These documents are partial translations of the Japanese originals for reference purposes only.
In the event of any discrepancy between these translations and the Japanese originals, the originals shall prevail. The Bank assumes no responsibility for the translations or for any other damages arising, directly or indirectly, from the translations.

(Securities Code: 8359)
May 30, 2025
(Commencement date of measures for electronic provision: May 29, 2025)

To Shareholders with Voting Rights:

Masaki Matsushita
President
The Hachijuni Bank, Ltd.
178-8, Okada,
Nagano-city, Japan

NOTICE OF CONVOCATION OF THE 142ND ANNUAL GENERAL MEETING OF SHAREHOLDERS

The 142nd Annual General Meeting of Shareholders of The Hachijuni Bank, Ltd. (the "Bank") shall be held for the purposes described below.

The Bank has taken measures for electronic provision of the Reference Documents for this General Meeting of Shareholders, etc.*1, which are posted on the Internet on the following websites under the titles, "Notice of Convocation of the 142nd Annual General Meeting of Shareholders" and "Other Matters Subject to Measures for Electronic Provision"*2. The Reference Documents for this General Meeting of Shareholders, etc. are uniformly sent in a paper-based form, regardless of whether or not shareholders requested the delivery of paper-based documents.

*1. Measures for electronic provision refer to the system under which, in lieu of the traditional system of sending paper-based materials, a notice stating the addresses of the websites on which materials for general meetings of shareholders are posted is sent to shareholders so that they themselves will access the websites to see those materials.

*2. Details on "Other Matters Subject to Measures for Electronic Provision" are described on page 3.

The Bank's website: https://www.82bank.co.jp/ir/kabushiki/soukai.html

In addition to the above website, the Bank has also posted this Reference Documents for this General Meeting of Shareholders, etc. on the website of the Tokyo Stock Exchange ("TSE"). Please access the following TSE's website (TSE Listed Company Search), enter and search for "The Hachijuni Bank" under "Issue name (company name)" or enter and search for "8359" (one-byte number) under Securities "Code," select "Basic information" and "Documents for public inspection / PR information" in that order to see the Reference Documents, etc.

TSE's website: https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show*

If you will be attending the meeting, please kindly submit the enclosed Voting Form at the reception desk.

If you are unable to attend the meeting, you can exercise your voting rights via the Internet or mail. Please review the Reference Documents for the General Meeting of Shareholders below and exercise your voting rights by Thursday, June 19, 2025 at 5:00 p.m., Japan time.

1. **Date and Time:** Friday, June 20, 2025 at 10:00 a.m., Japan time
(Reception opening time: 9:00 a.m.)

2. **Place:** Main Conference Room, 3F, Head Office of the Bank
178-8, Okada, Nagano-city, Japan

3. **Meeting Agenda:**

Matters to be reported:

1. The Business Report and Non-consolidated Financial Statements for the Bank's 142nd Fiscal Year (from April 1, 2024 to March 31, 2025)
2. Consolidated Financial Statements for the Bank's 142nd Fiscal Year (from April 1, 2024 to March 31, 2025) and results of audits of the Consolidated Financial Statements by the Independent Auditor and the Board of Company Auditors

Proposals to be resolved:

[Company Proposals]

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Seven (7) Directors

[Shareholder Proposals]

Proposal No. 3: Partial Amendments to the Articles of Incorporation (Disclosure of Investments in Funds Managed by Shareholders)

Proposal No. 4: Partial Amendments to the Articles of Incorporation (Verification of the Objective of Cross-shareholdings, Results Thereof, and Disclosure Regarding Changes in the Objective of Pure Investment)

Proposal No. 5: Partial Amendments to the Articles of Incorporation (Disclosure of Directors' Compensation on an Individual Basis)

Proposal No. 6: Appropriation of Surplus

Proposal No. 7: Acquisition of Treasury Stock

4. Guidance for Exercise of Voting Rights

(1) Handling of multiple voting

If you vote both in writing on the Voting Form and via the Internet, only the vote via the Internet will be valid. In addition, if you submit your vote multiple times via the Internet, only the last vote will be valid.

(2) Voting by proxy

You may designate one (1) shareholder of the Bank as your proxy who possesses voting rights to attend the General Meeting of Shareholders. Please note that the proxy will be required to submit his or her own Voting Form and documentation corroborating his or her status as your proxy.

(3) If you have failed to indicate approval or disapproval of each proposal in the Voting Form, you shall be deemed to have indicated approval for company proposals and disapproval for shareholder proposals therein.

- Regarding "Other Matters Subject to Measures for Electronic Provision"

  "Other Matters Subject to Measures for Electronic Provision" includes the following matters. They are not included in this Notice but are to be found on the Bank's and TSE's websites in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Bank;

  (1) "Stock Acquisition Rights," "Basic Policies Regarding Parties Controlling the Determination of Financial and Business Policies," "Systems for Ensuring the Appropriateness of Business Activities," "Matters Regarding Specified Wholly-Owned Subsidiaries," "Matters Regarding Transactions between a Stock Company and its Parent Company, etc.," and "Others" of the Business Report
  (2) Non-consolidated Financial Statements
  (3) Consolidated Financial Statements
  (4) Audit Report

  The Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements audited by the Auditors include the above (1) to (3) in addition to the Business Report attached to the Japanese version of this Notice.

  The Non-consolidated Financial Statements and the Consolidated Financial Statements audited by the Independent Auditor include the above (2) and (3).

- If the need arises for the revision of any matters subject to measures for electronic provision, the revised matters will be posted on each of the designated websites of the Bank and TSE.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

It is proposed that the appropriation of surplus shall be proposed as follows.

Year-end dividends

The Bank's basic policy is to implement the active return of profits to shareholders with a minimum dividend of 5.00 yen per share and through the acquisition of treasury stock.

Based on this policy, the Bank proposes year-end dividends of 29.00 yen per share. Combined with the interim dividend of 13.00 yen per share, total full-year dividends will be 42.00 yen per share.

1. Type of dividend property
   Cash
2. Allotment of dividend property to shareholders and the total amount
   29.00 yen per share of common stock, for a total of 13,386,428,797 yen
3. Effective date of distribution
   June 23, 2025

Proposal No. 2: Election of Seven (7) Directors

At the conclusion of this General Meeting of Shareholders, the terms of office of seven (7) Directors, namely, Masaki Matsushita, Takahiko Asai, Shohei Hidai, Makoto Nakamura, Hitoshi Nishizawa, Miyako Hamano and Eiji Kanzawa, will expire. Accordingly, the following seven (7) candidates are proposed to be elected as Directors.

