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(Securities Code: 8418)

June 7, 2023

(Available electronically from June 1, 2023)

Dear shareholders:

Keisuke Mukunashi
President, Representative Director
and CEO
Yamaguchi Financial Group, Inc.
2-36, 4-chome Takezaki-cho,
Shimonoseki, Yamaguchi

NOTICE OF CONVOCATION OF THE 17th ANNUAL GENERAL MEETING OF SHAREHOLDERS

We would like to notify you that the 17th Annual Shareholders' Meeting (the "Meeting") of Yamaguchi Financial Group, Inc. (the "Company") will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for electronic provision and posted the matters subject to the measures for electronic provision on the following website.

The Company's website (English) <https://www.ymfg.co.jp/finance/english.html>

In addition to the Company website, matters subject to the measures for electronic provision are also posted on the website of the Tokyo Stock Exchange (TSE).

TSE website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

Please access the TSE website (Listed Company Search) above, perform a search by entering "Yamaguchi Financial Group" as the "Company name" or "8418" as the "Code," and select "Basic information" and then "Documents for public inspection/PR information" to view the information.

We will hold the Meeting while taking appropriate measures to prevent COVID-19 infection. However, if you plan to attend the Meeting, please do so after careful consideration to your physical condition and the status of pandemic spread on the date of the Meeting.

If you intend to exercise your voting rights in advance via the internet or in writing, please review the reference materials for the Meeting below, and exercise your voting rights by Tuesday, June 27, 2023, 5:30 p.m. Japan time.

- 1. Date and Time:** 10:30 a.m., Wednesday, June 28, 2023
(Doors will open at 9:30 a.m.)

2. Place:

8th Floor Hall of the Head Office of Yamaguchi Bank
located at 2-36, 4-chome Takezaki-cho, Shimonoseki, Yamaguchi

3. Agenda:

Matters to be reported:

1. Details of the Business Report, details of the Consolidated Financial Statements, and reports of the Accounting Auditor and of the Audit and Supervisory Committee on the results of auditing the Consolidated Financial Statements, for the 17th fiscal year (from April 1, 2022 to March 31, 2023)
2. Details of the Non-Consolidated Financial Statements for the 17th fiscal year (from April 1, 2022 to March 31, 2023)

Matters to be resolved:

- Proposal 1: Election of Eight (8) Directors (Excluding Directors Who are Audit and Supervisory Committee Members)
- Proposal 2: Election of Two (2) Directors Who Serve as Audit and Supervisory Committee Members
- Proposal 3: Election of One (1) Substitute Director Who is an Audit and Supervisory Committee Member

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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. In addition, you may exercise your voting rights by proxy by submitting a document certifying the authority of representation to other one (1) shareholder of the Company who has voting right at the Meeting.
 - Of the matters subject to the measures for electronic provision, the following items are not included in the documents sent to shareholders who requested delivery of documents, in accordance with laws and regulations as well as Article 17 of the Articles of Incorporation of the Company. As a result, these documents are a subset of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor to prepare the Audit Reports.:
 - (i) “Matters Concerning the Company’s Share Options, Etc.,” “Systems for Ensuring Proper Business Activities,” “Matters Concerning the Specified Wholly-Owned Subsidiary Companies,” “Matters Concerning Transactions with its Parent Company, Etc.,” “Matters Concerning the Accounting Advisors,” and “Others,” in the Business Report;
 - (ii) “Consolidated Statement of Changes in Net Assets,” and “Notes to the Consolidated Financial Statements” in the consolidated financial statements; and
 - (iii) Non-Consolidated Statement of Changes in Net Assets” and “Notes to the Non-Consolidated Financial Statements” in the non-consolidated financial statements.
 - Any revisions to the matters subject to the measures for electronic provision will be posted on the above-mentioned Company website (<https://www.ymfg.co.jp>).

Request to Shareholders
Measures to Prevent COVID-19 Infection

- We will increase the distance between seats; consequently, the number of seats we can prepare is fewer than usual. Therefore, please be aware that seats may not be available when visiting the location on the day of the Meeting.
- We may refuse your entry if you have fever or appear to be in poor health. You also may be requested to wear a mask at the Meeting depending on the status of pandemic spread on the date of the Meeting.
- Please note that from the perspective of preventing the spread of infection, the Meeting will be shortened.
- Please note that we will not be handing out souvenirs.
- Any updates to this request due to the status of pandemic spread, government announcements, or the like prior to the Meeting will be posted on the Company's website.
- A video of the Meeting will be available on the Company's website at a later date for viewing at home or elsewhere. Consideration will be given to the privacy protection of shareholder voices, images, etc.

GUIDANCE ON EXERCISE OF VOTING RIGHTS

Voting rights are important rights of shareholders. Therefore, we request that you exercise your voting rights upon careful review of the “Reference Materials for the Annual General Meeting of Shareholders.”

There are three ways to exercise your voting rights.

Via the Internet

Exercise Deadline: Tuesday, June 27, 2023, 5:30 p.m. Japan time

Please access the website for exercise of voting rights (<https://evote.tr.mufg.jp/>) and enter your approval or disapproval of the proposals by the deadline.

By Mail

Exercise Deadline: Tuesday, June 27, 2023, 5:30 p.m. Japan time

Please fill-in your approval or disapproval of the proposals in the enclosed “Voting Rights Exercise Form,” and sent it back as it arrives prior to the deadline.

For the avoidance of doubt, in case where you fail to fill-in either approval or disapproval of a proposal, it will be treated as if you voted for “approval.”

