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Securities Code: 8563

June 1, 2022

To our shareholders:

Takao Suzuki
Director and President
THE DAITO BANK, LTD.
19-1, Nakamachi, Koriyama City, Fukushima

NOTICE OF CONVOCATION OF THE 117TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 117th Annual General Meeting of Shareholders of THE DAITO BANK, LTD. (the “Bank”). The meeting will be held for the purposes as described below.

In light of the spread of the novel coronavirus disease, in order to ensure the safety of shareholders and to prevent the spread of infection, we ask that you exercise your voting rights in writing or via the internet in advance to the extent possible, and that you wear a face mask if you attend the General Meeting of Shareholders in person. Furthermore, we may take necessary measures at our discretion, to ensure the safety of shareholders and prevent the spread of infection at the venue, depending on the situation on the day of the meeting. We appreciate your understanding and cooperation.

When exercising your voting rights in writing or via the internet, please review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and exercise your voting rights in accordance with the “Instructions for Exercising Voting Rights” on pages 3 to 5 of the Japanese version (in Japanese only) by 5:00 p.m. Thursday, June 23, 2022 (JST).

- 1. Date and Time:** Friday, June 24, 2022, at 10:00 a.m. (JST)
- 2. Place:** 6F, Main Conference Room, Head Office of the Bank
19-1, Nakamachi, Koriyama City, Fukushima

3. Meeting Agenda:

Matters to be reported:

1. The Business Report and Non-consolidated Financial Statements for the Bank’s 117th Fiscal Year (from April 1, 2021 to March 31, 2022)
2. Consolidated Financial Statements for the Bank’s 117th Fiscal Year (from April 1, 2021 to March 31, 2022) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 4:** Election of Five (5) Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 5:** Determination of Issuance of Restricted Share Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members, and Outside Directors)

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form to the reception desk. Please also bring this Convocation Notice when attending the meeting.
- The Bank has adopted Smart Voting. Please refer to page 4 of the Japanese version (in Japanese only)
- Of the documents to be provided with this Convocation Notice, the following items are omitted as they are posted on the Bank’s website (<https://www.daitobank.co.jp/>) in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Bank:
 - 1) Non-consolidated Statement of Changes in Shareholders’ Equity

- 2) Notes to Non-consolidated Financial Statements
 - 3) Consolidated Statement of Changes in Shareholders' Equity
 - 4) Notes to Consolidated Financial Statements
- The documents provided with this Convocation Notice are a part of the Non-consolidated Financial Statements and Consolidated Financial Statements audited by the Accounting Auditor in preparing its audit reports, as well as a part of the Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements audited by the Audit and Supervisory Committee in preparing their audit reports.
 - Any updates to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements will be posted on the Bank's website (<https://www.daitobank.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1 Appropriation of Surplus

The Bank proposes the appropriation of surplus as follows.

Matters concerning year-end dividends

With regard to the year-end dividends for the 117th fiscal year, comprehensively taking into account continuing to provide stable dividends and the business results of the Bank for the fiscal year under review, the Bank proposes as follows.

In addition, internal reserves will continue to be used efficiently for effective investments, etc., in order to enhance the Bank's operational foundations and strengthening the management structure.

1. Dividend asset type
Cash
2. Matters concerning the allotment of dividend property to shareholders and the total amount
30 yen per share of common stock, for a total of 380,147,190 yen
3. Effective date of distribution of surplus
June 27, 2022

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendment

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Bank proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) Article 16, paragraph (1) in “Proposed amendments” below will stipulate that the Bank shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- (2) Article 16, paragraph (2) in “Proposed amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 16 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the amendments

Details of the amendments are as follows.

(Underlines indicate amendments.)

