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Securities code: 8524

Date of sending by postal mail: June 5, 2023

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To our shareholders:

Mitsuharu Yasuda
Director and President
North Pacific Bank, Ltd.
7, Odori Nishi 3-chome, Chuo-ku, Sapporo, Hokkaido

NOTICE OF THE 167TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 167th Ordinary General Meeting of Shareholders of North Pacific Bank, Ltd. (the “Bank”), which will be held as described below. In convening this General Meeting of Shareholders, the Bank has taken measures to provide electronically the information contained in Reference Documents for the General Meeting of Shareholders, etc. (matters for which electronic provision measures are taken), and has posted the information on the Bank’s website, etc. Please access the websites by using the Internet address shown below to review the information.

The Bank’s website:

<https://www.hokuyobank.co.jp/ir/shareholder/meeting.html> (in Japanese)

In addition to posting matters for which electronic provision measures are taken on the website above, the Bank also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information from the latter website, access the TSE website (Listed Company Search) by using the Internet address shown below, enter “North Pacific Bank, Ltd.” in the “issue name (company name)” or “8524” in the “securities code,” and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/8524/teiji/> (in Japanese)

You are kindly requested to take into consideration the status of the spread of the novel coronavirus disease (COVID-19) as well as your health condition on the day of the meeting, and carefully consider your attendance.

If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet, etc. or by postal mail. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m., Monday, June 26, 2023 (JST).

Regarding the exercise of your voting rights, please refer to “Instructions on Exercising Voting Rights” on the next page (in Japanese only).

- 1. Date and Time:** Tuesday, June 27, 2023 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** Banquet room “Hou-ou (鳳凰),” 2nd floor, Hotel Sapporo Garden Palace
3-1, Kita 1-jyo Nishi 6-chome, Chuo-ku, Sapporo, Hokkaido, Japan

3. Purposes:

Items to be reported:

1. Business Report and Non-Consolidated Financial Statements for the 167th Term (from April 1, 2022 to March 31, 2023)

2. Consolidated Financial Statements for the 167th Term (from April 1, 2022 to March 31, 2023) and the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

Items to be resolved:

<The Bank's Proposals (Proposal 1 and Proposal 2)>

Proposal 1: Appropriation of surplus

Proposal 2: Election of ten (10) Directors

<Shareholder Proposals (Proposal 3 and Proposal 4)>

Proposal 3: Election of one (1) Director

Proposal 4: Repurchase of treasury shares

4. Instructions on Exercising Voting Rights

- (1) If attending the meeting in person, please present your voting form at the reception desk.
 - (2) If your voting form does not indicate your approval or disapproval for each of the proposals, you will be deemed to have indicated approval for the Bank's proposals and disapproval of shareholder proposals.
 - (3) If you exercise your voting rights in duplicate by voting form and via the Internet, etc., the voting rights exercised via the Internet, etc. shall be deemed valid. If you exercise your voting rights multiple times via the Internet, etc., the last exercise of voting rights shall be deemed valid.
 - (4) If you wish to make a diverse exercise of your voting rights, please notify the Bank in writing of your intention to do so and the reasons thereof at least three (3) days prior to the date of the ordinary general meeting of shareholders.
 - (5) In the case of attendance by proxy, please present your voting form and a letter of proxy at the reception desk. The qualified proxy is limited to one shareholder having voting rights for this general meeting.
- Paper-based documents stating matters for which electronic provision measures are taken are sent to shareholders who have requested the delivery of paper-based documents, however those documents do not include the following matters in accordance with the provisions of laws and regulations and Article 16, paragraph 2 of the Bank's Articles of Incorporation.
 - (i) "Systems to ensure operational appropriateness" in the Business Report
 - (ii) "Non-consolidated Statement of Changes in Net Assets" and "Notes to Non-consolidated Financial Statements" in the Non-Consolidated Financial Statements
 - (iii) "Consolidated Statement of Changes in Net Assets" and "Notes to Consolidated Financial Statements" in the Consolidated Financial StatementsAccordingly, the Business Report, Non-consolidated Financial Statements and Consolidated Financial Statements included in the paper-based documents are part of the documents audited by the Accounting Auditor and the Audit & Supervisory Board in preparing their respective Audit Reports.
 - If revisions to the matters for which electronic provision measures are taken arise, the details of the matters after the revisions will be posted on the Bank's aforementioned website, the TSE website, and the website for posted informational materials for the general meeting of shareholders.

Reference Documents for the General Meeting of Shareholders

Proposals and References

<The Bank's Proposals (Proposal 1 and Proposal 2)>

Proposal 1: Appropriation of surplus

The Bank's basic policy is to provide a comprehensive return of profits to shareholders through the performance-linked dividend system which includes stable dividend payments, and repurchase of treasury shares, etc., taking into consideration such factors as trends in the capital adequacy ratio and performance and changes in the business environment from the perspective of ensuring sound management in view of the public nature of the banking business. Under this policy, the Bank proposes the year-end dividend of surplus for the fiscal year ended March 31, 2023 as follows.

