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(Securities Code: 7189)
June 5, 2023

To Shareholders with Voting Rights:

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

NOTICE OF CONVOCATION OF THE 7TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

You are hereby notified that the 7th Annual General Meeting of Shareholders of Nishi-Nippon Financial Holdings, Inc. (the “Company,” with its subsidiaries, the “Group”) will be held for the purposes described below.

In convening this general meeting of shareholders, the Company has taken measures for providing information in electronic format (the “measures for electronic provision”) and has posted matters subject to the measures for electronic provision as Shareholders Meeting 2023 on the website shown below.

The Company’s website
<https://www.nmfh.co.jp/english.html>

In addition to the website shown above, the Company has also posted the information on the website of Tokyo Stock Exchange (TSE). To view the information, please access the TSE website (Listed Company Search), input “Nishi-Nippon Financial Holdings” in the “Issue name (company name)” field, or input our securities code “7189” in the “Code” field, and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

TSE website (Listed Company Search)
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you do not attend the meeting in person, you may exercise your voting rights in wiring or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by Wednesday, June 28, 2023 at 5:00 p.m. JST.

- 1. Date and Time:** Thursday, June 29, 2023 at 10:00 a.m. JST
(Reception begins: 9:00 a.m. JST)
- 2. Place:** Meeting Room on the third floor, Annex of Head Office of THE
NISHI-NIPPON CITY BANK, LTD.,
3-6, Hakata-ekimae 1-chome, Hakata-ku, Fukuoka, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. Business Report and Consolidated Financial Statements for the Company's 7th Fiscal Year (from April 1, 2022 to March 31, 2023) and the results of the audits of the Consolidated Financial Statements by the Independent Auditor and the Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the Company's 7th Fiscal Year (from April 1, 2022 to March 31, 2023)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of 5 Directors (excluding those who are Audit and Supervisory Committee members)
- Proposal No. 3:** Election of 2 Directors who are Audit and Supervisory Committee members

Instructions for Exercise of Voting Rights

If exercising your voting rights in advance

Exercise of Voting Rights by Mail (in Writing)

Exercise deadline: Arrival by Wednesday, June 28, 2023 at 5:00 p.m. JST

Voting rights may be exercised by mail. Please review the “Reference Documents for the General Meeting of Shareholders” posted as the matters subject to the measures for electronic provision, indicate your vote for or against the proposals on the Voting Rights Exercise Form, and return it. If neither approval nor disapproval of a proposal is indicated on the Voting Rights Exercise Form, it shall be deemed a vote of approval for the proposal.

Exercise of Voting Rights via the Internet, etc.

Exercise deadline: By Wednesday, June 28, 2023 at 5:00 p.m. JST

Voting website: <https://www.e-sokai.jp> (available in Japanese only)

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

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

If attending the General Meeting of Shareholders

Date and time of the General Meeting of Shareholders:

Thursday, June 29, 2023 at 10:00 a.m. JST

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

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

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

End

- Of the matters subject to the measures for electronic provision, “the Systems to Secure the Appropriateness of Operations” of the Business Report, the “Consolidated Statement of Changes in Net Assets” of the Consolidated Financial Statements, Notes to the Consolidated Financial Statements, “Non-consolidated Statement of Changes in Net Assets” of the Non-consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements are not included in the physical documents sent to shareholders requesting such documents, in accordance with laws and regulations as well as Article 17 of the Articles of Incorporation of the Company. Accordingly, such documents include only part of the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements which have been audited by the Independent Auditor and the Audit and Supervisory Committee during the course of preparation of the Independent Auditor’s Report and the Audit Report, respectively.
- If any amendments are made to the matters subject to the measures for electronic provision, such amendments will be posted on the respective websites where the matters are posted.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

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

Based on the above policy, the Company proposes the year-end dividend for the 7th fiscal year as follows:

Matters concerning year-end dividend

1. Kind of dividend property

Cash

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

27.50 yen per share of common stock

The total amount of dividends 3,895,015,218 yen

Furthermore, as 17.50 yen were paid per share as an interim dividend during this fiscal period, the annual dividend will amount to 45 yen per share.