(Reference) List of Candidates for Director

No.		Name		Current position	Attendance at Board of Directors meetings
1	To be reappointed	Masaki Matsushita		President Executive President	14/14 (100%)
2	To be reappointed	Shohei Hidai		Deputy President Executive Deputy President	14/14 (100%)
3	To be reappointed	Makoto Nakamura		Director Managing Executive Officer	14/14 (100%)
4	To be reappointed	Hitoshi Nishizawa		Director	14/14 (100%)
5	To be reappointed	Miyako Hamano	Outside Director Independent Director	Director	14/14 (100%)
6	To be reappointed	Eiji Kanzawa	Outside Director Independent Director	Director	14/14 (100%)
7	To be newly appointed	Maiko Onoda	Outside Director Independent Director	—	—

No.	Name (Date of birth)	Career Summary (Positions, responsibilities at the Bank and significant concurrent positions)	Number of shares of the Bank held
1	To be reappointed Masaki Matsushita (Dec. 22, 1959) Age: 65 Male Attendance at Board of Directors meetings: 14 / 14 (100%)	Apr. 1982 Joined the Bank Feb. 2004 General Manager, Nagano-Minami Branch, then General Manager, Sakaki Branch, General Manager, Planning and Coordination Department Jun. 2011 Executive Officer and General Manager, Suwa Area Suwa Branch Jun. 2013 Managing Executive Officer and General Manager, Tokyo Business Department Jun. 2014 Managing Executive Officer and General Manager. Head Office Business Department Jun. 2015 Managing Director and General Manager, Matsumoto Business Department Jun. 2017 Deputy President In charge of Planning and Coordination Department, Financial Market Department, General Secretariat Jun. 2018 Deputy President In charge of Risk Management Department, Personnel Department, General Secretariat Jun. 2020 Deputy President In charge of Planning and Coordination Department, Risk Management Department, General Secretariat Jun. 2021 President In charge of Digital Transformation Department, General Secretariat, Tokyo Liaison Office Jun. 2022 President, Executive President In charge of Tokyo Liaison Office Jun. 2023 President, Executive President In charge of General Secretariat, Tokyo Liaison Office to the present	85,349 shares
	[Reasons for selection as a candidate] Mr. Masaki Matsushita possesses a wealth of operational experience from involvement in planning and coordination divisions, and is well versed in the operations of the Bank. He has served as a Director from June 2015, as a Deputy President from 2017 and as a President from 2021 and fulfilled his duties and responsibilities appropriately. The Bank has judged that he will continue to contribute to the management of the Bank through his wealth of experience and advanced views, and has thus selected him as a candidate for Director.		

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career Summary
(Positions, responsibilities at the Bank and significant concurrent positions)</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">2</td><td>To be reappointed

Shohei Hidai
(Jun. 7, 1964)
Age: 61
Male

Attendance at Board of Directors meetings:
14 / 14
(100%)</td><td>Apr. 1988 Joined the Bank
Mar. 2010 Deputy General Manager, Risk Management Department, then
General Manager, Tokyo Liaison Office,
General Manager, Minami-Matsumoto Area Minami-Matsumoto Branch,
General Manager, Planning and Coordination Department
Jun. 2018 Executive Officer and General Manager, Planning and Coordination Department
Jun. 2019 Managing Executive Officer and General Manager, Head Office Business Department
Jun. 2021 Managing Director
In charge of Business Planning Department, Business Promotion Department, International Department, Computer Systems Department
Jun. 2022 Senior Managing Director, Senior Managing Executive Officer
In charge of Planning and Coordination Department, Digital Transformation Department, Computer Systems Department
Jun. 2023 Deputy President, Executive Deputy President
In charge of Risk Management Department, Personnel Department, General Affairs Department
Jun. 2024 Deputy President, Executive Deputy President
In charge of Risk Management Department, Personnel Department
to the present</td><td>26,903 shares</td></tr>
<tr><td colspan="3">[Reasons for selection as a candidate]
Mr. Shohei Hidai possesses a wealth of operational experience from involvement in risk control and planning and coordination divisions, and is well versed in the operations of the Bank. He has served as a Director from June 2021, as a Senior Managing Director from 2022, and as an Executive Deputy President from 2023 and fulfilled his duties and responsibilities appropriately. The Bank has judged that he will continue to contribute to the management of the Bank through his wealth of experience and advanced views, and has thus selected him as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career Summary
(Positions, responsibilities at the Bank and significant concurrent positions)</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">3</td><td>To be reappointed

Makoto Nakamura
(May 30, 1967)
Age: 58
Male

Attendance at Board of Directors meetings:
14 / 14
(100%)</td><td>Apr. 1990 Joined the Bank
Jun. 2007 Deputy General Manager, Planning and Coordination Department, then
General Manager, Hong Kong Branch,
General Manager, Ueda-Higashi Branch,
General Manager, Omachi Branch,
General Manager, Financial Market Department
Jun. 2019 Executive Officer and General Manager, Financial Market Department
Jun. 2020 Executive Officer and General Manager, Business Administration Department
Jun. 2021 Managing Executive Officer and General Manager, Head Office Business Department
Jun. 2023 Director and Managing Executive Officer
In charge of Planning and Coordination Department, Digital Transformation Department, Financial Market Department, Computer Systems Department
Jun. 2024 Director and Managing Executive Officer
In charge of Planning and Coordination Department, Financial Market Department, Computer Systems Department
to the present</td><td>27,396 shares</td></tr>
<tr><td colspan="3">[Reasons for selection as a candidate]
Mr. Makoto Nakamura possesses a wealth of operational experience from involvement in planning and coordination and financial market divisions, and is well versed in the operations of the Bank. He has served as a Director from June 2023 and fulfilled his duties and responsibilities appropriately. The Bank has judged that he will continue to contribute to the management of the Bank through his wealth of experience and views, and has thus selected him as a candidate for Director.</td></tr>
<tr><td rowspan="3">4</td><td>To be reappointed

Hitoshi Nishizawa
(Mar. 26, 1963)
Age: 62
Male

Attendance at Board of Directors meetings:
14 / 14
(100%)</td><td>Apr. 1985 Joined The Industrial Bank of Japan, Limited (currently, Mizuho Bank, Ltd.)
Jul. 2013 Assistant General Manager, Internal Audit Department, Mizuho Bank, Ltd.
Apr. 2014 Deputy General Manager, Securities & International Department, THE NAGANO BANK, LTD.
Jun. 2015 Director and General Manager, Securities & International Department, THE NAGANO BANK, LTD.
Jul. 2016 Managing Director and General Manager, Securities & International Department, THE NAGANO BANK, LTD.
Jun. 2017 Managing Director, THE NAGANO BANK, LTD.
Jun. 2019 President and Representative Director, THE NAGANO BANK, LTD. (current position)
Jun. 2023 Director, the Bank
to the present</td><td>24,250 shares</td></tr>
<tr><td colspan="3">[Significant concurrent positions]
President and Representative Director, THE NAGANO BANK, LTD.</td></tr>
<tr><td colspan="3">[Reasons for selection as a candidate]
Mr. Hitoshi Nishizawa accumulated operational experience across a wide range of areas at Mizuho Bank, Ltd. From June 2019, he has served as a President of THE NAGANO BANK, LTD., exercising his outstanding leadership skills in generally managing the business of THE NAGANO BANK, LTD. He has served as a Director from 2023 and fulfilled his duties and responsibilities appropriately. The Bank has judged that he will continue to contribute to the management of the Bank by utilizing his wealth of experience and views for the Bank, and has thus selected him as a candidate for Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career Summary
(Positions, responsibilities at the Bank and significant concurrent positions)</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">5</td><td>To be reappointed