Current Articles of Incorporation	Proposed Amendments
<p>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</p> <p>Article 16</p> <p>When the Bank convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Bank has provided this information to shareholders.</p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u></p> <p><u>Article 16</u></p> <p><u>1. When the Bank convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p> <p><u>2. Among items for which the measures for providing information in electronic format will be taken, the Bank may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Supplementary Provision</p> <p>(Transitional measures concerning exemption from liability of Corporate Auditor)</p> <p>Agreements to limit liability for damages as provided for in Article 423, paragraph (1) of the Companies Act in relation to the actions of Outside Corporate Auditors (including former Outside Corporate Auditors) prior to the conclusion of the 115th Annual General Meeting of Shareholders shall comply with the provisions of Article 32 of the Articles of Incorporation before amendment by the resolution at the 115th Annual General Meeting of Shareholders.</p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;">Supplementary Provision</p> <p>(Transitional measures concerning exemption from liability of Corporate Auditor)</p> <p>Agreements to limit liability for damages as provided for in Article 423, paragraph (1) of the Companies Act in relation to the actions of Outside Corporate Auditors (including former Outside Corporate Auditors) prior to the conclusion of the 115th Annual General Meeting of Shareholders shall comply with the provisions of Article 32 of the Articles of Incorporation before amendment by the resolution at the 115th Annual General Meeting of Shareholders.</p> <p>(Effective Date for Measures, etc. for Providing Information in Electronic Format)</p> <ol style="list-style-type: none"> 1. <u>The amendment to the Articles of Incorporation pertaining to Article 16 shall be effective from September 1, 2022, which is the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u> 2. <u>Notwithstanding the provision of the preceding paragraph, Article 16 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u> 3. <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u>

Proposal No. 3 Election of Five (5) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. In that regard, the Bank proposes the election of five (5) Directors.

The Audit and Supervisory Committee has given its opinion that this proposal is in accordance with the policy for nominating candidates for Director of the Bank, the candidates for Director were appropriately selected following deliberations by the Nomination and Remuneration Committee and each candidate is qualified to serve as a Director of the Bank.

The candidates are as follows:

No.	Name		Positions and roles at the Bank
1	Takao Suzuki	Reelection Inside	Director and President (Representative Director), in charge of Operation and Banking systems Division and Audit Division
2	Yasuhiro Oka	Reelection Inside	Managing Director (Representative Director), in charge of Human Resources and General Affairs Division, Business Development Division and Securities and International Division
3	Kenichi Miura	Reelection Inside	Managing Director (Representative Director), General Manager of Corporate Planning Division In charge of Corporate Planning Division and Credit Division
4	Hiroaki Osato	Reelection Inside	Director and General Manager of Securities and International Division
5	Mitsuo Furukawa	New election Inside	Managing Executive Officer General Manager of Business Development Division

Reelection: Candidate for Director to be reelected

Election: Candidate for Director to be newly elected

Inside: Candidate for Inside Director

No.	Name (Date of birth)	Past experience, positions, and roles at the Bank, and significant concurrent positions	Number of common shares of the Bank held
1	Takao Suzuki (November 15, 1953) Reelection Inside	Apr. 1976 Joined the Bank Feb. 1996 General Manager of Uneme Branch Mar. 1998 Deputy General Manager of Head Office Apr. 2001 General Manager of Nihonmatsu Branch Mar. 2003 Asahi Area Manager and General Manager of Asahi Branch June 2004 Managing Director June 2008 Senior Managing Director June 2010 Director and President (Representative Director) To the present Roles: Operation and Banking systems Division and Audit Division	12,900 shares
<p><Reasons for nomination as a candidate for Director> Mr. Suzuki possesses a wealth of business knowledge and experience through his services as Branch General Manager, and since becoming Managing Director in 2004, he has amassed abundant management experience through holding positions as Senior Managing Director. Therefore, the Bank believes that he is capable of conducting the Bank's business management in an accurate, fair, and efficient manner, and thus proposes his reelection as Director.</p>			

