of the Group companies

Notes:
1. Definition of "recently": Refers to cases that might be regarded as almost "at present," for example, including the case where said person fell under any infringement requirement item since the content of a proposal for the selection as Outside Director or Outside Audit & Supervisory Board Member was determined.
2. Definition of "major": Refers to 2% or more of the consolidated net sales per annum (Consolidated ordinary income in case of the Company) for the nearest fiscal year, as a benchmark for judgment.
3. Definition of "a large sum": Refers to a three-year average amount of ¥10 million or more per annum for the past three years.
4. Definition of "major shareholder": Refers to a shareholder who held 10% or more of the total voting rights at the end of the nearest fiscal year.
5. Definition of "past": Refers to "within 10 years up to the present."
6. Definition of "relative": Refers to "within the second degree of kinship of a person."

Proposal No. 5: Reduction in the Amount of Legal Capital Surplus (Transfer of Legal Capital Surplus to Other Capital Surplus)

1. Reasons for the proposal

(1) Introduction

The objective of reducing the amount of legal capital surplus pertaining to this proposal is to secure the financial resources to acquire the First Series of Class 7 Preferred Shares of the Company (hereinafter, the "Preferred Shares"), and to ensure the acquisition of the Preferred Shares. As stated in (2) below, the Company believes that the acquisition of Preferred Shares will contribute to the maintenance and enhancement of the corporate value of the Company and to the overall interests of shareholders.

(2) Acquisition of the First Series of Class 7 Preferred Shares

The Company has issued twenty-five million (25,000,000) shares of Preferred Shares, and according to Article 17, Paragraph 2 of the Articles of Incorporation of the Company, the Company may acquire the Preferred Shares within the extent permitted by laws and regulations from shareholders in possession of the Preferred Shares (hereinafter, "Preferred Shareholders") on a date on or after July 1, 2022 as determined via resolution of the Board of Directors (hereinafter, the "Acquisition Date"). In the event of acquiring the Preferred Shares in accordance with the previous paragraph, in exchange for the acquisition of the Preferred Shares, the Company shall pay the Preferred Shareholders an amount consisting of 1,000 yen per share of Preferred Shares plus the amount (for amounts less than one yen, calculated to three decimal places, and then rounded to the second decimal place) (however, if preferred interim dividends are paid out to Preferred Shareholders, etc. during the fiscal year in which the Acquisition Date falls, then this amount is eliminated) of preferred dividends pertaining to the Preferred Shares prorated by the number of days from the first date (including the same day) of the fiscal year in which the Acquisition Date falls until the day prior (including the same day) to the Acquisition Date (Article 17, second sentence of Paragraph 2 and Paragraph 3 of the Articles of Incorporation).

However, according to Article 17-2, Paragraph 1 of the Articles of Incorporation of the Company, the Company may also acquire the Preferred Shares on March 31, 2025 in exchange for granting Preferred Shareholders the number of shares of common stock obtained by dividing the amount obtained by multiplying the number of Preferred Shares held by the amount equivalent to the payment amount per share of Preferred Shares, by the market value of the common stock (this refers to the market price calculated in accordance with a method stipulated in Article 17-2, Paragraph 2 of the Articles of Incorporation of the Company. However, if said market price is lower than the "minimum acquisition price" stipulated in the proviso of the same paragraph, the "minimum acquisition price" shall be 464 yen unless adjustments are made based on Article 17-2, Paragraph 3 of the Articles of Incorporation of the Company).

In this way, the Company is in a situation where it is possible to select either: 1. a method based on an acquisition clause with cash as consideration; or 2. a method based on an acquisition clause with common stock as consideration for the acquisition of Preferred Shares. However, based on Article 17, Paragraph 2 of the Articles of Incorporation of the Company, the Company plans to acquire the Preferred Shares in exchange for the payment of cash on the Acquisition Date for the following reasons (hereinafter, the "Plan").

a. <u>Market credibility</u>

From the start of the issuance of Preferred Shares, the Company has explained to Preferred Shareholders that it plans to acquire Preferred Shares with cash as consideration in accordance with Article 17, Paragraph 2 of the Articles of Incorporation of the Company. Therefore, we believe that acquiring the Preferred Shares with cash as consideration is in accordance with our credibility in the market.

