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(Securities Code: 7189)
June 6, 2022

To Shareholders with Voting Rights:

Hideyuki Murakami
President
Nishi-Nippon Financial Holdings, Inc.
1-1, Hakata-ekimae 3-chome, Hakata-ku,
Fukuoka, Japan

NOTICE OF CONVOCAION OF THE 6TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

You are hereby notified that the 6th Annual General Meeting of Shareholders of Nishi-Nippon Financial Holdings, Inc. (the “Company,” with its subsidiaries, the “Group”) will be held for the purposes described below.

Amid the ongoing spread of the novel coronavirus disease (COVID-19), we have given the highest priority to ensure the health and safety of shareholders and thereby decided to hold the meeting with appropriate preventative measures in place.

To prevent the spread of the infections, you are kindly asked to exercise your voting rights in advance in writing or via the Internet, etc. and refrain from attending the meeting in person on the day as much as possible.

We would also like to request those of you who consider attending the meeting to pay attention to your health condition until the date of the meeting and to avoid attending if you do not feel well.

- 1. Date and Time:** Wednesday, June 29, 2022 at 10:00 a.m. JST
(Reception begins: 9:00 a.m. JST)
- 2. Place:** Meeting Room on the third floor, Annex of Head Office of THE NISHI-NIPPON CITY BANK, LTD.,
3-6, Hakata-ekimae 1-chome, Hakata-ku, Fukuoka, Japan
- 3. Meeting Agenda:**
Matters to be reported: 1. The Business Report and Consolidated Financial Statements for the Company’s 6th Fiscal Year (from April 1, 2021 to

- March 31, 2022) and the results of the audits of the Consolidated Financial Statements by the Independent Auditor and the Audit and Supervisory Committee
2. Non-consolidated Financial Statements for the Company's 6th Fiscal Year (from April 1, 2021 to March 31, 2022)

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Partial Amendments to the Articles of Incorporation

Proposal No. 3: Election of 5 Directors (excluding those who are Audit and Supervisory Committee members)

Proposal No. 4: Election of 2 Directors who are Audit and Supervisory Committee members

Proposal No. 5: Election of 1 Director who is a Substitute Audit and Supervisory Committee member

Proposal No. 6: Introduction of a Stock-based Remuneration System and Revision of the Amount of Remuneration etc. of Directors (excluding those who are Audit and Supervisory Committee members)

Instructions for Exercise of Voting Rights:

If exercising your voting rights in advance

Exercise of Voting Rights by Mail (in Writing)

Exercise deadline: Arrival by Tuesday, June 28, 2022 at 5:00 p.m. JST

Voting rights may be exercised by mail. Please review the “Reference Documents for the General Meeting of Shareholders”, indicate your vote for or against the proposals on the Voting Rights Exercise Form, and return it.

Exercise of Voting Rights via the Internet, etc.

Exercise deadline: By Tuesday, June 28, 2022 at 5:00 p.m. JST

Voting website: <https://www.e-sokai.jp>

Please access the voting website on the Internet, follow the instructions on the voting website, and indicate your vote for or against the proposals.

If you vote both in writing and via the Internet, only your vote placed via the Internet will be valid. Additionally, if you submit your vote multiple times via the Internet, only the last vote will be valid.

If attending the General Meeting of Shareholders

Date and time of the General Meeting of Shareholders:

Wednesday, June 29, 2022 at 10:00 a.m. JST

(The reception is scheduled to begin at 9:00 a.m. JST)

Please submit the enclosed Voting Rights Exercise Form at the reception desk on the day of the meeting for identification.

For resource-saving, please bring your own copy of this notice of convocation.

End

- Among the documents to be provided with this notice of convocation, “the Systems to Secure the Appropriateness of Operations” of the Business Report, the “Consolidated Statement of Changes in Net Assets” of the Consolidated Financial Statements, Notes to the Consolidated Financial Statements, “Non-consolidated Statement of Changes in Net Assets” of the Non-consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements are posted on the Company’s website (<https://www.nnfh.co.jp/>) in accordance with laws and regulations as well as Article 17 of the Articles of Incorporation of the Company. Therefore, they are not included in the Attached Documents to this Notice of Convocation of the Annual General Meeting of Shareholders. Accordingly, the Attached Documents to this Notice of Convocation of the Annual General Meeting of Shareholders include only part of the Consolidated Financial Statements and the Non-consolidated Financial Statements which have been audited by the Independent Auditor

and the Audit and Supervisory Committee during the course of preparation of the Independent Auditor's Report and the Audit Report, respectively.

- Any correction to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements will be posted on the Company's website (<https://www.nnfh.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

Concerning the appropriation of surplus, the Company's basic policy is to strengthen its financial standing via appropriate enrichment of internal reserves and to conduct stable and continuous dividends. In the medium term, with an annual dividend of 25 yen per share as a base, the Company aims to provide returns to shareholders equivalent to approximately 30% of the net income attributable to shareholders of the Company, and in consideration of factors such as contemporary economic trends, financial conditions, and business results forecasts, determines the returns for each fiscal year.

