

207th Annual General Meeting of Shareholders
Reference Documents for the General Meeting of Shareholders
(Separate Volume)

- Proposal No. 1 Approval of the Share Transfer Plan with The Hokuetsu Bank, Ltd.
1. Details of the Financial Statements etc. in relation to the Business Report of Hokuetsu Bank (for the fiscal year ended March 31, 2018)

(Convocation Notice page 31 “5. Matters Concerning Hokuetsu Bank”)
 2. Details of the New Share Options

(Convocation Notice pages 8 to 21 “Share Transfer Plan (Copy)” and pages 29 to 31 Exhibits 2-①-1 to 3-⑦-2 to “Adequacies of Provisions Regarding Matters Set Forth in Article 773(1)(ix) and (x) of the Companies Act”)

Business Report for the 113th Fiscal Year (ended March 31, 2018)

1. Current Status of the Bank

(1) Business Progress and Results, etc.

A. Main business

The Bank is a regional bank with Niigata Prefecture as its main operating base. In addition to its Head Office, the Bank has 83 branches, and it carries out banking business including deposit services, lending services, trading securities transaction services, securities investment services, investment trust and insurance over the counter sales services, domestic foreign exchange services, and international foreign exchange services.

B. Financial and economic conditions

In fiscal year 2017, the Japanese economy was on a gentle recovery trajectory due to factors such as solid performance in exports and production due to recovery in the international economy, and a recovery in individual consumption due to improvement in the employment and wage environment.

In Niigata Prefecture, despite some weakness in capital expenditure and individual consumption, the overall economy recovered slightly, predominantly due to the performance of the production sector, and a trajectory towards recovery continued.

In financial markets, the closing value of the Nikkei Stock Average increased from ¥18,909 at the end of the previous fiscal year to ¥21,454 at the end of the current fiscal year due to factors such as strong company earnings results and tax reduction policies in the United States.

In addition, the yield on newly issued 10-year Japanese Government Bonds, that are the index of the long-term interest rate, generally remained in the 0% range throughout fiscal year 2017.

C. Business progress and results

Under this kind of operating environment, the Bank undertook initiatives based on its 19th long-term management plan (plan term: April 2017 to March 2020).

For individual customers, we endeavored to further improve convenience for customers by means such as preparing a diverse range of products addressing customer finance and asset management requirements in line with their life plans.

With respect to asset management in particular, we announced our “Policy Regarding Customer-First Business Operations” in August 2017, and under this policy we strive to provide high quality financial services aimed at achieving the best interests of our customers.

In fiscal year 2017, the Bank added four funds to our investment trust over the counter sales. In April 2017, we also introduced a robot advisor, Funds Robo, an AI that helps customers select funds, to our website, and began handling 23 investment trust funds dedicated to online banking compatible with Funds Robo. For online transactions, the Bank worked to improve its services to make them even more convenient for customers, including beginning to accept applications to open investment trust accounts from April 2017, commencing its “Investment Trust Notification Service” under which customers can designate an email address for receiving notification of price fluctuations and receipt of dividends in May 2017, and increasing the cash-rebate percentage for online investment trust fees from 10% to 30% from October 2017.

The fiscal year 2017 tax reforms introduced monthly investment-type NISA, and the Bank began accepting applications to open accounts for monthly investment-type NISA in October 2017, and in

January 2018 began offering nine fund products covered by monthly investment-type NISA and began handling purchase applications.

The Bank also held “Investment Trust Customer Seminars” eight times in two locations in Niigata Prefecture, covering themes such as investment basics useful when first starting asset building, global finance and economic conditions, and the medium- to long-term outlook for the Japanese economy.

In the insurance business, the Bank added four products for individual customers and two products for corporate customers to our product lineup, and began handling “pet insurance” from April 2017. We also worked to improve convenience for customers, such as by commencing sales of life insurance using computer tablets in October 2017, a first for financial institutions in Niigata Prefecture. Utilizing tablets to carry out all procedures from proposing insurance to customers through to the execution of agreements reduces the burden of filling out forms, and speeds up the delivery of insurance policies.

Downloads of our smartphone application, “*Sumaho ga Hokugin*” that we began offering in July 2016 grew strongly, and from December 2017 we commenced our “THEO + Hokuetsu Bank” service for “*Sumaho ga Hokugin*” users that enables customers to make diversified investments in ETFs around the world using a robot advisor.

In our loans to individuals business, we continued our “cancer group credit insurance: no additional interest required” campaign where customers can enroll in group credit life insurance with cancer insurance for home loans without additional interest being added, and ran a “Special Interest Campaign” where we offered lower interest than normal on personal car loans. The Bank also began handling “Reverse Mortgage-Type Home Loans” in December 2017 to respond to the funding needs of customers aged 60 and over for newly building or buying homes, and renovations, etc.

For corporate customers, we endeavored to provide a consulting function to customers for matters such as consultation regarding business succession and support for entry into growth fields, and we undertook initiatives utilizing financing and proposing various types of solutions focusing on “business feasibility assessments” based on a proper understanding of factors such as the details of customers’ business, characteristics of the industry, and growth strategies aimed at resolving management issues.

Fiscal 2017 marked the 140th anniversary of the founding of the Bank, and we began offering our “140th Anniversary – Regional Development Support Fund” donation-type loan. During the period from June to November 2017 when it was available, approximately ¥32.5 billion in loan was provided, and part of the proceeds (¥16 million) was donated to Niigata Prefecture. In addition, from October 2017 to March 2018, the Bank operated the “140th Anniversary – 100 Sacks of Rice Private Placement Bond Fund” which donated part of the proceeds to the “Public Interest Incorporated Foundation Hokugin Shogakkai”.

With respect to proposing solutions to help customers develop their business, we held four seminars in two locations in Niigata Prefecture regarding public support, such as tax reform and energy conservation subsidies, as well as a total of three seminars on medical and nursing business strategy based on the fiscal year 2018 medical fee and nursing fee double reform, etc. In addition, the Bank, and 14 regional banks and local government organizations such as Niigata Prefecture and Niigata Industrial Creation Organization, jointly sponsored the 2nd “Factory Network Business Expo FBC Hanoi 2018” in March 2018 in order to support our customers in initiatives such as breaking into the Vietnam market and developing sales channels, and we provided full support for customers exhibiting at the expo, from exhibition through to matching with businesses in Vietnam.

As the Bank needs to proactively engage in regional development, in September 2017, we also entered into a collaboration agreement with Kashiwazaki City addressing regional development, and in December 2017 we jointly sponsored a seminar on business succession and M&A pursuant to

such agreement. Additionally, pursuant to the “Comprehensive Regional Partnership Agreement” with Nagaoka City, we jointly sponsored a seminar in March 2018 addressing topics including business successor training and measures for succession of a company’s own shares.

As a result of these initiatives, the balance of deposits, etc. (including certificates of deposits) at the end of the fiscal year was ¥2,572.1 billion, an increase of ¥97.7 billion compared to the previous fiscal year. The balance of loans at the end of the fiscal year was ¥1,698.1 billion, an increase of ¥152.1 billion compared to the previous fiscal year, and the balance of securities at the end of the fiscal year was ¥831.7 billion.

With respect to profits, although loan interest decreased, the Bank achieved ordinary profit of ¥9.8 billion and net income of ¥7.1 billion due to factors such as increases in gains (losses) on securities and net income attributable to stockholders of parent company.

Furthermore, the Hokuetsu Bank group recorded consolidated ordinary profit of ¥9.7 billion, and net income attributable to stockholders of parent company of ¥6.8 billion.

D. Issues the Bank needs to address

With the risk of contraction of regional economies due to the impact of factors such as a shrinking population and with its revenue environment continuing to be tough due to factors such as the long-term continuation of Japan’s monetary easing policies, the Bank understands that working to toughen its operating basis and reforming its revenue structure to enable it to withstand any changes the environment may present are major issues.

On the basis of this understanding, the Bank has been moving forward with initiatives to achieve the 19th long-term management plan (plan term: April 2017 to March 2020) which sets as our goal, being a “bank that creates mutual value together with customers and strives to develop the local community, through the application of optimum solutions.”

For the fiscal year 2018, we have declared our management policy to be “increasing earnings strength by increased sophistication of solution-oriented management and promotion of efficient management,” and we will strive to further improve customer confidence in the Bank and provide financial services that our customers truly require.

Additionally, we entered into a business integration agreement as of March 23, 2018 and prepared a share transfer plan as of May 11, 2018 for the purposes of the business integration with Daishi Bank that we have been discussing and examining pursuant to the basic agreement since April 5, 2017.

Daishi Hokuetsu Financial Group, Inc. will be incorporated as the wholly-owning parent company of the Bank and Daishi Bank as of October 1, 2018, subject to obtaining the approval of the general meeting of shareholders and regulatory approvals.

The new financial group will provide higher value-added financial brokerage functions and information brokerage functions based on a trusting relationship with customers and networks with local communities that have been built up over a long time, and strive to realize at an early stage its primary goal of business integration, “serving the community.”

The officers and employees will continue to work as one to satisfy the trust and expectations of all shareholders and customers, and we hope that you will continue to support us in our endeavors.

(2) Finances and Profit (Loss)

(Unit: 100 million yen)

	FY 2014	FY 2015	FY 2016	FY 2017
Deposits	22,203	22,887	23,628	24,633
Term deposits	9,493	9,393	9,224	9,066
Other	12,710	13,494	14,404	15,566
Loans	14,726	15,150	15,459	16,981
To individuals	3,659	3,817	3,895	4,026
To SMEs	5,700	6,302	6,279	6,696
Other	5,366	5,030	5,284	6,258
Trading securities	14	13	14	15
Securities	9,428	9,363	9,949	8,317
National government bonds	4,952	4,657	5,257	3,771
Other	4,475	4,705	4,691	4,546
Corporate bonds	—	—	—	—
Total assets	26,109	27,019	27,266	27,998
Domestic foreign exchange transactions	148,777	141,287	137,481	141,319
International foreign exchange transactions	Million dollars	Million dollars	Million dollars	Million dollars
	1,462	1,259	986	1,141
Ordinary profit	Million yen	Million yen	Million yen	Million yen
	10,571	12,109	8,326	9,836
Net income	Million yen	Million yen	Million yen	Million yen
	5,901	7,332	6,707	7,161
Net income per share	Yen	Yen	Yen	Yen
	24.23	303.93	280.11	298.68

- (Notes)
1. Figures shown are rounded down to the nearest whole unit, except for net income per share, which is shown to two decimal places.
 2. Net income per share is calculated by dividing the net income by the average number of issued shares during the fiscal year (the number of shares minus the number of treasury shares).
 3. Due to the consolidation of common shares at a ratio of 10:1 as of October 1, 2016, the net income per share was calculated on the assumption that such share consolidation was carried out at the beginning of fiscal year 2015.

(Reference) Consolidated Results of Operations

(Unit: 100 million yen)

	FY 2014	FY 2015	FY 2016	FY 2017
Consolidated ordinary income	570	578	482	486
Consolidated ordinary profit	118	130	91	97
Net income attributable to stockholders of parent	64	77	67	68
Consolidated net assets	1,135	1,180	1,159	1,201
Consolidated total assets	26,168	27,048	27,291	28,022

(Note) Figures shown are rounded down to the nearest whole unit.

(3) Employees

	End of the Current Fiscal Year	End of the Previous Fiscal Year
Number of employees	1,490	1,486
Average age	39 years 7 months	40 years 0 months
Average years of service	16 years 1 month	16 years 6 months
Average monthly salary	¥395,000	¥395,000

	End of the Current Fiscal Year	End of the Previous Fiscal Year
Number of employees	1,490	1,486
Average age	39 years 7 months	40 years 0 months
Average years of service	16 years 1 month	16 years 6 months
Average monthly salary	¥395,000	¥395,000

- (Notes)
1. Average age, average years of service, and average monthly salary are all rounded down to the nearest respective whole unit.
 2. The number of employees does not include temporary employees and contract employees.
 3. The average monthly salary is the average amount during March 2018 (during March 2017 for the previous accounting year), and does not include bonuses.

(4) Branches, etc.

A. Number of branches

	Current Fiscal Year	Previous Fiscal Year
Niigata Prefecture	79 branch office (-)	79 branch office (-)
Gunma Prefecture	2 branch office (-)	2 branch office (-)
Saitama Prefecture	2 branch office (-)	2 branch office (-)
Tokyo	1 branch office (-)	1 branch office (-)
Total	84 branch office (-)	84 branch office (-)

(Note) In addition to the foregoing, at the end of the current fiscal year, the Bank had ATMs installed in 30 locations other than branches (31 at the end of the previous accounting year), ATMs installed in 22,668 locations outside branches (450 in Niigata Prefecture, and 22,218 outside Niigata Prefecture) due to an alliance with Seven Bank, Ltd., and 12,894 ATMs installed in locations other than branches (96 in Niigata Prefecture and 12,798 outside Niigata Prefecture) due to an alliance with E-net Co., Ltd.

B. New branches in the current fiscal year.

Not applicable.

- (Notes)
1. ATMs newly installed outside branches
Not applicable.
 2. ATMs discontinued outside branches
Harashin Market City Kodo

C. List of bank agents

Not applicable.

D. Bank agents, etc. operated by the Bank

Not applicable.

(5) Capital Expenditure

A. Total capital expenditure

(Unit: million yen)

Total capital expenditure	2,504
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(Note) Amount is rounded down to the nearest whole unit.

B. Establishment of significant new facilities

(Unit: million yen)

Details	Amount
Renewal of computers at branches	1,054
New construction of Muikamachi Branch	628

- (Notes)
1. Amounts are rounded down to the nearest whole unit.
 2. "New construction of Muikamachi Branch" is the amount of expenditure for the current fiscal year.

(6) Major Parent Companies and Subsidiaries, etc.

A. Parent companies

Not applicable.

