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(Securities Code: 8418)

June 3, 2022

Dear shareholders:

Keisuke Mukunashi
President, Representative Director
and CEO
Yamaguchi Financial Group, Inc.
2-36, 4-chome Takezaki-cho,
Shimonoseki, Yamaguchi

NOTICE OF CONVOCATION OF THE 16th ANNUAL GENERAL MEETING OF SHAREHOLDERS

We would like to notify you that the 16th Annual Shareholders' Meeting of Yamaguchi Financial Group, Inc. (the "Company") (the "Meeting") will be held as described below.

In response to the COVID-19 pandemic, as a result of careful consideration, we have decided to hold the Annual Shareholders' Meeting while taking appropriate infection prevention measures. If you plan to attend the Meeting, please check the status of pandemic spread and your physical condition on the date of the Meeting, and take care to prevent the spread of infection.

We would appreciate it if you would consider exercising your voting rights in advance via the internet or in writing from the perspective of preventing the spread of infection.

If you intend to exercise your voting rights in advance via the internet or in writing, please review the reference materials for the Meeting below, and exercise your voting rights by 5:30 p.m. on Thursday, June 23, 2022, Japan time, in accordance with "GUIDANCE ON EXERCISE OF VOTING RIGHTS" on page 3 and "GUIDANCE ON EXERCISE OF VOTING RIGHTS VIA THE INTERNET" on page 4.

1. Date and Time: 10:00 a.m., Friday, June 24, 2022
(Doors will open at 9:00 a.m.)

2. Place: 8th Floor Hall of the Head Office of Yamaguchi Bank
located at 2-36, 4-chome Takezaki-cho, Shimonoseki, Yamaguchi

In order to prevent the spread of infection, we will increase the distance between seats; consequently, the number of seats we can prepare is fewer than usual. Therefore, please be aware that you may be denied entry when visiting the location on the day of the Meeting. Entry may also be refused if we determine that our shareholders are at risk due to the circumstances of the pandemic. We would greatly appreciate your understanding of these policies in advance.

In addition, we will not be handing out souvenirs to the attending shareholders this year. We would appreciate your understanding of this decision and cooperation.

3. Agenda:

Matters to be reported

1. Details of the Business Report, details of the Consolidated Financial Statements, and reports of the Accounting Auditor and of the Audit and Supervisory Committee on the results of auditing the Consolidated Financial Statements, for the 16th fiscal year (from April 1, 2021 to March 31, 2022)
2. Details of the Non-Consolidated Financial Statements for the 16th fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be resolved

- Proposal 1: Partial Amendments to the Articles of Incorporation
- Proposal 2: Election of Eight (8) Directors (Excluding Directors Who Serve as Audit and Supervisory Committee Members)
- Proposal 3: Election of One (1) Director Who Serves as Audit and Supervisory Committee Member
- Proposal 4: Election of One (1) Substitute Director Who Serves as Audit and Supervisory Committee Member

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- When attending the Meeting, please submit the enclosed “Voting Rights Exercise Form” at the reception on the day of the Meeting. Please also bring this notice of convocation to the meeting with you for the sake of saving paper resources. In addition, you may exercise your voting rights by proxy by submitting a document certifying the grant of authority of representation to one other shareholder of the Company who is entitled to vote at the Meeting.
 - The following items are posted on the Company website (<https://www.ymfg.co.jp>) in accordance with laws and regulations as well as Article 17 of the Articles of Incorporation of the Company:
 - (i) “Matters Concerning the Company’s Share Options, Etc.,” “Systems for Ensuring Proper Business Activities,” “Matters Concerning the Specified Wholly-Owned Subsidiary Companies,” “Matters Concerning Transactions Between the Company and Its Parent Company, Etc.,” “Matters Concerning the Accounting Advisors,” and “Others,” in the Business Report;
 - (ii) “Consolidated Statement of Changes in Net Assets,” and “Notes to the Consolidated Financial Statements” in the consolidated financial statements; and
 - (iii) Non-Consolidated Statement of Changes in Net Assets” and “Notes to the Non-Consolidated Financial Statements” in the non-consolidated financial statements.
 - Please note that any revisions to the “Reference Materials for the Annual General Meeting of Shareholders” as well as the “Business Report,” “Consolidated Financial Statements,” and “Non-Consolidated Financial Statements” will be posted on the Company website (<https://www.ymfg.co.jp>).

GUIDANCE ON EXERCISE OF VOTING RIGHTS

Voting rights are important rights of shareholders. Therefore, we request that you exercise your voting rights upon careful review of the “Reference Materials for the Annual General Meeting of Shareholders.”

There are three ways to exercise your voting rights.

Via the Internet

Exercise Deadline: 5:30 p.m. on Thursday, June 23, 2022, Japan time

Please access the website for exercise of voting rights (<https://evote.tr.mufg.jp/>) and follow the on-screen guidance to indicate your approval or disapproval of the proposals by 5:30 p.m. on Thursday, June 23, 2022 Japan time.

By Mail

Exercise Deadline: Votes arriving on or before 5:30 p.m. on Thursday, June 23, 2022, Japan time will be valid.

Please indicate your approval or disapproval of the proposals in the enclosed “Voting Rights Exercise Form,” and sent it back by 5:30 p.m. on Thursday, June 23, 2022 Japan time.

If you indicate neither approval nor disapproval of a proposal, your vote will be treated as if you indicated “approval.”

By Attending the Meeting

Date and Time of the Meeting: 10:00 a.m. on Friday, June 24, 2022, Japan time

When attending the meeting, please submit the enclosed “Voting Rights Exercise Form” at the reception of the Meeting.

GUIDANCE ON EXERCISE OF VOTING RIGHTS VIA THE INTERNET

How to Scan the QR Code

You can log in to the website for exercise of voting rights without entering your log-in ID or provisional password printed in your “Voting Rights Exercise Sub-Form.”

- (1) Please scan the QR code printed on your “Voting Rights Exercise Sub-Form” (on the right side).
* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.
- (2) After scanning the QR code, please follow the on-screen guidance and indicate your approval or disapproval of each proposal.