Based on the above policy, the Company proposes the year-end dividends for the 6th fiscal year as follows:

Matters concerning year-end dividends

1. Kind of dividend property

Cash

2. Matters concerning the allotment of dividend property to shareholders and the total amount thereof

20 yen per share of common stock

The total amount dividends 2,886,580,880 yen

Furthermore, as 15 yen were paid per share as an interim dividend during this fiscal period, annual dividends will amount to 35 yen per share.

3. Effective date of the distribution of surplus

June 30, 2022

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will come into full force and effect on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for the General Meetings of Shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 17, Paragraph 1 provides that information contained in the materials for the General Meeting of Shareholders shall be provided electronically.
- (2) The purpose of the proposed Article 17, Paragraph 2 is to establish a provision limiting the scope of matters to be included in the physical documents sent to shareholders requesting such documents.
- (3) The provisions of Article 17 of the current Articles of Incorporation relating to internet disclosure and deemed provision of the reference documents for the General Meeting of Shareholders, etc. will become obsolete due to the introduction of the system for electronic provision of materials and will, therefore, be deleted.
- (4) In line with the amendments above, supplementary provisions in connection with the effective date, etc. shall be established.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> <u>Article 17 The Company may, when convening a General Meeting of Shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the General Meeting of Shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u>	<Deleted>

Current Articles of Incorporation	Proposed Amendments
<Newly established>	(Measures for Electronic Provision, Etc.) <u>Article 17 The Company shall, when convening a General Meeting of Shareholders, provide information contained in the reference documents for the General Meeting of Shareholders, etc. electronically.</u> <u>2. Among the matters to be provided electronically, the Company may choose not to include in the physical documents to be sent to shareholders requesting such documents by the record date for voting rights, all or part of the matters stipulated in the Ordinance of the Ministry of Justice.</u>
<Newly established>	<u>Supplementary provisions</u> <u>1. The deletion of Article 17 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the proposed Article 17 (Measures for Electronic Provision, Etc.) shall come into full force and effect on September 1, 2022.</u> <u>2. Notwithstanding the provisions of the preceding paragraph, Article 17 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation shall remain in force with respect to a General Meeting of Shareholders to be held by the end of February 2023.</u> <u>3. These supplementary provisions shall be deleted by the later of (i) March 1, 2023 or (ii) the lapse of three months from the date of the General Meeting of Shareholders set forth in the preceding paragraph.</u>

Proposal No. 3: Election of 5 Directors (excluding those who are Audit and Supervisory Committee members)

The terms of office of all of the 5 Directors (excluding those who are Audit and Supervisory Committee members) will expire at the conclusion of this Annual General Meeting of Shareholders. It is proposed that 5 Directors (excluding those who are Audit and Supervisory Committee members) be elected.

The Audit and Supervisory Committee has stated that the Committee has no objection to this proposal.

The candidates are as follows:

(Reference) List of the candidates

Name		Position at the Company	Term of office	Specialty			
				Corporate management	Finance and economy	Financial affairs and accounting	Legal affairs and risk management
Isao Kubota	Reappointment	Chairman (Representative Director)	5 years and 9 months	●	●	●	●
Hiromichi Tanigawa	Reappointment	Deputy Chairman (Representative Director)	5 years and 9 months	●	●	●	●
Hideyuki Murakami	Reappointment	President (Representative Director)	5 years and 9 months	●	●	●	●
Kiyota Takata	Reappointment	Director	5 years and 9 months	●	●	●	
Takashige Honda	Reappointment	Director	1 year		●	●	●

