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(Securities Code: 8341)
June 3, 2020

To Stockholders with Voting Rights:

Hidefumi Kobayashi
President
The 77 Bank, Ltd.
3-20, Chuo 3-chome, Aoba-ku,
Sendai City, Miyagi Prefecture,
Japan

**NOTICE OF CONVOCAION OF
THE 136TH ANNUAL GENERAL MEETING OF STOCKHOLDERS**

You are hereby notified that the 136th Annual General Meeting of Stockholders of The 77 Bank, Ltd. (the “Bank”) will be held for the purposes as described below.

If you are not attending the meeting, you can exercise your voting rights in writing or via the Internet etc. Please review the Reference Documents for the General Meeting of Stockholders described hereinafter and exercise your voting rights according to the Guide for Exercise of Voting Rights (Page 2) by 5:00 p.m. on Thursday, June 25, 2020, Japan standard time.

1. **Date and Time:** Friday, June 26, 2020 at 10:00 a.m. Japan standard time
2. **Place:** 4F, Conference Room, Head Office, the Bank, 3-20, Chuo 3-chome, Aoba-ku, Sendai City, Miyagi Prefecture, Japan
3. **Meeting Agenda:**
Matters to be reported:
 1. The Business Report and Non-consolidated Financial Statements for the Bank’s 136th Fiscal Year (from April 1, 2019 to March 31, 2020)
 2. Consolidated Financial Statements for the Bank’s 136th Fiscal Year (from April 1, 2019 to March 31, 2020) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Eleven (11) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)
- Proposal No. 3:** Revision to Limit of Compensation for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

4. Matters Determined for Convocation

Notice of inconsistent voting

If you wish to make inconsistent voting, please notify the Bank in writing of your intention of making inconsistent voting of votes and the reasons thereof at least three (3) days prior to the Annual General Meeting of Stockholders.

End

Guide for Exercise of Voting Rights

Please exercise your voting rights by one of the following methods.

If you are attending the meeting

- Please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Please bring this Notice of Convocation with you as a reference material.

*The temperature of the venue is set slightly higher to save energy, and as such we would like to request our stockholders to wear light clothing when attending.

Date and time of the General Meeting of Stockholders: Friday, June 26, 2020 at 10:00 a.m. Japan standard time

If you are not attending the meeting

Exercise of voting rights by mail

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by the deadline.

Deadline: Thursday, June 25, 2020 at 5:00 p.m. Japan standard time

Exercise of voting rights via the Internet, etc.

Please access the website for exercising voting rights designated by the Bank (<https://www.e-sokai.jp>) using the “voting rights exercise code” and the “password” indicated on the enclosed Voting Rights Exercise Form and follow the on-screen guidance to enter whether you are for or against each of the proposals.

Deadline: Thursday, June 25, 2020 at 5:00 p.m. Japan standard time

<Handling of duplicated exercise>

If you vote both in writing on the Voting Rights Exercise Form and via the Bank’s designated voting website on the Internet, only your vote exercised via the Internet will be deemed valid. In addition, if you submit your vote multiple times via the Internet or submit in duplicate via a computer and a cellphone, only the last vote will be deemed valid.

*Of the documents that need to be attached to this notice of convocation, the Non-consolidated Statement of Changes in Net Assets and the Notes to the Non-consolidated Financial Statements, and the Consolidated Statement of Changes in Net Assets and the Notes to the Consolidated Financial Statements are, in accordance with laws and regulations as well as Article 16 of the Articles of Incorporation of the Bank, posted on the Bank’s website (<https://www.77bank.co.jp/>) and are therefore not included with this document.

Accordingly, the Attached Documents of this Convocation Notice are part of the Non-consolidated Financial Statements and the Consolidated Financial Statements that have been audited by the Accounting Auditor and the Audit & Supervisory Committee in preparing their respective audit reports.

*In the case where revisions are made to the Reference Documents for the General Meeting of Stockholders, the Business Report, the Non-consolidated Financial Statements and Consolidated Financial Statements, the revised version will be posted on the Bank’s website (<https://www.77bank.co.jp/>).