By Attending the Meeting

Date and Time of the Meeting: Wednesday, June 28, 2023, 10:30 a.m. Japan time

Please submit the enclosed “Voting Rights Exercise Form” at the reception of the Meeting.

GUIDANCE ON EXERCISE OF VOTING RIGHTS VIA THE INTERNET

How to Scan the QR Code

You can log in to the website for exercise of voting rights without entering your log-in ID or provisional password printed on your “Voting Rights Exercise Sub-Form.”

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

You can only log in using the QR code once. If you intend to exercise your voting rights again, or would like to exercise your voting rights without using the QR code, please follow “How to Enter the Log-in ID and the Provisional Password” below.

How to Enter the Log-in ID and the Provisional Password

Website for Exercise of Voting Rights: <https://evote.tr.mufg.jp/>

- (1) Please access to the website for exercise of voting rights.
- (2) Please enter your “Log-in ID and Provisional Password” printed on your “Voting Rights Exercise Form,” and click “Log in.”
- (3) Please register your new password.
- (4) After that, please follow the instructions on the screen and enter your approval or disapproval of each proposal.

[Notes for Exercising Your Voting Rights via the Internet]

- The internet connection charges, communication charges, etc. arising from accessing the voting rights exercise website shall be borne by the shareholders.
- Treatment of Voting Rights Exercised Multiple Times
 - If your voting rights are exercised both by mail and via the internet, the votes exercised via the internet will prevail and be effective, regardless of the arrival date and time of the voting.
 - If a voting right is exercised multiple times via the internet, the last voting right exercised shall be treated as effective.

If you have any inquiries on how to operate your computer or smartphone when exercising your voting rights via the internet, please call:

Mitsubishi UFJ Trust & Banking Corporation
Securities Agency Division, Help Desk
0120-173-027
(Phone Reception Hours: from 9:00 a.m. to 9:00 p.m., Japan time, toll free)

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

REFERENCE MATERIALS FOR THE MEETING

Proposals and References

Proposal 1: Election of Eight (8) Directors (Excluding Directors Who are Audit and Supervisory Committee Members)

The term of office of all eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same applies hereinafter) will expire at the conclusion of the Meeting. The Company hereby proposes to elect eight (8) Directors.

This proposal has been reviewed by the Audit and Supervisory Committee with no objections being raised.

The candidates for the position of Director are as follows:

Candidate No.	Name	Date of birth	Current position in the Company, etc.
1	Keisuke Mukunashi	April 11, 1970	President, Representative Director and Group CEO Reappointment
2	Narumasa Soga	July 5, 1963	Director (President and Director of The Yamaguchi Bank, Ltd.) Reappointment
3	Koji Oda	April 13, 1961	Director (President and Director of Momiji Bank, Ltd.) Reappointment
4	Mitsuru Kato	April 2, 1961	Director (President and Director of The Kitakyushu Bank, Ltd.) Reappointment
5	Minako Suematsu	March 17, 1968	Director Reappointment Outside Independent
6	Yuzuru Yamamoto	March 8, 1953	Director Reappointment Outside Independent
7	Tomoko Mikami	January 21, 1974	Director Reappointment Outside Independent
8	Takehiko Ogi	August 8, 1961	– New appointment Outside Independent

Reappointment: Reappointed Director candidate

New appointment: Newly appointed Director candidate

Outside: Outside Director candidate

Independent: Independent Director registered with the Stock Exchanges

1	Keisuke Mukunashi	Male, Date of birth: April 11, 1970	(Reappointment)	Years of service as a Director: 3 years
Brief personal history, position and principal duty in the Company, and important concurrent positions				
April 1995	Joined The Yamaguchi Bank, Ltd.	June 2020	President, Representative Director and COO of the Company	Number of shares of the Company owned: 24,900 shares
January 2012	General Manager, Akasakamon Branch of The Kitakyushu Bank, Ltd.	June 2021	President, Representative Director and Group CEO of the Company (present position)	
September 2013	General Manager, Ogori Branch of The Yamaguchi Bank, Ltd.	March 2022	Director, Audit and Supervisory Committee Member of Chofu Seisakusho Co., Ltd. (Outside director) (present position)	Number of potentially-owned shares of the Company: 21,148 shares
January 2016	General Manager, Business Potential Assessment Department of the said bank			
June 2017	Representative Director of YMFG ZONE PLANNING CO., LTD.		(Status of material concurrent positions) Director, Audit and Supervisory Committee Member of Chofu Seisakusho Co., Ltd. (Outside director)	
June 2019	Executive Officer of the Company			
July 2019	Representative Director of YM Career Inc.			
[Reasons for selection as a Director candidate] He has supervised the overall management of the Group as President, Representative Director, and CEO of the Company, and possesses the knowledge and experience required to carry out sound and appropriate operation of the Group, and as the Company has judged that he will continue to appropriately execute the duties of Director of the Company, he has been selected as a candidate for the position of Director.				

