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(Securities Code: 8418)  
June 4, 2019

Dear shareholders:

Takeshi Yoshimura  
President  
Yamaguchi Financial Group, Inc.  
2-36, 4-chome Takezaki-cho,  
Shimonoseki, Yamaguchi

## NOTICE OF CONVOCAION OF THE 13<sup>th</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 13<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 24, 2019 Japan time, following the instructions described in the next page.

- 1. Date and Time:** 10:00 a.m., Tuesday, June 25, 2019  
(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 13<sup>th</sup> Fiscal Year (from April 1, 2018 to March 31, 2019), 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 13<sup>th</sup> Fiscal Year (from April 1, 2018 to March 31, 2019)

#### **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 Two (2) Directors Who Serve as Audit and Supervisory Committee Members

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- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception on the day of the Meeting. Please also bring this Notice of Convocation to the meeting with you for the sake of paper resource saving. 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 Rights Exercise Form. Please note that such proxy must be one shareholder of the Company entitled to exercise its own voting rights at the Meeting.
  
  - The following items are posted on the Company website (<http://www.ymfg.co.jp>) in accordance with laws and regulations as well as Article 17 of the Articles of Incorporation of the Company.
    - 1) Matters Concerning the Company's Stock Acquisition Rights, etc. in the Business Report
    - 2) The Notes to the Consolidated Financial Statements
    - 3) The Notes to the Non-Consolidated Financial Statements
  
  - Any revisions to the Reference Documents for the Annual General Meeting of Shareholders, and Business Report, Consolidated Financial Statements and Non-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 Tuesday, June 25, 2019 Japan time

**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 Monday, June 24, 2019 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 (<https://evote.tr.mufg.jp/>) and follow the on-screen instructions to indicate your approval or disapproval of the proposals by 5:30 p.m. on Monday, June 24, 2019 Japan time.

## GUIDANCE ON EXERCISE OF VOTING RIGHTS VIA INTERNET

### Scanning the QR code

You can log in to the Voting Web Site without entering your log-in ID and provisional password printed in your Voting Rights Exercise Sub-Form.

- (1) Please scan the QR code printed on your Voting Rights Exercise Sub-Form (right part).  
\* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.
- (2) After scanning the QR code, please follow the on-screen instructions and indicate your approval or disapproval of each proposals.

You may log in by using the QR code only once. In case of exercising your voting rights again, or exercising your voting rights without using the QR code, please confirm “Entering the log-in ID and provisional password” below.

### Entering the log-in ID and provisional password

Voting Web Site (<https://evote.tr.mufg.jp/>)

- (1) Access to the Voting Web Site.
- (2) Enter your “Log-in ID and provisional password” printed in your Voting Rights Exercise Form, and click “Log in.”
- (3) Enter your “New password,” and click “Submit” to register.
- (4) Follow the on-screen instructions and indicate your approval or disapproval of each proposals.

[Notes for exercising your voting rights via internet]

- Shareholders will be responsible for internet connection charges and the communication charges, etc. arising from accessing to voting web site.
- Voting Right Exercised in Plural Times
  - 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.
  - In case that a voting right is exercised by internet more than one time, last voting is treated as effective voting.

Please contact below if you have any inquiries on how to operate your computer, smartphone or mobile phone when exercising your voting rights via internet.

#### 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)

Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc.

## 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 seven (7) 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.

The Company intends to clarify respective roles and responsibilities for its decision-making function and business execution supervisory function, for which Directors are responsible, as well as its business execution function for which Executive Officers are responsible, and furthermore introduce delegated-type Executive Officers in order to further enhance governance and strengthen function on business execution. Under this system, officers in charge of divisions and departments, which used to be undertaken by Directors, will now be under the responsibility of Executive Officers.

Accordingly, the Company proposes to decrease the number of Directors by one (1) and elect six (6) Directors.

This proposal was reviewed at the Audit and Supervisory Committee with no objections being raised.

The candidates for Directors are as follows:

Candidate No.	Name	Date of birth	Current position in the Company, etc.
1	Takeshi Yoshimura	April 3, 1960	President Reappointment
2	Hirohide Umemoto	November 14, 1957	Vice-President Reappointment
3	Ichinari Koda	December 1, 1962	Managing Director Reappointment
4	Koji Oda	April 13, 1961	Managing Director Reappointment
5	Mitsuru Katoh	April 2, 1961	Director Reappointment
6	Masao Kusunoki	January 3, 1948	Director Reappointment Outside Independent

