

(Translation)

Securities Code: 8377

June 4, 2012

Dear Shareholders:

Shigeo Takagi  
President & CEO  
Hokuhoku Financial Group, Inc.  
1-2-26 Tsutsumicho-dori, Toyama-city, Toyama

### **Convocation Notice of the 9th Ordinary General Meeting of Shareholders**

This is to inform you that the 9th 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.) after careful examination of the Reference Documents for the General Meeting of Shareholders contained herein. Please indicate your approval or disapproval of the proposals on the Voting Rights Exercise Form enclosed herewith or vote by electromagnetic method for exercise of voting rights designated by the Company after reading instruction in Page 13 and 14 of this notice, so as to ensure that such vote reaches us by 5:10 p.m., Monday June 25, 2012.

\* For voting via the Internet, please access website (<http://www.it-soukai.com/>) designated by the Company.

- 1. Date and time:** June 26, 2012 (Tuesday) at 10:00 a.m.
- 2. Place:** 2<sup>nd</sup> floor Conference Hall  
Hotel Polestar Sapporo  
Kita 4-jo Nishi 6-chome Chuo-ku Sapporo-city Hokkaido

The 9<sup>th</sup> Ordinary General Meeting of Shareholders is to be held in Sapporo-city, so please note that the venue of the meeting is different from that of the last year.

### **3. Agenda:**

#### **Matters to be reported:**

9th business year (April 1, 2011 through March 31, 2012) Business Report, Consolidated Financial Statements, Non-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: Election of Eight (8) Directors  
Proposal 3: Election of one (1) Corporate Auditor as a substitute  
Proposal 4: Effectuating a Lump-Sum Payment of Retirement Benefits to Directors and Corporate Auditors due to the Abolition of the Executive Retirement Benefit Program  
Proposal 5: Revision of Remunerations for Directors and Corporate Auditors  
Proposal 6: Determination of amount of remuneration regarding Stock Acquisition Rights Granted as Stock Options to Directors and Details of the rights

#### **4. Exercise of Voting Rights**

- (1) No indication on the voting form of your approval or disapproval for any proposal shall be treated as an indication of approval.
- (2) 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.
- (3) 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 to the receptionist.
- (4) If you attend the meeting, please present the enclosed Voting Rights Exercise Form to the reception desk.
- (5) If any revisions are made to Reference Documents for the 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/>).
- (6) The reception desk is open at 9:00A.M.

<p>This is a partial translation of the original Japanese “Convocation Notice of the 9th 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>
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### 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 year-end dividend per common share as below, considering for the business results of this year, enhancement of financial foundation, future business development and accumulation of internal surplus.

(1) Type of dividend property: Cash

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

	(Dividend per share)	(Dividend amount)
Common shares	¥3.75	¥5,210,813,677
1st series Type 5 Preferred shares	¥7.50	¥805,734,675
<u>Total</u>		<u>¥6,016,548,352</u>

(Notes) There were no interim dividends for common shares in the end of 2<sup>nd</sup> quarter. Interim and year-end dividends for 1st series Type 5 Preferred shares are JPY 7.5 per share respectively, as specified in advance.

(3) Date on which dividends from surplus shall be effective: June 27, 2012

## Proposal 2: Election of Eight (8) Directors

In order to fill the vacant offices of all eight (8) Directors, whose terms of office will expire upon the conclusion of this Ordinary General Meeting of Shareholders, we ask for the election of eight (8) Directors.

