

Securities Code: 8350

June 1, 2021

To our shareholders:

Takayuki Fujisawa

President

THE MICHINOKU BANK, LTD.

1-3-1, Katta, Aomori City, Aomori, Japan

Notice of the 49th Annual General Meeting of Shareholders

We are pleased to announce the 49th Annual General Meeting of Shareholders of THE MICHINOKU BANK, LTD. (the “Bank”), which will be held as indicated below.

When you exercise your voting rights in writing or through electronic means (via the Internet), please review the attached Reference Documents for General Meeting of Shareholders, and exercise your voting rights by 5:00 p.m. on Tuesday, June 22, 2021 (JST).

There are concerns about the spread of infections with the novel coronavirus (COVID-19). In order to prevent the spread of infections, the Bank requests that shareholders consider exercising their voting rights in writing (by postal mail) or via the Internet and refrain from attending on the day of the General Meeting of Shareholders. Shall there be any major change in the way the General Meeting of Shareholders will be run, shareholders will be informed via the Bank’s website (URL: <https://www.michinokubank.co.jp/>).

1. Date and Time: Wednesday, June 23, 2021, at 10:00 a.m. (JST)

2. Venue: 8th floor Large Conference Room, THE MICHINOKU BANK, LTD. Head Office
1-3-1, Katta, Aomori City, Aomori, Japan

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and Non-consolidated Financial Statements for the 49th fiscal year (from April 1, 2020 to March 31, 2021)
2. The Consolidated Financial Statements for the 49th fiscal year (from April 1, 2020 to March 31, 2021) and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Committee

Matters to be resolved:

Proposal No. 1 Appropriation of Surplus

Proposal No. 2 Election of Five Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

Proposal No. 3 Revision of the Performance-Linked Share-Based Remuneration Plan for Directors (Excluding Directors Who are Audit & Supervisory Committee Members)

Information on Exercise of Voting Rights

You may exercise your voting rights by the following three methods.

Attending the General Meeting of Shareholders

Please present the enclosed voting form at the reception desk upon your arrival. In addition, please bring this notice as reference materials for the proceedings.

Date and time: Wednesday, June 23, 2021, at 10:00 a.m. (JST)

Exercising voting rights in writing (by mail)

Please indicate your approval or disapproval of each proposal in the enclosed voting form and return the form to the Bank by postal mail so that your vote is received by the deadline.

Deadline: Tuesday, June 22, 2021 at 5:00 p.m. (JST)

Exercising voting rights via the Internet

Deadline: Tuesday, June 22, 2021 at 5:00 p.m. (JST)

<Handling of multiple exercises>

If you exercise your voting rights both in writing and via the Internet, the vote exercised via the Internet will be deemed valid. If you exercise your voting rights more than once via the Internet, only the last vote will be deemed valid.

Among the documents to be provided to this Notice, the items below are posted on the Bank's Internet website pursuant to laws and regulations, as well as Article 20 of the Articles of Incorporation; therefore, they are not included in this Notice. Therefore, the Non-consolidated Financial Statements and Consolidated Financial Statements included in the attached documents of this Notice were among the documents audited when the Financial Auditor and Audit & Supervisory Committee created the accounting audit report and audit report.

- 1) Notes to the Non-consolidated Financial Statements
- 2) Notes to the Consolidated Financial Statements

In case there are any required changes to the Reference Documents for General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements or Consolidated Financial Statements, these revisions will be posted on the Bank's website.

MICHINOKU BANK website: <https://www.michinokubank.co.jp/>

Proposals and Reference Materials

Proposal No. 1 Appropriation of Surplus

The Bank proposes to appropriate surplus as follows:

Year-end dividends

The Bank has given consideration to the continuation of stable dividends payments and the business performance of the fiscal year, and it proposes to pay year-end dividends for the fiscal year as follows:

- (1) Type of dividend property
To be paid in cash.
- (2) Allotment of dividend property, and the aggregate amount thereof
The Bank proposes to pay a dividend of ¥20 per common share and ¥27.40 per Class A preferred share.
In this event, the total dividends will be ¥469,487,240.
(Common shares: ¥359,887,240; Class A preferred shares: ¥109,600,000)
Accordingly, the dividend for the fiscal year will be ¥20 per common share, and will be ¥54.80 per Class A preferred share, which includes the interim dividend.
- (3) Effective date of dividends of surplus
The effective date of dividends will be Thursday, June 24, 2021.