B. Subsidiaries, etc.

Company Name	Location	Details of Main Business	Date of Incorporation	Capital	% of Voting Rights in Subsidiary, etc. Held by the Bank	Other
The Hokuetsu Leasing Co.,	9-20, Kesajiro 1-chome, Nagaoka-shi,	Leasing	November	million yen	%	—

Ltd.	Niigata		1, 1982	100	100.00	
Hokuetsu Card Co., Ltd.	9-20, Kesajiro 1-chome, Nagaoka-shi, Niigata	Credit guarantee business, credit card business	June 1, 1983	20	100.00	—
The Hokuetsu Credit Guarantee Co., Ltd.	13-23, Miyabara 2-chome, Nagaoka-shi, Niigata	Credit guarantee business	August 20, 1986	210	100.00	—
The Hokugin Economic Research Institute, Ltd.	Omotemachi 3-chome, Nagaoka-shi, Niigata	Research and investigation as well as provision of information on socioeconomic issues	July 1, 1997	30	5.00	—

- (Note)
1. Capital is shown rounded down to the nearest whole unit.
 2. The percentage of voting rights in subsidiaries, etc. held by the Bank is rounded down to the second decimal place.
 3. At the end of the current fiscal year, the major subsidiaries, etc. subject to accounting using the consolidated method are the four subsidiaries stated above, and they are not equity method affiliates.

Significant Business Alliances

1. The Bank provides services such as automatic cash withdrawal through mutual use of automatic cash facilities (All-Japan Cash Service) in partnership with 64 regional banks.
2. The Bank provides services such as automatic cash withdrawal through mutual use of automatic cash facilities (Multi Integrated Cash Service) in partnership with 64 regional banks, and city banks, trust banks, member banks of the Second Association of Regional Banks, credit unions, credit associations, affiliated agricultural co-operatives and fishery cooperatives (including Norinchukin Bank and JA), and labor banks.
3. Through the Chigin Network Service Co., Ltd. (a company with equity jointly held by 64 regional banks) (CNS), The Bank provides services such receiving various types of data, including bulk transfers, account transfers, and deposit/withdrawal transaction statements with business partners, by means of data transmission.
4. The Bank provides a funds settlement service (NB Center Payment Collection Service) that collects payments by means of account transfers, in partnership with regional banks with their head office located in Niigata Prefecture, member banks of the Second Association of Regional Banks, credit unions, credit associations, JA Bank Niigata and affiliated agricultural co-operatives, and labor banks.
5. The Bank provides services such as automatic cash withdrawal through mutual use of automatic cash facilities in Partnership with Japan Post Bank Co., Ltd.
6. The Bank provides services such as automatic cash withdrawal through use of facilities jointly installed in convenience stores, etc. in partnership with Seven Bank, Ltd.
7. The Bank provides services such as automatic cash withdrawal through mutual use of automatic cash facilities in partnership with AEON Bank, Ltd.
8. The Bank provides services such as automatic cash withdrawal through use of facilities jointly installed in convenience stores, etc. in partnership with E-net Co., Ltd.
9. The Bank has entered into the “TSUBASA Alliance Master Agreement” with The Chiba Bank, Ltd., The Chugoku Bank, Ltd., The Iyo Bank, Ltd., The Toho Bank, Ltd., North pacific Bank, Ltd., and The Daishi Bank, Ltd.

(7) Business Assignment, etc.
Not applicable.

(8) Other Material Matters Relating to the Current Circumstances of Banks

The business integration with The Daishi Bank, Ltd. is as described in (1) Business Progress and Results, etc.; D. Issues the Bank Needs to Address.

2. Executives (Directors and Corporate Auditors)

(1) Executives

(As of the end of the fiscal year)

Name	Position and Responsibilities	Significant Concurrent Positions	Other
Satoru Araki	Chairman (Representative Director)		
Katsuya Sato	President (Representative Director)		
Kazuyoshi Hirokawa	Senior Managing Director (Representative Director) In charge of operations of General Planning Division, Human Resources Division, Secretarial Office, and Tokyo Office, Supervision of Affiliates		
Ichiro Muromoto	Managing Director In charge of operations of Loan Division and Market and Capital Division		
Hiroyuki Kaizu	Managing Director In charge of Operation Supervision Division, Operation Support Division, Risk Control Division, and General Affairs Division		
Satoru Kumakura	Managing Director In charge of Niigata Branch and Niigata Office		
Terasu Sato	Managing Director In charge of Business Supervision Division, Direct Channel Promotion Division, and Business Promotion and Solution Division		
Masami Watanabe	Director General Manager, Niigata Branch		
Ryuji Takahashi	Director General Manager, Loan Division		
Makoto Takahashi	Director General Manager, General Planning Division		
Hiroki Hoshi	Director		

	General Manager, Head Office		
Hiroshi Fukuhara	Director (Outside Director)	Attorney at law (Head of Toranomom College Law Office) Corporate Auditor, Yamano Holdings Corporation	
Kiroku Takeuchi	Director (Outside Director)	Consultant, The Niigata Nippo Co., Ltd. Chairman, Niigata Social Welfare Council	
Mikiya Toyooka	Standing Corporate Auditor		
Shuichi Nomizu	Standing Corporate Auditor		
Toshio Kitamura	Corporate Auditor (Outside Corporate Auditor)	Certified public accountant (Managing Partner, Kitamura Certified Public Accountant Office)	Is qualified as a certified public accountant, and has a wealth of financial and accounting knowledge.
Shiro Watanabe	Corporate Auditor (Outside Corporate Auditor)	Director and Chairman, Nihon Youki Kougyo Co., Ltd. Director and Chairman, NYK Co., Ltd. Representative Director, Mizusawa Co., Ltd. Representative Director, Marukyo Co., Ltd. Representative Director, Cleanlead Co., Ltd.	

(Note) Notification has been filed with the Tokyo Stock Exchange to the effect that Hiroshi Fukuhara, Outside Director, Kiroku Takeuchi, Outside Director, and Toshio Kitamura, Outside Corporate Auditor, are independent directors/auditors.

(2) Executive Compensation, etc.

(unit: million yen)

Classification	Number of People	Compensation, etc.
Director	17	255 (56)
Corporate Auditor	4	52 (6)
Total	21	307 (62)

- (Note)
1. Figures shown are rounded down to the nearest whole unit.
 2. Compensation, etc. describes the total amount of compensation, bonuses, and other financial benefits received or to be received as consideration for the performance of duties.
 3. The amount in parentheses is the amount of financial benefit received or to be received as consideration for the performance of duties, other than compensation, and includes the following:
 - Allowance for bonuses for Directors and Auditors this business year (18 million yen for Directors and 6 million yen for Corporate auditors); and
 - Amount of share compensation-type stock option compensation this business year (37 million yen for Directors).
 4. In addition to the foregoing, there is 42 million yen in compensation, etc. to Directors as employees (of which, 3 million comprises bonuses).
 5. The maximum amount of compensation for Directors is 250 million yen and the maximum amount of compensation for Corporate Auditors is 65 million yen. These amounts were set by a general meeting of shareholders. Additionally, the maximum amount of share compensation-type stock option compensation, etc. to directors (excluding outside directors) is 70 million yen.
 6. The compensation plan for Directors (excluding Outside Directors) comprises fixed compensation, bonuses for Directors and Corporate Auditors, and stock option compensation. For Outside Directors, it comprises fixed compensation and bonuses for Directors and Corporate Auditors. Please note that employee salary paid to Directors who are also retained as employees is not included in the fixed compensation and bonuses for Directors and Auditors.
The compensation plan for Corporate Auditors comprises fixed compensation and bonuses for Directors and Auditors.
With respect to the allocation, etc. to each Director and Corporate Auditor, the total amount is determined within the scope of the total compensation by resolution of the general meeting of shareholders, compensation for Directors is determined by resolution of the Board of Directors, and compensation for Corporate Auditors is determined by discussion among the Corporate Auditors.

(3) Limitation of Liability Agreements

Name	Summary of the Terms of the Limitation of Liability Agreement
Hiroshi Fukuhara	The Bank has entered into an agreement limiting liability under Article 423(1) of the Companies Act to within a certain scope, and the maximum amount of compensation under such agreement is the minimum amount of liability provided by laws and regulations
Kiroku Takeuchi	"
Toshio Kitamura	"
Shiro Watanabe	"

3. Outside Directors and Corporate Auditors

(1) Concurrent Positions and Other Circumstances of Outside Directors

Name	Concurrent Positions and Other Circumstances
Hiroshi Fukuhara	Attorney at law (Head of Toranomon College Law Office) Corporate Auditor, Yamano Holdings Corporation
Kiroku Takeuchi	Consultant, The Niigata Nippo Co., Ltd. The Bank has ordinary banking transactions with The Niigata Nippo. Chairman, Niigata Social Welfare Council The Bank has ordinary banking transactions with the Niigata Social Welfare Council
Toshio Kitamura	Certified public accountant (Managing Partner, Kitamura Certified Public Accountant Office) The Bank has ordinary banking transactions with Kitamura Certified Public Accountant Office
Shiro Watanabe	Director and Chairman, Nihon Youki Kougyo Co., Ltd. Director and Chairman, NYK Co., Ltd. Representative Director, Mizusawa Co., Ltd. Representative Director, Marukyo Co., Ltd. Representative Director, Cleanlead Co., Ltd. The Bank has ordinary banking transactions with the above five companies.

(2) Main Activities of Outside Directors and Corporate Auditors

Name	Term of Office	Attendance at Meetings of the Board of Directors and Board of Corporate Auditors	Statements and Other Activities at Meetings of the Board of Directors and Board of Corporate Auditors
Hiroshi Fukuhara	5 years, 9 months	Attended 12 (out of 14) meetings of the Board of Directors	Mainly stated his opinion from the perspective of his expertise as a lawyer.
Kiroku Takeuchi	2 years, 9 months	Attended 12 (out of 14) meetings of the Board of Directors	Mainly stated his opinion based on his practical experience of management.
Toshio Kitamura	9 years, 7 months	Attended 12 (out of 14) meetings of the Board of Directors Attended 12 (out of 12) meetings of the Board of Corporate Auditors	Mainly stated his opinion from the perspective of his expertise as a certified practicing accountant.
Shiro Watanabe	5 years, 9 months	Attended 12 (out of 14) meetings of the Board of Directors Attended 11 (out of 12) meetings of the Board of Corporate Auditors	Mainly stated his opinion based on his practical experience of management.

(3) Compensation, etc. for Outside Directors and Corporate Auditors

(unit: million yen)

	Number of People	Compensation, etc. from the Bank	Compensation, etc. from the Bank's Parent Company, etc.
Total	4	24 (6)	—

- (Notes)
1. Figures shown are rounded down to the nearest whole unit.
 2. Compensation, etc. describes the total amount of compensation, bonuses, and other financial benefits received or to be received as consideration for the performance of duties.
 3. The amount in parentheses is the amount of financial benefit received or to be received as consideration for the performance of duties, other than compensation. Allowance for bonuses to directors and corporate auditors this business year was 6 million yen for directors and corporate auditors (3 million yen for outside directors and 3 million yen for outside corporate auditors).

(4) Opinion of Outside Directors and Outside Corporate Auditors

Not applicable.

4. Shares of the Bank

(1) Number of shares	Total number of authorized shares	60,000,000
	Total number of issued shares	24,514,000

(Note) The number of shares is rounded down to the nearest multiple of one thousand.

(2) Number of shareholders at the end of the current fiscal year	9,333
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(3) Major Shareholders

Name of Shareholder	Stake in the Bank	
	Number of shares, etc.	Shareholding Ratio
Japan Trustee Services Bank, Ltd (trust account)	3,255 ^{Thousand} _{shares}	13.57%
Meiji Yasuda Life Insurance Company	1,216	5.07
Mitsuboshi Metal Industry Co., Ltd	1,003	4.18
The Master Trust Bank of Japan, Ltd. (trust account)	588	2.45
Hokuetsu Bank Employee Stock Ownership Plan	558	2.32
DFA INTL SMALL CAP VALUE PORTFOLIO	439	1.83
Sakai Shoji Co.,Ltd	434	1.81
GOVERNMENT OF NORWAY	429	1.79
Japan Trustee Services Bank, Ltd. (trust account 4)	424	1.77
Sompo Japan Nipponkoa Insurance Inc.	400	1.66

- (Notes)
1. The number of shares held shown is rounded down to the nearest thousand.
 2. The shareholding ratio is calculated by deducting the number of treasury shares, and rounded down to the second decimal place.

3. The Bank holds 527,000 treasury shares, but this is excluded from the major shareholders listed above.

5. Accounting Auditor

(1) Accounting Auditor

(unit: million yen)

Name	Compensation, etc. for the Current Fiscal Year	Other
Ernst & Young ShinNihon LLC		
Designated limited liability partner Certified public accountant Engagement partner Akira Igarashi		(Note) 3
Designated limited liability partner Certified public accountant Engagement partner Shinichi Oshima	57	(Note) 4
Designated limited liability partner Certified public accountant Engagement partner Kazuya Hosono		(Note) 5

(Notes) 1. Figures shown are rounded down to the nearest whole unit.

2. The amount of compensation, etc. for auditing under the Companies Act and the amount of compensation, etc. for auditing under the Financial Instruments and Exchange Act are not clearly distinguished under the agreement between the Bank and the Accounting Auditor, and in practice it is difficult to distinguish between the two. Therefore, the compensation, etc. for this business year states the total amount thereof.
3. Based on the “Code of Practice for Working with Accounting Auditors” issued by the Japan Audit & Supervisory Board Members Association, the Bank’s Board of Corporate Auditors has confirmed and examined matters such as the completion status of the audit plan and audits for the previous business year and the appropriateness of the audit framework and audit time, and compensation quotation for the current business year, and given its consent pursuant to Article 399(1) of the Companies Act with respect to the Accounting Auditor’s compensation, etc.
4. Compensation, etc. includes compensation, etc. to be paid as consideration for services other than services pursuant to Article 2(1) of the Certified Public Accountants Act (non-auditing services). Please note that non-auditing services consist of accounting advisory services with respect to business integration.
5. The total amount of money and other financial benefits to be paid by the Bank’s subsidiary companies and subsidiary entities, etc. is 57 million yen.