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof to shareholders
5.0 yen per common share of the Bank
Total amount of dividends: 1,930,541,560 yen
- (3) Effective date of distribution of dividends of surplus
Common share of the Bank: June 28, 2023

As a result, the annual dividend for the fiscal year ended March 31, 2023 will be 10.0 yen per common share including the interim dividend of 5.0 yen per common share, as stated in the dividend forecast announced on May 13, 2022.

(Reference) The Bank's comprehensive shareholder returns policy

Ordinary dividend:

We intend to pay 10 yen per common share in order to be able to pay stable dividends.

Performance-linked dividend:

For the part related to performance, when the profit attributable to shareholders of parent for the entire fiscal year is more than 15 billion yen, we intend to aim for a payment of 30% of the amount over 15 billion yen.

Repurchase of treasury shares:

After the amount of the year-end dividend, which is an item to be resolved in the Ordinary General Meeting of Shareholders, is approved by the Board of Directors, the Bank is planning to purchase its own shares to make the total amount of the annual dividends and treasury shares 40% of the profit attributable to shareholders of parent. If the annual dividend amount exceeds 40% of the profit attributable to shareholders of parent, the Bank will not purchase its own shares.

Proposal 2: Election of ten (10) Directors

The term of office for the current ten (10) Directors will expire at the conclusion of the 167th Ordinary General Meeting of Shareholders. Accordingly, the Bank proposes that ten (10) Directors be elected.

This proposal has been approved by the Board of Directors upon consultation with the Nomination and Remuneration Advisory Committee whose majority is comprised of Independent External Officers.

The candidates for Directors are as follows:

No.	Name	Position in the Bank	Attribute	Responsibility
1	Mitsuharu Yasuda	Director and President (Representative Director)	[Reelection]	Responsible for Group companies In charge of General Secretariat and Risk Management Department
2	Minoru Nagano	Director and Deputy President (Representative Director)	[Reelection]	In charge of Digital Marketing Department Legal and Compliance Department, and Public and Financial Institutions Department
3	Hitoshi Masuda	Senior Managing Director	[Reelection]	Head Office Manager
4	Akira Yamada	Director	[Reelection]	In charge of Corporate Business Promotion Department, Corporate Solutions Department (as General Manager), Local Industry Support Department, International Department, and Loan Administration Department
5	Hironobu Tsuyama	Managing Executive Officer	[New election]	Branch Manager, Obihiro-Chuo Branch, Branch Manager, Obihiro-Nishi Branch, and Branch Manager, Obihiro-Minami Branch
6	Kazushi Yoneta	Managing Executive Officer	[New election]	Branch Manager, Hakodate-Chuo Branch, and Branch Manager, Suehirocho Branch
7	Naoki Nishita	External Director	[Reelection] [External] [Independent]	–
8	Masako Taniguchi	External Director	[Reelection] [External] [Independent]	–
9	Toshiaki Kobe	External Director	[New election] [External] [Independent]	–
10	Sakuyo Tahara	External Director	[New election] [External] [Independent]	–

Note: Sakuyo Tahara's registered name is Sakuyo Ikeda.