No.	Name (Date of birth)	Past experience, positions, and roles at the Bank, and significant concurrent positions	Number of common shares of the Bank held
2	Yasuhiro Oka (November 30, 1955) Reelection Inside	Apr. 1974 Joined the Bank Mar. 1999 General Manager of Ishikawa Branch Apr. 2001 General Manager of Kawamata Branch Mar. 2003 General Manager of Shirakawa Branch June 2004 General Manager of Credit Management Division July 2008 Executive Officer and General Manager of Credit Division June 2010 Director and General Manager of Credit Division June 2013 Managing Director (Representative Director) To the present Roles: Human Resources and General Affairs Division, Business Development Division, and Securities and International Division	4,400 shares
<p><Reasons for nomination as a candidate for Director> Mr. Oka possesses a wealth of business knowledge and experience through his services as Branch General Manager and General Manager of Credit Management Division and Credit Division, and since becoming a Director in 2010, he has amassed abundant management experiences. Therefore, the Bank believes that he is capable of conducting the Bank's business management in an accurate, fair, and efficient manner, and thus proposes his reelection as Director.</p>			
3	Kenichi Miura (January 26, 1958) Reelection Inside	Apr. 1980 Joined The Long-Term Credit Bank of Japan, Limited (currently Shinsei Bank, Limited) July 2008 General Manager of Fukuoka Branch Nov. 2010 Seconded to the Bank from Shinsei Bank, Limited Executive Officer and General Manager of Corporate Planning Division June 2012 Director and General Manager of Corporate Planning Division July 2012 Director and General Manager of Business Planning Division July 2014 Director and General Manager of Corporate Planning Division Aug. 2015 Director, General Manager of Banking systems Division, and General Manager of Operation Division June 2016 Managing Director (Representative Director), General Manager of Banking systems Division, and General Manager of Operation Division July 2017 Managing Director (Representative Director) and General Manager of Head Office Apr. 2019 Managing Director (Representative Director), General Manager of Corporate Planning Division To the present Roles: Corporate Planning Division and Credit Division	5,200 shares
<p><Reasons for nomination as a candidate for Director> Mr. Miura possesses a wealth of business knowledge and experience through his services as Branch General Manager at a major bank and serving as General Manager at the Bank's Corporate Planning Division, Business Planning Division, Banking systems Division and Operation Division, and Head Office, and since becoming Director in 2012, he has amassed abundant management experiences. Therefore, the Bank believes that he is capable of conducting the Bank's business management in an accurate, fair, and efficient manner, and thus proposes his reelection as Director.</p>			

No.	Name (Date of birth)	Past experience, positions, and roles at the Bank, and significant concurrent positions	Number of common shares of the Bank held
4	Hiroaki Osato (December 26, 1957) Reelection Inside	Apr. 1981 Joined the Bank Apr. 2001 Deputy Manager of Securities and International Division Mar. 2003 Deputy Manager of General Planning Division June 2004 Deputy Manager of Corporate Planning Division July 2005 Deputy General Manager of Corporate Planning Division July 2008 General Manager of Securities and International Division June 2013 Executive Officer and General Manager of Securities and International Division June 2017 Director and General Manager of Securities and International Division To the present	3,300 shares
<p><Reasons for nomination as a candidate for Director> Mr. Osato possesses a wealth of business knowledge and experience through his services as Deputy General Manager of Corporate Planning Division and General Manager of Securities and International Division, and since becoming Director in 2017, he has been appropriately fulfilling his duties. Based on the experience and knowledge, the Bank believes that he is capable of conducting the Bank's business management in an accurate, fair, and efficient manner, and thus proposes his reelection as Director.</p>			
5	Mitsuo Furukawa (June 10, 1961) New election Inside	Apr. 1984 Joined the Bank July 2002 General Manager of Tsurumidan Branch July 2005 Koriyama A Area Manager, General Manager of Hohaccho Branch, and General Manager of Koharada Branch July 2008 Iwaki Area Manager and General Manager of Taira Branch July 2010 Northern Area Manager and General Manager of Fukushima Branch June 2012 Executive Officer, Northern Area Manager, and General Manager of Fukushima Branch July 2013 Executive Officer, General Manager of Credit Division, and General Manager of Credit Management Division July 2014 Executive Officer and General Manager of Head Office June 2016 Director and General Manager of Head Office July 2017 Director and General Manager of Business Promotion Division July 2020 Managing Executive Officer and General Manager of Business Development Division To the present	4,000 shares
<p><Reasons for nomination as a candidate for Director> Mr. Furukawa possesses a wealth of business knowledge and experience through his services as Branch General Manager, General Manager of Credit Division and Credit Management Division, General Manager of Head Office, and General Manager of Business Promotion Division, and he has been appropriately fulfilling his duties. Based on the experience and knowledge, the Bank believes that he is capable of conducting the Bank's business management in an accurate, fair, and efficient manner, and thus proposes his election as Director.</p>			

(Note) There is no special interest between each candidate for Director and the Bank.