The candidates for Directors 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>Shigeo Takagi (April 2, 1948)</p> <p>April 1971      Joined The Hokuriku Bank, Ltd. June 1996      Head of Planning Division, Secretary Office and Accounting Office of the said bank June 1998      Director and Head of Planning Division, Secretary Office and Accounting Office of the said bank January 2000    Director and Head of Planning Division and Secretary Office of the said bank June 2002      President of the said bank (present position) September 2003    President and CEO of the Company (present position) April 2009      Representative Manager of Toyama Association of Corporate Executives (present position)</p> <p>(Important concurrent positions of other organizations) President and Representative Director of The Hokuriku Bank, Ltd. Representative Manager of Toyama Association of Corporate Executives</p>	Common shares 106,000 shares
2	<p>Yoshihiro Sekihachi (May 26, 1955)</p> <p>April 1979      Joined The Hokkaido Bank, Ltd. July 1999      Manager and Head of Management Planning Group of the said bank June 2001      Director and Executive Officer of the said bank June 2002      Representative Director and Executive Officer of the said bank June 2003      President of the said bank (present position) September 2004    Deputy President of the Company (present position)</p> <p>(Important concurrent position of another organization) President and Representative Director of The Hokkaido Bank, Ltd.</p>	Common shares 47,200 shares
3	<p>Satoshi Kawai (October 26, 1948)</p> <p>April 1971      Joined The Hokuriku Bank, Ltd. June 1996      Head of Branch Division of the said bank June 1998      Director and Head of Branch Division and Sales Promotional Planning Office of the said bank June 1999      Director and General Manager of Head Office Business Division of the said bank June 2002      Senior Managing Director of the said bank September 2003    Representative Director of the Company June 2004      Deputy President and Representative Director of the said bank (present position) September 2004    Director of the Company Part-time Director of the Hokkaido Bank, Ltd. (present position) June 2009      Director of the Company (Sub-charge of Audit Group) (present position)</p> <p>(Important concurrent position of another organization) Deputy President and Representative Director of The Hokuriku Bank, Ltd.</p>	Common shares 87,000 shares

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>Masahiro Sasahara (February 21,1957)</p> <p>April 1979      Joined The Hokkaido Bank, Ltd.</p> <p>June 2001      General Manager of Tsukisamu Branch of the said bank</p> <p>July 2002      Manager and head of Sales Promotion Planning Group of the said bank</p> <p>May 2003      Executive Officer of the said bank</p> <p>June 2003      Director and Executive Officer of the said bank</p> <p>June 2005      Director and Managing Executive Officer of the said bank (Head of Sales Promotion Section)</p> <p>October 2005   Director and Managing Executive Officer of the said bank (Head of Sales Promotion Section and Corporate Sales Division)</p> <p>June 2006      Director and Managing Executive Officer of the said bank (Head of Sales Promotion Section)</p> <p>June 2010      Deputy President and Representative Director of the said bank (present position)</p> <p>Director of the Company (present position)</p> <p>(Important concurrent position of another organization)</p> <p>Deputy President and Representative Director of The Hokkaido Bank, Ltd.</p>	Common shares 20,600 shares
5	<p>Taminori Iwasaki (February 17,1949)</p> <p>April 1971      Joined The Hokuriku Bank, Ltd.</p> <p>June 1998      Head of First Loan Division of the said bank</p> <p>June 2001      Executive Manager and General Manager of Fukui Branch of the said bank</p> <p>April 2003      Executive Officer and General Manager of Fukui Branch of the said bank</p> <p>June 2003      Managing Executive Officer, Head of Fukui Regional Business Division and General Manager of Fukui Branch of the said bank</p> <p>September 2003   Managing Executive Officer and Head of Fukui Regional Business Division of the said bank</p> <p>April 2004      Managing Executive Officer and Head of Fukui Regional Business Division and Meihan Regional Business Division of the said bank</p> <p>June 2006      Director, Managing Executive Officer, Head of Fukui Regional Business Division and Deputy Head of Meihan Regional Business Division of the said bank</p> <p>June 2007      Director, Managing Executive Officer and Head of Fukui Regional Business Division of the said bank</p> <p>April 2009      Director, Managing Executive Officer and Deputy Head of Fukui Regional Business Division of the said bank</p> <p>June 2009      Director and Senior Managing Executive Officer of the said bank (present position)</p> <p>Director of the Company (present position)</p> <p>(Important concurrent position of another organization)</p> <p>Director and Senior Managing Executive Officer of The Hokuriku Bank, Ltd.</p>	Common shares 36,000 shares

