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(Securities Code: 7173)  
June 9, 2017

**To Shareholders with Voting Rights:**

Keizo Ajioka  
President  
Tokyo TY Financial Group, Inc.  
9-2, Shinjuku 5-chome,  
Shinjuku-ku, Tokyo, Japan

## **NOTICE OF CONVOCATION OF THE 3RD ANNUAL GENERAL SHAREHOLDERS MEETING**

You are cordially invited to attend the 3rd Annual General Shareholders Meeting of the Tokyo TY Financial Group, Inc. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meetings, you can exercise your voting rights in writing (Voting Rights Exercise Form) or by electromagnetic means (the Internet, etc.). Please review the Reference Documents for the General Shareholders Meeting (described hereinafter) and exercise your voting rights by Wednesday, June 28, 2017 at 5:20 p.m. Japan time.

- 1. Date and Time:** Thursday, June 29, 2017 at 10:00 a.m. Japan time
- 2. Place:** Ruri No Ma, 3F, Hotel Grand Hill Ichigaya  
4-1 Ichigaya Honmuracho, Shinjuku-ku, Tokyo, Japan

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements, and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors for the Company’s 3rd Fiscal Year (from April 1, 2016 to March 31, 2017)
  2. Non-consolidated Financial Statements for the Company’s 3rd Fiscal Year (from April 1, 2016 to March 31, 2017)

**Proposals to be resolved:**

- Proposal No. 1:** Partial Amendments to the Articles of Incorporation to Amend the Business Purpose
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation to Amend the Trade Name
- Proposal No. 3:** Election of Twelve (12) Directors
- Proposal No. 4:** Election of One (1) Substitute Corporate Auditor

#### 4. Exercise of Voting Rights:

(1) Exercise of Voting Rights by Mail (Writing)

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:20 p.m. on Wednesday, June 28, 2017 Japan time.

(2) Exercise of Voting Rights via the Internet, etc.

Please access the Company's designated voting website (<http://www.e-sokai.jp>) using the "Voting Rights Exercise Code" and "Password" enclosed with the Voting Rights Exercise Form, follow the instructions on the voting website, and indicate your vote for or against the proposals by 5:20 p.m. on Wednesday, June 28, 2017.

Additionally, when voting via the Internet, etc., please refer to the "Instructions for Exercise of Voting Rights via the Internet" on pages 3 to 4 (Japanese only).

(3) Handling of Duplicate Voting

If you vote both in writing and via the Internet, etc., only your vote placed via the Internet will be valid. In addition, if you submit your vote multiple times via the Internet, etc., only the last vote to arrive will be valid.

(4) Internet Disclosure

Of the documents required to be attached to this Notice of Convocation, the "Notes to the Non-consolidated Financial Statements" of the Non-consolidated Financial Statements and the "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements are, in accordance with laws and regulations as well as Article 18 of the Articles of Incorporation of the Company, posted on the Company's website (<http://www.tokyo-tyfg.co.jp/stock/shareholder.html>) on the Internet and are therefore not included with the documents attached to this Notice of Convocation.

Furthermore, the Non-consolidated Financial Statements and the Consolidated Financial Statements shown in the documents attached to this Notice of Convocation are a part of the documents audited by the Accounting Auditor and the Board of Corporate Auditors during preparation of the Accounting Auditor's Report and the Board of Corporate Auditor's Report.

End

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- ◎ When attending the meetings, please submit the enclosed Voting Rights Exercise Form at the reception desk. Additionally, to conserve resources, please bring this "Notice of Convocation" with you.
  - ◎ Should revisions arise for the Reference Documents for the General Shareholders Meeting, updated items will be posted on the Company's website (<http://www.tokyo-tyfg.co.jp/>).
  - ◎ On the day of the meeting, air conditioning shall be set at low levels to conserve electricity; we ask that shareholders come dressed in light attire.
  - ◎ The venue opens at 9:00 a.m.

# Reference Documents for the General Shareholders Meeting

## Proposals and References

### Proposal No. 1: Partial Amendments to the Articles of Incorporation to Amend the Business Purpose

In accordance with the “Act to Partially Amend the Banking Act, etc. for the Purpose of Responding to the Changing Environment Due to the Development of Information and Communication Technologies,” which was enacted on May 25, 2016 after being submitted to the 190th Diet Session, upon approval, bank holding companies are eligible to engage in systems management operations, and common and overlapping asset management operations, etc. (Article 52-21-2 of the Banking Act subsequent to revisions due to the law mentioned above). Based on such trends regarding revisions to the Banking Act, to appropriately respond to revisions to the scope of the operations of bank holding companies going forward, this Proposal requests approval of a partial amendment to the Articles of Incorporation to change the Company’s business purpose. (Effective date: June 29, 2017).