Reference Documents for the General Meeting of Stockholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

With respect to the appropriation of surplus, the Bank's basic policy is to continue stable dividend payment, taking into consideration the public nature of the banking business and maintaining soundness of management, while paying attention to the internal reserve to strengthen the management structure. It is proposed that the surplus be appropriated as follows:

1. Matters concerning year-end dividends
 - (1) Type of dividend property
Cash
 - (2) Matters concerning the allotment of dividend property and the total amount
25.00 yen per share of common stock, for a total of 1,856,604,950 yen
Including the interim dividend, dividends to be paid for the full year amount to 50.00 yen per share.
 - (3) Effective date of distribution of surplus
June 29, 2020
2. Other matters concerning the appropriation of surplus
 - (1) Item and the amount of surplus to be increased
General reserve 13,500,000,000 yen
 - (2) Item and amount of surplus to be decreased
Retained earnings brought forward 13,500,000,000 yen

Proposal No. 2: Election of Eleven (11) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

The terms of office of all the eleven (11) Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same applies in this Proposal) will expire at the conclusion of this Annual General Meeting of Stockholders.

Accordingly, the election of eleven (11) Directors is proposed.

The Audit & Supervisory Committee examined this proposal. With respect to the details of this proposal, there were no specific matters to be commented on at the General Meeting of Stockholders in accordance with the provisions of the Companies Act as the nomination of candidates was done appropriately after the deliberation by the Corporate Governance Committee in accordance with the policy on nomination of candidates and the nomination procedures specified in the basic policy on corporate governance and each candidate is suitable for the position of the Bank's Director.

The candidates for Directors are as follows.

No.	Name	Candidate attributes		Current positions at the Bank
1	Teruhiko Ujiie	Reappointment		Representative Director and Chairman
2	Hidefumi Kobayashi	Reappointment		Representative Director and President
3	Makoto Igarashi	Reappointment		Representative Director and Senior Managing Director
4	Koichi Suzuki	Reappointment		Managing Director
5	Atsushi Shitoh	Reappointment		Managing Director
6	Yoshikazu Onodera	Reappointment		Managing Director
7	Takuji Tabata	Reappointment		Managing Director
8	Masahiro Sugita	Reappointment	Outside Director Independent Director	Director (Outside Director)
9	Ken Nakamura	Reappointment	Outside Director Independent Director	Director (Outside Director)
10	Emiko Okuyama	Reappointment	Outside Director Independent Director	Director (Outside Director)
11	Seiichi Ohtaki	New candidate	Outside Director Independent Director	

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions), Number of shares of the Bank held
1	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Reappointment</div> Teruhiko Ujii (Aug. 29, 1946)	Apr. 1969 Joined The Industrial Bank of Japan, Limited Aug. 1992 Associate Director-General, Related Business Department, The Industrial Bank of Japan, Limited Jun. 1993 Director and General Manager, Business Development Div., the Bank Jun. 1995 Director and General Manager, Business Promotion Div., the Bank Jun. 1997 Director and General Manager, Head Office Business Div., the Bank Jun. 1998 Managing Director and General Manager, Head Office Business Div., the Bank Jun. 1999 Managing Director and General Manager, Investigation Div., the Bank Mar. 2000 Managing Director, the Bank Jun. 2002 Senior Managing Director, the Bank Jun. 2005 Representative Director and Deputy President, the Bank Jun. 2010 Representative Director and President, the Bank Jun. 2018 Representative Director and Chairman, the Bank (current position) (Significant concurrent positions) Outside Audit & Supervisory Board Member, TOHOKU STEEL CO., LTD. (Number of shares of the Bank held) 175,684 shares
(Reasons for selection as a candidate for Director) Based on his long experience in financial operations and successful track record of exercising leadership in management of the Bank as a Director since June 1993 and as a Representative Director since June 2005, the Bank believes that Mr. Teruhiko Ujii has knowledge and experience that enable him to precisely, fairly and efficiently perform management oversight and has sufficient social credibility, and thus selected him as a candidate for Director.		
2	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Reappointment</div> Hidefumi Kobayashi (Sep. 22, 1957)	Apr. 1981 Joined the Bank Jun. 2006 General Manager, Treasury Div., the Bank Jun. 2008 General Manager, General Planning & Coordination Div., the Bank Jun. 2010 Director and General Manager, General Planning & Coordination Div., the Bank Jun. 2013 Director and General Manager, Head Office Business Div., the Bank Jun. 2014 Managing Director and General Manager, Head Office Business Div., the Bank Jun. 2015 Managing Director, the Bank May 2016 Managing Director, the Bank General Manager, Ishinomaki Branch and Minato Branch Jun. 2016 Managing Director, the Bank Jun. 2017 Representative Director and Deputy President, the Bank Jun. 2018 Representative Director and President, the Bank (current position) (Responsibilities) Audit & Inspection Div. (Number of shares of the Bank held) 7,200 shares
(Reasons for selection as a candidate for Director) Based on his long experience in financial operations and successful track record of exercising leadership in management of the Bank as a Director since June 2010 and as a Representative Director since June 2017, the Bank believes that Mr. Hidefumi Kobayashi has knowledge and experience that enable him to precisely, fairly and efficiently perform management oversight and has sufficient social credibility, and thus selected him as a candidate for Director.		