Outside Director

Independent Director

Miyako Hamano
(Apr. 17, 1955)
Age: 70
Female

Attendance at Board of Directors meetings:
14 / 14
(100%)</td><td>Apr. 1979 Joined Japan External Trade Organization (JETRO)
Jul. 2013 Executive Vice President, JETRO (Officer in charge of overseas market development, Japan Pavilion at Expo Milano 2015, etc.)
Oct. 2015 Advisor, JETRO
Apr. 2016 Councillor, JETRO (current position)
Apr. 2016 Policy Advisor, Secretariat of Intellectual Property Strategy Headquarters, the Cabinet Office (in charge of Cool Japan Strategy)
(resigned in September 2019)
Member of the board of trustees, Shinshu University
(current position)
Jun. 2020 Outside Director, Glosel Co., Ltd.
(resigned in June 2024)
Jun. 2021 Director, the Bank
to the present</td><td>7,801 shares</td></tr>
<tr><td colspan="3">[Reasons for selection as a candidate and expected roles]
In her career as the first woman serving as an Executive Vice President of JETRO, Ms. Miyako Hamano engaged in the work on overseas market development support for Japanese companies and regional revitalization for many years, through which she gained a wealth of experience and broad knowledge. The Bank has judged that Ms. Hamano, who has also fulfilled her duties as an Outside Director appropriately, will continue to contribute to the management of the Bank, and has thus selected her as a candidate for Outside Director. The Bank expects that, if Ms. Hamano is elected, she will provide supervision and advice on its business execution from an expert perspective, especially in the global business area. The Bank also plans to enlist Ms. Hamano to serve as a member of the Nominating and Compensation Committee and be involved in the selection of executive candidates and decisions on executive remuneration of the Bank from an independent standpoint.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career Summary
(Positions, responsibilities at the Bank and significant concurrent positions)</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="3">6</td><td>To be reappointed
Outside Director
Independent Director

Eiji Kanzawa
(Jul. 13, 1956)
Age: 68
Male

Attendance at Board of Directors meetings:
14 / 14
(100%)</td><td>Apr. 1980 Joined The Hachijuni Bank, Ltd.
Jan. 1986 Resigned from the Bank
Mar. 1986 Joined KISSEI COMTEC CO., LTD.
May 1988 Director, KISSEI COMTEC CO., LTD.
May 1990 Managing Director. KISSEI COMTEC CO., LTD.
May 1992 Executive Vice President, KISSEI COMTEC CO., LTD.
May 1994 President/C.E.O., KISSEI COMTEC CO., LTD.
May 2018 Chairman, Nagano Pref Information Service Association (current position)
Jun. 2018 President, Nagano Techno Foundation (resigned in March 2022)
Jun. 2021 Director, the Bank
Jun. 2022 Chairman, Representative Director and CEO, KISSEI COMTEC CO., LTD. (current position) to the present</td><td>8,834 shares</td></tr>
<tr><td colspan="3">[Significant concurrent positions]
Chairman, Representative Director and CEO, KISSEI COMTEC CO., LTD.</td></tr>
<tr><td colspan="3">[Reasons for selection as a candidate and expected roles]
Mr. Eiji Kanzawa, who executes the operations of KISSEI COMTEC CO., LTD. as a Representative Director, has a wealth of knowledge of promoting digitalization. The Bank has judged that Mr. Kanzawa, who has also fulfilled his duties as an Outside Director appropriately, will contribute to the management of the Bank, and has thus selected him as a candidate for Outside Director. The Bank expects that, if Mr. Kanzawa is elected, he will provide supervision and advice on its business and execution from an expert perspective, especially in the digital transformation field. The Bank also plans to enlist Mr. Kanzawa to serve as a member of the Nominating and Compensation Committee and be involved in the selection of executive candidates and decisions on executive remuneration of the Bank from an independent standpoint.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career Summary
(Positions, responsibilities at the Bank and significant concurrent positions)</th><th>Number of shares of the Bank held</th></tr>
<tr><td>7</td><td>To be newly appointed

Outside Director

Independent Director

Maiko Onoda
(Aug. 18, 1964)
Age: 60
Female

Attendance at Board of Directors meetings:
—</td><td>Feb. 1983 Made her debut in the entertainment industry
Jun. 2017 Representative Director, RightStuff Co., Ltd. (current position)
Jan. 2019 Fellow, ExaWizards Inc. (current position)
Oct. 2021 Representative Director, Maicompany (current position)
Dec. 2021 Outside Director, TASUKI Corporation (resigned in March 2024)
May 2022 Outside Director, Riso Kyoiku Co., Ltd. (current position)
Apr. 2024 Outside Director, TASUKI Holdings Inc. (current position)
Apr. 2025 Research Student, School of Science, the University of Tokyo
Professor, Professional University of Information and Management for Innovation
Visiting Professor, Senzoku Gakuen College of Music to the present</td><td>- shares</td></tr>
<tr><td></td><td colspan="3">[Significant concurrent positions]
Representative Director, RightStuff Co., Ltd., Representative Director, Maicompany</td></tr>
<tr><td></td><td colspan="3">[Reasons for selection as a candidate and expected roles]
With extensive experience in the entertainment industry as well as expertise in preventive medicine and robotics as a researcher, Ms. Maiko Onoda is highly recognized for the socially meaningful development of “LocoPyon,” a robot that contributes to maintaining elderly health. The Bank has judged that Ms. Maiko Onoda, who also possesses experience and substantial insight as a business owner, will offer opinions from diverse perspectives, and has thus selected her as a candidate for Outside Director. The Bank expects that, if Ms. Maiko Onoda is elected, she will provide supervision and advice on its business and execution, especially from technology and diversity perspectives. The Bank also plans to enlist Ms. Onoda to serve as a member of the Nominating and Compensation Committee and be involved in the selection of executive candidates and decisions on executive remuneration of the Bank from an independent standpoint.</td></tr>
</table>

(Notes) 1. Mr. Makoto Nakamura is scheduled to assume the office of Director of THE NAGANO BANK, LTD. on June 17, 2025.

2. Ms. Miyako Hamano has a deposit account with the Bank and engages in ordinary transactions. Although the Japan External Trade Organization (JETRO), the former employer of Ms. Miyako Hamano, has ordinary transactions, including deposits, with the Bank on a consistent basis, there should be no impact on decisions by shareholders and investors as she has satisfied the requirements for Independent Directors stipulated by the Tokyo Stock Exchange and the Standards for Determining Independence prescribed by the Bank (page 13) in light of the scale of transactions to the Bank's deposits and their nature.

3. Mr. Eiji Kanzawa was employed by the Bank from April 1980 through January 1986.

4. Mr. Eiji Kanzawa has a deposit account with the Bank and engages in ordinary transactions on a consistent basis. The Bank also has ordinary transactions, including deposits and loans, with KISSEI COMTEC CO., LTD., where he serves as a Representative Director, and ordinary transactions, including deposits, with the Nagano Pref Information Service Association, where he serves as a Chairman, on a consistent basis. The Bank believes these transactions should have no impact on decisions by shareholders and investors as he has satisfied the requirements for Independent Directors stipulated by the Tokyo Stock Exchange and the Standards for Determining Independence prescribed by the Bank (page 13) in light of the scale of transactions to the Bank's deposits and their nature.

5. Other than 2 through 4 above, there are no special interest relationships between the candidates for Director and the Bank.

6. The Bank has entered into a directors and officers liability insurance contract, as outlined below, and plans to renew it on December 25, 2025. Of the individuals nominated as candidates for Director in this proposal, those who are to be reappointed are already covered by the contract and will continue to be covered. Ms. Maiko Onoda will be covered by the contract if she is elected.

   [Outline of directors and officers liability insurance contract]

   (i) Actual ratio of premiums paid by the insured

   The premiums are paid by the Bank, including for riders. The insured does not bear the actual premiums.

   (ii) Outline of events insured against

   The contract, together with riders, will cover any damages, litigation costs, and other outlays that may arise due to the insured directors and officers assuming liability for the execution of their duties or receiving a claim related to the pursuit of such liability. However, there are certain exemptions, such as in case of actions taken with the knowledge that such actions are in violation of laws and regulations.