“Articles of Incorporation” Comparison between the current and amended articles

(Underlined parts are to be amended.)

Current	After Amendment
<p>(Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses as a bank holding company:</p> <ol style="list-style-type: none"> <li>1. Operation and management of banks and other companies which may be owned by the Company as its subsidiaries under the Banking Act; and</li> <li>2. <u>Perform any other business incidental or related to the business set forth in the preceding Article.</u></li> </ol>	<p>(Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses as a bank holding company:</p> <ol style="list-style-type: none"> <li>1. Operation and management of banks and other companies which may be owned by the Company as its subsidiaries under the Banking Act <u>and any incidental or related business;</u> and</li> <li>2. <u>Perform any other business that a bank holding company may engage in under the Banking Act.</u></li> </ol>

**Proposal No. 2: Partial Amendments to the Articles of Incorporation to Amend the Trade Name**

The Tokyo Tomin Bank, Limited, the Yachiyo Bank, Limited and the ShinGinko Tokyo, Limited, which are subsidiaries of the Company, based on the assumption that approval will be granted by the relevant authorities, will engage in a three-way bank merger on May 1, 2018 and plan to change their trade name due to the merger. In order to ensure the use of a single corporate name within the Group, this Proposal requests approval of a partial amendment to the Articles of Incorporation to change the Company’s trade name.

Note that this change to the Articles of Incorporation will become effective on the date of the merger between the Tokyo Tomin Bank, Limited, the Yachiyo Bank, Limited and the ShinGinko Tokyo, Limited. is completed.

“Articles of Incorporation” Comparison between the current and amended articles

(Underlined parts are to be amended.)

Current	After Amendment
(Trade Name) Article 1 The name of the Company shall be “ <u>Kabushiki Kaisha Tokyo TY Financial                      Group</u> ” and in English it shall be “ <u>Tokyo                      TY Financial Group, Inc.</u> ”	(Trade Name) Article 1 The name of the Company shall be “ <u>Kabushiki Kaisha Tokyo Kiraboshi                      Financial Group</u> ” and in English it shall be “ <u>Tokyo Kiraboshi Financial Group, Inc.</u> ”

**Proposal No. 3:** Election of Twelve (12) Directors

The terms of office of the ten (10) incumbent Directors will expire at the conclusion of this Annual General Shareholders Meeting. Accordingly, the election of twelve (12) Directors is proposed.

The candidates are as follows:

Candidate No.		Name	Current position at the Company
1	Reappointment	Keizo Ajioka	President
2	Reappointment	Hirokazu Tahara	Director
3	Reappointment	Takashi Sakamoto	Director
4	Reappointment	Hideo Kobayashi	Director
5	Reappointment	Satoru Nobeta	Director
6	Reappointment	Hidenori Tsunehisa	Director
7	New appointment	Yoshikazu Kitagawa	
8	New appointment	Hisanobu Watanabe	
9	New appointment	Toru Narata	
10	Reappointment	Yasushi Nakamura	Director, Candidate for Outside Director, Independent Director/Auditor
11	Reappointment	Ryuji Miura	Director, Candidate for Outside Director, Independent Director/Auditor
12	New appointment	Yuki Takahashi	Candidate for Outside Director, Independent Director/Auditor