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions), Number of shares of the Bank held
3	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 10px;">Reappointment</div> <p>Makoto Igarashi (Mar. 18, 1957)</p>	<p>Apr. 1980 Joined the Bank Jun. 2005 General Manager, General Affairs Div., the Bank Jun. 2006 General Manager, Personnel Div., the Bank Jun. 2009 Director and General Manager, Tokyo Branch, the Bank Jun. 2012 Director and General Manager, Business Promotion Div., the Bank Jun. 2013 Managing Director, the Bank Jun. 2017 Senior Managing Director, the Bank Jun. 2018 Representative Director and Senior Managing Director, the Bank (current position)</p> <p>(Responsibilities) Secretariat, General Planning & Coordination Div., Tokyo Liaison Office</p> <p>(Number of shares of the Bank held) 6,300 shares</p> <p>(Reasons for selection as a candidate for Director) Based on his long experience in financial operations and successful track record of exercising leadership in management of the Bank as a Director since June 2009 and as a Representative Director since June 2018, the Bank believes that Mr. Makoto Igarashi has knowledge and experience that enable him to precisely, fairly and efficiently perform management oversight and has sufficient social credibility, and thus selected him as a candidate for Director.</p>
4	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 10px;">Reappointment</div> <p>Koichi Suzuki (Feb. 26, 1962)</p>	<p>Apr. 1984 Joined the Bank Mar. 2005 General Manager, Wakuya Branch, the Bank Sep. 2007 General Manager, Masuda Branch, the Bank Jun. 2009 General Manager, General Affairs Div., the Bank Jun. 2013 General Manager, Business Promotion Div., the Bank Jun. 2014 Executive Officer and General Manager, Business Promotion Div., the Bank Jun. 2015 Director, Executive Officer and General Manager, Oroshimachi Branch, the Bank Jun. 2018 Managing Director, the Bank (current position)</p> <p>(Responsibilities) Compliance Management Div., Risk Management Div., Personnel Div.</p> <p>(Number of shares of the Bank held) 2,100 shares</p> <p>(Reasons for selection as a candidate for Director) After serving as General Manager of the Bank's branches and General Manager of the Business Promotion Div., Mr. Koichi Suzuki was appointed Executive Officer in June 2014 and Director and Executive Officer in June 2015. Ever since, he has been mainly responsible for the Compliance Management Div. and has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.</p>