Proposal No. 4 Election of Five (5) Directors Who Are Audit and Supervisory Committee Members

The terms of office of all five (5) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. In that regard, the Bank proposes the election of five (5) Directors who are Audit and Supervisory Committee Members.

The Audit and Supervisory Committee has previously given its approval to this proposal.

The candidates for Director who is an Audit and Supervisory Committee Member are as follows:

No.	Name		Positions and roles at the Bank
1	Hirokatsu Watanabe	Reelection Inside	Director who is Audit and Supervisory Committee Member (Full-Time)
2	Norio Shimizu	Reelection Outside Independent	Director who is Audit and Supervisory Committee Member (Outside)
3	Mika Matsumoto	Reelection Outside Independent	Director who is Audit and Supervisory Committee Member (Outside)
4	Hiroyuki Kanno	Reelection Outside Independent	Director who is Audit and Supervisory Committee Member (Outside)
5	Chikashi Sato	Reelection Outside Independent	Director who is Audit and Supervisory Committee Member (Outside)

Reelection: Candidate for Director to be reelected as Audit and Supervisory Committee Member

Inside: Candidate for Inside Director

Outside: Candidate for Outside Director

Independent: Independent Officer (to be) registered with the stock exchanges

No.	Name (Date of birth)	Past experience, positions, and roles at the Bank, and significant concurrent positions	Number of common shares of the Bank held
1	Hirokatsu Watanabe (March 21, 1961) Reelection Inside	Apr. 1983 Joined the Bank Aug. 2003 General Manager of Nishikawa Branch July 2005 Deputy General Manager of General Affairs Division July 2008 General Manager of General Affairs Department July 2012 General Manager of Tokyo Branch and General Manager of Tokyo Office July 2014 General Manager of General Affairs Department June 2015 Executive Officer and General Manager of General Affairs Division June 2020 Director who is Audit and Supervisory Committee Member (Full-Time) To the present	5,120 shares
<p><Reasons for nomination as a candidate for Audit and Supervisory Committee Member> Mr. Watanabe possesses a wealth of business knowledge and experience through his services as Branch General Manager, General Manager of Tokyo Branch and General Manager of Tokyo Office, and Deputy General Manager and General Manager of the General Affairs Division and involvement with human resource management and staff development and capacity building. Based on this track record, the Bank has judged that he is qualified to supervise the execution of the Bank's business, and thus proposes his election as a Director who is an Audit and Supervisory Committee Member.</p>			

