

This is a partial translation of the original Japanese “Notice of the 5th Ordinary General Meeting of Shareholders” prepared for the convenience of non-resident shareholders. Should there be any discrepancy between any part of this translation and the original Japanese text, the latter shall prevail.

Securities code: 7186

May 26, 2021

Yasuyoshi Oya  
Representative Director and President  
Concordia Financial Group, Ltd.  
7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo

## NOTICE OF THE 5TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder,

We are pleased to announce the 5th Ordinary General Meeting of Shareholders of Concordia Financial Group, Ltd. (the Company), which will be held as described hereunder.

We have decided to convene the General Meeting of Shareholders while taking appropriate measures to prevent infection of the novel coronavirus disease (COVID-19).

From the perspective of preventing the spread of COVID-19, we strongly recommend that shareholders refrain from attending the venue on the day, regardless of your state of health, and request that you endeavor to exercise your voting rights in advance by mail or via the Internet.

Please review the appended “Reference Material for the General Meeting of Shareholders” and exercise your voting rights by 5:00 p.m. on Monday, June 21, 2021 (JST).

Yours faithfully,

## MEETING AGENDA

- 1. Date and Time:** 10:00 a.m., Tuesday June 22, 2021 (JST)  
(The reception for attendees begins at 9:00 a.m.)
- 2. Venue:** The Bank of Yokohama’s head office, Hamagin Hall “VIA MARE”  
3-1-1, Minatomirai, Nishi-ku, Yokohama, Kanagawa
- 3. Agenda:**
- Matters to be reported* The Business Report, the Consolidated Financial Statements, the Financial Statements and the Audit Report of Accounting Auditors and Audit & Supervisory Board regarding the Consolidated Financial Statements for the 5th Term (April 1, 2020 to March 31, 2021)
- Matters to be resolved*
- Proposal 1: Election of Seven (7) Directors
- Proposal 2: Election of Two (2) Audit & Supervisory Board Members

#### 4. Instructions for the exercise of your voting rights:

- (1) Pursuant to the relevant laws and regulations and the provision of Article 15 of the Articles of Incorporation, followings are posted on our Website and are not attached to the notice.
  - 1) Matters concerning Stock Acquisition Rights
  - 2) Consolidated Statement of Changes in Net Assets and Notes to the Consolidated Financial Statements
  - 3) Non-Consolidated Statement of Changes in Net Assets and Notes to the Financial StatementsConsequently, the documents attached to the original Japanese notice consist of part of the Business Report, the Consolidated Financial Statements and the Financial Statements that were audited by the Audit & Supervisory Board Members and, part of the Consolidated Financial Statements and the Financial Statements that were audited by the Accounting Auditors in preparing their audit reports.
- (2) The Company shall disclose any revisions to the Reference Material for the General Meeting of Shareholders and attached documents through our Website.
- (3) If you exercise your voting rights by proxy, you must delegate a proxy who is a shareholder with voting rights in the Company. Only one proxy per shareholder is permissible.

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- ◎ Please be aware that **non-shareholders of the Company** such as people accompanying shareholders and children **may not attend the General Meeting of Shareholders**.
  - ◎ On the day of the General Meeting of Shareholders, the Company personnel will be dressed “cool-biz” style, or in suits without neckties.
  - ◎ Please be understanding in advance that no gift will be provided for shareholders at the meeting.
  - ◎ The results of the resolutions will be posted on the Company’s website at a later date.

#### < Notice concerning precautions to prevent the spread of COVID-19 >

- Our response may change up until the day of the General Meeting of Shareholders due to the state of the outbreak and any government announcements, etc. Please check the Company’s website for updates.
- We shall be suspending the preparation of the shareholder waiting room and the provision of drinks.
- We may refuse entry to people who are deemed to have a fever, who have the relevant symptoms or who are considered to be in poor health.
- Staff running the meeting will be wearing masks, following confirmation of their physical health, including the measurement of their temperature.
- We request that shareholders in attendance bring and wear a mask.
- To reduce the duration of the meeting, we will omit matters to be reported at the meeting (including the audit reports) as well as detailed explanations of proposals.
- The video we will show on the day of the meeting will be streamed online on the Company website on Tuesday, June 15, 2021 (planned).
- The General Meeting of Shareholders will be available exclusively to shareholders for viewing through a live stream. Afterwards, we plan to post the meeting for viewing on the Company’s website.

The Company’s website	<a href="https://www.concordia-fg.jp/">https://www.concordia-fg.jp/</a> - Japanese only
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The live streaming site	<a href="https://sswp.smartstream.ne.jp/concordia/login">https://sswp.smartstream.ne.jp/concordia/login</a> - Japanese only
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### **Guidance for Exercise of Voting Rights**

Please exercise your voting rights after reviewing the Reference Material for the General Meeting of Shareholders listed on pages 4 to 17. The following three methods are available for exercising your voting rights. However, for this general meeting of shareholders, we strongly recommend that shareholders refrain from attending the venue on the day regardless of your state of health and request that you endeavor to exercise your voting rights in advance by mail or via the Internet.

#### **[Voting via the Internet]**

To vote online, please access the dedicated voting Website (<https://www.e-sokai.jp> - Japanese only).

Exercise due date:

By 5:00 p.m., Monday, June 21, 2021 (JST)

#### **[By submitting Voting Form by postal mail]**

To vote by mail, please indicate your approval or disapproval on the enclosed voting form and return the completed form to us. Also, please use the enclosed privacy sticker to cover your vote.

Exercise due date:

To be received by 5:00 p.m., Monday, June 21, 2021 (JST)

#### **[By attending the General Meeting of Shareholders]**

Please present the enclosed voting form at the reception desk upon your arrival. Also, please be sure to bring this notice to the meeting for use as a meeting agenda.