Reappointment: Reappointed Director candidate

Outside: Outside Director candidate

Independent: Independent Director registered with the Stock Exchanges

Candidate No.	<b>Takeshi Yoshimura</b> (Reappointment) (Date of birth: April 3, 1960)	Number of shares of the company owned	14,800 shares
1	Years as a Director	10 years	
Brief personal profile, position and principal duty in the Company, and important concurrent positions			
April 1983	Joined The Yamaguchi Bank, Ltd.	June 2015	Managing Director of the said bank
January 2005	Deputy General Manager, Hiroshima Headquarters of the said bank	June 2016	President of the Company (present position)
April 2005	Deputy General Manager, Corporate Planning Department (Hiroshima) of the said bank	June 2016	President of the said bank
October 2006	Deputy General Manager, Corporate Planning Department of the said bank	June 2017	Director of Momiji Bank, Ltd.
October 2006	General Manager, Corporate Planning Department of the Company	June 2017	Director of The Kitakyushu Bank, Ltd.
January 2007	General Manager, Corporate Planning Department of the said bank	June 2018	Chairman of The Yamaguchi Bank, Ltd. (present position)
June 2009	Director of the said bank	In charge of Corporate Planning Administration Group, Corporate Banking Business Group, Retail Banking Business Group and Regional & Business Development Group	
June 2009	Director of the Company		
June 2011	Managing Director and General Manager, Tokuyama Branch of the said bank	(Status of material concurrent position) Chairman of The Yamaguchi Bank, Ltd. (Representative Director)	
June 2012	Managing Director and General Manager, Tokyo Headquarters of the said bank		
[Reasons for selection as candidate for Director] He has served to supervise the overall management of the Company and its subsidiaries (the Group), including banks, as President of the Company and Chairman 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.			

Candidate No.	<b>Hirohide Umemoto</b> (Reappointment) (Date of birth: November 14, 1957)	Number of shares of the company owned	60,000 shares
2	Years as a Director	11 years	
Brief personal profile, position and principal duty in the Company, and important concurrent positions			
April 1980	Joined The Yamaguchi Bank, Ltd.	June 2011	Managing Director of the said bank
April 2005	General Manager, Higashishinkawa Branch of the said bank	June 2016	Senior Managing Director of the Company
April 2006	Senior Deputy General Manager, Corporate Planning Department (Hiroshima) of the said bank	June 2016	Senior Managing Director of the said bank
October 2006	General Manager, Audit and Inspection Department of the Company	June 2018	Vice-President of the Company (present position)
February 2008	General Manager, Systems Department of the said bank	June 2018	President of YM Securities Co., Ltd. (present position)
June 2008	Director of the said bank	In charge of IT & Operations Administration Group  (Status of material concurrent position) President of YM Securities Co., Ltd. (Representative Director)	
June 2008	Director of the Company		
[Reasons for selection as candidate for Director] He has served to supervise the IT & Operations Administration Group as Vice-President of the Company, 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.			

Candidate No.	<b>Ichinari Koda</b> (Reappointment) (Date of birth: December 1, 1962)	Number of shares of the company owned	33,300 shares
3	Years as a Director	3 years	
Brief personal profile, position and principal duty in the Company, and important concurrent positions			
April 1985	Joined The Yamaguchi Bank, Ltd.	June 2014	Managing Director of the said bank
October 2006	Deputy General Manager, Corporate Planning Department (Hiroshima) of the said bank	June 2016	Director of the Company
		June 2016	Senior Managing Director of the said bank
April 2007	General Manager, Capital Markets and Treasury Department of the said bank	June 2018	Managing Director of the Company (present position)
December 2010	General Manager, Hiroshima Branch of the said bank	June 2018	President of The Yamaguchi Bank, Ltd. (present position)
April 2012	Director of Momiji Bank, Ltd.		
			In charge of Capital Markets and Treasury Division
			(Status of material concurrent position) President of The Yamaguchi Bank, Ltd. (Representative Director)
[Reasons for selection as candidate for Director] He has served to supervise the overall management of a bank as Managing Director 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.			

Candidate No.	<b>Koji Oda</b> (Reappointment) (Date of birth: April 13, 1961)	Number of shares of the company owned	4,000 shares
4	Years as a Director	2 years	
Brief personal profile, position and principal duty in the Company, and important concurrent positions			
April 1984	Joined Hiroshima Sogo Bank, Ltd. (renamed to Hiroshima-Sogo Bank, Ltd. in February 1989, and to Momiji Bank, Ltd. in May 2004 after business integration.)	June 2011	General Manager, Corporate Administration Department and Human Resource Development Office of the Company
August 2003	General Manager, Yamaguchi Branch of the said bank	April 2012	Director and General Manager, Kaita Branch of Momiji Bank, Ltd.
February 2005	Chief Assistant Manager, Sales Promotion Department of the said bank	June 2014	Managing Director of the said bank
		June 2016	President of the said bank (present position)
July 2008	General Manager, Takehara Branch of the said bank	June 2017	Managing Director of the Company (present position)
June 2010	General Manager, Corporate Administration Department of the said bank		(Status of material concurrent position) President of Momiji Bank, Ltd. (Representative Director)
[Reasons for selection as candidate for Director] He has served to supervise the overall bank management as Managing Director of the Company and President of 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.			