2	Narumasa Soga	Male, Date of birth: July 5, 1963	(Reappointment)	
Brief personal history, position and principal duty in the Company, and important concurrent positions				
April 1987	Joined The Yamaguchi Bank, Ltd.	June 2020	President and Representative Director of YM CONSULTING CORPORATION	Years of service as a Director: 1 year and 6 months
April 2006	General Manager, Hatsukaichi Branch of the said bank	June 2021	Senior Managing Executive Officer and General Manager of the Financial Unit of the Company	
May 2008	General Manager, Kobe Branch of the said bank	December 2021	Director, Senior Managing Executive Officer, and General Manager of the Financial Unit of the Company	Number of shares of the Company owned: 32,100 shares
April 2010	General Manager, Business Strategy Planning Department of the Company	April 2022	Director of the Company (present position)	
April 2014	General Manager, Tokyo Branch of The Yamaguchi Bank, Ltd.	April 2022	Senior Executive Officer of The Yamaguchi Bank, Ltd. (present position)	Number of potentially-owned shares of the Company: 6,126 shares
June 2015	Director and General Manager, Tokyo Branch of the said bank	June 2022	President and Director of The Yamaguchi Bank, Ltd. (present position)	
June 2017	Director and General Manager, Ube Branch of the said Bank		(Status of material concurrent positions) President and Director of The Yamaguchi Bank, Ltd. (Representative Director)	
June 2019	Managing Executive Officer, General Manager of the Corporate Banking Business Group and General Manager of the Regional Business Development Group of the Company			
June 2019	Senior Managing Director of Momiji Bank, Ltd.			
November 2019	Executive Officer and General Manager of the Corporate Banking Business Group of the Company			
[Reasons for selection as a Director candidate] He has supervised the overall management of the Group and The Yamaguchi Bank, Ltd. as a Director of the Company and President and Director of The Yamaguchi Bank, Ltd., one of the three banks in the Group, and possesses the knowledge and experience required to carry out sound and appropriate operation of the Group, and the Company has judged that he will continue to appropriately execute the duties of Director of the Company. In addition, the Company has determined that the focused monitoring of the business execution of the said bank by the Board of Directors of the Company, with the appointment of Mr. Soga thereto, would constitute an appropriate governance system for the Group. Accordingly, he has been selected as a candidate for the position of Director.				

3	Koji Oda	Male, Date of birth: April 13, 1961	(Reappointment)	Years of service as a Director: 1 year
Brief personal history, position and principal duty in the Company, and important concurrent positions				Number of shares of the Company owned: 8,400 shares
April 1984	Joined Hiroshima Sogo Bank, Ltd. (February 1989: Hiroshima-Sogo Bank, Ltd.) (May 2004: Momiji Bank, Ltd.)	April 2012	Director and General Manager of Kaita Branch, Momiji Bank, Ltd.	Number of potentially-owned shares of the Company: 67,953 shares
August 2003	General Manager, Yamaguchi Branch of Hiroshima-Sogo Bank, Ltd.	June 2014	Managing Director of the said bank	
February 2005	Chief Assistant Manager, Sales Promotion Department, Momiji Bank, Ltd.	June 2016	Director and President of the said bank (present position)	
July 2008	General Manager, Takehara Branch of the said bank	June 2017	Managing Director of the Company	
June 2010	General Manager, Corporate Administration Department of the said bank	June 2020	Retired as the Managing Director of the Company	
June 2011	General Manager of the Corporate Administration Department and Human Resource Development Office of the Company	June 2022	Appointed as Director of the Company (present position)	
		(Status of material concurrent positions) Director and President of Momiji Bank, Ltd. (Representative Director)		
[Reasons for selection as a Director candidate] He has supervised the overall management of the Group and the Momiji Bank, Ltd., one of the three banks in the Group, as Director and President of the said bank, and possesses the knowledge and experience required to carry out sound and appropriate operation of the Group, and the Company has judged that he will continue to appropriately execute the duties of Director of the Company. In addition, the Company has determined that the focused monitoring of the business execution of the said bank by the Board of Directors of the Company, with the appointment of Mr. Oda thereto, would constitute an appropriate governance system for the Group. Accordingly, he has been selected as a candidate for the position of Director.				

4	Mitsuru Kato	Male, Date of birth: April 2, 1961	(Reappointment)	Years of service as a Director: 1 year
Brief personal history, position and principal duty in the Company, and important concurrent positions				
April 1984	Joined The Yamaguchi Bank, Ltd.	June 2019	Managing Director of the Company	Number of shares of the Company owned: 12,400 shares
October 2008	General Manager, Moji Branch of the said bank	June 2019	Director and President of The Kitakyushu Bank, Ltd. (present position)	
July 2011	Deputy General Manager, Corporate Planning Department of the said bank	June 2020	Retired as the Managing Director of the Company	
October 2011	General Manager, Corporate Administration Department, The Kitakyushu Bank, Ltd.	June 2022	Appointed as Director of the Company (present position)	
October 2011	Deputy General Manager, Corporate Administration Department of the Company	(Status of material concurrent positions) Director and President of The Kitakyushu Bank, Ltd. (Representative Director)		
June 2016	Director of the Company			
June 2018	Senior Managing Director of The Kitakyushu Bank, Ltd.			Number of potentially-owned shares of the Company: 33,654 shares
[Reasons for selection as a Director candidate] He has supervised the overall management of the Group and The Kitakyushu Bank, Ltd., one of the three banks in the Group, as Director and President of the said bank, and possesses the knowledge and experience required to carry out sound and appropriate operation of the Group, and the Company has judged that he will continue to appropriately execute the duties of Director of the Company. In addition, the Company has determined that the focused monitoring of the business execution of the said bank by the Board of Directors of the Company, with the appointment of Mr. Kato thereto, would constitute appropriate governance system for the Group. Accordingly, he has been selected as a candidate for the position of Director.				

