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[Translation]

(Stock Exchange Code 7327)

May 31, 2023

(Date of commencement of electronic provision measures: May 17, 2023)

To Shareholders with Voting Rights:

Michiro Ueguri
President and Representative Director
Daishi Hokuetsu Financial Group, Inc.
1071-1 Higashiborimae-dori 7-bancho, Chuo-ku,
Niigata, Niigata, Japan

**NOTICE OF CONVOCATION OF
THE 5TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are hereby notified that the 5th Annual General Meeting of Shareholders of Daishi Hokuetsu Financial Group, Inc. (the “Company”) will be held for the purposes described below.

When convening this general meeting of shareholders, the Company has taken measures for electronically providing information and has posted the matters subject to the electronic provision measures on the websites of the Company and the Tokyo Stock Exchange on the Internet. You are kindly requested to access the following websites to view the information.

[The Company website]	https://www.dhfg.co.jp/english/ Please access the website above, and then click on “Shareholders’ Meeting” to find the information.
[The Tokyo Stock Exchange website] (Listed Company Search)	https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show Please access the website above, and then enter the Company’s name or stock exchange code (7327), and click on “Search,” “Basic information,” and “Documents for public inspection/PR information” in this order to find the information.

If you are unable to attend the meeting, you can exercise your voting rights in advance via the Internet, etc. or in writing. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights **by 5:20 p.m. on Monday, June 26, 2023, Japan time.**

- 1. Date and Time:** Tuesday, June 27, 2023, at 10 a.m. Japan time
(The reception begins at 9 a.m.)
- 2. Place:** Daishi Hokuetsu Hall on the second floor of Daishi Hokuetsu Bank, Ltd.'s head office located at 1071-1, Higashiborimae-dori, 7-bancho, Chuo-ku, Niigata, Japan
(Please refer to the "Location of General Meeting of Shareholders" attached at the end of this document (Japanese version only).)
- 3. Agenda:**
- Matters to be reported:** The Business Report, and the Consolidated Financial Statements and Non-consolidated Financial Statements for the Company's 5th Fiscal Year (April 1, 2022–March 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
- Proposals to be resolved:**
- Proposal 1:** Election of Eight (8) Directors Not Serving as Audit & Supervisory Committee Members
- Proposal 2:** Election of Two (2) Directors Serving as Audit & Supervisory Committee Members

4. Instructions for the Exercise of Voting Rights

- (1) Methods for the exercise of voting rights
You can exercise your voting rights by three methods: attending the meeting in person, using the Internet, etc., and mailing the Voting Rights Exercise Form.
- (2) Handling of duplicate votes
If you have exercised your voting rights both by the Voting Rights Exercise Form and via the Internet, etc., the vote exercised via the Internet shall be deemed effective.
If you have exercised your voting rights more than once via the Internet, etc., only the last vote shall be deemed effective.
- (3) Handling of diverse exercise
If you wish to make a diverse exercise of your voting rights, please notify the Company of your intention of making a diverse exercise of your voting rights and the reasons thereof by three (3) days prior to the General Meeting of Shareholders.
- (4) Exercise of voting rights by proxy
If you are unable to attend the meeting, you may exercise your voting rights by proxy. Such proxy must be a shareholder of the Company who holds voting rights and will be required to submit a document certifying the authority as proxy.

End

[Note on the Delivery of Paper-based Materials for the General Meeting of Shareholders]

In response to the system for providing materials for the general meeting of shareholders in electronic format that came into effect in September 2022 as a result of the amendment to the Companies Act, the Company has announced that starting from this General Meeting of Shareholders, materials for the General Meeting of Shareholders will be posted on the Company website and a “simple convocation notice” will be sent to shareholders who have not made a request for delivery of documents (“request for delivery for documents”).

However, in consideration of the fact that there have been some “requests for delivery of documents” after the “deadline for requests for delivery of documents (March 31, 2023)” for this General Meeting of Shareholders and this is the first year of the commencement of the electronic provision system, for this General Meeting of Shareholders, we have sent all the shareholders the documents to be delivered to shareholders who have made a “request for delivery of documents.”

For the next Annual General Meeting of Shareholders and beyond, the Company will make a decision on the content of materials for the General Meeting of Shareholders to be delivered, while comprehensively taking into consideration the reduction of global environmental burden by saving paper resources, and other factors.