You can only log in using the QR code once. If you intend to exercise your voting rights again, or would like to exercise your voting rights without using the QR code, please follow “How to Enter the Log-in ID and the Provisional Password” below.

How to Enter the Log-in ID and the Provisional Password

Website for Exercise of Voting Rights: <https://evote.tr.mufg.jp/>

- (1) Please Access the website for exercise of voting rights.
- (2) Please enter your “Log-in ID and Provisional Password” printed in your “Voting Rights Exercise Form,” and click “Log in.”
- (3) Please register your new password.
- (4) After that, please follow the on-screen guidance and indicate your approval or disapproval of each proposal.

[Notes for Exercising Your Voting Rights via the Internet]

- Shareholders will be responsible for pay internet connection charges, communication charges, etc. arising from accessing the voting rights exercise website.
- Treatment of Voting Rights Exercised Multiple Times
 - If your voting rights are exercised both by mail and via the internet, the votes exercised via the internet will prevail and be effective, regardless of the arrival date and time of result of the voting.
 - If a voting right is exercised multiple times via the internet, the voting right exercised most recently will be treated as effective.

If you have any inquiries on how to operate your computer or smartphone when exercising your voting rights via the internet, please call:

Mitsubishi UFJ Trust & Banking Corporation
Securities Agency Division, Help Desk
0120-173-027
(Phone Reception Hours: from 9:00 a.m. to 9:00 p.m., Japan time, toll free)

Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc.

REFERENCE MATERIALS FOR THE MEETING

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the Proposal

- (1) Changes to Prepare for the Introduction of System for Electronic Provision of Materials for the General Meeting of Shareholders

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions to the “Act Partially Amending the Companies Act” (Act No.70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of a system for the electronic provision of materials for general meetings of shareholders, the Articles of Incorporation shall be amended as follows.

- (a) Proposed Article 17 (Measures for Electronic Provision, Etc.), Paragraph 1 will be newly established as it will be mandatory to establish in the Articles of Incorporation that the measures for electronic provision will be taken for the information contained in the reference materials for Shareholders’ Meetings, etc.
- (b) Proposed Article 17 (Measures for Electronic Provision, Etc.), Paragraph 2 will be newly established to enable the limitation of the scope of matters for the electronic provision of information contained in the reference materials for Shareholders Meetings, etc. which will be stated in the hard copy delivered to the shareholders who have requested its delivery, to the scope stipulated in the Ordinance of the Ministry of Justice.
- (c) As the provisions of Article 17 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) in the current Articles of Incorporation will become unnecessary with the introduction of a system for the electronic provision of materials for general meetings of shareholders, they will be deleted.
- (d) In addition, supplementary provisions shall be established in relation to the effectiveness of the above stated provisions to be newly established or deleted. The supplementary provisions shall be deleted after their expiry date.

(2) Change in the Number of Directors

The Company believes it is necessary, while having the independent outside Directors comprise the majority of the Board of Directors and building an effective governance system incorporating external perspectives, to establish an environment for more active utilization of the abundant information that the Board of Directors may obtain from the Executive Directors and to optimize the number of Directors in the future. Accordingly, the number of Directors prescribed in the Articles of Incorporation will be revised from within ten (10) to within thirteen (13).

At present, the three banks (The Yamaguchi Bank, Ltd., Momiji Bank, Ltd., and The Kitakyushu Bank, Ltd.) in the group of the Company (the “Group”) constitute the majority of the performance and management resources of the Group. The Company believes that focused monitoring of the business execution of the three banks in the Group is necessary for the Board of Directors of the Company to supervise the business execution of the whole Group. Moreover, with respect to the candidates for the position of Director at the Meeting, the Company has determined that having the Presidents of the three banks in the Group serve as Directors of the Company would be an appropriate governance system for the Group. Accordingly, the Presidents of the three banks (including a candidate) are nominated

as candidates for the position of Director of the Company in Proposal 2.

(3) Establishment of New Provision Regarding Substitute Director Who is an Audit and Supervisory Committee Member

A new provision will be established stipulating that where a substitute Director who is an Audit and Supervisory Committee Member is elected by way of precaution against a vacancy which results in a shortfall in the number of Directors who are Audit and Supervisory Committee Members prescribed under the laws and regulations, the effective period for the resolution shall be two (2) years.

2. Details of the Amendments

The details of the amendments are as follows.

(Underlines indicate changed sections.)

Current Articles	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.)</u> Article 17 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be stated or presented in the reference materials for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information in a manner prescribed in the Ordinance of the Ministry of Justice using the internet.</p> <p>(Newly Established)</p>	<p>(Deleted)</p> <p><u>(Measures for Electronic Provision, Etc.)</u> Article 17 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically. (2) <u>Among the matters to be provided electronically, the Company may choose not to state all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the hard copy delivered to the shareholders who have requested its delivery by the record date for voting rights.</u></p>

Current Articles	Proposed Amendments
<p>(Number of Directors) Article 20 The number of Directors of the Company shall be <u>ten (10) or less</u>.</p> <p>(2) Among the Directors of the Company, three (3) or more shall be Directors who are Audit and Supervisory Committee Members.</p> <p>(Directors' Terms of Office) Article 22 Directors' terms of office of other than Directors who are Audit and Supervisory Committee Members continue until the conclusion of the annual shareholders meeting for the last business year which ends within one year from the time of their election.</p> <p>(2) Directors' terms of office of Directors who are Audit and Supervisory Committee Members continue until the conclusion of the annual shareholders meeting for the last business year which ends within two years from the time of their election.</p> <p>(3) The term of office of a Director who is an Audit and Supervisory Committee Member and elected as substitute for a Director who was an Audit and Supervisory Committee Member that retired before the expiry of his/her term of office is to be until the time when the term of office of the retired Director who was an Audit and Supervisory Committee Member expires.</p> <p>(Newly established)</p>	<p>(Number of Directors) Article 20 The number of Directors of the Company shall be <u>thirteen (13) or less</u>.</p> <p>(2) Among the Directors of the Company, three (3) or more shall be Directors who are Audit and Supervisory Committee Members.</p> <p>(Directors' Terms of Office) Article 22 Directors' terms of office of other than Directors who are Audit and Supervisory Committee Members continue until the conclusion of the annual shareholders meeting for the last business year which ends within one year from the time of their election.</p> <p>(2) Directors' terms of office of Directors who are Audit and Supervisory Committee Members continue until the conclusion of the annual shareholders meeting for the last business year which ends within two years from the time of their election.</p> <p>(3) The term of office of a Director who is an Audit and Supervisory Committee Member and elected as substitute for a Director who was an Audit and Supervisory Committee Member that retired before the expiry of his/her term of office is to be until the time when the term of office of the retired Director who was an Audit and Supervisory Committee Member expires.</p> <p>(4) <u>The term of effectiveness of the resolution of election of the substitute Director who is an Audit and Supervisory Committee Member elected pursuant to Article 329, Paragraph 3 of the Companies Act is to be until the conclusion of the annual shareholders meeting for the last business year which ends within two years from the time of such</u></p>

