

(Translation)

Securities Code: 8377

June 5, 2017

Dear Shareholders:

Eishin Ihori
President
Hokuhoku Financial Group, Inc.
1-2-26 Tsutsumicho-dori, Toyama-city, Toyama

Convocation Notice of the 14th Ordinary General Meeting of Shareholders

This is to inform you that the 14th Ordinary General Meeting of Shareholders of Hokuhoku Financial Group, Inc. (“the Company”) will be held as described below. You are cordially invited to attend the meeting.

If you are unable to attend the meeting, you may exercise your voting rights in writing or by electromagnetic method (using the Internet etc.). Please exercise voting rights after careful examination of the Reference Documents for the General Meeting of Shareholders contained herein by 5:10 p.m., Monday June 26, 2017.

1. Date and time: June 27, 2017 (Tuesday) at 10:00 a.m.

2. Place: 6th floor Conference Room
Head office of The Hokuriku Bank, Ltd.
1-2-26 Tsutsumicho-dori, Toyama-city, Toyama

3. Agenda:

Matters to be reported:

14th business year (April 1, 2016 through March 31, 2017) Business Report, Non-Consolidated Financial Statements, Consolidated Financial Statements, and Audit Report on Consolidated Financial Statements by the Accounting Auditor and Board of Corporate Auditors

Matters to be resolved:

- Proposal 1: Appropriation of Surplus
- Proposal 2: Partial Amendments to the Articles of Incorporation
- Proposal 3: Election of Seven (7) Directors (Excluding Directors serving as Audit and Supervisory Committee Members)
- Proposal 4: Election of Five (5) Directors serving as Audit and Supervisory Committee Members
- Proposal 5: Determination of the Amount of Remuneration for Directors (Excluding Directors serving as Audit and Supervisory Committee Members)
- Proposal 6: Determination of the Amount of Remuneration for Directors serving as Audit and Supervisory Committee Members
- Proposal 7: Determination of the Amount of Remuneration and Details regarding the Stock Acquisition Rights as Share Remuneration-Type Stock Options for Directors (Excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors)

4. Exercise of Voting Rights

(1) If you attend the meeting, please present the enclosed Voting Rights Exercise Form to the reception desk.

If you wish to exercise your voting rights through a proxy, you must appoint only one (1) proxy from shareholders with voting rights and submit a letter of attorney attached with the Voting Rights Exercise Form to the receptionist.

(2) If you are unable to attend the meeting, please exercise voting rights by any of the following method.

A. Exercise of Voting Rights in Writing

Please indicate your approval or disapproval of the proposals on the Voting Rights Exercise Form enclosed herewith, and send back to arrive by 5:10 p.m., Monday June 26, 2017.

No indication on the voting form of your approval or disapproval for any proposal shall be treated as an indication of approval.

B. Exercise of Voting Rights by Electromagnetic Method (using the Internet, etc.)

Access the website for exercising voting rights specified by the Company (<http://www.it-soukai.com>) and enter the “Code for the Exercise of Voting Rights” and the “Password” shown in the enclosed Voting Rights Exercise Form. Exercise your voting rights by following the directions on the screen. Your voting rights are to be exercised by 5:10 p.m., Monday June 26, 2017.

In addition, on the occasion of exercise of voting rights via the Internet, please confirm "Guidance Notes on the Exercise of Voting Rights by the Internet" on page **28**.

(3) Treatment of voting rights exercised multiple times

A. If you send Voting Rights Exercise Form multiple times, the last vote cast shall be treated as the valid vote.

B. Should you exercise your voting rights by completing the Voting Rights Exercise Form and by using the designated electromagnetic method, the vote cast by electromagnetic method shall be deemed to be the valid vote regardless of the time the Voting Rights Exercise Form reaches us.

C. If you exercise your voting rights by electromagnetic method more than once, the last vote cast shall be the valid vote.

(4) If any revisions are made to Reference Documents for the Ordinary General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements and Consolidated Financial Statements, the revisions will be posted on the Company website (<http://www.hokuhoku-fg.co.jp/>).

(5) The reception desk is open at 9:00 a.m., Tuesday June 27, 2017.

<p>This is a partial translation of the original Japanese “Convocation Notice of the 14th Ordinary General Meeting of Shareholders”, prepared for the convenience of non-resident shareholders. In case of any discrepancy between any part of this translation and the original Japanese text, the Japanese original shall prevail.</p>
--

Reference Documents

Proposal 1: Appropriation of Surplus

Our dividend policy is to ensure financial foundation and stable distribution of dividends, based on the public function of financial services that our group companies provide. We propose JPY 1.50 increase in year-end dividend per common share as below, considering the business results of this fiscal year, enhancement of financial foundation and accumulation of internal surplus.

(Notes) The Company consolidated its common share on the basis of one share for every ten shares on October 1, 2016. Increase in year-end dividend per common share from previous business year is calculated hypothesizing that the Company had consolidated its common share at the time dividends of previous business year had taken effect.

(1) Type of dividend property: Cash

(2) Matters concerning the allocation and total amount of dividend property :

	(Dividend per share)	(Dividend amount)
Common shares	¥44.0	¥ 5,766,036,276
1st series Type 5 preferred shares	¥7.50	¥ 805,723,800
Total		¥ 6,571,760,076

(Notes) There were no interim dividends for common shares in the end of 2nd quarter. Interim and year-end dividends for 1st series Type 5 preferred shares are JPY 7.50 per share respectively, as specified in advance.

(3) Date on which dividends from surplus shall be effective: June 28, 2017

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for this proposal

(1) Based on the Act for Partial Revision of the Companies Act (hereinafter referred to as “Revised Companies Act”), which was enforced on May 1, 2015, it has become possible to adopt a new organizational design: a Company with Audit and Supervisory Committee.

The Company would like to transition to a Company with Audit and Supervisory Committee to reinforce supervisory functions of the Board of Directors and to enhance corporate governance, by establishing Audit and Supervisory Committee, in which Outside Directors are the majority of the members, and by granting voting rights at the meetings of the Board of Directors to Directors serving as Audit and Supervisory Committee Members.

In order to transition to a Company with Audit and Supervisory Committee, the Company proposes to establish new articles regarding Audit and Supervisory Committee as well as Audit and Supervisory Committee Members, to delete articles regarding Board of Corporate Auditors as well as Corporate Auditors, and to make other necessary amendments.

In addition, the Company proposes to establish new article to delegate decisions on the execution of important operations to directors, in order to enhance management efficiency and to enable Executive Directors to make prompt decisions.

(2) The Revised Companies Act has changed the scope of Directors with whom a company may enter into a Limitation Liability Agreement.

The Company proposes to make necessary amendment to relevant article to enable the Company to enter into such agreement with Directors who do not execute business of the Company, so that such Directors perform their duties as expected. All Corporate Auditors have consented to propose this amendment.

(3) The scope of business of a bank holding company has been changed (it has been permitted by laws for a bank holding company to engage in business activities that are common in its subsidiaries, including banks, provided that to do so contributes to integrated and efficient management of business in the group) in the Act for Partial Revision of the Banking Act in Response to Environmental Change Due to Advancement of Information and Communication Technology, etc., which was enforced on April 1, 2017.

The Company proposes to make necessary change to the article regarding the purpose to enable the Company to take flexible action to this change as well as to the future changes of the scope of business.

2. Details of amendments

The details of amendments are as follows. These amendments to the Articles of Incorporation shall take effect upon the conclusion of this General Meeting of Shareholders.

(The underlined portions indicate the amendments)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I . GENERAL PROVISIONS	CHAPTER I . GENERAL PROVISIONS
Article 1. (Text omitted)	Article 1. (Text unchanged)
(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses as a bank holding company: (1) Administration of management of banks or other companies which the Company may own as its subsidiaries under the Banking Act.	(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses as a bank holding company: (1) Administration of management of banks or other companies which the Company may own as its subsidiaries under the Banking Act.

Current Articles of Incorporation	Proposed Amendments
(2) Any <u>other</u> businesses incidental to the foregoing businesses mentioned in the preceding item. (Newly established)	(2) Any businesses incidental to the foregoing businesses mentioned in the preceding item. <u>(3) Any other businesses in which a bank holding company is permitted to engage under the Banking Act in addition to the foregoing businesses mentioned in the preceding two items.</u>
Article 3. (Text omitted)	Article 3. (Text unchanged)
(Organization) Article 3-2. The Company shall establish the following organizations in addition to the general meeting of shareholders and the Directors: (1) Board of Directors, (2) <u>Corporate Auditors,</u> (3) <u>Board of Corporate Auditors, and</u> (4) <u>Accounting Auditor.</u>	(Organization) Article 3-2. The Company shall establish the following organizations in addition to the general meeting of shareholders and the Directors: (1) Board of Directors, (2) <u>Audit and Supervisory Committee, and</u> (Deleted) (3) <u>Accounting Auditor.</u>
Article 4. (Text omitted)	Article 4. (Text unchanged)
CHAPTER II. SHARES	CHAPTER II. SHARES
Article 5. to Article 9. (Text omitted)	Article 5. to Article 9. (Text unchanged)
CHAPTER III. PREFERRED SHARES	CHAPTER III. PREFERRED SHARES
(Preferred Dividends) Article 10. In respect of dividends from its surplus provided for in Article <u>47</u> , the Company shall distribute cash dividends from surplus on preferred shares (hereinafter referred to as the “Preferred Dividends” to the holders of preferred shares (hereinafter referred to as the “Preferred Shareholders”) or registered share pledgees who hold pledges over preferred shares (hereinafter referred to as the “Registered Preferred Share Pledgees”) with priority over the holders of ordinary shares (hereinafter referred to as the “Ordinary Shareholders”) or registered share pledgees who hold pledges over ordinary shares (hereinafter referred to as the “Registered Ordinary Share Pledgees”) in the amount determined for preferred shares by resolution of the meeting of shareholders of the deemed subsidiary bank held pursuant to Article 353 of the Old Commercial Code, or by resolution of the Board of Directors on the issuance of such shares, which amount shall not exceed such amount as provided below: Type5 preferred shares:50yen per share per year 2. to 4. (Text omitted)	(Preferred Dividends) Article 10. In respect of dividends from its surplus provided for in Article <u>43</u> , the Company shall distribute cash dividends from surplus on preferred shares (hereinafter referred to as the “Preferred Dividends” to the holders of preferred shares (hereinafter referred to as the “Preferred Shareholders”) or registered share pledgees who hold pledges over preferred shares (hereinafter referred to as the “Registered Preferred Share Pledgees”) with priority over the holders of ordinary shares (hereinafter referred to as the “Ordinary Shareholders”) or registered share pledgees who hold pledges over ordinary shares (hereinafter referred to as the “Registered Ordinary Share Pledgees”) in the amount determined for preferred shares by resolution of the meeting of shareholders of the deemed subsidiary bank held pursuant to Article 353 of the Old Commercial Code, or by resolution of the Board of Directors on the issuance of such shares, which amount shall not exceed such amount as provided below: Type5 preferred shares:50yen per share per year 2. to 4. (Text unchanged)
(Preferred Interim Dividends) Article 11. In respect of interim dividends provided for in Article <u>48</u> , the Company shall distribute	(Preferred Interim Dividends) Article 11. In respect of interim dividends provided for in Article <u>44</u> , the Company shall distribute