- Among the matters subject to the electronic provision measures, the following matters will not be provided in the paper copy to shareholders who made a request for delivery of documents in accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company. Accordingly, the paper copy to be delivered to shareholders who made a request for delivery of documents constitutes only part of the documents audited by the Audit & Supervisory Committee and the Accounting Auditor in preparation of audit reports.
 - (i) “Matters concerning Share Acquisition Rights, etc.,” “Corporate Structure to Ensure Appropriate Business Operations,” “Matters concerning Specified Wholly-Owned Subsidiaries,” and “Matters concerning Dealings with Parent Company, etc.” in the Business Report
 - (ii) Consolidated Statement of Shareholders’ Equity and Notes to the Consolidated Financial Statements
 - (iii) Non-consolidated Statement of Shareholders’ Equity and Notes to the Non-consolidated Financial Statements
- Should any amendments be made to the matters subject to the electronic provision measures, the Company will post the notice to that effect with matters before and after the amendment on the Company website (<https://www.dhfg.co.jp/english/>) and the Tokyo Stock Exchange website (Listed Company Search; <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>).

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Documents

Proposal 1: Election of Eight (8) Directors Not Serving as Audit & Supervisory Committee Members

The term of office of all of the eight (8) current Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same applies within this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect eight (8) Directors.

The Company has established the Nomination and Remuneration Committee to ensure the opportunity to receive appropriate involvement and advice from Outside Directors on important matters such as the election and dismissal of Directors, and thereby reinforce fairness, transparency, and objectivity (the Committee is an advisory body to the Board of Directors composed of eight (8) members: five (5) Outside Directors and three (3) Representative Directors). The appointment of the candidates for Director was decided based on the deliberations and findings of this Committee.

This proposal was discussed by the Audit & Supervisory Committee, and there were no special matters to note.

The candidates for Director are as follows:

No.	Name	Current position in the Company	Attendance at Meetings of the Board of Directors (5th term)
1	Fujio Namiki	Renomination Chairman and Representative Director	11/12 (91%)
2	Michiro Ueguri	Renomination President and Representative Director	12/12 (100%)
3	Makoto Takahashi	Renomination Director	12/12 (100%)
4	Ken Shibata	Renomination Director	12/12 (100%)
5	Takayoshi Tanaka	Renomination Director	12/12 (100%)
6	Toshiyuki Maki	Renomination Director	12/12 (100%)
7	Takashi Ishizaka	New nomination Deputy General Manager, Regional Revitalization Headquarters	—
8	Tadanori Miyakoshi	New nomination —	—

Note: The newly nominated candidates No. 7 to 8 are both Executive Officers of Daishi Hokuetsu Bank, Ltd.