Proposal No. 2 Election of Five Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office for five Directors (excluding Directors who are Audit & Supervisory Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this annual general meeting of shareholders. Therefore, the Bank proposes the election of five Directors.

Each candidate for Director is highly versed in bank operations and can utilize his or her knowledge and experience to precisely, fairly, and effectively execute the management of the Bank. The Bank chose the candidates because each one can be expected to strengthen the supervisory and decision-making functions of the Board of Directors.

Furthermore, the Audit & Supervisory Committee has determined that the candidates for Director have been selected through a fair process based on the policies for selection of Directors at the Meeting for Nomination and Remuneration (a majority of the members of this meeting are made up of outside Directors). To ensure the effectiveness of the Board of Directors, each candidate's experience and ability have been carefully examined before determining that each candidate is appropriate for the position of Director of the Bank. The Audit & Supervisory Committee has also determined that the design of remuneration system and the calculation of remuneration amount for Directors are being conducted appropriately.

The candidates for Director are as follows:

Candidate No.	Name		Position and responsibility in the Bank
1	Kunihiro Takada	Reelection	Chairman
2	Takayuki Fujisawa	Reelection	President
3	Tsutomu Inaniwa	Reelection	Representative Director, Senior Executive Officer (Treasury and Securities Division, Credit Division, Systems Management Division)
4	Yumiko Kamada	Reelection Outside Independent officer	Outside Director
5	Kazunari Higuchi	Reelection Outside Independent officer	Outside Director