Current Articles of Incorporation	Proposed Amendments
<p>cash dividends from surplus on preferred shares (hereinafter referred to as the “Preferred Interim Dividends”) to the Preferred Shareholders or Registered Preferred Share Pledgees with priority over the Ordinary Shareholders or Registered Ordinary Share Pledgees in the amount determined for preferred shares by resolution of the meeting of shareholders of the deemed subsidiary bank held pursuant to Article 353 of the Old Commercial Code, or by resolution of the Board of Directors on the issuance of such shares, which amount shall not exceed one half (1/2) of the amount of the Preferred Dividends.</p>	<p>cash dividends from surplus on preferred shares (hereinafter referred to as the “Preferred Interim Dividends”) to the Preferred Shareholders or Registered Preferred Share Pledgees with priority over the Ordinary Shareholders or Registered Ordinary Share Pledgees in the amount determined for preferred shares by resolution of the meeting of shareholders of the deemed subsidiary bank held pursuant to Article 353 of the Old Commercial Code, or by resolution of the Board of Directors on the issuance of such shares, which amount shall not exceed one half (1/2) of the amount of the Preferred Dividends.</p>
<p>Article 12. to Article 15. (Text omitted)</p>	<p>Article 12. to Article 15. (Text unchanged)</p>
<p>(Prescription Period for Payment of Preferred Dividends) Article 16. The provisions set forth in Article 49 of these Articles shall apply mutatis mutandis to the payment of Preferred Dividends and Preferred Interim Dividends.</p>	<p>(Prescription Period for Payment of Preferred Dividends) Article 16. The provisions set forth in Article 45 of these Articles shall apply mutatis mutandis to the payment of Preferred Dividends and Preferred Interim Dividends.</p>
<p>CHAPTER IV. GENERAL MEETING OF SHAREHOLDERS</p>	<p>CHAPTER IV. GENERAL MEETING OF SHAREHOLDERS</p>
<p>Article 17. to Article 23. (Text omitted)</p>	<p>Article 17. to Article 23. (Text unchanged)</p>
<p>CHAPTER V. DIRECTORS AND BOARD OF DIRECTORS</p>	<p>CHAPTER V. DIRECTORS AND BOARD OF DIRECTORS</p>
<p>(Number of Directors) Article 24. The Company shall have not more than ten (10) Directors. (Newly established)</p>	<p>(Number of Directors) Article 24. The Company shall have not more than ten (10) Directors <u>(excluding Directors serving as Audit and Supervisory Committee Members)</u>. <u>2. The Company shall have not more than five (5) Directors serving as Audit and Supervisory Committee Members.</u></p>
<p>(Method of Election or Dismissal) Article 25. 1. Directors shall be elected at a general meeting of shareholders. 2. A resolution for the election <u>or dismissal</u> of Directors shall be adopted at a general meeting of shareholders by an affirmative vote of a majority of the voting rights of the shareholders in attendance who hold voting rights representing in the aggregate one-third (1/3) or more of the total number of voting rights of all shareholders who are entitled to vote. 3. (Text omitted) (Newly established)</p>	<p>(Method of Election or Dismissal) Article 25. 1. <u>Directors serving as Audit and Supervisory Committee Members and other Directors</u> shall be elected <u>separately</u> at a general meeting of shareholders. 2. A resolution for the election of Directors shall be adopted at a general meeting of shareholders by an affirmative vote of a majority of the voting rights of the shareholders in attendance who hold voting rights representing in the aggregate one-third (1/3) or more of the total number of voting rights of all shareholders who are entitled to vote. 3. (Text unchanged) 4. <u>A resolution for the dismissal of Directors (excluding Directors serving as Audit and</u></p>

Current Articles of Incorporation	Proposed Amendments
	<u>Supervisory Committee Members) shall be adopted at a general meeting of shareholders by an affirmative vote of a majority of the voting rights of the shareholders in attendance who hold voting rights representing in the aggregate one-third (1/3) or more of the total number of voting rights of all shareholders who are entitled to vote.</u>
(Newly established)	<u>(Effective Term of the Resolution for the Election of a Substitute Director serving as Audit and Supervisory Committee Member) Article 26.</u> <u>The effective term of the resolution for the election of a Substitute Director serving as Audit and Supervisory Committee Member shall expire at the beginning of the ordinary general meeting of shareholders held in respect of the last business year ending within two (2) years after his/her election.</u>
(Term of Office) Article 26. The term of office of Directors shall expire at the close of the ordinary general meeting of shareholders held in respect of the last business year ending within one (1) year after their election. (Newly established) (Newly established)	(Term of Office) Article 27. The term of office of Directors <u>(excluding Directors serving as Audit and Supervisory Committee Members)</u> shall expire at the close of the ordinary general meeting of shareholders held in respect of the last business year ending within one (1) year after their election. <u>2. The term of office of Directors serving as Audit and Supervisory Committee Members shall expire at the close of the ordinary general meeting of shareholders held in respect of the last business year ending within two (2) years after their election.</u> <u>3. The term of office of a Director serving as Audit and Supervisory Committee Member elected to fill a vacancy of a Director serving as Audit and Supervisory Committee Member who retired before the end of his/her term shall expire at the same time as the term of the retired Director serving as Audit and Supervisory Committee Member would expire.</u>
Article 27. to Article 28. (Text omitted)	Article 28. to Article 29. (Text unchanged)
(Notice of Convocation of Meetings of the Board of Directors) Article 29. 1. A notice of convocation of a meeting of the Board of Directors shall be given to each Director <u>and Corporate Auditor</u> not less than three (3) days prior to the date set for such meeting; provided, however, that in case of emergency, such period may be shortened. 2. A meeting of the Board of Directors may be held without taking the procedures of convocation with the consent of all the	(Notice of Convocation of Meetings of the Board of Directors) Article 30. 1. A notice of convocation of a meeting of the Board of Directors shall be given to each Director not less than three (3) days prior to the date set for such meeting; provided, however, that in case of emergency, such period may be shortened. 2. A meeting of the Board of Directors may be held without taking the procedures of convocation with the consent of all the

Current Articles of Incorporation	Proposed Amendments
Directors and the Corporate Auditors.	Directors.
Article 30. (Text omitted)	Article 31. (Text unchanged)
(Newly established)	<u>(Delegation of Decision on Execution of Important Operations to Directors)</u> Article 32. Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate the decisions on execution of important operations (excluding matters stated in each item of Article 399-13, Paragraph 5 of the Companies Act) to Directors by resolution of the Board of Directors.
Article 31. (Text omitted)	Article 33. (Text unchanged)
(Remunerations) Article 32. The remuneration, bonus and other financial benefits received from the Company in consideration of execution of the duties (hereinafter referred to as “Remunerations”) of Directors shall be determined by resolution of a general meeting of shareholders.	(Remunerations) Article 34. The remuneration, bonus and other financial benefits received from the Company in consideration of execution of the duties (hereinafter referred to as “Remunerations”) of <u>Directors serving as Audit and Supervisory Committee Members and the remunerations of other Directors</u> shall be determined separately by resolution of a general meeting of shareholders.
(Liability Limitation Agreement with <u>Outside Directors</u>) Article 33. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with <u>Outside Directors</u> which limit the liability for damages due to negligence in performing their duties; provided, however, that the limit of the liability under such agreements shall be the amount prescribed by laws and regulations.	(Liability Limitation Agreement with Directors) Article 35. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with <u>Directors (excluding executive directors and others)</u> which limit the liability for damages due to negligence in performing their duties; provided, however, that the limit of the liability under such agreements shall be the amount prescribed by laws and regulations.
<u>Chapter VI. CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS</u>	(Deleted)
(Number) <u>Article 34.</u> <u>The Company shall have not more than five (5) Corporate Auditors.</u>	(Deleted)
(Method of Election) <u>Article 35.</u> <u>1. Corporate Auditors shall be elected at a general meeting of shareholders.</u> <u>2. A resolution for the election of Corporate Auditors shall be adopted at a general meeting of shareholders by an affirmative vote of a majority of the voting rights of the shareholders in attendance who hold voting rights representing in the aggregate one-third (1/3) or more of the total number of voting</u>	(Deleted) (Deleted)

Current Articles of Incorporation	Proposed Amendments
<u>rights of all shareholders who are entitled to vote.</u>	
<u>(Effective Term of the Resolution for the Election of a Substitute Corporate Auditor)</u> <u>Article 36.</u> <u>The effective term of the resolution for the election of a Substitute Corporate Auditor shall expire at the beginning of the ordinary general meeting of shareholders held in respect of the last business year ending within four (4) years after his/her election.</u>	(Deleted)
<u>(Term of Office)</u> <u>Article 37.</u> <u>1. The term of office of Corporate Auditors shall expire at the close of the ordinary general meeting of shareholders held in respect of the last business year ending within four (4) years after their election.</u> <u>2. The term of office of a Corporate Auditor elected to fill a vacancy of a Corporate Auditor who retired before the end of his/her term shall expire at the same time as the term of the retired Corporate Auditor would expire.</u>	(Deleted)
<u>(Full-Time Corporate Auditor)</u> <u>Article 38.</u> <u>The Board of Corporate Auditors shall appoint a full-time Corporate Auditor by its resolution.</u>	(Deleted)
<u>(Notice of Convocation of Meetings of the Board of Corporate Auditors)</u> <u>Article 39.</u> <u>1. A notice of convocation of a meeting of the Board of Corporate Auditors shall be given to each Corporate Auditor not less than three (3) days prior to the date set for such meeting; provided, however, that in case of emergency, such period may be shortened.</u> <u>2. A meeting of the Board of Corporate Auditors may be held without taking the procedures of convocation with the consent of all the Corporate Auditors.</u>	(Deleted)
<u>(Regulations of the Board of Corporate Auditors)</u> <u>Article 40.</u> <u>Matters concerning the Board of Corporate Auditors shall be governed by the Regulations of the Board of Corporate Auditors prescribed by the Board of Corporate Auditors, as well as by applicable laws and regulations or these Articles of Incorporation.</u>	(Deleted)
<u>(Remunerations)</u> <u>Article 41.</u> <u>The remunerations of Corporate Auditors shall be determined by resolution of a general</u>	(Deleted)