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions), Number of shares of the Bank held
5	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Reappointment</div> Atsushi Shitoh (Feb. 7, 1962)	<p>Apr. 1985 Joined the Bank</p> <p>Jun. 2005 Chief Secretary, the Bank</p> <p>Jun. 2008 General Manager, Fukushima Branch, the Bank</p> <p>Jun. 2010 General Manager, Izumi Branch, the Bank</p> <p>Jun. 2012 General Manager, Treasury Administration & International Div., the Bank</p> <p>Jun. 2014 Executive Officer and General Manager, Tokyo Branch, the Bank</p> <p>Jun. 2016 Director, Executive Officer and General Manager, Head Office Business Div., the Bank</p> <p>Jun. 2018 Managing Director and General Manager, Head Office Business Div., the Bank</p> <p>Jun. 2019 Managing Director, the Bank (current position)</p> <p>(Responsibilities) Business Promotion Div., Consulting Promotion Div., Direct Channel Promotion Div.</p> <p>(Number of shares of the Bank held) 7,000 shares</p> <p>(Reasons for selection as a candidate for Director) After serving as General Manager of the Bank's branches and General Manager of the Treasury Administration & International Div., Mr. Atsushi Shitoh was appointed Executive Officer in June 2014 and Director and Executive Officer in June 2016. Ever since, he has been mainly responsible for the Business Promotion Div. and has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.</p>
6	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Reappointment</div> Yoshikazu Onodera (Mar. 19, 1962)	<p>Apr. 1985 Joined the Bank</p> <p>Sep. 2007 General Manager, Hachimanmachi Branch, the Bank</p> <p>Mar. 2009 General Manager, Yoshioka Branch, the Bank</p> <p>Jun. 2011 General Manager, Operations Management Div., the Bank</p> <p>Jun. 2013 General Manager, General Planning & Coordination Div., the Bank</p> <p>Jun. 2014 Executive Officer and General Manager, General Planning & Coordination Div., the Bank</p> <p>Jun. 2016 Director, Executive Officer and General Manager, Ishinomaki Branch and Minato Branch, the Bank</p> <p>Jun. 2018 Managing Director, the Bank (current position)</p> <p>(Responsibilities) Regional Development Promotion Div., Treasury Div., Treasury Administration & International Div.</p> <p>(Number of shares of the Bank held) 2,900 shares</p> <p>(Reasons for selection as a candidate for Director) After serving as General Manager of the Bank's branches and General Manager of the General Planning & Coordination Div., Mr. Yoshikazu Onodera was appointed Executive Officer in June 2014 and Director and Executive Officer in June 2016. Ever since, he has been mainly responsible for the Regional Development Promotion Div. and has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.</p>

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions), Number of shares of the Bank held
7	<div data-bbox="220 383 411 439" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Reappointment</div> <div data-bbox="220 465 411 521" style="border: 1px solid black; padding: 2px;">Takuji Tabata (Apr. 26, 1962)</div>	<p>Apr. 1986 Joined the Bank</p> <p>Sep. 2007 General Manager, Koriyama Branch, the Bank</p> <p>Jun. 2009 General Manager, Tokyo Liaison Office, the Bank</p> <p>Jun. 2012 General Manager, Treasury Div., the Bank</p> <p>Jun. 2015 General Manager, Credit Supervision Div., the Bank</p> <p>Jun. 2016 Executive Officer and General Manager, Credit Supervision Div., the Bank</p> <p>Jun. 2018 Senior Executive Officer and General Manager, Credit Supervision Div., the Bank</p> <p>Jun. 2019 Managing Director, the Bank (current position)</p> <p>(Responsibilities) Credit Supervision Div., General Affairs Div.</p> <p>(Number of shares of the Bank held) 2,600 shares</p>
<p>(Reasons for selection as a candidate for Director)</p> <p>After serving as General Manager of the Bank's branches and General Manager of the Credit Supervision Div., Mr. Takuji Tabata was appointed Executive Officer in June 2016, Senior Executive Officer in June 2018, and Managing Director in June 2019. Ever since, he has been mainly responsible for the Credit Supervision Div. and has been performing management oversight precisely, fairly and efficiently. The Bank believes that he also has sufficient social credibility and thus selected him as a candidate for Director.</p>		
8	<div data-bbox="220 987 411 1043" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Reappointment</div> <div data-bbox="220 1070 411 1104" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Outside Director</div> <div data-bbox="220 1131 411 1187" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Independent Director</div> <div data-bbox="220 1238 411 1294" style="border: 1px solid black; padding: 2px;">Masahiro Sugita (Oct. 20, 1944)</div>	<p>Apr. 1967 Joined the Bank of Japan</p> <p>May 1996 General Manager, International Dept., the Bank of Japan</p> <p>Jun. 1998 Director, Research Institute of Overseas Investment, the Export-Import Bank of Japan</p> <p>Sep. 1999 Auditor, the Bank of Japan</p> <p>Dec. 2003 Standing Audit & Supervisory Board Member, Banyu Pharmaceutical Co., Ltd. (currently MSD K.K.)</p> <p>Jun. 2006 Director, Horiba, Ltd. (current position)</p> <p>Jun. 2007 Audit & Supervisory Board Member, the Bank</p> <p>Oct. 2009 Audit & Supervisory Board Member, Banyu Pharmaceutical Co., Ltd. (currently MSD K.K.)</p> <p>Jun. 2013 Director, the Bank (current position)</p> <p>(Significant concurrent positions) Outside Director, Horiba, Ltd.</p> <p>(Number of shares of the Bank held) 400 shares</p>
<p>(Reasons for selection as a candidate for Director)</p> <p>As Mr. Masahiro Sugita has a wealth of specialized knowledge and practical experience mainly in the financial field, the Bank believes that he is suitable for the position of Outside Director of the Bank and selected him as a candidate for Director.</p>		