5	Minako Suematsu	Female, Date of birth: March 17, 1968	(Reappointment) (Outside) (Independent)	Years of service as a Director: 3 years
Brief personal history, position and principal duty in the Company, and important concurrent positions				
March 1993	Established Kaps, Co., Ltd. Representative Director	March 2020	Representative Director, Chairman, and President of The Japan Times, Ltd. (present position)	Number of shares of the Company owned: -
March 2001	Established News2u Co., Ltd. (currently News2u Holdings Corporation) Representative Director (present position)	June 2020	Director of the Company (Outside director) (present position)	Number of potentially- owned shares of the Company: 1,441 shares
January 2014	Director of TSUNEISHI HOLDINGS CORPORATION	(Status of material concurrent positions) Representative Director, Chairman, and President of The Japan Times, Ltd. Representative Director of News2u Holdings Corporation President of JINSEKI KOGEN GAKUEN INSTITUTION		
June 2017	Representative Director, Chairman of The Japan Times, Ltd.			
January 2020	President of JINSEKI KOGEN GAKUEN INSTITUTION (present position)			
[[Reasons for selection as a candidate for the position of outside Director and roles expected] She has been conducting corporate management supervision of the Company from a fair and objective standpoint as an outside Director. She has offered information on the present conditions of Japan and global trends on a daily basis as Representative Director, Chairman, and President of The Japan Times, Ltd. She also has advanced knowledge on online business development, evidenced by matters such as her establishment of an internet-related business, and is actively working to increase the brand value of her hometown, the Setouchi area. The Company expects that she will continue to strengthen the effectiveness of the decision-making functions and supervisory functions of the Board of Directors of the Company and also further strengthen corporate governance of the Group by providing pertinent recommendations on the Company's current initiatives to increase the value of regional communities, and thus requests her election as a Director.				

6	Yuzuru Yamamoto	Male, Date of birth: March 8, 1953	(Reappointment) (Outside) (Independent)	Years of service as a Director: 2 years
Brief personal history, position and principal duty in the Company, and important concurrent positions				Number of shares of the Company owned: 2,700 shares Number of potentially-owned shares of the Company: 221 shares
April 1977	Joined Ube Industries, Ltd. (April 2022: UBE Corporation)	April 2015	President & Representative Director and Group CEO of the said company	
June 2003	Executive Officer of the said company	April 2019	Chairman of the Board of Directors & Representative Director of the said company	
June 2003	President and Representative Director of Ube Machinery Corporation, Ltd.	June 2019	Chairman of the Board of Directors & Director of the said company (present position)	
April 2007	Managing Executive Officer of Ube Industries, Ltd.	June 2020	Director of The Yamaguchi Bank, Ltd. (Outside director)	
April 2010	Senior Managing Executive Officer of the said company	June 2021	Director of the Company (Outside director) (present position)	
June 2010	Director & Chairman of the Board of Ube Machinery Corporation, Ltd.		(Status of material concurrent positions)	
April 2013	Assistant to President and Group COO of Ube Industries, Ltd.		Chairman of the Board of Directors & Director of UBE Corporation	
June 2013	Representative Director of the said company			
[Reasons for selection as a candidate for the position of outside Director and roles expected]				
<p>He has been conducting corporate management supervision of the Company from a fair and objective standpoint as an outside Director. Based on his advanced insight and wealth of experience as a corporate manager, having served as President & Representative Director of UBE Corporation and in 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 and also further strengthen corporate governance of the Group by providing pertinent recommendations toward overall management taking into account local economic conditions, etc., and thus requests his election as a Director.</p>				
[Independence of the candidate]				
<p>With respect to transactional relationships, etc., between UBE Corporation where Mr. Yuzuru Yamamoto serves as a business executive, and the Group, as the net sales of the said company resulting from transactions with the Group account for less than 1 % of the consolidated net sales of the said company, and the income of the Group resulting from transactions with said company and its group companies account for less than 1 % of the consolidated ordinary income of the Company, there is no effect on his independence.</p>				

7	Tomoko Mikami	Female, Date of birth: January 21, 1974	(Reappointment) (Outside) (Independent)	
Brief personal history, position and principal duty in the Company, and important concurrent positions				Years of service as a Director: 2 years
April 1997	Joined FUJI KEIZAI CO., LTD.	February 2020	Executive Officer, Corporate Cloud Sales Management Group Lead of the said company	Number of shares of the Company owned: - Number of potentially-owned shares of the Company: -
August 2001	Joined Dell Co., Ltd.	June 2021	Director of the Company (Outside director) (present position)	
July 2005	Joined Microsoft Japan Co., Ltd.	January 2022	Managing Executive Officer, Corporate Solution Business Group Lead, and Digital Sales Business Group Lead of the said company (present position)	
March 2007	Joined Microsoft Corporation of U.S.	March 2022	Director of Sun* Inc. (Outside director)	
September 2009	General Manager of Corporate Planning Department of Microsoft Japan Co., Ltd.		(Status of material concurrent positions) Managing Executive Officer, Corporate Solution Business Group Lead, and Digital Sales Business Group Lead, Microsoft Japan Co., Ltd.	
August 2012	Regional Account Director of the said company			
September 2014	Windows & Device Business Group Lead of the said company			
January 2016	Senior Director, Windows & Device Business Group Lead of the said company (subsequently, Microsoft365 Business Group Lead, due to Group reorganization)			
September 2019	Senior Director, Corporate Cloud Sales Management Group Lead of the said company			
[Reasons for selection as a candidate for the position of outside Director and roles expected] She has been conducting corporate management supervision of the Company from a fair and objective standpoint as an Outside Director. She has been engaged in the promotion of digital transformation (DX) utilizing IT as Managing Executive Officer of Microsoft Japan Co., Ltd., particularly in the DX promotion of local enterprises. The Company expects that she will strengthen the effectiveness of the decision-making functions and supervisory functions of the Board of Directors of the Company and also further strengthen corporate governance of the Group by providing pertinent recommendations on the Company's current initiatives to provide DX support to client corporations as well as DX within the Company, and thus requests her election as a Director.				
[Independence of the candidate] With respect to transactional relationships, etc., between Microsoft Japan Co., Ltd., where Ms. Tomoko Mikami serves as a business executive, and the Group, as the net sales of the said company resulting from transactions with the Group account for less than 1 % of the consolidated net sales of the said company, and the income of the Group resulting from transactions with said company and its group companies account for less than 1 % of the consolidated ordinary income of the Company, there is no effect on her independence.				