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
2	<p>Michiro Ueguri (December 24, 1962) (Age: 60*)</p> <p><u>Renomination</u></p>	<p>April 1986 Joined The Daishi Bank, Ltd.</p> <p>April 2008 General Manager, Kashiwazaki Minami Office</p> <p>June 2009 Acting General Manager, Planning Coordination Division</p> <p>June 2012 General Manager, Planning Coordination Division</p> <p>June 2015 General Manager, Tokyo Office, and Chief Representative, Tokyo Representative Office</p> <p>June 2016 Executive Officer, General Manager, Tokyo Office, and Chief Representative, Tokyo Representative Office</p> <p>April 2017 Executive Officer and General Manager, Group Strategy Planning Division</p> <p>June 2017 Director, Executive Officer and General Manager, Group Strategy Planning Division</p> <p>June 2018 Managing Director in charge of Planning Coordination Division/Tokyo Representative Office</p> <p>October 2018 Director in charge of Corporate Planning Division, the Company</p> <p>June 2019 Managing Director in charge of Planning Coordination Division/Tokyo Representative Office/General Affairs Division/Human Resources Division, The Daishi Bank, Ltd.</p> <p>June 2020 Director in charge of Systems Administration Management Division and Business Planning Division, the Company</p> <p> Managing Director, General Manager, Operation Headquarters, in charge of Administration Management Division/System Planning Division/Operation Centralization Division/Operation Support Division, The Daishi Bank, Ltd.</p> <p>January 2021 Director in charge of Business Planning Division, the Company</p> <p> Managing Director, General Manager, Business Headquarters, Daishi Hokuetsu Bank, Ltd.</p> <p>April 2021 President and Representative Director, Chairman of Board of Directors, Supervision, the Company (current position)</p> <p> President and Director, Chairman of Board of Directors in charge of Supervision/Secretariat Division, Daishi Hokuetsu Bank, Ltd. (current position)</p>	4,500
Years in service as Director: 4 years and 9 months*			
<p>[Reason for nomination as Director]</p> <p>Since he assumed the office of Director of The Daishi Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) in June 2017, Mr. Michiro Ueguri has supervised the divisions of management planning, general affairs, human resources, administration and sales, thereby accumulating considerable experience and broad knowledge. He has served as Director of the Company since its establishment in October 2018, and was appointed President and Representative Director of the Company and President and Director of Daishi Hokuetsu Bank, Ltd. in April 2021. He has adequately fulfilled his duties and responsibilities, and he has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.</p>			
<p>[Significant concurrent positions]</p> <p>President and CEO, Daishi Hokuetsu Bank, Ltd.</p> <p>Outside Director, HOKURIKU GAS CO., LTD.</p> <p>*Effective on June 22, 2023, Mr. Michiro Ueguri plans to assume the office of Outside Director of Broadcasting System of Niigata Inc. (to be renamed to BSN Media Holdings, Inc. effective on June 1, 2023).</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
3	Makoto Takahashi (February 23, 1962) (Age: 61*) <u>Renomination</u>	April 1985 Joined The Hokuetsu Bank, Ltd. July 2008 Senior Manager, General Planning Division July 2009 General Manager, Gosen Branch June 2011 Deputy General Manager and Business Promotion Manager, Business Supervision Division July 2012 Senior Manager, Loan Division June 2013 General Manager, Loan Division June 2015 General Manager, Business Supervision Division June 2017 Director, General Manager, General Planning Division June 2018 Managing Director, General Manager, General Planning Division, Supervision of affiliates October 2018 Director in charge of Consolidation Promotion Division, the Company April 2019 Managing Director in charge of General Planning Division/Consolidation Promotion Division, Supervision of affiliates, The Hokuetsu Bank, Ltd. January 2021 Director in charge of Consolidation Promotion Division/Systems Operation Administration Division, the Company Managing Director, General Manager, Operation Headquarters, in charge of Operation Administration Division /System Planning Division/Operation Centralization Division/Operation Support Division, Daishi Hokuetsu Bank, Ltd. April 2021 Director in charge of Regional Revitalization Division /Systems Operation Administration Division Managing Director, General Manager, Operation Headquarters, in charge of Administration Management Division/System Planning Division/Operation Centralization Division/Operation Support Division/Business Headquarters, Daishi Hokuetsu Bank, Ltd. June 2021 Director in charge of General Affairs Division /Systems Operation Administration Division, the Company (current position) Managing Director, General Manager, Operation Headquarters, in charge of Administration Management Division/System Planning Division/Operation Centralization Division/Operation Support Division/General Affairs Division, Daishi Hokuetsu Bank, Ltd. (current position)	5,050
Years in service as Director: 4 years and 9 months*			
[Reason for nomination as Director] Since he assumed the office of Director of The Hokuetsu Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) in June 2017, Mr. Makoto Takahashi has supervised the divisions of management planning and consolidation promotion, thereby accumulating considerable experience and broad knowledge. Since the establishment of the Company in October 2018, he has served as Director, and as Managing Director of Daishi Hokuetsu Bank, Ltd. since January 2021, and has adequately fulfilled his duties and responsibilities. He has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.			
[Significant concurrent position] Managing Director, Daishi Hokuetsu Bank, Ltd.			

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
4	Ken Shibata (January 19, 1967) (Age: 56*) [Renomination]	<p>April 1989 Joined The Daishi Bank, Ltd.</p> <p>February 2011 General Manager, Tsubame Minami Office</p> <p>June 2012 Acting General Manager, Planning Coordination Division</p> <p>June 2015 General Manager, Planning Coordination Division</p> <p>June 2018 Director and Executive Officer, General Manager, Planning Coordination Division</p> <p>October 2018 General Manager, Business Planning Division, the Company</p> <p>June 2020 Director, General Manager, Corporate Planning Division, in charge of Risk Management Division, the Company</p> <p> Managing Director, General Manager, Planning Coordination Division, in charge of Tokyo Representative Office/Risk Control Division, The Daishi Bank, Ltd.</p> <p>January 2021 Director in charge of Corporate Planning Division/Risk Management Division, the Company</p> <p> Managing Director in charge of Planning Coordination Division/Tokyo Representative Office/Risk Supervision Division, Daishi Hokuetsu Bank, Ltd.</p> <p>April 2021 Director in charge of Corporate Planning Division/Group Strategy Promotion Division, the Company</p> <p> Managing Director in charge of Planning Coordination Division/Tokyo Representative Office, Daishi Hokuetsu Bank, Ltd.</p> <p>June 2021 Director in charge of Corporate Planning Division/Group Strategy Promotion Division and Treasury and Capital Markets Division, the Company (current position)</p> <p> Managing Director in charge of Planning Coordination Division/Tokyo Representative Office and Treasury and Capital Markets Division, Daishi Hokuetsu Bank, Ltd. (current position)</p>	3,200
Years in service as Director: 3 years*			
[Reason for nomination as Director] Mr. Ken Shibata assumed the office of Director of The Daishi Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) in June 2018 and has supervised the divisions of corporate planning, risk management, securities operation, thereby accumulating considerable experience and broad knowledge. He has served as Director of the Company and Managing Director of Daishi Hokuetsu Bank, Ltd. since June 2020. He has adequately fulfilled his duties and responsibilities, and he has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.			
[Significant concurrent position] Managing Director, Daishi Hokuetsu Bank, Ltd.			