Candidate No.	<b>Mitsuru Katoh</b> (Reappointment) (Date of birth: April 2, 1961)	Number of shares of the company owned	5,600 shares
5	Years as a Director	3 years	
Brief personal profile, position and principal duty in the Company, and important concurrent positions			
April 1984	Joined The Yamaguchi Bank, Ltd.	October 2011	General Manager, Corporate Administration Department of The Kitakyushu Bank, Ltd.
November 2006	Assistant General Manager, Corporate Administration Department of the said bank	October 2011	Deputy General Manager, Corporate Administration Department of the Company
October 2008	General Manager, Moji Branch of the said bank	June 2016	Director of the Company (present position)
July 2011	Deputy General Manager, Corporate Planning Department of the said bank	June 2018	Senior Managing Director, The Kitakyushu Bank, Ltd. (present position)
			In charge of Compliance & Risk Administration Group and Human Resource & General Affair Administration Group
			(Status of material concurrent position) Senior Managing Director of The Kitakyushu Bank, Ltd.
[Reasons for selection as candidate for Director] He has served to supervise the Compliance & Risk Administration Group and Human Resource & General Affair Administration Group as Director of the Company, 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.			



Candidate No.	<b>Masao Kusunoki</b> (Reappointment) (Outside) (Independent) (Date of birth: January 3, 1948)	Number of shares of the company owned	— shares
6	Years as a Director	1 year	
Brief personal profile, position and principal duty in the Company, and important concurrent positions			
April 1970	Joined Tokuyama Soda Co., Ltd. (renamed to Tokuyama Corporation in April 1994)	June 2011	President, EXCEL SHANON CORPORATION
June 2001	Director of the said company	April 2015	Executive Officer of Tokuyama Corporation
April 2003	Managing Director of the said company	June 2015	Representative Director, Chairperson and Executive Officer of the said company
April 2011	Managing Director, Executive Officer of the said company	June 2018	Director of the Company (present position)
June 2011	Corporate Advisor of the said company	April 2019	Representative Director of Tokuyama Corporation (present position)
(Status of material concurrent position) Representative Director of Tokuyama Corporation			
[Reasons for selection as candidate for Outside Director]			
Based on advanced insights and a wealth of experience as a corporate manager fostered by serving as Representative Director, Chairperson and Executive Officer of Tokuyama Corporation and other executive positions, 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 also further strengthen corporate governance of the Group, and thus requests his election as a Director.			
[Independence of the candidate]			
With respect to transactional relationships, etc., between Tokuyama Corporation, where Mr. Masao Kusunoki serves as a business executive, and the Group, as net sales of the 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 and its group companies as a proportion of consolidated ordinary income are each less than 1%, etc., there is no effect on his independence.			

(Notes)

- The Group banks have business transactions including deposits and loans with Tokuyama Corporation, where Mr. Masao Kusunoki serves as Representative Director.  
No special interests exist between the Company and other candidates.
- Mr. Mitsuru Katoh is scheduled to be appointed President (Representative Director) of The Kitakyushu Bank, Ltd. as of the conclusion 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 24, 2019.
- Mr. Masao Kusunoki is scheduled to retire from Representative Director and to be appointed as Corporate Advisor of Tokuyama Corporation as of the conclusion of the Annual General Meeting of Shareholders of the said company and the Board of Directors Meeting of the said company to be held on June 21, 2019.
- The Company has registered Mr. Masao Kusunoki as Independent Director as provided for the rules of Tokyo Stock Exchange, Inc. If he is elected at this Annual General Meeting of Shareholders, he is planned to remain in office as Independent Director.
- 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. The Company has concluded said liability limitation agreement with Mr. Masao Kusunoki, and if his election is approved at this Annual General Meeting of Shareholders, the Company plans to continue said liability limitation agreement with him.

**Proposal 2: Election of Two (2) Directors Who Serve as Audit and Supervisory Committee Members**

The term of office of Directors who serve as Audit and Supervisory Committee Members Mr. Kazuo Tsukuda and Mr. Michiaki Kunimasa will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes that two (2) Directors who serves as Audit and Supervisory Committee Members be elected. This proposal has received the approval of the Audit and Supervisory Committee.

The proposal was reviewed by each Director who serves as the Audit and Supervisory Committee with no objections being raised.