8	Takehiko Ogi	Male, Date of birth: August 8, 1961	(New appointment) (Outside) (Independent)	
Brief personal history, position and principal duty in the Company, and important concurrent positions				
April 1984	Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry)	March 2016	Graduated from the doctoral program in Economics, Graduate School of Economics, University of Tokyo (PhD in Economics)	Years of service as a Director: -
June 1999	Director, Culture Convenience Club Co., Ltd.	April 2016	Senior Advisor, Financial Services Agency	
June 2002	Representative Director and Managing Director, Culture Convenience Club Co., Ltd.	September 2017	Member of the Board of Trustees, Shizenkan University (present position)	Number of shares of the Company owned: -
July 2004	Managing Director, Industrial Revitalization Corporation of Japan	August 2018	Director, Ministry of Economy, Trade and Industry	
November 2004	President and Representative Executive Officer (seconded), Kanebo Ltd.	October 2020	Professor, Department of Industrial Management, Faculty of Economics, Kyushu University (present position)	Number of potentially-owned shares of the Company: -
April 2007	President and Representative Director, Maruzen Co., Ltd. (currently Maruzen CHI Holdings Co., Ltd.)	December 2020	Director, Japan Platform of Industrial Transformation, Inc. (Outside director) present position)	
June 2013	Director, Seibu Holdings Inc. (Outside director)			
June 2015	Director, Misumi Group Inc. (Outside director)		(Status of material concurrent positions)	
August 2015	President and Representative Director, Japan Human Resource Network		Professor, Department of Industrial Management, Faculty of Economics, Kyushu University Director, Japan Platform of Industrial Transformation, Inc. (Outside director) Member of the Board of Trustees, Shizenkan University	
[Reasons for selection as a candidate for the position of outside Director and roles expected] Mr. Takehiko Ogi has served as Representative Director of Kanebo Ltd., Maruzen CHI Holdings Co., Ltd., and Japan Human Resource Network following his retirement from the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry), and currently specializes in organizational theory and corporate governance as Professor in the Department of Industrial Management, Faculty of Economics, Kyushu University. The Company expects that Mr. Ogi will provide pertinent recommendations on management, including the maintenance and improvement of corporate governance, his strength, as well as support for the banks in the Group using his knowledge of corporate revitalization, and thus requests his election as a Director.				

(Notes)

1. The number of potentially- owned shares of the Company refers to the number of shares that are scheduled to be delivered equivalent to the number of shares owned in the Company's officer stock ownership association, the points granted under the stock-based remuneration plan, and the stock acquisition rights granted under the former stock option plan, as of March 31, 2023, and is presented as a reference for the number of shares to be issued in the future.
2. The Group banks have business transactions including deposit and loan transactions with UBE Corporation, where Mr. Yuzuru Yamamoto serves as Chairman of the Board of Directors & Director.
The Group banks have business transactions with Microsoft Japan Co., Ltd., where Ms. Tomoko Mikami serves as Executive Officer, including purchases of its products and comprehensive alliance regarding the promotion of regional digital transformation (DX).
No special interests exist between the Company and the other candidates.
3. The Company has registered Ms. Minako Suematsu, Mr. Yuzuru Yamamoto, and Ms. Tomoko Mikami as independent Directors at the Tokyo Stock Exchange, Inc., as provided for in the exchange's rules. If they are elected at the Meeting, it is planned that they will remain in office as independent Directors. If Mr. Takehiko Ogi is elected at the Meeting, the Company plans to register him as an independent Director at the said Exchange.
4. With respect to the liabilities of Article 423, Paragraph 1 of the Companies Act, as defined in the Articles of Incorporation, the Company may conclude agreements limiting liability with Directors (excluding Executive Directors) to limit their liability for damages to the minimum 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 the said agreement limiting liability with Ms. Minako Suematsu, Mr. Yuzuru Yamamoto, and Ms. Tomoko Mikami, and if their election is approved at the Meeting, the Company plans to continue the said agreement limiting liability with them. If Mr. Takehiko Ogi's election is approved at the Meeting, the Company plans to conclude the said agreement limiting liability with him.
5. The Company has concluded a Directors and Officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act insuring all its Directors. If each of the candidates is elected as Director at the Meeting, they will be insured under the insurance contract. The insurance contract covers damages incurred by Directors arising from liability for damages assumed when executing their duties. The Company plans to renew the insurance contract in July 2023, during the terms of office of each of the candidates.

Proposal 2: Election of Two (2) Directors Who are Audit and Supervisory Committee Members

The terms of office of Mr. Kazuo Tsukuda and Mr. Michiaki Kunimasa, Directors who are Audit and Supervisory Committee Members, will expire at the conclusion of the Meeting. Accordingly, the Company proposes that two (2) Directors who are Audit and Supervisory Committee Members be elected. This proposal has been approved by the Audit and Supervisory Committee.

The proposal has been reviewed by each Director who is an Audit and Supervisory Committee Member with no objections being raised.