(2) Limitation of Liability Agreement

Not applicable.

(3) Other Matters Regarding the Accounting Auditor

Policy Regarding Dismissal or Non-Reappointment of the Accounting Auditor

The Bank's Board of Corporate Auditors may dismiss the Accounting Auditor with the unanimous consent of all Corporate Auditors if the Board of Corporate Auditors finds that the accounting auditor falls under all items of Article 340(1) of the Companies Act.

In addition, if it is recognized that it is difficult for the Accounting Auditor to appropriately perform auditing, the Bank's Board of Corporate Auditors may pass a resolution to submit a proposal for dismissal or non-reappointment of the Accounting Auditor to a general meeting of shareholders, and the Bank's Board of Directors shall submit such proposal to a general meeting of shareholders in accordance with such resolution.

6. Basic Policy Regarding Parties who Determine Financial and Business Policies

Not applicable.

7. Systems to Ensure Appropriateness of Business

(1) Systems to Ensure Appropriateness of Business

The Bank has passed resolutions as follows with respect to "The development of systems necessary to ensure that the execution of the duties by the directors complies with the laws and regulations and the articles of incorporation, and other systems prescribed by the applicable Ordinance of the Ministry of Justice as systems necessary to ensure the properness of operations of a Stock Company and operations of group of enterprises consisting of said Stock Company and its Subsidiaries" provided by Article 362(4)(vi) of the Companies Act:

A. Systems to ensure that the execution of the duties by the directors and employees complies with the laws, regulations, and the articles of incorporation

The Bank positions enhancement of its compliance stance as the most important issue for management. All directors and employees comply with all internal rules and regulations relating to compliance, such as the "Hokuetsu Bank Code of Conduct" set forth with the aim of establishing the Bank's corporate ethics, manuals, laws, regulations, and rules, and the Bank conducts its business activities in an honest and fair manner.

Regarding business operations, compliance plans and important issues are decided by the Board of Directors, while the Legal Affairs Office of the Risk Control Division, which oversees compliance matters, the operations divisions and legal compliance coordinators in the respective divisions and branches work systematically and proactively to ensure thorough compliance.

In addition, the functions to check conformity in the performance of duties by officers and employees are maintained through verifications by the Audit Division, the Bank's internal audit division, the establishment of compliance breach report systems including a whistleblowing system, and ensuring thorough compliance with rules, etc.

With respect to ensuring the reliability of financial reporting, Hokuetsu bank has implemented systems to establish and operate appropriate internal controls regarding financial reporting, pursuant to the "Policies and Basic Plan for the Establishment of Internal Controls Regarding Financial Reporting."

Additionally, the Bank will firmly confront antisocial forces and organizations that pose a threat to the order and safety of civil society, and thoroughly cut off relationships with them.

B. Systems for the retention and management of information regarding the execution of duties of Directors

Information and documents pertaining to the performance of duties by directors (“Duty Performance Information”) are properly stored and managed (including disposal) in accordance with the Bank’s internal regulations and rules, and all management guidelines and manuals, etc. related thereto, and the status of their management and operation is verified and the regulations and rules, etc. are reviewed, as necessary.

Additionally, Duty Performance Information is retained such that it can be viewed or searched at any time at the request of Directors or Corporate Auditors during the prescribed retention period for such Duty Performance Information.

C. Provisions and other systems regarding the management of the risk of loss

The Bank aims to conduct management that achieves a balance between risk and returns, and the Bank strives to appropriately manage risks through the “General Policy on Risk Management,” which clarifies the Bank’s basic approach to risk management, and the “General Rules on Risk Management,” which systematically specify management subjects and management systems.

The Board of Directors determines basic policies regarding risk management and the Bank’s risk management stance, and also conducts important decision-making in response to reports on the status of material risks.

As a system for risk management, the Risk Control Division is designated as the department that supervises risk management, and respective departments are made responsible for management of each type of risk, management provisions are set forth, and these departments proceed with specific initiatives, while various committees and organs have been established to handle individual themes.

Additionally, the Audit Division verifies that operations are being conducted appropriately pursuant to all risk management rules and management policies, etc.

D. Systems to ensure that the duties of Directors are executed efficiently

The Bank is striving to speed up decision-making of management by establishing the Council of Managing Directors, which comprises officers with titles who hold posts of Managing Director or higher, as an organ to discuss and decide on matters entrusted by the Board of Directors, such as decisions on business execution policies and plans pursuant to basic policies resolved by the Board of Directors.

The Bank strives to ensure efficient operation of the Board of Directors by ensuring that agenda items for meetings of the Board of Directors first undergo thorough discussion and examination at the Council of Managing Directors.

With respect to the execution of day-to-day duties, the Bank assigns authority based on office organization rules and duty authority rules that assign duties, and the person responsible in each responsible department executes their duties in accordance with the management decision-making determined by the Board of Directors, etc.

E. Systems to ensure appropriateness of business in the corporate group comprising the stock Company, and its parent companies and subsidiaries

Appropriateness of business at each Hokuetsu Bank group company is ensured through discussion and reporting rules, etc. for important management and operation matters and the like, pursuant to the Rules on Affiliated Company Operation, as well as application and mutatis mutandis application of various rules and guidelines, etc. of the Bank with respect to legal compliance and management of various risks, etc.

Furthermore, the Bank, regularly and as necessary, conducts audits of each group company pursuant to an audit service agreement to verify that business is being operated appropriately.

- F. System regarding employees when Corporate Auditors request employees to assist their duties, and ensuring the independence of such employees from the Board of Directors and effectiveness of directions

With respect to employees to assist Corporate Auditors with their duties, the necessary personnel are assigned to the Secretariat of the Board of Corporate Auditors after discussions with Corporate Auditors.

Additionally, personnel transfers, evaluations, and disciplinary action, etc. with respect to such employees shall be discussed in advance by the Standing Corporate Auditors, and their independence from the Board of Directors shall be ensured.

- G. System for Directors and employees of the Bank and each Hokuetsu Bank group company to report to Corporate Auditors, and other systems regarding reporting to Corporate Auditors

The directors and employees of the Bank and each Hokuetsu Bank group company provide necessary information and reports on the status of the execution of their duties, etc. in accordance with laws and regulations and the provisions of the Board of Corporate Auditors, or when requested by any Corporate Auditor.

In addition, as required, the Board of Corporate Auditors may attend important meetings, which include the meetings of the Board of Directors, the Council of Managing Directors, and all other types of meetings and committees, etc., and read principal internal approval documents and other important documents concerning business execution. They can also seek explanations concerning such documents from Directors or employees.

Officers and employees of each group company are also covered by the Bank's whistleblower system, and in addition to the details of all whistleblower reports being reported to Corporate Auditors, it is prohibited to treat employees unfavorably due to having made such report.

- H. Other systems to ensure audits by Corporate Auditors are conducted effectively

In order to improve the effectiveness of audits, Corporate Auditors periodically and as necessary hold opinion and information exchange sessions with the Representative Directors, and work to collaborate with the Audit Division, the Bank's internal audit division, and the Bank's accounting auditor, such as through information exchanges.

In addition, when conducting audits, Corporate Auditors may independently utilize outside experts, such as lawyers and consultants, when deemed necessary.

Furthermore, if a Corporate Auditor makes a claim for up-front payment of expenses or disposition of debt incurred with respect to the execution of their duties, the Bank shall promptly make such payment.

(2) Operating Status of Systems to Ensure Appropriateness of Business

The following summarizes the operating status of the "Systems to Ensure Appropriateness of Business" listed above.

- A. Systems to ensure that the execution of the duties by the directors and employees complies with the laws, regulations, and the articles of incorporation

In order to develop compliance awareness and cause it to permeate throughout the entire organization at the Bank, executives give guidance on thorough compliance through means

including various types of meetings and training, distributing compliance manuals containing the the Bank Code of Conduct to all officers and employees, and ensuring familiarity with important laws and regulations, etc.

Additionally, in order to maintain and improve our compliance stance, a “Compliance Plan” is created every fiscal year, and progress reports are given to the Board of Directors every six months.

In order to check the conformity of the execution of duties of Directors and employees, audits are conducted by Corporate Auditors, verification of the status of the execution of duties of Directors and business operations of the Bank and each group company is conducted periodically and as necessary, reports to management are required in the event of a compliance breach, etc., and a whistleblowing system has been implemented.

In order to ensure reliability of financial reporting, the scope of assessment is set under the “Policy for Establishing Internal Controls for Financial Reporting and Basic Plan,” and assessment of the implementation and operation of internal control are conducted.

Additionally, the Bank takes a firm response to antisocial forces and organizations, with the cooperation and police and other agencies.

B. Systems for the retention and management of information regarding the execution of duties of Directors

Minutes of meetings of the Board of Directors, and information and documents pertaining to the execution of Directors’ duties are appropriately retained and managed (including disposal) by the competent departments pursuant to various management guidelines and manuals such as the “Board of Directors Rules” and “Document Retention Guidelines,” so that they can be viewed or searched at any time as necessary by Directors and Corporate Auditors.

C. Provisions and other systems regarding the management of the risk of loss

The Bank conducts monitoring based on quantification of risks subject to general risk management pursuant to the “General Rules on Risk Management,” and the Board of Directors receives reports on such management and carries out necessary decision-making.

Additionally, every year, the responsible departments conduct risk assessment and issue identification for each risk category, and formulate management policies based thereon, as well as manage the progress status of responses to issues and reflect it in the risk management policy for the next accounting year in order to improve the function of the PDCA cycle.

With respect to risk management systems, the Bank conducts cross-divisional discussion and examination based on circumstances such as the social environment and economic conditions in which the Bank operates, in order to formulate response measures, etc. for individual topics and significant matters, etc. such as flexible revision of all types of corporate organs such as boards and committees.

In conjunction with this, the Audit Division conducts internal audits for each risk category to verify the effectiveness of business operations pursuant to all risk management rules and management policies, etc.

D. Systems to ensure that the duties of Directors are executed efficiently

The Bank is striving to speed up decision-making of management and ensure meetings of the Board of Directors are conducted efficiently by having the Council of Managing Directors fully discuss and verify agenda items for the Board of Directors and matters delegated by the Board of Directors, and strives to ensure the invigoration of operation of meetings of the Board of

Directors by means such as providing explanations and information on agenda items for the Board of Directors to outside Directors and Corporate Auditors by holding Outside Director and Corporate Auditor liaison meetings.

Additionally, with respect to the day-to-day execution of duties, the responsible departments appropriately execute duties pursuant to the assignment of authority pursuant to office organization rules and duty authority rules, etc., and each responsible department gives reports to the Council of Managing Directors on the progress and results of the execution of duties.

- E. Systems to ensure appropriateness of business in the corporate group comprising the stock company, and its parent companies and subsidiaries

In order to ensure the appropriateness of business at each company in the Hokuetsu Bank group, the Bank sets the General Planning Division as the supervising department at each group company, and each group company promptly discusses important matters in relation to business management and business operations, etc. with, and reports the same to, the Bank, pursuant to Rules on Affiliated Company Operation.

Additionally, the Audit Division conducts internal audits of each company pursuant to an auditing services agreement, periodically and as necessary.

- F. System regarding employees when Corporate Auditors request employees to assist their duties, and ensuring the independence of such employees from the Board of Directors and effectiveness of directions

The Bank assigns one person to the Secretariat of the Board of Corporate Auditors as an employee to assist Corporate Auditors, and makes decisions on personnel transfers, evaluations, and disciplinary action, etc. of such person after discussion in advance with the Standing Corporate Auditors.

- G. System for Directors and employees of the Bank and each Hokuetsu Bank group company to report to Corporate Auditors, and other systems regarding reporting to Corporate Auditors

Auditors attend important meetings such as meetings of the Board of Directors and the Council of Managing Directors, and read principal internal approval documents and other important documents concerning business execution in a timely manner to obtain necessary information. They also periodically conduct on-site audits of the Bank's head office and each group company to receive reports on matters such as the status of execution of operations.

Additionally, under its "Whistleblower System Operation Guidelines," the Bank has established rules so that all details of whistleblower reports are reported to Corporate Auditors, as well as making all officers and employees of each group company subject to the whistleblower system and setting forth matters with respect to protection of whistleblowers, and strives to operate the guidelines appropriately.

- H. Other systems to ensure audits by Corporate Auditors are conducted effectively

In order to improve the effectiveness of audits, Corporate Auditors hold periodic meetings with the Representative Directors twice a year, and strive to establish the necessary information collection and audit environment by periodically and as necessary meeting with the Ernst & Young ShinNihon LLC, the Bank's Accounting Auditor, and conducting exchanges of information with the Audit Division, the Bank's internal audit division.

8. Designated Wholly Owned Subsidiaries

Not applicable.

9. Transactions with Parent Companies, etc.

Not applicable.

10. Accounting Advisors

Not applicable.

11. Other

Not applicable.