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
1	<p>Mitsuharu Yasuda (date of birth: October 5, 1959) [Reelection] Attendance at meetings of the Board of Directors 14/14 (100%) Number of years in office as a Director 9 years Male</p>	<p>Apr. 1983 Joined Hokuyo Sogo Bank, Ltd. (currently the Bank)</p> <p>Apr. 2004 Manager, Planning Section, Management Planning Department, the Bank</p> <p>Apr. 2005 Branch Manager, Miyanosawa Branch, the Bank</p> <p>Aug. 2007 Assistant General Manager, Personnel Department, the Bank (temporary transfer to Ishiya Co., Ltd.)</p> <p>Apr. 2009 Senior Deputy General Manager, Loan Administration Department I, the Bank</p> <p>June 2011 Senior Deputy General Manager, Loan Administration Department I and General Manager, Credit Planning Office, the Bank</p> <p>June 2013 Executive Officer and General Manager, Loan Administration Department I, the Bank</p> <p>June 2014 Director and General Manager, Management Planning Department, the Bank</p> <p>June 2016 Managing Director, the Bank</p> <p>Apr. 2018 Director and President, the Bank (present position)</p> <p>[Significant concurrent positions outside the Bank] Audit & Supervisory Board Member (External), Hokkaido Railway Company</p>	107,100
<p>[Reason for selection as Director nominee] Mitsuharu Yasuda has successively held positions such as Branch Manager of the Miyanosawa Branch, General Manager of the Loan Administration Department I and General Manager of the Management Planning Department. He has broad knowledge and experience regarding the banking operations. He held positions such as General Manager of the Corporate Banking Promotion Headquarters and was responsible for the Business Strategy Department and the banking departments in his capacity as Managing Director from June 2016, and has been Director and President since April 2018. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value as well as to make contribution to local economy and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
2	<p style="text-align: center;">Minoru Nagano (date of birth: November 16, 1959) [Reelection] Attendance at meetings of the Board of Directors 14/14 (100%) Number of years in office as a Director 9 years Male</p>	<p>Apr. 1982 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank June 2005 Manager, Planning Section, Management Planning Department, the Bank Apr. 2009 Senior Deputy General Manager, Management Planning Department, and Manager, Planning Section I, the Bank June 2009 General Manager, Management Planning Department, the Bank Jan. 2011 General Manager, Management Planning Department, and Manager, Planning Section II, the Bank June 2011 Executive Officer and General Manager, Business Promotion Department, the Bank June 2012 Executive Officer and Branch Manager, Asahikawa-Chuo Branch, the Bank June 2014 Director and Branch Manager, Asahikawa- Chuo Branch, the Bank Apr. 2015 Director and Head Office Manager, the Bank June 2016 Managing Director and Head Office Manager, the Bank June 2017 Managing Director, the Bank June 2019 Director and Deputy President, the Bank (present position)</p> <p>[Significant concurrent positions outside the Bank] Director (External), Hokkai Electrical Construction Co., Inc. Audit & Supervisory Board Member (External), Nakamichi Leasing Co., Ltd.</p>	90,500
<p>[Reason for selection as Director nominee] Minoru Nagano has successively held positions such as General Manager of the Business Promotion Department, Branch Manager of the Asahikawa-Chuo Branch, and Head Office Manager. He has broad knowledge and experience regarding the banking operations. He has worked as General Manager of Retail Business Headquarters in his capacity as Managing Director from June 2016 and as Deputy President since June 2019. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value as well as to make contribution to local economy and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
3	<p style="text-align: center;">Hitoshi Masuda (date of birth: October 30, 1964) [Reelection] Attendance at meetings of the Board of Directors 14/14 (100%) Number of years in office as a Director 2 years Male</p>	<p>Apr. 1987 Joined Hokuyo Sogo Bank, Ltd. (currently the Bank)</p> <p>Mar. 2009 Branch Manager, Naebo Branch, the Bank</p> <p>Oct. 2010 Assistant General Manager, Personnel Department, the Bank (temporary transfer to Sapporo Hokuyo Holdings, Inc.)</p> <p>June 2011 Manager, Loan Division, Personal Banking Department, the Bank</p> <p>June 2014 Senior Deputy General Manager, Personal Loan Promotion Department and Manager, Consumer Finance Promotion Division, the Bank</p> <p>Apr. 2015 Branch Manager, Toyohira Branch, the Bank</p> <p>Apr. 2017 Executive Officer and Branch Manager, Tomakomai-Chuo Branch, the Bank</p> <p>Apr. 2019 Managing Executive Officer and Branch Manager, Obihiro-Chuo Branch, the Bank</p> <p>June 2020 Managing Executive Officer and Branch Manager, Obihiro-Chuo Branch, and Branch Manager, Obihiro-Minami Branch, the Bank</p> <p>Mar. 2021 Managing Executive Officer and Branch Manager, Obihiro-Chuo Branch, Branch Manager, Obihiro-Nishi Branch, and Branch Manager, Obihiro-Minami Branch, the Bank</p> <p>June 2021 Managing Director and Head Office Manager, the Bank</p> <p>June 2022 Senior Managing Director and Head Office Manager, the Bank (present position)</p>	21,800
<p>[Reason for selection as Director nominee] Hitoshi Masuda has successively held positions such as Senior Deputy General Manager of the Personal Loan Promotion Department, Branch Manager of the Toyohira Branch, Branch Manager of the Tomakomai-Chuo Branch, and Branch Manager of Obihiro-Chuo Branch. He has broad knowledge and experience regarding the banking operations. He has worked as Head Office Manager in his capacity as Senior Managing Director since June 2022, and has been appropriately fulfilling those duties and responsibilities. Therefore, the Bank concluded based on the new perception for the future of the Bank while being attentive to our customers, that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value as well as to make contribution to local economy and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
4	<p style="text-align: center;">Akira Yamada (date of birth: July 2, 1966) [Reelection] Attendance at meetings of the Board of Directors 11/11 (100%) Number of years in office as a Director 1 year Male</p>	<p>Apr. 1990 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank June 2011 Branch Manager, Numanohata Branch, the Bank Oct. 2012 Administrator, Loan Administration Department I, the Bank Nov. 2013 General Manager, Management Improvement Support Office, Loan Administration Department I, the Bank Oct. 2016 Senior Deputy General Manager, Loan Administration Department I, the Bank Apr. 2017 Senior Deputy General Manager, Loan Administration Department I, the Bank Apr. 2019 Executive Officer and Deputy Head Office Manager, the Bank Mar. 2020 Executive Officer and Deputy Head Office Manager, and General Manager, Corporate Business Department, the Bank Apr. 2020 Managing Executive Officer and Branch Manager, Hakodate-Chuo Branch, and Branch Manager, Suehirocho Branch, the Bank Apr. 2022 Managing Executive Officer and General Manager, Corporate Business Promotion Department, and General Manager, Corporate Solutions Department, the Bank June 2022 Director, the Bank (present position)</p>	8,200
<p>[Reason for selection as Director nominee] Akira Yamada has successively held positions such as Senior Deputy General Manager of Loan Administration Department I, Deputy Head Office Manager, and Branch Manager of Hakodate-Chuo Branch. He has broad knowledge and experience regarding the banking operations. Currently he works as General Manager of the Corporate Business Promotion Department and General Manager of the Corporate Solutions Department in his capacity as Director and has been appropriately fulfilling those duties and responsibilities. Therefore, the Bank concluded based on the new perception for the future of the Bank that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value as well as to make contribution to local economy and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