b. <u>Reduce dividend costs to Preferred Shareholders</u>

Acquiring the Preferred Shares with common stock as consideration would necessitate paying preferred dividends of 750 million yen per year until March 31, 2025. However, acquiring the Preferred Shares at an early stage with cash as consideration would enable the dividend cost to the Preferred Shareholders to be reduced.

c. <u>Avoid dilution of common stock</u>

Acquiring the Preferred Shares with common stock as consideration would result in an increase in the number of issued shares and the dilution of common stock. However, acquiring the Preferred Shares with cash as consideration would enable such dilution of common stock to be avoided.

d. Maintain the capital adequacy ratio

Even if the Preferred Shares are acquired with cash as consideration, the consolidated capital adequacy ratio of the Company and the non-consolidated and consolidated equity ratios of The Senshu Ikeda Bank, Ltd. are expected to continue to meet the standards set by Basel III.

In this way, the Plan is in keeping with market credibility, contributes to reduced dividend costs to Preferred Shareholders and the avoidance of the dilution of common stock, and presents no problems from the viewpoint of equity ratio. In view of this, we believe that it will contribute to the maintenance and improvement of the Company's corporate value and the overall interests of all shareholders, including ordinary shareholders.

(3) Securing financial resources for the acquisition

As mentioned in (2) above, in the event of acquiring the Preferred Shares with cash as consideration, the amount of cash to be paid to Preferred Shareholders, excluding the prorated portion of the preferred dividends would be 25 billion yen (= 1,000 yen/share x 25,000,000 shares). Therefore, in order to secure financial resources (other capital surplus) of 25 billion yen in advance and to effectively carry out the Plan, the Company requests the approval of shareholders to reduce the amount of legal capital surplus as described in 2. below.

2. Outline of reduction of legal capital surplus

a. Amount of legal capital surplus to be reduced

Reduce the amount of legal capital surplus of 65,499,286,962 yen as of March 31, 2022 by 25,000,000,000 yen.

b. Amount to be transferred to other capital surplus

Transfer the entire amount of 25,000,000,000 yen of legal capital surplus to be reduced due to a. above to other capital surplus.

c. Effective date

June 28, 2022 (scheduled)

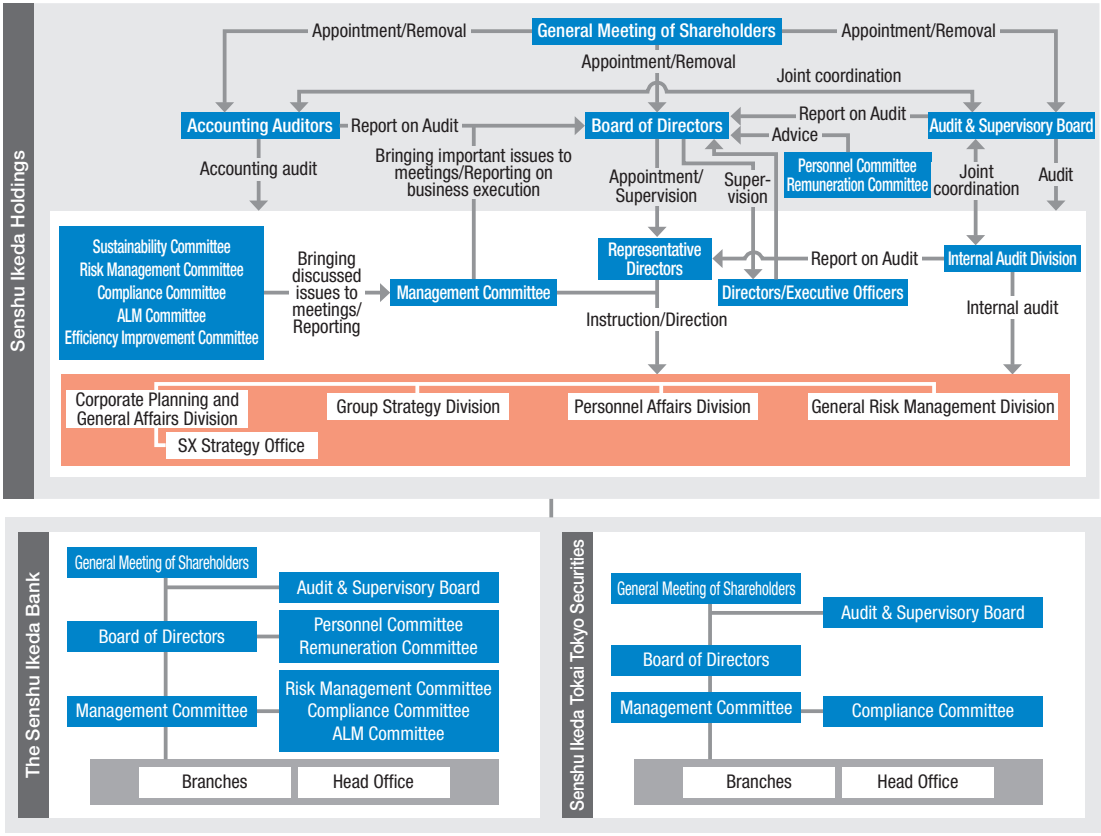
Initiatives regarding the Company's Corporate Governance