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank		Type and number of Bank's shares owned
1	Kunihiro Takada (May 18, 1957) Reelection	Apr. 1981	Joined the Bank	Common shares 3,039 shares
		Apr. 1999	General Manager of Koyanagi Branch Office	
		June 2002	General Manager of Katada Branch Office	
		Dec. 2005	General Manager of Management Planning Division	
		Mar. 2006	Executive Officer and General Manager of Management Planning Division	
		June 2006	Director, Executive Officer, and General Manager of Management Planning Division	
		Apr. 2007	Director and Executive Officer	
		Mar. 2008	Director and Managing Executive Officer	
		June 2012	Vice-president	
		June 2013	President	
		June 2018	Chairman (current position)	
<p>Reasons for nomination as candidate for Director</p> <p>Kunihiro Takada had served as President since 2013 and has served as Chairman since 2018, and has properly fulfilled his responsibility and duties. He has thorough knowledge about the overall operations, along with his involvement in management planning, systems, and audit. He has the ability to execute management properly, fairly, and efficiently. The Bank has nominated him as a candidate for Director, as it judges his abilities and experiences can be useful to enhance the decision-making and supervisory functions of the Board of Directors, with the aim of achieving sustainable growth and the enhancement of the corporate value of the Bank.</p>				
2	Takayuki Fujisawa (August 26, 1966) Reelection	Apr. 1990	Joined the Bank	Common shares 2,200 shares
		Apr. 2007	General Manager of Management Planning Division	
		Apr. 2010	General Manager of Furukawa Branch Office	
		Apr. 2012	General Manager of Personnel Division	
		Apr. 2015	Executive Officer, General Manager of Sales Headquarters, and General Manager of Sales Strategy Division	
		June 2016	Managing Executive Officer, General Manager of Sales Headquarters, and General Manager of Sales Strategy Division	
		Apr. 2017	Senior Executive Officer, General Manager of Sales Headquarters	
		June 2018	President (current position)	
<p>Reasons for nomination as candidate for Director</p> <p>Takayuki Fujisawa has demonstrated strong leadership as President in overall operations including sales strategy development and operational improvements since 2018 and properly fulfilled his responsibility and duties. He has thorough knowledge about the overall operations, along with his involvement in management planning, personnel, and sales promotion. He has the ability to execute management properly, fairly, and efficiently. The Bank has nominated him as a candidate for Director, as it judges his abilities and experiences can be useful to enhance the decision-making and supervisory functions of the Board of Directors, with the aim of achieving sustainable growth and the enhancement of the corporate value of the Bank.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank	Type and number of Bank's shares owned
3	Tsutomu Inaniwa (April 10, 1961) Reelection	<p>Apr. 1985 Joined the Bank</p> <p>June 2004 General Manager of Tonyamachi Branch Office</p> <p>Dec. 2005 General Manager of Credit Management Division</p> <p>Mar. 2006 Executive Officer and General Manager of Credit Division</p> <p>Mar. 2007 Executive Officer and General Manager, Head Office</p> <p>Apr. 2010 Managing Executive Officer</p> <p>June 2010 Director and Managing Executive Officer</p> <p>Apr. 2015 Director, Managing Executive Officer, and General Manager of Personnel Division</p> <p>Apr. 2016 Director and Managing Executive Officer</p> <p>June 2016 Managing Executive Officer</p> <p>June 2017 Senior Executive Officer</p> <p>June 2020 Representative Director, Senior Executive Officer (current position)</p> <p>[Areas of responsibility in the Bank]</p> <p>Treasury and Securities Division, Credit Division, Systems Management Division</p>	Common shares 900 shares
<p>Reasons for nomination as candidate for Director</p> <p>Tsutomu Inaniwa has served as Representative Director, Senior Executive Officer since 2020 and properly fulfilled his responsibility and duties. He has thorough knowledge about the overall operations, along with his involvement in management planning, corporate management, personnel and general affairs, credit, and sales promotion. He has the ability to execute management properly, fairly, and efficiently. The Bank has nominated him as a candidate for Director, as it judges his abilities and experiences can be useful to enhance the decision-making and supervisory functions of the Board of Directors, with the aim of achieving sustainable growth and the enhancement of the corporate value of the Bank.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank	Type and number of Bank's shares owned
4	Yumiko Kamada (February 23, 1966) Reelection Outside Independent officer	<p>Apr. 1989 Joined East Japan Railway Company</p> <p>June 2005 President and CEO of JR East Station Retailing Co., Ltd.</p> <p>Nov. 2008 General Manager of Life-style Business Development Headquarters of East Japan Railway Company (Regional Revitalization, Childcare Services)</p> <p>May 2013 Deputy Director of Frontier Service Development Laboratory, Research and Development Center</p> <p>Jan. 2015 Retired from East Japan Railway Company</p> <p>Feb. 2015 Senior Executive Officer of Calbee, Inc.</p> <p>Feb. 2015 Part-time Director of LUMINE Co., LTD. (current position)</p> <p>Mar. 2015 Outside Director of POLA ORBIS HOLDINGS INC.</p> <p>June 2015 Outside Director of the Bank (current position)</p> <p>Dec. 2018 Representative Director of ONE GLOCAL Co., Ltd. (current position)</p> <p>June 2020 Outside Director of Taiyo Holdings Co., Ltd. (current position)</p> <p>[Significant concurrent positions outside the Bank] Representative Director of ONE GLOCAL Co., Ltd. Part-time Director of LUMINE Co., LTD. Outside Director of Taiyo Holdings Co., Ltd.</p>	-
<p>Reason for nomination as candidate for Outside Director and expected role as Outside Director</p> <p>Yumiko Kamada has served as Outside Director of the Bank since 2015 and properly fulfilled her responsibility and duties. She has a wealth of experience and a vast knowledge from working in areas of new business development and corporate management in other industries, and has provided suggestions for the Bank's management from an independent and objective standpoint. The Bank has nominated her as a candidate for outside Director, as it judges she will be able to further strengthen our corporate governance and services, as well as enhance the effectiveness of the Board of Directors' decision-making and supervisory functions, with the aim of achieving sustainable growth and the enhancement of the corporate value of the Bank.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Bank, and significant concurrent positions outside the Bank	Type and number of Bank's shares owned
5	Kazunari Higuchi (January 3, 1957) Reelection Outside Independent officer	<p>Apr. 1980 Joined the Fuji Bank, Limited (current Mizuho Bank, Ltd.)</p> <p>Mar. 2006 General Manager, Kabutocho Corporate Banking and Securities Business Division of Mizuho Corporate Bank, Ltd. (current Mizuho Bank, Ltd.)</p> <p>Apr. 2008 General Manager, Settlement & Clearing Services Division</p> <p>Apr. 2009 Executive Officer, General Manager, Internal Audit Division</p> <p>Apr. 2010 Retired from Mizuho Corporate Bank, Ltd.</p> <p>Apr. 2010 Advisor of Mizuho Research Institute, Ltd.</p> <p>May 2010 Managing Executive Officer</p> <p>Apr. 2011 Retired from Managing Executive Officer</p> <p>May 2011 President and CEO of UC CARD Co., Ltd.</p> <p>May 2011 Director of Qubitous Co., Ltd. (current Credit Saison Co., Ltd.)</p> <p>Mar. 2016 Retired from Director of Qubitous Co., Ltd.</p> <p>Apr. 2016 Advisor of UC CARD Co., Ltd.</p> <p>June 2016 Retired from Advisor of UC CARD Co., Ltd.</p> <p>June 2016 Audit & Supervisory Board Member (full time) of Taiyo Nippon Sanso Corporation</p> <p>June 2020 Retired from Audit & Supervisory Board Member (full time) of Taiyo Nippon Sanso Corporation</p> <p>June 2020 Outside Director of KUREHA CORPORATION (current position)</p> <p>June 2020 Outside Director of the Bank (current position)</p> <p>[Significant concurrent positions outside the Bank]</p> <p>Outside Director of KUREHA CORPORATION</p>	-
<p>Reason for nomination as candidate for Outside Director and expected role as Outside Director</p> <p>Kazunari Higuchi has served as an outside Director since 2020 and properly fulfilled his duties and responsibilities. He has a wealth of professional experience and extensive knowledge on corporate management and financial business experience through working as director of a major bank and President and CEO of a major credit card company, and has provided suggestions for the Bank's management from an independent and objective standpoint. Moreover, he has served as a chair of the Meeting for Nomination and Remuneration, thereby contributing to selection of candidates for directors, etc. The Bank has nominated him as a candidate for outside Director, as it judges he will be able to further strengthen our corporate governance and services, as well as enhance the effectiveness of the Board of Directors' decision-making and supervisory functions, with the aim of achieving sustainable growth and the enhancement of the corporate value of the Bank.</p>			