Date and time of the General Meeting of Shareholders:

10:00 a.m., Tuesday, June 22, 2021 (JST)

Handling of voting rights when they are exercised more than once

- If you exercise your voting rights both by postal mail and via the Internet, the vote via the Internet shall be deemed valid.
- If you exercise your voting rights more than once via the Internet, only the last vote shall be deemed valid.

#### **For Institutional investors**

Provided that an application to use the platform has been submitted beforehand, institutional investors may use the electronic platform for exercising voting rights operated by ICJ, Inc.

## Reference Material for the General Meeting of Shareholders

### Proposal 1: Election of Seven (7) Directors

The term of office of all seven (7) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company requests that shareholders elect seven (7) Directors. The candidates for Director are as follows:

In addition, all of the three candidates for Outside Director satisfy the requirements of the “The Criteria for Independence of Outside Officers” established by the Company.

(Please refer to page 17 for these criteria)

Candidate No.		Name	Gender		Current position and principal duty in the Company
1	[Reelection]	Yasuyoshi Oya	Male		Representative Director and President
2	[Reelection]	Yoshiyuki Oishi	Male		Director
3	[Reelection]	Tadashi Komine	Male		Director
4	[Reelection]	Yoshiaki Suzuki	Male		Director In charge of Corporate Planning Department and ICT Management Department
5	[Reelection]	Mitsuru Akiyoshi	Male	[Outside] [Independent Officer]	Director
6	[Reelection]	Yoshinobu Yamada	Male	[Outside] [Independent Officer]	Director
7	[Reelection]	Mami Yoda	Female	[Outside] [Independent Officer]	Director

Candidate No.	1	Yasuyoshi Oya	[Reelection]
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Date of birth: April 19, 1962 (Age: 59)

Current position and principal duty in the Company: Representative Director and President

Number of Company shares held: Common stocks 44,700

Status of attendance to Board of Directors meeting (FY2020): 14/14 (100%)

Career Summary:

April 1985      Joined The Bank of Yokohama, Ltd.

August 2008    Became General Manager, Operations Planning and Administration Department of The Bank of Yokohama, Ltd.

April 2010      Became General Manager, Risk Management Department of The Bank of Yokohama, Ltd.

May 2011       Became Executive Officer and General Manager, Corporate Planning Department of The Bank of Yokohama, Ltd.

June 2012       Became Director and Executive Officer and General Manager, Corporate Planning Department of The Bank of Yokohama, Ltd.

April 2013       Became Director and Executive Officer and General Manager, Corporate Planning Department of The Bank of Yokohama, Ltd.  
Became Senior Deputy General Manager, Brand Strategy Department of The Bank of Yokohama, Ltd.

April 2014       Became Director and Managing Executive Officer of The Bank of Yokohama, Ltd.  
Became Senior Deputy General Manager, Brand Strategy Department of The Bank of Yokohama, Ltd.

April 2015       Became Representative Director and Managing Executive Officer and General Manager, Business Department Headquarters of The Bank of Yokohama, Ltd.  
Became General Manager, Brand & CSR Strategy Department of The Bank of Yokohama, Ltd.

April 2016       Became Representative Director of the Company  
Became Representative Director and Managing Executive Officer of The Bank of Yokohama, Ltd.

June 2016       Became Director and Executive Officer of The Bank of Yokohama, Ltd.

June 2018       Became Director of the Company  
Became Representative Director and President of The Bank of Yokohama, Ltd. (incumbent)

April 2020       Became Representative Director and President of the Company (incumbent)

■ Reasons for nomination as candidate for Director

Yasuyoshi Oya possesses substantial experience and deep insight relating to the management and control of the Group and the operation of its businesses, including working in such areas as the corporate planning department, risk management department and IT department as an employee of the Group. In addition, he possesses substantial management experience as Representative Director and President of the Company, and Representative Director and President of The Bank of Yokohama, Ltd. We believe that by utilizing this experience and insight, Mr. Oya will be able to execute the management and control of the Group and the operation of its businesses accurately, fairly, and efficiently, in addition to promoting the sustainable growth of the Group and contributing to the enhancement of corporate value over the medium to long term, and have therefore nominated him as a candidate for Director.

■ Important concurrent positions

Representative Director and President of The Bank of Yokohama, Ltd.

Candidate  
No.

2 Yoshiyuki Oishi

[Reelection]

Date of birth: April 12, 1962 (Age: 59)

Current position and principal duty in the Company: Director

Number of Company shares held: Common stocks 67,900

Status of attendance to Board of Directors meeting (since assuming the office of Director): 11/11 (100%)

Career Summary:

April 1985	Joined The Bank of Yokohama, Ltd.
October 2008	Became General Manager, Kamata Branch, and Kamata Area Manager of The Bank of Yokohama, Ltd.
April 2010	Became General Manager, Operations Planning and Administration Department of The Bank of Yokohama, Ltd.
May 2011	Became Senior Deputy General Manager, Business Division Head Office of The Bank of Yokohama, Ltd. Became General Manager, Operations Planning and Administration Department of The Bank of Yokohama, Ltd.
May 2012	Became General Manager, Credit Department of The Bank of Yokohama, Ltd.
April 2013	Became Executive Officer and General Manager, Credit Department of The Bank of Yokohama, Ltd.
April 2014	Became Executive Officer and General Manager, Human Asset Department of The Bank of Yokohama, Ltd.
April 2016	Became Executive Officer of The Bank of Yokohama, Ltd.
June 2016	Became Director and Executive Officer of The Bank of Yokohama, Ltd.
June 2017	Became Director and Managing Executive Officer of The Bank of Yokohama, Ltd.
June 2018	Became Representative Director and Managing Executive Officer of The Bank of Yokohama, Ltd. (Retired from office in November 2019)
December 2019	Became Managing Executive Officer of the Company Became Representative Director and President of The Higashi-Nippon Bank, Ltd. (incumbent)
June 2020	Became Director of the Company (incumbent)