1 Basic concept regarding corporate governance

The Company is a holding company with subsidiaries such as the Senshu Ikeda Bank, which upholds the Management Principle of striving to become a financial group that "endear ourselves to the regional community" by providing services tailored to customers' needs, while valuing "broad networks of relationships" and "an enterprising spirit." In order to ensure sustainable growth and the medium- to long-term enhancement of corporate value, the Company is engaged in initiatives to develop its corporate governance in line with the following basic principles.

(1) We respect the rights of our shareholders and strive to ensure their quality.
(2) We consider the interests of stakeholders and strive to ensure appropriate cooperation.
(3) We disclose corporate information in an appropriate manner and strive to ensure the transparency of such information.
(4) The Board of Directors and the Audit & Supervisory Board strive to enhance the effectiveness of their supervision and audits of the execution of business in line with their fiduciary responsibilities for our shareholders.
(5) We strive to engage in constructive dialogue with our shareholders in order to contribute to sustainable growth and the medium- to long-term enhancement of corporate value.

Corporate governance structure of the Group



2 The Board of Directors and the Audit & Supervisory Board

The Company has formulated the following basic policy with regard to the policy for nominating candidates for Directors and Audit & Supervisory Board Members of the Company.

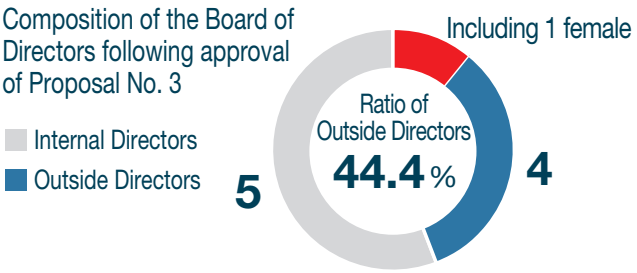
<Basic policy for nominating candidates for Directors>

In accordance with its management philosophy, the Company nominates candidates for Directors based on their potential to contribute to the Company's sustainable growth and enhancement of medium- to long-term corporate value.
While the Company is required to have a certain number of Board members who are well versed in the Company's operations and its challenges, the diversity of expertise, experience and capability of the Board members must be secured in order to ensure its independence and objectivity. From this perspective, it is the Company's basic policy to nominate individuals with thorough knowledge of the Company's operations and challenges as candidates for management executives and other executive director positions, and individuals with a wide range of insights and background as candidates for Outside Directors.

<Basic policy for nominating candidates for Audit & Supervisory Board Members>

The Company appoints as candidates for Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members) persons who can be expected to ensure independence from business executors and establish an excellent corporate governance system that is compatible with the sustainable growth and social credibility of the Company.

The Company secures various opportunities for substantive discussions and examinations by the Board of Directors, and determines the number of members of the Board of Directors from the perspective of emphasizing the speed of decision making. Currently, the Board of Directors is composed of nine Directors and four Audit & Supervisory Board members.
All four independent outside directors have management experience at other companies.
Some of the Directors have experience in international departments and with overseas work, and all have excellent knowledge, experience and capabilities. In terms of gender, we have appointed female outside directors, and in terms of work experience, some persons have had experience working in the media. In addition, we have endeavored to ensure diversity in terms of age, with three persons in their fifties, three persons in their sixties, and three persons in their seventies (following the approval of Proposal No. 3).