No.	Name (Date of birth)	Past experience, positions, and roles at the Bank, and significant concurrent positions	Number of common shares of the Bank held
2	Norio Shimizu (July 24, 1957) Reelection Outside Independent	<p>Apr. 1981 Joined the Bank of Japan</p> <p>Feb. 2004 General Manager of Aomori Branch</p> <p>May 2007 General Manager of Kobe Branch</p> <p>May 2009 Deputy Director-General of Personnel and Corporate Affairs Department</p> <p>June 2010 Director-General of Currency Issue Department</p> <p>Apr. 2013 Director-General of Personnel and Corporate Affairs Department</p> <p>June 2014 Resigned from the Bank of Japan</p> <p>July 2014 Managing Executive Officer of the Shoko Chukin Bank, Ltd.</p> <p>June 2015 Director & Managing Executive Officer</p> <p>June 2018 Retired from the Shoko Chukin Bank, Ltd.</p> <p>June 2018 Director of Tokiwa Sohgho Service Co., Ltd.</p> <p>June 2019 Representative Director and President</p> <p>June 2020 Director who is Audit and Supervisory Committee Member (Outside) of the Bank</p> <p>To the present</p> <p>Significant concurrent positions outside the Bank Representative Director and President, Tokiwa Sohgho Service Co., Ltd.</p>	0 shares
<p><Reasons for nomination as a candidate for Audit and Supervisory Committee Member and outline of expected role> Mr. Shimizu has been involved in the financial business for many years at the Bank of Japan and has expertise and specialized knowledge in the banking business. He has an extensive experience and diverse knowledge as a corporate manager. Based on this track record, the Bank believes that he is capable of utilizing his experience to contribute to the soundness and transparency of the Bank's decision-making and be utilized to strengthen the supervision of management, and thus proposes his election as an Outside Director who is an Audit and Supervisory Committee Member.</p> <p><Supplementary explanation regarding independence> Since Mr. Shimizu does not infringe upon the standards for independence stipulated by the Tokyo Stock Exchange and he satisfies the criteria of independence for Outside Directors established by the Bank, the Bank has judged that he has high independence from management. The Bank has appointed him as an Independent Officer and submitted a notification of the appointment to the same exchange.</p> <p><Term of office as Audit and Supervisory Committee Member> Mr. Shimizu currently serves as an Audit and Supervisory Committee Member of the Bank. His term of office as Audit and Supervisory Committee Member will be two (2) year at the conclusion of this year's Annual General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Past experience, positions, and roles at the Bank, and significant concurrent positions	Number of common shares of the Bank held
3	Mika Matsumoto (February 3, 1974) Reelection Outside Independent	<p>Apr. 2000 Registered as an attorney-at-law (Daini Tokyo Bar Association) Joined Sakuragaoka Law Office</p> <p>Apr. 2001 President, Monbetsu-himawari-law Office (Asahikawa Bar Association)</p> <p>Sept. 2006 Visiting Scholar (dispatched by JFBA), University of California, Berkeley</p> <p>Sept. 2007 Member, Soma-himawari-law Office (Fukushima Bar Association)</p> <p>Sept. 2010 Established Hamadori Law Office (Iwaki City, Fukushima Prefecture)</p> <p>June 2015 Outside Corporate Auditor of the Bank</p> <p>June 2020 Director who is Audit and Supervisory Committee Member (Outside)</p> <p>To the present</p> <p>Significant concurrent positions outside the Bank Attorney-at-law</p>	100 shares
<p><Reasons for nomination as a candidate for Audit and Supervisory Committee Member and outline of expected role> Based on Ms. Matsumoto's knowledge and experience gained from her years as an attorney, the Bank has judged that she is qualified to supervise the execution of the Bank's business, such as expressing her opinion objectively from an independent and neutral position, and thus proposes her election as an Outside Director who is an Audit and Supervisory Committee Member. The Bank judges she will appropriately fulfill her duties as an Outside Director who is an Audit and Supervisory Committee Member based on the above reasons.</p> <p><Supplementary explanation regarding independence> Since Ms. Matsumoto does not infringe upon the standards for independence stipulated by the Tokyo Stock Exchange and she satisfies the criteria of independence for Outside Directors established by the Bank, the Bank has judged that she has high independence from management. The Bank has appointed her as an Independent Officer and submitted a notification of the appointment to the same exchange.</p> <p><Term of office as Audit and Supervisory Committee Member> Ms. Matsumoto currently serves as an Audit and Supervisory Committee Member of the Bank. Her term of office as Audit and Supervisory Committee Member will be two (2) year at the conclusion of this year's Annual General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Past experience, positions, and roles at the Bank, and significant concurrent positions	Number of common shares of the Bank held