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Keizo Ajioka (Apr. 25, 1957)  Reappointment	<p>Apr. 1981 Joined Bank of Japan</p> <p>Jun. 2004 Served as Head of Oita Branch, Advisor of Financial System and Bank Examination Department, Head of Kanazawa Branch</p> <p>May 2011 Executive Officer, the Tokyo Tomin Bank, Limited</p> <p>Jun. 2011 Executive Officer and Head of Nihonbashi Branch Office</p> <p>Jun. 2012 Managing Director</p> <p>Jun. 2014 Senior Managing Director</p> <p>Oct. 2014 Director, in charge of Risk Management Division, Tokyo TY Financial Group, Inc.</p> <p>Jan. 2016 Director, in charge of Consolidation Arrangement Office, Risk Management Division</p> <p>Apr. 2016 Vice President, the Tokyo Tomin Bank, Limited (current position)</p> <p>Apr. 2016 President, in charge of Internal Audit Division, Risk Management Division and Consolidation Arrangement Office, Tokyo TY Financial Group, Inc.</p> <p>Apr. 2016 Director, the ShinGinko Tokyo, Limited (part-time position) (current position)</p> <p>Jun. 2016 President, in charge of internal audit (Internal Audit Division), Tokyo TY Financial Group, Inc. (current position) (to present)</p>	Common stock 2,177 shares
<p>Reasons for selection as a candidate for Director</p> <p>Since the Company's founding in 2014, Mr. Keizo Ajioka has been in charge of management divisions as Director of the Company, and while serving a central role in strengthening the risk management structure, he has appropriately conducted decision-making regarding overall corporate management of the Group. In April 2016, he was appointed President, and as the Company expects him to respond to significant issues regarding management of the Group and contribute to improvement of corporate value of the Group by utilizing his experience and knowledge toward establishing a "one bank" system that the Group strives to create in the future. Therefore, he has been selected as a candidate for Director.</p>			
2	Hirokazu Tahara (Jan. 17, 1956)  Reappointment	<p>Apr. 1978 Joined Yachiyo Shinkin Bank</p> <p>Apr. 2002 Served as Head of Kobuchi Branch, Head of Hacchobori Branch, the Yachiyo Bank, Limited</p> <p>Apr. 2006 Executive Officer and General Manager of Corporate Planning Division</p> <p>Jun. 2008 Director and General Manager of Corporate Planning Division</p> <p>Jun. 2010 Managing Director</p> <p>Jun. 2012 Senior Managing Director</p> <p>Oct. 2014 President (current position)</p> <p>Oct. 2014 Director, Tokyo TY Financial Group, Inc.</p> <p>Apr. 2016 Director, in charge of Business Strategy Division</p> <p>Jun. 2016 Director, in charge of earnings (Business Strategy Division) (current position) (to present)</p>	Common stock 8,240 shares
<p>Reasons for selection as a candidate for Director</p> <p>Since the Company's founding in 2014, Mr. Hirokazu Tahara has served as Director of the Company and President of the Yachiyo Bank, Limited, a subsidiary of the Company, and has a wealth of experience in management. Additionally, he has worked toward improving business results of the overall group as the Officer in charge of business divisions at the Company. Therefore, the Company expects him to strengthen effectiveness of decision-making functions in the Board of Directors by utilizing his experience and knowledge in determining significant issues regarding management of the Group, and he has been selected as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Takashi Sakamoto (Jun. 15, 1957)  Reappointment	<p>Apr. 1980 Joined the Tokyo Tomin Bank, Limited</p> <p>Jun. 2001 Served as Head of Kayabacho Branch Office, Head of Nihonbashi Branch Office, General Manager of Loan Screen Planning Division</p> <p>Jul. 2007 Associate Director and General Manager of Loan Screen Planning Division</p> <p>Jun. 2009 Served as Director, Executive Officer, General Manager of Loan Screen Division, General Manager of Loan Screen Department, General Manager of Loan Management Division</p> <p>Jun. 2011 Managing Director</p> <p>Jun. 2012 Senior Managing Director</p> <p>Jun. 2014 Vice President</p> <p>Oct. 2014 Director, in charge of Group Strategy Division, Tokyo TY Financial Group, Inc.</p> <p>Jan. 2016 Director, in charge of Business Strategy Division, Tokyo TY Financial Group Inc.</p> <p>Apr. 2016 President, the Tokyo Tomin Bank, Limited (current position)</p> <p>Jun. 2016 Director, in charge of business strategy, Tokyo TY Financial Group Inc. (current position) (to present)</p>	Common stock 3,887 shares
<p>Reasons for selection as a candidate for Director</p> <p>Since the Company's founding in 2014, Mr. Takashi Sakamoto has served as Director of the Company. He has also served as President of the Tokyo Tomin Bank, Limited, a subsidiary of the Company, since April 2016 and has a wealth of experience in overall bank operations in the screen division and business promotion division, etc. As the Company expects him to strengthen effectiveness of decision-making functions in the Board of Directors by utilizing his experience and knowledge in determining significant issues regarding management of the Group, he has been selected as a candidate for Director.</p>			