Initiatives regarding the Company's Corporate Governance

3 Skill Matrix of Directors

	Skill	Corporate management/ Governance	Financial accounting	Risk management/ Compliance	Organization/ Personnel	Marketing	IT/Digital	Social (ESG/SDGs)	Finance	Region
Internal Directors	Atsushi Ukawa	●	●	●	●		●	●	●	●
	Takayuki Ota	●			●	●			●	●
	Toshiyuki Wada	●	●	●	●			●	●	●
	Hirohito Sakaguchi	●				●		●	●	●
	Osamu Tsukagoshi	●	●		●			●	●	●
External Directors	Minoru Furukawa	●	●	●	●			●		
	Takao Koyama	●			●	●	●			
	Tomokazu Yamazawa	●	●	●	●	●				
	Atsuko Ogasawara			●	●			●		

* Each skill item is marked with ● if the following criteria are met.

Corporate management/Governance
- Has a high level of insight into corporate management and governance, having had experience in top management, management strategy, business management, and internal control supervisory departments or similar, and long experience as an Outside Director.

Financial accounting
- Has a high level of insight into finance and accounting, having had experience in finance departments, accounting departments, or similar.

Risk management/Compliance
- Has experience in risk management departments, legal departments, or similar, and a high level of insight into risk management and compliance, such as being qualified as an attorney-at-law.

Organization/Personnel
- Has a high level of insight into organizations and human resources, having had experience in human resource departments, experience in the management of entire organizations as top management, or similar.

Marketing
- Has a high level of insight into marketing, having had experience in sales departments (including as a branch manager at the Bank), or similar.

IT/Digital
- Has a high level of insight into IT and Digital, having had experience in systems departments, IT strategy planning and formulating departments, or similar.

Social (ESG/SDGs)
- Has a high level of insight into Social (including ESG), having had experience in departments planning and formulating ESG-related measures, PR departments, or similar.

Finance
- Is familiar with the banking business, domestic and overseas financial and economic conditions and regulatory trends, having had experience working in the banking business or experience working for financial authorities, etc.

Regions
- Is familiar with customers, trends, historical, geographical and cultural characteristics in the subsidiary bank's business areas, having had experience working at the Company or subsidiary bank.

4 Concept regarding the Company's cross-shareholdings

(1) Basic policy regarding cross-shareholdings.

Since the bank merger in 2010, the Company has reduced cross-shareholdings with the aim of reducing the risk of shareholding.

Going forward, we will continue to reduce cross-shareholdings. The reduction of cross-shareholdings will continue on the assumption of sufficient dialogue with our business partners after comprehensively considering matters such as the risk of shareholding and the efficiency of capital.

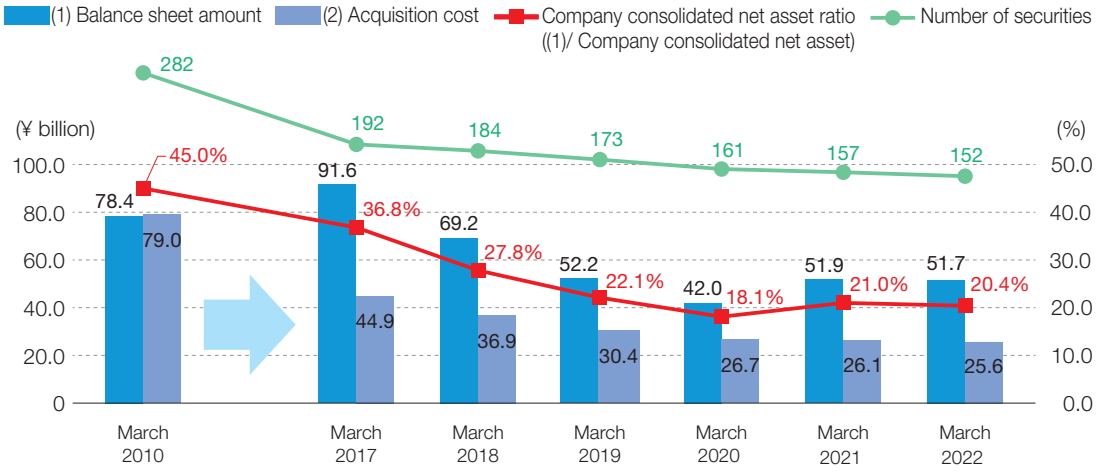
However, the Company may hold limited shares if this contributes to the medium- to long-term enhancement of the corporate value of the Group and investees or if this is deemed necessary for the creation of regional communities and for the revitalization of regional communities.