Balance Sheet at the End of the 113th Fiscal Year (as of March 31, 2018)

(Unit: Million Yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Cash and due from banks	182,643	Deposits	2,463,349
Cash	23,634	Current deposits	135,154
Deposits	159,008	Ordinary deposits	1,324,809
Call loans	5,418	Savings deposits	30,333
Trading account securities	1,596	Demand deposits	10,390
National government bonds	144	Time deposits	906,644
Municipal bonds	1,451	Time savings deposits	54
Securities	831,761	Other deposits	55,962
National government bonds	377,105	Certificates of deposit	108,780
Municipal bonds	33,531	Payables under repurchase agreements	64,365
Corporate bonds	114,689	Payables under security lending transactions	24,960
Stock	39,407	Foreign exchange	228
Other securities	267,027	Foreign exchange sold	23
Loans and bills discounted	1,698,179	Foreign exchange payable	204
Bills discounted	10,624	Other liabilities	8,499
Loans on bill	25,545	Corporate taxes, etc. payable	253
Loans on deed	1,490,047	Unpaid expenses	784
Overdrafts	171,962	Unearned income	598
Foreign exchange	6,190	Benefit compensation reserve	0
Deposits with other foreign branches	4,295	Financial derivatives	2,971
Foreign exchange purchased	1,894	Payables under financial instruments, etc.	162
Other assets	35,939	Asset retirement obligations	71
Accrued income	2,128	Other liabilities	3,658
Financial derivatives	2,690	Accrued bonuses	804
Cash collateral paid for financial instruments	22,280	Allowance for bonuses to directors and corporate auditors	25
Other assets	8,840	Reserve for reimbursement of deposits	691
Tangible fixed assets	29,079	Reserve for loss on system cancellation	364
Buildings	8,780	Reserve for contingencies	464
Land	18,359	Deferred income taxes	2,084
Construction in progress	23	Deferred income taxes for revaluation	2,859
Other tangible fixed assets	1,916	Acceptances and guarantees	6,560
Intangible fixed assets	1,163	Total liabilities	2,684,038
Software	1,069	(Net Assets)	
Other intangible fixed assets	93	Common stock	24,538
Prepaid pension cost	5,854	Capital surplus	16,964
Customers' liabilities for acceptances and guarantees	6,560	Capital reserve	16,964
Reserve for possible loan losses	(4,487)	Retained earnings	54,981
		Legal reserve	2,511
		Other retained earnings	52,470
		Net retained earnings forwarded	52,470
		Treasury stock	(1,287)
		Total stockholders' equity	95,196
		Other unrealized holding gains (losses) on securities	18,248
		Deferred gains (losses) on hedges	(280)
		Unrealized gains from revaluation of land held for use	2,577
		Total valuation and translation adjustments	20,545
		Stock subscription rights	118
		Total net assets	115,860
Total assets	2,799,898	Total liabilities and net assets	2,799,898

Statement of Income for the 113th Fiscal Year (from April 1, 2017 to March 31, 2018)

(Unit: Million yen)

Item	Amount	
Ordinary income		
Interest and dividends income	27,278	
Loans and bills discounted	17,494	
Interest and dividends on securities	9,721	
Call loans	0	
Receivables under resale agreements	(9)	
Deposits	28	
Other	43	
Fees and commissions	7,138	
Foreign exchange commissions receivable	2,284	
Income from other services	4,853	
Other operating income	4,933	
Gain on foreign exchange trading	66	
Income from national government and other bonds	4,299	
Other operating income	566	
Other ordinary income	3,970	
Gains from recovery of written off debts	424	
Gain on sale of stocks, etc.	3,149	
Gain on money held in trust	5	
Other ordinary income	391	
Ordinary expenses		33,483
Interest expenses	1,500	
Deposits	529	
Call money and bills sold	17	
Interest on call money	(0)	
Receivables under resale agreements	(161)	
Securities lending	388	
Borrowed money	0	
Interest swaps	726	
Other	(0)	
Fees and commissions	3,900	
Foreign exchange commissions payable	366	
Other fees and commissions	3,533	
Other operating expenses	4,418	
Loss on trading securities transactions	0	
Loss on sale of national government and other bonds	996	
Loss on redemption of national government and other bonds	3,310	
Derivatives expenses	110	
General and administrative expenses	22,658	
Other operating expenses	1,006	
Provision of reserve for possible loan losses	106	
Loans amortized	453	
Losses on sale of stocks, etc.	115	
Retirement of stock, etc.	0	
Other ordinary expenses	330	
Ordinary profit		9,836
Extraordinary gains		—
Extraordinary losses		512
Losses on disposal of fixed assets	61	
Losses on impairment of fixed assets	85	
Provision of reserve for losses on cancellation of system	364	
Income before income taxes		9,324
Corporate tax, corporate inhabitant tax and business tax	1,394	
Adjustment of corporate taxes, etc.	768	
Total corporate taxes, etc.		2,162
Net income		7,161

Consolidated Balance Sheet at the end of the 113th Fiscal Year (as of March 31, 2018)

(Unit: Million Yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Cash and due from banks	182,697	Deposits	2,460,893
Call loans and bills purchased	5,418	Certificates of deposit	102,780
Trading account securities	1,596	Payables under repurchase agreements	64,365
Securities	829,763	Payables under securities lending transactions	24,960
Loans	1,688,563	Borrowed money	60
Foreign exchange	6,190	Foreign exchange	228
Lease claims and lease investment assets	11,961	Other liabilities	14,586
Other assets	40,389	Accrued bonuses	828
Tangible fixed assets	29,993	Allowance for bonuses to directors and corporate auditors	25
Buildings	8,913	Retirement benefit liabilities	582
Land	19,048	Allowance for retirement benefits to directors and corporate auditors	7
Lease assets	12	Reserve for reimbursement of deposits	691
Construction in progress	23	Allowance for losses on system cancellation	364
Other tangible fixed assets	1,995	Reserve for contingencies	464
Intangible fixed assets	1,298	Reserve for losses on return of interest	29
Software	1,083	Deferred income taxes	1,790
Lease assets	5	Deferred income taxes for revaluation	2,859
Other intangible fixed assets	209	Acceptances and guarantees	6,560
Assets for retirement benefits	3,230	Total liabilities	2,682,077
Deferred tax assets	157		
Customers' liabilities for acceptances and guarantees	6,560	(Net Assets)	
Reserve for possible loan losses	(5,574)	Common stock	24,538
		Capital surplus	19,002
		Retained earnings	58,921
		Treasury stock	(1,287)
		Total shareholders' equity	101,174
		Other unrealized holding gains (losses) on securities	18,725
		Deferred gains (losses) in hedges	(280)
		Unrealized gains from revaluation of land for use	2,577
		Remeasurements of defined benefit plans	(2,230)
		Accumulated total of other comprehensive income	18,791
		Stock subscription rights	118
		Non-controlling interests	84
		Total net assets	120,169
Total assets	2,802,246	Total liabilities and net assets	2,802,246

Consolidated Statement of Income for the 113th Fiscal Year (from April 1, 2017 to March 31, 2018)

(Unit: Million yen)

Item	Amount	
Ordinary income		48,693
Interest and dividends income	26,520	
Loans	17,513	
Interest and dividends on securities	8,942	
Call loans and bills purchases	0	
Receivables under resale agreements	(9)	
Deposits	30	
Other	43	
Fees and commission	7,855	
Other operating income	10,159	
Other ordinary income	4,157	
Gains from recovery of written-off debts	424	
Other income	3,732	
	38,904	
Ordinary expenses		38,904
Interest expenses	1,503	
Deposits	529	
Certificates of deposit	16	
Call money and bills sold	(0)	
Payables under resale agreement	(161)	
Securities lending	388	
Borrowed money	4	
Other	725	
Fees and commissions	3,361	
Other operating expenses	9,218	
General and administrative expenses	23,590	
Other expenses	1,229	
Provision of allowance for doubtful accounts	281	
Other expenses	948	
	9,789	
Ordinary profit		9,789
Extraordinary gains		—
Extraordinary losses		512
Gains from disposal of fixed assets	61	
Losses on impairment of fixed assets	85	
Provision of allowance for losses on cancellation of system	364	
	9,276	
Income before taxes		9,276
Corporate tax, corporate inhabitant tax and business tax	1,672	
Adjustment of corporate taxes, etc.	738	
Total corporate taxes, etc.	2,410	
Net income		6,866
Net income attributable to non-controlling interests		6
Net income attributable to stockholders of parent company		6,859

Report of Independent Auditors

May 11, 2018

To: Board of Directors
The Hokuetsu Bank, Ltd.

Ernst & Young ShinNihon LLC

Designated limited liability partner	Certified public accountant	Akira Igarashi	(seal)
Designated limited liability partner	Certified public accountant	Shinichi Oshima	(seal)
Designated limited liability partner	Certified public accountant	Kazuya Hosono	(seal)

We have audited the financial statements of The Hokuetsu Bank, Ltd. (the “Bank”) for its 113th fiscal year from April 1, 2017 to March 31, 2018 which comprise the balance sheets, the statements of income, changes in net assets and cash flows, and notes on unconsolidated financial statements, and the supplementary schedules thereto pursuant to the provisions of Article 426(2)(i) of the Companies Act.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements and supplementary schedules thereto in accordance with corporate accounting principles generally accepted in Japan, including implementing and operating such internal controls as management determines is necessary to enable the preparation and fair presentation of financial statements and supplementary schedules thereto that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to independently express an opinion on the financial statements and supplementary schedules thereto based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and supplementary schedules thereto are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and supplementary schedules thereto. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements and supplementary schedules thereto, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity’s preparation and fair presentation of the financial statements and the supplementary schedules thereto in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and supplementary schedules thereto.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and supplementary schedules thereto referred to above present fairly, in all material respects, the financial position and results of operations for the fiscal period to which they apply, in conformity with corporate accounting principles generally accepted in Japan.

Emphasis of Matter

As stated under “Additional Information” in the explanatory notes on unconsolidated financial statements (business combinations), the Bank and The Daishi Bank, Ltd. have agreed at the meetings of the boards of directors of the banks held on March 23, 2018 to establish Daishi Hokuetsu Financial Group, Inc. (the “Joint Holding Company”) that will become the wholly-owning parent company of both banks as of October 1, 2018 through a joint share transfer, and the banks’ boards of directors adopted a resolution for, and executed, a business integration agreement as of March 23, 2018. In addition, the meetings of the boards of directors of the banks held on May 11, 2018 adopted a resolution for, and jointly prepared, a Share Transfer Plan. These matters do not have an effect on our opinion.

Conflicts of Interest

We have no interest in the Bank or its managing member which should be disclosed under the provisions of the Certified Public Accountants Act.

Report of Independent Auditors

May 11, 2018

To: Board of Directors
The Hokuetsu Bank, Ltd.

Ernst & Young ShinNihon LLC

Designated limited liability partner	Certified public accountant	Akira Igarashi	(seal)
Designated limited liability partner	Certified public accountant	Shinichi Oshima	(seal)
Designated limited liability partner	Certified public accountant	Kazuya Hosono	(seal)

We have audited the consolidated financial statements of The Hokuetsu Bank, Ltd. (the “Bank”) for its 113th fiscal year from April 1, 2017 to March 31, 2018, which comprise the consolidated balance sheet, consolidated statement of changes in net assets, and the notes to the consolidated financial statements, pursuant to the provisions of Article 444(4) of the Companies Act.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with corporate accounting principles generally accepted in Japan, including implementing and operating such internal controls as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to independently express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations for the fiscal period to which they apply, in conformity with corporate accounting principles generally accepted in Japan.

Emphasis of Matter

As stated under “Additional Information” in the explanatory notes on consolidated financial statements (business combinations), the Bank and The Daishi Bank, Ltd. have agreed at the meetings of the boards of directors of the banks held on March 23, 2018 to establish Daishi Hokuetsu Financial Group, Inc. (the “Joint Holding Company”) that will become the wholly-owning parent company of both banks as of October 1, 2018 through a joint share transfer, and the banks’ boards of directors adopted a resolution for, and executed, a business integration agreement as of March 23, 2018. In addition, the meetings of the boards of directors of the banks held on May 11, 2018 adopted a resolution for, and jointly prepared, a Share Transfer Plan. These matters do not have an effect on our opinion.

Conflicts of Interest

We have no interest in the Bank or its managing member which should be disclosed under the provisions of the Certified Public Accountants Act.

Audit Report

The Board of Corporate Auditors has prepared this audit report as follows, pursuant to deliberation based on the audit report prepared by each Corporate Auditor with respect to the execution of duties of directors for the 113th business year from April 1, 2017 to March 31, 2018.

1. Methods and Contents of Audits by Corporate Auditors and the Board of Corporate Auditors

- (1) The Board of Corporate Auditors set forth matters including audit policies and audit plans, received reports from each Corporate Auditor regarding the implementation and results of audits, and also received reports from Directors, etc. and the Accounting Auditor regarding their execution of duties, and sought explanations as necessary.
- (2) Corporate Auditors endeavored to communicate with Directors, internal audit divisions, and other employees, etc. in conformity with the Corporate Auditor Audit Standards set forth by the Board of Corporate Auditors, and in accordance with audit policies and audit plan and the like, and conducted audits using the methods described below while working to put in place an information collection and audit environment.
 - (i) Corporate Auditors attended meetings of the Board of Directors and other important meetings, received reports from Directors and employees, etc. on their execution of duties, sought explanations as necessary, read important resolution and similar documents, and conducted on-site audits of business and finances of head office and major business offices. In addition, two Standing Corporate Auditors were also tasked with auditing subsidiaries, and they endeavored to communicate and exchange information with the boards of directors of subsidiaries by attending meetings of each company's board of directors, etc., and they received reports on business and finances.
 - (ii) With respect to the details of resolutions and the systems implemented pursuant to such resolutions (internal control systems) in relation to the systems to ensure that the execution of the duties by the directors and employees complies with the laws, regulations, and the articles of incorporation and the systems provided in Article 100(1) and (3) of the Ordinance for Enforcement of the Companies Act as other systems to ensure appropriateness of business in the corporate group comprising the stock Company and subsidiaries described in the Business Report, we periodically received reports on the creation and operation thereof from Directors and employees, etc., sought explanations as necessary, and expressed our opinions. Furthermore, with respect to internal controls for financial reporting, we had the Directors, etc. and Ernst & Young ShinNihon LLC evaluate such internal controls and provide reports on the audit status thereof, and sought explanations as necessary.
 - (iii) We supervised and verified that the Accounting Auditor maintained its independence and conducted appropriate audits, and also received reports from the Accounting Auditor on its execution of duties and sought explanations as necessary. In addition, we received notification from the Accounting Auditor that "systems to ensure that the accounting auditor's duties will be executed in an appropriate manner" (each item of Article 131 of the Rules of Corporate Accounting) were implemented in accordance with requirements such as the "Quality Control Standards for Audit" (issued by the Business Accounting Council on October 28, 2005), and sought explanations as necessary.