■ Reasons for nomination as candidate for Director

Yoshiyuki Oishi possesses substantial experience and deep insight relating to the management and control of the Group and the operation of its businesses, including working in such areas as the personnel department, credit department and administration department as an employee of the Group. In addition, he possesses substantial management experience as Representative Director of The Bank of Yokohama, Ltd. and Representative Director and President of The Higashi-Nippon Bank, Ltd. We believe that by utilizing this experience and insight, Mr. Oishi will be able to execute the management and control of the Group and the operation of its businesses accurately, fairly, and efficiently, in addition to promoting the sustainable growth of the Group and contributing to the enhancement of corporate value over the medium to long term, and have therefore nominated him as a candidate for Director.

■ Important concurrent positions

Representative Director and President of The Higashi-Nippon Bank, Ltd.

Candidate  
No.

3

Tadashi Komine

[Reelection]

Date of birth: February 20, 1965 (Age: 56)

Current position and principal duty in the Company: Director

Number of Company shares held: Common stocks 29,000

Status of attendance to Board of Directors meeting (since assuming the office of Director): 11/11 (100%)

Career Summary:

April 1988	Joined The Bank of Yokohama, Ltd.
April 2008	Became General Manager of Risk Management Office, Corporate Administration Department of The Bank of Yokohama, Ltd.
April 2009	Became General Manager, Bandoubashi Branch of The Bank of Yokohama, Ltd.
May 2012	Became General Manager, Secretariat of The Bank of Yokohama, Ltd.
April 2015	Became Executive Officer and Senior Deputy General Manager, Business Division Head Office of The Bank of Yokohama, Ltd. Became General Manager, Business Planning Department of The Bank of Yokohama, Ltd.
April 2016	Became Executive Officer and Deputy General Manager, Group Strategy Planning Department of the Company (Retired from office in March 2018) Became Executive Officer and General Manager, Business Planning Department of The Bank of Yokohama, Ltd.
April 2017	Became Executive Officer and General Manager, Corporate Planning Department of The Bank of Yokohama, Ltd.
June 2017	Became Director and Executive Officer and General Manager, Corporate Planning Department of The Bank of Yokohama, Ltd.
April 2018	Became Director and Executive Officer of The Bank of Yokohama, Ltd.
September 2018	Became Managing Executive Officer of the Company
April 2019	Became Director and Managing Executive Officer of The Bank of Yokohama, Ltd.
December 2019	Became Representative Director and Managing Executive Officer of The Bank of Yokohama, Ltd.
June 2020	Became Director of the Company (incumbent)
April 2021	Became Representative Director and Managing Executive Officer of The Bank of Yokohama, Ltd. In charge of Regional Business Planning & Promotion Department, Bankers Association Affairs, and Promotion of SDGs (incumbent)

■ Reasons for nomination as candidate for Director

Tadashi Komine possesses substantial experience and deep insight relating to the management and control of the Group and the operation of its businesses, including working in such areas as the corporate planning department, sales department and risk management department as an employee of the Group. In addition, he possesses substantial management experience as Director of the Company and Representative Director of The Bank of Yokohama, Ltd. We believe that by utilizing this experience and insight, Mr. Komine will be able to execute the management and control of the Group and the operation of its businesses accurately, fairly, and efficiently, in addition to promoting the sustainable growth of the Group and contributing to the enhancement of corporate value over the medium to long term, and have therefore nominated him as a candidate for Director.

■ Important concurrent positions

Representative Director and Managing Executive Officer of The Bank of Yokohama, Ltd.

Candidate  
No.

4

Yoshiaki Suzuki

[Reelection]

Date of birth: January 29, 1966 (Age: 55)

Current position and principal duty in the Company: Director, in charge of Corporate Planning Department and ICT Management Department

Number of Company shares held: Common stocks 20,700

Status of attendance to Board of Directors meeting (since assuming the office of Director): 11/11 (100%)

**Career Summary:**

April 1988      Joined The Bank of Yokohama, Ltd.

November      Became General Manager, Oguchi Branch of The Bank of Yokohama, Ltd.  
2006

April 2010      Became Chief Branch Leader, Business Division Head Office of The Bank of Yokohama, Ltd.

February      Became General Manager, Seya Branch of The Bank of Yokohama, Ltd.  
2013

April 2015      Became General Manager, Ofuna Branch, and Ofuna Area Manager of The Bank of Yokohama, Ltd.

April 2016      Became Executive Officer and General Manager, Yokosuka Branch, and General Manager, Yokosuka Block Business Headquarters of The Bank of Yokohama, Ltd.

April 2018      Became Executive Officer and Deputy General Manager, Group Strategy Planning Department of the Company  
(Retired from office in September 2018)

Became Executive Officer and Senior Deputy General Manager, Business Division Head Office of The Bank of Yokohama, Ltd.

April 2019      Became Executive Officer and General Manager, Business Department Headquarters of The Bank of Yokohama, Ltd.

June 2019      Became Director and Executive Officer and General Manager, Business Department Headquarters of The Bank of Yokohama, Ltd.

