

These documents are partial translations of the Japanese originals for reference purpose only. In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail. The Company assumes no responsibility for these translations or for direct, indirect or any other forms of damages arising from the translations.

(Securities Code: 8418)  
June 8, 2016

Dear shareholders:

Koichi Fukuda  
President  
Yamaguchi Financial Group, Inc.  
2-36, 4-chome Takezaki-cho,  
Shimonoseki, Yamaguchi

## NOTICE OF CONVOCATION OF THE 10<sup>th</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 10<sup>th</sup> Annual General Meeting of Shareholders of Yamaguchi Financial Group, Inc. (the “Company”), which will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or electromagnetically (via internet, etc.). Please review the Reference Documents for the Annual Meeting of Shareholders (described hereinafter) and exercise your voting rights by 5:30 p.m., June 28, 2016 Japan time, following the instructions described in the next page.

**1. Date and Time:** 10:00 a.m., Wednesday, June 29, 2016  
(The reception for attendees begins at 9:00 a.m.)

**2. Place:** 8F hall, Head Office of Yamaguchi Bank,  
2-36, 4-chome Takezaki-cho, Shimonoseki, Yamaguchi

### **3. Agenda:**

#### **Matters to be reported:**

1. The Business Report, the Consolidated Financial Statements for the 10<sup>th</sup> Fiscal Year (from April 1, 2015 to March 31, 2016) , and the Audit Report on the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. The Non-Consolidated Financial Statements for the 10<sup>th</sup> Fiscal Year (from April 1, 2015 to March 31, 2016)

#### **Matters to be resolved:**

Proposal 1: Election of Six (6) Directors (Excluding Directors Who Serve as Audit and Supervisory Committee Members)

Proposal 2: Election of One (1) Director Who Serves as Audit and Supervisory Committee Member

- 
- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception on the day of the Meeting. In the case of attendance by proxy, please present, to the receptionist at the Meeting, a document evidencing authority of the proxy to act as such, together with the Voting Right Exercise Form. Please note that such proxy must be one shareholder of the Company entitled to exercise its own voting rights at the Meeting.
  - Of the documents needed to be attached to this Notice of Convocation, the Notes to the Non-Consolidated Financial Statements and the Notes to the Consolidated Financial Statements are, in accordance with laws and regulations as well as Article 17 of the Articles of Incorporation of the Company, posted on the Company website. (<http://www.ymfg.co.jp>)
  - Any revisions to the Reference Documents for the Annual General Meeting of Shareholders, and Business Report, Non-Consolidated Financial Statements and Consolidated Financial Statements will be posted on the Company website. (<http://www.ymfg.co.jp>)

## GUIDANCE ON EXERCISE OF VOTING RIGHTS

### 1. Exercise of Voting Rights by Attending the Meeting

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception on the day of the Meeting.

Date and Time: 10:00 a.m. on June 29, 2016 (Wednesday)

### 2. Exercise of Voting Rights by Mail

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it by 5:30 p.m. on Tuesday, June 28, 2016 Japan time.

If you do not indicate any approval or disapproval of the proposals on the said enclosed voting form, the Company shall deem that you have approved these proposals.

### 3. Exercise of Voting Rights via Internet, etc.

Please access the website for exercise of voting rights (<http://www.evotep.jp>) and follow the on-screen instructions to indicate your approval or disapproval of the proposals by 5:30 p.m. on June 28, 2016 (Tuesday).

- (1) Please use your log-in ID and provisional password printed on your Voting Rights Exercise Form in the Voting Web Site (<http://www.evotep.jp>) and indicate your approval or disapproval of each proposal in accordance with the guidance on the Web Site. (Please be noted that the service is suspended from 2 a.m. to 5 a.m.).
- (2) In order to prevent any unauthorized access by a non-shareholder or unauthorized alteration of your voting, you will be required to change your provisional password. You will receive a new log-in ID and provisional password at each time of the Notice of Convocation is delivered.
- (3) Shareholders will be responsible for internet connection charges and the communication charges, etc. arising from accessing to voting web site.
- (4) Voting Right Exercised in Plural Times
  - (i) Please be noted in case that a voting right is exercised in both by mail and internet, only internet voting is treated as effective voting irrespective of the arrival date and hour of voting.
  - (ii) In case that a voting right is exercised by internet more than one time, last voting is treated as effective voting.
- (5) Voting from personal computer or smartphone may not be made depending on your internet using environment.

#### CONTACT ON SYSTEM INFORMATION

Help Desk: Security Agency, Mitsubishi UFJ Trust & Banking Corporation

Tel 0120-173-027 (9:00 – 21:00, toll free) (Japan Time)

#### **【 The Electronic Voting Platform for Institutional Investors 】**

Shareholders participating in the “Electronic Voting Platform” managed by ICJ, Inc. may place their votes through this platform.

## REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS

### Proposals and References

#### Proposal 1: Election of Six (6) Directors (Excluding Directors Who Serve as Audit and Supervisory Committee Members)

The term of office of all six (6) Directors (here and hereafter with regard to this proposal, excluding Directors who serve as Audit and Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the Company requests that shareholders elect six (6) Directors.

Additionally, although the Audit and Supervisory Committee considered this proposal, no opinions were expressed.

The candidates for Directors are as follows:

Candidate No.	Name (Date of Birth)	Brief personal profile Position and principal duty in the Company, and important concurrent positions	Number of shares of the company owned
1	Takeshi Yoshimura (April 3, 1960)	<p>April 1983    Joined The Yamaguchi Bank, Ltd.</p> <p>January 2005    Deputy General Manager, Hiroshima Headquarters of the said bank</p> <p>April 2005    Deputy General Manager, Corporate Planning Department (Hiroshima) of the said bank</p> <p>October 2006    Deputy General Manager, Corporate Planning Department of the said bank</p> <p>October 2006    General Manager, Corporate Planning Department of the Company</p> <p>January 2007    General Manager, Corporate Planning Department of the said bank</p> <p>June 2009    Director of the said bank</p> <p>June 2009    Director of the Company (present position)</p> <p>June 2011    Managing Director and General Manager, Tokuyama Branch of the said bank</p> <p>June 2012    Managing Director and General Manager, Tokyo Headquarters of the said bank</p> <p>June 2015    Managing Director of the said bank (present position)</p> <p>In charge of Compliance Administration Department, Corporate Planning Department, Customers Business Potentials Evaluation Department.</p> <p>(Status of material concurrent positions) Managing Director of The Yamaguchi Bank, Ltd.</p>	11,938 shares
		<p>[Reasons for selection as candidate for Director]</p> <p>He has served to supervise the Compliance Administration Department, Corporate Planning Department, Customers Business Potentials Evaluation Department, Tokyo Headquarters, Capital Markets and Treasury Department, and the Tokuyama region, etc., as Director of the Company and Managing Director of The Yamaguchi Bank, Ltd. possessing knowledge and experience required for sound and appropriate operation of the Group, and as the Company has judged that he will appropriately execute the duties of Director of the Company, he has been made a candidate for Director.</p>	

Candidate No.	Name (Date of Birth)	Brief personal profile Position and principal duty in the Company, and important concurrent positions	Number of shares of the company owned
2	Koichi Fukuda (January 15, 1953)	<p>April 1976    Joined The Yamaguchi Bank, Ltd.</p> <p>October 1994    General Manager, Chofuhigashi Branch of the said bank</p> <p>June 1997    General Manager, Kure Branch of the said bank</p> <p>April 1999    General Manager, Hong Kong Branch of the said bank</p> <p>January 2001    Deputy General Manager, International Department of the said bank</p> <p>April 2001    Deputy General Manager, Tokyo Branch of the said bank</p> <p>June 2001    General Manager, Tokyo Branch of the said bank</p> <p>June 2002    Director and General Manager, Tokyo headquarters of the said bank</p> <p>June 2004    President of the said bank (present position)</p> <p>June 2005    Director of The Momiji Holdings Co., Ltd.</p> <p>October 2006    President of the Company (present position)</p> <p>June 2014    Chairman of the Board of The Kitakyushu Bank, Ltd. (present position)</p> <p>June 2014    Chairman of the Board of Momiji Bank, Ltd. (present position)</p> <p>In charge of Business Strategy Planning Department, Overseas Strategy Planning Department, Customer Communication Department.</p> <p>(Status of material concurrent positions) President of The Yamaguchi Bank, Ltd.(Representative Director) Chairman of the Board of Momiji Bank, Ltd. Chairman of the Board of The Kitakyushu Bank, Ltd.</p>	27,098 shares
<p>[Reasons for selection as candidate for Director]</p> <p>He has served to supervise the overall management of the Group, including banks, as President of the Company and President of The Yamaguchi Bank, Ltd., possessing knowledge and experience required for sound and appropriate operation of the Group, and as the Company has judged that he will appropriately execute the duties of Director of the Company, he has been made a candidate for Director.</p>			