Current Articles	Proposed Amendments
<p data-bbox="295 369 639 405">Supplementary Provisions</p> <p data-bbox="336 506 596 542">(Newly established)</p> <p data-bbox="336 817 596 853">(Newly established)</p> <p data-bbox="336 1061 596 1097">(Newly established)</p>	<p data-bbox="946 302 1086 338"><u>resolution.</u></p> <p data-bbox="946 369 1286 405">Supplementary Provisions</p> <p data-bbox="794 439 1437 506"><u>(Transitional Measures regarding Measures for Electronic Provision, Etc.)</u></p> <p data-bbox="794 506 1437 817"><u>Article 2 Deletion of Article 17 (Internet Disclosure and Deemed Provision of Reference Materials for the General Meeting of Shareholders, Etc.) of the Articles of Incorporation prior to amendment, and the amended Article 17 (Measures for Electronic Provision, Etc.) shall come into effect on September 1, 2022.</u></p> <p data-bbox="895 817 1437 1061"><u>(2) Notwithstanding the provisions of the preceding paragraph, Article 17 of the Articles of Incorporation prior to the amendment shall remain in effect with respect to a general meeting of shareholders to be held by the end of February 2023.</u></p> <p data-bbox="895 1061 1437 1301"><u>(3) This Article shall be deleted as of the lapse of six months from September 1, 2022, or the lapse of three months from the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 2: Election of Eight (8) Directors (Excluding Directors Who are as Audit and Supervisory Committee Members)

The term of office of all seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter) will expire at the conclusion of the Meeting. The Company hereby proposes to elect eight (8) Directors.

As the three banks (The Yamaguchi Bank, Ltd., Momiji Bank, Ltd, and The Kitakyushu Bank, Ltd.) in the Group constitute the majority of the performance and management resources of the Group, the Board of Directors of the Company believes that supervision of the business execution of the whole group requires focused monitoring of business execution of the three banks. The Board has also determined that it is appropriate for the Group's governance system to have the Presidents of the three banks serve as Directors of the Company while maintaining the structure of the Board where outside Directors comprise the majority. Accordingly, the Presidents of the three banks (including candidates) will be nominated as candidates for Directors of the Company.

This proposal shall become effective on the condition that "Proposal 1: Partial Amendments to the Articles of Incorporation" is approved as proposed and the amendments to the Articles of Incorporation in accordance with the proposal becomes effective.

This proposal was reviewed by the Audit and Supervisory Committee with no objections being raised.

The candidates for the position of Director are as follows:

Candidate No.	Name	Date of birth	Current position in the Company, etc.
1	Keisuke Mukunashi	April 11, 1970	President, Representative Director and Group CEO Reappointment
2	Narumasa Soga	July 5, 1963	Director (Scheduled to be appointed as the President and Director (Representative Director) of The Yamaguchi Bank, Ltd., at its General Meeting of Shareholders and Board of Directors Meeting to be held on June 24, 2022) Reappointment
3	Koji Oda	April 13, 1961	(President and Director of Momiji Bank, Ltd.) New Appointment
4	Mitsuru Kato	April 2, 1961	(President and Director of The Kitakyushu Bank, Ltd.) New appointment
5	Yumiko Nagasawa	November 6, 1959	Director Reappointment Outside Independent
6	Minako Suematsu	March 17, 1968	Director Reappointment Outside Independent
7	Yuzuru Yamamoto	March 8, 1953	Director Reappointment Outside Independent
8	Tomoko Mikami	January 21, 1974	Director Reappointment Outside Independent

Reappointment: Reappointed Director candidate

New appointment: Newly appointed Director candidate

Outside: Outside Director candidate

Independent: Independent Director registered with the Stock Exchanges

1	Keisuke Mukunashi	Male, Date of birth: April 11, 1970	(Reappointment)	
Brief personal history, position and principal duty in the Company, and important concurrent positions				Years of service as a Director: 2 years
April 1995	Joined The Yamaguchi Bank, Ltd.	June 2020	President, Representative Director, and COO of the Company	Number of shares of the Company owned: 17,100 shares
January 2012	General Manager, Akasakamon Branch of The Kitakyushu Bank, Ltd.	June 2021	President, Representative Director, and Group CEO of the Company (present position)	
September 2013	General Manager, Ogori Branch of The Yamaguchi Bank, Ltd.	March 2022	Director, Audit and Supervisory Committee Member of Chofu Seisakusho Co.,Ltd. (present position)	
January 2016	General Manager, Business Potential Assessment Department of the said bank			
June 2017	Representative Director of YMFG ZONE PLANNING CO., LTD.		(Status of material concurrent positions) Director, Audit and Supervisory Committee Member of Chofu Seisakusho Co.,Ltd. (Outside director)	
June 2019	Executive Officer of the Company			
July 2019	Representative Director of YM Career Inc.			
[Reasons for selection as a Director candidate] He has supervised the overall management of the Group as President, Representative Director, and CEO of the Company, and possesses the knowledge and experience required to carry out sound and appropriate operation of the Group, and as the Company has judged that he will continue to appropriately execute the duties of Director of the Company, he has been selected as a candidate for the position of Director.				