4	Hideo Kobayashi (Mar. 24, 1958)  Reappointment	<p>Apr. 1980 Joined Yachiyo Shinkin Bank</p> <p>Apr. 2006 Served as Head of Higashirinkan Branch, Head of Nakaitabashi Branch, General Manager, Sagamihara Corporate Business Division, the Yachiyo Bank, Limited</p> <p>Apr. 2011 Served as Executive Officer, Sagamihara Corporate Business Division, Business Promotion Division II</p> <p>Jun. 2013 Director, Business Promotion Division II</p> <p>Jun. 2014 Managing Director (current position)</p> <p>Dec. 2015 Director, the Tokyo Tomin Bank, Limited (part-time position)</p> <p>Jun. 2016 Director, in charge of Corporate Planning Division, Tokyo TY Financial Group Inc. (current position) (to present)</p>	Common stock 2,100 shares
<p>Reasons for selection as a candidate for Director</p> <p>Mr. Hideo Kobayashi has served as Head at the Yachiyo Bank, Limited, a subsidiary of the Company, and has a wealth of experience in overall bank operations in the screen division and business promotion division, etc. Additionally, since the Company's founding in 2014, he has worked at said bank to advance various initiatives regarding business integration of the Group. In June 2016, he was appointed Director in charge of Corporate Planning Division, and as the Company expects him to strengthen effectiveness of decision-making functions in the Board of Directors by utilizing his experience and knowledge in determining significant issues regarding management of the Group in the future, he has been selected as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Satoru Nobeta (Aug. 24, 1960)  Reappointment	Apr. 1984 Joined The Industrial Bank of Japan, Limited Apr. 2002 Assistant Manager, Operation Planning Department, Mizuho Bank, Ltd. Apr. 2007 Assistant Manager, Compliance Administration Department, Mizuho Corporate Bank, Ltd. Apr. 2009 Senior Manager, Business Department I Seconded to General Manager, Corporate Planning Department, Kowa Real Estate Co., Ltd. Apr. 2010 General Manager, Asset Audit Department, Mizuho Corporate Bank, Ltd. Apr. 2012 General Manager, Foreign Exchange Business Division, the Tokyo Tomin Bank, Limited (seconded from Mizuho Corporate Bank, Ltd.) Apr. 2013 Joined the Tokyo Tomin Bank, Limited Served as General Manager, Foreign Exchange Business Division, General Manager, Operations Administration Division Jul. 2013 Associate Director and General Manager, Operations Administration Division Jun. 2014 Director, Executive Officer and General Manager, Operations Administration Division Oct. 2014 Served as General Manager, Group Strategy Division, General Manager, System Integration Project Team, Consolidation Arrangement Office, Tokyo TY Financial Group, Inc. Apr. 2016 Managing Director, the Tokyo Tomin Bank, Limited (current position) Jun. 2016 Director, in charge of Risk Management Division, Tokyo TY Financial Group Inc. (current position) (to present)	Common stock 1,011 shares
<p>Reasons for selection as a candidate for Director</p> <p>Mr. Satoru Nobeta has a wealth of operational experience in the corporate planning division, compliance division, and audit division, etc., at the Tokyo Tomin Bank, Limited, a subsidiary of the Company, and at major banks, etc., at which he served prior to joining said bank, and is well-versed in overall bank operations. In June 2016, he was appointed Director in charge of Risk Management Division, and as the Company expects him to strengthen effectiveness of decision-making functions in the Board of Directors by utilizing his experience and knowledge in determining significant issues regarding management of the Group in the future, he has been selected as a candidate for Director.</p>			
6	Hidenori Tsunehisa (Feb. 12, 1963)  Reappointment	Apr. 1987 Joined The Mitsubishi Bank, Ltd. Nov. 1994 Assistant Vice President of Chicago Branch Feb. 2001 Manager, PricewaterhouseCoopers Consultants Co., Ltd. Apr. 2004 Joined the ShinGinko Tokyo, Limited Apr. 2007 Manager in charge of Planning Group Aug. 2008 Operating Officer Jun. 2009 Executive Officer Jun. 2014 Director and Executive Officer Jun. 2015 President and CEO (current position) Apr. 2016 Director, Tokyo TY Financial Group, Inc. (current position) (to present)	Common stock 300 shares
<p>Reasons for selection as a candidate for Director</p> <p>Mr. Hidenori Tsunehisa has a wealth of operational and management experience having served as President of the ShinGinko Tokyo, Limited, with which a business combination was completed with the Group in April 2016, subsequent to being in charge of the corporate planning division and risk management division of said bank. As the Company expects him to strengthen effectiveness of decision-making functions in the Board of Directors by utilizing his experience and knowledge in determining significant issues regarding management of the Group, he has been selected as a candidate for Director.</p>			