5	<p>Hironobu Tsuyama (date of birth: February 17, 1968) [New election] Male</p>	<p>Apr. 1991 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank Oct. 2012 Administrator, Management Planning Department, the Bank June 2014 Branch Manager, Shinkawa-Chuo Branch, the Bank Apr. 2016 Manager, Management Planning Section, Management Planning Department, the Bank Apr. 2017 Senior Deputy General Manager, Management Planning Department, the Bank Apr. 2018 Senior Deputy General Manager, Management Planning Department, the Bank Apr. 2019 Executive Officer and General Manager, Management Planning Department, the Bank Apr. 2020 Executive Officer and Deputy Head Office Manager, the Bank June 2021 Managing Executive Officer and Branch Manager, Obihiro-Chuo Branch, Branch Manager, Obihiro-Nishi Branch, and Branch Manager, Obihiro-Minami Branch, the Bank (present position)</p>	9,800
<p>[Reason for selection as Director nominee] Hironobu Tsuyama has successively held positions such as General Manager of the Management Planning Department and Deputy Head Office Manager. He has broad knowledge and experience regarding the banking operations. Currently he works as Branch Manager of the Obihiro-Chuo Branch, Branch Manager of the Obihiro-Nishi Branch, and Branch Manager of Obihiro-Minami Branch in his capacity as Managing Executive Officer and has been appropriately fulfilling those duties and responsibilities. Therefore, the Bank concluded based on the new perception for the future of the Bank that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value as well as to make contribution to local economy and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
6	<p style="text-align: center;">Kazushi Yoneta (date of birth: March 27, 1965) [New election] Male</p>	<p>Apr. 1989 Joined The Hokkaido Takushoku Bank, Ltd. Nov. 1998 Joined the Bank Apr. 2017 Senior Deputy General Manager, Treasury & Markets Department, the Bank Apr. 2018 Senior Deputy General Manager, Corporate Solutions Department, the Bank July 2018 Senior Deputy General Manager, Corporate Solutions Department and Head of International Business Support Office, the Bank Apr. 2019 General Manager, Corporate Solutions Department, the Bank June 2020 Executive Officer and General Manager, Corporate Solutions Department, the Bank June 2021 Managing Executive Officer and General Manager, Corporate Solutions Department, and General Manager, Corporate Business Promotion Department, the Bank Apr. 2022 Managing Executive Officer and Branch Manager, Hakodate-Chuo Branch, and Branch Manager, Suehirocho Branch, the Bank (present position)</p>	13,200
<p>[Reason for selection as Director nominee] Kazushi Yoneta has successively held positions such as General Manager of the Corporate Solutions Department and General Manager of the Corporate Business Promotion Department. He has broad knowledge and experience regarding the banking operations. Currently he works as Branch Manager of the Hakodate-Chuo Branch and Branch Manager of the Suehirocho Branch in his capacity as Managing Executive Officer and has been appropriately fulfilling those duties and responsibilities. Therefore, the Bank concluded based on the new perception for the future of the Bank that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value as well as to make contribution to local economy and so made him a candidate for Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
7	<p>Naoki Nishita (date of birth: April 21, 1959) [Reelection] [External] [Independent] Attendance at meetings of the Board of Directors 14/14 (100%) Number of years in office as a Director 3 years Male</p>	<p>Apr. 1982 Joined Tokai Local Finance Bureau, Ministry of Finance</p> <p>July 2001 Director, Financial Cooperatives Office, Planning and Management Division, Supervision Bureau, Financial Services Agency</p> <p>July 2003 Director, Postal Savings Supervision, Planning and Management Division, Supervision Bureau, Financial Services Agency</p> <p>July 2006 Director, Deposit Insurance and Resolution Framework Office, Planning and Management Division, Supervision Bureau, Financial Services Agency</p> <p>July 2008 Director, Banking Business Division II, Supervision Bureau, Financial Services Agency</p> <p>July 2012 Director, Planning and Management Division, Supervision Bureau, Financial Services Agency</p> <p>July 2014 Deputy Director-General, Planning and Coordination Bureau, Financial Services Agency</p> <p>July 2018 Director-General, Hokuriku Local Finance Bureau, Ministry of Finance (retired in July 2019)</p> <p>June 2020 Director (External), the Bank (present position)</p> <p>June 2022 Director (External), Organization for restructuring businesses after Great East Japan Earthquake (present position)</p> <p>[Significant concurrent positions outside the Bank] Director (External), Organization for restructuring businesses after Great East Japan Earthquake</p>	-
<p>[Reason for selection as Director nominee and overview of expected roles] Naoki Nishita has held successive positions in the Financial Services Agency such as Director of Financial Cooperatives Office, Director of Banking Business Division II and Deputy Director-General of Planning and Coordination Bureau, and have in-depth knowledge on community-based financial initiatives and management strategies of regional financial institutions. The Bank concluded that, amid the intensifying changes in the economic environment, he can continue to use his varied experiences and specialist's knowledge on financial administration and can continue to contribute to discussions on the picture of the Bank's future at meetings of the Board of Directors, etc. and supervision of the management for the sustainable growth of the Bank and the region and so made him a candidate for External Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
8	<p>Masako Taniguchi (date of birth: December 11, 1960) [Reelection] [External] [Independent] Attendance at meetings of the Board of Directors 14/14 (100%) Number of years in office as a Director 3 years Female</p>	<p>Oct. 1990 Joined Chuo Shinko Audit Corporation Mar. 1994 Registered as a certified public accountant Aug. 2007 Joined Ernst & Young ShinNihon LLC July 2010 Appeals Judge, Sapporo National Tax Tribunal July 2013 Established Masako Taniguchi CPA Office (present position) Aug. 2013 Registered as a certified public tax accountant Dec. 2013 Joined Ginga Audit Corporation Apr. 2016 Auditor, Kitami Institute of Technology Apr. 2016 Auditor, Sapporo City University (present position) Aug. 2017 Representative partner, Ginga Audit Corporation (present position) June 2020 Director (External), the Bank (present position) [Significant concurrent positions outside the Bank] Representative Partner, Ginga Audit Corporation</p>	7,700
<p>[Reason for selection as Director nominee and overview of expected roles] Masako Taniguchi has been engaged in the duties of certified public accountant and certified tax accountant for many years, and has specialist's knowledge on finance and accounting. The Bank concluded that she can use those varied experiences and knowledge and can continue to contribute to active proposals to management from the perspective of financial risk and corporate accounting at meetings of the Board of Directors, etc., discussions and supervision of the management toward securing the health of management, and so made her a candidate for External Director.</p>			
9	<p>Toshiaki Kobe (date of birth: January 9, 1964) [New election] [External] [Independent] Male</p>	<p>Apr. 1988 Joined The Hokkaido Takushoku Bank, Ltd. Dec. 1997 Retired from The Hokkaido Takushoku Bank, Ltd. Oct. 2002 Registered as an attorney Oct. 2006 Established Kobe Law Office Jan. 2009 Established Kobe Law Office, LPC Oct. 2014 Office name changed to Kobe Manji and Fukuda Law Office Representative Partner (present position) June 2018 Director (External), Nippon Grande Co., Ltd. (present position) [Significant concurrent positions outside the Bank] Representative Partner, Kobe Manji and Fukuda Law Office Director (External), Nippon Grande Co., Ltd.</p>	-
<p>[Reason for selection as Director nominee and overview of expected roles] Toshiaki Kobe is a leading attorney and has varied experiences and specialized knowledge on legal operations. The Bank places the highest priority on compliance management, and so has concluded that he can contribute to active proposals to management and constructive discussions at meetings of the Board of Directors, etc. and supervision of the management through his expertise in legal risk, compliance, and corporate legal operations and so made him a candidate for External Director.</p>			