No.	Name (Date of birth)	Past experience, positions, and responsibilities (Significant concurrent positions), Number of shares of the Bank held
11	New candidate	Oct. 1987 Assistant Professor, Faculty of Economics, Tohoku University
	Outside Director	Apr. 1992 Professor, Faculty of Economics, Tohoku University
		Apr. 1999 Professor, Graduate School of Economics and Management, Tohoku University
	Independent Director	Apr. 2011 Dean, Graduate School of Economics and Management/Faculty of Economics, Tohoku University
		Jul. 2014 President, The Sanaburi Foundation (current position)
	Seiichi Ohtaki (Sep. 8, 1952)	Jun. 2016 Auditor, Yurtec Corporation
		Nov. 2016 President, Organization for Creating Local Good (current position)
		Apr. 2018 Vice-President, Shizenkan University (current position)
	(Number of shares of the Bank held)	
	0 shares	
	(Reasons for selection as a candidate for Director)	
As Mr. Seiichi Ohtaki has a wealth of experience gained through his involvement in university education for many years and advanced specialized knowledge about management, the Bank believes that he is suitable for the position of Outside Director of the Bank and selected him as a candidate for Director.		
Outside Director	Candidate for Outside Director provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act	
Independent Director	Candidate for Director whom the Bank intends to designate as an independent director as defined by the Tokyo Stock Exchange and the Sapporo Securities Exchange and notify them of the designation	

- (Notes) 1. There is no special interest relationship between the candidates and the Bank.
2. Mr. Masahiro Sugita, Mr. Ken Nakamura, Ms. Emiko Okuyama, and Mr. Seiichi Ohtaki are candidates for Outside Director. The Bank designated Mr. Masahiro Sugita, Mr. Ken Nakamura, and Ms. Emiko Okuyama as independent directors as defined by the Tokyo Stock Exchange and the Sapporo Securities Exchange and notified them of the designation. Additionally, the Bank intends to designate Mr. Seiichi Ohtaki as an independent director as defined by the Tokyo Stock Exchange and the Sapporo Securities Exchange and notify them of the designation.
3. The number of years Mr. Masahiro Sugita, Mr. Ken Nakamura, and Ms. Emiko Okuyama will have served as Outside Director, respectively, at the conclusion of this Annual General Meeting of Stockholders is as follows.
Mr. Masahiro Sugita: 7 years
Mr. Ken Nakamura: 5 years
Ms. Emiko Okuyama: 2 years
4. Mr. Masahiro Sugita, Mr. Ken Nakamura, Nakamura Ken Law Office, Ms. Emiko Okuyama, and Mr. Seiichi Ohtaki are business partners of the Bank. The nature of the transactions is ordinary banking transactions as an individual depositor and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.
5. The Sanaburi Foundation, where Mr. Seiichi Ohtaki serves as the President, is a business partner of the Bank. The Sanaburi Foundation has transactions with the Bank, including deposits. However, the nature of transactions between the Bank and The Sanaburi Foundation is ordinary banking transactions and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.
6. Ms. Emiko Okuyama used to work for Sendai City, which is a business partner of the Bank. The Bank is a financial institution designated by Sendai City and handles administrative tasks of collection and payment of public funds and the transactions of Sendai City with the Bank include deposits and loans. In light of the nature of the transactions, it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.
7. Mr. Seiichi Ohtaki used to work for Tohoku University, which is a business partner of the Bank. Tohoku University has transactions with the Bank, including deposits. However, the nature of transactions between the Bank and Tohoku University is ordinary banking transactions and it is deemed not to have any impact on the decisions of stockholders and investors, and thus, description of the outline of the transactions is omitted.