No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	Yoshikazu Kitagawa (Sep. 3, 1961)  New appointment	<p>Apr. 1984 Joined Yachiyo Shinkin Bank</p> <p>Oct. 2006 Served as Head of Jiyugaoka Branch, Head of Fuchu Branch, Head of Kanda Branch, the Yachiyo Bank, Limited</p> <p>Apr. 2014 Served as Executive Officer, Head of Kanda Branch, General Manager of Sales Management Division</p> <p>Apr. 2016 General Manager of Business Strategy Division, Tokyo TY Financial Group, Inc. (current position)</p> <p>Apr. 2017 General Manager of Sales Promotion Headquarters and General Manager of Sales Management Division, the Yachiyo Bank, Limited (current position) (to present)</p>	Common stock 100 shares
<p>Reasons for selection as a candidate for Director</p> <p>Mr. Yoshikazu Kitagawa has served as Head of three branches at the Yachiyo Bank, Limited, a subsidiary of the Company, and since he developed a career centered on sales divisions, he possesses a wealth of knowledge for supervising the overall business. Presently, he has demonstrated leadership as General Manager of Business Strategy Division of the Company, and Executive Officer, General Manager of Sales Promotion Headquarters and General Manager of Sales Management Division of the Yachiyo Bank, Limited, and is expected to play a central role in the establishment of a business structure for the Group, which is one of the major issues to be tackled in preparation for the merger of the three banks going forward. Based on these reasons, he has been selected as a candidate for Director.</p>			
8	Hisanobu Watanabe (Aug. 16, 1962)  New appointment	<p>Apr. 1985 Joined the Tokyo Tomin Bank, Limited</p> <p>Jun. 2011 General Manager of Loan Management Division</p> <p>Jul. 2012 Served as Associate Director, General Manager of Loan Management Division, General Manager of Loan Administration Division</p> <p>Jun. 2014 Executive Officer, General Manager of Loan Administration Division, Head of Nihonbashi Branch Office</p> <p>Oct. 2014 General Manager, Tokyo TY Financial Group, Inc.</p> <p>Jun. 2015 Executive Officer, Head of Nihonbashi Branch Office, the Tokyo Tomin Bank, Limited</p> <p>Jul. 2016 Executive Officer, General Manager of Business Promotion Administration Division (current position)</p> <p>Jul. 2016 General Manager of Business Strategy Division, Tokyo TY Financial Group, Inc. (current position) (to present)</p>	Common stock 1,007 shares
<p>Reasons for selection as a candidate for Director</p> <p>At the Tokyo Tomin Bank, Limited, a subsidiary of the Company, in terms of business operations, Mr. Hisanobu Watanabe has exceptional capabilities regarding overall management of sales branches, including building relationships with customers, and cultivating and improving the skills of bank clerks, and has contributed to improving the business results of the Group. Furthermore, he welcomes the challenge of entering new fields, such as streamlining operations and initiatives for new businesses, and the Company believes he will contribute to the formulation of the Company's business strategy and the enhancement of corporate value. Based on these reasons, he has been selected as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	Toru Narata (Jul. 10, 1960)  New appointment	Apr. 1983 Joined Yachiyo Shinkin Bank	Common stock 100 shares
		Apr. 2008 Served as General Manager of Asset Assessment Division, General Manager of Screening Division, General Manager of Credit Division, the Yachiyo Bank, Limited	
Oct. 2014 General Manager of Risk Management Division, Tokyo TY Financial Group, Inc. (current position)			
Apr. 2016 Executive Officer and General Manager of Credit Division, the Yachiyo Bank, Limited (current position) (to present)			
Reasons for selection as a candidate for Director Mr. Toru Narata has served in lending-related departments at the Yachiyo Bank, Limited, a subsidiary of the Company, and presently is demonstrating his leadership as an Executive Officer and General Manager of Credit Division of the Yachiyo Bank, Limited, and has headed the bank's entire lending-related operations. He is expected to play a central role by drawing on this experience and knowledge to contribute to the management of overall credit risk, which is one of the major issues to be tackled in preparation for the merger of the three banks going forward. Based on these reasons, he has been selected as a candidate for Director.			
10	Yasushi Nakamura (Nov. 5, 1954)  Reappointment  Candidate for Outside Director  Independent Director/Auditor	Nov. 1981 Joined Tokyo Metropolitan Government (Orphanage Management Department)	— shares
		Aug. 1994 General Manager, Otsuka Automobile Business Site, Bureau of Transportation	
		Apr. 2002 Manager, Accounting Division, Bureau of Finance (preside)	
		Aug. 2004 General Manager, General Affairs Department, Tokyo Teleport Center, Inc.	
		Jul. 2008 General Manager, Financial Supervision Office, Bureau of Industrial and Labor Affairs, Tokyo Metropolitan Government	
		Jul. 2010 General Manager, General Affairs Division, Bureau of Transportation	
		Jul. 2011 Deputy General Manager, Bureau of Transportation	
		Jul. 2012 General Manager, Bureau of Transportation	
		Oct. 2013 General Manager, Bureau of Governor's Office	
		Sep. 2014 President and Representative Director, HATO BUS CO., LTD. (current position)	
Sep. 2014 Director, Sealine Tokyo, Co, Ltd. (current position)			
Jun. 2016 Outside Director, Tokyo TY Financial Group, Inc. (current position) (to present)			
Reasons for selection as a candidate for Director Mr. Yasushi Nakamura has served as General Manager, Financial Supervision Office, Bureau of Industrial and Labor Affairs in addition to Bureau of Finance. He also has a deep understanding toward regional finance, and has a wealth of experience in management, having served as President of HATO BUS CO., LTD. As the Company expects he can provide recommendations, etc., regarding overall management toward the Group, a regional financial institution that holds its headquarters in Tokyo, he has been selected as a candidate for Outside Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
11	Ryuji Miura (May 5, 1968)  Reappointment  Candidate for Outside Director  Independent Director/Auditor	Nov. 1995	Joined Chuo Audit Corporation (Renamed to ChuoAoyama Audit Corporation due to merger)	Common stock — shares
		Mar. 2001	Seconded to Supervisory Bureau, Financial Services Agency (returned to ChuoAoyama Audit Corporation in Oct. 2003)	
		Oct. 2004	Partner, Legal Associates Inc.	
		Jul. 2006	Director, L.A. Consulting Inc.	
		Jun. 2011	Outside Corporate Auditor, the Yachiyo Bank, Limited	
		Jun. 2012	Outside Auditor, THE OME SHINKIN BANK (current position)	
		Jun. 2014	Outside Director, the Yachiyo Bank, Limited	
		Oct. 2014	Outside Director, Tokyo TY Financial Group, Inc. (current position)	
	Apr. 2016	Representative Director, MeU Advisers Co. (current position) (to present)		
<p>Reasons for selection as a candidate for Director</p> <p>In addition to advanced specialized knowledge as a certified public accountant, Mr. Ryuji Miura also has work experience at financial administration authorities. He also has a wealth of experience as a corporate manager, and as the Company has judged that it can reflect his advanced insights in management in improving corporate governance of the Company, he has been selected as a candidate for Outside Director.</p>				
12	Yuki Takahashi (Apr. 25, 1969)  New appointment  Candidate for Outside Director  Independent Director/Auditor	Dec. 2003	Joined Bears Co.,Ltd. Senior Managing Director	Common stock — shares
		Jul. 2009	Director, The Tokyo New Business Conference (current position)	
		Aug. 2013	Vice Chairman, Zenkoku Kaji Daiko Service Association (current position)	
		Oct. 2016	Vice President and Director, Bears Co.,Ltd. (current position) (to present)	
<p>Reasons for selection as a candidate for Director</p> <p>Ms. Yuki Takahashi has served as a Director of a housekeeping services provider, and due to her wealth of experience, including regarding the promotion of women's participation and advancement in the workplace, lifestyle reform and creation of new businesses, she also holds key positions at various organizations. The Group has concluded that her knowledge can be reflected to improve the Group's products and services, and therefore she has been selected as a candidate for Outside Director.</p>				