Current Articles of Incorporation	Proposed Amendments
<u>meeting of shareholders.</u>	
<p><u>(Liability Limitation Agreement with Outside Corporate Auditors)</u> <u>Article 42.</u> <u>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Outside Corporate Auditors which limit the liability for damages due to negligence in performing their duties; provided, however, that the limit of the liability under such agreements shall be the amount prescribed by laws and regulations.</u></p>	(Deleted)
(Newly Established)	<u>Chapter VI. AUDIT AND SUPERVISORY COMMITTEE</u>
(Newly Established)	<p><u>(Full-Time Director serving as Audit and Supervisory Committee Member)</u> <u>Article 36.</u> <u>The Audit and Supervisory Committee may appoint a full-time Director serving as Audit and Supervisory Committee Member by its resolution.</u></p>
(Newly Established)	<p><u>(Notice of Convocation of Meetings of the Audit and Supervisory Committee)</u> <u>Article 37.</u> <u>1. A notice of convocation of a meeting of the Audit and Supervisory Committee shall be given to each Director serving as Audit and Supervisory Committee Member not less than three (3) days prior to the date set for such meeting; provided, however, that in case of emergency, such period may be shortened.</u> <u>2. A meeting of the Audit and Supervisory Committee may be held without taking the procedures of convocation with the consent of all the Directors serving as Audit and Supervisory Committee Members.</u></p>
(Newly Established)	<p><u>(Regulations of the Audit and Supervisory Committee)</u> <u>Article 38.</u> <u>Matters concerning the Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee prescribed by the Audit and Supervisory Committee, as well as by applicable laws and regulations or these Articles of Incorporation.</u></p>
CHAPTER VII. ACCOUNTING AUDITOR	CHAPTER VII. ACCOUNTING AUDITOR
Article 43. to Article 44. (Text omitted)	Article 39. to Article 40. (Text unchanged)
<p>(Remunerations) <u>Article 45.</u> <u>The remunerations of the Accounting Auditor shall be determined by Representative Directors after obtaining the consent of the Board of Corporate Auditors.</u></p>	<p>(Remunerations) <u>Article 41.</u> <u>The remunerations of the Accounting Auditor shall be determined by Representative Directors after obtaining the consent of the Audit and Supervisory Committee.</u></p>

Current Articles of Incorporation	Proposed Amendments
CHAPTER VIII. ACCOUNTS	CHAPTER VIII. ACCOUNTS
Article 46. to Article 49. (Text omitted)	Article 42. to Article 45. (Text unchanged)
(Newly Established)	<p><u>Supplementary Provision (Transitional measure for Liability Limitation Agreement with Outside Corporate Auditors)</u></p> <p><u>The Company shall apply the provision of Article 42 of the Articles of Incorporation before the amendments be made by resolution of the 14th ordinary general meeting of shareholders to agreements concluded between the Company and Outside Corporate Auditors pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, which limit the liability for damages due to negligence in performing their duties (the limit of the liability under such agreements shall be the amount prescribed by laws and regulations), as far as their acts conducted before the close of said ordinary general meeting of shareholders are concerned.</u></p>

Proposal 3: Election of Seven (7) Directors (Excluding Directors serving as Audit and Supervisory Committee Members)

The terms of office of all nine (9) Directors will expire upon the conclusion of this Ordinary General Meeting of Shareholders. In addition, subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation”, the Company will transition to a company with Audit and Supervisory Committee. Therefore, we propose the election of seven (7) Directors (excluding Directors serving as Audit and Supervisory Committee Members).

This Proposal shall become effective under the condition that the amendments to the Articles of Incorporation stated in Proposal 2 take effect.

The candidates for Directors (excluding Directors serving as Audit and Supervisory Committee Members) are as follows:

No	Name (Date of birth) Career Summary (Titles and Assignments in the Company and subsidiary banks and concurrent positions of other organizations)	Type and Number of Shares of the Company held														
1	<p>Eishin Ihori (August 20, 1956)</p> <table border="1" data-bbox="325 775 1193 1451"> <tr> <td data-bbox="325 775 555 808">April 1979</td> <td data-bbox="555 775 1193 808">Joined The Hokuriku Bank, Ltd.</td> </tr> <tr> <td data-bbox="325 808 555 882">June 2004</td> <td data-bbox="555 808 1193 882">Deputy General Manager of Planning Division of the said bank</td> </tr> <tr> <td data-bbox="325 882 555 994">September 2004</td> <td data-bbox="555 882 1193 994">Deputy General Manager of Planning Division of the said bank (Transferred to and in charge of the Company)</td> </tr> <tr> <td data-bbox="325 994 555 1068">June 2005</td> <td data-bbox="555 994 1193 1068">General Manager of Planning Division of the said bank (Transferred to and in charge of the Company)</td> </tr> <tr> <td data-bbox="325 1068 555 1180">June 2009</td> <td data-bbox="555 1068 1193 1180">Director and Executive Officer of the said bank Director of the Company (In charge of Planning and Administration Groups)</td> </tr> <tr> <td data-bbox="325 1180 555 1214">June 2010</td> <td data-bbox="555 1180 1193 1214">Managing Executive Officer of the said bank</td> </tr> <tr> <td data-bbox="325 1214 555 1326">June 2013</td> <td data-bbox="555 1214 1193 1326">President and Representative Director of the said bank (present position) President of the Company (present position)</td> </tr> </table> <p>(Important concurrent position of other organization) President and Representative Director of The Hokuriku Bank, Ltd.</p> <p>(Reasons for election of the candidate for Director) He is well-acquainted with the general business, and has abundant business experience, having been engaged in corporate planning for a long time, as a member of the Group since 1979. Moreover, he has abundant management experience as the President of the Company and President and Representative Director of The Hokuriku Bank, Ltd. The Company has selected him as a candidate for Director because the utilization, as a member of the Board of Directors, of his experience and expert knowledge is expected to strengthen the effectiveness of both the decision-making and supervisory functions of the Board of Directors.</p>	April 1979	Joined The Hokuriku Bank, Ltd.	June 2004	Deputy General Manager of Planning Division of the said bank	September 2004	Deputy General Manager of Planning Division of the said bank (Transferred to and in charge of the Company)	June 2005	General Manager of Planning Division of the said bank (Transferred to and in charge of the Company)	June 2009	Director and Executive Officer of the said bank Director of the Company (In charge of Planning and Administration Groups)	June 2010	Managing Executive Officer of the said bank	June 2013	President and Representative Director of the said bank (present position) President of the Company (present position)	Common shares 7,900 shares
April 1979	Joined The Hokuriku Bank, Ltd.															
June 2004	Deputy General Manager of Planning Division of the said bank															
September 2004	Deputy General Manager of Planning Division of the said bank (Transferred to and in charge of the Company)															
June 2005	General Manager of Planning Division of the said bank (Transferred to and in charge of the Company)															
June 2009	Director and Executive Officer of the said bank Director of the Company (In charge of Planning and Administration Groups)															
June 2010	Managing Executive Officer of the said bank															
June 2013	President and Representative Director of the said bank (present position) President of the Company (present position)															

No	Name (Date of birth) Career Summary (Titles and Assignments in the Company and subsidiary banks and concurrent positions of other organizations)	Type and Number of Shares of the Company held																								
2	<p>Masahiro Sasahara (February 21, 1957)</p> <table border="1" data-bbox="325 315 1193 1173"> <tr> <td data-bbox="325 315 555 349">April 1979</td> <td data-bbox="555 315 1193 349">Joined The Hokkaido Bank, Ltd.</td> </tr> <tr> <td data-bbox="325 349 555 423">June 2001</td> <td data-bbox="555 349 1193 423">General Manager of Tsukisamu Branch of the said bank</td> </tr> <tr> <td data-bbox="325 423 555 497">July 2002</td> <td data-bbox="555 423 1193 497">Manager and head of Sales Promotion Planning Group of the said bank</td> </tr> <tr> <td data-bbox="325 497 555 530">May 2003</td> <td data-bbox="555 497 1193 530">Executive Officer of the said bank</td> </tr> <tr> <td data-bbox="325 530 555 564">June 2003</td> <td data-bbox="555 530 1193 564">Director and Executive Officer of the said bank</td> </tr> <tr> <td data-bbox="325 564 555 638">June 2005</td> <td data-bbox="555 564 1193 638">Director, Managing Executive Officer and Head of Sales Promotion Section of the said bank</td> </tr> <tr> <td data-bbox="325 638 555 757">October 2005</td> <td data-bbox="555 638 1193 757">Director, Managing Executive Officer and Head of Sales Promotion Section and Corporate Sales Division of the said bank</td> </tr> <tr> <td data-bbox="325 757 555 831">June 2006</td> <td data-bbox="555 757 1193 831">Director, Managing Executive Officer and Head of Sales Promotion Section of the said bank</td> </tr> <tr> <td data-bbox="325 831 555 904">June 2010</td> <td data-bbox="555 831 1193 904">Deputy President and Representative Director of the said bank</td> </tr> <tr> <td data-bbox="325 904 555 938"></td> <td data-bbox="555 904 1193 938">Director of the Company</td> </tr> <tr> <td data-bbox="325 938 555 1012">June 2015</td> <td data-bbox="555 938 1193 1012">President and Representative Director of the said bank (present position)</td> </tr> <tr> <td data-bbox="325 1012 555 1046"></td> <td data-bbox="555 1012 1193 1046">Deputy President of the Company (present position)</td> </tr> </table> <p data-bbox="325 1099 1193 1173">(Important concurrent position of other organization) President and Representative Director of The Hokkaido Bank, Ltd.</p> <p data-bbox="325 1173 1193 1505">(Reasons for election of the candidate for Director) He is well-acquainted with the general business, and has abundant business experience, having been engaged in sales promotion planning and business promotion, etc., as a member of the Group since 1979. Moreover, he has abundant management experience as the Deputy President of the Company and President and Representative Director of The Hokkaido Bank, Ltd. The Company has selected him as a candidate for Director because the utilization, as a member of the Board of Directors, of his experience and expert knowledge is expected to strengthen the effectiveness of both the decision-making and supervisory functions of the Board of Directors.</p>	April 1979	Joined The Hokkaido Bank, Ltd.	June 2001	General Manager of Tsukisamu Branch of the said bank	July 2002	Manager and head of Sales Promotion Planning Group of the said bank	May 2003	Executive Officer of the said bank	June 2003	Director and Executive Officer of the said bank	June 2005	Director, Managing Executive Officer and Head of Sales Promotion Section of the said bank	October 2005	Director, Managing Executive Officer and Head of Sales Promotion Section and Corporate Sales Division of the said bank	June 2006	Director, Managing Executive Officer and Head of Sales Promotion Section of the said bank	June 2010	Deputy President and Representative Director of the said bank		Director of the Company	June 2015	President and Representative Director of the said bank (present position)		Deputy President of the Company (present position)	Common shares 4,760 shares
April 1979	Joined The Hokkaido Bank, Ltd.																									
June 2001	General Manager of Tsukisamu Branch of the said bank																									
July 2002	Manager and head of Sales Promotion Planning Group of the said bank																									
May 2003	Executive Officer of the said bank																									
June 2003	Director and Executive Officer of the said bank																									
June 2005	Director, Managing Executive Officer and Head of Sales Promotion Section of the said bank																									
October 2005	Director, Managing Executive Officer and Head of Sales Promotion Section and Corporate Sales Division of the said bank																									
June 2006	Director, Managing Executive Officer and Head of Sales Promotion Section of the said bank																									
June 2010	Deputy President and Representative Director of the said bank																									
	Director of the Company																									
June 2015	President and Representative Director of the said bank (present position)																									
	Deputy President of the Company (present position)																									