   (iii) Measures to prevent appropriateness of directors' and officers' duties from being undermined

   The insurance contract provides for exemption from liability in certain amount, below which damages are not covered.

7. Ms. Miyako Hamano, Mr. Eiji Kanzawa, and Ms. Maiko Onoda are candidates for Outside Director. Additionally, the Bank has designated them as Independent Directors under regulations of the Tokyo Stock Exchange, and made a submission designating them as such to the aforementioned Exchange.

8. Ms. Miyako Hamano and Mr. Eiji Kanzawa have served as Outside Directors of the Bank since June 2021, and their term will have been four years as of the conclusion of this General Meeting of Shareholders.

9. Under Article 29 of the current Articles of Incorporation, the Bank has made an agreement with Ms. Miyako Hamano and Mr. Eiji Kanzawa to limit their liability for damages to the minimum liability amount to the extent that they have acted in good faith without gross negligence during the course of their duties. (See Article 423, Paragraph 1 and Article 425, Paragraph 1 of the Companies Act.) The Bank plans to continue said agreement when they are reappointed as Outside Directors. In addition, if Ms. Maiko Onoda is elected as Outside Director, the Bank will enter into the same agreement with her.

10. Other than those provided above, there are no items required to be disclosed concerning the proposal to elect Directors as defined under Article 74 of the Ordinance for Enforcement of the Companies Act.

11. The ages of the candidates are as of the date of this General Meeting of Shareholders.

(For your reference) Standards for Selection of Outside Officers and Independence Determination

▪ Standards for selection of Outside Directors and Outside Company Auditors

The candidates for the position of Outside Director or Outside Company Auditor are determined according to the following "Standards for Determining Independence of Outside Officers," on the assumption that the standards for independence stipulated by the Tokyo Stock Exchange, Inc. are satisfied.

▪ Standards for Determining Independence of Outside Officers

In principle, candidates for Outside Director and Outside Company Auditor of the Bank shall be parties to whom none of the following items currently has applied and recently apply;

(1) A party who holds the Bank as a major transaction counterparty, or in the case where the party is a corporation, etc., a person who executes its business.
(2) A party who is a major transaction counterparty of the Bank, or in the case where the party is a corporation, etc., a person who executes its business.
(3) A consultant, accounting specialist, or legal specialist, etc., who receives a significant amount of cash or other assets from the Bank, aside from executive remuneration.
(4) An employee, etc., of a consulting firm, accounting firm, or legal firm, etc., who holds the Bank as a major transaction counterparty.
(5) A party who receives a significant amount of donations, etc., from the Bank, or in the case where the party is a corporation, etc., a person who executes its business.
(6) A major shareholder of the Bank, or in the case where the party is a corporation, etc., a person who executes its business.
(7) A close relative of a person listed below (excluding insignificant persons).
- Parties who fall under (1) to (6) above.
- A Director, Company Auditor, Executive Officer, or significant employee, etc., of the Bank or its subsidiaries.

■ Definition of "recently"	Refers to cases that can be substantially viewed as current, for example, includes cases that were applicable at the time that the content of the proposal for election of the Outside Director or Outside Company Auditor at the General Meeting of Shareholders was determined, etc.
■ Definition of "major transaction counterparty"	Evaluation shall be made based on the standard of whether such transaction is greater than 1% of consolidated sales (consolidated operating gross business profit in the Bank's case) or not in the last fiscal year. Additionally, if the IFRS is applied to the company, the evaluation shall be based on a standard of whether such transactions is greater than 1% of revenue or not.
■ Definition of "corporation, etc."	Includes organizations other than corporations.
■ Definition of "significant amount"	An average of over 10 million yen per year over the past three years. Provided however, it excludes cases of donations to the corporations whose business objectives are for a public welfare (limited to the corporations established under the "Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations").
■ Definition of "close relative"	Relatives within the second degree.
■ Definition of "insignificant persons"	Persons who are the Executive or General Manager level of companies, certified public accountants or attorneys, etc. who are affiliated with accounting firms and legal firms, etc., are deemed "significant." Persons who are not included in the above persons are deemed "insignificant."

(For your reference) Skill Matrix of Directors and Company Auditors

In order for the Board of Directors to fulfill its roles and duties effectively, the Bank needs a certain number of internal individuals who have a thorough knowledge of the Bank's operations and its issues as members of the Board. In addition, the Bank also believes that it is important that the diversity of knowledge, experiences and skills of the Board members is maintained.

Because of such viewpoint, the Bank maintains a basic policy of appointing Directors and Company Auditors from among individuals who have diverse knowledge and backgrounds.

The skill matrix of the Directors and Company Auditors including candidates is as below.

Notes: 1. The matrix below does not describe all knowledge and experiences possessed by each person. It indicates three areas in which each is especially expected display his/her expertise based on his/her experience and other characteristics.
2. Position of each of the Directors and Company Auditors described in the following table shows the one which they are to assume after the conclusion of this General Meeting of Shareholders.

Name	Position	Gender	Area in which is especially expected to display his/her expertise							
			Corporate management / organizational operation	Global	Finance / market	Business strategy / corporate support	Legal affairs / risk management	DX / IT technology	Human resources /diversity	Environment /society
Masaki Matsushita	President	Male	●			●	●			
Shohei Hidai	Deputy President	Male				●	●	●		
Makoto Nakamura	Director	Male		●	●	●				
Hitoshi Nishizawa	Director	Male	●		●			●		
Kayo Tashita	Outside Director	Female	●				●		●	
Miyako Hamano	Outside Director	Female	●	●					●	
Eiji Kanzawa	Outside Director	Male	●					●		●
Takayuki Kanai	Outside Director	Male	●	●	●					
Maiko Onoda	Outside Director (candidate)	Female						●	●	●
Chishu Minemura	Fulltime Company Auditor	Male		●		●	●			
Akihiro Kasahara	Fulltime Company Auditor	Male				●	●		●	
Kiyohito Yamasawa	Outside Company Auditor	Male	●					●		●
Takayuki Tanaka	Outside Company Auditor	Male		●	●					●
Hiroshi Hori	Outside Company Auditor	Male	●		●	●				

Key knowledge and experience required for each area

Corporate management/ organizational operation	・Management and organizational operation of companies ・Management strategy planning from a corporate-wide and mid-/long-term perspective	Legal affairs / risk management	・Expert knowledge of legal system and various regulations ・Risk management of corporate activities in general
Global	・Management of overseas offices and business units related to international finance and trade ・Strategy planning from a global perspective	DX / IT technology	・Expert knowledge of IT, digital transformation and technology ・System planning, operation and management
Finance / market	・Knowledge of financial market in general, securities operation, etc. ・Trends of financial industry and financial administration	Human resources / diversity	・Human resources affairs in general such as personnel management, human resource development, remuneration/salary and employee benefits ・Promotion of diversity and inclusion
Business strategy / corporate support	・Sales planning, marketing, new business development ・Corporate screening, business matching, business revitalization support, business succession and M&A	Environment /society	・Knowledge of history, culture, economy, etc. in local society ・Initiatives for environmental issues and environmental management

<Shareholder proposals (Proposals No. 3 through No. 7)>

Proposals No. 3 through No. 7 were made by one shareholder (LIM Japan Event Master Fund, number of voting rights held: 300, hereinafter, the "Proposing Shareholder")

The following contents and the reasons for the proposals have been published without changes to the original text submitted by the Proposing Shareholder.