2	Narumasa Soga	Male, Date of birth: July 5, 1963	(Reappointment)	
Brief personal history, position and principal duty in the Company, and important concurrent positions				
April 1987	Joined The Yamaguchi Bank, Ltd.	June 2020	President and Representative Director of YM CONSULTING CORPORATION	Years of service as a Director: 6 months Number of shares of the Company owned: 30,600 shares
April 2006	General Manager, Hatsukaichi Branch of the said bank	June 2021	Senior Managing Executive Officer and General Manager of the Financial Unit of the Company	
May 2008	General Manager, Kobe Branch of the said bank	December 2021	Director, Senior Managing Executive Officer, and General Manager of the Financial Unit of the Company	
April 2010	General Manager, Business Strategy Planning Department of the Company	April 2022	Director of the Company (present position)	
April 2014	General Manager, Tokyo Branch of The Yamaguchi Bank, Ltd.	April 2022	Senior Executive Officer of The Yamaguchi Bank, Ltd. (present position)	
June 2015	Director and General Manager, Tokyo Branch of the said bank	(Status of material concurrent positions)		
June 2017	Director and General Manager, Ube Branch of the said Bank	Senior Executive Officer of The Yamaguchi Bank, Ltd. (Scheduled to assume the position of Director and President (Representative Director) of The Yamaguchi Bank, Ltd. at the General Meeting of Shareholders and the Board of Directors Meeting of the said bank to be held on June 24, 2022)		
June 2019	Managing Executive Officer, General Manager of the Corporate Banking Business Group, and General Manager of the Regional Business Development Group of the Company			
June 2019	Senior Managing Director of Momiji Bank, Ltd.			
November 2019	Executive Officer and General Manager of the Corporate Banking Business Group of the Company			
[Reasons for selection as a Director candidate] He has supervised the overall management of the Group and The Yamaguchi Bank, Ltd. as a Director of the Company and Senior Executive Officer of The Yamaguchi Bank, Ltd., and possesses the knowledge and experience required to carry out sound and appropriate operation of the Group, and the Company has judged that he will continue to appropriately execute the duties of Director of the Company. In addition, considering that Mr. Soga is scheduled to assume the position of Director and President of the Yamaguchi Bank, Ltd., the Company has determined that the focused monitoring of the business execution of the said bank by the Board of Directors of the Company, with the appointment of Mr. Soga thereto, would constitute an appropriate governance system for the Group. Accordingly, he has been selected as a candidate for the position of Director.				

3	Koji Oda	Male, Date of birth: April 13, 1961	(New appointment)	
Brief personal history, position and principal duty in the Company, and important concurrent positions				
April 1984	Joined Hiroshima Sogo Bank, Ltd. (February 1989: Hiroshima-Sogo Bank, Ltd.) (May 2004: Momiji Bank, Ltd.)	April 2012	Director and General Manager of Kaita Branch, Momiji Bank, Ltd.	Years of service as a Director: -
August 2003	General Manager, Yamaguchi Branch of Hiroshima-Sogo Bank, Ltd.	June 2014	Managing Director of the said bank	
February 2005	Chief Assistant Manager, Sales Promotion Department, Momiji Bank, Ltd.	June 2016	Director and President of the said bank (present position)	Number of shares of the Company owned: 6,700 shares
July 2008	General Manager, Takehara Branch of the said bank	June 2017	Managing Director of the Company	
June 2010	General Manager, Corporate Administration Department of the said bank	June 2020	Retired as the Managing Director of the Company	
June 2011	General Manager of the Corporate Administration Department and Human Resource Development Office of the Company	(Status of material concurrent positions) Director and President of Momiji Bank, Ltd. (Representative Director)		
[Reasons for selection as a Director candidate] He has supervised the overall management of Momiji Bank, Ltd., one of the three banks in the Group, as Director and President of the said bank, and possesses the knowledge and experience required to carry out sound and appropriate operation of the Group, and the Company has judged that he will appropriately execute the duties of Director of the Company. In addition, the Company has determined that the focused monitoring of the business execution of the said bank by the Board of Directors of the Company, with the appointment of Mr. Oda thereto, would constitute an appropriate governance system for the Group. Accordingly, he has been selected as a candidate for the position of Director.				

4	Mitsuru Kato	Male, Date of birth: April 2, 1961	(New appointment)	Years of service as a Director:
Brief personal history, position and principal duty in the Company, and important concurrent positions				
April 1984	Joined The Yamaguchi Bank, Ltd.	June 2018	Senior Managing Director of The Kitakyushu Bank, Ltd.	–
October 2008	General Manager, Moji Branch of the said bank	June 2019	Managing Director of the Company	
July 2011	Deputy General Manager, Corporate Planning Department of the said bank	June 2019	Director and President of The Kitakyushu Bank, Ltd. (present position)	Number of shares of the Company owned:
October 2011	General Manager, Corporate Administration Department, The Kitakyushu Bank, Ltd.	June 2020	Retired as the Managing Director of the Company	10,900 shares
October 2011	Deputy General Manager, Corporate Administration Department of the Company	(Status of material concurrent positions) Director and President of The Kitakyushu Bank, Ltd. (Representative Director)		
June 2016	Director of the Company			
[Reasons for selection as a Director candidate] He has supervised the overall management of The Kitakyushu Bank, Ltd., one of the three banks in the Group, as Director and President of the said bank, and possesses the knowledge and experience required to carry out sound and appropriate operation of the Group, and the Company has judged that he will appropriately execute the duties of Director of the Company. In addition, the Company has determined that the focused monitoring of the business execution of the said bank by the Board of Directors of the Company, with the appointment of Mr. Kato thereto, would constitute appropriate governance system for the Group. Accordingly, he has been selected as a candidate for the position of Director.				