No	Name (Date of birth) Career Summary (Titles and Assignments in the Company and subsidiary banks and concurrent positions of other organizations)	Type and Number of Shares of the Company held												
3	<p>Hidenori Mugino (March 18, 1957)</p> <table border="1" data-bbox="327 320 1193 1003"> <tr> <td data-bbox="327 320 555 353">April 1979</td> <td data-bbox="555 320 1193 353">Joined The Hokuriku Bank, Ltd.</td> </tr> <tr> <td data-bbox="327 353 555 427">June 2005</td> <td data-bbox="555 353 1193 427">Head of Managerial Administration Division of the said bank</td> </tr> <tr> <td data-bbox="327 427 555 539">June 2007</td> <td data-bbox="555 427 1193 539">Deputy Head of Toyama Regional Business Division and General Manager of Head Office Business Division of the said bank</td> </tr> <tr> <td data-bbox="327 539 555 651">June 2009</td> <td data-bbox="555 539 1193 651">Director, Executive Officer, Deputy Head of Toyama Regional Business Division and General Manager of Head Office Business Division of the said bank</td> </tr> <tr> <td data-bbox="327 651 555 725">June 2010</td> <td data-bbox="555 651 1193 725">Director, Managing Executive Officer and Head of Toyama Regional Business Division of the said bank</td> </tr> <tr> <td data-bbox="327 725 555 869">June 2013</td> <td data-bbox="555 725 1193 869">Chairman and Representative Director of the said bank (present position) Director of the Company (Sub-charge of Audit Group) (present position)</td> </tr> </table> <p>(Important concurrent position of other organization) Chairman and Representative Director of The Hokuriku Bank, Ltd.</p> <p>(Reasons for election of the candidate for Director) He is well-acquainted with the general business, and has abundant business experience, having been engaged in business administration and business promotion, etc., as a member of the Group since 1979. Moreover, he has abundant management experience as the Director of the Company and Chairman and Representative Director of The Hokuriku Bank, Ltd. The Company has selected him as a candidate for Director because the utilization, as a member of the Board of Directors, of his experience and expert knowledge is expected to strengthen the effectiveness of both the decision-making and supervisory functions of the Board of Directors.</p>	April 1979	Joined The Hokuriku Bank, Ltd.	June 2005	Head of Managerial Administration Division of the said bank	June 2007	Deputy Head of Toyama Regional Business Division and General Manager of Head Office Business Division of the said bank	June 2009	Director, Executive Officer, Deputy Head of Toyama Regional Business Division and General Manager of Head Office Business Division of the said bank	June 2010	Director, Managing Executive Officer and Head of Toyama Regional Business Division of the said bank	June 2013	Chairman and Representative Director of the said bank (present position) Director of the Company (Sub-charge of Audit Group) (present position)	Common shares 5,837 shares
April 1979	Joined The Hokuriku Bank, Ltd.													
June 2005	Head of Managerial Administration Division of the said bank													
June 2007	Deputy Head of Toyama Regional Business Division and General Manager of Head Office Business Division of the said bank													
June 2009	Director, Executive Officer, Deputy Head of Toyama Regional Business Division and General Manager of Head Office Business Division of the said bank													
June 2010	Director, Managing Executive Officer and Head of Toyama Regional Business Division of the said bank													
June 2013	Chairman and Representative Director of the said bank (present position) Director of the Company (Sub-charge of Audit Group) (present position)													

No	Name (Date of birth) Career Summary (Titles and Assignments in the Company and subsidiary banks and concurrent positions of other organizations)	Type and Number of Shares of the Company held																
4	<p>Yuji Kanema (June 11, 1964) (New candidate)</p> <table border="1" data-bbox="327 315 1193 1064"> <tr> <td data-bbox="327 315 550 349">April 1987</td> <td data-bbox="550 315 1193 349">Joined The Hokkaido Bank, Ltd.</td> </tr> <tr> <td data-bbox="327 349 550 423">January 2002</td> <td data-bbox="550 349 1193 423">General Manager of Hanakawa Branch of the said bank</td> </tr> <tr> <td data-bbox="327 423 550 497">July 2003</td> <td data-bbox="550 423 1193 497">Manager and head of Managerial Planning Group of the said bank</td> </tr> <tr> <td data-bbox="327 497 550 571">October 2005</td> <td data-bbox="550 497 1193 571">Head of Managerial Planning Division of the said bank</td> </tr> <tr> <td data-bbox="327 571 550 645">July 2011</td> <td data-bbox="550 571 1193 645">Supervisor of Toriimae area and General Manager of Toriimae Branch of the said bank</td> </tr> <tr> <td data-bbox="327 645 550 763">April 2013</td> <td data-bbox="550 645 1193 763">Executive Officer in charge of sales in Okhotsk Region and General Manager of Kitami of the said bank</td> </tr> <tr> <td data-bbox="327 763 550 837">June 2015</td> <td data-bbox="550 763 1193 837">Executive Officer in charge of sales in Sapporo, Ishikari and Sorachi Region of the said bank</td> </tr> <tr> <td data-bbox="327 837 550 956">June 2016</td> <td data-bbox="550 837 1193 956">Director, Managing Executive Officer and Head of Planning and Management Section of the said bank (present position)</td> </tr> </table> <p>(Important concurrent position of other organization) Director and Managing Executive Officer of The Hokkaido Bank, Ltd.</p> <p>(Reasons for election of the candidate for Director) He is well-acquainted with the general business, and has abundant business experience, having been engaged in Head of Managerial Planning Division and Executive Officer in charge of sales in several regions, as a member of the Group since 1987. Moreover, he has abundant management experience as the Director and Managing Executive Officer of The Hokkaido Bank, Ltd. The Company has selected him as a candidate for Director because the utilization, as a member of the Board of Directors, of his experience and expert knowledge is expected to strengthen the effectiveness of both the decision-making and supervisory functions of the Board of Directors.</p>	April 1987	Joined The Hokkaido Bank, Ltd.	January 2002	General Manager of Hanakawa Branch of the said bank	July 2003	Manager and head of Managerial Planning Group of the said bank	October 2005	Head of Managerial Planning Division of the said bank	July 2011	Supervisor of Toriimae area and General Manager of Toriimae Branch of the said bank	April 2013	Executive Officer in charge of sales in Okhotsk Region and General Manager of Kitami of the said bank	June 2015	Executive Officer in charge of sales in Sapporo, Ishikari and Sorachi Region of the said bank	June 2016	Director, Managing Executive Officer and Head of Planning and Management Section of the said bank (present position)	Common shares 2,819 shares
April 1987	Joined The Hokkaido Bank, Ltd.																	
January 2002	General Manager of Hanakawa Branch of the said bank																	
July 2003	Manager and head of Managerial Planning Group of the said bank																	
October 2005	Head of Managerial Planning Division of the said bank																	
July 2011	Supervisor of Toriimae area and General Manager of Toriimae Branch of the said bank																	
April 2013	Executive Officer in charge of sales in Okhotsk Region and General Manager of Kitami of the said bank																	
June 2015	Executive Officer in charge of sales in Sapporo, Ishikari and Sorachi Region of the said bank																	
June 2016	Director, Managing Executive Officer and Head of Planning and Management Section of the said bank (present position)																	