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>Tetsuya Kitani (November 11,1956)</p> <table border="1"> <tr> <td>April 1979</td> <td>Joined The Hokkaido Bank, Ltd.</td> </tr> <tr> <td>April 1998</td> <td>General Manager of Tottori Branch of the said bank</td> </tr> <tr> <td>April 2000</td> <td>Manager of Risk Management Group of the said bank</td> </tr> <tr> <td>June 2001</td> <td>General Manager of Kita-Nijuyojo Branch of the said bank</td> </tr> <tr> <td>April 2003</td> <td>Deputy General Manager of Head office Business Division of the said bank</td> </tr> <tr> <td>June 2005</td> <td>General Manager of Sapporo-ekimae Branch of the said bank</td> </tr> <tr> <td>June 2008</td> <td>Executive Officer of the said bank (Head of loan section and loan division)</td> </tr> <tr> <td>June 2009</td> <td>Managing Executive Officer of the said bank (Head of loan section and loan division)</td> </tr> <tr> <td>June 2010</td> <td>Director of the Company (In charge of Risk Management and Audit Groups) (present position) Part-time Director of the Hokuriku Bank, Ltd. (present position)</td> </tr> </table>	April 1979	Joined The Hokkaido Bank, Ltd.	April 1998	General Manager of Tottori Branch of the said bank	April 2000	Manager of Risk Management Group of the said bank	June 2001	General Manager of Kita-Nijuyojo Branch of the said bank	April 2003	Deputy General Manager of Head office Business Division of the said bank	June 2005	General Manager of Sapporo-ekimae Branch of the said bank	June 2008	Executive Officer of the said bank (Head of loan section and loan division)	June 2009	Managing Executive Officer of the said bank (Head of loan section and loan division)	June 2010	Director of the Company (In charge of Risk Management and Audit Groups) (present position) Part-time Director of the Hokuriku Bank, Ltd. (present position)	Common shares 14,000 shares
April 1979	Joined The Hokkaido Bank, Ltd.																			
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April 2000	Manager of Risk Management Group of the said bank																			
June 2001	General Manager of Kita-Nijuyojo Branch of the said bank																			
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7	<p>Eishin Ihori (August 20,1956)</p> <table border="1"> <tr> <td>April 1979</td> <td>Joined The Hokuriku Bank, Ltd.</td> </tr> <tr> <td>June 2004</td> <td>Deputy General Manager of Planning Division of the said bank</td> </tr> <tr> <td>September 2004</td> <td>Deputy General Manager of Planning Division of the said bank (Transferred to and in charge of the Company)</td> </tr> <tr> <td>June 2005</td> <td>General Manager of Planning Division of the said bank (Transferred to and in charge of the Company)</td> </tr> <tr> <td>June 2009</td> <td>Director and Executive Officer of the said bank Director of the Company (In charge of Planning and Administration Groups) (present position)</td> </tr> <tr> <td>June 2010</td> <td>Managing Executive Officer of the said bank (Important concurrent position of another organization) Managing Executive Officer of The Hokuriku Bank, Ltd. President and Representative Director of Hokugin Software Co., Ltd.</td> </tr> </table>	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) (present position)	June 2010	Managing Executive Officer of the said bank (Important concurrent position of another organization) Managing Executive Officer of The Hokuriku Bank, Ltd. President and Representative Director of Hokugin Software Co., Ltd.	Common shares 45,000 shares						
April 1979	Joined The Hokuriku Bank, Ltd.																			
June 2004	Deputy General Manager of Planning Division of the said bank																			
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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
8	Yuji Oshima (October 25,1929) October 1954      Joined Yasuda Life Insurance Company July 1979          Director and Head of Sales Promotion Division of the said company February 1983    Managing Director and Head of Sales Promotion Division of the said company April 1983        Managing Director and Head of Osaka Business Headquarter of the said company April 1986        Managing Director and Head of Asset Investment Headquarter of the said company April 1988        Representative Senior Managing Director and Head of Asset Investment Headquarter of the said company April 1989        Representative Senior Managing Director and Head of Sales Headquarter of the said company April 1990        Representative Senior Managing Director and Head of Sales General Headquarter of the said company April 1991        Representative Director, Deputy President and Head of Sales General Headquarter of the said company April 1993        Representative Director and President of the said company April 1999        Representative Director and Chairman of the said company January 2004     The said company renamed Meiji Yasuda Life Insurance Company after merger Became Counselor of the said company September 2004   (Part-time) Director of the Company (present position) December 2005   Special Advisor of the said company(present position) (Important concurrent position of another organization) Special Advisor of Meiji Yasuda Life Insurance Company	Common shares 26,000 shares

(Notes)