5	Yumiko Nagasawa	Female, Date of birth: November 6, 1959	(Reappointment) (Outside) (Independent)	
Brief personal history, position and principal duty in the Company, and important concurrent positions				
April 1984	Joined The Nikko Securities Co., Ltd.	June 2018	Director of The Yamaguchi Bank, Ltd.	Years of service as a Director: 2 years
July 1997	Vice President, Retail Investment Department of Citibank N.A. (Tokyo)	June 2020	Director of the Company (present position)	
June 2000	Vice President, SSB Citi Asset Management Co., Ltd.	June 2021	Director of Yakult Honsha Co., Ltd. (present position)	Number of shares of the Company owned: -
December 2004	Secretary General of Foster Forum (Forum for Fostering High-quality Financial Instruments)	June 2021	Director, Audit and Supervisory Committee Member of GL Sciences Inc. (present position)	
June 2018	Facilitator of the said forum (present position)	(Status of material concurrent positions) Facilitator of Foster Forum (Forum for Fostering High-quality Financial Instruments)		
June 2018	Representative Commissioner and Deputy Chairman of Nippon Association of Consumer Specialists (present position)	Director of Yakult Honsha Co., Ltd. (outside director)		
June 2018	Director of Japan Industrial Association (present position)	Director, Audit and Supervisory Committee Member of GL Sciences Inc. (outside director)		
[Reasons for selection as a candidate for the position of outside Director and roles expected]				
<p>She has been conducting corporate management supervision of the Company from a fair and objective standpoint as an outside Director. She possesses a wealth of experience regarding financial instruments such as establishing a citizen group “Foster Forum (Forum for Fostering High-quality Financial Instruments)” after serving at financial institutions. The Company expects that she will continue to strengthen the effectiveness of the decision-making functions and supervisory functions of the Board of Directors of the Company and also further strengthen corporate governance of the Group by providing pertinent recommendations toward overall management based on her professional insight as well as the perspective of a citizen, and thus requests her election as a Director.</p>				
[Independence of the candidate]				
<p>With respect to transactional relationships, etc., between GL Sciences Inc., where Ms. Yumiko Nagasawa serves as a director (audit and supervisory board member) (outside director) and the Group, as the net sales of the said company resulting from transactions with the Group account for less than 1% of the consolidated net sales of the said company, and the income of the Group resulting from transactions with said company and its group companies account for less than 1% of the consolidated ordinary income of the Group, there is no effect on her independence.</p>				

6	Minako Suematsu	Female, Date of birth: March 17, 1968	(Reappointment) (Outside) (Independent)	
Brief personal history, position and principal duty in the Company, and important concurrent positions				
March 1993	Established Kaps Co., Ltd. Representative Director	March 2020	Representative Director, Chairman, and President of The Japan Times, Ltd. (present position)	Years of service as a Director: 2 years
March 2001	Established News2u Co., Ltd. (currently News2u Holdings Corporation) Representative Director (present position)	June 2020	Director of the Company (present position)	
January 2014	Director of TSUNEISHI HOLDINGS CORPORATION	(Status of material concurrent positions)		Number of shares of the Company owned: -
June 2017	Representative Director, Chairman of The Japan Times, Ltd.	Representative Director, Chairman, and President of The Japan Times, Ltd. Representative Director of News2u Holdings Corporation		
January 2020	President of JINSEKI KOGEN GAKUEN INSTITUTION (present position)			
[Reasons for selection as a candidate for the position of outside Director and roles expected] She has been conducting corporate management supervision of the Company from a fair and objective standpoint as an outside Director. She has offered information on the present conditions of Japan and global trends on a daily basis as Representative Director, Chairman, and President of The Japan Times, Ltd. She also has advanced knowledge on online business development, evidenced by matters such as her establishment of an internet-related business, and is actively working to increase the brand value of her hometown, the Setouchi area. The Company expects that she will continue to strengthen the effectiveness of the decision-making functions and supervisory functions of the Board of Directors of the Company and also further strengthen corporate governance of the Group by providing pertinent recommendations on the Company's current initiatives to increase the value of regional communities, and thus requests her election as a Director.				

7	Yuzuru Yamamoto	Male, Date of birth: March 8, 1953	(Reappointment) (Outside) (Independent)	
Brief personal history, position and principal duty in the Company, and important concurrent positions				
April 1977	Joined Ube Industries, Ltd. (April 2022: UBE Corporation)	April 2015	President & Representative Director and Group CEO of the said company	Years of service as a Director: 1 year
June 2003	Executive Officer of the said company	April 2019	Chairman of the Board of Directors & Representative Director of the said company	
June 2003	President and Representative Director of Ube Machinery Corporation, Ltd.	June 2019	Chairman of the Board of Directors & Director of the said company (present position)	Number of shares of the Company owned: -
April 2007	Managing Executive Officer of Ube Industries, Ltd.	June 2019	Director of Seibu Oil Company Limited (present position)	
April 2010	Senior Managing Executive Officer of the said company	June 2020	Director of The Yamaguchi Bank, Ltd.	
June 2010	Director & Chairman of the Board of Ube Machinery Corporation, Ltd.	June 2021	Director of the Company (present position)	
April 2013	Assistant to President and Group COO of Ube Industries, Ltd.	(Status of material concurrent positions) Chairman of the Board of Directors & Director of UBE Corporation Director of Seibu Oil Company Limited		
June 2013	Representative Director of the said company			
[Reasons for selection as a candidate for the position of outside Director and roles expected]				
<p>He has been conducting corporate management supervision of the Company from a fair and objective standpoint as an outside Director. Based on his advanced insight and wealth of experience as a corporate manager, having served as President & Representative Director of UBE Corporation and in other executive positions, the Company expects that he will strengthen the effectiveness of the decision-making functions and supervisory functions of the Board of Directors of the Company and also further strengthen corporate governance of the Group by providing pertinent recommendations toward overall management taking into account local economic conditions, etc., and thus requests his election as a Director.</p>				
[Independence of the candidate]				
<p>With respect to transactional relationships, etc., between UBE Corporation where Mr. Yuzuru Yamamoto serves as the Chairman of the Board and Seibu Oil Company Limited, where he serves as a Director, respectively, and the Group, as the net sales of the said companies resulting from transactions with the Group account for less than 1 % of the consolidated net sales of the said companies, and the income of the Group resulting from transactions with said companies and its group companies account for less than 1 % of the consolidated ordinary income of the Company, there is no effect on his independence.</p>				