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
5	Takayoshi Tanaka (June 15, 1963) (Age: 60*) <u>Renomination</u>	<p>April 1987 Joined The Daishi Bank, Ltd.</p> <p>February 2009 General Manager, Nagaoka Shiyakushomae Office</p> <p>February 2011 General Manager, Gosen Office</p> <p>June 2013 General Manager, Tokamachi Office</p> <p>June 2015 General Manager, Human Resources Division</p> <p>June 2017 Executive Officer, General Manager, Human Resources Division</p> <p>October 2018 General Manager in charge of Personnel Planning Division, the Company</p> <p>June 2019 Director and Executive Officer, General Manager, Human Resources Division, The Daishi Bank, Ltd.</p> <p>June 2020 Managing Director, General Manager, Head Office Business Division, and Manager, Niigata Airport Sub-office, in charge of Personnel Division, The Daishi Bank, Ltd.</p> <p>January 2021 Senior Managing Executive Officer, General Manager, Head Office Business Division and Manager, Niigata Airport Sub-office, Daishi Hokuetsu Bank, Ltd.</p> <p>June 2021 Director, the Company (current position) Managing Director, General Manager, Head Office Business Division, and Manager, Niigata Airport Sub- office, Daishi Hokuetsu Bank, Ltd.</p> <p>July 2021 Managing Director, General Manager, Head Office Business Division and Niigata Branch, and Manager, Niigata Airport Sub-office, Daishi Hokuetsu Bank, Ltd. (current position)</p>	5,026
Years in service as Director: 2 years*			
[Reason for nomination as Director] Mr. Takayoshi Tanaka assumed the office of Director of The Daishi Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) in June 2019 and has supervised the Personnel Division, thereby accumulating considerable experience and broad knowledge. He served as Senior Managing Executive Officer, General Manager, Head Office Business Division of Daishi Hokuetsu Bank, Ltd. from January 2021 and as Director of the Company and Managing Director and General Manager of the Head Office Business Division of the said bank since June 2021. He has adequately fulfilled his duties and responsibilities, and he has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.			
[Significant concurrent position] Managing Director, Daishi Hokuetsu Bank, Ltd.			

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
6	Toshiyuki Maki (December 19, 1966) (Age: 56*) <u>Renomination</u>	<p>April 1990 Joined The Daishi Bank, Ltd.</p> <p>April 2013 Deputy General Manager, Corporate Sales Support Division</p> <p>June 2014 Deputy General Manager, Loan Examination Division</p> <p>June 2015 General Manager, Kameda Office</p> <p>June 2017 General Manager, Sanjo Office and General Manager, Sanjo Higashi Office</p> <p>June 2018 Executive Officer and General Manager, Consulting Promotion Division</p> <p>October 2018 General Manager, Business Planning Division, the Company</p> <p>June 2019 Director, Executive Officer and General Manager, Consulting Promotion Division, The Daishi Bank, Ltd.</p> <p>June 2019 Director, Executive Officer and General Manager, Business Headquarters</p> <p>June 2020 Managing Director, General Manager, Business and Regional Revitalization Headquarters</p> <p>January 2021 Senior Managing Executive Officer and General Manager, Business and Regional Revitalization Headquarters, Daishi Hokuetsu Bank, Ltd.</p> <p>April 2021 General Manager, Regional Revitalization Division, the Company</p> <p>June 2021 Director, General Manager, Regional Revitalization Headquarters and Regional Revitalization Division (current position) Managing Director and General Manager, Business Headquarters, in charge of Consulting Division and Business Development and Planning Division, Daishi Hokuetsu Bank, Ltd. (current position)</p>	900
Years in service as Director: 2 years*			
[Reason for nomination as Director] Mr. Toshiyuki Maki assumed the office of Director of The Daishi Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.) in June 2019 and supervised the division of business promotion, thereby accumulating considerable experience and broad knowledge. He has served as Senior Managing Executive Officer and General Manager, Business Headquarters of Daishi Hokuetsu Bank, Ltd. from January 2021, and as Director and General Manager of the Regional Revitalization Headquarters of the Company, and Managing Director and General Manager, Business Headquarters of the said bank since June 2021. He has adequately fulfilled his duties and responsibilities, and he has therefore been nominated as Director in the judgment that he will continue to be able to contribute to the management of our Group.			
[Significant concurrent position] Managing Director, Daishi Hokuetsu Bank, Ltd.			