June 2020      Became Director of the Company

April 2021      Became Director, in charge of Corporate Planning Department and ICT Management Department of the Company (incumbent)

Became Director and Managing Executive Officer of The Bank of Yokohama, Ltd.  
In charge of Corporate Planning Department, ICT Planning & Promotion Department, and Promotion of Talent Management (incumbent)

■ **Reasons for nomination as candidate for Director**

Yoshiaki Suzuki possesses substantial experience and deep insight relating to the business strategy of the Group and the operation of its businesses, including having served as General Manager of several branches and working in such areas as the business department headquarters as an employee of the Group. In addition, he possesses substantial management experience as Director of the Company and Director of The Bank of Yokohama, Ltd. We believe that by utilizing this experience and insight, Mr. Suzuki will be able to execute the management and control of the Group and the operation of its businesses accurately, fairly, and efficiently, in addition to promoting the sustainable growth of the Group and contributing to the enhancement of corporate value over the medium to long term, and have therefore nominated him as a candidate for Director.

■ **Important concurrent positions**

Director and Managing Executive Officer of The Bank of Yokohama, Ltd.



Candidate  
No.

5

Mitsuru Akiyoshi

[Reelection] [Outside]  
[Independent Officer]

Date of birth: January 9, 1956 (Age: 65)

Current position and principal duty in the Company: Director

Number of Company shares held: Common stocks 1,900

Status of attendance to Board of Directors meeting (FY2020): 14/14 (100%)

Career Summary:

April 1978      Joined Marubeni Corporation

April 2007      Became Executive Officer of Marubeni Corporation

April 2009      Became Managing Executive Officer of Marubeni Corporation

June 2010      Became Managing Executive Officer, Representative Director of Marubeni Corporation

April 2012      Became Senior Managing Executive Officer, Representative Director of Marubeni Corporation

April 2014      Became Senior Executive Vice President, Representative Director of Marubeni Corporation

April 2015      Became Senior Executive Vice President, Representative Director of Marubeni Corporation

Became Chief Executive Officer, Consumer Products Group of Marubeni Corporation

April 2018      Became Senior Consultant, Director of Marubeni Corporation

June 2018      Became Senior Consultant of Marubeni Corporation (Retired from office in March 2019)

April 2019      Became President & CEO of Mizuho Marubeni Leasing Corporation (former MG Leasing Corporation) (incumbent)

June 2019      Became Director of the Company (incumbent)

Became Audit & Supervisory Board Member of INPEX CORPORATION (incumbent)

■ Reasons for nomination as candidate for Outside Director and overview of expected roles

Mitsuru Akiyoshi possesses substantial experience and deep insight as a corporate manager, including having assumed such posts as Senior Executive Vice President, Representative Director of Marubeni Corporation, and Chief Executive Officer of Consumer Products Group, and currently serving as President & CEO of Mizuho Marubeni Leasing Corporation. As an independent Outside Director, he has used such experience and insight to provide valuable opinions and suggestions regarding the Group's management from an objective and specialized perspective. Based on the above, we expect that Mr. Akiyoshi will provide timely, appropriate opinions and advice to Directors and the management team from the perspective of promoting the sustainable growth of the Group and contributing to the enhancement of corporate value over the medium to long term, and have therefore nominated him as a candidate for Outside Director.

■ Important concurrent positions

President & CEO of Mizuho Marubeni Leasing Corporation

Outside Audit & Supervisory Board Member of INPEX CORPORATION

■ Independence of the candidate

Mitsuru Akiyoshi satisfies the standards for independence stipulated by the Company, and the Company has appointed him as an independent officer as provided for by Tokyo Stock Exchange, Inc. and registered him at the aforementioned exchange. He was Senior Consultant and Director of Marubeni Corporation until June 2018, and he has also been serving as President & CEO of Mizuho Marubeni Leasing Corporation. However, the amount of transactions between Marubeni Corporation and the Company and the Group companies in fiscal year 2020 is less than 1% of the Company's consolidated net sales and the Company's consolidated gross operating income. Also, Mizuho Marubeni Leasing Corporation has no business relationships with the Company or the Group companies. Therefore, this has no impact on his independence.

■ Others

Mitsuru Akiyoshi's term of office as Outside Director of the Company will be two (2) years upon the conclusion of this Ordinary General Meeting of Shareholders.

Candidate No.	6	Yoshinobu Yamada	[Reelection] [Outside] [Independent Officer]
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Date of birth: August 5, 1955 (Age: 65)

Current position and principal duty in the Company: Director

Number of Company shares held: 1,000

Status of attendance to Board of Directors meeting (since assuming the office of Director): 11/11 (100%)

Career Summary:

April 1978	Joined The Fuji Bank, Limited (Retired from the company in January 1994)
February 1994	Became Vice President, Tokyo Branch of CS First Boston Securities (Retired from office in February 1995)
March 1995	Became Vice President of Smith New Court Securities
September 1995	Became Managing Director of Merrill Lynch Securities Inc. (Retired from office in July 2008)
September 2008	Representative Partner, Olivant Advisers Ltd. (Retired from office in July 2009)
September 2009	Became Managing Director of Deutsche Securities Inc. (Retired from office in July 2019)
November 2019	Became Senior Advisor of PwC Advisory LLC (Retired from office in April 2020)
June 2020	Became Director of the Company (incumbent)

■ Reasons for nomination as candidate for Outside Director and overview of expected roles

Yoshinobu Yamada possesses deep insight as a financial professional having assumed key posts at securities companies with substantial experience and highly-specialized expertise in analysis of the financial sector primarily as an analyst. As an independent Outside Director, he has used such experience and insight to provide valuable opinions and suggestions regarding the Group's management from an objective and specialized perspective. Based on the above, we expect that Mr. Yamada will provide timely, appropriate opinions and advice to Directors and the management team from the perspective of promoting the sustainable growth of the Group and contributing to the enhancement of corporate value over the medium to long term, and have therefore nominated him again as a candidate for Outside Director. Although he has not participated in corporate management other than by being an outside director or outside audit & supervisory board member in the past, we judge that he is capable of appropriately carrying out his duties as Outside Director for the aforementioned reasons.