(Notes)

- There are no special conflicts of interest between the Company and the candidates for Director.
- Messrs. Yasushi Nakamura, Ryuji Miura and Ms. Yuki Takahashi are candidates for Outside Director.
- The terms of office of Messrs. Yasushi Nakamura and Ryuji Miura as Outside Director will be one (1) year and two (2) years and nine(9) months respectively at the conclusion of this Annual General Shareholders Meeting.
- Liability limitation agreements with Outside Directors  
Liability limitation agreements have been concluded with Messrs. Yasushi Nakamura and Ryuji Miura, and if they are reappointed as Outside Directors, these agreements will remain effective. Additionally, if the election of Ms. Yuki Takahashi as Outside Director is approved and resolved as originally proposed, the Company plans to conclude a liability limitation agreement with her. A summary of the liability limitation agreements is as follows.
  - Summary of liability limitation agreements  
Stipulations are included in the Articles of Incorporation, which allow for the conclusion of liability limitation agreements with Non-executive Directors and Corporate Auditors to limit their liability for damages of Article 423, Paragraph 1 of the Companies Act, and the limit of liability under these agreements is the liability amount stipulated by laws and regulations.
- If Messrs. Yasushi Nakamura, Ryuji Miura and Ms. Yuki Takahashi are elected as Outside Directors, the Company plans to submit them as Independent Directors/Auditors as defined by Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc.