(2) Policy for FY2022 cross-shareholdings

The Company's aim was to reduce the ratio of the fiscal year-end book value of cross-shareholdings (excluding shares deemed to be held) to less than 10% of consolidated net assets in fiscal 2021. However, the Company has a considerable amount of holdings of shares deemed to be held and, in addition to this aim, added the goal of reducing the ratio of cross-shareholdings (including shares deemed to be held) to less than 20% of consolidated net assets. We aim to achieve these goals during the period of the Fifth Medium-Term Business Plan (until the end of fiscal 2023).

(3) Holding status of cross-shareholdings

Balance of cross-shareholdings (including shares deemed to be held) and the Company's consolidated net asset ratio



Consolidated net asset ratio not including shares deemed to be held: 10.2% (actual ratio in March 2022)

Initiatives regarding the Company's Corporate Governance

1 Policy for Determining Remuneration for Officers

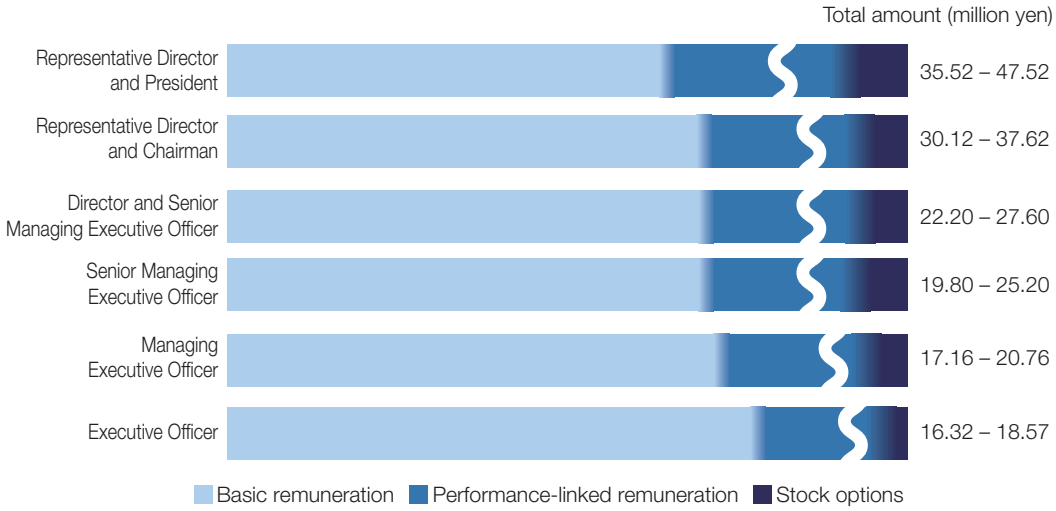
For details of the policy for determining remuneration for individual officers, please refer to **page 51** of this convocation notice (Japanese original).

2 Officer remuneration for the 14th term (fiscal 2022)

Details of officer remuneration for the 14th term under the decision-making policy are as follows.
For persons concurrently serving at The Senshu Ikeda Bank, Ltd., the amount paid by the Bank is included.

1. Overall view of remuneration

Officer remuneration consists of basic remuneration, performance-linked remuneration, and stock options.



2. Basic remuneration

The amount of remuneration is determined according to position, responsibilities, etc.

3. Performance-linked remuneration

The performance indicators for the 14th term are as follows, and the amount of performance-linked remuneration fluctuates according to the achievement rate. If the achievement rate falls short of the range shown below, the lower limit of the predetermined performance-linked remuneration amount shall be paid, and if the achievement rate exceeds the range shown below, the upper limit shall be paid. The target values for each index are determined by the Board of Directors.

Item	Performance index
Profitability indicator	Bank non-consolidated core business net income (excluding gains and losses on investment trust cancelations)
Future potential indicator	Number of solutions
Soundness indicator	Capital adequacy ratio (holding company consolidated)

However, performance-linked remuneration shall not be paid if the following performance indicators set by the Board of Directors are not achieved.