No.	Name Date of birth	[Career summary and position]	Number of the Bank's shares owned
10	Sakuyo Tahara (date of birth: June 21, 1968) [New election] [External] [Independent] Female	Apr. 1994 Joined the Ministry of Labor (currently the Ministry of Health, Labour and Welfare) Apr. 1998 Specialist for Welfare of Women Workers, Hokkaido Labour Bureau, Ministry of Health, Labour and Welfare Apr. 2006 Instructor for Employment Coordination, Employment Security Department, Hokkaido Labour Bureau, Ministry of Health, Labour and Welfare Apr. 2008 Registered as a public consultant on social and labor insurance Established HOKUOH Labor Legal Affairs Office (present position) Aug. 2012 Member of Municipal City Planning Council of Kitahiroshima City	-
	[Reason for selection as Director nominee and overview of expected roles] Sakuyo Tahara has been engaged in the duties of public consultant on social and labor insurance for many years, and has specialist's knowledge on corporate working environment and personnel system. The Bank places priority on human resource management and has concluded that she can use those varied experiences and knowledge to contribute to supervision of the management through making active proposals to management on human resource development and diversity initiatives and leading discussions concerning human resource strategies at meetings of the Board of Directors, etc., and has designated her a candidate for External Director.		

Note: Sakuyo Tahara's registered name is Sakuyo Ikeda.