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
7	Takashi Ishizaka (January 22, 1964) (Age 59*) New nomination	<p>April 1986 Joined The Hokuetsu Bank, Ltd.</p> <p>October 2007 General Manager, Yoshida Branch</p> <p>June 2009 General Manager, Ichinokido Branch</p> <p>April 2011 Deputy General Manager, Business Supervision Division</p> <p>April 2014 General Manager, Niitsu Branch</p> <p>April 2015 Senior Manager, Loan Division</p> <p>June 2016 General Manager, Consulting Business Division</p> <p>April 2017 General Manager, Solution Business Division</p> <p>October 2018 General Manager in charge of Business Planning Division, the Company</p> <p>April 2019 General Manager, Business Supervision Division, The Hokuetsu Bank, Ltd.</p> <p>June 2019 Executive Officer, General Manager, Business Supervision Division</p> <p>January 2021 Executive Officer, Deputy General Manager, Business Headquarters, Daishi Hokuetsu Bank, Ltd.</p> <p>June 2021 Deputy General Manager, Regional Revitalization Headquarters, General Manager in charge of Regional Revitalization Division, the Company (current position)</p> <p>Executive Officer, Deputy General Manager, Business Headquarters, and General Manager, Business Development and Planning Division, Daishi Hokuetsu Bank, Ltd. (current position)</p>	1,500
[Reason for nomination as Director] After serving as General Manager at multiple branches of The Hokuetsu Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.), Mr. Takashi Ishizaka assumed the office of General Manager of Solution Business Division, and Executive Officer and General Manager of Business Supervision Division, thereby accumulating considerable experience and broad knowledge in the sales divisions. He served as Executive Officer and Deputy General Manager of Business Headquarters, Daishi Hokuetsu Bank, Ltd. from January 2021 and has served as Deputy General Manager of Regional Revitalization Headquarters of the Company since June 2021. He has adequately fulfilled his duties and responsibilities, and he has therefore been nominated as Director in the judgment that he will be able to contribute to the management of our Group.			
[Significant concurrent position] Executive Officer, Deputy General Manager, Business Headquarters, and General Manager, Business Development and Planning Division, Daishi Hokuetsu Bank, Ltd.			

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
8	Tadanori Miyakoshi (February 12, 1962) (Age 61*) <u>New nomination</u>	<p>April 1984 Joined The Hokuetsu Bank, Ltd.</p> <p>April 2008 Deputy General Manager, Market and Capital Division</p> <p>June 2009 Deputy General Manager, Head Office Business Division</p> <p>April 2010 General Manager, Raikoji Branch</p> <p>October 2011 General Manager, Shirone Branch</p> <p>April 2014 General Manager, Market and Capital Division</p> <p>June 2017 General Manager, Niigata Ekimae Branch</p> <p>April 2019 General Manager, Market and Capital Division</p> <p>April 2019 General Manager in charge of Corporate Planning Division, the Company</p> <p>June 2019 Executive Officer, General Manager, Market and Capital Division, The Hokuetsu Bank, Ltd.</p> <p>January 2021 Executive Officer, Daishi Hokuetsu Bank, Ltd.</p> <p>June 2021 Executive Officer, General Manager, Tokyo Branch</p> <p>September 2021 Executive Officer, General Manager, Tokyo Branch and Tokyo Chuo Branch (current position)</p>	750
<p>[Reason for nomination as Director] After serving as General Manager at multiple branches of The Hokuetsu Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.), Mr. Tadanori Miyakoshi served as Executive Officer and General Manager of Market and Capital Division, thereby accumulating considerable experience and broad knowledge in the securities management divisions. He has served as Executive Officer of Daishi Hokuetsu Bank, Ltd. from January 2021 and as Executive Officer and General Manager of Tokyo Branch of the said bank since June 2021. He has adequately fulfilled his duties and responsibilities, and he has therefore been nominated as Director in the judgment that he will be able to contribute to the management of our Group.</p>			
<p>[Significant concurrent position] Executive Officer, General Manager, Tokyo Branch and Tokyo Chuo Branch</p>			