Proposal No. 3: Partial Amendments to the Articles of Incorporation (Disclosure of Investments in Funds Managed by Shareholders)

(1) Outline of the Proposal

It is proposed that the following chapter and provision should be added to the Articles of Incorporation of the Bank. If, as a result of the resolution of the other proposals (including Company Proposals) at this Annual General Meeting of Shareholders, it becomes necessary to make formal adjustments to the chapter and provision stated in this proposal (including but not limited to the number of the Articles), the provision in this proposal shall stand as the provision after the necessary adjustments have been made.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendment
(Newly established)	Chapter 7: Investments in Funds Managed by Shareholders (Disclosure of Investments in Funds Managed by Shareholders) Article 46 When the Bank invests in a fund managed by a shareholder of the Bank, the Bank shall disclose the name of the shareholder, the name of the fund, and the amount of the investment in the Corporate Governance Report which the Bank submits to the Tokyo Stock Exchange.

(2) Reasons for the Proposal

In July 2024, the Bank's Securities Investment Group, Financial Market Department, contacted LIM Advisors Limited, asset manager of the shareholder who submitted a proposal at the 141st Annual General Meeting of Shareholders held on June 21, 2024, through a securities company to express the Bank's interest in the proposals submitted by the shareholders at the meeting. In response, as LIM Advisors Limited, which is obliged to protect the interests of the Proposing Shareholder's fund customers, cannot accept investments from the Bank as this would constitute a conflict of interest, it has declined to provide any materials or engage in any communication based on the assumption of the acceptance of such investments.

As a financial institution, the Bank is naturally mindful of conflicts of interest. Given the above circumstances, the investment by the Bank in the Proposing Shareholder could be interpreted as an action that seeks to align the exercise of the Proposing Shareholders' rights as shareholders of the Bank with the intentions of the Bank's management, and could potentially raise suspicion that it constitutes a benefit to shareholders (Article 120, Paragraph 1 of the Companies Act).

Assuming that the Bank's management is considering the strategy of investing in the Proposing Shareholder for the purpose of self-preservation, or using investment as a pretext for gathering information on the Proposing Shareholder which has exercised its rights as a shareholder of the Bank, such actions would constitute a breach of the fiduciary duty owed to the Bank's shareholders as the management of a listed company. If that is the case, we must point out that the management, does not understand the intent of Principle 4-5 of Japan's Corporate Governance Code, which states that "With due attention to their fiduciary responsibilities to shareholders, the directors, *kansayaku* and the management of companies should secure the appropriate cooperation with stakeholders and act in the interest of the company and the common interests of its shareholders."

As professionals working in the corporate sector and in financial markets, the above issues and risks are self-

evident. Since its founding in 1995, LIM Advisors Limited has invested in hundreds of Japanese companies, but has never been approached by a listed company with which it has engaged as a shareholder regarding investing in its fund, nor has it ever received requests to provide materials or engage in communication related to investment.

The proposal made by the Securities Investment Group of the Bank's Financial Market Department raises issues not only with regard to the Bank's corporate governance, but also reveals a lack of awareness with respect to compliance. Considering that this group plays a vital role in the Bank's operations division, this poses a risk of damage to its corporate value.

LIM Advisors Limited sent the Bank a letter of inquiry, but the Bank did not disclose any of the following: (1) By whom the request for information about the shareholder fund was initiated; (2) What the involvement of the Corporate Department was; (3) Whether the Compliance Department reviewed the issue before action was taken; (4) Whether the Proposing Shareholder's fund was included in the RESTRICTED LIST (investment prohibition list) of the Financial Market Department's Securities Investment Group; (5) Whether the Group has such a RESTRICTED LIST, and (6) Whether the Bank has internal systems in place to supervise the Group, including the existence of the RESTRICTED LIST, to avoid conflicts of interest with the Proposing Shareholder who has become a shareholder of the company.

It must be said that the Bank's management team is indifferent to conflicts of interest with shareholders. Therefore, the purpose of this proposal is to mitigate potential conflicts of interest and compliance risks that the Bank may face by mandating disclosure of investments in funds operated by its shareholders.

Opinion of the Board of Directors of the Bank

Opposed: The Board of Directors of the Bank is against this proposal for the following reasons.

The Securities Investment Group, Financial Market Department, the Bank's pure investment division, receives referrals from securities companies concerning multiple hedge funds within its hedge fund manager discovery business. Among multiple referrals received in July, 2024 was a referral to a fund ("the Fund") managed by Lim Advisors Limited. As part of the preliminary deliberation process, we requested overview materials for each fund introduced by the securities company. Given this, inquiries regarding the Fund were also made to LIM Advisors Limited, through the securities company. If deliberations were to proceed to the next stage, we would naturally suspend further consideration of the Fund in line with our internal review procedures.

Therefore, upon the inquiry through the securities company, the Bank did not intend to collect information on the Fund for any purpose other than investment, was not at the stage of specifically considering an investment, and of course did not make the inquiry with the intent of providing benefits to the Proposing Shareholder.

Moreover, in October 2024, the Bank received a letter of inquiry from LIM Advisors Limited incorporating the questions listed in the reasons for the proposal, and provided a response as noted above within the same month that the letter was received. However, since that time, no further inquiries have been received from LIM Advisors Limited.

As previously stated, it is clear that the Bank has not engaged in any illegal acts, nor was there any risk of such acts taking place. The Bank has further consulted with its legal counsel and obtained confirmation of this opinion. Furthermore, given that the Bank has established systems sufficient to preclude the arising of any unnecessary doubts related to compliance, it believes that there is no need to disclose information concerning corporate governance in the report referred to in this proposal, nor is there any need to incorporate the contents of this proposal into the Articles of Incorporation.

For the above reason, the Board of Directors of the Bank is against this shareholder proposal.

Proposal No. 4: Partial Amendments to the Articles of Incorporation (Verification of the Objective of Cross-shareholdings, Results Thereof, and Disclosure Regarding Changes in the Objective of Pure Investment)

(1) Outline of the Proposal

It is proposed that the following chapter and provision should be added to the Articles of Incorporation of the Bank. If, as a result of the resolution of the other proposals (including Company Proposals) at this Annual General Meeting of Shareholders, it becomes necessary to make formal adjustments to the chapter and provision stated in this proposal (including but not limited to the number of the Articles), the provision in this proposal shall stand as the provision after the necessary adjustments have been made.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendment
(Newly established)	Chapter 8: Cross-held shares (Verification of the Objective of Cross-shareholdings and Disclosure of Results) Article 47 The Bank in its Board of Directors meeting shall specifically examine, whether the objective of the shareholding of individual cross-shareholdings of the Bank is appropriate, whether the benefits and risks of the shareholding are commensurate with capital costs and verify whether the shareholdings are appropriate. 2. The Bank, in order to verify whether the cross-shareholding objective of maintaining and strengthening business relationships is actually being fulfilled by the cross-shareholding, shall interview the issuer of the cross-held shares, at least once a year and ask whether the cross-shareholding objective will not be fulfilled, if the cross-held shares were sold, and the reason thereof. 3. The Bank shall disclose the results of verification by the Board of Directors in accordance with paragraph 1 (including, but not limited to, the specific numerical values and process of calculation of the indicators used to verify the reasonableness of holding cross-held shares, based on whether the benefits and risks obtainable from each issuer of such shares, as determined by the Bank, are commensurate with indicators that consider factors such as capital costs) and the replies to the interview by the issuer in accordance with paragraph 2 for each issuer by its Corporate Governance Report which the Bank submits to the Tokyo Stock Exchange.