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
1	Isao Kubota (Dec. 6, 1942) [Reappointment]	Apr. 1966 Joined the Ministry of Finance Jun. 1995 Director General of the Customs and Tariff Bureau, the Ministry of Finance Jul. 1997 Deputy Vice Minister of Director-General's Secretariat, the National Land Agency Jul. 1999 Administrative Vice-Minister, the National Land Agency Sep. 2000 Vice-president, Urban Development Corporation Jul. 2002 Chairman, Lone Star Japan Acquisitions, LLC May 2006 Joined THE NISHI-NIPPON CITY BANK, LTD. (the "Bank") Jun. 2006 Advisor, the Bank Jun. 2014 President (Representative Director), the Bank Oct. 2016 Chairman (Representative Director), the Company (current position) Jun. 2021 Director, the Bank (current position) (Significant concurrent positions) Director, THE NISHI-NIPPON CITY BANK, LTD. Chairman of Fukuoka Association of Corporate Executives	2,000 shares
[Reasons for nomination as a candidate for director] Since taking office as president in 2006 at THE NISHI-NIPPON CITY BANK, LTD., a bank of the Group, Mr. Isao Kubota has contributed to the performance improvement of the bank by exercising strong leadership, as well as overcoming various issues in connection with the merger, paying off public funds and adopting core-banking system shared by regional banks. Additionally, he was appointed chairman of the Company in October 2016. The Company nominates him as a candidate for director as he has been judged to be a person who can contribute to the Company's management from his experience, capability, personality and knowledge as a top-level executive.			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
2	Hiromichi Tanigawa (Jul. 17, 1953) [Reappointment]	Apr. 1976 Joined the Ministry of Finance Jun. 2005 Director-General of Yokohama Customs, the Ministry of Finance Jul. 2008 Deputy Director-General of Minister's Secretariat, the Ministry of Finance Oct. 2008 Managing Director, Japan Finance Corporation May 2011 Joined THE NISHI-NIPPON CITY BANK, LTD. (the "Bank") Advisor, the Bank Jun. 2011 Executive Director, the Bank Jun. 2012 Representative Executive Director (Representative Director), the Bank May 2013 Representative Executive Director (Representative Director) Head of Kitakyushu & Yamaguchi Region, the Bank Jun. 2013 Deputy President (Representative Director) Head of Kitakyushu & Yamaguchi Region, the Bank Jun. 2014 President (Representative Director), the Bank Oct. 2016 President (Representative Director), the Company Jun. 2021 Deputy Chairman (Representative Director), the Company (current position) Jun. 2021 Chairman (Representative Director), the Bank (current position) (Significant concurrent positions) Chairman (Representative Director), THE NISHI-NIPPON CITY BANK, LTD. Chairman of The Fukuoka Chamber of Commerce and Industry Vice Chairman of Fukuoka Association of Corporate Executives	25,600 shares
[Reasons for nomination as a candidate for director] Since taking office as director in 2011 at THE NISHI-NIPPON CITY BANK, LTD, a bank of the Group, Mr. Hiromichi Tanigawa has been in charge of the bank's core operations, such as the Internal Audit Division, the Corporate Risk Management & Compliance Division, the Corporate Planning Division and Head of Kitakyushu & Yamaguchi Region. Since taking office as president of the bank in June 2014, he has been at the forefront of leading initiatives toward improving business results of the bank. Additionally, he was appointed president of the Company in October 2016 and deputy chairman of the Company in June 2021. The Company nominates him as a candidate for director as he has been judged to be a person who can contribute to the Company's management from his experience, capability, personality and knowledge as a top-level executive.			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
3	Hideyuki Murakami (Mar. 14, 1961) [Reappointment]	Apr. 1983 Joined NISHI-NIPPON SOGO BANK (NISHI-NIPPON BANK) (currently, THE NISHI-NIPPON CITY BANK, LTD.) (the “Bank”) May 2007 General Manager of Hakataeki Higashi Branch, the Bank May 2008 General Manager of the Human Resources Division and the Human Resource Development Office, the Bank Jun. 2010 Executive Officer General Manager of the Human Resources Division and the Human Resource Development Office, the Bank May 2012 Executive Officer General Manager of the Corporate Planning Division, the Bank Jun. 2012 Senior Executive Officer General Manager of the Corporate Planning Division, the Bank Jun. 2014 Managing Director, the Bank Oct. 2016 Director, the Company Jun. 2018 Executive Director, the Bank Jun. 2021 President (Representative Director), the Company (current position) Jun. 2021 President (Representative Director), the Bank (current position) (Significant concurrent positions) President (Representative Director), THE NISHI-NIPPON CITY BANK, LTD. Director, DAIICHI KOUTSU SANGYO Co., Ltd.	6,800 shares
[Reasons for nomination as a candidate for director] Mr. Hideyuki Murakami served as General Manager of Hakataeki Higashi Branch, General Manager of the Human Resources Division and General Manager of the Corporate Planning Division at THE NISHI-NIPPON CITY BANK, LTD, a bank of the Group. Since taking office as director in 2014 at the Bank, he has been in charge of the bank’s core operations, such as the Head of Tokyo Headquarters, the Internal Audit Division, the Corporate Planning Division, the Corporate Risk Management & Compliance Division, the Corporate Risk Management Division, the Compliance Risk Supervisory Division, the Treasury & Portfolio Investment Division, the Treasury & Securities Transaction Division and the International Business Division. Since taking office as president of the Bank in June 2021, he has been at the forefront of leading initiatives toward improving business results of the Bank. Additionally, he was appointed director of the Company in October 2016 and president of the Company in June 2021. The Company nominates him as a candidate for director as he has been judged to be a person who can contribute to the Company’s management from his experience, capability, personality and knowledge as a top-level executive.			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
4	Kiyota Takata (Jan. 5, 1954) [Reappointment]	Apr. 1978 Joined NISHI-NIPPON SOGO BANK (NISHI-NIPPON BANK) (currently, THE NISHI-NIPPON CITY BANK, LTD.) (the “Bank”) Jun. 2006 Executive Officer General Manager of Executive Secretariat, the Bank Jun. 2007 Director, the Bank Jun. 2010 Managing Director, the Bank Jun. 2011 Managing Director, the Bank Jun. 2012 Executive Director, the Bank Jun. 2016 Deputy President (Representative Director), the Bank Oct. 2016 Director, the Company Apr. 2021 Director In charge of the Internal Audit Division, the Corporate Planning Division and the Group Strategy Planning Division, the Company (current position) Apr. 2022 Deputy President (Representative Director) In charge of the Corporate Administration Division, the Internal Audit Division, the Public Relations Division, the Executive Secretariat, the Human Resources Division and the International Business Division, the Bank (current position) (Significant concurrent positions) Deputy President (Representative Director), THE NISHI-NIPPON CITY BANK, LTD. Director, PIETRO Co., Ltd.	16,270 shares
[Reasons for nomination as a candidate for director] Since taking office as director in 2007 at THE NISHI-NIPPON CITY BANK, LTD, a bank of the Group, Mr. Kiyota Takata has been in charge of the Public Relations Division, the Executive Secretariat, the Human Resources Division, the Internal Audit Division, the International Business Division, and the Corporate Administration Division, and has accumulated experience in business operations. Additionally, he was appointed director of the Company in October 2016. The Company nominates him as a candidate for director as he has been judged to be a person who can contribute to the Company’s management from his experience, capability, personality and knowledge.			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
5	Takashige Honda (Dec. 23, 1965) [Reappointment]	Apr. 1988 Joined NISHI-NIPPON BANK (currently, THE NISHI-NIPPON CITY BANK, LTD.) (the “Bank”) June 2016 Executive Officer General Manager of the Corporate Planning Division, the Bank Oct. 2016 General Manager of the Corporate Planning Division, the Company Jun. 2018 Senior Executive Officer General Manager of the Corporate Planning Division, the Bank Jun. 2020 Executive Officer, the Company Jun. 2020 Managing Director, the Bank Jun. 2021 Director In charge of the Compliance & Risk Management Division, Deputy in charge of the Corporate Planning Division, the Company (current position) Jun. 2021 Managing Director Head of Tokyo Headquarters In charge of the Corporate Planning Division, the Treasury & Portfolio Investment Division, the Treasury & Securities Transaction Division, the Compliance & Risk Management Division, and the Corporate Administration Division, the Bank (current position) (Significant concurrent positions) Managing Director, THE NISHI-NIPPON CITY BANK, LTD. Audit and Supervisory Committee member, Showa Manufacturing Co., Ltd.	2,431 shares
[Reasons for nomination as a candidate for director] Since taking office as director in 2020 at THE NISHI-NIPPON CITY BANK, LTD, a bank of the Group, Mr. Takashige Honda has been in charge of the Corporate Planning Division, the Treasury & Portfolio Investment Division and the Treasury & Securities Transaction Division, the Compliance & Risk Management Division, and the Corporate Administration Division, and has accumulated experience in business operations. Additionally, after serving as General Manager of the Corporate Planning Division from October 2016, he was appointed executive officer in 2020 and director in 2021 at the Company. The Company nominates him as a candidate for director as he has been judged to be a person who can contribute to the Company’s management from his experience, capability, personality and knowledge.			