* The age and the number of years in service as Director for the renominated candidates and the age of newly nominated candidates are at the closing of this General Meeting Shareholders.

- Notes: 1. There is no special interest between each candidate for Director and the Company.
2. The Company has concluded a directors and officers liability insurance contract based on Article 430, Paragraph 3, Item 1 of the Companies Act with an insurance company to cover legal damages and litigation expenses in the event that a claim for damages is made against the insured parties. The insured parties under the insurance contract are Directors of the Company, Directors and Executive Officers of the Company's subsidiary bank. The insurance premiums are fully paid by the Company and its subsidiary bank, in proportion to their respective number of insured parties. If this proposal is approved and passed without alternation, then all candidates for the position of Director will be insured under the contract. The Company intends to renew the directors and officers liability insurance contract under the same terms when it comes due for renewal.

Proposal 2: Election of Two (2) Directors Serving as Audit & Supervisory Committee Members

Of the six (6) current Directors serving as Audit & Supervisory Committee Members, Mr. Yutaka Kimura will resign at the conclusion of this Annual General Meeting of Shareholders and the term of office of Mr. Kunio Mori will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes to elect two (2) Directors serving as Audit & Supervisory Committee Members.

The Company has established the Nomination and Remuneration Committee to ensure the opportunity to receive appropriate involvement and advice from Outside Directors on important matters such as the election and dismissal of Directors, and thereby reinforce fairness, transparency, and objectivity (the Committee is an advisory body to the Board of Directors composed of eight (8) members: five (5) Outside Directors and three (3) Representative Directors). The appointment of the candidates for Director was decided based on the deliberations and findings of this Committee.

This proposal has been approved by the Audit & Supervisory Committee.

If Proposal 1 “Election of Eight (8) Directors Not Serving as Audit & Supervisory Committee Members” and this proposal are both approved and passed without alteration, then there will be five (5) independent directors based on the regulations of the Tokyo Stock Exchange Inc., and more than one third of the Company’s directors will be independent directors.

The candidate for Director serving as Audit & Supervisory Committee Member is as follows:

No.	Name		Current position in the Company	Attendance at Meetings of the Board of Directors (5th term)
1	Takayoshi Konomura	New nomination	—	—
2	Kunio Mori	Renomination	Director (Audit & Supervisory Committee Member) (Outside Director)	12/12 (100%)

Note: The newly nominated candidate No. 1 is a Director (Audit & Supervisory Committee Member) of Daishi Hokuetsu Bank, Ltd.

Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
Takayoshi Konomura (November 10, 1962) (Age: 60*) <div style="border: 1px solid black; padding: 2px;">New nomination</div>	April 1985 Joined The Daishi Bank, Ltd. June 2009 General Manager, Ryutsu Center Office February 2011 Deputy General Manager, Loan Examination Division February 2014 General Manager, Credit Supervision Division June 2015 General Manager, Loan Examination Division June 2017 General Manager, Audit and Inspection Division October 2018 General Manager, Audit and Inspection Division, the Company June 2020 Director (Audit and Supervisory Committee Member), The Daishi Bank, Ltd. January 2021 Director (Audit and Supervisory Committee Member), Daishi Hokuetsu Bank, Ltd. (current position)	1,900
<p>[Reason for nomination as Director and summary of expected roles] Mr. Takayoshi Konomura served as General Manager of an office and divisions of Credit Supervision, Loan Examination, and Audit and Inspection of The Daishi Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.), thereby accumulating considerable experience and broad knowledge in the divisions of risk management, and credit and loans. He served as General Manager of Audit and Inspection Division of the Company from October 2018 and as Director servicing as Audit and Supervisory Committee Member of The Daishi Bank, Ltd. from June 2020, and has served as Director serving as Audit and Supervisory Committee Member of Daishi Hokuetsu Bank, Ltd. since January 2021. He has adequately fulfilled his duties and responsibilities, and he has therefore been nominated as Director serving as Audit & Supervisory Committee Member in the judgment that he will be able to contribute to the enhancement of the effectiveness of our Group's auditing function as well as decision-making and supervisory functions of its Board of Directors.</p>		
<p>[Significant concurrent position] None *Mr. Takayoshi Konomura plans to resign as Director (Audit and Supervisory Committee Member) of Daishi Hokuetsu Bank, Ltd. on June 20, 2023.</p>		