The candidates for the position of Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name	Date of birth	Current position in the Company, etc.
1	Yumiko Nagasawa	November 6, 1959	Director New appointment Outside Independent
2	Kenko Shikichi	January 19, 1968	– New appointment Outside Independent

New appointment: Newly appointed Director candidate

Outside: Outside Director candidate

Independent: Independent Director registered with the Stock Exchanges

1	Yumiko Nagasawa	Female, Date of birth: November 6, 1959	(New appointment) (Outside) (Independent)	
Brief personal history, position and principal duty in the Company, and important concurrent positions				Years of service as a Director: 3 years
April 1984	Joined The Nikko Securities Co., Ltd.	June 2018	Director of the Yamaguchi Bank, Ltd. (Outside director)	Number of shares of the Company owned: - Number of potentially- owned shares of the Company: 1,615 shares
July 1997	Vice President, Retail Investment Department of Citibank N.A. (Tokyo)	June 2020	Director of the Company (Outside director) (present position)	
June 2000	Vice President, SSB Citi Asset Management Co., Ltd.	June 2021	Director of Yakult Honsha Co., Ltd. (Outside director) (present position)	
December 2004	Secretary General of Foster Forum (Forum for Fostering High-quality Financial Instruments)	June 2021	Director, Audit and Supervisory Committee Member of GL Sciences Inc. (Outside director) (present position)	
August 2008	Representative Director of Nagasawa Building Co., Ltd. (present position)			
January 2016	Deputy Director-General of Financial Services Agency		(Status of material concurrent positions)	
June 2018	Facilitator of the said forum (present position)		Facilitator of Foster Forum (Forum for Fostering High-quality Financial Instruments)	
June 2018	Representative Commissioner and Deputy Chairman of Nippon Association of Consumer Specialists (present position)		Director of Yakult Honsha Co., Ltd. (outside director)	
June 2018	Director of Japan Industrial Association (present position)		Director, Audit and Supervisory Committee Member of GL Sciences Inc. (outside director) Representative Director of Nagasawa Building Co., Ltd.	
[Reasons for selection as the candidate for the position of outside Director who serves as an Audit and Supervisory Committee Member]				
<p>She has been conducting corporate management supervision of the Company from a fair and objective standpoint as an outside Director. She possesses a wealth of experience regarding financial instruments such as establishing a citizen group “Foster Forum (Forum for Fostering High-quality Financial Instruments)” after serving at financial institutions. The Company expects that she will continue to strengthen the effectiveness of the decision-making functions and supervisory functions of the Board of Directors of the Company and also further strengthen corporate governance of the Group by providing pertinent recommendations toward overall management based on her professional insight as well as the perspective of a citizen, and thus requests her election as a Member of the Audit and Supervisory Committee.</p>				
[Independence of the candidate]				
<p>With respect to transactional relationships, etc., between GL Sciences Inc. where Ms. Yumiko Nagasawa serves as an outside director who serves as an audit and supervisory committee member, and the Group, as the net sales of the said company resulting from transactions with the Group account for less than 1 % of the consolidated net sales of the said company, and the income of the Group resulting from transactions with the said company and its group companies account for less than 1 % of the consolidated ordinary income of the Company, there is no effect on his independence.</p>				

2	Kenko Shikichi	Male, Date of birth: January 19, 1968	(New appointment) (Outside) (Independent)	Years of service as a Director: –
Brief personal history, position and principal duty in the Company, and important concurrent positions				Number of shares of the Company owned: – Number of potentially-owned shares of the Company: –
April 1998	Registered with Osaka Bar Association, joined Kitahama Law Office	July 2015 Auditor, JTC Inc. (Outside auditor)	May 2019 Director and Audit and Supervisory Committee Member of the said company (Outside director) (present position)	
April 2006	Transferred registration to Fukuoka Prefecture Bar Association	(Status of important concurrent positions)		
January 2007	Partner, attorney at law, Kitahama Partners L.P.C. (present position)	Partner, attorney at law and certified tax accountant at Kitahama Partners L.P.C.		
July 2012	Company Auditor, Vega Corporation Co., Ltd. (Outside auditor)	Director and Audit and Supervisory Committee Member, Vega Corporation, Co., Ltd. (Outside director)		
July 2015	Director and Audit and Supervisory Committee Member of the said company (Outside director) (present position)	Director and Audit and Supervisory Committee Member, JTC Inc. (Outside director)		
[Reasons for selection as the candidate for the position of Outside Director who serves as an Audit and Supervisory Committee Member and roles expected]				
Mr. Kenko Shikichi has conducted mainly community-based attorney activities in Fukuoka City as partner of Kitahama Law Office, and is registered as a certified tax accountant with the Kyushu-hokubu Certified Public Tax Accountants' Association. The Company expects that he will further strengthen the evaluation of the effectiveness of the decision-making functions and supervisory functions of the Board of Directors of the Company as well as the corporate governance of the Company by providing his pertinent recommendations based on his wealth of experience and professional knowledge as a legal expert, and thus requests his election as a Director who is an Audit and Supervisory Committee Member.				