- (Notes) 1. There is no special interest between each candidate for director and the Company.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company under which all of the directors and executive officers of the Company and its subsidiaries are the insured, as provided for in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers compensation for damages (damages under laws and litigation costs) incurred by the insured due to a claim for damages filed for an act (or omission) of the insured in his or her duties. The Company bears the entire amount of the premium for the insurance contract. Meanwhile, as a measure to ensure that the insured should not be demotivated to appropriately execute his or her duties, the insurance contract does not cover compensation for damages arising from an event where the insured has unlawfully received personal benefit or advantage, or arising from a criminal act of the insured or any act etc. performed by the insured while he or she is aware that such act etc. constitutes a violation of laws and regulations. If the appointment of each candidate as director is approved, they will be the insured parties covered by the said insurance contract and the Company intends to renew the contract during their terms of office.

Proposal No. 4: Election of 2 Directors who are Audit and Supervisory Committee members

Of the 4 Directors who are Audit and Supervisory Committee members, the term of office of Mr. Kiyotaka Tomoike and Ms. Nobuko Takahashi will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 2 Directors who are Audit and Supervisory Committee members is proposed.

This proposal has been approved by Audit and Supervisory Committee.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
1	Kiyotaka Tomoike (Jan. 14, 1960) [Reappointment]	Apr. 1984 Joined NISHI-NIPPON BANK (currently, THE NISHI-NIPPON CITY BANK, LTD.) (the “Bank”) May 2010 General Manager of the Operations Planning & Management Division, the Bank Apr. 2013 General Manager of Hakata Branch, the Bank Jun. 2013 Executive Officer Jun. 2015 General Manager of Hakata Branch, the Bank Senior Executive Officer Jul. 2016 General Manager of Hakata Branch, the Bank Senior Executive Officer Head of Chikugo Regional Headquarters Head of Chikuhō Regional Headquarters, the Bank Apr. 2018 Senior Executive Officer Office of Audit and Supervisory Committee, the Bank Jun. 2018 Director, Audit and Supervisory Committee member, the Company (current position)	1,875 shares
[Reasons for nomination as a candidate for director who is an Audit and Supervisory Committee member] Mr. Kiyotaka Tomoike was in charge of the Corporate Planning Division and took office as Manager of several branch offices at THE NISHI-NIPPON CITY BANK, LTD, a bank of the Group. He was appointed General Manager of the Operations Planning & Management Division in 2010. After taking office as executive officer in 2013, he served as General Manager of Hakata Branch, Head of Chikugo Regional Headquarters and Chikuhō Regional Headquarters, and has accumulated experience in business operations. Additionally, he was appointed a Director, Audit and Supervisory Committee member of the Company in June 2018. The Company nominates him as a candidate for director who is an Audit and Supervisory Committee member as he has been judged to be a person who can contribute to the Company’s management from his experience, capability, personality and knowledge.			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
2	Sachiko Miyamoto (Jun. 22, 1968) [New appointment] Outside Independent Director	Apr. 1991 Joined Nomura Research Institute, Ltd. (“NRI”) Jul. 1997 Assigned to Personnel Division, NRI (won the corporate scholarship to study abroad and earned the MA in Economics from Boston University) Jun. 2002 Economist, Nomura Research Institute Europe Limited Jul. 2006 Joined Nomura Institute of Capital Markets Research (“NICMR”) (transfer due to NRI’s reorganization) Apr. 2010 Senior Economist NICMR (current position) Jun. 2022 To resign from NICMR (scheduled) Jul. 2022 Financial economist (scheduled)	- shares
	[Reasons for nomination as a candidate for outside director who is an Audit and Supervisory Committee member and expected roles] Ms. Sachiko Miyamoto has experience of 30 years in research work with respect to domestic and international financial and capital markets as she has engaged in corporate analysis as an analyst as well as in research and analysis as an investment strategist and a macroeconomist. The Company nominates her as a candidate for outside director who is an Audit and Supervisory Committee member in the expectation that with her professional knowledge on corporate analysis and financial analysis, she will contribute to strengthening the supervisory function.		