Candidate No.	Name (Date of Birth)	Brief personal profile Position and principal duty in the Company, and important concurrent positions	Number of shares of the company owned
3	Hirohide Umemoto (November 14, 1957)	<p>April 1980    Joined The Yamaguchi Bank, Ltd.</p> <p>April 2005    General Manager, Higashishinkawa Branch of the said bank</p> <p>April 2006    Senior Deputy General Manager, Corporate Planning Department (Hiroshima) of the said bank</p> <p>October 2006    General Manager, Audit and Inspection Department of the Company</p> <p>February 2008    General Manager, Systems Department of the said bank</p> <p>June 2008    Director of the said bank</p> <p>June 2008    Director of the Company (present position)</p> <p>June 2011    Managing Director of the said bank (present position)</p> <p>In charge of Risk Administration Department, IT Administration Department, Corporate Administration Department.</p> <p>(Status of material concurrent positions) Managing Director of The Yamaguchi Bank, Ltd.</p>	16,076 shares
<p>[Reasons for selection as candidate for Director]</p> <p>He has served to supervise the Risk Administration Department, IT Administration Department, Corporate Administration Department, Corporate Planning Department, and Compliance Administration Department, etc., as Director of the Company and Managing Director of The Yamaguchi Bank, Ltd. possessing knowledge and experience required for sound and appropriate operation of the Group, and as the Company has judged that he will appropriately execute the duties of Director of the Company, he has been made a candidate for Director.</p>			

Candidate No.	Name (Date of Birth)	Brief personal profile Position and principal duty in the Company, and important concurrent positions	Number of shares of the company owned
4	Ichinari Koda* (December 1, 1962)	<p>April 1985      Joined The Yamaguchi Bank, Ltd.</p> <p>October 2006    Deputy General Manager, Corporate Planning Department (Hiroshima) of the said bank</p> <p>April 2007      General Manager, Capital Markets and Treasury Department of the said bank</p> <p>December 2010 General Manager, Hiroshima Branch of the said bank</p> <p>April 2012      Director of Momiji Bank, Ltd.</p> <p>June 2014      Managing Director of the said bank (present position)</p> <p>(Status of material concurrent positions) Managing Director of Momiji Bank, Ltd.</p>	7,480 shares
		<p>[Reasons for selection as candidate for Director]</p> <p>He has served to supervise the Regional Development Department, Financial Planning Business Department, and Capital Markets and Treasury Department, etc., as Managing Director of The Momiji Bank, Ltd. possessing knowledge and experience required for sound and appropriate operation of the Group, and as the Company has judged that he will appropriately execute the duties of Director of the Company, he has been made a candidate for Director.</p>	
5	Mitsuru Katoh * (April 2, 1961)	<p>April 1984      Joined The Yamaguchi Bank, Ltd.</p> <p>November 2006 Assistant General Manager, Corporate Administration Department of the said bank</p> <p>October 2008    General Manager, Moji Branch of the said bank</p> <p>July 2011        Deputy General Manager, Corporate Planning Department of the said bank</p> <p>October 2011 General Manager, Corporate Administration Department of The Kitakyushu Bank, Ltd. (present position)</p> <p>October 2011 Deputy General Manager, Corporate Administration Department of the Company (present position)</p>	2,228 shares
		<p>[Reasons for selection as candidate for Director]</p> <p>Both within the Company and at banks within the group, he has served as General Manager of Corporate Administration Department and has been involved in personnel, corporate planning, and sales, etc., possessing knowledge and experience required for sound and appropriate operation of the Group, and as the Company has judged that he will appropriately execute the duties of Director of the Company, he has been made a candidate for Director.</p>	

Candidate No.	Name (Date of Birth)	Brief personal profile Position and principal duty in the Company, and important concurrent positions	Number of shares of the company owned
6	Hiroaki Tamura (August 24, 1943)	<p>April 1966    Joined Ube Industries, Ltd.  June 1997    Director of Ube Industries, Ltd.  June 1999    Managing Director of Ube Industries, Ltd.  June 2001    Senior Managing Executive Officer of Ube Industries, Ltd.  October 2002 President of Cement &amp; Construction Materials Segment,  Ube Industries, Ltd.  June 2003    Director of Ube Industries, Ltd.  (Senior-Managing-Director status),  Senior Managing Executive Officer  April 2005    Special Assistant to the President of Ube Industries, Ltd.  June 2005    President &amp; Representative Director, Executive Officer,  and Group CEO of Ube Industries, Ltd.  April 2010    Chairman of the Board of Directors of Ube Industries, Ltd.  June 2013    Director of the Company (present position)  June 2014    Senior Advisor of Ube Industries, Ltd.  (present position)</p> <p>(Status of material concurrent positions)  Senior Advisor of Ube Industries, Ltd.  Director of The Chugoku Electric Power Co., Inc. (Outside Director)</p>	—
		<p>Mr. Hiroaki Tamura is a candidate for Outside Director.  [Reasons, etc. for selection as candidate for Outside Director]  Based on advanced insights and a wealth of experience as a corporate manager fostered by serving as President &amp; Representative Director of Ube Industries, Ltd., the Company expects that he will strengthen the effectiveness of the decision-making functions and supervisory functions of the Board of Directors of the Company by providing pertinent recommendations toward overall management taking into account local economic conditions, etc., and further strengthen corporate governance of the Group, and thus requests his election as Outside Director.  His term of office as Outside Director will be three years at the close of this General Meeting of Shareholders.  [Independence of Mr. Tamura]  With respect to transactional relationships, etc., between Ube Industries, Ltd., where he served as a business executor, and the Group, as net sales of said company resulting from transactions with the Group as a proportion of consolidated net sales and income of the Group resulting from transactions with said company as a proportion of consolidated ordinary income are each less than 1%, etc., there is no effect on his independence.</p>	