■ Important concurrent positions

None

■ Independence of the candidate

Yoshinobu Yamada satisfies the standards for independence stipulated by the Company, and the Company has appointed him as an independent officer as provided for by Tokyo Stock Exchange, Inc. and registered him at the aforementioned exchange.

■ Others

Yoshinobu Yamada's term of office as Outside Director of the Company will be one (1) year upon the conclusion of this Ordinary General Meeting of Shareholders.

Candidate  
No.

7

**Mami Yoda**

(Name on family register: Mami Fukasawa)

[Reelection] [Outside]  
[Independent Officer]

Date of birth: March 29, 1961 (Age: 60)

Current position and principal duty in the Company: Director

Number of Company shares held: 1,600

Status of attendance to Board of Directors meeting (since assuming the office of Director): 11/11 (100%)

**Career Summary:**

January 1986	Joined Credit Suisse, Tokyo Branch (Retired from the company in July 1997)
August 1997	Became Associate Director of S&P International LLC
April 2000	Became Director of S&P International LLC
April 2005	Became Managing Director of S&P International LLC (Retired from office in July 2009)
April 2017	Became Associate Professor, Department of English Language, Culture, and Communication, Faculty of Arts and Sciences of Sagami Women's University (incumbent)
April 2020	Became Associate Professor, Graduate School of Social Entrepreneurship of the Graduate School of Sagami Women's University (incumbent)
June 2020	Became Director of the Company (incumbent)

■ Reasons for nomination as candidate for Outside Director and overview of expected roles

Mami Yoda possesses highly-specialized expertise and deep insight through her many years of involvement in primarily rating and auditing operations concerning corporations and other organizations at S&P International LLC and as a business administration professional in her current posts in teaching at the Sagami Women's University and its Graduate School. As an independent Outside Director, she has used such experience and insight to provide valuable opinions and suggestions regarding the Group's management from an objective and specialized perspective. Based on the above, we expect that Ms. Yoda will provide timely, appropriate opinions and advice to Directors and the management team from the perspective of promoting the sustainable growth of the Group and contributing to the enhancement of corporate value over the medium to long term, and have therefore nominated her again as a candidate for Outside Director. Although she has not participated in corporate management other than by being an outside director or outside audit & supervisory board member in the past, we judge that she is capable of appropriately carrying out her duties as Outside Director for the abovementioned reasons.

■ Important concurrent positions

Associate Professor, Department of English Language, Culture, and Communication, Faculty of Arts and Sciences of Sagami Women's University

Associate Professor, Graduate School of Social Entrepreneurship of the Graduate School of Sagami Women's University

■ Independence of the candidate

Mami Yoda satisfies the standards for independence stipulated by the Company, and the Company has appointed her as an independent officer as provided for by Tokyo Stock Exchange, Inc. and registered her at the aforementioned exchange.

■ Others

Mami Yoda's term of office as Outside Director of the Company will be one (1) year upon the conclusion of this Ordinary General Meeting of Shareholders.

- (Notes)
1. There are no special interests between the candidates for Director and the Company.
  2. Regarding the execution of limited liability agreements

The Company has concluded an agreement with each candidate for Outside Director, Mitsuru Akiyoshi, Yoshinobu Yamada, and Mami Yoda, to limit the liability for damages as provided for in Paragraph 1, Article 423 of the Companies Act to be the minimum liability amount as provided for in Paragraph 1, Article 425 of the Companies Act if he or she has acted in good

faith and without gross negligence in performing the duties. If they are elected as Directors, the Company shall conclude the aforementioned agreement with them.

3. Regarding directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance (“D&O insurance”) policy as provided for in Paragraph 1, Article 430-3 of the Companies Act with an insurance company. This insurance policy covers the insured’s legally mandated amount of indemnification and such costs as related litigation expenses incurred from claims for damages arising from the acts (including nonfeasance) by the insured. If each candidate is elected as Director at the meeting, the Company plans to include each of them as the insured in the insurance policy and renew the said policy during their terms of office.

**Proposal 2: Election of Two (2) Audit & Supervisory Board Members**

Of the five (5) current Audit & Supervisory Board Members, Yoji Maekawa and Mizuho Ogata will retire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company requests that shareholders elect two (2) Audit & Supervisory Board Members. The candidates for Audit & Supervisory Board Member are as follows:

In addition, one candidate for Outside Audit & Supervisory Board Member satisfies the requirements of the “The Criteria for Independence of Outside Officers” established by the Company.

(Please refer to page 17 for these criteria)

We obtained unanimous consent from Audit & Supervisory Board prior to making this proposal.

Candidate No.		Name	Gender		Current position in the Company
1	[New election]	Mitsuhiro Hara	Male		—
2	[New election]	Mayumi Noguchi	Female	[Outside] [Independent Officer]	—

Candidate  
No.

1

Mitsuhiro Hara

[New election]

Date of birth: February 15, 1963 (Age: 58)

Current position in the Company: –

Number of Company shares held: Common stocks 48,700

Status of attendance to Board of Directors meeting: –

Status of attendance to Audit & Supervisory Board meeting: –

Career Summary:

April 1985      Joined The Bank of Yokohama, Ltd.

October        Became General Manager, Isehara Branch of The Bank of Yokohama, Ltd.  
2004

November      Became General Manager, Sales Department 1 of Head Office of The Bank of  
2006              Yokohama, Ltd.

April 2008      Became General Manager, Corporate Sales Department of The Bank of Yokohama,  
Ltd.