3. Effective date of the distribution of surplus

June 30, 2023

Proposal No. 2: Election of 5 Directors (excluding those who are Audit and Supervisory Committee members)

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

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

The candidates are as follows:

(Reference) List of the candidates

No.	Name		Current position and responsibility at the Company	Term of office
1	Isao Kubota	Reappointment	Chairman (Representative Director)	6 years and 9 months
2	Hikomichi Tanigawa	Reappointment	Deputy Chairman (Representative Director)	6 years and 9 months
3	Hideyuki Murakami	Reappointment	President (Representative Director)	6 years and 9 months
4	Hiroyuki Irie	New appointment	Executive Officer	—
5	Takashige Honda	Reappointment	Director In charge of the Compliance & Risk Management Division and Deputy in charge of the Corporate Planning Division	2 years

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

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

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
3	<p style="text-align: center;">Hideyuki Murakami (Mar. 14, 1961) [Reappointment]</p>	<p>Apr. 1983 Joined NISHI-NIPPON SOGO BANK (NISHI-NIPPON BANK) (currently, THE NISHI-NIPPON CITY BANK, LTD.) (the “Bank”)</p> <p>May 2007 General Manager of Hakataeki Higashi Branch, the Bank</p> <p>May 2008 General Manager of the Human Resources Division and the Human Resource Development Office, the Bank</p> <p>Jun. 2010 Executive Officer General Manager of the Human Resources Division and the Human Resource Development Office, the Bank</p> <p>May 2012 Executive Officer General Manager of the Corporate Planning Division, the Bank</p> <p>Jun. 2012 Senior Executive Officer General Manager of the Corporate Planning Division, the Bank</p> <p>Jun. 2014 Managing Director, the Bank</p> <p>Oct. 2016 Director, the Company</p> <p>Jun. 2018 Executive Director, the Bank</p> <p>Jun. 2021 President (Representative Director), the Company (current position)</p> <p>Jun. 2021 President (Representative Director), the Bank (current position)</p> <p>(Significant concurrent positions) President (Representative Director), THE NISHI-NIPPON CITY BANK, LTD. Director, DAIICHI KOUTSU SANGYO Co., Ltd. Vice Chairman of Fukuoka Association of Corporate Executives</p>	8,200 shares
<p>[Reasons for nomination as a candidate for director] Mr. Hideyuki Murakami served as General Manager of Hakataeki Higashi Branch, General Manager of the Human Resources Division and General Manager of the Corporate Planning Division at THE NISHI-NIPPON CITY BANK, LTD., a bank of the Group. Since taking office as director in 2014 at the bank, he has been in charge of the bank’s core operations, such as the Head of Tokyo Headquarters, the Internal Audit Division, the Corporate Planning Division, the Corporate Risk Management & Compliance Division, the