No	Name (Date of birth) Career Summary (Titles and Assignments in the Company and subsidiary banks and concurrent positions of other organizations)	Type and Number of Shares of the Company held																						
5	<p>Takeshi Yoshida (February 25, 1957) (New candidate)</p> <table border="1" data-bbox="325 315 1193 1328"> <tr> <td data-bbox="325 315 555 353">April 1980</td> <td data-bbox="555 315 1193 353">Joined The Hokuriku Bank, Ltd.</td> </tr> <tr> <td data-bbox="325 353 555 392">June 2000</td> <td data-bbox="555 353 1193 392">General Manager of Matto Branch of the said bank</td> </tr> <tr> <td data-bbox="325 392 555 430">June 2002</td> <td data-bbox="555 392 1193 430">General Manager of Gifu Branch of the said bank</td> </tr> <tr> <td data-bbox="325 430 555 501">August 2003</td> <td data-bbox="555 430 1193 501">General Manager of Nakamura Branch of the said bank</td> </tr> <tr> <td data-bbox="325 501 555 573">April 2005</td> <td data-bbox="555 501 1193 573">General Manager of Yokohama Branch of the said bank</td> </tr> <tr> <td data-bbox="325 573 555 685">June 2008</td> <td data-bbox="555 573 1193 685">Deputy Head of Fukui Regional Business Division and General Manager of Fukui Branch of the said bank</td> </tr> <tr> <td data-bbox="325 685 555 797">June 2011</td> <td data-bbox="555 685 1193 797">Executive Officer, Deputy Head of Ishikawa Regional Business Division and General Manager of Kanazawa Branch of the said bank</td> </tr> <tr> <td data-bbox="325 797 555 869">June 2013</td> <td data-bbox="555 797 1193 869">Managing Executive Officer and Head of Ishikawa Regional Business Division of the said bank</td> </tr> <tr> <td data-bbox="325 869 555 940">June 2016</td> <td data-bbox="555 869 1193 940">Director, Managing Executive Officer and Head of Ishikawa Regional Business Division of the said bank</td> </tr> <tr> <td data-bbox="325 940 555 1099">December 2016</td> <td data-bbox="555 940 1193 1099">Director, Managing Executive Officer, Head of Ishikawa Regional Business Division and Deputy Head of Tokyo Regional Business Division of the said bank (present position)</td> </tr> <tr> <td data-bbox="325 1099 555 1171">June 2017</td> <td data-bbox="555 1099 1193 1171">Director and Senior Managing Executive Officer (scheduled)</td> </tr> </table> <p>(Important concurrent position of other organization) Director and Senior Managing Executive Officer of The Hokuriku Bank, Ltd. (scheduled)</p> <p>(Reasons for election of the candidate for Director) He is well-acquainted with the general business, and has abundant business experience, having been engaged in General Manager and Head of Regional Business Division in several areas, as a member of the Group since 1980. Moreover, he has abundant management experience as the Director and Managing Executive Officer of The Hokuriku Bank, Ltd. The Company has selected him as a candidate for Director because the utilization, as a member of the Board of Directors, of his experience and expert knowledge is expected to strengthen the effectiveness of both the decision-making and supervisory functions of the Board of Directors.</p>	April 1980	Joined The Hokuriku Bank, Ltd.	June 2000	General Manager of Matto Branch of the said bank	June 2002	General Manager of Gifu Branch of the said bank	August 2003	General Manager of Nakamura Branch of the said bank	April 2005	General Manager of Yokohama Branch of the said bank	June 2008	Deputy Head of Fukui Regional Business Division and General Manager of Fukui Branch of the said bank	June 2011	Executive Officer, Deputy Head of Ishikawa Regional Business Division and General Manager of Kanazawa Branch of the said bank	June 2013	Managing Executive Officer and Head of Ishikawa Regional Business Division of the said bank	June 2016	Director, Managing Executive Officer and Head of Ishikawa Regional Business Division of the said bank	December 2016	Director, Managing Executive Officer, Head of Ishikawa Regional Business Division and Deputy Head of Tokyo Regional Business Division of the said bank (present position)	June 2017	Director and Senior Managing Executive Officer (scheduled)	Common shares 2,900 shares
April 1980	Joined The Hokuriku Bank, Ltd.																							
June 2000	General Manager of Matto Branch of the said bank																							
June 2002	General Manager of Gifu Branch of the said bank																							
August 2003	General Manager of Nakamura Branch of the said bank																							
April 2005	General Manager of Yokohama Branch of the said bank																							
June 2008	Deputy Head of Fukui Regional Business Division and General Manager of Fukui Branch of the said bank																							
June 2011	Executive Officer, Deputy Head of Ishikawa Regional Business Division and General Manager of Kanazawa Branch of the said bank																							
June 2013	Managing Executive Officer and Head of Ishikawa Regional Business Division of the said bank																							
June 2016	Director, Managing Executive Officer and Head of Ishikawa Regional Business Division of the said bank																							
December 2016	Director, Managing Executive Officer, Head of Ishikawa Regional Business Division and Deputy Head of Tokyo Regional Business Division of the said bank (present position)																							
June 2017	Director and Senior Managing Executive Officer (scheduled)																							

No	Name (Date of birth) Career Summary (Titles and Assignments in the Company and subsidiary banks and concurrent positions of other organizations)	Type and Number of Shares of the Company held																						
6	<p>Takashi Asabayashi (August 30, 1957)</p> <table border="1" data-bbox="327 315 1193 1256"> <tr> <td data-bbox="327 315 555 349">April 1981</td> <td data-bbox="555 315 1193 349">Joined The Hokuriku Bank, Ltd.</td> </tr> <tr> <td data-bbox="327 349 555 423">July 2002</td> <td data-bbox="555 349 1193 423">General Manager of Fukumitsu Branch of the said bank</td> </tr> <tr> <td data-bbox="327 423 555 456">June 2004</td> <td data-bbox="555 423 1193 456">General Manager of Otaru Branch of the said bank</td> </tr> <tr> <td data-bbox="327 456 555 490">June 2006</td> <td data-bbox="555 456 1193 490">General Manager of Shinjuku Branch of the said bank</td> </tr> <tr> <td data-bbox="327 490 555 524">June 2009</td> <td data-bbox="555 490 1193 524">Head of First Loan Division of the said bank</td> </tr> <tr> <td data-bbox="327 524 555 598">January 2010</td> <td data-bbox="555 524 1193 598">Head of Managerial Administration Division of the said bank</td> </tr> <tr> <td data-bbox="327 598 555 719">June 2011</td> <td data-bbox="555 598 1193 719">Deputy Head of Takaoka Regional Business Division and General Manager of Tonami Branch of the said bank</td> </tr> <tr> <td data-bbox="327 719 555 840">June 2012</td> <td data-bbox="555 719 1193 840">Executive Officer, Deputy Head of Takaoka Regional Business Division and General Manager of Tonami Branch of the said bank</td> </tr> <tr> <td data-bbox="327 840 555 960">June 2013</td> <td data-bbox="555 840 1193 960">Managing Executive Officer, Head of Fukui Regional Business Division and Head of Nagoya-Osaka Regional Business Division of the said bank</td> </tr> <tr> <td data-bbox="327 960 555 994">June 2015</td> <td data-bbox="555 960 1193 994">Managing Executive Officer of the said bank</td> </tr> <tr> <td data-bbox="327 994 555 1137">June 2016</td> <td data-bbox="555 994 1193 1137">Director and Managing Executive Officer of the said bank (present position) Director of the Company (In charge of Planning and Administration Groups) (present position)</td> </tr> </table> <p data-bbox="327 1173 938 1207">(Important concurrent position of other organization)</p> <p data-bbox="327 1211 1129 1245">Director and Managing Executive Officer of The Hokuriku Bank, Ltd.</p> <p data-bbox="327 1263 916 1296">(Reasons for election of the candidate for Director)</p> <p data-bbox="327 1301 1394 1592">He is well-acquainted with the general business, and has abundant business experience, having been engaged in business promotion, financing examination and business administration, etc., as a member of the Group since 1981. Moreover, he has abundant management experience as the Director of the Company and the Director and Managing Executive Officer of The Hokuriku Bank, Ltd. The Company has selected him as a candidate for Director because the utilization, as a member of the Board of Directors, of his experience and expert knowledge is expected to strengthen the effectiveness of both the decision-making and supervisory functions of the Board of Directors.</p>	April 1981	Joined The Hokuriku Bank, Ltd.	July 2002	General Manager of Fukumitsu Branch of the said bank	June 2004	General Manager of Otaru Branch of the said bank	June 2006	General Manager of Shinjuku Branch of the said bank	June 2009	Head of First Loan Division of the said bank	January 2010	Head of Managerial Administration Division of the said bank	June 2011	Deputy Head of Takaoka Regional Business Division and General Manager of Tonami Branch of the said bank	June 2012	Executive Officer, Deputy Head of Takaoka Regional Business Division and General Manager of Tonami Branch of the said bank	June 2013	Managing Executive Officer, Head of Fukui Regional Business Division and Head of Nagoya-Osaka Regional Business Division of the said bank	June 2015	Managing Executive Officer of the said bank	June 2016	Director and Managing Executive Officer of the said bank (present position) Director of the Company (In charge of Planning and Administration Groups) (present position)	Common shares 2,900 shares
April 1981	Joined The Hokuriku Bank, Ltd.																							
July 2002	General Manager of Fukumitsu Branch of the said bank																							
June 2004	General Manager of Otaru Branch of the said bank																							
June 2006	General Manager of Shinjuku Branch of the said bank																							
June 2009	Head of First Loan Division of the said bank																							
January 2010	Head of Managerial Administration Division of the said bank																							
June 2011	Deputy Head of Takaoka Regional Business Division and General Manager of Tonami Branch of the said bank																							
June 2012	Executive Officer, Deputy Head of Takaoka Regional Business Division and General Manager of Tonami Branch of the said bank																							
June 2013	Managing Executive Officer, Head of Fukui Regional Business Division and Head of Nagoya-Osaka Regional Business Division of the said bank																							
June 2015	Managing Executive Officer of the said bank																							
June 2016	Director and Managing Executive Officer of the said bank (present position) Director of the Company (In charge of Planning and Administration Groups) (present position)																							

No	Name (Date of birth) Career Summary (Titles and Assignments in the Company and subsidiary banks and concurrent positions of other organizations)	Type and Number of Shares of the Company held																						
7	<p>Takashi Ogura (October 14, 1960)</p> <table border="1" data-bbox="327 320 1193 1288"> <tr> <td data-bbox="327 320 550 353">April 1984</td> <td data-bbox="550 320 1193 353">Joined The Hokkaido Bank, Ltd.</td> </tr> <tr> <td data-bbox="327 353 550 427">October 2004</td> <td data-bbox="550 353 1193 427">General Manager of Head Office Business of the said bank</td> </tr> <tr> <td data-bbox="327 427 550 501">April 2005</td> <td data-bbox="550 427 1193 501">Manager and head of Examination Group of the said bank</td> </tr> <tr> <td data-bbox="327 501 550 575">October 2005</td> <td data-bbox="550 501 1193 575">Assistant General Manager of Loan Division of the said bank</td> </tr> <tr> <td data-bbox="327 575 550 609">October 2009</td> <td data-bbox="550 575 1193 609">General Manager of Toyohira Branch of the said bank</td> </tr> <tr> <td data-bbox="327 609 550 725">June 2011</td> <td data-bbox="550 609 1193 725">General Manager in charge of Regional Banks Association of Japan and General Manager of Tokyo Office of the said bank</td> </tr> <tr> <td data-bbox="327 725 550 799">June 2013</td> <td data-bbox="550 725 1193 799">Executive Officer and General Manager of Tokyo Branch of the said bank</td> </tr> <tr> <td data-bbox="327 799 550 873">April 2014</td> <td data-bbox="550 799 1193 873">Executive Officer in charge of sales in Sapporo, Ishikari and Shiribeshi Region of the said bank</td> </tr> <tr> <td data-bbox="327 873 550 990">June 2015</td> <td data-bbox="550 873 1193 990">(Part-time) Director of The Hokuriku Bank, Ltd. Director of the Company (In charge of Risk Management and Audit Group) (present position)</td> </tr> <tr> <td data-bbox="327 990 550 1064">June 2016</td> <td data-bbox="550 990 1193 1064">Director and Executive Officer of The Hokuriku Bank, Ltd. (present position)</td> </tr> <tr> <td data-bbox="327 1064 550 1137">June 2017</td> <td data-bbox="550 1064 1193 1137">Director and Managing Executive Officer of The Hokuriku Bank, Ltd. (scheduled)</td> </tr> </table> <p>(Important concurrent position of other organization) Director and Managing Executive Officer of The Hokuriku Bank, Ltd. (scheduled)</p> <p>(Reasons for election of the candidate for Director) He is well-acquainted with the general business, and has abundant business experience, having been engaged in business promotion and loan business section, etc., as a member of the Group since 1984. Moreover, he has abundant management experience as the Director of the Company and the Director and Executive Officer of The Hokuriku Bank, Ltd. The Company has selected him as a candidate for Director because the utilization, as a member of the Board of Directors, of his experience and expert knowledge is expected to strengthen the effectiveness of both the decision-making and supervisory functions of the Board of Directors.</p>	April 1984	Joined The Hokkaido Bank, Ltd.	October 2004	General Manager of Head Office Business of the said bank	April 2005	Manager and head of Examination Group of the said bank	October 2005	Assistant General Manager of Loan Division of the said bank	October 2009	General Manager of Toyohira Branch of the said bank	June 2011	General Manager in charge of Regional Banks Association of Japan and General Manager of Tokyo Office of the said bank	June 2013	Executive Officer and General Manager of Tokyo Branch of the said bank	April 2014	Executive Officer in charge of sales in Sapporo, Ishikari and Shiribeshi Region of the said bank	June 2015	(Part-time) Director of The Hokuriku Bank, Ltd. Director of the Company (In charge of Risk Management and Audit Group) (present position)	June 2016	Director and Executive Officer of The Hokuriku Bank, Ltd. (present position)	June 2017	Director and Managing Executive Officer of The Hokuriku Bank, Ltd. (scheduled)	Common shares 3,133 shares
April 1984	Joined The Hokkaido Bank, Ltd.																							
October 2004	General Manager of Head Office Business of the said bank																							
April 2005	Manager and head of Examination Group of the said bank																							
October 2005	Assistant General Manager of Loan Division of the said bank																							
October 2009	General Manager of Toyohira Branch of the said bank																							
June 2011	General Manager in charge of Regional Banks Association of Japan and General Manager of Tokyo Office of the said bank																							
June 2013	Executive Officer and General Manager of Tokyo Branch of the said bank																							
April 2014	Executive Officer in charge of sales in Sapporo, Ishikari and Shiribeshi Region of the said bank																							
June 2015	(Part-time) Director of The Hokuriku Bank, Ltd. Director of the Company (In charge of Risk Management and Audit Group) (present position)																							
June 2016	Director and Executive Officer of The Hokuriku Bank, Ltd. (present position)																							
June 2017	Director and Managing Executive Officer of The Hokuriku Bank, Ltd. (scheduled)																							