- (Notes)
- There are banking transactions between Mr. Kiyotaka Tomoike and the Group. However, they are ordinary banking transactions and there is no special interest between this candidate and the Group.
 - Ms. Sachiko Miyamoto is a candidate for outside director who is an Audit and Supervisory Committee member.
 - Ms. Sachiko Miyamoto is a new director candidate.
 - The name of Ms. Sachiko Miyamoto on the family register is Sachiko Miki.
 - There are no transactions or special interest between Ms. Sachiko Miyamoto and the Group.
 - There are no transactions between Nomura Institute of Capital Markets Research, where Ms. Sachiko Miyamoto is employed and serves as Senior Economist, and the Group.
 - Ms. Sachiko Miyamoto has not been directly involved in corporate management. Nevertheless, the Company believes that she has the capabilities to appropriately execute duties as outside director who is an Audit and Supervisory Committee member, because she has a wealth of expertise as a corporate analyst, an investment strategist, and a macroeconomist and professional knowledge on corporate analysis and financial analysis.
 - The Company has entered into an agreement with Mr. Kiyotaka Tomoike, a director who is an Audit and Supervisory Committee member, pursuant to Article 427, Paragraph 1 of the Companies Act to limit his liabilities to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Act when he is in good faith and without gross negligence in performing duties as non-executive director. If this proposal is approved as originally proposed, the Company plans to continue the liability limitation agreement with him.
 - If the appointment of Ms. Sachiko Miyamoto as Director who is an Audit and Supervisory Committee member is approved, the Company will enter into an agreement with her pursuant to Article 427, Paragraph 1 of the Companies Act to limit her liabilities to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Act when she is in good faith and without gross negligence in performing duties as non-executive director.
 - The Company has entered into a directors and officers liability insurance contract with an insurance company under which all of the directors and executive officers of the Company and its subsidiaries are the insured, as provided for in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers compensation for damages (damages under laws and litigation costs) incurred by the insured due to a claim for damages filed for an act (or omission) of the insured in his or her duties. The Company bears the entire amount of the premium for the insurance contract. Meanwhile, as a measure to ensure that the insured should not be demotivated to appropriately execute his or her duties, the insurance contract does not cover compensation for damages arising from an event where the insured has unlawfully received personal benefit or advantage, or arising from a criminal act of the insured or any act etc. performed by the insured while he or she is aware that such act etc. constitutes a violation of laws and regulations. If the appointment of each candidate as director is approved, they will be the insured parties covered by the said insurance contract and the Company intends to renew the contract during their terms of office.

11. If the appointment of Ms. Sachiko Miyamoto as Director who is an Audit and Supervisory Committee member is approved, the Company intends to register her as Independent Director with the Tokyo Stock Exchange and the Fukuoka Stock Exchange.

(Reference)

Composition of the Audit and Supervisory Committee after the director candidates are elected

Name	Position at the Company	Attribute	Term of office	Specialty			
				Corporate management	Finance and economy	Financial affairs and accounting	Legal affairs and risk management
Kiyotaka Tomoike	Director, Audit and Supervisory Committee member		4 years		●	●	●
Toshio Sakemi	Director, Audit and Supervisory Committee member	Outside independent director	3 years	●		●	●
Chiharu Kubo	Director, Audit and Supervisory Committee member	Outside independent director	1 year	●		●	●
Sachiko Miyamoto	Director, Audit and Supervisory Committee member	Outside independent director	New appointment		●	●	

Proposal No. 5: Election of 1 Director who is a substitute Audit and Supervisory Committee member

The effective tenure of Mr. Seiji Ino, Director who is a substitute Audit and Supervisory Committee member, expires at the beginning of this Annual General Meeting of Shareholders. Therefore, in case where the number of serving Directors who are Audit and Supervisory Committee members falls short of the number stipulated by laws and regulations or the Articles of Incorporation, the election of 1 director who is a substitute Audit and Supervisory Committee member, as a substitute for Mr. Kiyotaka Tomoike, who will be a director who is an Audit and Supervisory Committee is requested in advance if Proposal 4 is approved as originally proposed.

This proposal has been approved by Audit and Supervisory Committee.