4	<p style="text-align: center;">Hiroyuki Kanno (December 15, 1954) Reelection Outside Independent</p>	<p>Apr. 1978 Joined Fukushima Prefectural Government Apr. 2005 Secretary of Finance Group Apr. 2007 General Manager of General Affairs Department Apr. 2009 Member of the Board (In charge of general/financial affairs) and Head of the Secretariat of The Public University Corporation, The University of Aizu June 2011 Accounting Manager and Treasurer of Fukushima Prefectural Government Apr. 2012 General Manager of Health and Welfare Department Mar. 2014 Resigned from Fukushima Prefectural Government Apr. 2014 Representative Director and Manager of Fukushima Training Center For Local Officers Mar. 2018 Resigned from Fukushima Training Center For Local Officers June 2019 Outside Corporate Auditor of the Bank June 2020 Director who is Audit and Supervisory Committee Member (Outside) To the present</p>	0 shares
<p><Reasons for nomination as a candidate for Audit and Supervisory Committee Member and outline of expected role> Mr. Kanno has been involved in both financial and general business domains through his employment at the Fukushima Prefectural Office, and possesses a wealth of experience, knowledge and discernment that can be utilized in banking services as well. Based on this track record, the Bank has judged that he is qualified to supervise the execution of the Bank's business, such as expressing his opinion objectively from an independent and neutral position, and thus proposes his election as an Outside Director who is an Audit and Supervisory Committee Member. He has never in the past been involved in the management of a company except as an outside director or outside corporate auditor. However, the Bank judges he will appropriately fulfill his duties as an Outside Director who is an Audit and Supervisory Committee Member based on the above reasons.</p> <p><Supplementary explanation regarding independence> Mr. Kanno is a former employee of Fukushima Prefecture and there are deposit and loan transactions between the Bank and the prefecture. However, the summary of the transaction is omitted because it is an ordinary banking transaction and the nature of the transaction is such that there is no risk of influencing the decisions of shareholders and investors. Since Mr. Kanno does not infringe upon the standards for independence stipulated by the Tokyo Stock Exchange and he satisfies the criteria of independence for Outside Directors established by the Bank, the Bank has judged that he has high independence from management. The Bank has appointed him as an Independent Officer and submitted a notification of the appointment to the same exchange.</p> <p><Term of office as Audit and Supervisory Committee Member> Mr. Kanno currently serves as an Audit and Supervisory Committee Member of the Bank. His term of office as Audit and Supervisory Committee Member will be two (2) year at the conclusion of this year's Annual General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Past experience, positions, and roles at the Bank, and significant concurrent positions	Number of common shares of the Bank held
	Chikashi Sato (May 10, 1956) Reelection Outside Independent	Apr. 1980 Joined Koriyama City Office Apr. 2005 Manager of Finance Section of Finance Department Apr. 2008 Secretary of the Board of Education and Manager of General Affairs Section May 2011 Chief of the Secretariat of the City Council Apr. 2013 General Manager of Lifelong Learning Department, Secretariat of the Board of Education Apr. 2015 General Manager of General Affairs Department Mar. 2017 Resigned from Koriyama City Office Apr. 2017 Managing Director of Koriyama City Social Welfare Organization Apr. 2018 President Mar. 2020 Retired from Koriyama City Social Welfare Organization June 2020 Director who is Audit and Supervisory Committee Member (Outside) of the Bank To the present	0 shares
5	<p><Reasons for nomination as a candidate for Audit and Supervisory Committee Member and outline of expected role> Mr. Sato has been involved in administration of both financial and general business domains through his employment at the Koriyama City Office, and possesses a wealth of experience, knowledge and discernment that can be utilized in banking services as well. Based on this track record, the Bank has judged that he is qualified to supervise the execution of the Bank's business, such as expressing his opinion objectively from an independent and neutral position, and thus proposes his election as an Outside Director who is an Audit and Supervisory Committee Member. He has never in the past been involved in the management of a company except as an outside director or outside corporate auditor. However, the Bank judges he will appropriately fulfill his duties as an Outside Director who is an Audit and Supervisory Committee Member based on the above reasons.</p> <p><Supplementary explanation regarding independence> Mr. Sato is a former employee of Koriyama City and there are deposit and loan transactions between the Bank and the city. However, the summary of the transaction is omitted because it is an ordinary banking transaction and the nature of the transaction is such that there is no risk of influencing the decisions of shareholders and investors. Since Mr. Sato does not infringe upon the standards for independence stipulated by the Tokyo Stock Exchange and he satisfies the criteria of independence for Outside Directors established by the Bank, the Bank has judged that he has high independence from management. The Bank has appointed him as an Independent Officer and submitted a notification of the appointment to the same exchange.</p> <p><Term of office as Audit and Supervisory Committee Member> Mr. Sato currently serves as an Audit and Supervisory Committee Member of the Bank. His term of office as Audit and Supervisory Committee Member will be two (2) year at the conclusion of this year's Annual General Meeting of Shareholders.</p>		