(Notes)

1. The new candidates for Director are indicated by an asterisk “\*”.
2. No special interests exist between the Company and the candidates.
3. Mr. Takeshi Yoshimura is scheduled to be appointed President (Representative Director) of the Company as of the close of the Board of Directors meeting to be held on June 29, 2016.
4. Mr. Takeshi Yoshimura is scheduled to be appointed President (Representative Director) of The Yamaguchi Bank, Ltd. as of the close of the Annual General Meeting of Shareholders of the said bank and the Board of Directors meeting of the said bank to be held on June 29, 2016.



5. Mr. Koichi Fukuda is scheduled to be appointed Director and Chairman without representative rights of the Company as of the close of the Board of Directors meeting to be held on June 29, 2016.
6. Mr. Koichi Fukuda is scheduled to be appointed Part-time Director of Momiji Bank, Ltd. as of the close of the Annual General Meeting of Shareholders of the said bank and the Board of Directors meeting of the said bank to be held on June 28, 2016.
7. Mr. Koichi Fukuda is scheduled to be appointed Part-time Director of The Kitakyushu Bank, Ltd. as of the close of the Annual General Meeting of Shareholders of the said bank and the Board of Directors meeting of the said bank to be held on June 28, 2016.
8. Mr. Koichi Fukuda is scheduled to be appointed Director and Chairman without representative rights of The Yamaguchi Bank, Ltd. as of the close of the Annual General Meeting of Shareholders of the said bank and the Board of Directors meeting of the said bank to be held on June 29, 2016.
9. The Company has registered Mr. Tamura as Independent Director as provided for the rules of Tokyo Stock Exchange, Inc. If he is elected at this General Meeting of Shareholders, he is planned to remain in office as Independent Director.
10. With respect to liabilities of Article 423, Paragraph 1 of the Companies Act, as defined in the Articles of Incorporation, the Company may conclude liability limitation agreements with Directors (excluding Executive Directors) to limit their liability for damages to the minimum limit for liability as stipulated in Article 425, Paragraph 1 of the Companies Act, provided that duties were performed in good faith and without gross negligence. If the election of Mr. Hiroaki Tamura is approved at this General Meeting of Shareholders, the Company plans to conclude said liability limitation agreement with him.
11. The number of the Company's shares held by each candidate includes equity shares held by Board Members' Shareholding Association of the Company and Employees Shareholding Association of the Company.

Proposal 2: Election of One (1) Director Who Serves as Audit and Supervisory Committee Member

As Director serving as Audit and Supervisory Committee Member Mr. Mitsuhiro Hirozane will resign at the close of this General Meeting of Shareholders, the Company proposes the election of one (1) Director serving as Audit and Supervisory Committee Member.

Additionally, this proposal has received the approval of the Audit and Supervisory Committee.

Additionally, although the Audit and Supervisory Committee considered this proposal and the resignation of Mr. Mitsuhiro Hirozane, no opinions were expressed.

The candidate for Director who serves as Audit and Supervisory Committee Member is as follows:

Name (Date of Birth)	Brief personal profile Position and principal duty in the Company, and important concurrent positions	Number of shares of the company owned
Susumu Fukuda* (January 12, 1962)	April 1984    Joined The Yamaguchi Bank, Ltd. June 2011    General Manager, Compliance and Risk Administration Department of the said bank June 2011    General Manager, Compliance and Risk Administration Department of the Company April 2013    General Manager, Risk Administration Department of the said bank April 2013    General Manager, Risk Administration Department of the Company June 2013    General Manager, Audit and Inspection Department of the Company (present position)	6,220 shares
[Reasons for selection as candidate for Director serving as Audit and Supervisory Committee Member] Both within the Company and at banks within the group, he has served as General Manager of the Audit and Inspection Department and Risk Administration Department, etc., possessing knowledge and experience required for sound and appropriate operation of the Group, and as the Company has judged that he will appropriately execute the duties of Director serving as Audit and Supervisory Committee Member of the Company, he has been made a candidate for Director serving as Audit and Supervisory Committee Member.		

(Notes)

1. The new candidate for Director who serves as Audit and Supervisory Committee Members is indicated by an asterisk “\*”.
2. No special interests exist between the Company and the candidate.
3. The number of the Company’s shares held by the candidate includes equity shares held by Employees Shareholding Association of the Company.