Corporate Risk Management Division, the Compliance Risk Supervisory Division, the Treasury & Portfolio Investment Division, the Treasury & Securities Transaction Division and the International Business Division. Since taking office as president of the bank in June 2021, he has been at the forefront of leading initiatives toward improving business results of the bank. Additionally, he was appointed director of the Company in October 2016 and president of the Company in June 2021. The Company nominates him as a candidate for director as he has been judged to be a person who can contribute to the Company’s management from his experience, capability, personality and knowledge as a top-level executive.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
4	<p data-bbox="289 569 451 632">Hiroyuki Irie (Nov. 11, 1957)</p> <p data-bbox="289 659 451 684">[New appointment]</p>	<p data-bbox="537 312 1122 411">Apr. 1981 Joined NISHI-NIPPON SOGO BANK (NISHI-NIPPON BANK) (currently, THE NISHI-NIPPON CITY BANK, LTD.) (the “Bank”)</p> <p data-bbox="537 411 1122 480">Jun. 2008 Executive Officer General Manager of the Business Planning Division, the Bank</p> <p data-bbox="537 480 1122 604">Oct. 2009 Executive Officer Deputy Head of Fukuoka Regional Headquarters, General Manager of Head Office, and General Manager of Fukuoka Branch, the Bank</p> <p data-bbox="537 604 1122 630">Jun. 2010 Director, the Bank</p> <p data-bbox="537 630 1122 655">Jun. 2011 Managing Director, the Bank</p> <p data-bbox="537 655 1122 680">Jun. 2015 Executive Director, the Bank</p> <p data-bbox="537 680 1122 705">Oct. 2016 Director, the Company</p> <p data-bbox="537 705 1122 751">Jun. 2019 Executive Officer, the Company (current position)</p> <p data-bbox="537 751 1122 800">Jun. 2020 Deputy President (Representative Director), the Bank</p> <p data-bbox="537 800 1122 898">Apr. 2023 Deputy President (Representative Director) In charge of the business divisions and Regional Headquarters Management, the Bank (current position)</p> <p data-bbox="516 898 1122 968">(Significant concurrent positions) Deputy President (Representative Director), THE NISHI-NIPPON CITY BANK, LTD.</p>	8,500 shares
<p data-bbox="272 999 1386 1184">[Reasons for nomination as a candidate for director] Since taking office as director in 2010 at THE NISHI-NIPPON CITY BANK, LTD., a bank of the Group, Mr. Hiroyuki Irie has been in charge of the business divisions, the Regional Relationship Management Headquarters, and the Corporate Business Solution Division, and is familiar with business operations in general. Additionally, he was appointed director of the Company in October 2016 and executive officer of the Company in 2019. The Company nominates him as a candidate for director as he has been judged to be a person who can contribute to the Company’s management from his experience, capability, personality and knowledge.</p>			