- (Notes)
1. There is no special interest between each candidate for Director who is an Audit and Supervisory Committee Member and the Bank.
 2. The Bank has stipulated in the Articles of Incorporation to allow for the conclusion of agreements with Outside Directors that limit their liability for damages to a certain range so that they can fully perform their expected roles. If the election of Norio Shimizu, Mika Matsumoto, Hiroyuki Kanno and Chikashi Sato is approved as proposed, the Bank plans to renew the agreement that limits their liability for damages set forth in Article 423, paragraph (1) of the Companies Act pursuant to the provisions of Article 427, paragraph (1) of the said act.
 3. With regard to Mika Matsumoto, her name is recorded in her family register as Mika Watanabe, but addressed here by the name that she uses for business.

[Reference] Skills Matrix for the Candidates for Director

	Name	Independence	Particularly expected knowledge, experience and skills						
			Corporate management	Financial business	Sales Marketing	Legal affairs Compliance	Finance & Accounting	Human resources	Local economy
Directors who are not Audit and Supervisory Committee Members	Takao Suzuki		●	●	●	●	●		●
	Yasuhiro Oka		●	●	●		●		●
	Kenichi Miura		●	●		●	●	●	
	Hiroaki Osato		●	●		●	●		
	Mitsuo Furukawa			●	●		●		●
Directors who are Audit and Supervisory Committee Members	Hirokatsu Watanabe			●		●	●	●	
	Norio Shimizu	●	●	●			●	●	
	Mika Matsumoto	●	●			●		●	
	Hiroyuki Kanno	●						●	●
	Chikashi Sato	●						●	●

Proposal No. 5 Determination of Issuance of Restricted Share Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members, and Outside Directors)

At the 115th Annual General Meeting of Shareholders held on June 26, 2020, the remuneration amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) was approved to be not more than 180 million yen per year (excluding the portion of employee salaries of Directors concurrently serving as employees). In order to provide Directors, including those to be appointed in the future, with the incentive to continuously enhance the Bank's corporate value and to promote further value sharing between Directors and shareholders, the Bank proposes approval to grant new compensation for the issuance of restricted shares to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) of the Bank who are outside the above remuneration framework.

Based on this proposal, the total amount of monetary remuneration to be paid to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors. Hereinafter referred to as "Eligible Directors") of the Bank for the issuance of restricted shares shall be an amount considered reasonable in light of the above purpose, and shall not be more than 36 million yen per year. In addition, the specific allocation to each Eligible Director shall be determined by the Board of Directors.

The Bank currently has nine (9) Directors (including five (5) members of the Audit and Supervisory Committee), but if Proposal No. 3 is approved as proposed, there will be ten (10) Directors (including five (5) members of the Audit and Supervisory Committee).

In addition, the Eligible Directors will receive all of the monetary compensation claims arising from this proposal as assets in kind in accordance with the resolution of the Bank's Board of Directors, and the total number of shares of the Bank's common stock to be issued or disposed of as a result of this proposal shall not be more than 63,000 shares per year (however, in the event of a stock split or reverse stock split of the Bank's common stock (including the allotment without contribution of the Bank's common stock) or any other event requiring the adjustment of the total number of the Bank's common stock to be issued or disposed of as restricted shares after the date of approval of this proposal, the total number shall be adjusted within reasonable limits), and the amount to be paid per share shall be determined by the Board of Directors based on the closing price (or the closing price of the immediately preceding trading day if no transaction was effected on that day) of the Bank's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors, to the extent that such price is not unduly favorable to the Eligible Directors. In addition, upon the issuance or disposal of the Bank's common stock as a result of the above, the Bank and the Eligible Directors shall enter into a Restricted Share Allotment Agreement (hereinafter referred to as "Allotment Agreement"), which includes the following summary of content.