The candidate is as follows:

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held	
1	Tomoko Ito (Dec. 22, 1965)	Apr. 1988	Joined NISHI-NIPPON BANK (currently, THE NISHI-NIPPON CITY BANK, LTD.) (the “Bank”)	400 shares
		May 2015	General Manager of the Credit Risk Management Division, the Bank	
		Apr. 2018	General Manager of the IT Strategy Division, the Bank	
		Apr. 2018	General Manager of the Group Strategy Planning Division, the Company	
		Jun. 2018	Executive Officer, General Manager of the IT Strategy Division, the Bank	
		Jun. 2019	Senior Executive Officer, General Manager of the IT Strategy Division, the Bank	
		Apr. 2020	Senior Executive Officer, General Manager of the Corporate Risk Management Division, the Bank	
		Apr. 2020	General Manager of the Compliance & Risk Management Division, the Company	
		Apr. 2022	Senior Executive Officer, Office of Audit and Supervisory Committee, the Bank (current position)	
		Jun. 2022	Director, Audit and Supervisory Committee member, the Bank (planned)	
[Reasons for nomination as a candidate for director who is a substitute Audit and Supervisory Committee member] Ms. Tomoko Ito took office as General Manager of the Credit Risk Management Division at THE NISHI-NIPPON CITY BANK, LTD, a bank of the Group, in 2015, and thereafter served as General Manager of the IT Strategy Division. After taking office as executive officer in 2018, she served as General Manager of the IT Strategy Division and General Manager of the Corporate Risk Management Division, and has accumulated experience in business operations. The Company nominates her as a candidate for director who is a substitute Audit and Supervisory Committee member as she has been judged to be a person who can contribute to the Company’s management from her experience, capability, personality and knowledge.				

- (Notes)
1. There are banking transactions between Ms. Tomoko Ito and the Group. However, they are ordinary banking transactions and there is no special interest between Ms. Tomoko Ito and the Group.
 2. If the appointment of Ms. Tomoko Ito is approved and she assumes the office as Director who is an Audit and Supervisory Committee member, the Company will enter into an agreement with her pursuant to Article 427, Paragraph 1 of the Companies Act to limit her liabilities to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Act when she is in good faith and without gross negligence in performing duties as non-executive director.
 3. The Company has entered into a directors and officers liability insurance contract with an insurance company under which all of the directors and executive officers of the Company and its subsidiaries are the insured, as provided for in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers compensation for damages (damages under laws and litigation costs) incurred by the insured due to a claim for damages filed for an act (or omission) of the insured in his or her duties. The Company bears the entire amount of the premium for the insurance contract. Meanwhile, as a measure to ensure that the insured should not be demotivated to appropriately execute his or her duties, the insurance contract does not cover compensation for damages arising from an event where the insured has unlawfully received personal benefit or advantage, or arising from a criminal act of the insured or any act etc. performed by the insured while he or she is aware that such act etc. constitutes a violation of laws and regulations. If the appointment of Ms. Tomoko Ito is approved and she assumes the office as Director who is an Audit and Supervisory Committee member, she will be the insured party covered by the said insurance contract and the Company intends to renew the contract during her term of office.

Proposal No. 6: Introduction of a Stock-based Remuneration System and Revision of the Amount of Remuneration etc. of Directors (excluding those who are Audit and Supervisory Committee members)

1. Reasons for the proposal and the Company considering the proposal appropriate

The Company hereby proposes for approval that a new stock-based remuneration system “Stock Benefit Trust” (hereinafter “the System”) be introduced for Directors of the Company (excluding those who are Audit and Supervisory Committee members).

The introduction of the System is intended to make the remuneration of Directors and the market value of the Company more closely linked and further enhance the motivation of Directors to contribute to the medium- to long-term improvement of the corporate value of the Company. In view of this purpose, the Company considers the specifics of this proposal concerning the introduction of the System (item 3 below) appropriate. The Company will entrust the Board of Directors to decide the details of the System within the framework set forth in item 3 below, considering reports issued by the Nomination and Remuneration Advisory Committee.

In addition, the Company hereby proposes that as the amount of the stock-based remuneration provided under the System will be calculated for each fiscal year, the limit on the total amount of remuneration etc. of Directors (excluding those who are Audit and Supervisory Committee members) that was approved at the General Meeting of Shareholders of June 29, 2017 be revised, upon the introduction of the System, from a monthly to an annual basis and that within the limit, the “Fixed Price Remuneration (cash remuneration),” which has been paid on a monthly basis, and the new stock-based remuneration be provided for Directors of the Company (excluding those who are Audit and Supervisory Committee members).

The Company also considers the specifics of this proposal concerning the revision of the amount of remuneration etc. (item 2 below) appropriate as the annualized amount of the limit on a monthly basis before the revision is equal to the amount of the limit on an annual basis after the revision, as set forth in item 2 below.

Subject to the approval of this proposal, the Board of Directors plans to resolve a partial amendment to the policy concerning the determination of the specifics of the remuneration etc. of each individual Director of the Company at the first Board of Directors meeting to be held after the conclusion of this Annual General Meeting of Shareholders. The draft policy which, subject to the approval of this proposal, will be resolved by the Board of Directors is indicated at the end of these Reference Materials.