(Notes)

1. The number of potentially-owned shares of the Company refers to the number of shares that are scheduled to be delivered equivalent to the number of shares owned in the Company's officer stock ownership association, the points granted under the stock-based remuneration plan, and the stock acquisition rights granted under the former stock option plan, as of March 31, 2023, and is presented as a reference for the number of shares to be issued in the future.
2. The Group banks have business transactions including deposit and loan transactions with GL Sciences Inc., where Ms. Yumiko Nagasawa serves as Director, Audit and Supervisory Committee Member (outside director). No special interests exist between the Company and Mr. Kenko Shikichi.
3. The Company has registered Ms. Yumiko Nagasawa as an independent Director at the Tokyo Stock Exchange, Inc., as provided for in the exchange's rules. If she is elected at the Meeting, it is planned that she will remain in office as an independent Director. If Mr. Kenko Shikichi is elected at the Meeting, the Company plans to register him as an independent Director at the said exchange.
4. With respect to the liabilities of Article 423, Paragraph 1 of the Companies Act, as defined in the Articles of Incorporation, the Company may conclude agreements limiting liability with Directors (excluding Executive Directors) to limit their liability for damages to the minimum 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 the said agreement limiting liability with Ms. Yumiko Nagasawa, and if her election is approved at the Meeting, the Company plans to continue the said agreement limiting liability with her. If Mr. Kenko Shikichi's election is approved at the Meeting, the Company plans to conclude the said agreement limiting liability with him.
5. The Company has concluded a Directors and Officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act insuring all its Directors. If each of the candidates is elected as Director at the Meeting, they will be insured under the insurance contract. The insurance contract covers damages incurred

by Directors arising from liability for damages assumed when executing their duties. The Company plans to renew the insurance contract in July 2023, during the terms of office of each of the candidates.

Proposal 3: Election of One (1) Substitute Director Who is an Audit and Supervisory Committee Member

The Company may elect in advance, one (1) substitute Director who is an Audit and Supervisory Committee Member as a precaution against cases where a vacancy results in a shortfall in the number of Directors who are Audit and Supervisory Committee Members prescribed under the laws and regulations.

The candidate, Mr. Daisuke Fujii, is to assume the position of Director who is an Audit and Supervisory Committee Member on the condition that there is a vacancy that results in a shortfall in the number of Directors who are Audit and Supervisory Committee Members prescribed under the laws and regulations and the Articles of Incorporation, and the term of office shall be until the expiry of the term of office of the retired Director who was an Audit and Supervisory Committee Member. The resolution for election based on this proposal shall be effective until the time of the conclusion of the Annual General Meeting of Shareholders for the latest fiscal year to end within two years from the election. However, the election may be revoked by resolution of the Board of Directors subject to consent by the Audit and Supervisory Committee, only prior to his assumption of the office of Director who is an Audit and Supervisory Committee Member.

This proposal has been approved by the Audit and Supervisory Committee.

The proposal has been reviewed by each Director who is an Audit and Supervisory Committee Member with no objections being raised.

The candidate for the position of substitute Director who is an Audit and Supervisory Committee Member is as follows:

Daisuke Fujii		Male, Date of birth: March 7, 1975	(Outside) (Independent)	Number of shares of the Company owned: -
Brief personal history, position and principal duty in the Company, and important concurrent positions				Number of potentially-owned shares of the Company: -
October 2004	Registered with Fukuoka Bar Association, joined Mannen Law Office	April 2017	Opened Fujii Takada Law Office (May 2023 Fujii Law Office)	
October 2014	Partner, attorney at law, Mannen Law Office	(Status of important concurrent positions) Attorney at law, Fujii Law Office		
[Reasons for selection as the candidate for the position of substitute Outside Director who serves as an Audit and Supervisory Committee Member and roles expected]				
The Company expects that he will further strengthen the evaluation of the effectiveness of the decision-making functions and supervisory functions of the Board of Directors of the Company as well as the corporate governance of the Company by providing his pertinent recommendations based on his wealth of experience and professional knowledge as a lawyer, and thus requests his election as a substitute Director who is an Audit and Supervisory Committee Member. Although Mr. Daisuke Fujii has not been directly involved in the management of a company in the past, for the above reasons, the Company has determined that he will be able to appropriately perform his duties as an Outside Director who serves as an Audit and Supervisory Committee Member.				

(Notes)

1. No special interests exist between Mr. Daisuke Fujii and the Company.
2. Mr. Daisuke Fujii is the candidate for the position of substitute outside Director who is an Audit and Supervisory Committee Member. If he assumes the position of outside Director who is an Audit and Supervisory Committee Member, the Company plans to register him as an independent Officer as provided for in the rules of the Tokyo Stock Exchange.
3. With respect to the liabilities of Article 423, Paragraph 1 of the Companies Act, as defined in the Articles of Incorporation, the Company may conclude agreements limiting liability with Directors (excluding Executive Directors) to limit their liability for damages to the minimum 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 Mr. Daisuke Fujii assumes the position of Director who is an Audit and Supervisory Committee Member, the Company plans to conclude the said agreement limiting liability with him.
4. The Company has concluded a Directors and Officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act insuring all its Directors. If Mr. Daisuke Fujii assumes the position of Director who is an Audit and Supervisory Committee Member, he will be insured under the insurance contract. The insurance contract covers damages incurred by Directors arising from liability for damages assumed when executing their duties. The insurance contract is scheduled to be renewed in July 2023.

Corporate Governance System after the Meeting Held on June 28, 2023 (Plan)

An effective corporate governance system incorporating external perspectives is built with independent outside Directors comprising the majority of the Board of Directors and the Audit and Supervisory Committee.

Composition of Board of Directors	Internal: 5 Outside: 6	Ratio of Outside Directors Internal: 45% Outside: 55%	Composition of Audit and Supervisory Committee	Internal: 1 Outside: 2	Ratio of Outside Members Internal: 33% Outside: 67%
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Skills Matrix

The expected priority areas of the skills of Directors of the Company upon the approval of proposals 1 and 2 at the Meeting are as follows.

(Note) The skills matrix below does not represent all of the knowledge and experience possessed by each Director, but indicates up to three priority areas where expertise is expected based on their experiences, etc.