1. No special interests exist between any of the candidates and the Company.
2. Descriptions on a candidate for an Outside Director
  - (1)Mr. Yuji Oshima is a candidate for an Outside Director of the Company Law and an Independent Director of the rules prescribed by Tokyo Stock Exchange and Sapporo Securities Exchange. If re-elected, the Company shall continue to appoint him as an Independent Director.
  - (2) The reason for appointment of the candidate for an Outside Director is as follows:  
 Mr. Yuji Oshima, who had long held position as a president of Yasuda Life Insurance Company (currently Meiji Yasuda Life Insurance Company), is expected to contribute to the Company in supervision and check of other directors by his accumulated management experience and discernment as an expert for management of a financial institution.  
 Although Mr. Yuji Oshima is concurrently in office as a Special Advisor of Meiji Yasuda Insurance Company which offers insurance for directors to the Company, he is considered to work adequately as a Outside Director and Independent Director of the Company, because the traded amount is not so large as to influence his performance as a result of relationship between him and his insurance company.
  - (3) Mr. Yuji Oshima has been an Outside Director of the Company since September 1, 2004, and his terms of office will be 7 years and 10 months as of the conclusion of this General Meeting of Shareholders.
  - (4)The Company has executed an agreement on limitation of responsibilities with Mr. Yuji Oshima to effect that the Company ensure that an Outside Director shall assume the liability for damages with limits of minimum amount prescribed in Article 425, Paragraph 1 of the Company Law, as long as acting in good faith and without gross negligence in performing in his duties. If re-elected as an Outside Director at this meeting, the Company shall continue the said agreement.

### Proposal 3: Election of one (1) Corporate Auditor as a substitute

Because Mr. Takashi Hirase offered to resign a Substitute Corporate Auditor upon the conclusion of this Ordinary General Meeting of Shareholders, we request to elect in advance a Corporate Auditor as a substitute, in order to facilitate the effective audit operation. The Substitute formally assumes a Corporate Auditor when the company lacks the number of auditors prescribed by the Articles of Incorporation. The term of office of the newly assumed Corporate Auditor shall expire at the time of expiration of the term of office of the retired predecessor. The resolution of this proposal shall expire at the beginning of the Ordinary General Meeting of Shareholders held in respect of the last business term ending four (4) years after this election.

This resolution can be cancelled by the decision of Board of Directors and consent from the Board of Corporate Auditors, only when the substitute doesn't assume a Corporate Auditor.

The Board of Corporate Auditors has approved this proposal in advance.

The candidate for a Corporate Auditor as a substitute is as follows.

Name (Date of birth) Career Summary (Titles in the Company and subsidiary banks and concurrent positions of other organizations)		Type and Number of Shares of the Company held
Masaru Nanbu (September 27,1955)		Common shares 19,002 shares
April 1979	Joined The Hokuriku Bank, Ltd.	
June 2004	Deputy General Manager of Third Loan Division and Head of Tokyo Administrative Office of the said bank	
June 2005	Deputy General Manager of Second Loan Division of the said bank	
January 2007	Head of Second Loan Division of the said bank (present position)	

( Note )

1. No special interests exist between the candidate and the Company.

#### **Proposal 4: Effectuating a Lump-Sum Payment of Retirement Benefits to Directors and Corporate Auditors due to the Abolition of the Executive Retirement Benefit Program**

We resolved, at a meeting of its Board of Directors held on May 11, 2012, to revise the executive remuneration system and, as of the conclusion of this Ordinary General Meeting of Shareholders, to abolish the current retirement benefit program for Directors and Corporate Auditors.

As a result of this resolution, we propose to effectuate to the eight (8) Directors (including one (1) outside Director) who will be reelected subject to approval of Proposal 2, namely Shigeo Takagi, Yoshihiro Sekihachi, Satoshi Kawai, Masahiro Sasahara, Taminori Iwasaki, Tetsuya Kitani, Eishin Ihori and Yuji Oshima, and four (4) Corporate Auditors currently in office, namely Koichi Sugawa, Yoshihiro Minami, Norikiyo Hayashi and Yozo Maeizumi, a lump-sum payment of retirement benefits calculated based on standards prescribed by the Company so as to reward them for their contribution up to the conclusion of this Ordinary General Meeting of Shareholders, with the approval of the shareholders.