**Proposal No. 4:** Election of One (1) Substitute Corporate Auditor

The terms of office of Substitute Corporate Auditors Yuriko Miyamura and Kenji Endo, who were elected at the Annual General Shareholders Meeting held on June 29, 2016, will expire at the beginning of this Annual General Shareholders Meeting. Accordingly, the election of one (1) Substitute Corporate Auditor is proposed to prepare for the case where the number of Corporate Auditors falls below the number required by law.

Furthermore, only before the Corporate Auditor assumes office and upon approval of the Board of Corporate Auditors, the Board of Directors may resolve to terminate the term of office for Corporate Auditors.

Additionally, this proposal has received approval from the Board of Corporate Auditors.

The candidate for Substitute Corporate Auditor is as follows:

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Company held
1	Kenji Endo (May 5, 1965)  Reappointment  Candidate for Substitute Corporate Auditor	Mar. 1998 Completed at Training and Research Institute for Court Officials, Supreme Court Apr. 1998 Registered as attorney-at-law Mar. 1999 Joined ISHIHARA LAW OFFICE Jan. 2008 Opened ENDO LAW OFFICE (to present)	Common stock — shares
Reasons for selection as a candidate for Substitute Corporate Auditor Although Mr. Kenji Endo has not been involved in corporate management, he has a wealth of experience and specialized knowledge as an attorney, and is well versed in corporate law, and the Company has determined that he would appropriately be able to execute the duties of Outside Corporate Auditor. Additionally, to enable him to provide these specialized views to the Company's auditing, the Company has selected him as a candidate for Substitute Corporate Auditor.			

(Notes)

1. The Board of Directors may resolve to cancel the effective appointment of the Corporate Auditor with the consent of the Board of Corporate Auditors only before the candidate assumes the position of Corporate Auditor.
2. There are no special conflicts of interest between the Company and the candidate for Substitute Corporate Auditor.
3. Mr. Kenji Endo is a candidate for Substitute Outside Corporate Auditor.
4. Liability limitation agreements with Substitute Corporate Auditor  
If Mr. Kenji Endo is appointed as Outside Corporate Auditor, the Company plans to conclude a liability limitation agreement with him. A summary of the liability limitation agreements is as follows.
  - Summary of liability limitation agreements  
Stipulations are included in the Articles of Incorporation which allow for the conclusion of liability limitation agreements with Non-executive Directors and Corporate Auditors to limit their liability for damages of Article 423, Paragraph 1 of the Companies Act, and the limit of liability under these agreements is the liability amount stipulated by laws and regulations.

(Reference)

## **1. Qualifications and nomination procedures for candidates for Director and candidates for Corporate Auditor**

The Group has voluntarily established a “Nomination and Remuneration Meeting” composed of a majority of Outside Directors with the intent of securing objectivity and transparency regarding the determination of selection and remuneration of Directors. Qualification and nomination procedures for candidates for Director and candidates for Corporate Auditor are as follows.