8	Tomoko Mikami	Female, Date of birth: January 21, 1974	(Reappointment) (Outside) (Independent)	
Brief personal history, position and principal duty in the Company, and important concurrent positions				
April 1997	Joined FUJI KEIZAI CO., LTD.	June 2021	Director of the Company (present position)	Years of service as a Director: 1 year Number of shares of the Company owned: -
August 2001	Joined Dell Co., Ltd.	December 2021	Executive Officer, Corporate Solution Business Group Lead, and Digital Sales Business Group Lead, Microsoft Japan Co., Ltd.	
July 2005	Joined Microsoft Japan Co., Ltd.	January 2022	Managing Executive Officer, Corporate Solution Business Group Lead, and Digital Sales Business Group Lead of the said company (present position)	
March 2007	Joined Microsoft Corporation of U.S.	March 2022	Director, Sun* Inc. (present position)	
September 2009	General Manager of Corporate Planning Department of Microsoft Japan Co., Ltd.		(Status of material concurrent positions)	
August 2012	Regional Account Director of the said company		Managing Executive Officer, Corporate Solution Business Group Lead, and Digital Sales Business Group Lead, Microsoft Japan Co., Ltd.	
September 2014	Windows & Device Business Group Lead of the said company		Director, Sun* Inc. (outside director)	
January 2016	Senior Director, Windows & Device Business Group Lead of the said company (subsequently, Microsoft365 Business Group Lead, due to Group reorganization)			
September 2019	Senior Director, Corporate Cloud Sales Management Group Lead of the said company			
February 2020	Executive Officer, Corporate Cloud Sales Management Group Lead of the said company			
May 2020	Executive Officer, Corporate Solution Business Group Lead of the said company			
[Reasons for selection as a candidate for the position of outside Director and roles expected]				
<p>She has been conducting corporate management supervision of the Company from a fair and objective standpoint as an Outside Director. She has been engaged in the promotion of digital transformation (DX) utilizing IT as Managing Executive Officer of Microsoft Japan Co., Ltd., particularly in the DX promotion of local enterprises. The Company expects that she will strengthen the effectiveness of the decision-making functions and supervisory functions of the Board of Directors of the Company and also further strengthen corporate governance of the Group by providing pertinent recommendations on the Company's current initiatives to provide DX support to client corporations as well as DX within the Company, and thus requests her election as a Director.</p>				
[Independence of the candidate]				
<p>With respect to transactional relationships, etc., between Microsoft Japan Co., Ltd., where Ms. Tomoko Mikami serves as a business executive, and the Group, as the net sales of the said company resulting from transactions with the Group account for less than 1 % of the consolidated net sales of the said company, and the income of the Group resulting from transactions with said company and its group companies account for less than 1 % of the consolidated ordinary income of the Company, there is no effect on her independence.</p>				

(Notes)

1. The Group banks have business transactions including deposit and loan transactions with GL Sciences Inc., where Ms. Yumiko Nagasawa serves as a Director (Audit and Supervisory Committee Member) (outside Director).

The Group banks have business transactions including deposit and loan transactions with UBE Corporation, where Mr. Yuzuru Yamamoto serves as Chairman of the Board of Directors & Director, and Seibu Oil Company Limited, where he serves as Director.

The Group banks have business transactions with Microsoft Japan Co., Ltd., where Ms. Tomoko Mikami serves as Executive Officer, including purchases of its products and comprehensive alliance regarding the promotion of regional digital transformation (DX).

No special interests exist between the Company and the other candidates.

2. Mr. Narumasa Soga is scheduled to assume the position of President (Representative Director) of The Yamaguchi Bank, Ltd. at the Annual General Meeting of Shareholders and the Board of Directors meeting of the said bank to be held on June 24, 2022.
3. The Company has registered Ms. Yumiko Nagasawa, Ms. Minako Suematsu, Mr. Yuzuru Yamamoto, and Ms. Tomoko Mikami as independent Directors at the Tokyo Stock Exchange, Inc., as provided for in the exchange's rules. If they are elected at the Meeting, it is planned that they will remain in office as independent Directors.
4. With respect to the liabilities of Article 423, Paragraph 1 of the Companies Act, as defined in the Articles of Incorporation, the Company may conclude agreements limiting liability with Directors (excluding Executive Directors) to limit their liability for damages to the minimum liability as stipulated in Article 425, Paragraph 1 of the Companies Act, provided that duties were performed in good faith and without gross negligence. The Company has concluded the said agreement limiting liability with Ms. Yumiko Nagasawa, Ms. Minako Suematsu, Mr. Yuzuru Yamamoto, and Ms. Tomoko Mikami, and if their election is approved at the Meeting, the Company plans to continue the said agreement limiting liability with them.
5. The Company has concluded a Directors and Officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act insuring all its Directors. If each of the candidates is elected as Director at the Meeting, they will be insured under the insurance contract. The insurance contract covers damages incurred by Directors arising from liability for damages assumed when executing their duties. The Company plans to renew the insurance contract in July 2022, during the terms of office of each of the candidates.

Proposal 3: Election of One (1) Director Who is an Audit and Supervisory Committee Member

The term of office of Mr. Susumu Fukuda, a Director who is an Audit and Supervisory Committee Member, will expire at the conclusion of the Meeting. Accordingly, the Company proposes that one (1) Director who is an Audit and Supervisory Committee Member be elected. This proposal has received the approval of the Audit and Supervisory Committee.

The proposal was reviewed by each Director who is an Audit and Supervisory Committee Member with no objections being raised.