	4. If the Bank changes the objective of holding cross-held shares to pure investment, it will disclose the specific figures for the capital cost to be used as the benchmark for the target return and the calculation process for each issue in the Corporate Governance Report submitted by the Bank to the Tokyo Stock Exchange.

(2) Reasons for the Proposal

The Bank's Price Book-value Ratio (PBR) has been below 1.0x since 2006 and currently stands at only about 0.4x. The Bank cannot deny that the low market evaluation of the Bank's shares is the consequence of overcapitalization disproportionate to the risk and returns of the business and management decisions that overlooked the escalation of cross-shareholdings. The Bank is a financial institution that handles marketable securities and is an internationally recognized institution that includes unrealized gains on cross-held shares in its capital. With regard to the Bank's policy for reducing cross-held shares, however, it has established a target of "reducing strategic shareholdings to under 20% of net assets by March 2030," which, from the perspective of the timeframe, lacks a sense of urgency. Regarding the cross-held shares owned by the Bank, as stipulated in the disclosure materials for the 54th Information Meeting held in November 2024, on page 43 under the section titled "Efforts to Improve ROE: Strategic Shareholding Policy and Reduction Methods," "In regard to all shares that we hold as of the reference date, we have verified that our holding of each issuer's shares is reasonable from the perspective of whether the benefits received from the issuer and the risks related thereto are balanced against indices that take into account cost of capital and other factors," and "The Board of Directors will verify the reasonableness of holding each issuer's shares each year and disclose the details of that verification through an appropriate method." However, whether the disclosure will be made on an individual security basis, the specific 'indicators' that will be disclosed, and the disclosure methods that will be employed remain unclear.

In fact, according to the Annual Securities Report for the 141st fiscal year (April 1, 2023 to March 31, 2024), as of March 31, 2024, the Bank held approximately ¥638.6 billion in cross-held listed shares. This is an abnormal value, equivalent to approximately 150% of the Bank's most recent market capitalization. If the Bank maintains this disproportionately large cross-held stock position with respect to its market capitalization, it will be unable to correct inefficient capital allocation in which the return on equity (ROE) is subordinate to shareholder equity costs.

From the standpoint of "procyclicality," which posits a positive correlation between economic fluctuations and the unrealized gains from cross-shareholdings, cross-shareholdings would be defined as "poor-quality" capital. Cross-shareholdings are financial assets entailing high risk and volatility compared to other instruments. Nevertheless, the Bank does not calculate the fair values of these cross-shareholdings, as a professional institutional investor would. As was evidenced by the incident where a major insurance company adjusted its corporate insurance premium with other companies, cozy relationships between companies can become a breeding ground for fraud. Cross-shareholding also poses an inherent risk, in which factors other than the terms and conditions of the loan agreement, such as the ratio of cross-shareholdings, could impact the competition to capture customers.

In an interview article "President Matsushita of Hachijuni Bank Objects to Investor Demand to Reduce Cross-shareholdings posted in the digital version of the Nihon Keizai Shimbun in September 2023, President, Masaki Matsushita explains that "Unrealized gains are proof of our long-standing efforts to nurture companies." However, the Bank has hardly any business transactions with Shin-Etsu Chemical Co., Ltd., which has the highest market value in the Bank's cross-shareholdings. He also says that "if we sell the shares all at once, we will lose the opportunity to benefit from further increases in share prices. Ample capital adequacy is crucial for implementing bold measures. Although we need to provide an explanation (to the investees), we can benefit from having cross-shareholdings, which can be quickly converted into cash, in our arsenal." Despite these remarks, it is doubtful whether the Bank has calculated the fair values of its cross-shareholdings and there is an obvious lack of the concept of procyclicality.

Additionally, as stipulated in the disclosure materials for the 54th Information Meeting held in November 2024,

on page 43 under the section titled “Efforts to Improve ROE: Strategic Shareholding Policy and Reduction Methods,” “When reducing strategic shareholdings, in cases where we are able to reach an agreement with the issuer that each party is free to sell the other party’s shares it holds at its sole discretion, we will change the purpose of those holdings to pure investment and change the department responsible for managing those holdings to the department responsible solely for investment.” As a result, by reclassifying cross-shareholdings as pure investments, the Bank may now have the option to reduce them on paper. However, the shareholders are investing in the Bank because they are counting on the value of the Bank as a financial intermediary to the regional economy, to which the shareholders have no way of investing directly, and not as an asset manager of Japanese equity, and the Bank is disregarding the position of the minority shareholder.

In the Annual Securities Report for the 141st fiscal year, the Bank claimed that for “investment securities held for purposes other than pure investment” that fall under cross-shareholdings, the Bank will “establish standard values for Return on Risk Asset (RORA) indicators based on the Bank’s capital costs to gauge the rationale of holding listed stock and conduct verifications for each company.” However, based on the description of the objective of cross-shareholdings in the 141st Securities Report, in practice, we surmise that the “rationale of holding” lies in the expectations for business development in the forms of loans from its business partners through the holding of cross-shareholdings. Such a method can result in the business partner prioritizing transactions with the Bank which is a shareholder rather than seeking financial institutions that indicate the best possible conditions for them, which, in turn, could lead to conflicts of interest between the other shareholders of the business partner and the Bank. It can also pose the risk of fraud, as was indicated by the incident involving corporate insurance premium adjustments by a major insurance company with other companies. Therefore, cross-shareholdings contain risks that contradict the management philosophy of “Contribute to regional development through a commitment to sound banking principles.”

From the outset, the method of “establishing standard values for Return on Risk Asset (RORA) indicators based on the Bank’s capital costs to gauge the rationale of holding listed stock” may confuse with securities and loan receivables whose risk and return qualities are in a totally different class of assets. The hurdle rate for a business holding cross-shareholdings should be the capital cost of that business. On the other hand, major listed companies in Japan have an ROE of 8% or higher, and for the Bank, which aims for a 5% or higher ROE by fiscal 2027, to set capital cost as its standard value, is tantamount to admitting that it holds cross-shareholdings that are unattractive investment-wise and is disregarding the stance of the minority shareholder.

Opinion of the Board of Directors of the Bank

Opposed: The Board of Directors of the Bank is against this proposal for the following reasons.

The basic policy of the Bank is to reduce cross-held shares after conducting sufficient dialogue with the investees. The Bank may retain such shares on a limited basis, however, if it is determined that doing so is reasonable from a business strategy perspective, such as when the Bank's cross-shareholdings contribute to strengthening relationships with investees, thereby helping to resolve management issues and enhance corporate value, which in turn contributes to local economic growth, or when such shares are held for other strategic reasons such as forming business partnerships.

In addition, we verify the rationale of all securities held as of the reference date from the perspective of whether the benefits and risks associated with each investment are commensurate with indicators that consider capital costs and other factors.

The Board of Directors verifies each year the rationale of shareholding for each issue and discloses the details of the verification in an appropriate manner.

With regard to shares where the objective of holding is changed from cross-shareholding to pure investment, we only include shares that the Bank can freely trade, such as those for which restrictions concerning trading or timing have not been imposed by the issuer. Additionally, following the change to pure investment, the department responsible will be changed to a department specializing in pure investment, and we will manage the shares in accordance with guidelines that stipulate appropriate exercise of voting rights, with the aim of realizing returns in the form of capital gains and dividends that exceed capital costs. We have disclosed this intention and are managing the shares accordingly.