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

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

Proposal No. 3: Election of 2 Directors who are Audit and Supervisory Committee members

Of the 4 Directors who are Audit and Supervisory Committee members, the terms of office of Mr. Toshio Sakemi and Mr. Chiharu Kubo will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 2 Directors who are Audit and Supervisory Committee members is proposed.

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

The candidates are as follows:

No.	Name		Current position at the Company	Term of office
1	Toshio Sakemi	Reappointment Outside Independent Director	Director, Audit and Supervisory Committee member	4 years
2	Chiharu Kubo	Reappointment Outside Independent Director	Director, Audit and Supervisory Committee member	2 years

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
1	<p>Toshio Sakemi (Feb. 27, 1953)</p> <p>[Reappointment]</p> <p>Outside Independent Director</p>	<p>Apr. 1975 Joined Saibu Gas Co., Ltd. (currently, SAIBU GAS HOLDINGS CO., LTD.)</p> <p>Jun. 2008 Executive Officer Head of the Living Energy Division, Energy Management Headquarters, Saibu Gas Co., Ltd.</p> <p>Apr. 2009 President and Representative Director, MARUTAI Co., LTD. (resigned in April 2011)</p> <p>Apr. 2011 Associate Senior Executive Officer, Saibu Gas Co., Ltd. (currently, SAIBU GAS HOLDINGS CO., LTD.)</p> <p>Jun. 2011 Director, Associate Senior Executive Officer, Saibu Gas Co., Ltd.</p> <p>Apr. 2013 President (Representative Director) and Chief Executive Officer, Saibu Gas Co., Ltd.</p> <p>Jun. 2017 Corporate Auditor, KYUDENKO CORPORATION (resigned in June 2019)</p> <p>Apr. 2019 Chairman (Representative Director), Saibu Gas Co., Ltd. (currently, SAIBU GAS HOLDINGS CO., LTD.) (current position)</p> <p>Jun. 2019 Corporate Auditor, HIROSHIMA GAS Co., Ltd. (current position)</p> <p>Jun. 2019 Director, Audit and Supervisory Committee member, the Company (current position)</p> <p>Mar. 2021 Director, THE TORIGOE CO., LTD. (current position)</p> <p>(Significant concurrent positions) Chairman (Representative Director), SAIBU GAS HOLDINGS CO., LTD. Corporate Auditor, HIROSHIMA GAS Co., Ltd. Director, THE TORIGOE CO., LTD.</p>	– shares
<p>[Reasons for nomination as a candidate for outside director who is an Audit and Supervisory Committee member and expected roles] Mr. Toshio Sakemi has considerable experience and extensive knowledge as a corporate manager. The Company nominates him as a candidate for outside director who is an Audit and Supervisory Committee member in the expectation that he will contribute to strengthening the supervisory function.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company (significant concurrent positions)	Number of shares of the Company held
2	<p>Chiharu Kubo (Mar. 9, 1948)</p> <p>[Reappointment]</p> <p>Outside Independent Director</p>	<p>May 1973 Joined Department of Psychosomatic Medicine, School of Medicine, Kyushu University</p> <p>Feb. 1993 Professor of Medical Sciences, School of Medicine, Kyushu University</p> <p>Apr. 2008 Director, Kyushu University Hospital</p> <p>Apr. 2014 Vice President, International University of Health and Welfare (resigned in September 2014)</p> <p>Oct. 2014 President, Kyushu University (resigned in September 2020)</p> <p>Oct. 2020 Professor, Nakamura Gakuen University</p> <p>Nov. 2020 President, Nakamura Gakuen University (current position)</p> <p>Jun. 2021 Director, Audit and Supervisory Committee member, the Company (current position)</p> <p>(Significant concurrent positions) President, Nakamura Gakuen University Chairman and President, KYUSHU CITIZENS' COLLEGE Chairman, Japanese Society of Psychosomatic Internal Medicine</p>	– shares
<p>[Reasons for nomination as a candidate for outside director who is an Audit and Supervisory Committee member and expected roles] Mr. Chiharu Kubo has expertise as a doctor and a university professor as well as considerable experience and comprehensive knowledge as a university manager such as Director of Kyushu University Hospital and President of Kyushu University. The Company nominates him as a candidate for outside director who is an Audit and Supervisory Committee member in the expectation that he will contribute to strengthening the supervisory function.</p>			