April 2009      Became General Manager, Machida Branch and Machida Area Manager of The Bank  
of Yokohama, Ltd.

May 2012        Became General Manager, Business Planning Department of The Bank of Yokohama,  
Ltd.

April 2013      Became Executive Officer and Senior Deputy General Manager, Business Division  
Head Office of The Bank of Yokohama, Ltd.  
Became General Manager, Business Planning Department of The Bank of Yokohama,  
Ltd.

April 2015      Became Executive Officer and General Manager, Sagami-haraekimae Branch and  
General Manager, North-Kanagawa Block Business Headquarters of The Bank of  
Yokohama, Ltd.

April 2017      Became Executive Officer, in charge of Credit Department of The Bank of Yokohama,  
Ltd.  
(Retired from office in March 2018)

May 2018        Became Audit & Supervisory Board Member of Saikaya Department Store Co.,Ltd.  
(incumbent)

June 2018        Became Full-time Audit & Supervisory Board Member of The Bank of Yokohama, Ltd.  
(incumbent)

■ Reasons for nomination as candidate for Audit & Supervisory Board Member

Mitsuhiro Hara possesses substantial experience and deep insight relating to the business strategy of the Group and the operation of its businesses, including having served as General Manager of several branches and working in such areas as the business department headquarters and credit department as an employee of the Group. In addition, he possesses substantial experience as Audit & Supervisory Board Member of The Bank of Yokohama, Ltd. We believe that by utilizing this experience and insight, Mr. Hara will be able to audit the execution of duties by Directors of the Company accurately, fairly and efficiently, in addition to contributing to ensuring the sound, sustainable growth of the Group, and have therefore nominated him as a candidate for Audit & Supervisory Board Member.

■ Important concurrent positions

Full-time Audit & Supervisory Board Member of The Bank of Yokohama, Ltd.

Outside Audit & Supervisory Board Member of Saikaya Department Store Co.,Ltd.

Candidate No.	2	Mayumi Noguchi	[New election] [Outside] [Independent Officer]
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Date of birth: September 3, 1968 (Age: 52)

Current position in the Company: –

Number of Company shares held: –

Status of attendance to Board of Directors meeting: –

Status of attendance to Audit & Supervisory Board meeting: –

Career Summary:

April 1991      Joined The Mitsubishi Bank, Limited  
(Retired from the company in January 1993)

March 1993      Joined Citibank, N. A. (incorporated in Japan)  
(Retired from the company in June 1995)

October 1998      Joined KPMG AZSA LLC (former Asahi & Co.)  
(Retired from the company in March 2008)

April 2008      Became Head of Noguchi Certified Public Accountant Office (incumbent)

November 2014      Became Auditor of Phone Appli Inc.  
(Retired from office in August 2018)

April 2015      Became Supervisor of The National Archives of Japan, Incorporated Administrative Agency (incumbent)

March 2018      Became Director of Fenwal Controls of Japan, Ltd. (incumbent)

■ Reasons for nomination as candidate for Outside Audit & Supervisory Board Member

Mayumi Noguchi possesses substantial experience and deep insight as an expert in finance and accounting, including having served for many years as director of a certified public accountant office and having practical auditing experience at an audit corporation. We believe that Ms. Noguchi will be able to form and express audit opinions in a timely, appropriate manner from a neutral and independent perspective and have therefore nominated her as a candidate for Outside Audit & Supervisory Board Member. Although she has not participated in corporate management other than by being an outside director or outside audit & supervisory board member in the past, we judge that she is capable of appropriately carrying out her duties as Outside Audit & Supervisory Board Member for the abovementioned reasons.

■ Important concurrent positions

Head of Noguchi Certified Public Accountant Office  
Supervisor of The National Archives of Japan, Incorporated Administrative Agency  
Outside Director of Fenwal Controls of Japan, Ltd.

■ Independence of the candidate

Mayumi Noguchi satisfies the standards for independence stipulated by the Company, and the Company shall appoint her as an independent officer as provided for by Tokyo Stock Exchange, Inc. and register her at the aforementioned exchange. Although she has also been serving as Head of Noguchi Certified Public Accountant Office, this office has no business relationships with the Company or the Group companies. Therefore, this has no impact on her independence.

- (Notes)
1. There is no special interest between the candidates for Audit & Supervisory Board Member and the Company.
  2. Regarding the execution of limited liability agreements  
If Mitsuhiro Hara and Mayumi Noguchi are elected as Audit & Supervisory Board Member, the Company shall conclude agreements with them to limit the liability for damages as provided for in Paragraph 1, Article 423 of the Companies Act to be the minimum liability amount as provided for in Paragraph 1, Article 425 of the Companies Act if they have acted in good faith and without gross negligence in performing their duties.
  3. Regarding directors and officers liability insurance policy  
The Company has entered into a directors and officers liability insurance (“D&O insurance”) policy as provided for in Paragraph 1, Article 430-3 of the Companies Act with an insurance company. This insurance policy covers the insured’s legally mandated amount of

indemnification and such costs as related litigation expenses incurred from claims for damages arising from the acts (including nonfeasance) by the insured. If each candidate is elected as Audit & Supervisory Board Member at the meeting, the Company plans to include each of them as an insured in the insurance policy and renew the said policy during their terms of office.



(Reference)

The Company selects candidates for Outside Director and Outside Audit & Supervisory Board Member from those who satisfy the conditions of the standard of independence provided by the financial instruments exchange on which the Corporation is listed and also meet the criteria specified in “The Criteria for Independence of Outside Officers” below. “Group companies” as stated below include The Bank of Yokohama, Ltd. and The Higashi-Nippon Bank, Ltd., which are subsidiaries of the Company.