We believe that the gist of this proposal, i.e. the verification of the objective of holding cross-held shares and the disclosure of the results thereof, as well as the disclosure concerning the change in the objective of such shareholdings from pure investment, in the Articles of Incorporation, which are the fundamental norms that set forth the basic matters on the organization and operation of a company, would be out of place. Moreover, in light of our basic policy of appropriate verification and disclosure, as described above, we believe that there is no need to set forth the matters articulated in this proposal in the Articles of Incorporation.

For the above reason, the Board of Directors of the Bank is against this shareholder proposal.

Proposal No. 5: Partial Amendments to the Articles of Incorporation (Disclosure of Directors' Compensation on an Individual Basis)

(1) Outline of the Proposal

It is proposed that the following provision should be added to the Articles of Incorporation of the Bank. If, as a result of the resolution of the other proposals (including Company Proposals) at this Annual General Meeting of Shareholders, it becomes necessary to make formal adjustments to the provision stated in this proposal (including but not limited to the number of the Articles), the provision in this proposal shall stand as the provision after the necessary adjustments have been made.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendment
(Newly established)	(Remuneration and Other Financial Benefits of Directors) Article 25 (Omitted) 2. The amount, the details and the determination method of the remuneration of Directors shall be disclosed each year on an individual basis in the Business Report and the Annual Securities Report.

(2) Reasons for the Proposal

The Bank's shares have chronically had a PBR of 1x or lower and the Bank has had a problem in terms of corporate governance with its immense cross-shareholdings functioning as a manipulative way of securing stable shareholders and generating arbitrary profit. To the contrary, Directors' compensation on an individual basis indicates how the Board of Directors assesses the challenges of the Bank and how such efforts are reflected in the individual Director compensation and plays the role of elucidating the problems of corporate governance and capital allocation.

The Board of Directors of the Bank, which has long overlooked the PBR of less than 1x and the Bank's escalating cross-shareholding, cannot be expected to play a role in improving the Bank's corporate governance problems or making management take responsibility in terms of capital efficiency and the protection of minority shareholders. Therefore, to provide an environment where the shareholders can take a more proactive approach to checks and balances, we propose to establish a provision in the Articles of Incorporation to mandate for the Bank to disclose Directors' compensation on an individual basis.

According to the "Corporate Governance Report" disclosed by the Bank in November 2024, it states that, "The compensation system of Directors of the Bank shall be a system that motivates Directors to enhance business performance, improve corporate value and raise awareness toward shareholder-oriented management. In the determination of compensation for individual Directors, the Bank's basic policy is to aim for appropriate levels based on the responsibilities to be fulfilled and the results achieved by each Director. Specifically, Directors' compensation comprises fixed-amount compensation, performance-linked compensation, and non-monetary compensation." To be specific, fixed-amount compensation is "a monthly compensation determined by considering the Bank's business performance and the levels of its peers, according to the position, responsibilities, and number of years in office of the Director." However, the specific calculation methods and allocation methods are not articulated. Performance-linked compensation "serves as a short-term incentive to raise the motivation and morale of the Directors to enhance business performance and is based on the performance indicator of 'net income attributable to owners of parent' (hereinafter, "consolidated net income"), and paid in cash at a given time each year in the amount calculated each fiscal year based on consolidated net income." Since the indicators do not contain indicators of capital efficiency, such as ROE, we cannot tell from the disclosed documents how the incentives for the Directors are connected to shareholder interests (especially minority shareholders). In addition, since net income for a single fiscal year is used as a performance indicator, there is no incentive to improve medium- to long-term corporate value.

Supplementary Principle 4.2.1 of "Principle 4.2 Roles and Responsibilities of the Board (2)" of the Corporate

Governance Code states that “The board should design management remuneration systems such that they operate as a healthy incentive to generate sustainable growth, and determine actual remuneration amounts appropriately through objective and transparent procedures. The proportion of management remuneration linked to mid- to long-term results and the balance of cash and stock should be set appropriately.” However, it is highly unlikely that the Bank’s system of compensation for directors has been designed to contribute to the common interests of the shareholders.

This is why we are proposing a provision to be added in the Articles of Incorporation for the mandatory disclosure of Directors’ compensation on an individual basis to establish an environment that allows shareholders and the stock market to appropriately assess management’s performance and the Bank’s problems with corporate governance.

In the “TSE’s Future Actions in Response to the Summary of Discussions of the Follow-up Council” released by Tokyo Stock Exchange, Inc. on January 30, 2023, it states that it will “Require that management and the board of directors properly identify the company’s cost of capital and capital efficiency, evaluate those statuses and its stock price and market capitalization, and disclose policies and specific initiatives for improvement and the progress thereof as necessary” and that it will require disclosure “Especially for companies that clearly need to improve, such as those with a PBR consistently below 1x.” The Bank’s PBR has been less than 1.0x for the past 20 years and whether achieving a PBR of 1.0x or higher is serving as an incentive for the Directors or not is a crucial point in the “specific initiatives for improvement (of PBR).”

Opinion of the Board of Directors of the Bank

Opposed: The Board of Directors of the Bank is against this proposal for the following reasons.

The compensation system of Directors of the Bank shall be a system that motivates Directors to enhance business performance, improve corporate value, and raise awareness toward shareholder-oriented management. In the determination of compensation for individual Directors, the Bank shall aim for appropriate levels based on the responsibilities to be fulfilled and the results achieved by each Director.

Furthermore, the Nominating and Compensation Committee, the majority of the members of which are Outside Directors and which is chaired by an Outside Director, deliberates the compensation for Directors and provides advice and recommendations to the Board of Directors.

The compensation, etc. for Directors determined each year in this manner is disclosed appropriately in the Annual Securities Report as total amounts for each officer category, total amounts for each type of compensation, and the number of officers subject to payment.

This proposal asks for a new provision in the Articles of Incorporation to disclose the compensation amounts of Directors on an individual basis. However, articulating such provisions in the Articles of Incorporation, which are the fundamental norms that set forth the basic matters on the organization and operation of a company, would be out of place. Furthermore, the Bank, as stated above, discloses the policy for the determination of Directors' compensation and the actual payments. Although we do not disclose Directors' compensation on an individual basis, we consider this to be a crucial matter of corporate governance and thus ensure its transparency and objectivity by having the Board of Directors determine the compensation based on the recommendations of the Nominating and Compensation Committee, the majority of the members of which are Outside Directors, and therefore, we believe that there is no need to set forth the matters articulated in this proposal in the Articles of Incorporation.

For the above reason, the Board of Directors of the Bank is against this shareholder proposal.

Proposal No. 6: Appropriation of Surplus

(1) Outline of the Proposal

It is proposed that the surplus should be appropriated as follows. If the Board of Directors of the Bank proposes an appropriation of surplus at this Annual General Meeting of Shareholders, this proposal will be submitted separately from such proposal.