The lump-sum retirement benefit payment shall be effectuated upon the retirement of each individual Director and Corporate Auditor, respectively, and the determination of the specific amounts and payment method shall be entrusted to the consultation of the Board of Directors, with respect to the Directors, and of the Corporate Auditors, with respect to the Corporate Auditors.

Brief profiles of the Directors and Corporate Auditors to receive a lump-sum retirement benefit payment are provided below.

Name	Brief Personal Profile	
Shigeo Takagi	September 2003	Representative Director, President and CEO of the Company (present position)
Yoshihiro Sekihachi	September 2004	Representative Director and Deputy President of the Company (present position)
Satoshi Kawai	September 2003 September 2004	Representative Director of the Company Director of the Company (present position)
Masahiro Sasahara	June 2010	Director of the Company (present position)
Taminori Iwasaki	June 2009	Director of the Company (present position)
Tetsuya Kitani	June 2010	Director of the Company (present position)
Eishin Ihori	June 2009	Director of the Company (present position)
Yuji Oshima	September 2004	Outside Director of the Company (present position)
Koichi Sugawa	June 2011	Corporate Auditor of the Company (present position)
Yoshihiro Minami	September 2003	Corporate Auditor of the Company (present position)
Norikiyo Hayashi	September 2003	Corporate Auditor of the Company (present position)
Yozo Maeizumi	June 2011	Corporate Auditor of the Company (present position)

(Note)

Subsidiary banks concurrently propose to effectuate a Lump-Sum Payment of Retirement Benefits to Directors and Corporate Auditors due to the Abolition of the Executive Retirement Benefit Program

## **Proposal 5: Revision of Remunerations for Directors and Corporate Auditors**

Concerning the remuneration for Directors and Corporate Auditors of the Company, the maximum of ¥20 million of monthly aggregate remuneration for Directors and the maximum of ¥4 million of monthly aggregate remuneration for Corporate Auditors were approved at the 1<sup>st</sup> Ordinary General Meeting of Shareholders held on June 29, 2004, and both have been valid until now.

In consideration of changes in economic conditions occurred subsequent to the above mentioned Ordinary General Meetings of Shareholders and other factors such as abolition of the Executive Retirement Benefit Program, we propose that the maximum of monthly remuneration for Directors be changed to yearly basis and that the maximum of monthly remuneration for Corporate Auditors be changed to yearly basis and be increased.

The Company request to revise the maximum remuneration including bonuses for Directors to ¥240 million per year and the remuneration for Corporate Auditors to the maximum of ¥75 million per year.

The amount of remunerations for Directors mentioned above conventionally does not include the salaries of employees serving concurrently as executives.

There are currently eight (8) Directors (with one Outside Director) and four (4) Corporate Auditors and the numbers will be unchanged if Proposal 2 is approved in original version.

## **Proposal 6: Determination of amount of remuneration regarding Stock Acquisition Rights Granted as Stock Options to Directors and details of the rights**

While we resolved to abolish the retirement benefit program for Directors, we propose, as an alternative to such retirement benefit program, to make available allotments of stock acquisition rights to Directors (excluding Outside Directors) of the Company for the purpose of allowing them to further strengthen the Directors' motivation and morale with respect to enhancing business results. The amount and details of the rights are described below.

If Proposal 5 is approved in original version, the remuneration for Directors would be the maximum ¥240 million per year. (This amount does not conventionally include the salaries of employees serving concurrently as executives.) The remuneration of Stock Acquisition Rights for Directors is proposed to establish as a separate category from the annual amount mentioned above.

The stock acquisition rights are "stock compensation-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. The amount of remuneration in the form of stock acquisition rights was adequately determined after comprehensive consideration of the factors such as the degree of contribution of each Director of the Company.

(1) The Company proposes to establish the remunerations for Directors (excluding Outside Directors) relating to stock acquisition rights, details of which are set forth in (2) below, in an amount not to exceed ¥35 million per year. This amount does not conventionally include the salaries of employees serving concurrently as executives.

In addition, in lieu of the payment based on the amount to be paid described in (2)(ii) upon the allotment of stock acquisition rights as stock options, the payment is deemed to be made by offsetting such payment with the Directors' claim for remuneration based on the stock options (stock acquisition rights) pursuant to this proposal.