Proposal 4: Election of Five (5) Directors serving as Audit and Supervisory Committee Members

Subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation”, the Company will transition to a company with Audit and Supervisory Committee. Therefore, we propose the election of Five (5) Directors serving as Audit and Supervisory Committee Members (including four (4) Outside Directors).

This Proposal has received the consent of the Board of Corporate Auditors.

This Proposal shall become effective under the condition that the amendments to the Articles of Incorporation stated in Proposal 2 take effect.

The candidates for Directors serving as Audit and Supervisory Committee Members are as follows:

No	Name (Date of birth) Career Summary (Titles and Assignments in the Company and subsidiary banks and concurrent positions of other organizations)	Type and Number of Shares of the Company held																
1	<p>Satoshi Kikushima (July 27, 1958) (New candidate)</p> <table border="1"> <tr> <td>April 1981</td> <td>Joined The Hokuriku Bank, Ltd.</td> </tr> <tr> <td>June 2004</td> <td>General Manager of Toyama-marunouchi Branch of the said bank</td> </tr> <tr> <td>June 2006</td> <td>General Manager of Fukumitsu Branch of the said bank</td> </tr> <tr> <td>June 2008</td> <td>Deputy General Manager of Branch Division of the said bank</td> </tr> <tr> <td>June 2010</td> <td>Head of Branch Division and General Manager of Hokugin Direct Branch of the said bank</td> </tr> <tr> <td>January 2014</td> <td>Head of Sales Promotion Division of the said bank</td> </tr> <tr> <td>June 2014</td> <td>Full-time Corporate Auditor of the said bank (present position)</td> </tr> <tr> <td>June 2017</td> <td>Retirement (scheduled)</td> </tr> </table>	April 1981	Joined The Hokuriku Bank, Ltd.	June 2004	General Manager of Toyama-marunouchi Branch of the said bank	June 2006	General Manager of Fukumitsu Branch of the said bank	June 2008	Deputy General Manager of Branch Division of the said bank	June 2010	Head of Branch Division and General Manager of Hokugin Direct Branch of the said bank	January 2014	Head of Sales Promotion Division of the said bank	June 2014	Full-time Corporate Auditor of the said bank (present position)	June 2017	Retirement (scheduled)	Common shares 3,900 shares
April 1981	Joined The Hokuriku Bank, Ltd.																	
June 2004	General Manager of Toyama-marunouchi Branch of the said bank																	
June 2006	General Manager of Fukumitsu Branch of the said bank																	
June 2008	Deputy General Manager of Branch Division of the said bank																	
June 2010	Head of Branch Division and General Manager of Hokugin Direct Branch of the said bank																	
January 2014	Head of Sales Promotion Division of the said bank																	
June 2014	Full-time Corporate Auditor of the said bank (present position)																	
June 2017	Retirement (scheduled)																	
	<p>(Reasons for election of the candidate for Director)</p> <p>He is well-acquainted with the general business, and has abundant business experience, having been engaged in business promotion section etc., as a member of the Group since 1981. Moreover, he has abundant experience as the Full-time Corporate Auditor of The Hokuriku Bank, Ltd. The Company has selected him as a candidate for Director serving as Audit and Supervisory Committee Member because the utilization of his experience and expert knowledge is expected to strengthen the audit functions of the Company and the effectiveness of both the decision-making and supervisory functions of the Board of Directors.</p>																	

No	Name (Date of birth) Career Summary (Titles and Assignments in the Company and subsidiary banks and concurrent positions of other organizations)	Type and Number of Shares of the Company held																		
2	<p>Tatsuo Kawada (January 27, 1940) Outside Director (New candidate)</p> <table border="1" data-bbox="323 315 1193 1193"> <tr> <td data-bbox="323 315 571 387">March 1962</td> <td data-bbox="571 315 1193 387">Joined SEIREN Co., Ltd. (formerly Fukui Seiren Kako Co., Ltd.)</td> </tr> <tr> <td data-bbox="323 387 571 459">October 1979</td> <td data-bbox="571 387 1193 459">Head of Product Sales Promotion Division of the said company</td> </tr> <tr> <td data-bbox="323 459 571 495">August 1981</td> <td data-bbox="571 459 1193 495">Director of the said company</td> </tr> <tr> <td data-bbox="323 495 571 530">August 1985</td> <td data-bbox="571 495 1193 530">Managing Director of the said company</td> </tr> <tr> <td data-bbox="323 530 571 602">August 1987</td> <td data-bbox="571 530 1193 602">President and Representative Director of the said company</td> </tr> <tr> <td data-bbox="323 602 571 674">June 2009</td> <td data-bbox="571 602 1193 674">Outside Corporate Auditor of The Hokuriku Bank, Ltd.</td> </tr> <tr> <td data-bbox="323 674 571 745">June 2011</td> <td data-bbox="571 674 1193 745">Chairman, President, C.E.O. and C.O.O. of SEIREN Co., Ltd.</td> </tr> <tr> <td data-bbox="323 745 571 898">June 2013</td> <td data-bbox="571 745 1193 898">Retirement of Outside Corporate Auditor of The Hokuriku Bank, Ltd. Outside Corporate Auditor of the Company (present position)</td> </tr> <tr> <td data-bbox="323 898 571 969">June 2014</td> <td data-bbox="571 898 1193 969">Chairman and C.E.O. of SEIREN Co., Ltd. (present position)</td> </tr> </table> <p>(Important concurrent position of other organization) Chairman and C.E.O. of SEIREN Co., Ltd. Outside Director of Hokuriku Electric Power Company, Inc. Outside Director of Daikin Industries, Ltd. Chairman of Fukui Chamber of Commerce and Industry</p> <p>(Reasons for election of the candidate for Outside Director) Having been engaged in management of SEIREN Co., Ltd. as Chairman and C.E.O., he has abundant management experience and broad insight as a top executive, and well versed in the regional economy. The company has selected him as a candidate for Outside Director serving as Audit and Supervisory Committee Member because he is expected to contribute to strengthen the audit functions of the Company and the effectiveness of both the decision-making and supervisory functions of the Board of Directors from a perspective independent from that of the management, utilizing his extensive experience and high level of expertise.</p>	March 1962	Joined SEIREN Co., Ltd. (formerly Fukui Seiren Kako Co., Ltd.)	October 1979	Head of Product Sales Promotion Division of the said company	August 1981	Director of the said company	August 1985	Managing Director of the said company	August 1987	President and Representative Director of the said company	June 2009	Outside Corporate Auditor of The Hokuriku Bank, Ltd.	June 2011	Chairman, President, C.E.O. and C.O.O. of SEIREN Co., Ltd.	June 2013	Retirement of Outside Corporate Auditor of The Hokuriku Bank, Ltd. Outside Corporate Auditor of the Company (present position)	June 2014	Chairman and C.E.O. of SEIREN Co., Ltd. (present position)	Common shares 8,200 shares
March 1962	Joined SEIREN Co., Ltd. (formerly Fukui Seiren Kako Co., Ltd.)																			
October 1979	Head of Product Sales Promotion Division of the said company																			
August 1981	Director of the said company																			
August 1985	Managing Director of the said company																			
August 1987	President and Representative Director of the said company																			
June 2009	Outside Corporate Auditor of The Hokuriku Bank, Ltd.																			
June 2011	Chairman, President, C.E.O. and C.O.O. of SEIREN Co., Ltd.																			
June 2013	Retirement of Outside Corporate Auditor of The Hokuriku Bank, Ltd. Outside Corporate Auditor of the Company (present position)																			
June 2014	Chairman and C.E.O. of SEIREN Co., Ltd. (present position)																			