- Notes:
1. There is currently no special interest between each of the candidates and the Bank.
 2. A limited liability agreement under the provision of Article 427, paragraph 1 of the Companies Act has been concluded between Naoki Nishita and Masako Taniguchi, and the Bank. The Bank intends to continue this agreement with Naoki Nishita and Masako Taniguchi in the event that their reappointments are approved. In addition, the Bank plans to enter into limited liability agreements with Toshiaki Kobe and Sakuyo Tahara in accordance with Article 427, paragraph 1 of the Companies Act in the event that their appointments are approved.

An overview of the limited liability agreements is as follows.

- In the event of damage to the Bank caused by failure to perform duties as External Directors, they will be liable to the maximum amount below so long as their duties are performed in good faith and without gross negligence.
 - The maximum amount of liability shall be whichever is the higher of 20 million yen or the amount provided for by legislation (the minimum liability provided for under Article 425, paragraph 1, of the Companies Act).
3. The Bank has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act with an insurance company. If the election of the candidates for Director is approved, they will be included as insureds in the said insurance policy.

In addition, the Bank plans to renew the said insurance policy at the time of next expiration of the policy period.

An overview of the directors and officers liability insurance policy is as follows.

- All premiums are borne by the Bank.
 - The insurance covers damages that may arise should the insured assume liability for the execution of his or her duties or be subject to a claim related to the pursuit of such liability, and is renewed annually.
 - As measures to prevent undermining the appropriateness of the insured director's execution of duties, the insurance includes certain disclaimers such as limiting the coverage and setting the indemnity limit.
4. Matters pertaining to candidates for External Directors provided for under Article 74, paragraph 4 of the Ordinance for Enforcement of the Companies Act

(1) Naoki Nishita, Masako Taniguchi, Toshiaki Kobe and Sakuyo Tahara are candidates for External Director.

(2) Naoki Nishita, Masako Taniguchi, Toshiaki Kobe and Sakuyo Tahara have no previous experience of being involved in corporate management other than serving as External Director or External Audit & Supervisory Board Member. However, it is deemed that they are able to execute duties appropriately as described in the "Reason for selection as Director nominee and overview of expected roles."

(3) With reference to the specific standards for determination that the Bank has established regarding stock exchange criteria for independence ("Independence Determination Standards" as described on next page), Naoki Nishita and Masako Taniguchi are independent from the executive management team. Therefore, the Bank has designated them as Independent Directors stipulated under Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange and Rule 5-2 of the Corporate Conduct Rules of the Sapporo Securities Exchange. In the event that their reappointments are approved, the Bank intends to continue this designation.

With reference to the Independence Determination Standards, listed later, Toshiaki Kobe and Sakuyo Tahara are independent from the executive management team. Therefore, if their elections are approved, the Bank intends to designate them as Independent Directors stipulated under Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange and Rule 5-2 of the Corporate Conduct Rules of the Sapporo Securities Exchange.

Although the Bank has general business transactions with Ginga Audit Corporation where Masako Taniguchi holds the position of Representative Partner, the organization is not applicable to the "major trading partner" defined in the Bank's Independence Determination Standards (a partner for which transactions account for 2% or more of the Bank's consolidated gross profit or the trading partner's consolidated net sales of the most recent fiscal year) and therefore will not affect her independence.

(4) The term of office of Naoki Nishita and Masako Taniguchi as External Directors shall be three (3) years at the conclusion of this General Meeting of Shareholders.

<Reference> Independence Determination Standards

At the Bank, if none of the following conditions apply to External Directors or External Audit & Supervisory Board Members (hereinafter both referred to as “External Officers”) for the past one (1) year, it is decided that the concerned External Officer has independence.

1. A person or entity to whom the Bank is a major trading partner (*1), or an Executive for such person or entity (an executive director, executive officer or any other officer or employee who executes the business of a company, etc. The same shall apply hereinafter).
2. A major trading partner (*1) of the Bank or an Executive of such entity.
3. Consultant, accounting specialist or legal specialist who receives large amounts (*2) of monies or other assets other than Officer Remuneration from the Bank (if the recipient of the applicable assets is a corporation or group such as an Association, refers to a person belonging to that organization).
4. A major shareholder of the Bank (*3) or an Executive for such person or entity.
5. An entity which receives large amounts (*2) of donations from the Bank, or an Executive for such person or entity.
6. A closely related person (*5) of any of the following people (limited to important (*4) persons):
 - (1) A person to whom any of 1-5 above applies
 - (2) An Executive of the Bank or one of its subsidiaries
 - (3) A director who is not an Executive of the Bank or one of its subsidiaries (limited to determining the independence of External Audit & Supervisory Board Members)