- Notes:
1. There is no special interest between each candidate for Director and the Bank.
 2. Yumiko Kamada and Kazunari Higuchi are candidates for outside Director.
 3. Yumiko Kamada and Kazunari Higuchi are currently outside Directors of the Bank. At the conclusion of this general meeting, Yumiko Kamada and Kazunari Higuchi's tenure will have been six years and one year, respectively.
 4. Limited liability agreements with candidates for Director
The Bank has signed an agreement with the candidates for outside Director Yumiko Kamada and Kazunari Higuchi to limit their damage liabilities to the Bank. A summary of the details of the agreement is as follows:
 - In cases where outside Directors are liable for any damages arising from his or her negligence to the Bank, they shall compensate for such damages only to the total of the amounts stipulated in each item of Article 425, paragraph 1 of the Companies Act.
 - The limitation of the liability above shall apply only when the outside Director acted in good faith and without gross negligence in performing the duties giving rise to said liabilities.
This agreement will continue to be in effect when the reelections of Yumiko Kamada and Kazunari Higuchi are approved.
 5. The Bank has concluded a directors and officers liability insurance agreement with an insurance company that designates Directors and Executive Officers of the Bank as the insured as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This agreement covers damages in the event that Directors or Executive Officers are held liable for damages or legal

fees arising from the exercise of their duties. However, there are certain exemption, such as damages arising out of any action taken by an insured when they recognize that the said action is violating laws and regulations are not covered. The candidate(s) will be insured under this insurance agreement if they are elected as Directors. In addition, the Company plans to renew this insurance agreement with the same terms and conditions.

6. Candidates for outside Director Yumiko Kamada and Kazunari Higuchi are free of any conflicts of interest with shareholders and thus fulfill the requirements for independent officers as defined by the Tokyo Stock Exchange. If their reelections are approved, the Bank plans to once again designate them as independent officers.

Proposal No. 3 Revision of the Performance-Linked Share-Based Remuneration Plan for Directors (Excluding Directors Who are Audit & Supervisory Committee Members)

1. Reasons for proposal and justification

The Bank has to date been implementing the Board Benefit Trust (BBT), a performance-based share-based remuneration plan (the “Plan”) for Directors (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers (hereafter collectively called the “Directors, etc.”), since its introduction was approved at the 44th Annual General Meeting of Shareholders held on June 23, 2016 (the resolution at this meeting is hereafter called the “Original Resolution”). Following the enactment of the Act for Partial Amendment of the Companies Act (Act No. 70 of 2019) on March 1, 2021, which requires to establish an upper limit of shares to be granted as remuneration for directors, the Bank requests shareholders to again approve the resetting of the upper limit of points to be granted to the applicable Directors, etc. under the Plan.