No	Name (Date of birth) Career Summary (Titles and Assignments in the Company and subsidiary banks and concurrent positions of other organizations)	Type and Number of Shares of the Company held														
3	<p>Ryoji Nakagawa (December 23, 1939) <u>Outside Director</u> (New candidate)</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 20%;">April 1964</td> <td>Registered as Attorney-at-law (Dai-Ichi Tokyo Bar Association)</td> </tr> <tr> <td>April 1986</td> <td>Vice President of the Dai-Ichi Tokyo Bar Association</td> </tr> <tr> <td>April 1997</td> <td>President of the Dai-Ichi Tokyo Bar Association Vice President of the Japan Federation of Bar Associations</td> </tr> <tr> <td>January 2005</td> <td>Justice of the Supreme Court of Japan</td> </tr> <tr> <td>December 2009</td> <td>Re-Registered as Attorney-at-law</td> </tr> <tr> <td>June 2010</td> <td>Outside Corporate Auditor of the NEC Corporation</td> </tr> <tr> <td>June 2015</td> <td>Outside Director of the Company (present position)</td> </tr> </table> <p>(Important concurrent position of other organization) Attorney-at-law</p> <p>(Reasons for election of the candidate for Outside Director) He has served in positions as Justice of the Supreme Court, and he has been active as an attorney-at-law. Although he has not previously been engaged in management of a company other than as an Outside officer in his career, the company has selected him as a candidate for Outside Director serving as Audit and Supervisory Committee Member because he is expected to contribute to strengthen the audit functions of the Company and the effectiveness of both the decision-making and supervisory functions of the Board of Directors from a perspective independent from that of the management, utilizing his extensive experience and high level of expertise as a legal professional.</p>	April 1964	Registered as Attorney-at-law (Dai-Ichi Tokyo Bar Association)	April 1986	Vice President of the Dai-Ichi Tokyo Bar Association	April 1997	President of the Dai-Ichi Tokyo Bar Association Vice President of the Japan Federation of Bar Associations	January 2005	Justice of the Supreme Court of Japan	December 2009	Re-Registered as Attorney-at-law	June 2010	Outside Corporate Auditor of the NEC Corporation	June 2015	Outside Director of the Company (present position)	Common shares 1,800 shares
April 1964	Registered as Attorney-at-law (Dai-Ichi Tokyo Bar Association)															
April 1986	Vice President of the Dai-Ichi Tokyo Bar Association															
April 1997	President of the Dai-Ichi Tokyo Bar Association Vice President of the Japan Federation of Bar Associations															
January 2005	Justice of the Supreme Court of Japan															
December 2009	Re-Registered as Attorney-at-law															
June 2010	Outside Corporate Auditor of the NEC Corporation															
June 2015	Outside Director of the Company (present position)															

No	Name (Date of birth) Career Summary (Titles and Assignments in the Company and subsidiary banks and concurrent positions of other organizations)	Type and Number of Shares of the Company held																
4	<p>Masaaki Manabe (November 27, 1942) Outside Director (New candidate)</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 20%;">April 1965</td> <td>Joined Itino Manabe Gorou Pharmacy Inc. (currently HOKUYAKU Inc.)</td> </tr> <tr> <td>April 1991</td> <td>President of Valeo Inc. (currently HOKUYAKU Inc.)</td> </tr> <tr> <td>April 1999</td> <td>President of HOKUYAKU Inc.</td> </tr> <tr> <td>June 2003</td> <td>President and Executive Officer of the said company</td> </tr> <tr> <td>September 2006</td> <td>President of HOKUYAKU TAKEYAMA Holdings, Inc</td> </tr> <tr> <td>July 2007</td> <td>President and Executive Officer of the said company</td> </tr> <tr> <td>June 2012</td> <td>Chairman and Representative Director of HOKUYAKU Inc. (present position)</td> </tr> <tr> <td>June 2015</td> <td>President and Representative Director of HOKUYAKU TAKEYAMA Holdings, Inc.(present position)</td> </tr> </table> <p>(Important concurrent position of other organization) President and Representative Director of HOKUYAKU TAKEYAMA Holdings, Inc. Chairman and Representative Director of HOKUYAKU Inc. Outside Director of VITAL KSK HOLDINGS, INC. Member of Sapporo Chamber of Commerce and Industry</p> <p>(Reasons for election of the candidate for Outside Director) Having been engaged in management of HOKUYAKU TAKEYAMA Holdings, Inc. as President, he has abundant management experience and broad insight as a top executive, and well versed in the regional economy. The Company has selected him as a candidate for Outside Director serving as Audit and Supervisory Committee Member because he is expected to contribute to strengthen the audit functions of the Company and the effectiveness of both the decision-making and supervisory functions of the Board of Directors from a perspective independent from that of the management, utilizing his extensive experience and high level of expertise.</p>	April 1965	Joined Itino Manabe Gorou Pharmacy Inc. (currently HOKUYAKU Inc.)	April 1991	President of Valeo Inc. (currently HOKUYAKU Inc.)	April 1999	President of HOKUYAKU Inc.	June 2003	President and Executive Officer of the said company	September 2006	President of HOKUYAKU TAKEYAMA Holdings, Inc	July 2007	President and Executive Officer of the said company	June 2012	Chairman and Representative Director of HOKUYAKU Inc. (present position)	June 2015	President and Representative Director of HOKUYAKU TAKEYAMA Holdings, Inc.(present position)	-
April 1965	Joined Itino Manabe Gorou Pharmacy Inc. (currently HOKUYAKU Inc.)																	
April 1991	President of Valeo Inc. (currently HOKUYAKU Inc.)																	
April 1999	President of HOKUYAKU Inc.																	
June 2003	President and Executive Officer of the said company																	
September 2006	President of HOKUYAKU TAKEYAMA Holdings, Inc																	
July 2007	President and Executive Officer of the said company																	
June 2012	Chairman and Representative Director of HOKUYAKU Inc. (present position)																	
June 2015	President and Representative Director of HOKUYAKU TAKEYAMA Holdings, Inc.(present position)																	

No	Name (Date of birth) Career Summary (Titles and Assignments in the Company and subsidiary banks and concurrent positions of other organizations)	Type and Number of Shares of the Company held
5	<p>Nobuya Suzuki (May 21, 1955) Outside Director (New candidate)</p> <p>April 1979 Joined Yasuda Life Insurance Company</p> <p>April 1999 General Manager of Yamagata Branch of the said company</p> <p>April 2001 Head of Management Research Office of the said company</p> <p>January 2004 The said company renamed Meiji Yasuda Life Insurance Company General Manager of the Risk Management Control Department of the said company</p> <p>July 2006 General Manager of Product Development Department of the said company</p> <p>July 2008 Executive Officer and General Manager of Product Development Department of the said company</p> <p>April 2010 Managing Executive Officer of the said company</p> <p>July 2013 Chairman and Representative Executive Officer of the said company (present position)</p> <p>(Important concurrent position of other organization) Chairman and Representative Executive Officer of Meiji Yasuda Life Insurance Company Secretary of Japan Business Federation ※It is scheduled that he will retire from Outside Auditor of The Chiba Kogyo Bank, Ltd. in June 2017.</p> <p>(Reasons for election of the candidate for Outside Director) Having been engaged in management of Meiji Yasuda Life Insurance Company as Chairman and Representative Executive Officer, he has abundant management experience and broad insight as a top executive. The company has selected him as a candidate for Outside Director serving as Audit and Supervisory Committee Member because he is expected to contribute to strengthen the audit functions of the Company and the effectiveness of both the decision-making and supervisory functions of the Board of Directors from a perspective independent from that of the management, utilizing his extensive experience and high level of expertise as an expert for management of a financial institution.</p>	—

(Notes)

1. No special interests exist between any of the candidates and the Company.
2. Descriptions on candidates for Outside Directors
 - (1) Mr. Tatsuo Kawada, Mr. Ryoji Nakagawa, Mr. Masaaki Manabe and Mr. Nobuya Suzuki are candidates for Outside Directors of the Companies Act. Mr. Kawada and Mr. Nakagawa are currently registered as Independent Directors of the rules prescribed by Tokyo Stock Exchange and Sapporo Securities Exchange. If elected, the Company shall continue to appoint them as Independent Directors. Also, if elected at this meeting, Mr. Manabe and Mr. Suzuki will be registered as Independent Directors of the rules prescribed by Tokyo Stock Exchange and Sapporo Securities Exchange.
 - (2) Although Mr. Suzuki is currently in office as Chairman and Representative Executive Officer of Meiji Yasuda Life Insurance Company which offers insurance for directors to the Company, he is considered to work adequately as an Outside Director and Independent Director of the Company, because the traded amount is not so large as to influence his performance, and the Independence Standards for Outside Directors and Outside Corporate Auditors of the Company is satisfied.
 - (3) Mr. Nakagawa's term of office as an Outside Director of the Company will be 2 years as of the conclusion of this General Meeting of Shareholders. Mr. Kawada is currently in office as an Outside Corporate Auditor of the Company, and his term of office as an Outside Corporate Auditor will be 4 years as of the conclusion of this General Meeting of Shareholders.

- (4) The Company has entered into liability limitation agreements with Mr. Kawada who is an Outside Corporate Auditor of the Company and Mr. Nakagawa who is an Outside Director of the Company to the effect that the Company ensures that Outside Directors and Outside Corporate Auditors shall assume the liability for damages with limits of minimum amount prescribed in Article 425, Paragraph 1 of the Companies Act, as long as acting in good faith and without gross negligence in performing in their duties. If Mr. Kawada, Mr. Nakagawa, Mr. Manabe and Mr. Suzuki are elected as Directors serving as Audit and Supervisory Committee Members at this meeting, the Company shall enter into the said agreements with them.
- (5) The Hokuriku Bank, Ltd., where Mr. Kawada worked as an Outside Corporate Auditor until June 2013, received from the Hokuriku Local Finance Bureau an administrative disposal of Article 26, Paragraph 1 of the Banking Act which requires the said bank to submit business improvement plan regarding sales of financial products such as derivatives in December 2012. He suggested to re-educate employees by Compliance Manual and to establish high awareness to compliance as a measure of business improvement. The said requirements to submit business improvement plan has been removed.

(Reference) Independence Standards for Outside Directors and Outside Corporate Auditors of the Company

A candidate for Outside Directors and Outside Corporate Auditors of the Company shall be, in principle, a person who does not fall under or has not recently fallen under any of the following:

- (i) A person who has the Company or its subsidiary as a major business partner, or a person engaged in the execution of business of a corporation etc., which has the Company or its subsidiary as a major business partner.
- (ii) A person who is a major business partner of the Company or its subsidiary, or a person engaged in the execution of business of a corporation etc., which is a major business partner of the Company or its subsidiary.
- (iii) A consultant, an accounting expert or a legal expert etc., who receives a large amount of money or other property excluding remuneration received as Directors or Corporate Auditors from the Company or its subsidiary.
- (iv) An employee of consulting office, accounting office or law office which has the Company or its subsidiary as major business partner.
- (v) A person who receives large donation from the Company or its subsidiary or a person engaged in the execution of business of a corporation etc., which receives large donation from the Company or its subsidiary.
- (vi) A major shareholder of the Company (shareholder who possesses voting rights more than 10% of that of total shareholders), or a person engaged in the execution of business of a corporation etc., which is a major shareholder of the Company.
- (vii) A close relative of the following person (excluding non-material person)
 - A. A person who falls under any of (i) through (vi) above
 - B. A Director, a Corporate Auditor, an Executive Officer and a material employee of the Company or its subsidiary

The definition of “recently”

“Recently” denotes a time that can be deemed to be substantively the same as the present; for example, a person is not independent if that person was major business partner at the time when the proposal electing that person as an Outside Director or Outside Corporate Auditor was decided.