There are currently seven (7) Directors (excluding Outside Directors) and the numbers will be unchanged if Proposal 2 is approved in original version.

(2) Details of the stock acquisition rights granted as stock options

(i) Total number of stock acquisition rights

The maximum number of stock acquisition rights to be issued within one (1) year from the date of each Ordinary General Meeting of Shareholders corresponding to each business term shall be 4,500 rights.

(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 an amount determined by the Board of Directors of the Company based on the fair value of such stock acquisition right, which shall be calculated in accordance with a fair calculation method, such as the Black-Scholes model, upon allotment of such stock acquisition right.

(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 each stock acquisition right (number of underlying shares) shall be 100 shares.

However, subsequent to the date this proposal is resolved (resolution date), the Company

shall adjust within a reasonable scope the number of underlying shares in the event the common shares of the Company is split (including gratis stock allotments of common shares) or merged or in the event the adjustment of the number of underlying shares is deemed appropriate.

(iv) Value of assets contributed upon the exercise of stock acquisition rights

The value of the 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 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 of the Company 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 approval by resolution of the Board of Directors of the Company.

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

Any Director (excluding Outside Directors) of the Company who is a holder of stock acquisition rights, in principle, may exercise such stock acquisition rights within the Exercisable Period described in above (v) and on or 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 of the Company when the terms and conditions of offering the stock acquisition rights and other matters are determined.

## **Guidance Notes on the Exercise of the Voting Rights by electromagnetic method**

This is to introduce the procedure to exercise voting rights of shareholders of the Company by electromagnetic method (using the Internet, etc.).

### **1. Exercise of Voting Rights via the Internet**

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”. Exercise your voting rights by following the directions on the screen. Your voting rights are to be exercised by no later than 5:10 p.m. on Monday, June 25, 2012.

#### (1) Notes

- A. You will not be able to access the website for exercise of voting rights between 3:00 a.m. and 5:00 a.m. during the exercise period.
- B. When no operation is exercised more than 30 minutes, security program in the platform will work and make the login void. Be careful when using for a long time.
- C. It is highly recommended that password be periodically renewed for security.
- D. Capital letters (ABC) and small letters (abc) are differently recognized in the website.
- E. The cost of Internet access (access fees to providers, telecommunications fees, etc.) will be borne by the shareholders.

#### (2) System Requirements

##### A. Personal Computer

Windows® computer (Cellular phone, PDAs and game machines etc. are not supported.)

##### B. Browser

Microsoft® Internet Explorer 5.5 or higher

Change the settings in Internet Explorer as follows in case of inconveniences.

- Use of SSL3.0: Enable
- Use of Cookie: Enable
- Use of Active Script: Enable

##### C. Internet Environment

It is a requirement that you have Internet access such as through a contract with an Internet service provider.

##### D. Monitor Resolution

1024×768 pixels or higher is recommended.

\* Microsoft and Windows are registered trademarks or trademarks of Microsoft Corporation in the United States and other countries.

#### (3) Security

You may exercise your voting rights safely due to the encryption technology (SSL128bit) used to protect your voting information from tampering and interception.

In addition, the code for the exercise of voting rights and the password described in the voting form are very important to authenticate shareholders, so please ensure that you do not disclose them to other people. Please note that the Company does not and will not make any inquiries regarding your password.

#### (4) For Inquiries with respect to the Exercise of Voting Rights via the Internet

Please contact:

Internet Help Dial

Stock Transfer Agency Department

Mizuho Trust and Banking Co., Ltd.

Telephone: 0120-768-524 (toll-free number)

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

## **2. Exercise of Voting Rights using the electronic voting platform**

The electronic voting platform for institutional investors operated by Investor Communications Japan Inc., which was established by the Tokyo Stock Exchange, Inc., etc., is available as electromagnetic method for custodian banks and any other nominal shareholders (including standing proxies) that have applied to use such platform in advance.

Please refer to instructions on the screen after log-in to the platform with regard to environment for Exercise of Voting Rights such as acceptable period.

The cost of Internet access (access fees to providers, telecommunications fees, etc.) for using this platform will be borne by the shareholders.