We examined the Business Report and the supplementary schedules thereto, the financial statements (balance sheet, statement of income, changes in net assets and cash flows, and notes on unconsolidated financial statements) and the supplementary schedules thereto, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated changes in net assets and cash flows, and notes on consolidated financial statements) based on the methods described above.

2. Audit Results

- (1) Results of Audit of Business Report, etc.
 - (i) We determined that the Business Report and the supplementary schedules thereto correctly present the situation of Hokuetsu Bank, in accordance with laws, regulations, and the Articles of Incorporation.
 - (ii) We did not find any fraudulent actions, or violations of any law, regulation, or the Articles of Incorporation, in relation to the execution of duties of Directors.
 - (iii) We determined that the content of resolutions of the Board of Directors in relation to internal control systems (including internal controls for financial reporting) was reasonable. In addition, we did not find in the statements in the Business Report and the execution of duties of Directors in relation to such internal control systems any issues that require citing. Furthermore, we determined that Hokuetsu Bank endeavors to continuously revise and improve the implementation and operation of internal control systems.
- (2) Results of Audit of Financial Statements and Supplementary Schedules Thereto
We determined that the audit methods and results of Ernst & Young ShinNihon LLC are reasonable.
- (3) Results of Audit of Consolidated Financial Statements and Supplementary Schedules Thereto
We determined that the audit methods and results of Ernst & Young ShinNihon LLC are reasonable.
May 11, 2018

Board of Corporate Auditors, The Hokuetsu Bank,
Ltd.

Standing Corporate Auditor	Mikiya Toyooka	(seal)
Standing Corporate Auditor	Shuichi Nomizu	(seal)
Outside Corporate Auditor	Toshio Kitamura	(seal)
Outside Corporate Auditor	Shiro Watanabe	(seal)

Terms of The Daishi Bank, Ltd. Series 1 Share Options

1. Name of share options

Daishi Bank, Ltd. Series 1 Share Options

2. Type and number of shares underlying the share options

Type of shares of The Daishi Bank, Ltd. (“Daishi Bank”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 100 shares (the Number of Shares to be Issued after adjustment due to a share consolidation effective as of October 1, 2017 is 10 shares (the method of adjustment is provided below)).

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if Daishi Bank conducts a share split (including the allotment without contribution of Daishi Bank’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Calculation method for the amount to be paid in for share options (issuance value)

The amount to be paid in (issuance value) for each share option shall be the amount calculated, based on basic numerical values provided in (ii) through (vii) below, by multiplying the option value per share calculated using the Black-Scholes model by the Number of Shares to be Issued (amounts less than one yen shall be rounded up).

$$C = Se^{-\lambda t} N(d_1) - e^{-rt} XN(d_2)$$

Where

$$d_1 = \frac{\ln\left(\frac{S}{X}\right) + \left(r - \lambda + \frac{\sigma^2}{2}\right)t}{\sigma\sqrt{t}}, d_2 = d_1 - \sigma\sqrt{t}$$

- (i) Option value per share (C)
- (ii) Share value (S): Closing price for regular transactions of common shares of Daishi Bank on the Tokyo Stock Exchange on July 26, 2010 (if there is no closing price, the reference value for the next day of trading)
- (iii) Exercise value (X): 1 yen
- (iv) Estimated time to maturity (t): 2 years
- (v) Volatility (σ): calculated based on the closing price for regular transactions of common shares of Daishi Bank on each trading day for two years (from July 27, 2008 to July 26, 2010)
- (vi) Risk-free interest rate (r): the JGB yield rate for the estimated years until maturity is the risk-free interest rate for the remaining years until maturity
- (vii) Dividend yield (λ): dividend yield for the most recent fiscal year \div the share value provided in (ii) above
- (viii) Cumulative distribution function of the standard normal distribution: ($N(\cdot)$)

4. Share option allotment date

July 27, 2010

5. Payment date for cash to be paid-in in exchange for share options

July 27, 2010

6. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

7. Period when share options may be exercised

From July 28, 2010 to July 27, 2040

8. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of Daishi Bank.

9. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of Daishi Bank; provided, however, that Share Option Holders may exercise the share options on or after July 28, 2039 even if they hold the position of a director or executive officer of Daishi Bank.
- (ii) If a Share Option Holder dies, a successor approved by Daishi Bank’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between Daishi Bank and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and Daishi Bank’s Board of Directors may only exercise the share

options within the prescribed period, except in the case where the Share Option Holder is delivered share options of a company subject to reorganization in accordance with 12 below.

- If an agenda proposal for approval of a merger agreement in which Daishi Bank is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly owned subsidiary is adopted at Daishi Bank's general meeting of shareholders (a resolution of Daishi Bank's Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

(iv) No share option may be partially exercised.

(v) Other conditions are as provided in the Share Option Allotment Agreement.

10. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at Daishi Bank's general meeting of shareholders (a resolution of the Board of Directors of Daishi Bank or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), Daishi Bank may acquire the share options without compensation, on a date separately set by the Board of Directors of Daishi Bank:

- (i) Agenda proposal for approval of a merger agreement under which Daishi Bank is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which Daishi Bank is the split company;
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly-owned subsidiary; or
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth

provisions to the effect that the approval of Daishi Bank is required to acquire Daishi Bank's shares by assignment for any and all shares issued by Daishi Bank; or

- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of Daishi Bank is required to acquire the type of shares underlying the share options by assignment or with respect to Daishi Bank acquiring all shares of the type underlying the share options by resolution of the general meeting of shareholders.

11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

12. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that Daishi Bank is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that Daishi Bank is the split company in either case), or share exchange or share transfer (only in the event that Daishi Bank becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as "Corporate Reorganization"), Daishi Bank shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act ("Reorganized Company") to Share Option Holders who hold the share options remaining ("Remaining Share Options") immediately before the date that Corporate

Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be

received by exercising each share option delivered.

(v) Period when share options may be exercised

Period from the later of the starting date in “7. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “7. Period when share options may be exercised” above.

(vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

(vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(viii) Share option acquisition grounds and conditions

To be determined in accordance with “10. Share option acquisition grounds and conditions” above.

13. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

14. Method for applying to exercise share options and payment

(i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by Daishi Bank, the applicant’s name and seal must be affixed to the form, and the form must be submitted to the exercise application submission office provided below in 15.

(ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in

cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the payment administration office provided in 16 below, by the date designated by Daishi Bank.

15. Exercise application submission office

Secretariat, Daishi Bank (or the department responsible for such duties from time to time).

16. Payment administration office for cash contributed when exercising share options

Head Office, Daishi Bank

1071-1 Higashiborimae-dori 7-bancho Chuo-ku Niigata

(or the successor bank to Daishi Bank or the branch that is the successor to such branch from time to time).

17. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and conditions, Daishi Bank may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

18. Announcement of issuance terms and conditions

Daishi Bank shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

19. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the President of Daishi Bank.

End

Terms of the Daishi Hokuetsu Financial Group Series 1 Share Options

1. Name of share options

Daishi Hokuetsu Financial Group Series 1 Share Options

2. Type and number of shares underlying the share options

Type of shares of the Daishi Hokuetsu Financial Group, Inc. (the “Company”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 10.

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

4. Period when share options may be exercised

From October 1, 2018 to July 27, 2040

5. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

6. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.; provided, however, that Share Option Holders may exercise the share options on or after July 28, 2039 even if they hold the position of a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.
- (ii) If a Share Option Holder dies, a successor approved by the Company’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between the Company and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and the Company’s Board of Directors may only exercise the share options within the prescribed period, except in the case where the Share Option Holder is delivered share options of a company subject to reorganization in accordance with 9 below.
 - If an agenda proposal for approval of a merger agreement in which the Company is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary is adopted at the

Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

- (iv) No share option may be partially exercised.
- (v) Other conditions are as provided in the Share Option Allotment Agreement.

7. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at the Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), the Company may acquire the share options without compensation, on a date separately set by the Board of Directors:

- (i) Agenda proposal for approval of a merger agreement under which the Company is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which the Company is the split company
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary;
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the Company's shares by assignment for any and all shares issued by The Company; or
- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the type of shares underlying the share options by assignment or with respect to the Company acquiring

all shares of the type underlying the share options by resolution of the general meeting of shareholders.

8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

9. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that the Company is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that the Company is the split company in either case), or share exchange or share transfer (only in the event that the Company becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), the Company shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an

incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (v) Period when share options may be exercised

Period from the later of the starting date in “4. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “4. Period when share options may be exercised” above.

- (vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

- (vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

- (viii) Share option acquisition grounds and conditions

To be determined in accordance with “7. Share option acquisition grounds and conditions” above.

10. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

11. Method for applying to exercise share options and payment

- (i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by the Company, the applicant’s name and seal must be affixed to the form, and the form must be submitted to account of the exercise application submission office designated by the Company.
- (ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the account of the payment administration office designated by the Company, by the date designated by the Company.

12. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and

conditions, the Company may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

13. Announcement of issuance terms and conditions

The Company shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

14. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the Representative Director of the Company.

End

Terms of The Daishi Bank, Ltd. Series 2 Share Options

1. Name of share options

Daishi Bank, Ltd. Series 2 Share Options

2. Type and number of shares underlying the share options

Type of shares of The Daishi Bank, Ltd. (“Daishi Bank”) underlying the share options: common shares; number of underlying the share options shares (“Number of Shares to be Issued”): 100 shares (the Number of Shares to be Issued after adjustment due to a share consolidation effective as of October 1, 2017 is 10 shares (the method of adjustment is provided below)).

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if Daishi Bank conducts a share split (including the allotment without contribution of Daishi Bank’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \frac{\text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}}{\text{the split or consolidation ratio}}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Calculation method for the amount to be paid in for share options (issuance value)

The amount to be paid in (issuance value) for each share option shall be the amount calculated, based on basic numerical values provided in (ii) through (vii) below, by multiplying the option value per share calculated using the Black-Scholes model by the Number of Shares to be Issued (amounts less than one yen shall be rounded up).

$$C = Se^{-\lambda t} N(d_1) - e^{-rt} XN(d_2)$$

Where

$$d_1 = \frac{\ln\left(\frac{S}{X}\right) + \left(r - \lambda + \frac{\sigma^2}{2}\right)t}{\sigma\sqrt{t}}, d_2 = d_1 - \sigma\sqrt{t}$$

- (i) Option value per share (C)
- (ii) Share value (S): Closing price for regular transactions of common shares of Daishi Bank on the Tokyo Stock Exchange on July 27, 2011 (if there is no closing price, the reference value for the next day of trading)
- (iii) Exercise value (X): 1 yen
- (iv) Estimated time to maturity (t): 1 year and 6 months
- (v) Volatility (σ): calculated based on the closing price for regular transactions of common shares of Daishi Bank on each trading day for 1 year and 6 months (from January 28, 2010 to July 27, 2011)
- (vi) Risk-free interest rate (r): the JGB yield rate for the estimated years until maturity is the risk-free interest rate for the remaining years until maturity
- (vii) Dividend yield (λ): dividend yield for the most recent fiscal year \div the share value provided in (ii) above
- (viii) Cumulative distribution function of the standard normal distribution: ($N(\cdot)$)

4. Share option allotment date

July 28, 2011

5. Payment date for cash to be paid-in in exchange for share options

July 28, 2011

6. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

7. Period when share options may be exercised

From July 29, 2011 to July 28, 2041

8. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of Daishi Bank.

9. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of Daishi Bank; provided, however, that Share Option Holders may exercise the share options on or after July 29, 2040 even if they hold the position of a director or executive officer of Daishi Bank.
- (ii) If a Share Option Holder dies, a successor approved by Daishi Bank’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between Daishi Bank and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and Daishi Bank’s Board of Directors may only exercise the share

options within the prescribed period, except in the case where the Share Option Holder is delivered share options of a company subject to reorganization in accordance with 12 below.

- If an agenda proposal for approval of a merger agreement in which Daishi Bank is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly owned subsidiary is adopted at Daishi Bank's general meeting of shareholders (a resolution of Daishi Bank's Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

(iv) No share option may be partially exercised.

(v) Other conditions are as provided in the Share Option Allotment Agreement.

10. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at Daishi Bank's general meeting of shareholders (a resolution of the Board of Directors of Daishi Bank or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), Daishi Bank may acquire the share options without compensation, on a date separately set by the Board of Directors of Daishi Bank:

- (i) Agenda proposal for approval of a merger agreement under which Daishi Bank is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which Daishi Bank is the split company;
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly-owned subsidiary; or
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth

provisions to the effect that the approval of Daishi Bank is required to acquire Daishi Bank's shares by assignment for any and all shares issued by Daishi Bank; or

- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of Daishi Bank is required to acquire the type of shares underlying the share options by assignment or with respect to Daishi Bank acquiring all shares of the type underlying the share options by resolution of the general meeting of shareholders.

11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

12. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that Daishi Bank is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that Daishi Bank is the split company in either case), or share exchange or share transfer (only in the event that Daishi Bank becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as "Corporate Reorganization"), Daishi Bank shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act ("Reorganized Company") to Share Option Holders who hold the share options remaining ("Remaining Share Options") immediately before the date that Corporate

Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be

received by exercising each share option delivered.

(v) Period when share options may be exercised

Period from the later of the starting date in “7. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “7. Period when share options may be exercised” above.

(vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

(vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(viii) Share option acquisition grounds and conditions

To be determined in accordance with “10. Share option acquisition grounds and conditions” above.

13. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

14. Method for applying to exercise share options and payment

(i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by Daishi Bank, the applicant’s name and seal must be affixed to the form, and the form must be submitted to the exercise application submission office provided below in 15.

(ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in

cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the payment administration office provided in 16 below, by the date designated by Daishi Bank.