Bank non-consolidated core business net income (excluding gains and losses on investment trust cancelations)
Profit attributable to owners of parent (holding company consolidated)

For Directors other than the President and Chairman, a certain ratio of performance-linked remuneration shall be determined by qualitative evaluation according to the performance status of each individual. The Board of Directors shall establish evaluation criteria for the performance status, and shall delegate the evaluation of each individual based on these criteria to the President.

4. Non-monetary remuneration

The type of shares subject to stock acquisition rights to be granted as stock options shall be common stock of the Company, and the number of shares subject to each stock acquisition right shall be 100 shares.
The amount equivalent to the payment amount for the stock acquisition rights shall be determined based on position, responsibilities, and share price, etc. The determined amount is divided by the fair price of stock acquisition rights calculated by a fair calculation method, such as the Black-Scholes model, to obtain the number of shares, and the number of shares divided by 100 shall be the number of units of stock acquisition rights.

A claw-back clause for stock options shall be established, whereby in the event that there is deemed to have been illegal or improper execution of duties, acts that violate the duty of due care or duty of loyalty of a prudent manager, or acts equivalent thereto, the Company may acquire all the stock acquisition rights held by the holder of said stock acquisition rights (limited to stock acquisition rights granted as non-monetary remuneration of the Bank) without consideration.

Toward Vision ’25

Management Principle

Strive to become a financial group that “endear ourselves to the regional community” by providing services tailored to customers’ needs, while valuing “broad networks of relationships” and “an enterprising spirit.”

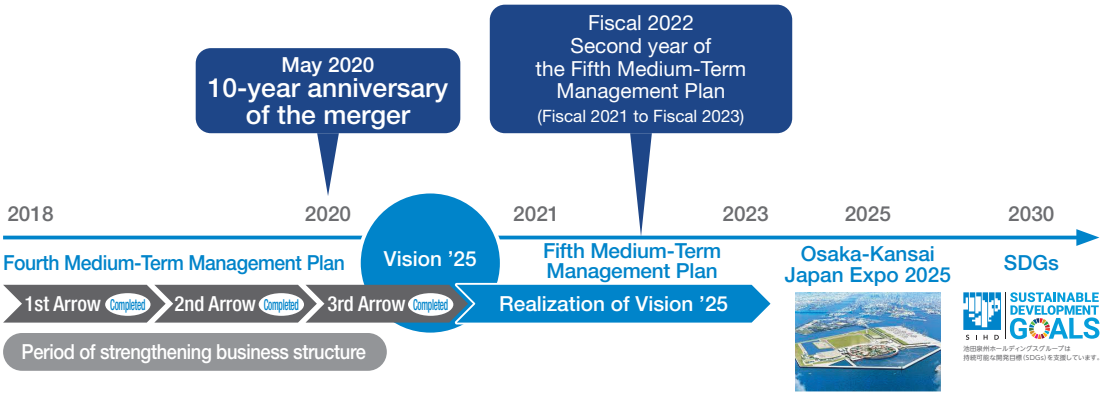
Vision ’25

We contribute to building a future society where everyone can feel comfortable and thrive, by offering thorough solutions to our regional customers and developing our potential ability.

Basic Policy

1. Know the various issues facing customers, and accurately provide the optimum solutions from customers’ point of view. ..... **Customers**
2. Create a workplace where employees can feel motivated, experience self-growth, and engage in diverse activities by living up to customers’ expectations. ..... **Employees**
3. Contribute to the sustainable development of the regional communities and the creation of safe and prosperous lives for regional customers through our business activities. ..... **Regional communities**

- **In May 2020, the 10-year anniversary of the merger, the Group formulated Vision ’25, the Group’s vision for 2025, which will be a year of great growth of the Osaka-Kansai Japan Expo 2025. Following the completion of the period of strengthening our business structure under the Fourth Medium-Term Business Plan, we aim to realize our growth strategy with a view to Vision ’25 under the Fifth Medium-Term Business Plan.**



Towards the realization of Vision ’25 [Thorough Solutions]

- **Expand the balance sheet of potentials, which is the Group’s characteristics, towards the realization of Vision ’25, and develop a thorough solution business**

Balance sheet of potentials (possibility’s balance sheet)

Advantages

Prosperous business areas

Market
(economic scale, gateway to Asia)
Innovation
(Concentration of universities and research institutions, many business openings)
Wealthy elderly, SMEs in diverse industries

Growth opportunities

Umekita Second Phase (from 2024)



A hub of greenery and innovation

Osaka-Kansai Japan Expo 2025





A living lab for a future society

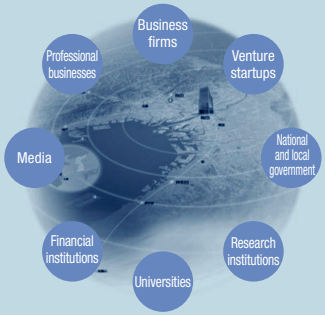
The entire area of the city of Osaka was designated as “Super City” in April 2022.