Name (Date of birth)	Past experience, positions and responsibilities		Number of shares of the Company held
Kunio Mori (March 26, 1949) (Age: 74*) <u>Renomination</u> <u>Independent</u>	April 1971	Joined the Niigata Prefectural Government Office	200
	April 2005	General Manager, General Affairs Division, Niigata Prefecture	
	April 2008	Deputy Governor, Niigata Prefecture	
	April 2016	Director, Niigata Industrial Creation Organization	
	June 2018	Deputy Representative Director, The Economic Research Institute for Northeast Asia	
	June 2020	Outside Director, Bourbon Corporation (current position)	
	June 2021	Outside Director (Audit and Supervisory Committee Member), the Company (current position)	
Years in service as Director: 2 years*			
2	[Reason for nomination as Outside Director and summary of expected roles] Mr. Kunio Mori has served as Outside Director serving as Audit and Supervisory Committee Member of the Company since June 2021 and has adequately fulfilled his duties and responsibilities by utilizing his extensive experience and broad knowledge from his involvement in regional administration, including eight years as Deputy Governor of Niigata Prefecture. He has therefore been nominated as Outside Director in the judgment that he will continue to be able to contribute to the enhancement of the effectiveness of our Group's auditing function as well as decision-making and supervisory functions of its Board of Directors. Although he has never been directly involved in corporate management other than as an outside officer, Mr. Kunio Mori has been judged capable of adequately fulfilling his duties as Outside Director for the reasons above.		
	[Significant concurrent positions] Outside Director, Bourbon Corporation		
	[Note on independence] Mr. Kunio Mori satisfies the "Independence Criteria" (please see Reference 1 on Page 17) prescribed by the Company. Mr. Kunio Mori served as Deputy Governor of Niigata Prefecture, but he retired in March 2016. The Group companies have normal transactions as well as transactions as designated financial institutions with Niigata Prefecture, but the transactional amount for fiscal 2022 between Niigata Prefecture and the Group companies accounts for less than 1% of the consolidated gross profits of the Company. Therefore, his independence is not affected.		

* The age and the number of years in service as Director for the renominated candidate and the age of newly nominated candidate are at the closing of this General Meeting Shareholders.

- Notes:
1. There is no special interest between each candidate for Director serving as Audit & Supervisory Committee Member and the Company.
 2. Mr. Kunio Mori is a candidate for Outside Director.
 3. The Company has entered into a limited liability agreement pursuant to Article 423, Paragraph 1 of the Companies Act with Mr. Kunio Mori. The maximum amount of liability in accordance with said agreement shall be the minimum amount of liability stipulated in Article 425, Paragraph 1 of said Act. If the renomination of the candidate is approved and passed, the Company plans to continue the above limited liability agreement with him.
 4. The Company has concluded a directors and officers liability insurance contract based on Article 430, Paragraph 3, Item 1 of the Companies Act with an insurance company to cover legal damages and litigation expenses in the event that a claim for damages is made against the insured parties.
The insured parties under the insurance contract are Directors of the Company, Directors and Executive Officers of the Company's subsidiary bank. The insurance premiums are fully paid by the Company and its subsidiary bank, in proportion to their respective number of insured parties. If this proposal is approved and passed without alteration, then each of the candidates for Director serving as Audit & Supervisory Committee Member will be insured under the contract.
The Company intends to renew the directors and officers liability insurance contract under the same terms when it comes due for renewal.

5. The Company has designated Mr. Kunio Mori as an independent director in accordance with the regulations of the Tokyo Stock Exchange Inc., and notified the exchange to that effect. If his renomination is approved and passed, the Company plans to continue to designate him as independent director.

End

Reference 1

In addition to fulfilling the independence criteria established by the Tokyo Stock Exchange Inc. on the appointment of outside directors, the candidates must also satisfy the following “independence criteria.”

Independence Criteria

As a general rule, candidates for outside directors must not currently or recently^{*1} qualify in any of the following requirements listed below.