- (1) Eligible Directors shall not transfer, grant a security interest in, or otherwise dispose of (hereinafter referred as "Transfer Restrictions") the Bank's common shares (hereinafter referred to as "Allotted Shares") allotted under the Allotment Agreement during the period from the date of issuance of the restricted shares to the date when they lose their position as a Director of the Bank or any other position determined by the Bank's Board of Directors (however, in the event that they lose the position before three months after the end of the fiscal year that includes the date of issuance of the Allotted Shares elapses, if another date within six months after the end of the fiscal year is separately determined by the Bank's Board of Directors, this date (hereinafter referred to as "Transfer Restriction Period") shall apply).
- (2) If Eligible Directors lose any of the positions described in (1) above before the expiration of the period separately determined by the Bank's Board of Directors (hereinafter referred as "Service Period"), the Bank will naturally acquire the Allotted Shares without consideration, unless there is a reason deemed justifiable by the Bank's Board of Directors.
- (3) The Bank will lift the Transfer Restrictions of all Allotted Shares upon expiration of the Transfer Restriction Period, provided that the Eligible Directors have continuously served as Directors of the Bank or in any other position determined by the Bank's Board of Directors for the duration of the Service Period. However, if the Eligible Directors lose any of the positions set forth in (1) above before the expiration of the Service Period for reasons deemed justifiable by the Bank's Board of Directors as set forth in (2) above, the number of Allotted

Shares to be released from the Transfer Restrictions and the time at which the Transfer Restrictions are lifted shall be reasonably adjusted as required.

- (4) When the Transfer Restriction Period expires, the Bank will naturally acquire without consideration the Allotted Shares for which Transfer Restrictions have not yet been lifted based on the provisions of (3) above.
- (5) If, during the Transfer Restriction Period, a merger agreement under which the Bank is to be dissolved, a share exchange agreement under which the Bank is to become a wholly-owned subsidiary, a share transfer plan, or any other matter relating to restructuring, etc. are approved at the Bank's General Meeting of Shareholders (however, when approval by the Bank's General Meeting of Shareholders is not required for such restructuring, etc., the Bank's Board of Directors), the Transfer Restrictions for a reasonably determined number of Allotted Shares shall be lifted prior to the effective date of such restructuring, etc. through a resolution of the Bank's Board of Directors.
- (6) In the case prescribed in (5) above, immediately after the lifting of Transfer Restrictions based on the provisions of (5) above, the Bank shall naturally acquire without consideration the Allotted Shares for which Transfer Restrictions have not yet been lifted.
- (7) The method of indication of intention and the notification in the Allotment Agreement, the amendment method of the Allotment Agreement, and other matters to be determined by the Board of Directors shall be set forth in the Allotment Agreement.

At the Board of Directors meeting held on March 26, 2021, the Bank established a policy regarding the determination of remuneration of Directors, etc., and an outline of the details is provided on page 31 of the Business Report (in Japanese only). Upon approval of this proposal, the Bank intends to amend this policy so that it is in line with this proposal. In addition, as mentioned above, the paid-in amount for the restricted shares shall be within a range that is not unduly favorable and the dilution ratio shall be minimal, therefore the Bank has determined that the issuance of restricted shares is reasonable.

The Audit and Supervisory Committee has confirmed the details of the deliberations by the Nomination and Remuneration Committee, the remuneration system, the method of calculating remuneration amounts, and other matters, and deems this proposal to be appropriate.

(Reference)

The Bank intends to introduce a system to issue restricted shares also to Executive Officers of the Bank in a manner similar to this system, provided that the proposal concerning this system is approved at this General Meeting of Shareholders.