The candidate for the position of Director who is an Audit and Supervisory Committee Member is as follows:

Susumu Fukuda		Male, Date of birth: January 12, 1962	(Reappointment)	Years of service as a Director: 6 years
Brief personal history, position and principal duty in the Company, and important concurrent positions				Number of shares of the Company owned: 13,900 shares
April 1984	Joined The Yamaguchi Bank, Ltd.	April 2013	General Manager, Risk Administration Department of the Company	
June 2011	General Manager, Compliance & Risk Administration Department of the said bank	June 2013	General Manager, Audit and Inspection Department of the Company	
June 2011	General Manager, Compliance & Risk Administration Department of the Company	June 2016	Director who serves as an Audit and Supervisory Committee Member of the Company (present position)	
April 2013	General Manager, Risk Administration Department of The Yamaguchi Bank, Ltd.			
[Reasons for selection as the candidate for the position of Director who serves as an Audit and Supervisory Committee Member]				
He has appropriately audited the execution of duties by the Directors as a Director who is an Audit and Supervisory Committee Member of the Company. He has experience serving as the General Manager of the Audit and Inspection Department and General Manager of the Risk Administration Department of the Company and a Group bank, and possesses the knowledge and experience required to carry out sound and appropriate operation of the Group, and as the Company has judged that he can appropriately execute the duties of an Audit and Supervisory Committee Member, he has been selected as the candidate for the position of Director who is an Audit and Supervisory Committee Member.				

(Notes)

1. No special interests exist between the candidate and the Company.
2. The Company has concluded a Directors and Officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act insuring all its Directors. If the candidate is elected as a Director who is an Audit and Supervisory Committee Member at the Meeting, he will be insured under the insurance contract. The insurance contract covers damages incurred by Directors arising from liability for damages assumed when executing their duties. The Company plans to renew the insurance contract in July 2022, during the term of office of the candidate.

Proposal 4: Election of One (1) Substitute Director Who is an Audit and Supervisory Committee Member

By way of precaution against a vacancy which results in a shortfall in the number of Directors who are Audit and Supervisory Committee Members prescribed under the laws and regulations, the Company proposes to elect one (1) substitute Director who is an Audit and Supervisory Committee Member in advance.

The candidate, Mr. Kenko Shikichi, is to assume the position of Director who is an Audit and Supervisory Committee Member on the condition that there is a vacancy that results in a shortfall in the number of Directors who are Audit and Supervisory Committee Members prescribed under the laws and regulations and the Articles of Incorporation, and the term of office shall be until the expiry of the term of office of the retired Director who was an Audit and Supervisory Committee Member. The resolution for election based on this proposal shall be effective until the time of the conclusion of the Annual General Meeting of Shareholders for the latest fiscal year to end within two years from the election on the condition that Proposal 1 “Partial Amendment to the Articles of Incorporation” is approved. However, the election may be revoked by resolution of the Board of Directors subject to consent by the Audit and Supervisory Committee, only prior to his assumption of the office of Director who is an Audit and Supervisory Committee Member.

This proposal has received the approval of the Audit and Supervisory Committee.

The proposal was reviewed by each Director who is an Audit and Supervisory Committee Member with no objections being raised.

The candidate for the position of substitute Director who is an Audit and Supervisory Committee Member is as follows:

Kenko Shikichi		Male, Date of birth: January 19, 1968	(Outside) (Independent)	
Brief personal history, position and principal duty in the Company, and important concurrent positions				
April 1998	Registered with Osaka Bar Association, joined Kitahama Law Office	July 2015	Auditor, JTC Inc.	Number of shares of the Company owned: —
April 2006	Transferred registration to Fukuoka Prefecture Bar Association	May 2019	Director and Audit and Supervisory Committee Member of the said company (present position)	
January 2007	Partner, attorney at law, Kitahama Partners L.P.C. (present position)	(Status of important concurrent positions) Partner, attorney at law and certified tax accountant at Kitahama Partners L.P.C.		
July 2012	Company Auditor, Vega Corporation Co., Ltd.	Director and Audit and Supervisory Committee Member, Vega Corporation, Co., Ltd.		
July 2015	Director and Audit and Supervisory Committee Member of the said company (present position)	Director and Audit and Supervisory Committee Member, JTC Inc.		
[Reasons for selection as the candidate for the position of substitute Outside Director who serves as an Audit and Supervisory Committee Member and roles expected]				
The Company expects that he will further strengthen the evaluation of the effectiveness of the decision-making functions and supervisory functions of the Board of Directors of the Company as well as the corporate governance of the Company by providing his pertinent recommendations based on his wealth of experience and professional knowledge as a lawyer, and thus requests his election as a substitute Director who is an Audit and Supervisory Committee Member.				

(Notes)

1. No special interests exist between Mr. Kenko Shikichi and the Company.
2. Mr. Kenko Shikichi is the candidate for the position of substitute outside Director who is an Audit and Supervisory Committee Member. If he assumes the position of outside Director who is an Audit and Supervisory Committee Member, the Company plans to register him as an independent Officer as provided for in the rules of the Tokyo Stock Exchange.
3. With respect to the liabilities of Article 423, Paragraph 1 of the Companies Act, as defined in the Articles of Incorporation, the Company may conclude agreements limiting liability with Directors (excluding Executive Directors) to limit their liability for damages to the minimum liability as stipulated in Article 425, Paragraph 1 of the Companies Act, provided that duties were performed in good faith and without gross negligence. If Mr. Kenko Shikichi assumes the position of Director who is an Audit and Supervisory Committee Member, the Company plans to conclude the said agreement limiting liability with him.
4. The Company has concluded a Directors and Officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act insuring all its Directors. If Mr. Kenko Shikichi assumes the position of Director who is an Audit and Supervisory Committee Member, he will be insured under the insurance contract. The insurance contract covers damages incurred by Directors arising from liability for damages assumed when executing their duties. The insurance contract is scheduled to be renewed in July 2022.

Corporate Governance System after the Meeting Held on June 24, 2022 (Plan)

An effective corporate governance system incorporating external perspectives is built with independent outside Directors comprising the majority of the Board of Directors and the Audit and Supervisory Committee.

Composition of Board of Directors	Internal: 5 Outside: 6	Ratio of Outside Directors Internal: 45% Outside: 55%	Composition of Audit and Supervisory Committee	Internal: 1 Outside: 2	Ratio of Outside Members Internal: 33% Outside: 67%
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Skills Matrix

The expected priority areas of the skills of Directors of the Company upon the approval of Proposals 1, 2, and 3 at the Meeting are as follows.