8. Although Mr. Ken Nakamura has never been directly involved in corporate management, he has a wealth of experience and wide-ranging knowledge as an attorney-at-law. Therefore, it is the Bank's judgment that he is suitable for the position of Outside Director of the Bank and capable of appropriately fulfilling his duties as an Outside Director of the Bank.
9. Although Ms. Emiko Okuyama has never been directly involved in corporate management, she has a wealth of experience and wide-ranging knowledge gained through her involvement in local administration. Therefore, it is the Bank's judgment that she is suitable for the position of Outside Director of the Bank and capable of appropriately fulfilling her duties as an Outside Director of the Bank.
10. Although Mr. Seiichi Ohtaki has never been directly involved in corporate management, he has a wealth of experience gained through his involvement in university education for many years and advanced specialized knowledge about management. Therefore, it is the Bank's judgment that he is suitable for the position of Outside Director of the Bank and capable of appropriately fulfilling his duties as an Outside Director of the Bank.
11. If election of candidates for Outside Director Mr. Masahiro Sugita, Mr. Ken Nakamura and Ms. Emiko Okuyama is approved as proposed, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank plans to continue with the liability limitation agreements that have been concluded with Mr. Masahiro Sugita, Mr. Ken Nakamura and Ms. Emiko Okuyama, which limit their liability as Outside Directors of the Bank for damages arising from neglect of their duties to the minimum liability amount stipulated by laws and regulations.
If election of a candidate for Outside Director Mr. Seiichi Ohtaki is approved as proposed, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Bank plans to conclude a liability limitation agreement, which limits his liability as Outside Director of the Bank for damages arising from neglect of his duties to the minimum liability amount stipulated by laws and regulations.

Proposal No. 3: Revision to Limit of Compensation for Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)

Regarding the limit of compensation for Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same applies within this Proposal) of the Bank, it was approved at the Annual General Meeting of Stockholders held on June 28, 2018 to set the maximum amount of compensation for Directors at 270 million yen per year as “base compensation” (including 20 million yen for Outside Directors) and 90 million yen per year as “performance-linked monetary compensation.”

For the purpose of further strengthening corporate governance, the Bank plans to increase the number of Outside Directors. In order to accommodate the increase in the number of Outside Directors, it is proposed to revise the maximum amount of compensation for Outside Directors from 20 million yen to 30 million yen but leave the maximum amount of base compensation for Directors as is.

After the revision, the maximum amount of compensation for Directors will be 270 million yen per year as “base compensation” (including 30 million yen for Outside Directors) and 90 million yen per year as “performance-linked monetary compensation.”

The “performance-linked monetary compensation” shall be linked to the level of net income.

Compensation for Outside Directors shall solely consist of “base compensation,” and the base compensation and performance-linked monetary compensation for Directors concurrently serving as employees shall not include the employee portion of the salaries (bonuses).

The current number of Directors is eleven (11) (including three (3) Outside Directors). If Proposal No. 2, “Election of Eleven (11) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members),” is approved as originally proposed, the number of Directors will be eleven (11) (including four (4) Outside Directors).

The resolution of this Proposal shall take effect, provided that the election of Directors in Proposal No. 2 “Election of Eleven (11) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)” takes effect.

The Audit & Supervisory Committee examined this proposal but there were no specific findings about this proposal.