Classification		Internal Directors				
Name		Keisuke Mukunashi	Narumasa Soga	Koji Oda	Mitsuru Kato	Susumu Fukuda
Position		President, Representative Director	Director	Director	Director	Director, Audit and Supervisory Committee Member (Full-time)
Expected Priority Areas of Expertise	Corporate Governance	○	○	○	○	○
	Corporate Strategy	○				
	Business Strategy/Regional Revitalization	○	○	○	○	
	Market Investment		○			○
	Human Resource Development			○	○	
	DX / Systems					
	Compliance/Risk Management					○

Female Officers	Female: 3 Male: 8	Female Ratio Female: 27% Male: 73%	Composition of Nomination Committee	Internal: 0 Outside: 3	Composition of Compensation Committee	Internal: 0 Outside: 3
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Classification		Outside Directors					
Name		Minako Suematsu	Yuzuru Yamamoto	Tomoko Mikami	Takehiko Ogi	Yumiko Nagasawa	Kenko Shikichi
Position		Director (Independent)	Director (Independent)	Director (Independent)	Director (Independent)	Director (Independent)	Director, Audit and Supervisory Committee Member (Part-time)
Expected Priority Areas of Expertise	Corporate Governance	○	○	○	○	○	○
	Sustainability		○			○	
	Regional Economy/ Administration	○	○	○	○		
	Macroeconomics				○		
	Finance					○	
	DX	○		○			
	Corporate Legal Affairs						○

Policy on Election of Directors

Composition of the Board of Directors and the Policy and Procedures for the Selection of Candidates for the Position of Director are as below.

The Board of Directors shall secure a balance of knowledge, experience, and abilities of the Directors as a whole, as well as the diversity needed for the Board of Directors to achieve their roles and responsibilities. The composition of the Board of Directors of the Company has transitioned to a monitoring board where outside Directors comprise the majority in June 2020.

For the fiscal year ended March 31, 2023, the Board of Directors of the Company must robustly monitor the status of execution by the three banks that account for the majority of the performance and management resources of the Group. In addition, under the organizational reform that became effective on April 1, 2022, the previous internal control system, where the Company was responsible for a part of the business execution of subsidiary banks, was reviewed and revised to a system whereby the President of a subsidiary bank is responsible for all of its business execution. Accordingly, the Company believes that appointment of the Presidents of subsidiary banks as Directors of the Company is appropriate in light of the circumstances, and nominates the Presidents of the three banks as candidates for Directors of the Company.

The Company believes that the transition to the new system will enable us to further reflect the voices of our customers in the whole Group, more quickly provide services that stand closer to our customers, and steadily implement the “YMFG Medium-Term Management Plan 2022.”

The election of Group Officers for the fiscal year ending March 2024, as in the previous fiscal year, has gone through a process that secured objectivity and transparency, with the executive proposal which was drafted by utilizing nominations by Group Officers, the skills matrix that provides an overview of the overall balance including the Executive Officers, the introduction of one-on-one meetings between the President and Group Officer candidates, etc., and then the matters being deliberated multiple times by the Nomination Committee of which Outside Directors comprise the majority and determined by the Board of Directors of the Company, from the perspective of increasing the corporate value of the Group as a whole.

The “Expected Priority Areas of Expertise” for internal Directors have been selected based on priority measures for the YMFG Medium-Term Management Plan 2022, etc., and the “Expected Priority Areas of Expertise” for outside Directors have been selected with a focus on diverse knowledge, experience, and expertise.

Category	YMFG Medium-Term Management Plan 2022 Priority Measures, etc.
Corporate Governance	<ul style="list-style-type: none"> Establish a Group management structure with a system where the banks proactively engage in business execution by expanding the executive authority and responsibilities of the banks and enable them to demonstrate front-line initiatives.
Corporate Strategy	<ul style="list-style-type: none"> Strengthen the link between the Group’s sustainable growth and increase in regional value by promoting sustainable management. Effectively utilize capital as a new growth driver, including by investing in areas that contribute to the expansion of areas of business and improve profitability for the Group.
Business Strategy / Regional	<ul style="list-style-type: none"> Strengthen support for corporate rehabilitation and business succession with

Revitalization	<p>equity, hands-on, and corporate business succession support to assist the local economy in recovering and returning to growth following the COVID-19 pandemic and to improve sustainability.</p> <ul style="list-style-type: none"> ● Clearly identify life events that require consulting, and provide sincere financial planning and asset management services to each customer leveraging on skills assimilated throughout the organization. ● Review the customer touchpoints and provide “easy” and “convenient” services. ● Achieve both higher quality solutions for customers and efficient branch operation through the slimming of branch offices by expanding centralized processing at the headquarters, making changes to the sales systems, etc. ● Deepen the understanding of customers by using data analysis, and improve the quality of feasibility studies and financial planning activities. ● Support business reform including by building digital hubs available for use by local corporations.
Market Investment	<ul style="list-style-type: none"> ● Rebuild the securities portfolio with appropriate risk-taking and risk management and convert to a stable profit structure.
DX / Systems	<ul style="list-style-type: none"> ● Promote DX across the Group through the development of next-generation financial businesses using the latest technology, the formation of alliances with DX players, etc.
Human Resource Development	<ul style="list-style-type: none"> ● Jointly create an environment and opportunities for each employee to thrive and grow with good job satisfaction, thereby transforming the organizational culture (behavior). The Group as a whole is to engage in the “maximization of the provision of value to the region and the customers” and the “creation of new values.”
Compliance / Risk Management	<ul style="list-style-type: none"> ● Build a compliance system that covers risks of damage to the interests and expectations of customers and local communities. Strengthen the establishment and operation of the RAF management structure using stress tests and scenario analysis. ● Build a forward-looking credit risk management framework and strengthen the risk management framework of each Group company.

End of document