*1. Definition of “major trading partner” (a partner to which any of the following applies)

- a. A partner for which transactions account for 2% or more of the Bank’s consolidated gross profit or the trading partner’s consolidated net sales of the most recent fiscal year (however, excludes regional public organizations)
- b. A partner for whom the Bank is the largest lender and it is thought that procurement from another financial institution would be difficult for the concerned partner

*2. Definition of “large amount”

An annual amount averaging 10 million yen or more over the past three years

*3. Definition of “major shareholder”

A shareholder with voting rights of 10% or more of the Bank’s total voting rights

*4. Examples of “important person”

- An officer or person of general manager level of a company
- The accounting specialist and legal specialist in 3. above, are persons with the specialized qualifications of a Certified Public Accountant or Attorney at Law

*5. Definition of “closely related person”

A spouse or relative in the second degree

<Reference>

The Skills Matrix of Directors and Audit & Supervisory Board Members (as scheduled after the 167th Ordinary General Meeting of Shareholders)

Name and title		Skills	Experience and expertise									
			Corporate management Organization management	Sustainability	Regional banking	HR & diversity	Loan administration	Market operations	Digital strategy & systems	Financial accounting	Risk management	Legal & compliance
Board of Directors	Mitsuharu Yasuda	Director and President (Representative Director)	○	○	○	○	○	○	○	○	○	○
	Minoru Nagano	Director and Deputy President (Representative Director)	○	○	○		○	○	○	○	○	○
	Hitoshi Masuda	Senior Managing Director	○		○		○					
	Hironobu Tsuyama	Managing Director		○	○					○		
	Akira Yamada	Director	○		○		○					
	Kazushi Yoneta	Director			○			○				
	Naoki Nishita	External Director	○	○	○							
	Masako Taniguchi	External Director	○			○				○		
	Toshiaki Kobe	External Director	○									○
	Sakuyo Tahara	External Director				○						
Audit & Supervisory Board	Hitoshi Oshino	Standing Audit & Supervisory Board Member				○	○				○	○
	Iwao Takeuchi	Standing Audit & Supervisory Board Member	○	○	○		○					
	Hitoshi Kubota	Standing Audit & Supervisory Board Member [External]	○		○	○					○	○
	Tateo Wada	Audit & Supervisory Board Member [External]	○							○		○
	Yoshiharu Ishii	Audit & Supervisory Board Member [External]	○		○		○					

Note: The above list does not represent all the experience and expertise possessed by each Director and Audit & Supervisory Board Member.

<Shareholder Proposals (Proposal 3 and Proposal 4)>

Proposal 3 and Proposal 4 are proposals made by one shareholder (with 300 voting rights).

The details and reasons of each proposal are presented in their original text as submitted by the proposing shareholder, except for the omission of photograph and the revisions of some wording.

The Board of Directors of the Bank opposes both shareholder proposals as described below.

Shareholder Proposal

Proposal 3 Election of one (1) Director

Summary of the Proposal:

It is proposed that Tomoki Maeda be elected as Director.

Tomoki Maeda (date of birth: April 30, 1980)

<Note by the Bank: Photograph of the candidate is omitted, with the consent of the proposing shareholder.>

[Career summary, position, responsibility, and significant concurrent positions outside the Bank]

Mar. 2003 Graduated from College of Policy Science, Ritsumeikan University

Apr. 2003 Joined Future Venture Capital Co., Ltd.

Nov. 2006 External Director of Medicine Plus Co., Ltd.

Sept. 2008 Joined SBI Investment Co., Ltd.

Apr. 2011 Fourth-term Member of Hyogo Prefectural Assembly (current position)

Oct. 2018 Representative Partner of CATALYST LLC (current position)

Purport of the Proposal:

As a venture capitalist, the candidate has participated in many venture investments, and with 20 years of experience and broad knowledge as an individual investor, he has made multiple proposals in shareholder meetings. Moreover, he has extensive insights into governance based on his experience of administrative monitoring over 12 years as a Member of Prefectural Assembly and on his experience as an External Director of a venture company.

The responsibility of External Director goes beyond meeting basic requirements. An External Director proposed by a shareholder, not by the Bank, is necessary for strengthening the corporate governance. A Director with an investment perspective is also necessary for increasing the total market value of the Bank. The current Board of Directors, which is allowing the share price to continue falling in the long run and maintains offering low returns to shareholders, lacks a shareholder representative. Total market value is expected to increase through the adoption of the Board 3.0 model, which is to elect an investor as External Director based on a shareholder proposal. This Proposal is also intended to raise awareness of the current Directors that they are elected by shareholders and to urge them to take concrete measures to improve TSR.