The candidate for Directors who serve as Audit and Supervisory Committee Members are as follows:

Candidate No.	Name	Date of birth	Current position in the Company, etc.
1	Kazuo Tsukuda	September 1,1943	Director, Audit and Supervisory Committee Member Reappointment Outside Independent
2	Michiaki Kunimasa	July 12, 1943	Director, Audit and Supervisory Committee Member Reappointment Outside Independent

Candidate No.	<b>Kazuo Tsukuda</b> (Reappointment) (Outside) (Independent) (Date of birth: September 1, 1943)	Number of shares of the company owned	— shares
1	Years as a Director	4 years	
Brief personal profile, position and principal duty in the Company, and important concurrent positions			
March 1968	Joined Mitsubishi Heavy Industries Ltd	June 2013	Advisor of the said company (present position)
June 1999	Director of the said company	June 2013	Audit and Supervisory Board Member of the Company
June 2002	Managing Director of the said company		
June 2003	President of the said company	June 2015	Director, Audit and Supervisory Committee Member of the Company (present position)
April 2008	Chairman of the Board of the said company		
April 2013	Director and Advisor of the Board of the said company		
(Status of material concurrent positions)			
Advisor of Mitsubishi Heavy Industries Ltd.			
Director of Mitsubishi Research Institute, Inc. (Outside Director)			
Director of Keihan Holdings Co., Ltd. (Outside Director)			
Member of the Board of Fanuc Corporation (Outside Director)			
[Reasons for selection as candidate for Outside Director who serves as Audit and Supervisory Committee Member] He has been conducting corporate management supervision of the Company from a fair and objective standpoint, as an Outside Director who serves as Audit and Supervisory Committee Member. Based on advanced insights and a wealth of experience as a corporate manager fostered by serving as President of Mitsubishi Heavy Industries Ltd., the Company expects that he will provide pertinent recommendations toward overall management and further strengthen corporate governance of the Company, and thus he has been made a candidate for Director who serves as Audit and Supervisory Committee Member.			
[Independence of the candidate] With respect to transactional relationships, etc., between Mitsubishi Heavy Industries Ltd., where Mr. Kazuo Tsukuda served as a business executive, 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.			

Candidate No.	<b>Michiaki Kunimasa</b> (Date of birth: July 12, 1943)	(Reappointment) (Outside) (Independent)	Number of shares of the company owned	— shares
2	Years as a Director		4 years	
Brief personal profile, position and principal duty in the Company, and important concurrent positions				
April 1972	Registered with Nagoya Bar Association	April 1998	President of Chugoku Federation of Bar Associations (Retired in March 1999)	
March 1974	Registered with Hiroshima Bar Association		President of Hiroshima Bar Association (Retired in March 1999)	
April 1984	Vice President of Hiroshima Bar Association (Retired in March 1985)	June 2014	Audit and Supervisory Board Member of the Company	
April 1998	Governor of Japan Federation of Bar Associations (Retired in March 1999)	June 2015	Director, Audit and Supervisory Committee Member of the Company (present position)	
<p>[Reasons for selection as candidate for Outside Director who serves as Audit and Supervisory Committee Member]  He has been conducting corporate management supervision of the Company from a fair and objective standpoint, as an Outside Director who serves as Audit and Supervisory Committee Member. Based on a wealth of experience and professional knowledge as a lawyer, the Company has judged that he will provide pertinent recommendations and further strengthen corporate governance of the Company, and thus he has been made a candidate for Director who serves as Audit and Supervisory Committee Member.</p> <p>[Independence of the candidate]  As Mr. Michiaki Kunimasa does not have any contractual relationship as a legal counsel with the Company and he does not receive any money, etc. other than the remuneration for Directors, there is no risk of conflict of interest with general shareholders.</p>				

(Notes)

1. The Group banks have business transactions including deposits and loans with Mitsubishi Heavy Industries Ltd., where Mr. Kazuo Tsukuda serves as Advisor. Also, the Group banks have business transactions including deposits and loans with Mr. Kazuo Tsukuda.
2. No special interests exist between Mr. Michiaki Kunimasa and the Company.
3. Mr. Kazuo Tsukuda is scheduled to retire from Advisor and to be appointed as Executive Corporate Advisor of Mitsubishi Heavy Industries Ltd. as of the conclusion of the Annual General Meeting of Shareholders of the said company to be held on June 27, 2019.
4. Mr. Kazuo Tsukuda is scheduled to retire from Director of Keihan Holdings Co., Ltd. as of the conclusion of the Annual General Meeting of Shareholders of the said company to be held on June 19, 2019.
5. The Company has registered Mr. Kazuo Tsukuda and Mr. Michiaki Kunimasa as Independent Directors as provided for the rules of Tokyo Stock Exchange, Inc. If they are elected at this Annual General Meeting of Shareholders, they are planned to remain in office as Independent Directors.
6. 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. The Company has concluded said liability limitation agreement with Mr. Kazuo Tsukuda and Mr. Michiaki Kunimasa, and if their election is approved at this Annual General Meeting of Shareholders, the Company plans to continue said liability limitation agreement with them.

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