1. Type of dividend property
   Cash
2. Amount of dividend per share
   The amount to deduct the amount of dividend per share of common stock of the Bank proposed by the Board of Directors of the Bank and approved by this Annual General Meeting of Shareholders from 71.00 yen (If the Board of Directors of the Bank does not propose an appropriation of surplus at this Annual General Meeting of Shareholders, then 71.00 yen).
3. Allotment of dividend property to shareholders and the total amount
   The amount of dividend per share stated in above 2. per share of common stock (The total amount of dividends shall be an amount calculated by multiplying the amount of dividend per share by the number of common stock (excluding treasury stock) of the Bank issued as of March 31, 2025).
4. Effective date of distribution
   Date of this Annual General Meeting of Shareholders
5. Commencement date of dividend payments
   The date on which three weeks have passed from the business day following this Annual General Meeting of Shareholders.

(2) Reasons for the Proposal

Considering the risk of continuing impairment of shareholder value due to the further increase in net worth and a long-term PBR of less than 1x, for the purpose of breaking this vicious cycle of deteriorating capital efficiency, pushing forward with bold shareholder returns would contribute to the protection of minority shareholders.

In the item of “Efforts to Improve PBR” on page 37 of the disclosed materials for the 54th Information Meeting held in November 2024, it states that “We recognize that low ROE is the issue causing our low PBR,” and that the Bank aims to achieve an even higher level of ROE of 7-8%, exceeding capital costs in the future. The phrase “the future,” however, is lacking in specificity. From the outset, the Bank could reduce cross-shareholdings on paper by shifting the objective to pure investment, but as things stand, we cannot help but conclude that it is difficult to expect a return to a PBR of 1x. Under Japanese accounting standards, the calculation of PBR is based on the market value of investment securities, and the cost of capital also corresponds to the market value of the investment business.

This is why a payout ratio of 100%, at least is necessary, and as stated in (1) above, we propose a dividend of 71.00 yen which has been calculated by deducting 13.00 yen per share of interim dividend from the 84.00 yen per share projected in the earnings forecast for the fiscal year ended March 31, 2025. The Bank is a Uniform International Standard bank with a high capital adequacy ratio of approximately 20% and thus it is highly unlikely that a 100% payout ratio will pose a systemic risk to the regional economy. As of March 31, 2024, the Bank held approximately ¥638.6 billion in cross-held shares, which amounts to approximately 150% of the Bank’s market capitalization, ensuring sufficient financial resources.

Opinion of the Board of Directors of the Bank

Opposed: The Board of Directors of the Bank is against this proposal for the following reasons.

The Bank considers the return of profits to shareholders as one of its most important management tasks and has set a minimum dividend of 5.00 yen per share. The Bank upholds the basic policy of stable dividends and proactive shareholder returns through acquisition of treasury stock and continues to improve returns to shareholders. Specifically, the Bank has set the allotment target in the medium-term management targets at "annual dividends of at least 20.00 yen (each year from FY2023 through FY2025)." In line with this, in the previous fiscal year we paid 24 yen (interim dividend of 10 yen plus year-end dividend of 14 yen), in the current fiscal year we paid 42 yen (interim dividend of 13 yen plus year-end dividend of 29 yen), and for the next fiscal year we intend to pay 50 yen per share (including a commemorative dividend). In this way, we are steadily increasing dividends and maintaining a high level of dividends within the industry.

Meanwhile, the Bank believes that well-balanced efforts toward growth investments and ensuring financial soundness are essential in addition to the improvement of shareholder returns to sustainably improve its corporate value as a regional financial institution. From the standpoint of maintaining the soundness enables to support the regional companies under any circumstances together with making growth investments primarily to provide proactive support to regional companies, we believe that it is best to implement measures based on the Bank's current dividend policy.

Payment of dividends on surplus based on this proposal, in view of the Bank's raison d'etre as a regional financial institution as described above, can be construed as short-sighted and contrary to the medium- to long-term improvement of the Bank's corporate value.

For the above reason, the Board of Directors of the Bank is against this shareholder proposal.

Proposal No. 7: Acquisition of Treasury Stock

(1) Outline of the Proposal

In accordance with the provisions of Article 156, Paragraph 1 of the Companies Act, the Bank shall acquire a total of 20,000,000 shares of common stock of the Bank for up to 18.02 billion yen (However, if the total acquisition price permitted by the Companies Act (the "Distributable Amount" defined in the provision of Article 461 of the Companies Act) falls below the said amount, then the maximum acquisition price permitted by the Companies Act), in exchange for cash, within one year from the conclusion of this Annual General Meeting of Shareholders.

(2) Reasons for the Proposal

At the Bank, a large volume of cross-held shares based on market value is a major cause of overcapitalization resulting in a high capital adequacy ratio inordinate relative to the business' risk and return. Ignoring such overcapitalization will lead to the perpetual PBR of 1x or less because of the Bank's failure not to correct inefficient capital allocation in which ROE is subordinate to capital costs.

In the item of "Efforts to Improve PBR" on page 37 of the disclosed materials for the 54th Information Meeting held in November 2024, it states that "We recognize that low ROE is the issue causing our low PBR," and that the Bank aims to achieve an even higher level of ROE of 7-8%, exceeding capital costs in the future. The phrase "the future," however, is lacking in specificity, and the Bank may shift the objective to pure investment, reducing cross-shareholdings on paper only. Under Japanese accounting standards, the calculation of PBR is based on the market value of investment securities, and the cost of capital also corresponds to the market value of the investment business.

Consequently, to pave a path toward recovering a PBR of 1x or higher, the acquisition of treasury stock will become indispensable. As stated above, the Bank holds cross-shareholdings equivalent to approximately 150% of its market capitalization and has more than enough funds to acquire treasury stock. The proposed total number of shares is equivalent to 6% of the trading volume of the Bank's shares in the past year and is on a reasonable level that can be fully absorbed by the market from the standpoint of liquidity.

The Bank is a Uniform International Standard bank with a high capital adequacy ratio and it is highly unlikely that the proposed acquisition of treasury stock equivalent to approximately 4% of its market capitalization will pose a systemic risk to the regional economy. Furthermore, it is not inconsistent with the Bank's management philosophy of "Contribute to regional development through a commitment to sound banking principles."

Opinion of the Board of Directors of the Bank

Opposed: The Board of Directors of the Bank is against this proposal for the following reasons.

The Bank considers the return of profits to shareholders as one of its most important management tasks and has set a minimum dividend of 5.00 yen per share. The Bank upholds the basic policy of stable dividends and proactive shareholder returns through acquisition of treasury stock and continues to improve returns to shareholders.

The Bank believes that well-balanced efforts toward growth investments and ensuring financial soundness are essential in addition to the improvement of shareholder returns to sustainably improve its corporate value as a regional financial institution. Therefore, in terms of the acquisition of treasury stock, the Bank, while upholding the standpoint of maintaining the soundness enables to support the regional companies under any circumstances together with making growth investments primarily to provide proactive support to regional companies, will focus on implementing acquisition, upon flexible and agile consideration of the right timing and amounts, taking into account the Bank's financial condition and business plans, as well as the stock trading situation and stock prices. Based on this approach, the Bank recently acquired approximately 10.0 billion yen of treasury stock in FY2023 and 20.5 billion yen of treasury stock in FY2024. For FY2025, the Bank is also planning and has disclosed the acquisition of around 10.0 billion yen of treasury stock.

The Bank will continue to acquire treasury stock in a timely and appropriate manner based on the above policy and approach. However, the acquisition of treasury stock under this shareholder proposal fails to take into account for such policies and approaches, and as such acquisition could lead to financial restrictions and so on the Bank has deemed this shareholder proposal inappropriate.

For the above reason, the Board of Directors of the Bank is against this shareholder proposal.