- (Notes)
1. There are banking transactions between Mr. Toshio Sakemi and Mr. Chiharu Kubo and the Group. However, they are ordinary banking transactions, and there is no special interest between these candidates and the Group.
 2. There are ordinary banking transactions between the Group and SAIBU GAS HOLDINGS CO., LTD. and HIROSHIMA GAS Co. Ltd., of which Mr. Toshio Sakemi, a candidate for director who is an Audit and Supervisory Committee member, serves as officer. However, concerning each of the 2 companies, the sales from transactions with the Group accounts for less than 1% of the total sales, and the gross operating profit gained from transactions with each of the 2 companies also accounts for less than 1% of the total gross operating profit of the Company on a consolidated basis. There are no transactions between THE TORIGOE CO., LTD. and the Group.
 3. There are ordinary banking transactions between Nakamura Gakuen University, of which Mr. Chiharu Kubo, a candidate for director who is an Audit and Supervisory Committee member, serves as President and Kyushu University, of which he served as President, and the Group. However, concerning each of the 2 universities, the sales from transactions with the Group accounts for less than 1% of the total sales, and the gross operating profit from transactions with each of the 2 universities also accounts for less than 1% of the total gross operating profit of the Company on a consolidated basis.
 4. Mr. Toshio Sakemi and Mr. Chiharu Kubo are candidates for outside directors who are Audit and Supervisory Committee members.
 5. Some employees of KYUDENKO CORPORATION, where Mr. Toshio Sakemi served as Outside Corporate Auditor, were prosecuted and convicted in March and April 2019 in connection with the construction work of a night-soil treatment plant ordered by Chikujomachi, Fukuoka Prefecture in 2016. Although Mr. Sakemi had not been aware of the incident beforehand, he had been giving recommendations as necessary concerning the importance of compliance and thorough legal compliance on a regular basis. After having become aware of the fact, he requested an investigation on the facts and offered opinions on how to further enhance the compliance system of the corporate group as a whole and promote compliance activities as well as to prevent a recurrence of such incident, thereby fully performing his duties.
 6. Mr. Chiharu Kubo has not been directly involved in corporate management. Nevertheless, the Company believes that he has the capabilities to appropriately execute duties as outside director who is an Audit and Supervisory Committee member, because he has expertise as a doctor and a university professor as well as extensive experience and comprehensive knowledge as a university manager.
 7. The term of office of Mr. Toshio Sakemi as outside director will have been four (4) years at the conclusion of this Annual General Meeting of Shareholders.
 8. The term of office of Mr. Chiharu Kubo as outside director will have been two (2) years at the conclusion of this Annual General Meeting of Shareholders.
 9. The Company has already entered into an agreement with Mr. Toshio Sakemi and Mr. Chiharu Kubo, directors who are Audit and Supervisory Committee members, pursuant to Article 427, Paragraph 1 of the Companies Act to limit their liabilities to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Act when they are in good faith and without gross negligence in performing duties as non-executive directors. In addition, if this proposal is approved as originally proposed, the Company plans to continue the same agreement to limit liabilities with them.
 10. The Company has entered into a directors and officers liability insurance contract with an insurance company under which all of the directors, corporate auditors, and executive officers of the Company and its subsidiaries are the insured, as provided for in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers compensation for damages (damages under laws and litigation costs) incurred by the insured due to a claim for damages filed for an act (or omission) of the insured in his or her duties. The Company bears the entire amount of the premium for the insurance contract. Meanwhile, as a measure to ensure that the insured should not be demotivated to appropriately execute his or her duties, the insurance contract does not cover compensation for damages arising from an event where the insured has unlawfully received personal benefit or advantage, or arising from a criminal act of the insured or any act etc. performed by the insured while he or she is aware that such act etc. constitutes a violation of laws and regulations. If the appointment of each candidate as director is approved, they will be the insured parties covered by the said insurance contract and the Company intends to renew the contract during their terms of office.
 11. Mr. Toshio Sakemi and Mr. Chiharu Kubo are outside directors as stipulated in Article 2, Item 15 of the Companies Act. They have been registered as independent directors with the Tokyo Stock Exchange and the Fukuoka Stock Exchange.

(Reference) Skills Matrix

If proposals Nos. 2 and 3 are approved as originally proposed, the skills matrix of directors will be as follows:

Name	Position	Attribute	Specialty			
			Corporate management	Finance and economy	Financial affairs and accounting	Legal affairs and risk management
Isao Kubota	Chairman (Representative Director)		●	●	●	●
Hikomichi Tanigawa	Deputy Chairman (Representative Director)		●	●	●	●
Hideyuki Murakami	President (Representative Director)		●	●	●	●
Hiroyuki Irie	Director		●	●	●	
Takashige Honda	Director			●	●	●
Kiyotaka Tomoike	Director, Audit and Supervisory Committee member			●	●	●
Toshio Sakemi	Director, Audit and Supervisory Committee member	Outside Independent director	●		●	●
Chiharu Kubo	Director, Audit and Supervisory Committee member	Outside Independent director	●		●	●
Sachiko Miyamoto	Director, Audit and Supervisory Committee member	Outside Independent director		●	●	

- (Notes) 1. The name of Ms. Sachiko Miyamoto on the family register is Sachiko Miki.
2. The above areas of specialty do not represent all of the knowledge and experience that directors possess.

End