This proposal, required in response to the legal amendment, aims to clarify the linkage of remuneration for the Directors, etc. with the Bank’s business performance and stock value, and to encourage the Directors, etc. to contribute to enhancing business performance and corporate value in the medium- to long-term by allowing the Directors, etc. and shareholders to share both benefits and risks from stock price fluctuations. The Bank justifies the proposal because it agrees with the Bank’s policy to determine remunerations for individual directors (described in “(2) Remunerations for Directors” in “2. Matters Related to Directors and Executive Officers” on P. 27 of this Notice [Japanese only]).

The Bank again requests shareholders to approve the proposal for the amount and details of remunerations to be supplied to the Directors of the Bank under the Plan, in addition to the remuneration limit for the Directors (excluding Directors who are Audit & Supervisory Committee Members) at ¥145 million annually (or ¥20 million for outside Directors) already approved at the 44th Annual General Meeting of Shareholders held on June 23, 2016. For details of the Plan, the Bank proposes to leave them to the Board of Directors as described in the following 2.

When the proposal No. 2 is resolved as proposed, three directors will be subject to the Plan.

2. Amount and details of remunerations under the Plan

(1) Outline of the Plan

The Plan is a performance-linked share-based remuneration plan under which the Bank’s shares are acquired through a trust using money contributed by the Bank as the financial funds (hereinafter the trust that is established based on the Plan is referred to as the “Trust”), and the Directors, etc. are provided with the Bank’s shares and an amount of money equivalent to the market value of the Bank’s shares (the “Bank’s Shares, etc.”) through the Trust with their positions and achievements in business performance considered in accordance with the Share Delivery Regulations for Officers established by the Board of the Directors. The Directors, etc. will receive the Bank’s Shares, etc. upon their retirement, in principle.

(2) Persons eligible for the Plan

Inside Directors (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers

(3) Trust period

From September 2016 until the termination of the Trust (The date of termination of the Trust shall not be specified. The Trust will continue as long as the Plan is not terminated. The Plan will terminate by the Bank’s delisting or the abolition of the Share Delivery Regulations for Officers, etc.)

(4) Trust amount

The Bank has implemented the Plan that applies to the five fiscal years from the year ended March 31, 2016 to the year ended March 31, 2020 (hereinafter, such five-fiscal-year period is referred to as the “Initial Period,” and the Initial Period and each five consecutive fiscal years following the Initial Period are respectively referred to as “Applicable Period”), as well as each Applicable Period that follows. The Bank contributed ¥1,029 million to the Trust as the financial funds for the purpose of acquiring the Bank’s shares to grant to Directors, etc. who are eligible as beneficiaries with the Bank’s Shares, etc. for the Applicable

Period under the Plan. The Trust acquired the Bank's 5,073,000 shares (before reverse stock split) for the Initial Period using funds contributed by the Bank.

Furthermore, after the expiration of the Initial Period, the Bank will make additional contributions to the Trust, of up to ¥600 million (¥250 million for Directors [excluding directors who are not Audit & Supervisory Committee Members] and ¥350 million for Executive Officers) for each Applicable Period until the termination of the Plan. However, in the case of making such additional contributions, if the Bank's shares (excluding a number of the Bank's Shares that have not yet been provided to the Directors, etc. equivalent to points granted to them for each Applicable Period up to the immediately preceding Applicable Period) and money remain in the Trust (such shares and money are collectively referred to as the "Remaining Shares, etc."), the total amount of the Remaining Shares, etc. (the amount for the Bank's shares shall be the book value on the final day of the immediately preceding Applicable Period) and additionally contributed money shall not exceed the amount approved through this Proposal. When the Bank decides to make additional contributions, it shall make a disclosure in a timely and appropriate manner.