Services, products

Employment support, business succession, M&A support, etc.
Senshu Ikeda Tokai Tokyo Securities, Shizen Soken, etc.

Alliances

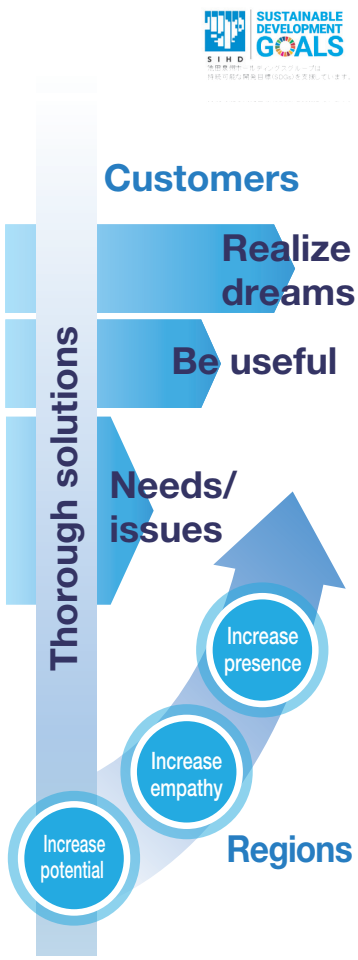
Open collaborations/ open innovation Industry, academia, government, etc. Other industries



Resources

Diverse human resources High added value Strategic partners





Expand the balance sheet of potentials with multiple networks and human resources development ➡ High-quality solutions

Practicing the six key words in “The Growth S”, a bold challenge to a changing future society
(Speed – ability to achieve breakthroughs, Small Success – starting from small successes, Solution – problem solving, Support – accompaniment, Suitability – appropriate suggestions, Sustainability – seeking sustainability)

Sustainable Management

1 Sustainability Declaration

SUSTAINABLE DEVELOPMENT GOALS

The Senshu Ikeda Holdings Group supports the Sustainable Development Goals (SDGs).

The Senshu Ikeda Holdings Group contributes to the realization of sustainable regional communities and is working to achieve its own sustainable growth by solving regional issues through business activities utilizing a wide range of partnerships, based on our management philosophy.

- **Strengthen promotion and supervisory systems to incorporate SDGs and ESG into management, and aim for "business model transformation"**
- **We will set new goals and strengthen initiatives toward the realization of sustainable regional communities and a carbon-free society**

New Strengthen the sustainability system

池田泉州ホールディングス

- Sustainability Committee
- SX Strategy Office

New Response to climate change (TCFD)

We will evaluate the risks and opportunities that climate change poses to the Company's business, reflect them in our management strategy and risk management, and strive for disclosure based on TCFD recommendations.

Risk*	Transition risks	Increase in credit-related costs Up to ¥3.0 billion
	Target sectors	Electricity, petroleum/gas, consumable fuels (including petroleum retail and wholesale)
	Physical risks	Increase in credit-related costs Up to approximately ¥5.0 billion
Opportunities	● Product/service-related business operators who support decarbonization, increased business opportunities for renewable energy companies ● Increased demand among companies for capital spending in response to natural disasters	

* Analysis based on scenarios of various specialized agencies (TCFD, IEA, etc.)

New Long-term sustainability goals

CO_2 emission reduction targets*

* Compared with 2013 Combined Scope 1 and Scope 2

FY2020 Down 39% → FY2030 Down 60% → FY2050 Carbon neutral

Sustainable finance goals

Cumulative amount of sustainable finance to be executed in FY2030 (FY2022-FY2030)

¥1.0 trillion

Initiatives for diversity and inclusion

1 Initiatives to realize diversity and inclusion (The Senshu Ikeda Bank, Ltd.)

Fostering a culture of mutual understanding

Unconscious bias training	In order to foster a culture of mutual understanding, we provided training to executive personnel, including officers, to eliminate unconscious bias.