- (1) Qualifications for Directors and Corporate Auditors
  - 1) Directors of the Company and subsidiary banks must be a person with superior personality, insights, abilities, wealth of experience, and high ethics.
  - 2) Corporate Auditors of the Company and subsidiary banks must be a person with superior personality, insights, abilities, wealth of experience, and high ethics.
- (2) Nomination procedures for Directors and Corporate Auditors
  - 1) Candidates for Director of the Company are fairly, transparently, and stringently considered in the “Nomination and Remuneration Meeting,” and are determined by deliberation of the Board of Directors of the Company based on the results of this consideration.
  - 2) Candidates for Director of the subsidiary banks are fairly, transparently, and stringently considered in the “Nomination and Remuneration Meeting,” and are determined by deliberation of the Board of Directors of each subsidiary bank based on the results of this consideration.
  - 3) Candidates for Corporate Auditor of the Company are recommended by the Board of Directors of the Company, and candidates are selected upon receiving approval from the Board of Corporate Auditors of the Company.
  - 4) Candidates for Corporate Auditor of the subsidiary banks are recommended by the Board of Directors of the each subsidiary bank, and candidates are selected upon receiving approval from the Board of Corporate Auditors of the each subsidiary bank.
- (3) Summary of advisory results of selection and dismissal of candidates

When the “Nomination and Remuneration Meeting” conducts consideration of election and dismissal of candidates for Director, meeting members will directly assess each subject personnel as required, as well as summarize the consideration results upon utilization of the internal evaluation documents, etc., of the subsidiary banks.

## **2. Standards of independence regarding Outside Officers**

The Group determines independence regarding Outside Directors and Outside Corporate Auditors based on the following standards.

1. (1) The person is not an Executive Director, Executive Officer, or a manager or other employee (collectively hereinafter the “Business Executors, etc.”) of the Group, and was not a Business Executor, etc., of the Group within 10 years prior to appointment.  
However, for candidates for Outside Corporate Auditor, the requirement of not having been a Non-executive Director (Note 1) of the Group within 10 years prior to appointment is added.
- (2) For Outside Directors that were Non-executive Directors or Corporate Auditors of the Group within 10 years prior to appointment, these persons must not have been a Business Executors, etc., of the Group within 10 years prior to appointment to that position.  
For Outside Corporate Auditors that were Corporate Auditors of the Group within 10 years prior to appointment, these persons must not have been Business Executors, etc., or Non-executive Directors within 10 years prior to appointment to that position.
- (3) The party is not a spouse or a relative to within the second degree of an Officer, etc. (Note 2), manager or other important employee (excluding those who are Officers, etc.)
2. The person is not a major shareholder (Note 3) of the Company or an Officer, etc., or employee (excluding those who are Officers, etc.) of a company of which the Group is a major shareholder.
3. (1) The person does not hold the Group as a major transaction partner (Note 4) and is not the parent company or a significant subsidiary, and if that person is a company, is not a Business Executor, etc., of said company and was not a Business Executor, etc., within the past three years.
- (2) The person is not a major transaction partner of the Group and is not the parent company or a significant subsidiary, and if that person is a company, is not a Business Executor, etc., of said company and was not a Business Executor, etc., within the past three years.
- (3) The person is not an employee, etc., of an organization that receives donations, etc., over a certain amount (an average of 10 million yen per annum for the past three years or 30% or more of average annual expenses of said organization, whichever is higher) from the Group.
4. The person is not an Officer, etc., of a company, parent company of said company, or subsidiary of said

company that receives Officers, etc., from the Group.

5. The person is not the Accounting Auditor of the Group or an employee, etc., of said Accounting Auditor and was not responsible for the audit operations of the Group within the past three years as said employee, etc.
6. The person is an attorney, certified public accountant, or other consultant, etc., who has not received more than an average of 10 million yen per annum for the past three years aside from officer remuneration in cash or other property as profit from the Group. Additionally, the person is not an employee, etc., of an advisory firm such as a legal office, etc., that holds the Group as a major transaction partner (an advisory firm that received payment from the Group of 2% or more of its consolidated net sales on average over the past three fiscal years).
7. The person is not a person with which a constant, essential conflict of interest with general shareholders of the Company may arise for reasons other than those considered above.

(Note 1) A “Non-executive Director” refers to Directors that are not Executive Directors.

(Note 2) An “Officer, etc.,” refers to Directors (including Outside Directors), Corporate Auditors (including Outside Corporate Auditors), Executive Officers, Counselors, and Advisors.

(Note 3) A “major shareholder” is a person or company, etc., that directly or indirectly possessed or possesses voting rights equal to 10% or more of total voting rights as of the end of the most recent fiscal year.

(Note 4) A “major transaction partner” is determined on the standard of 2% or more of annual consolidated net sales (annual consolidated ordinary revenue for the Company) as of the end of the most recent fiscal year.