● The Criteria for Independence of Outside Officers

In principle, a candidate for Outside Director or Outside Audit & Supervisory Board Member of the Company or any of its Group companies shall not presently fall under any of the following conditions, nor have done so recently.

- (1) A. A person for whom the Company or any of its Group companies are a major transacting counterparty or a business executive of an incorporated entity, etc. for which the Company or any of its Group companies are a major transacting counterparty.  
B. A person who is a major transacting counterparty of the Company or a business executive of an incorporated entity, etc. that is a major transacting counterparty of the Company or Group companies.

- (2) A consultant, an accounting expert, or a legal expert who receives a considerable amount of cash or other assets other than officer compensation from the Company or Group companies.

- (3) An employee, etc. belonging to a consulting firm, accounting firm, legal firm, etc. that has the Company or Group companies as a major transacting counterparty.

- (4) A person who receives a donation, etc. of a large sum from the Company or Group companies, or who is a business executive of an incorporated entity, etc. receiving such donation.

- (5) A person who is a major shareholder of the Company or a business executive of an incorporated entity, etc. that is a major shareholder of the Company.

- (6) A close relative of a person who fits any of the following items (excluding persons who are not important persons):

- A. Person falling under the above criteria (1) to (5).

- B. Person who is a director, audit & supervisory board member, executive officer, and important employee, etc. of the Company or Group companies.

\* The definition of “recently” :

Refers to cases that may be viewed as substantially identical to the present, for example, this includes such cases as when the candidate fell under the condition at the time the content was determined for the proposal for the General Meeting of Shareholders electing him or her Outside Director or Outside Audit & Supervisory Board Member.

\* The definition of “major” :

Judged by the criterion of at least 1% of consolidated net sales (consolidated gross operating income in the case of the Company or Group companies) in the most recent business year.

\* The definition of “incorporated entity, etc.” :

Includes organizations other than incorporated entities.

\* The definition of “large sum” :

At least 10 million yen per year based on an average of the past three years.

\* The definition of “close relative” :

Relative within the second degree of kinship.

\* The definition of “persons who are not important persons” :

“Persons who are not important persons” refers to a person with a position belonging to a position classification subordinated to the class of company officer or general manager, and in the case of persons belonging to an accounting firm or law firm, etc., it refers to a person belonging to a position classification subordinated to a certified public accountant or lawyer, etc.

To deliver a flexible return in response to profit level and capital profile, we have determined a Shareholder Return Policy for the duration of the Medium-term Management Plan (for the Plan period from FY2019 to FY2021) as below.

<Shareholder Return Policy for the duration of the Medium-term Management Plan>

- We will deliver balanced shareholder return given the capital profile and growth investment opportunities.
- We will achieve target payout ratio of over 35% and stably increase dividend payment per share.
- We will conduct flexible and agile share buyback given market trends and business outlook.

## Consolidated Balance Sheets

(Unit: Millions of Yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets :</b>		
Cash and due from banks	2,635,524	4,173,809
Call loans and bills bought	187,230	60,777
Monetary claims bought	36,568	29,888
Trading assets	4,493	4,198
Securities	2,442,074	2,998,468
Loans and bills discounted	13,068,308	13,719,737
Foreign exchanges	17,462	28,723
Lease receivables and investment assets	69,011	71,768
Other assets	233,366	281,409
Tangible fixed assets	167,483	166,802
Buildings, net	53,564	56,311
Land	93,331	93,138
Lease assets, net	58	7
Construction in progress	4,442	3,170
Other tangible fixed assets	16,085	14,173
Intangible fixed assets	18,444	17,703
Software	17,893	17,225
Other intangible fixed assets	551	478
Net defined benefit asset	32,111	45,736
Deferred tax assets	25,364	11,629
Customers' liabilities for acceptances and guarantees	52,664	42,878
Allowance for loan losses	(62,172)	(76,134)
<b>Total assets</b>	<b>18,927,937</b>	<b>21,577,398</b>

(Unit: Millions of Yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities :</b>		
Deposits	16,233,671	18,015,297
Negotiable certificates of deposit	272,120	182,720
Call money and bills sold	326,541	174,786
Payables under repurchase agreements	12,969	2,441
Payables under securities lending transactions	204,018	155,394
Trading liabilities	87	57
Borrowed money	416,720	1,430,757
Foreign exchanges	249	197
Bonds payable	80,000	100,000
Due to trust account	4,825	15,931
Other liabilities	194,035	271,876
Provision for bonuses	4,131	4,808
Provision for directors' bonuses	51	29
Provision for share-based compensation	238	323
Net defined benefit liability	1,409	536
Provision for reimbursement of deposits	1,856	1,390
Provision for contingent losses	1,796	2,185
Reserves under special laws	18	25
Deferred tax liabilities	133	256
Deferred tax liabilities for land revaluation	16,424	16,402
Acceptances and guarantees	52,664	42,878
<b>Total liabilities</b>	<b>17,823,964</b>	<b>20,418,298</b>
<b>Net assets :</b>		
Capital stock	150,078	150,078
Capital surplus	247,362	247,363
Retained earnings	669,897	675,707
Treasury shares	(1,416)	(1,342)
<b>Total shareholders' equity</b>	<b>1,065,921</b>	<b>1,071,806</b>
Valuation difference on available-for-sale securities	5,128	44,661
Deferred gains or losses on hedges	(2,637)	(1,319)
Revaluation reserve for land	36,686	36,661
Foreign currency translation adjustment	225	(416)
Remeasurements of defined benefit plans	(6,773)	1,760
<b>Total accumulated other comprehensive income</b>	<b>32,629</b>	<b>81,347</b>
Subscription rights to shares	62	51
Non-controlling interests	5,360	5,894
<b>Total net assets</b>	<b>1,103,972</b>	<b>1,159,099</b>
<b>Total liabilities and net assets</b>	<b>18,927,937</b>	<b>21,577,398</b>