Positive action in promoting women's advancement

Action plan	We have established the following numerical targets in order to promote the active participation of women, and will work to achieve them by March 31, 2027. Target 1: The percentage of women in managerial positions* shall be **30% or more** (21.6% as of March 31, 2022) Target 2: The percentage of childcare leave-taking shall be **100%** for both men and women (44.9% for men, 100% for women, and 71.3% for both men and women as of March 31, 2022) * Managerial positions refer to positions in which the person is responsible for organizational management responsibilities as the person in charge. Specifically, this refers to a person who is in a position of "deputy manager," "assistant," or above, with subordinates.
Female leader training	As one of the "positive actions" to promote the active participation of women, we conduct training targeting career design and motivation.

Gender-free initiatives

Uniform renewal	We renewed the uniforms in November 2021. The new uniform consists solely of a blue blazer, and was designed by Hiroko Koshino. Previously, only women were required to wear the uniform, but discussions were held at the "Uniform Review WG" comprising The Ikeda Senshu Bank, Ltd. staff, and it was decided from a gender free perspective that the design of the new uniform would be a single design to be worn by all officers and employees of branches regardless of their gender. For Head Office staff, we introduced casual business wear as part of creating an organizational culture that takes on new challenges as well as promotes communication in the workplace, and creates a more open, diverse and rewarding workplace.



Support for balancing work with childcare

"Returning-to-work support meetings"	We hold "returning-to-work support meetings" as an opportunity for employees who are in the same position, whether it be pre-childbirth or returning to work after childbirth, to get together. At these meetings we think about how to achieve balance for ourselves and about future career development through information provided from the Bank, the exchange of information among participants, and the experiences of senior employees. Since fiscal 2013, these meetings have been held every month with over 1,800 participants in total, making it an important network for employees from the pre-childbirth stage to the child raising stage, irrespective of gender.





Returning-to-work support meetings

Planning Diary PAPA'S HAND BOOK	To celebrate female employees who give birth, we present them with a Planning Diary, which is a support tool for when they return to work. In addition, in order to create synergy between work and family, we present men whose partners have given birth with "PAPA'S HAND BOOK," which contains a great deal of information necessary for parents following the birth of a child. We also offer messages of congratulations to new parents from the President.
Shared use of Company-led daycare centers	As the chronic shortage of daycare centers continues, we are actively promoting the shared use of Company-led daycare centers. Companies take the initiative in securing daycare centers and supporting employees' return to work after taking childcare leave.



PAPA'S HAND BOOK

Improving work-life balance

Operating the kid's banking college	Since fiscal 2015, we have been operating the "kid's banking college" at actual branches for the children of employees. Having parents and children think together about working while learning about the functions of banks and the professions of parents makes it possible to improve the work-life balance of the employees themselves. Parents and their children can enjoy participating in this event, where employees' children are allowed to actually wear the uniform, explore inside the bank, and interview their moms and dads about what is challenging and worthwhile in doing their work.



kid's banking college

2 External evaluation (The Senshu Ikeda Bank, Ltd.)

Eruboshi certification	**A system of certification for companies that promote the active participation of women** In 2016, we acquired the highest "three-star level."
Platinum Kurumin	**A system of certification for companies that are working to support the balance between work and childcare** In 2017, we acquired "Kurumin" and in 2020 we acquired "Platinum Kurumin" as a company that met the highest standards.
Commendation for companies promoting equality and compatibility (Ministry of Health, Labour and Welfare)	In fiscal 2016, we received the "Minister of Health, Labour and Welfare Excellence Award" in the equal promotion company division of the "Equality and Compatibility Promotion Company Awards."
Osaka City Women's Advancement Leading Company Mayoral Commendation (Osaka City)	From among the 95 organizations certified from January to December 2016, we received the "Excellence Award" as a company that is particularly advanced or is continuing to make steady efforts.
Osaka Sakuyahime Award (Osaka Chamber of Commerce and Industry)	Three people in fiscal 2016, one person in fiscal 2017, and one person in fiscal 2018 received the "Activity Award," and one person in fiscal 2019 received the "Osaka Sakuyahime Award."