- (5) Acquisition method of the Bank's shares and number of shares to be acquired by the Trust
The Trust shall acquire the Bank's shares through the stock market on which the Bank's shares are listed or by way of subscribing to the disposition of the Bank's treasury shares, using the money contributed in accordance with (4) above as the funds. When the maximum of points to be granted to the Directors, etc. is set at 64,000 per fiscal year as described in (6) below, the maximum of the Bank's shares to be acquired by the Trust for each Applicable Period shall be 320,000 shares.
- (6) Maximum number of Bank's Shares to be granted to Directors, etc.
For each fiscal year, Directors shall be granted the number of points determined with their positions, achievements in business performance and other factors considered in accordance with the Share Delivery Regulations for Officers. The maximum number of the points to be granted to Directors (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers per fiscal year shall be 27,000 and 37,000, respectively. This has been decided after the Bank judged it is appropriate by comprehensively considering the current level of remuneration provided to officers, the trend and outlook in the number of Directors, etc., and other factors.
Each point granted to the Directors, etc. shall be converted into one common share of the Bank at the time of the provision of the Bank's shares, etc. as explained in (7) below (provided, however, in case where the Bank's shares become the subject of a share split, allotment of share without contribution, or consolidation of shares, etc. after this proposal is approved, the maximum number of points and accumulated number of points granted, or the conversion rate shall be adjusted in a reasonable manner in proportion to the relevant ratio, etc.).
The number of shares equal to the maximum of points granted to the Directors, etc. per fiscal year (64,000 shares) shall be around 0.3% of the total number of issued shares (as of March 31, 2021; after deducting treasury shares).
The number of points for Directors, etc. used as the basis for the provision of the Bank's Shares, etc. described in (7) below shall be calculated by multiplying that of the points granted to Directors, etc. by a coefficient defined in accordance with type of retirement (no more than 1), in principle (hereinafter referred to as the "Defined Number of Points" for the points calculated in this manner).
- (7) Provision of the Bank's Shares, etc.
If a Director, etc. retires and fulfills the beneficiary requirements stipulated in the Share Delivery Regulations for Officers, the Director, etc. may receive the Bank's shares from the Trust after their retirement in accordance with the Defined Number of Points as explained in (6) above, in principle, by completion of the prescribed procedures to become a beneficiary.
However, if the relevant Director, etc. fulfills the requirements stipulated in the Share Delivery Regulations for Officers, they will receive monetary provisions equivalent to the market value of the Bank's shares instead of the provision of the shares for a certain percentage of the points in accordance with said Regulations. For this case, the Trust may sell the Company's shares in order to make the monetary provisions.

Moreover, if a Director, etc. who received points but is deemed by the Board of Directors to have caused damage to the Bank by intention or negligence, or to have impaired the Bank's reputation or credibility, they shall not be entitled to receive the monetary provision.

(Ref) Criteria for determining independence of outside Directors

Independent officers must, in principle, currently satisfy or have recently satisfied the following independence criteria in addition to the requirements prescribed by the Financial Services Agency:

- (1) The independent officer is not a person for whom the Bank is a major trading partner nor an executing member of a company for which the Bank is a major trading partner.
- (2) The independent officer is not a person who is a major trading partner of the Bank nor an executing member of a company which is a major trading partner of the Bank.
- (3) The independent officer is not a consultant, accounting specialist, or legal specialist who is paid a substantial amount or other property from the Bank apart from the director's remuneration.
- (4) The independent officer is not a major shareholder of the Bank nor an executing member of a company which is a major shareholder of the Bank.
- (5) The independent officer is not a person who is receiving more than a certain amount of donation or subsidy, nor an executing member of a company which is receiving more than a certain amount of donation or subsidy.
- (6) The independent officer is not a second-degree relative of the following (except those who are not in a significant position).
 - A. A person who is applicable to one of above (1) to (5).
 - B. A person who is a Director, Audit & Supervisory Board Member, Executive Officer, or an important employee of the Bank or its subsidiaries.

(Definition of terms)

- "recently" - Within one year from the date when the proposal for the annual general meeting of shareholders to select the person as an outside Director or outside Audit & Supervisory Board Member is determined.
- "major trading partner" - An entity that received payment accounting for 2% or more of the amount equivalent to its consolidated net sales for the latest fiscal year (annual consolidated ordinary profit for the Bank's case).
- "a substantial amount or other property" - The average over the past three years is ¥10 million or more.
- "major shareholder" - A shareholder with at least 10% of the voting rights.
- "more than a certain amount of donation or subsidy" - The average over the past three years is ¥10 million or 30% of the given party's annual costs, whichever is greater.
- "not in a significant position" - A person with a "significant" position is a Director of a company, General Manager of a division, or equivalent.