The definition of “major”

More than 1% of consolidated sales (consolidated gross business profits as for the Company) of the most recent business term

The definition of “corporation etc.”

Institution other than corporation is included

The definition of “large (amount of money or other property, donation)”

More than 10 million yen per year on average over the last 3 years

The definition of “close relatives”

Family member within the second degree of kinship

The definition of “non-material person”

A Person who is “material” means an officer or a manager, or a certified public accountant or a lawyer in case that person belongs to an accounting office or a law office.

Proposal 5: Determination of the Amount of Remuneration for Directors (Excluding Directors serving as Audit and Supervisory Committee Members)

It was approved at the 9th Ordinary General Meeting of Shareholders held on June 26, 2012 that the amount of remuneration including bonuses for Directors of the Company shall be paid in amount not exceeding ¥240 million per year.

Subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation”, the Company will transition to a company with Audit and Supervisory Committee. Therefore, pursuant to the provisions of Article 361, Paragraph 1 and 2 of the Companies Act, abolishing the current provision of the amount of remuneration for Directors, we propose that the amount of remuneration including bonuses for Directors (excluding Directors serving as Audit and Supervisory Committee Members) shall be paid in amount not exceeding ¥250 million per year, in consideration of the amount of remuneration so far and of economic and other circumstances. The amount of remunerations for Directors mentioned above conventionally does not include the salaries of employees serving concurrently as Directors.

It is proposed that detailed amount to each Director (excluding Director serving as Audit and Supervisory Committee member) and the timing of payment shall be determined by resolution of the Board of Directors.

There are currently nine (9) Directors (including two (2) Outside Directors) before the transition to a company with Audit and Supervisory Committee. Subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of Seven (7) Directors (Excluding Directors serving as Audit and Supervisory Committee Members)”, the number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) shall be seven (7).

This Proposal shall become effective under the condition that the amendments to the Articles of Incorporation stated in Proposal 2 take effect.

Proposal 6: Determination of the Amount of Remuneration for Directors serving as Audit and Supervisory Committee Members

It was approved at the 9th Ordinary General Meeting of Shareholders held on June 26, 2012 that the amount of remuneration for Corporate Auditor of the Company shall be paid in amount not exceeding ¥75 million per year.

Subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation”, the Company will transition to a company with Audit and Supervisory Committee. Therefore, pursuant to the provisions of Article 361, Paragraph 1 and 2 of the Companies Act, we propose that the amount of remuneration for Directors serving as Audit and Supervisory Committee Members shall be paid in amount not exceeding ¥80 million per year, in consideration of economic and other circumstances.

Subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 4 “Election of Five (5) Directors serving as Audit and Supervisory Committee Members”, the number of the Directors serving as Audit and Supervisory Committee Members shall be five (5) (including four (4) Outside Directors).

This Proposal shall become effective under the condition that the amendments to the Articles of Incorporation stated in Proposal 2 take effect.

Proposal 7: Determination of the Amount of Remuneration and Details regarding the Stock Acquisition Rights as Share Remuneration-Type Stock Options for Directors (Excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors)

It was approved at the 9th Ordinary General Meeting of Shareholders held on June 26, 2012 that the amount of remuneration regarding the stock acquisition rights as share remuneration-type stock options for Directors of the Company (excluding Outside Directors) shall be paid in amount not exceeding ¥35 million per year, in addition to the amount of remuneration for Directors which shall be paid in amount not exceeding ¥240 million per year.

Subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation”, the Company will transition to a company with Audit and Supervisory Committee. Therefore, pursuant to the provisions of Article 361, Paragraph 1 and 2 of the Companies Act, we propose that the amount of remuneration regarding the stock acquisition rights as share remuneration-type stock options for Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors), the details of which are described later as “Details of the Stock Acquisition Rights as Share Remuneration-Type Stock Options”, shall be paid in amount not exceeding ¥45 million per year, in addition to the amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) stated in Proposal 5 which shall be paid in amount not exceeding ¥250 million per year (excluding the salaries of employees serving concurrently as Directors), in consideration of the amount of remuneration regarding the stock acquisition rights as share remuneration-type stock options for Directors (excluding Outside Directors) so far and of economic and other circumstances. The amount of remunerations for Directors mentioned above conventionally does not include the salaries of employees serving concurrently as Directors.

The detailed amount of the remuneration will be the fair value of one stock acquisition right calculated as of the date of allotment multiplied by the number of stock acquisition rights allotted. It is proposed that allocation to each Director (excluding Director serving as Audit and Supervisory Committee member and Outside Director) and the timing of issue shall be determined by resolution of the Board of Directors.

The number of current Directors who are granted the stock acquisition rights as share remuneration-type stock options is seven (7) before the transition to a company with Audit and Supervisory Committee.

The number of the Directors who are granted the stock acquisition rights as share remuneration-type stock options shall be seven (7) subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of Seven (7) Directors (Excluding Directors serving as Audit and Supervisory Committee Members)”.

This Proposal shall become effective under the condition that the amendments to the Articles of Incorporation stated in Proposal 2 take effect.

The stock acquisition rights are “share remuneration-type stock options”, under which the amount to be paid in per share that is to be issued or transferred upon the exercise of such stock acquisition rights shall be one (1) yen. It is considered that this Proposal is reasonable because it will motivate Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors) to contribute to improve medium- to long-term performance of the Company and the value of the Company by sharing not only merits made by rises in stock prices but also risks made by falls in stock prices with shareholders.

Details of the Stock Acquisition Rights as Share Remuneration-Type Stock Options

Details of the stock acquisition rights as share remuneration-type stock options are below.

(i)The total number of the stock acquisition rights

The total number of the stock acquisition rights granted to Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors) is not exceeding 5,500 rights, which is granted within one (1) year from the date of each Ordinary General Meeting of Shareholders corresponding to each business term.

(ii)Amount to be paid upon allotment of stock acquisition rights

The amount to be paid upon allotment of one (1) stock acquisition right shall be determined by the Board of Directors based on the fair value of the stock acquisition rights, which shall be calculated in accordance with a fair calculation method, such as the Black-Scholes models, upon allotment of such stock acquisition rights. In addition, in lieu of the payment of the amount to be paid upon allotment of the stock acquisition rights as stock options, the payment is deemed to be made by offsetting such payment with Directors' claim for remuneration regarding the stock acquisition rights as stock options pursuant to this Proposal.

(iii)The type and the number of underlying shares

The type of shares underlying the stock acquisition rights shall be common shares and the number of shares underlying the stock acquisition rights shall be ten (10) shares each.

The number of common shares granted by exercising the stock acquisition rights allotted within one (1) year from the date of each Ordinary General Meeting of Shareholders corresponding to each business term shall not be exceeding 55,000 shares.

However, subsequent to the date this proposal is resolved, the Company shall adjust within a reasonable scope the number of underlying shares in the event the common share of the Company is split (including the gratis stock allotment of common share) or consolidated or in the event the adjustment of the number of underlying shares is deemed appropriate.

(iv)The value of assets contributed upon the exercise of each stock acquisition right

The value of assets contributed upon the exercise of each stock acquisition right shall be ¥1 per share deliverable upon the exercise of each corresponding stock acquisition right and the amount to be paid shall be ¥1 multiplied by the number of underlying shares.

(v)Exercisable period of stock acquisition rights

The exercisable period shall be determined by the Board of Directors within thirty (30) years from the day following the date of the stock acquisition rights are allotted.

(vi)Restriction on acquisition of stock acquisition rights by transfer

The acquisition of stock acquisition rights by transfer requires the approval by resolution of the Board of Directors of the Company.

(vii)Other conditions for the exercise of stock acquisition rights

Any Director of the Company who is a holder of stock acquisition rights, in principle, may exercise stock acquisition rights within the Exercisable Period described in above (v) and after the time when such holder ceases to be a Director of the Company. Besides this, other conditions for the exercise of stock acquisition rights shall be determined by the Board of Directors.

(viii)Details described above (i) ~ (vii) and others concerning the stock acquisition rights shall be determined by the Board of Directors when the terms and conditions of offering the stock acquisition rights and other matters are determined.

Guidance Notes on the Exercise of Voting Rights by the Internet

1. Exercise of Voting Rights via the Internet

- (1) In substitution for exercise of voting rights in writing, you may exercise your voting rights via the Internet by accessing the website for exercising voting rights specified by the Company (the following URL). When exercising your voting rights via the Internet, you will be required to enter the “Code for the Exercise of Voting Rights” and the “Password” shown in the Voting Rights Exercise Form. Please follow the directions on the screen.

Please note that you will be prompted to change password when you login following website for the first time, to ensure security.

<http://www.it-soukai.com>

- (2) Please exercise your voting rights via the Internet by 5:10 p.m., June 26, 2017 (Monday).
- (3) Should you exercise your voting rights by completing the Voting Rights Exercise Form and by using the designated electromagnetic method, the vote cast by electromagnetic method shall be deemed to be the valid vote regardless of the time the Voting Rights Exercise Form reaches us. If you exercise your voting rights more than once, the last vote cast shall be the valid vote.
- (4) The “Password” (including the password changed by shareholders) is valid for this general meeting only. Please note that new password will be issued for the next general meeting.
- (5) The costs incurred for the access to the specified website to exercise voting rights shall be borne by the shareholders.

(Attention)

- The password is means to authenticate shareholders. Please note that the Company does not and will not make any inquiries regarding your password.
- The password is locked when you fail to input it correctly more than the predetermined times. When it is locked, please follow the guidance of the screen.

2. For Inquiries with respect to the Exercise of Voting Rights via the Internet (only in Japan)

Stock Transfer Agency Department

Mizuho Trust and Banking Co., Ltd.

Telephone: 0120-768-524 (toll-free, only in Japan)

Operating Hours: 9:00 a.m. to 9:00 p.m. (excluding Saturdays, Sundays and Japanese national holidays)

Reference: Exercise of Voting Rights via the electronic voting platform

Institutional investors may use the electronic voting platform for institutional investors operated by Investor Communications Japan Inc.

- End -