If Proposal No. 3, “Election of 5 Directors (excluding those who are Audit and Supervisory Committee members),” is approved as originally proposed, the number of Directors (excluding those who are Audit and Supervisory Committee members) receiving the “Fixed Price Remuneration (cash remuneration)” and the number of Directors (excluding those who are Audit and Supervisory Committee members) receiving remuneration etc. under the System (stock-based remuneration) will each be equal to 5.

The Audit and Supervisory Committee has stated that it has no objection to this proposal.

2. Revision of the amount of remuneration etc. of Directors (excluding those who are Audit and Supervisory Committee members)

The Company hereby proposes that upon the introduction of the System, the limit on the total amount of remuneration etc. of Directors (excluding those who are Audit and Supervisory Committee members) be revised from a monthly basis (of not more than 25 million yen per month) to an annual basis and that the total amount of the remuneration etc. comprising the “Fixed Price Remuneration (cash remuneration),” which is paid on a monthly basis, and the stock-based remuneration shall not exceed 300 million yen per year; provided, that the total amount of the remuneration etc. after this revision shall not include the salaries paid to Directors who are also employees for their services as employees and that, unless otherwise provided for in this proposal, the Board of Directors be entrusted to decide the timing of provision and distribution, etc. of the remuneration etc.

3. Specifics of the remuneration etc. to be provided under the Stock-Based Remuneration System

(1) Summary of the System

Under the System, shares of common stock of the Company (hereinafter “Company Shares”) are acquired through a trust (the trust established under the System shall be hereinafter referred to as “the Trust”) by using cash contributed by the Company as funds. The Company Shares and the amount of cash that is equivalent to the market value of the Company Shares (hereinafter collectively “the Company Shares Etc.”) are provided through the Trust to the Directors (excluding those who are Audit and Supervisory Committee members; the same shall apply in this item) in accordance with the Director Stock Benefit Rules established by the Company; provided that in principle, the timing of the provision of the Company Shares Etc. to the Directors is when they retire from their position as Directors.

(2) Persons eligible for the System

Directors (excluding those who are Audit and Supervisory Committee members)

(3) Term of trust

The term of trust shall be from August 2022 (scheduled) to the time of termination of the Trust (provided that any specific expiry date of the term of trust of the Trust shall not be determined and that the Trust shall continue to exist as long as the System continues; provided, however, that the Trust shall terminate, as set forth in item (10) below, in the event of the delisting of the Company Shares, the abolition of the Director Stock Benefit Rules, etc.).

(4) Amount of trust

Subject to the approval of this proposal, the Company shall introduce the System for the three fiscal years of the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025 (hereinafter these three fiscal years shall be referred to as “the Initial Period,” and the Initial Period and each of the three fiscal year periods ensuing the Initial Period as “the Period”) and each of the Periods thereafter, and shall contribute the following cash to the Trust as funds to be used by the Trust for acquiring Company Shares to provide the Company Shares Etc. for Directors.

The Company shall, at the time of establishment of the Trust (scheduled for August 2022), contribute a maximum of 90 million yen in cash to the Trust as funds to be used for the Initial Period.

The Company shall additionally contribute a maximum of 90 million yen in cash for, in principle, each of the Periods ensuing the Initial Period until the termination of the System; provided that for each such additional contribution, if any Company Shares (excluding the Company Shares to be provided for Directors in proportion to the points granted to Directors for each of the preceding Periods) or cash remains in the trust property of the Trust (hereinafter collectively “the Remaining Shares Etc.”), the sum of the amount of the Remaining Shares Etc. (of which the amount of those Company Shares shall be the market value as of the last day of the immediately preceding Period) and the amount of the additional contribution shall not exceed 90 million yen.

(Note) The actual amount of the cash contributed by the Company to the Trust will be the sum of the above funds for acquiring shares and the estimated amount of necessary expenses, such as trust fees.

- (5) The process of the acquisition of Company Shares by the Trust and the number of shares to be acquired

The Trust shall acquire Company Shares either by purchasing them from the stock exchange or by subscribing for treasury shares offered by the Company, and use the cash contributed as set forth in item (4) above as funds for the acquisition.

As the points to be granted to Directors for each fiscal year shall not exceed 42,000 points in total as set forth in item (6) below, the number of Company Shares to be acquired by the Trust for each Period will not exceed 126,000 shares, which is equivalent to the limit on the points for each fiscal year multiplied by 3, the number of years included in each Period. The limit on the total points and the limit on the number of Company Shares to be acquired have been determined in view of the limit on the contribution to the Trust set forth in item (4) above.

Details of any acquisition of Company Shares by the Trust will be disclosed in a timely and appropriate manner.

- (6) The limit on the number of Company Shares Etc. to be provided for Directors

Directors shall be granted points based on their respective duty for each fiscal year in accordance with the Director Stock Benefit Rules; provided that the points to be granted to Directors for each fiscal year shall not exceed 42,000 points in total. The Company considers this limit appropriate as it has been determined in view of the level of the market price of Company Shares, the level of remuneration of eligible Directors etc., the trend in and the outlook for the number of eligible Directors, etc. as a whole.

In providing the Company Shares Etc. as set forth in item (7) below, the number of points granted to Directors shall be converted into the number of Company Shares at the ratio of one point to one share (provided that if, after this proposal is approved, share split, share allotment without contribution, consolidation of shares, etc. is carried out for Company Shares, reasonable adjustments shall be made, based on the ratio etc. applied thereto, to the limit on the points to be granted, the points that have been granted, or the ratio for converting the number of points into the number of

Company Shares).