<Opinion of the Board of Directors regarding Proposal 3>

The Board of Directors of the Bank “opposes the Proposal” for the following reasons:

The Bank has placed on the agenda the election of ten (10) candidates in the proposal for the election of Directors (Proposal 2) proposed by the Bank. In the structure of the Board of Directors after this Ordinary General Meeting of Shareholders has approved and adopted Proposal 2, there will be six (6) Inside Directors and four (4) Outside Directors, thus the ratio of External Directors exceeds recommendations stipulated by Japan’s Corporate Governance Code. Moreover, the four (4) candidates for External Directors meet the requirements of Independent Officer as stipulated by the Tokyo Stock Exchange, Inc. Therefore, with objectivity and fairness secured, the Board believes that the Bank will be able to develop an effective system to further strengthen the corporate governance function.

Each candidate for External Director is well-versed in operations of the Bank and has high management capability based on their rich experiences. They also have highly professional insights in various areas including organization management, regional banking, financial accounting, legal, human resources and labor management, which will contribute to the Bank’s management. The Board of Directors of the Bank has a balanced system with fully

functioning, effective and appropriate management, and so is deemed to be able to fully exercise each member's ability not only in the supervisory function but also in the practical capability in order to increase medium- to long-term corporate value of the Bank group.

In addition, based on feedback and requests gathered from investors at regular briefing sessions, the Bank has made efforts to adequately discuss their views at board meetings to further incorporate them into management.

As a result of the above, the Bank believes that the structure of the Board of Directors based on the Bank's Proposal for the election of Directors will be the optimal structure necessary for the sustainable growth of the Bank group as well as for the contribution to local society.

Accordingly, the Board of Directors of the Bank concluded that it is unnecessary to elect Tomoki Maeda as Director, and opposes this Proposal. The Nomination and Remuneration Advisory Committee established on a voluntary basis, of which the majority is comprised of Independent External Officers, has also recommended that this Shareholder Proposal be opposed.

Shareholder Proposal

Proposal 4 Repurchase of treasury shares

Summary of the Proposal:

Pursuant to the provision of Article 156, Paragraph 1 of the Companies Act, to acquire the Bank's common shares in a total number of 11,000,000 shares in an amount not exceeding the acquisition cost of 3,000 million yen in total (however, in case where the total acquisition cost allowed by the Companies Act ("the Distributable Amount" prescribed in Article 461 of the Companies Act) is lower than said acquisition cost, the maximum amount of the total acquisition cost allowed by the Companies Act) by delivery of cash within 180 days after the end of the 167th Ordinary General Meeting of Shareholders.

Purport of the Proposal:

This is not a short-sighted proposal for return to shareholders. Instead, it is an aggressive repurchase of treasury shares as investment, seeing the current low market valuation as an opportunity to improve EPS at low cost.

Council of Experts Concerning the Follow-up of Market Restructuring requires listed companies with PBR below 1x to take measures for improvement.

While only 7% of listed companies whose market capitalization exceeds 100 billion yen have a PBR below 0.5x, the Bank recorded an extremely low PBR as 0.26x, and the share price has continued to fall over many years.

As it has a relatively low PER/PBR compared to the market average, the Bank should to proceed with the repurchase of treasury shares on a totally different level, instead of just planning. The Bank repurchased treasury shares of 1,700 million yen in the fiscal year 2019 and 800 million yen in the fiscal year 2022, of which the amount was far too small. In the fiscal year 2023, it is appropriate to allow the total return ratio to exceed 100% and spend 6 billion yen to buy repurchase treasury shares. However, since it is the responsibility of the Board of Directors to make an agile and autonomous decision, I propose to spend the half amount instead.

Going forward, it is requested that the Bank raise the total return ratio to 55%, increase return to shareholders through repurchase of treasury shares, maximize shareholder value, and efficiently expand TSR (Total Shareholder Return).

<Opinion of the Board of Directors regarding Proposal 4>

The Board of Directors of the Bank "opposes the Proposal" for the following reasons:

The Bank recognizes that increasing the return of profits to shareholders is as important a responsibility of the Bank as enhancing its corporate value, and has strived to achieve such increase through the implementation of a performance-linked dividend system in addition to ordinary dividend payments.

In the new Medium-term Business Plan published in April 2023, the Bank has set a profit target which enables providing a performance-linked dividend in the final year of 2025. All Directors and employees of the Bank and its group companies will work together to achieve the plan.

Furthermore, after the amount of the year-end dividend, which is an item to be resolved in the Ordinary General

Meeting of Shareholders, is approved by the Board of Directors, the Bank is planning to purchase its own shares to make the total amount of the annual dividends and treasury shares 40% of the profit attributable to shareholders of parent.

On the other hand, the Bank bears its responsibility to provide stable funding to our customers as a regional bank, in case of rapid change in the economic environment due to the spread of COVID-19 or a changing international situation, etc. Therefore, it is also important for the Bank to shore up its capital base. While seeking for efficient asset allocation, the Bank will strive to achieve the best balance between ensuring financial soundness, investing in future growth, and increasing the return of profits to shareholders.

Accordingly, the Board of Directors of the Bank concluded that it is unnecessary to repurchase treasury shares as requested by the proposing shareholder, and opposes this Proposal.