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Income)

(Unit: Millions of Yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
<b>Ordinary income</b>	306,236	291,729
Interest income	172,748	164,711
Interest on loans and bills discounted	140,965	139,171
Interest and dividends on securities	22,253	20,945
Interest on call loans and bills bought	4,010	564
Interest on deposits with banks	2,776	2,543
Other interest income	2,742	1,486
Trust fees	99	245
Fees and commissions	63,499	66,706
Trading income	2,156	2,782
Other ordinary income	45,880	44,723
Other income	21,852	12,560
Recoveries of written off claims	2,072	1,743
Other	19,780	10,816
<b>Ordinary expenses</b>	234,882	250,324
Interest expenses	17,016	6,154
Interest on deposits	7,948	2,466
Interest on negotiable certificates of deposit	25	26
Interest on call money and bills sold	2,207	503
Interest on payables under repurchase agreements	448	53
Interest on payables under securities lending transactions	1,334	193
Interest on borrowings and rediscounts	2,105	964
Interest on bonds	301	428
Other interest expenses	2,645	1,518
Fees and commissions payments	14,545	14,942
Trading expenses	-	0
Other ordinary expenses	36,943	56,139
General and administrative expenses	134,818	136,888
Other expenses	31,558	36,198
Provision of allowance for loan losses	16,419	26,003
Other	15,138	10,195
<b>Ordinary profit</b>	71,354	41,405
<b>Extraordinary income</b>	102	104
Gain on disposal of non-current assets	102	104
<b>Extraordinary losses</b>	2,815	5,194
Loss on disposal of non-current assets	2,313	3,315
Impairment loss	501	1,872
Other	-	6
<b>Profit before income taxes</b>	68,641	36,315
Income taxes - current	25,345	14,034
Income taxes - deferred	(3,511)	(3,730)
Total income taxes	21,834	10,303
<b>Profit</b>	46,807	26,011
<b>Profit attributable to non-controlling interests</b>	271	685
<b>Profit attributable to owners of parent</b>	46,536	25,326

## (Consolidated Statements of Comprehensive Income)

(Unit: Millions of Yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
<b>Profit</b>	46,807	26,011
<b>Other comprehensive income</b>	(71,019)	48,742
Valuation difference on available-for-sale securities	(67,779)	39,532
Deferred gains or losses on hedges	69	1,317
Remeasurements of defined benefit plans	(3,526)	8,537
Share of other comprehensive income of entities accounted for using equity method	216	(645)
<b>Comprehensive income</b>	(24,211)	74,754
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(24,483)	74,069
Comprehensive income attributable to non-controlling interests	271	685

Consolidated Statements of Changes in Net Assets  
For the year ended March 31, 2020

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	150,078	263,294	644,634	(6,879)	1,051,127
Changes of items during period					
Dividends of surplus			(21,386)		(21,386)
Profit attributable to owners of parent			46,536		46,536
Purchase of treasury shares				(10,751)	(10,751)
Disposal of treasury shares		(11)		294	282
Retirement of treasury shares		(15,920)		15,920	—
Reversal of revaluation reserve for land			113		113
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(15,931)	25,262	5,462	14,794
Balance at end of current period	150,078	247,362	669,897	(1,416)	1,065,921

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	72,907	(2,707)	36,799	—	(3,237)	103,762	169	5,088	1,160,147
Changes of items during period									
Dividends of surplus									(21,386)
Profit attributable to owners of parent									46,536
Purchase of treasury shares									(10,751)
Disposal of treasury shares									282
Retirement of treasury shares									—
Reversal of revaluation reserve for land									113
Net changes of items other than shareholders' equity	(67,779)	69	(113)	225	(3,536)	(71,133)	(107)	271	(70,969)
Total changes of items during period	(67,779)	69	(113)	225	(3,536)	(71,133)	(107)	271	(56,175)
Balance at end of current period	5,128	(2,637)	36,686	225	(6,773)	32,629	62	5,360	1,103,972

For the year ended March 31, 2021

(Unit: Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	150,078	247,362	669,897	(1,416)	1,065,921
Cumulative effects due to revision of accounting standards for foreign affiliates			(197)		(197)
Restated balance	150,078	247,362	669,699	(1,416)	1,065,723
Changes of items during period					
Dividends of surplus			(19,342)		(19,342)
Profit attributable to owners of parent			25,326		25,326
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		0		75	76
Change in shareholders' interest of parent due to transactions with non-controlling interests		0			0
Reversal of revaluation reserve for land			24		24
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	6,008	73	6,083
Balance at end of current period	150,078	247,363	675,707	(1,342)	1,071,806

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	5,128	(2,637)	36,686	225	(6,773)	32,629	62	5,360	1,103,972
Cumulative effects due to revision of accounting standards for foreign affiliates									(197)
Restated balance	5,128	(2,637)	36,686	225	(6,773)	32,629	62	5,360	1,103,775
Changes of items during period									
Dividends of surplus									(19,342)
Profit attributable to owners of parent									25,326
Purchase of treasury shares									(1)
Disposal of treasury shares									76
Change in shareholders' interest of parent due to transactions with non-controlling interests									0
Reversal of revaluation reserve for land									24
Net changes of items other than shareholders' equity	39,532	1,317	(24)	(642)	8,534	48,718	(10)	534	49,241
Total changes of items during period	39,532	1,317	(24)	(642)	8,534	48,718	(10)	534	55,324
Balance at end of current period	44,661	(1,319)	36,661	(416)	1,760	81,347	51	5,894	1,159,099