(Note) The skills matrix below does not represent all of the knowledge and experience possessed by each Director, but indicates up to three priority areas where expertise is expected based on their experiences, etc.

Classification		Internal Directors				
Name		Keisuke Mukunashi	Narumasa Soga	Koji Oda	Mitsuru Kato	Susumu Fukuda
Position		President, Representative Director	Director	Director	Director	Director, Audit and Supervisory Committee Member (Full-time)
Expected Priority Areas of Expertise	Corporate Governance	○	○	○	○	○
	Corporate Strategy	○				
	Business Strategy/Regional Revitalization	○	○	○	○	
	Market Investment		○			○
	Human Resource Development			○	○	
	DX / Systems					
	Compliance/Risk Management					○

Female Officers	Female: 3 Male: 8	Female Ratio Female: 27% Male: 73%	Composition of Nomination Committee	Internal: 0 Outside: 3	Composition of Compensation Committee	Internal: 0 Outside: 3
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Classification		Outside Directors					
Name		Yumiko Nagasawa	Minako Suematsu	Yuzuru Yamamoto	Tomoko Mikami	Kazuo Tsukuda	Michiaki Kunimasa
Position		Director (Independent)	Director (Independent)	Director (Independent)	Director (Independent)	Director, Audit and Supervisory Committee Member (Part-time)	Director, Audit and Supervisory Committee Member (Part-time)
Expected Priority Areas of Expertise	Corporate Governance	○	○	○	○	○	○
	Sustainability	○		○			
	Regional Economy/ Administration		○	○	○		
	Macroeconomics					○	
	Finance	○					
	DX		○		○		
	Corporate Legal Affairs						○

Policy on Election of Directors

Composition of the Board of Directors and the Policy and Procedures for the Selection of Candidates for the Position of Director

The Board of Directors shall secure a balance of knowledge, experience, and abilities of the Directors as a whole, as well as the diversity needed for the Board of Directors to achieve their roles and responsibilities. The composition of the Board of Directors of the Company has transitioned to a monitoring board where outside Directors comprise the majority in June 2020.

For the fiscal year ending March 31, 2023, the Board of Directors of the Company must robustly monitor the status of execution by the three banks that account for the majority of the performance and management resources of the Group. In addition, under the organizational reform that became effective on April 1, 2022, the previous internal control system, where the Company was responsible for a part of the business execution of subsidiary banks, was reviewed and revised to a system whereby the President of a subsidiary bank is responsible for all of its business execution. Accordingly, the Company believes that appointment of the Presidents of subsidiary banks as Directors of the Company is appropriate in light of the circumstances, and nominates the Presidents of the three banks as candidates for Directors of the Company.

The Company believes that the transition to the new system will enable us to further reflect the voices of our customers in the whole Group, more quickly provide services that stand closer to our customers, and steadily implement the “YMFG Medium-Term Management Plan 2022.”

The election of Group Officers for the fiscal year ending March 2023 has gone through a process that secured objectivity and transparency, with the executive proposal which was drafted by utilizing nominations by Group Officers, the skills matrix that provides an overview of the overall balance including the Executive Officers, the introduction of one-on-one meetings between the President and Group Officer candidates, etc., and then the matters being deliberated multiple times by the Nomination Committee of which Outside Directors comprise the majority and determined by the Board of Directors of the Company, from the perspective of increasing the corporate value of the Group as a whole.

The “Expected Priority Areas of Expertise” for internal Directors have been selected based on priority measures for the YMFG Medium-Term Management Plan 2022, etc., and the “Expected Priority Areas of Expertise” for outside Directors have been selected with a focus on diverse knowledge, experience, and expertise.

Category	YMFG Medium-Term Management Plan 2022 Priority Measures, etc.
Corporate Governance	<ul style="list-style-type: none"> ● Establish a Group management structure with a system where the banks proactively engage in business execution by expanding the executive authority and responsibilities of the banks and enable them to demonstrate front-line initiatives.
Corporate Strategy	<ul style="list-style-type: none"> ● Strengthen the link between the Group’s sustainable growth and increase in regional value by promoting sustainable management. ● Effectively utilize capital as a new growth driver, including by investing in areas that contribute to the expansion of areas of business and improve profitability for the Group.
Business Strategy / Regional	<ul style="list-style-type: none"> ● Strengthen support for corporate rehabilitation and business succession with

Revitalization	<p>equity, hands-on, and corporate business succession support to assist the local economy in recovering and returning to growth following the COVID-19 pandemic and to improve sustainability.</p> <ul style="list-style-type: none"> ● Clearly identify life events that require consulting, and provide sincere financial planning and asset management services to each customer leveraging on skills assimilated throughout the organization. ● Review the customer touchpoints and provide “easy” and “convenient” services. ● Achieve both higher quality solutions for customers and efficient branch operation through the slimming of branch offices by expanding centralized processing at the headquarters, making changes to the sales systems, etc. ● Deepen the understanding of customers by using data analysis, and improve the quality of feasibility studies and financial planning activities. ● Support business reform including by building digital hubs available for use by local corporations.
Market Investment	<ul style="list-style-type: none"> ● Rebuild the securities portfolio with appropriate risk-taking and risk management and convert to a stable profit structure.
DX / Systems	<ul style="list-style-type: none"> ● Promote DX across the Group through the development of next-generation financial businesses using the latest technology, the formation of alliances with DX players, etc.
Human Resource Development	<ul style="list-style-type: none"> ● Jointly create an environment and opportunities for each employee to thrive and grow with good job satisfaction, thereby transforming the organizational culture (behavior). The Group as a whole is to engage in the “maximization of the provision of value to the region and the customers” and the “creation of new values.”
Compliance / Risk Management	<ul style="list-style-type: none"> ● Build a compliance system that covers risks of damage to the interests and expectations of customers and local communities. Strengthen the establishment and operation of the RAF management structure using stress tests and scenario analysis. ● Build a forward-looking credit risk management framework and strengthen the risk management framework of each Group company.

End of document