- (1) Major^{*2} customers of the Group or the executive officer of such customers;
- (2) Business operators whose major^{*2} customer is the Group, or the executive officer of such business operators;
- (3) Those who are either consultants, financial experts or legal experts who receive large monetary sums^{*3} or other assets from the Group other than a director’s compensation (where the entity in receipt of such assets are legal entities or any other associations, those who are affiliated to such entities are also included);
- (4) Those who are in receipt of large sums^{*3} of donations from the Group or is the executive officer of such entities;
- (5) Major shareholder^{*4} of the Group or executive officer of such shareholders; and
- (6) Relatives^{*6} of the following (excluding those who are considered to be not important^{*5})
 - A. Those who qualify under (1) to (5) above;
 - B. A director of the Group who is not an executive officer or an executive officer of a subsidiary.

Definitions:

- *1 “recent” means a situation that can substantially mean current where, for instance, it would apply in the event of approving the resolutions at the Annual General Meeting of Shareholders where a new outside director was appointed.
- *2 “major” means recording more than 1% of the consolidated net proceeds (in the case of the Group, consolidated gross profits) of the most recent fiscal year.
- *3 “large sums” means more than 10 million yen per year for the average of the previous three years.
- *4 “major shareholders” means a shareholding equity of more than 10%.
- *5 “those who are considered to be not important” means those who do not hold positions as directors or general managers of a company, and for individuals whose affiliations are with accounting or law firms, those individuals who are not qualified as accountants or lawyers.
- *6 “relatives” mean an individual’s spouse and relatives within a second degree of kinship.

Reference 2

- The Company has identified thirteen (13) items as knowledge, experience and ability the Board of Directors need to be equipped with, consisting of nine (9) items common to ordinary corporations and four (4) items special to the Company as a regional financial group.

	Knowledge, experience and ability to be equipped with
Common to ordinary corporations	(1) Corporate management, (2) Management strategy and sustainability, (3) Risk management, (4) HR management, (5) Sales, (6) Management theory, (7) Finance and accounting, (8) Legal affairs and (9) IT systems
Special to a regional financial group	(10) Corporate audit, (11) Market operations, (12) System administration and (13) Regional administration

- The fields in which the internal candidates for Director have experience, and the fields in which Outside Directors (including candidates) are particularly expected to contribute, are shown below. The Board of Directors as a whole has secured necessary skills for the Company to practice management theory and realize the Medium-Term Management plan.

Name	Fields in which the internal candidates for Director have experience (as a corporate officer or general manager)						
	(2)	(3)	(4)	(5)	(10)	(11)	(12)
	Management strategy and sustainability	Risk management	HR management	Sales	Corporate audit	Market operations	System administration
Directors not serving as Audit & Supervisory Committee Members							
Fujio Namiki [Renomination]	●	●		●	●		
Michiro Ueguri [Renomination]	●		●	●			●
Makoto Takahashi [Renomination]	●			●	●		●
Ken Shibata [Renomination]	●	●				●	
Takayoshi Tanaka [Renomination]			●				
Toshiyuki Maki [Renomination]				●			
Takashi Ishizaka [New Nomination]				●			
Tadanori Miyakoshi [New Nomination]						●	
Directors serving as Audit & Supervisory Committee Members							
Takayoshi Konomura [New Nomination]		●			●		
Toshizo Oda [Outside]							
Kazuaki Matsumoto [Outside]							
Kunio Mori [Renomination] [Outside]							
Tadashi Shirai [Outside]							
Hiroyuki Kikuchi [Outside]							

Name	Fields in which the Company's Outside Directors (including candidates) are particularly expected to contribute					
	(1)	(6)	(7)	(8)	(9)	(13)
	Corporate management	Management theory	Finance and accounting	Legal affairs	IT systems	Regional administration
Directors serving as Audit & Supervisory Committee Members						
Takayoshi Konomura [New Nomination]						
Toshizo Oda [Outside]	●					
Kazuaki Matsumoto [Outside]		●				
Kunio Mori [Renomination] [Outside]						●
Tadashi Shirai [Outside]			●		●	
Hiroyuki Kikuchi [Outside]				●		

- Notes: 1. [Outside] indicates an Outside Director who fulfills the independence criteria established by the Tokyo Stock Exchange Inc.
2. The table above does not represent all of the expertise possessed by the Company's Outside Directors.
3. Mr. Toshizo Oda, Mr. Kazuaki Matsumoto, Mr. Tadashi Shirai and Mr. Hiroyuki Kikuchi are incumbent Directors serving as Audit & Supervisory Committee Members.