The number of Company Shares that is equivalent to the limit on the points to be granted to Directors for each fiscal year (42,000 shares) accounts for approximately 0.03% of the total number of the shares outstanding (as of March 31, 2022) less the number of treasury shares.

The points to be used as the base in providing the Company Shares Etc. for each Director as set forth in item (7) below shall be, in principle, the points that will have been granted to the Director by the time of his or her retirement as a Director (hereinafter “the Definite Points”).

(7) Provision of the Company Shares Etc. and the process of determining the amount of remuneration etc.

If a retired Director meets the requirements for the beneficiary provided for in the Director Stock Benefit Rules, such Director shall be entitled to, in principle, receive from the Trust, after retirement, the provision of the number of Company Shares that is equivalent to the Definite Points determined as set forth in item (6) above, by completing a designated procedure for determining the eligibility as the beneficiary; provided, however, that if relevant requirements provided for in the Director Stock Benefit Rules are met, such Director shall, with respect to 30% of the Definite Points, receive the provision of the amount of cash that is equivalent to the market value of the corresponding number of Company Shares instead of the provision of Company Shares. The Trust may sell Company Shares to provide the cash for such Director.

The amount of remuneration etc. to be received by each individual Director shall be based on the amount that is obtained by multiplying the total points to be granted to each individual Director by the book value per share of the Company Shares held by the Trust at the time of granting the points (provided that if share split, consolidation of shares, etc. is carried out for Company Shares, reasonable adjustments shall be made based on the ratio etc. applied to such share split, consolidation of shares, etc.). The Company shall, under the System, limit the amount of remuneration etc. to be received by Directors, which is the sum of the amount calculated by this method and the amount of the “Fixed Price Remuneration (cash remuneration)” paid on a monthly basis, to a maximum of 300 million yen per year, the amount proposed in item 2 above for approval.

(8) Exercise of voting rights

Based on an instruction from a trust administrator, none of the voting rights pertaining to the Company Shares on the account of the Trust shall be exercised, in order to ensure neutrality about the management of the Company.

(9) Handling of dividends

Dividends pertaining to the Company Shares on the account of the Trust shall be received by the Trust and be appropriated for the payment for the acquisition of Company Shares by the Trust, trust fees paid to the trustee, etc.; provided that if the Trust terminates, the dividends etc. remaining in the Trust shall be prorated and provided for each of the then incumbent Directors in proportion to the points held by each of the Directors in accordance with the provisions of the Director Stock Benefit Rules.

(10) Handling of trust property in case of the termination of the Trust

The Trust shall terminate in the event of the delisting of the Company Shares, the abolition of the Director Stock Benefit Rules, etc.

The Company plans to acquire, free of charge, all Company Shares in the property of the Trust remaining at the time of the termination of the Trust and thereafter cancel the same subject to a resolution of the Board of Directors. Cash in the property of the Trust remaining at the time of the termination of the Trust, less the cash provided for Directors as set forth in item (9) above, shall be provided for the Company.

(11) Other specifics of the System

Other specifics of the System shall be determined by the Board of Directors when the Trust is established, the trust agreement is revised or an additional contribution to the Trust is made.

<Reference>

Subject to the approval of this proposal, the Board of Directors plans to resolve the following draft policy at the first Board of Directors meeting to be held after the conclusion of this Annual General Meeting of Shareholders.

[Draft policy concerning the determination of specifics of remuneration etc. for each individual Director]

In order to ensure objectivity and transparency about the determination of remuneration etc. for Directors (excluding those who are Audit and Supervisory Committee members; the same shall apply in this policy), the Company has established the Nomination and Remuneration Advisory Committee, the majority of the members of which comprises outside directors of the Company and its consolidated subsidiaries.

Remuneration of Directors shall comprise the “Fixed Price Remuneration,” which shall be paid on a monthly basis, and the “Stock-Based Remuneration,” which is provided with the aim of incentivizing Directors to improve corporate value over the medium- to long-term, and the total amount of the remuneration etc. shall be not more than 300 million yen per year, as approved at the General Meeting of Shareholders of June 29, 2022.

i) Fixed Price Remuneration (cash remuneration)

The amount of the remuneration etc. for each individual Director shall be determined according to the duty of the Director by a resolution of the Board of Directors and in consideration of reports from the Nomination and Remuneration Advisory Committee, and shall be paid on a monthly basis.

ii) Stock-Based Remuneration (non-cash remuneration)

With respect to the Stock-Based Remuneration, each individual Director shall, at a designated time of each fiscal year, be granted points determined according to the duty of the Director (with one point corresponding to one share) based on the Director Stock Benefit Regulations established by the Company and shall, at the time of retirement, be provided with the number of Company Shares that corresponds to the cumulative number of those points granted to the Director (if the Director retires at the expiration of his or her term of office, 30% of those Company Shares shall be replaced by the amount of cash that is equivalent to the market value of that 30% of those Company Shares). The Stock-Based Remuneration shall be determined so as to account for approximately 10% of the total amount of the remuneration etc., which is the sum of the Fixed Price Remuneration (cash remuneration) and the Stock-Based Remuneration.