15. Exercise application submission office

Secretariat, Daishi Bank (or the department responsible for such duties from time to time).

16. Payment administration office for cash contributed when exercising share options

Head Office, Daishi Bank

1071-1 Higashiborimae-dori 7-bancho Chuo-ku Niigata

(or the successor bank to Daishi Bank or the branch that is the successor to such branch from time to time).

17. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and conditions, Daishi Bank may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

18. Announcement of issuance terms and conditions

Daishi Bank shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

19. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the President of Daishi Bank.

End

Terms of the Daishi Hokuetsu Financial Group Series 2 Share Options

1. Name of share options

Daishi Hokuetsu Financial Group Series 2 Share Options

2. Type and number of shares underlying the share options

Type of shares of the Daishi Hokuetsu Financial Group, Inc. (the “Company”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 10.

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

4. Period when share options may be exercised

From October 1, 2018 to July 28, 2041

5. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

6. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.; provided, however, that Share Option Holders may exercise the share options on or after July 29, 2040 even if they hold the position of a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.
- (ii) If a Share Option Holder dies, a successor approved by the Company’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between the Company and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and the Company’s Board of Directors may only exercise the share options within the prescribed period, except in the case where the Share Option Holder is delivered share options of a company subject to reorganization in accordance with 9 below.
 - If an agenda proposal for approval of a merger agreement in which the Company is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary is adopted at the

Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

- (iv) No share option may be partially exercised.
- (v) Other conditions are as provided in the Share Option Allotment Agreement.

7. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at the Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), the Company may acquire the share options without compensation, on a date separately set by the Board of Directors:

- (i) Agenda proposal for approval of a merger agreement under which the Company is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which the Company is the split company
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary;
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the Company's shares by assignment for any and all shares issued by The Company; or
- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the type of shares underlying the share options by assignment or with respect to the Company acquiring

all shares of the type underlying the share options by resolution of the general meeting of shareholders.

8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

9. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that the Company is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that the Company is the split company in either case), or share exchange or share transfer (only in the event that the Company becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), the Company shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an

incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (v) Period when share options may be exercised

Period from the later of the starting date in “4. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “4. Period when share options may be exercised” above.

- (vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

- (vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

- (viii) Share option acquisition grounds and conditions

To be determined in accordance with “7. Share option acquisition grounds and conditions” above.

10. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

11. Method for applying to exercise share options and payment

- (i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by the Company, the applicant’s name and seal must be affixed to the form, and the form must be submitted to account of the exercise application submission office designated by the Company.
- (ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the account of the payment administration office designated by the Company, by the date designated by the Company.

12. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and

conditions, the Company may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

13. Announcement of issuance terms and conditions

The Company shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

14. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the Representative Director of the Company.

End

Terms of The Daishi Bank, Ltd. Series 3 Share Options

1. Name of share options

Daishi Bank, Ltd. Series 3 Share Options

2. Type and number of shares underlying the share options

Type of shares of The Daishi Bank, Ltd. (“Daishi Bank”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 100 shares (the Number of Shares to be Issued after adjustment due to a share consolidation effective as of October 1, 2017 is 10 shares (the method of adjustment is provided below)).

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if Daishi Bank conducts a share split (including the allotment without contribution of Daishi Bank’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Calculation method for the amount to be paid in for share options (issuance value)

The amount to be paid in (issuance value) for each share option shall be the amount calculated, based on basic numerical values provided in (ii) through (vii) below, by multiplying the option value per share calculated using the Black-Scholes model by the Number of Shares to be Issued (amounts less than one yen shall be rounded up).

$$C = Se^{-\lambda t} N(d_1) - e^{-rt} XN(d_2)$$

Where

$$d_1 = \frac{\ln\left(\frac{S}{X}\right) + \left(r - \lambda + \frac{\sigma^2}{2}\right)t}{\sigma\sqrt{t}}, d_2 = d_1 - \sigma\sqrt{t}$$

- (i) Option value per share (C)
- (ii) Share value (S): Closing price for regular transactions of common shares of Daishi Bank on the Tokyo Stock Exchange on July 27, 2012 (if there is no closing price, the reference value for the next day of trading)
- (iii) Exercise value (X): 1 yen
- (iv) Estimated time to maturity (t): 2 years and 6 months
- (v) Volatility (σ): calculated based on the closing price for regular transactions of common shares of Daishi Bank on each trading day for two years and six months (from January 28, 2010 to July 27, 2012)
- (vi) Risk-free interest rate (r): the JGB yield rate for the estimated years until maturity is the risk-free interest rate for the remaining years until maturity
- (vii) Dividend yield (λ): dividend yield for the most recent fiscal year \div the share value provided in (ii) above
- (viii) Cumulative distribution function of the standard normal distribution: ($N(\cdot)$)

4. Share option allotment date

July 30, 2012

5. Payment date for cash to be paid-in in exchange for share options

July 30, 2012

6. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

7. Period when share options may be exercised

From July 31, 2012 to July 30, 2042

8. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of Daishi Bank.

9. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of Daishi Bank; provided, however, that Share Option Holders may exercise the share options on or after July 31, 2041 even if they hold the position of a director or executive officer of Daishi Bank.
- (ii) If a Share Option Holder dies, a successor approved by Daishi Bank’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between Daishi Bank and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and Daishi Bank’s Board of Directors may only exercise the share

options within the prescribed period, except in the case where the Share Option Holder is delivered share options of a company subject to reorganization in accordance with 12 below.

- If an agenda proposal for approval of a merger agreement in which Daishi Bank is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly owned subsidiary is adopted at Daishi Bank's general meeting of shareholders (a resolution of Daishi Bank's Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

(iv) No share option may be partially exercised.

(v) Other conditions are as provided in the Share Option Allotment Agreement.

10. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at Daishi Bank's general meeting of shareholders (a resolution of the Board of Directors of Daishi Bank or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), Daishi Bank may acquire the share options without compensation, on a date separately set by the Board of Directors of Daishi Bank:

- (i) Agenda proposal for approval of a merger agreement under which Daishi Bank is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which Daishi Bank is the split company;
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly-owned subsidiary; or
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth

provisions to the effect that the approval of Daishi Bank is required to acquire Daishi Bank's shares by assignment for any and all shares issued by Daishi Bank; or

- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of Daishi Bank is required to acquire the type of shares underlying the share options by assignment or with respect to Daishi Bank acquiring all shares of the type underlying the share options by resolution of the general meeting of shareholders.

11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

12. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that Daishi Bank is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that Daishi Bank is the split company in either case), or share exchange or share transfer (only in the event that Daishi Bank becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as "Corporate Reorganization"), Daishi Bank shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act ("Reorganized Company") to Share Option Holders who hold the share options remaining ("Remaining Share Options") immediately before the date that Corporate

Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be

received by exercising each share option delivered.

(v) Period when share options may be exercised

Period from the later of the starting date in “7. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “7. Period when share options may be exercised” above.

(vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

(vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(viii) Share option acquisition grounds and conditions

To be determined in accordance with “10. Share option acquisition grounds and conditions” above.

13. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

14. Method for applying to exercise share options and payment

(i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by Daishi Bank, the applicant’s name and seal must be affixed to the form, and the form must be submitted to the exercise application submission office provided below in 15.

(ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in

cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the payment administration office provided in 16 below, by the date designated by Daishi Bank.

15. Exercise application submission office

Secretariat, Daishi Bank (or the department responsible for such duties from time to time).

16. Payment administration office for cash contributed when exercising share options

Head Office, Daishi Bank

1071-1 Higashiborimae-dori 7-bancho Chuo-ku Niigata

(or the successor bank to Daishi Bank or the branch that is the successor to such branch from time to time).

17. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and conditions, Daishi Bank may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

18. Announcement of issuance terms and conditions

Daishi Bank shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

19. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the President of Daishi Bank.

End

Terms of the Daishi Hokuetsu Financial Group Series 3 Share Options

1. Name of share options

Daishi Hokuetsu Financial Group Series 3 Share Options

2. Type and number of shares underlying the share options

Type of shares of the Daishi Hokuetsu Financial Group, Inc. (the “Company”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 10.

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

4. Period when share options may be exercised

From October 1, 2018 to July 30, 2042

5. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

6. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.; provided, however, that Share Option Holders may exercise the share options on or after July 31, 2041 even if they hold the position of a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.
- (ii) If a Share Option Holder dies, a successor approved by the Company’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between the Company and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and the Company’s Board of Directors may only exercise the share options within the prescribed period, except in the case where the Share Option Holder is delivered share options of a company subject to reorganization in accordance with 9 below.
 - If an agenda proposal for approval of a merger agreement in which the Company is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary is adopted at the

Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

- (iv) No share option may be partially exercised.
- (v) Other conditions are as provided in the Share Option Allotment Agreement.

7. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at the Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), the Company may acquire the share options without compensation, on a date separately set by the Board of Directors:

- (i) Agenda proposal for approval of a merger agreement under which the Company is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which the Company is the split company
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary;
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the Company's shares by assignment for any and all shares issued by The Company; or
- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the type of shares underlying the share options by assignment or with respect to the Company acquiring

all shares of the type underlying the share options by resolution of the general meeting of shareholders.

8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

9. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that the Company is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that the Company is the split company in either case), or share exchange or share transfer (only in the event that the Company becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), the Company shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an

incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (v) Period when share options may be exercised

Period from the later of the starting date in “4. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “4. Period when share options may be exercised” above.

- (vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

- (vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

- (viii) Share option acquisition grounds and conditions

To be determined in accordance with “7. Share option acquisition grounds and conditions” above.

10. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

11. Method for applying to exercise share options and payment

- (i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by the Company, the applicant’s name and seal must be affixed to the form, and the form must be submitted to account of the exercise application submission office designated by the Company.
- (ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the account of the payment administration office designated by the Company, by the date designated by the Company.

12. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and

conditions, the Company may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

13. Announcement of issuance terms and conditions

The Company shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

14. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the Representative Director of the Company.

End

Terms of The Daishi Bank, Ltd. Series 4 Share Options

1. Name of share options

Daishi Bank, Ltd. Series 4 Share Options

2. Type and number of shares underlying the share options

Type of shares of The Daishi Bank, Ltd. (“Daishi Bank”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 100 shares (the Number of Shares to be Issued after adjustment due to a share consolidation effective as of October 1, 2017 is 10 shares (the method of adjustment is provided below)).

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if Daishi Bank conducts a share split (including the allotment without contribution of Daishi Bank’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the

Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Calculation method for the amount to be paid in for share options (issuance value)

The amount to be paid in (issuance value) for each share option shall be the amount calculated, based on basic numerical values provided in (ii) through (vii) below, by multiplying the option value per share calculated using the Black-Scholes model by the Number of Shares to be Issued (amounts less than one yen shall be rounded up).

$$C = Se^{-\lambda t} N(d_1) - e^{-rt} XN(d_2)$$

Where

$$d_1 = \frac{\ln\left(\frac{S}{X}\right) + \left(r - \lambda + \frac{\sigma^2}{2}\right)t}{\sigma\sqrt{t}}, d_2 = d_1 - \sigma\sqrt{t}$$

- (i) Option value per share (C)
- (ii) Share value (S): Closing price for regular transactions of common shares of Daishi Bank on the Tokyo Stock Exchange on July 29, 2013 (if there is no closing price, the reference value for the next day of trading)
- (iii) Exercise value (X): 1 yen
- (iv) Estimated time to maturity (t): 2 years
- (v) Volatility (σ): calculated based on the closing price for regular transactions of common shares of Daishi Bank on each trading day for two years (from July 30, 2011 to July 29, 2013)
- (vi) Risk-free interest rate (r): the JGB yield rate for the estimated years until maturity is the risk-free interest rate for the remaining years until maturity
- (vii) Dividend yield (λ): dividend yield for the most recent fiscal year \div the share value provided in (ii) above
- (viii) Cumulative distribution function of the standard normal distribution: ($N(\cdot)$)

4. Share option allotment date

July 30, 2013

5. Payment date for cash to be paid-in in exchange for share options

July 30, 2013

6. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

7. Period when share options may be exercised

From July 31, 2013 to July 30, 2043

8. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of Daishi Bank.

9. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of Daishi Bank; provided, however, that Share Option Holders may exercise the share options on and after July 31, 2042 even if they hold the position of a director or executive officer of Daishi Bank.
- (ii) If a Share Option Holder dies, a successor approved by Daishi Bank’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between Daishi Bank and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and Daishi Bank’s Board of Directors may only exercise the share options within the prescribed period, except in the case where the Share Option Holder is

delivered share options of a company subject to reorganization in accordance with 12 below.

- If an agenda proposal for approval of a merger agreement in which Daishi Bank is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly owned subsidiary is adopted at Daishi Bank's general meeting of shareholders (a resolution of Daishi Bank's Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

(iv) No share option may be partially exercised.

(v) Other conditions are as provided in the Share Option Allotment Agreement.

10. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at Daishi Bank's general meeting of shareholders (a resolution of the Board of Directors of Daishi Bank or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), Daishi Bank may acquire the share options without compensation, on a date separately set by the Board of Directors of Daishi Bank:

- (i) Agenda proposal for approval of a merger agreement under which Daishi Bank is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which Daishi Bank is the split company;
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly-owned subsidiary; or
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of Daishi Bank is required to acquire Daishi Bank's

shares by assignment for any and all shares issued by Daishi Bank; or

- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of Daishi Bank is required to acquire the type of shares underlying the share options by assignment or with respect to Daishi Bank acquiring all shares of the type underlying the share options by resolution of the general meeting of shareholders.

11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

12. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that Daishi Bank is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that Daishi Bank is the split company in either case), or share exchange or share transfer (only in the event that Daishi Bank becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), Daishi Bank shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes

effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

(v) Period when share options may be exercised

Period from the later of the starting date in “7. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “7. Period when share options may be exercised” above.

(vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

(vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(viii) Share option acquisition grounds and conditions

To be determined in accordance with “10. Share option acquisition grounds and conditions” above.

13. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

14. Method for applying to exercise share options and payment

(i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by Daishi Bank, the applicant’s name and seal must be affixed to the form, and the form must be submitted to the exercise application submission office provided below in 15.

(ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer

to the payment administration office provided in 16 below, by the date designated by Daishi Bank.

15. Exercise application submission office

Secretariat, Daishi Bank (or the department responsible for such duties from time to time).

16. Payment administration office for cash contributed when exercising share options

Head Office, Daishi Bank

1071-1 Higashiborimae-dori 7-bancho Chuo-ku Niigata

(or the successor bank to Daishi Bank or the branch that is the successor to such branch from time to time).

17. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and conditions, Daishi Bank may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

18. Announcement of issuance terms and conditions

Daishi Bank shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

19. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the President of Daishi Bank.

End

Terms of the Daishi Hokuetsu Financial Group Series 4 Share Options

1. Name of share options

Daishi Hokuetsu Financial Group Series 4 Share Options

2. Type and number of shares underlying the share options

Type of shares of the Daishi Hokuetsu Financial Group, Inc. (the “Company”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 10.

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

4. Period when share options may be exercised

From October 1, 2018 to July 30, 2043

5. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

6. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.; provided, however, that Share Option Holders may exercise the share options on or after July 31, 2042 even if they hold the position of a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.
- (ii) If a Share Option Holder dies, a successor approved by the Company’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between the Company and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and the Company’s Board of Directors may only exercise the share options within the prescribed period, except in the case where the Share Option Holder is delivered share options of a company subject to reorganization in accordance with 9 below.
 - If an agenda proposal for approval of a merger agreement in which the Company is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary is adopted at the

Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

- (iv) No share option may be partially exercised.
- (v) Other conditions are as provided in the Share Option Allotment Agreement.

7. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at the Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), the Company may acquire the share options without compensation, on a date separately set by the Board of Directors:

- (i) Agenda proposal for approval of a merger agreement under which the Company is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which the Company is the split company
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary;
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the Company's shares by assignment for any and all shares issued by The Company; or
- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the type of shares underlying the share options by assignment or with respect to the Company acquiring

all shares of the type underlying the share options by resolution of the general meeting of shareholders.

8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

9. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that the Company is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that the Company is the split company in either case), or share exchange or share transfer (only in the event that the Company becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), the Company shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an

incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (v) Period when share options may be exercised

Period from the later of the starting date in “4. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “4. Period when share options may be exercised” above.

- (vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

- (vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

- (viii) Share option acquisition grounds and conditions

To be determined in accordance with “7. Share option acquisition grounds and conditions” above.

10. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

11. Method for applying to exercise share options and payment

- (i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by the Company, the applicant’s name and seal must be affixed to the form, and the form must be submitted to account of the exercise application submission office designated by the Company.
- (ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the account of the payment administration office designated by the Company, by the date designated by the Company.

12. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and

conditions, the Company may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

13. Announcement of issuance terms and conditions

The Company shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

14. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the Representative Director of the Company.

End

Terms of The Daishi Bank, Ltd. Series 5 Share Options

1. Name of share options

Daishi Bank, Ltd. Series 5 Share Options

2. Type and number of shares underlying the share options

Type of shares of The Daishi Bank, Ltd. (“Daishi Bank”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 100 shares (the Number of Shares to be Issued after adjustment due to a share consolidation effective as of October 1, 2017 is 10 shares (the method of adjustment is provided below)).

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if Daishi Bank conducts a share split (including the allotment without contribution of Daishi Bank’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the

Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Calculation method for the amount to be paid in for share options (issuance value)

The amount to be paid in (issuance value) for each share option shall be the amount calculated, based on basic numerical values provided in (ii) through (vii) below, by multiplying the option value per share calculated using the Black-Scholes model by the Number of Shares to be Issued (amounts less than one yen shall be rounded up).

$$C = Se^{-\lambda t} N(d_1) - e^{-rt} XN(d_2)$$

Where

$$d_1 = \frac{\ln\left(\frac{S}{X}\right) + \left(r - \lambda + \frac{\sigma^2}{2}\right)t}{\sigma\sqrt{t}}, d_2 = d_1 - \sigma\sqrt{t}$$

- (i) Option value per share (C)
- (ii) Share value (S): Closing price for regular transactions of common shares of Daishi Bank on the Tokyo Stock Exchange on July 29, 2014 (if there is no closing price, the reference value for the next day of trading)
- (iii) Exercise value (X): 1 yen
- (iv) Estimated time to maturity (t): 2 years
- (v) Volatility (σ): calculated based on the closing price for regular transactions of common shares of Daishi Bank on each trading day for two years (from July 30, 2012 to July 29, 2014)
- (vi) Risk-free interest rate (r): the JGB yield rate for the estimated years until maturity is the risk-free interest rate for the remaining years until maturity
- (vii) Dividend yield (λ): dividend yield for the most recent fiscal year \div the share value provided in (ii) above
- (viii) Cumulative distribution function of the standard normal distribution: ($N(\cdot)$)

4. Share option allotment date

July 30, 2014

5. Payment date for cash to be paid-in in exchange for share options

July 30, 2014

6. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

7. Period when share options may be exercised

From July 31, 2014 to July 30, 2044

8. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of Daishi Bank.

9. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of Daishi Bank; provided, however, that Share Option Holders may exercise the share options on or after July 31, 2043 even if they hold the position of a director or executive officer of Daishi Bank.
- (ii) If a Share Option Holder dies, a successor approved by Daishi Bank’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between Daishi Bank and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and Daishi Bank’s Board of Directors may only exercise the share options within the prescribed period, except in the case where the Share Option Holder is

delivered share options of a company subject to reorganization in accordance with 12 below.

- If an agenda proposal for approval of a merger agreement in which Daishi Bank is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly owned subsidiary is adopted at Daishi Bank's general meeting of shareholders (a resolution of Daishi Bank's Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

(iv) No share option may be partially exercised.

(v) Other conditions are as provided in the Share Option Allotment Agreement.

10. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at Daishi Bank's general meeting of shareholders (a resolution of the Board of Directors of Daishi Bank or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), Daishi Bank may acquire the share options without compensation, on a date separately set by the Board of Directors of Daishi Bank:

- (i) Agenda proposal for approval of a merger agreement under which Daishi Bank is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which Daishi Bank is the split company;
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly-owned subsidiary; or
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of Daishi Bank is required to acquire Daishi Bank's

shares by assignment for any and all shares issued by Daishi Bank; or

- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of Daishi Bank is required to acquire the type of shares underlying the share options by assignment or with respect to Daishi Bank acquiring all shares of the type underlying the share options by resolution of the general meeting of shareholders.

11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

12. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that Daishi Bank is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that Daishi Bank is the split company in either case), or share exchange or share transfer (only in the event that Daishi Bank becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), Daishi Bank shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes

effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

(v) Period when share options may be exercised

Period from the later of the starting date in “7. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “7. Period when share options may be exercised” above.

(vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

(vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(viii) Share option acquisition grounds and conditions

To be determined in accordance with “10. Share option acquisition grounds and conditions” above.

13. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

14. Method for applying to exercise share options and payment

(i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by Daishi Bank, the applicant’s name and seal must be affixed to the form, and the form must be submitted to the exercise application submission office provided below in 15.

(ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer

to the payment administration office provided in 16 below, by the date designated by Daishi Bank.

15. Exercise application submission office

Secretariat, Daishi Bank (or the department responsible for such duties from time to time).

16. Payment administration office for cash contributed when exercising share options

Head Office, Daishi Bank

1071-1 Higashiborimae-dori 7-bancho Chuo-ku Niigata

(or the successor bank to Daishi Bank or the branch that is the successor to such branch from time to time).

17. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and conditions, Daishi Bank may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

18. Announcement of issuance terms and conditions

Daishi Bank shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

19. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the President of Daishi Bank.

End

Terms of the Daishi Hokuetsu Financial Group Series 5 Share Options

1. Name of share options

Daishi Hokuetsu Financial Group Series 5 Share Options

2. Type and number of shares underlying the share options

Type of shares of the Daishi Hokuetsu Financial Group, Inc. (the “Company”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 10.

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

4. Period when share options may be exercised

From October 1, 2018 to July 30, 2044

5. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

6. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.; provided, however, that Share Option Holders may exercise the share options on or after July 31, 2043 even if they hold the position of a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.
- (ii) If a Share Option Holder dies, a successor approved by the Company’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between the Company and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and the Company’s Board of Directors may only exercise the share options within the prescribed period, except for in the case where the Share Option Holder is delivered share options of a company subject to reorganization in accordance with 9 below.
 - If an agenda proposal for approval of a merger agreement in which the Company is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary is adopted at the

Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

- (iv) No share option may be partially exercised.
- (v) Other conditions are as provided in the Share Option Allotment Agreement.

7. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at the Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), the Company may acquire the share options without compensation, on a date separately set by the Board of Directors:

- (i) Agenda proposal for approval of a merger agreement under which the Company is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which the Company is the split company
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary;
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the Company's shares by assignment for any and all shares issued by The Company; or
- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the type of shares underlying the share options by assignment or with respect to the Company acquiring

all shares of the type underlying the share options by resolution of the general meeting of shareholders.

8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

9. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that the Company is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that the Company is the split company in either case), or share exchange or share transfer (only in the event that the Company becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), the Company shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an

incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (v) Period when share options may be exercised

Period from the later of the starting date in “4. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “4. Period when share options may be exercised” above.

- (vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

- (vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

- (viii) Share option acquisition grounds and conditions

To be determined in accordance with “7. Share option acquisition grounds and conditions” above.

10. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

11. Method for applying to exercise share options and payment

- (i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by the Company, the applicant’s name and seal must be affixed to the form, and the form must be submitted to account of the exercise application submission office designated by the Company.
- (ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the account of the payment administration office designated by the Company, by the date designated by the Company.

12. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and

conditions, the Company may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

13. Announcement of issuance terms and conditions

The Company shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

14. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the Representative Director of the Company.

End

Terms of The Daishi Bank, Ltd. Series 6 Share Options

1. Name of share options

Daishi Bank, Ltd. Series 6 Share Options

2. Type and number of shares underlying the share options

Type of shares of The Daishi Bank, Ltd. (“Daishi Bank”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 100 shares (the Number of Shares to be Issued after adjustment due to a share consolidation effective as of October 1, 2017 is 10 shares (the method of adjustment is provided below)).

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if Daishi Bank conducts a share split (including the allotment without contribution of Daishi Bank’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the

Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Calculation method for the amount to be paid in for share options (issuance value)

The amount to be paid in (issuance value) for each share option shall be the amount calculated, based on basic numerical values provided in (ii) through (vii) below, by multiplying the option value per share calculated using the Black-Scholes model by the Number of Shares to be Issued (amounts less than one yen shall be rounded up).

$$C = Se^{-\lambda t} N(d_1) - e^{-rt} XN(d_2)$$

Where

$$d_1 = \frac{\ln\left(\frac{S}{X}\right) + \left(r - \lambda + \frac{\sigma^2}{2}\right)t}{\sigma\sqrt{t}}, d_2 = d_1 - \sigma\sqrt{t}$$

- (i) Option value per share (C)
- (ii) Share value (S): Closing price for regular transactions of common shares of Daishi Bank on the Tokyo Stock Exchange on July 29, 2015 (if there is no closing price, the reference value for the next day of trading)
- (iii) Exercise value (X): 1 yen
- (iv) Estimated time to maturity (t): 2 years
- (v) Volatility (σ): calculated based on the closing price for regular transactions of common shares of Daishi Bank on each trading day for two years (from July 30, 2013 to July 29, 2015)
- (vi) Risk-free interest rate (r): the JGB yield rate for the estimated years until maturity is the risk-free interest rate for the remaining years until maturity
- (vii) Dividend yield (λ): dividend yield for the most recent fiscal year \div the share value provided in (ii) above
- (viii) Cumulative distribution function of the standard normal distribution: ($N(\cdot)$)

4. Share option allotment date

July 30, 2015

5. Payment date for cash to be paid-in in exchange for share options

July 30, 2015

6. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

7. Period when share options may be exercised

From July 31, 2015 to July 30, 2045

8. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of Daishi Bank.

9. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of Daishi Bank; provided, however, that Share Option Holders may exercise the share options on or after July 31, 2044 even if they hold the position of a director or executive officer of Daishi Bank.
- (ii) If a Share Option Holder dies, a successor approved by Daishi Bank’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between Daishi Bank and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and Daishi Bank’s Board of Directors may only exercise the share options within the prescribed period, except in the case where the Share Option Holder is

delivered share options of a company subject to reorganization in accordance with 12 below.

- If an agenda proposal for approval of a merger agreement in which Daishi Bank is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly owned subsidiary is adopted at Daishi Bank's general meeting of shareholders (a resolution of Daishi Bank's Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

(iv) No share option may be partially exercised.

(v) Other conditions are as provided in the Share Option Allotment Agreement.

10. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at Daishi Bank's general meeting of shareholders (a resolution of the Board of Directors of Daishi Bank or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), Daishi Bank may acquire the share options without compensation, on a date separately set by the Board of Directors of Daishi Bank:

- (i) Agenda proposal for approval of a merger agreement under which Daishi Bank is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which Daishi Bank is the split company;
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly-owned subsidiary; or
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of Daishi Bank is required to acquire Daishi Bank's

shares by assignment for any and all shares issued by Daishi Bank; or

- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of Daishi Bank is required to acquire the type of shares underlying the share options by assignment or with respect to Daishi Bank acquiring all shares of the type underlying the share options by resolution of the general meeting of shareholders.

11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

12. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that Daishi Bank is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that Daishi Bank is the split company in either case), or share exchange or share transfer (only in the event that Daishi Bank becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), Daishi Bank shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes

effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

(v) Period when share options may be exercised

Period from the later of the starting date in “7. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “7. Period when share options may be exercised” above.

(vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

(vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(viii) Share option acquisition grounds and conditions

To be determined in accordance with “10. Share option acquisition grounds and conditions” above.

13. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

14. Method for applying to exercise share options and payment

(i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by Daishi Bank, the applicant’s name and seal must be affixed to the form, and the form must be submitted to the exercise application submission office provided below in 15.

(ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer

to the payment administration office provided in 16 below, by the date designated by Daishi Bank.

15. Exercise application submission office

Secretariat, Daishi Bank (or the department responsible for such duties from time to time).

16. Payment administration office for cash contributed when exercising share options

Head Office, Daishi Bank

1071-1 Higashiborimae-dori 7-bancho Chuo-ku Niigata

(or the successor bank to Daishi Bank or the branch that is the successor to such branch from time to time).

17. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and conditions, Daishi Bank may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

18. Announcement of issuance terms and conditions

Daishi Bank shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

19. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the President of Daishi Bank.

End

Terms of the Daishi Hokuetsu Financial Group Series 6 Share Options

1. Name of share options

Daishi Hokuetsu Financial Group Series 6 Share Options

2. Type and number of shares underlying the share options

Type of shares of the Daishi Hokuetsu Financial Group, Inc. (the “Company”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 10.

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

4. Period when share options may be exercised

From October 1, 2018 to July 30, 2045

5. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

6. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.; provided, however, that Share Option Holders may exercise the share options on or after July 31, 2044 even if they hold the position of a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.
- (ii) If a Share Option Holder dies, a successor approved by the Company’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between the Company and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and the Company’s Board of Directors may only exercise the share options within the prescribed period, except in the case where the Share Option Holder is delivered share options of a company subject to reorganization in accordance with 9 below.
 - If an agenda proposal for approval of a merger agreement in which the Company is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary is adopted at the

Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

- (iv) No share option may be partially exercised.
- (v) Other conditions are as provided in the Share Option Allotment Agreement.

7. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at the Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), the Company may acquire the share options without compensation, on a date separately set by the Board of Directors:

- (i) Agenda proposal for approval of a merger agreement under which the Company is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which the Company is the split company
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary;
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the Company's shares by assignment for any and all shares issued by The Company; or
- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the type of shares underlying the share options by assignment or with respect to the Company acquiring

all shares of the type underlying the share options by resolution of the general meeting of shareholders.

8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

9. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that the Company is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that the Company is the split company in either case), or share exchange or share transfer (only in the event that the Company becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), the Company shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an

incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (v) Period when share options may be exercised

Period from the later of the starting date in “4. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “4. Period when share options may be exercised” above.

- (vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

- (vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

- (viii) Share option acquisition grounds and conditions

To be determined in accordance with “7. Share option acquisition grounds and conditions” above.

10. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

11. Method for applying to exercise share options and payment

- (i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by the Company, the applicant’s name and seal must be affixed to the form, and the form must be submitted to account of the exercise application submission office designated by the Company.
- (ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the account of the payment administration office designated by the Company, by the date designated by the Company.

12. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and

conditions, the Company may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

13. Announcement of issuance terms and conditions

The Company shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

14. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the Representative Director of the Company.

End

Terms of The Daishi Bank, Ltd. Series 7 Share Options

1. Name of share options

Daishi Bank, Ltd. Series 7 Share Options

2. Type and number of shares underlying the share options

Type of shares of The Daishi Bank, Ltd. (“Daishi Bank”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 100 shares (the Number of Shares to be Issued after adjustment due to a share consolidation effective as of October 1, 2017 is 10 shares (the method of adjustment is provided below)).

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if Daishi Bank conducts a share split (including the allotment without contribution of Daishi Bank’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \frac{\text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}}{\text{the split or consolidation ratio}}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the

Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Calculation method for the amount to be paid in for share options (issuance value)

The amount to be paid in (issuance value) for each share option shall be the amount calculated, based on basic numerical values provided in (ii) through (vii) below, by multiplying the option value per share calculated using the Black-Scholes model by the Number of Shares to be Issued (amounts less than one yen shall be rounded up).

$$C = Se^{-\lambda t} N(d_1) - e^{-rt} XN(d_2)$$

Where

$$d_1 = \frac{\ln\left(\frac{S}{X}\right) + \left(r - \lambda + \frac{\sigma^2}{2}\right)t}{\sigma\sqrt{t}}, d_2 = d_1 - \sigma\sqrt{t}$$

- (i) Option value per share (C)
- (ii) Share value (S): Closing price for regular transactions of common shares of Daishi Bank on the Tokyo Stock Exchange on July 28, 2016 (if there is no closing price, the reference value for the next day of trading)
- (iii) Exercise value (X): 1 yen
- (iv) Estimated time to maturity (t): 2 years
- (v) Volatility (σ): calculated based on the closing price for regular transactions of common shares of Daishi Bank on each trading day for two years (from July 29, 2014 to July 28, 2016)
- (vi) Risk-free interest rate (r): the JGB yield rate for the estimated years until maturity is the risk-free interest rate for the remaining years until maturity
- (vii) Dividend yield (λ): dividend yield for the most recent fiscal year \div the share value provided in (ii) above
- (viii) Cumulative distribution function of the standard normal distribution: ($N(\cdot)$)

4. Share option allotment date

July 29, 2016

5. Payment date for cash to be paid-in in exchange for share options

July 29, 2016

6. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

7. Period when share options may be exercised

From July 30, 2016 to July 29, 2046

8. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of Daishi Bank.

9. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of Daishi Bank; provided, however, that Share Option Holders may exercise the share options on or after July 30, 2045 even if they hold the position of a director or executive officer of Daishi Bank.
- (ii) If a Share Option Holder dies, a successor approved by Daishi Bank’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between Daishi Bank and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and Daishi Bank’s Board of Directors may only exercise the share options within the prescribed period, except in the case where the Share Option Holder is

delivered share options of a company subject to reorganization in accordance with 12 below.

- If an agenda proposal for approval of a merger agreement in which Daishi Bank is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly owned subsidiary is adopted at Daishi Bank's general meeting of shareholders (a resolution of Daishi Bank's Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

(iv) No share option may be partially exercised.

(v) Other conditions are as provided in the Share Option Allotment Agreement.

10. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at Daishi Bank's general meeting of shareholders (a resolution of the Board of Directors of Daishi Bank or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), Daishi Bank may acquire the share options without compensation, on a date separately set by the Board of Directors of Daishi Bank:

- (i) Agenda proposal for approval of a merger agreement under which Daishi Bank is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which Daishi Bank is the split company;
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly-owned subsidiary; or
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of Daishi Bank is required to acquire Daishi Bank's

shares by assignment for any and all shares issued by Daishi Bank; or

- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of Daishi Bank is required to acquire the type of shares underlying the share options by assignment or with respect to Daishi Bank acquiring all shares of the type underlying the share options by resolution of the general meeting of shareholders.

11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

12. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that Daishi Bank is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that Daishi Bank is the split company in either case), or share exchange or share transfer (only in the event that Daishi Bank becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), Daishi Bank shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes

effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

(v) Period when share options may be exercised

Period from the later of the starting date in “7. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “7. Period when share options may be exercised” above.

(vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

(vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(viii) Share option acquisition grounds and conditions

To be determined in accordance with “10. Share option acquisition grounds and conditions” above.

13. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

14. Method for applying to exercise share options and payment

(i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by Daishi Bank, the applicant’s name and seal must be affixed to the form, and the form must be submitted to the exercise application submission office provided below in 15.

(ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer

to the payment administration office provided in 16 below, by the date designated by Daishi Bank.

15. Exercise application submission office

Secretariat, Daishi Bank (or the department responsible for such duties from time to time).

16. Payment administration office for cash contributed when exercising share options

Head Office, Daishi Bank

1071-1 Higashiborimae-dori 7-bancho Chuo-ku Niigata

(or the successor bank to Daishi Bank or the branch that is the successor to such branch from time to time).

17. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and conditions, Daishi Bank may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

18. Announcement of issuance terms and conditions

Daishi Bank shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

19. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the President of Daishi Bank.

End

Terms of the Daishi Hokuetsu Financial Group Series 7 Share Options

1. Name of share options

Daishi Hokuetsu Financial Group Series 7 Share Options

2. Type and number of shares underlying the share options

Type of shares of the Daishi Hokuetsu Financial Group, Inc. (the “Company”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 10.

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

4. Period when share options may be exercised

From October 1, 2018 to July 29, 2046

5. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

6. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.; provided, however, that Share Option Holders may exercise the share options on or after July 30, 2045 even if they hold the position of a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.
- (ii) If a Share Option Holder dies, a successor approved by the Company’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between the Company and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and the Company’s Board of Directors may only exercise the share options within the prescribed period, except in the case where the Share Option Holder is delivered share options of a company subject to reorganization in accordance with 9 below.
 - If an agenda proposal for approval of a merger agreement in which the Company is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary is adopted at the

Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

- (iv) No share option may be partially exercised.
- (v) Other conditions are as provided in the Share Option Allotment Agreement.

7. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at the Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), the Company may acquire the share options without compensation, on a date separately set by the Board of Directors:

- (i) Agenda proposal for approval of a merger agreement under which the Company is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which the Company is the split company
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary;
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the Company's shares by assignment for any and all shares issued by The Company; or
- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the type of shares underlying the share options by assignment or with respect to the Company acquiring

all shares of the type underlying the share options by resolution of the general meeting of shareholders.

8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

9. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that the Company is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that the Company is the split company in either case), or share exchange or share transfer (only in the event that the Company becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), the Company shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an

incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (v) Period when share options may be exercised

Period from the later of the starting date in “4. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “4. Period when share options may be exercised” above.

- (vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

- (vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

- (viii) Share option acquisition grounds and conditions

To be determined in accordance with “7. Share option acquisition grounds and conditions” above.

10. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

11. Method for applying to exercise share options and payment

- (i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by the Company, the applicant’s name and seal must be affixed to the form, and the form must be submitted to account of the exercise application submission office designated by the Company.
- (ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the account of the payment administration office designated by the Company, by the date designated by the Company.

12. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and

conditions, the Company may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

13. Announcement of issuance terms and conditions

The Company shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

14. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the Representative Director of the Company.

End

Terms of The Daishi Bank, Ltd. Series 8 Share Options

1. Name of share options

Daishi Bank, Ltd. Series 8 Share Options

2. Type and number of shares underlying the share options

Type of shares of The Daishi Bank, Ltd. (“Daishi Bank”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 100 shares (the Number of Shares to be Issued after adjustment due to a share consolidation effective as of October 1, 2017 is 10 shares (the method of adjustment is provided below)).

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if Daishi Bank conducts a share split (including the allotment without contribution of Daishi Bank’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the

Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Calculation method for the amount to be paid in for share options (issuance value)

The amount to be paid in (issuance value) for each share option shall be the amount calculated, based on basic numerical values provided in (ii) through (vii) below, by multiplying the option value per share calculated using the Black-Scholes model by the Number of Shares to be Issued (amounts less than one yen shall be rounded up).

$$C = Se^{-\lambda t} N(d_1) - e^{-rt} XN(d_2)$$

Where

$$d_1 = \frac{\ln\left(\frac{S}{X}\right) + \left(r - \lambda + \frac{\sigma^2}{2}\right)t}{\sigma\sqrt{t}}, d_2 = d_1 - \sigma\sqrt{t}$$

- (i) Option value per share (C)
- (ii) Share value (S): Closing price for regular transactions of common shares of Daishi Bank on the Tokyo Stock Exchange on July 27, 2017 (if there is no closing price, the reference value for the next day of trading)
- (iii) Exercise value (X): 1 yen
- (iv) Estimated time to maturity (t): 2 years
- (v) Volatility (σ): calculated based on the closing price for regular transactions of common shares of Daishi Bank on each trading day for two years (from July 28, 2015 to July 27, 2017)
- (vi) Risk-free interest rate (r): the JGB yield rate for the estimated years until maturity is the risk-free interest rate for the remaining years until maturity
- (vii) Dividend yield (λ): dividend yield for the most recent fiscal year \div the share value provided in (ii) above
- (viii) Cumulative distribution function of the standard normal distribution: ($N(\cdot)$)

4. Share option allotment date

July 28, 2017

5. Payment date for cash to be paid-in in exchange for share options

July 28, 2017

6. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

7. Period when share options may be exercised

From July 29, 2017 to July 28, 2047

8. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of Daishi Bank.

9. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of Daishi Bank; provided, however, that Share Option Holders may exercise the share options on or after July 29, 2046 even if they hold the position of a director or executive officer of Daishi Bank.
- (ii) If a Share Option Holder dies, a successor approved by Daishi Bank’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between Daishi Bank and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and Daishi Bank’s Board of Directors may only exercise the share options within the prescribed period, except in the case where the Share Option Holder is

delivered share options of a company subject to reorganization in accordance with 12 below.

- If an agenda proposal for approval of a merger agreement in which Daishi Bank is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly owned subsidiary is adopted at Daishi Bank's general meeting of shareholders (a resolution of Daishi Bank's Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

(iv) No share option may be partially exercised.

(v) Other conditions are as provided in the Share Option Allotment Agreement.

10. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at Daishi Bank's general meeting of shareholders (a resolution of the Board of Directors of Daishi Bank or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), Daishi Bank may acquire the share options without compensation, on a date separately set by the Board of Directors of Daishi Bank:

- (i) Agenda proposal for approval of a merger agreement under which Daishi Bank is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which Daishi Bank is the split company;
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which Daishi Bank becomes a wholly-owned subsidiary; or
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of Daishi Bank is required to acquire Daishi Bank's

shares by assignment for any and all shares issued by Daishi Bank; or

- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of Daishi Bank is required to acquire the type of shares underlying the share options by assignment or with respect to Daishi Bank acquiring all shares of the type underlying the share options by resolution of the general meeting of shareholders.

11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be $\frac{1}{2}$ the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

12. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that Daishi Bank is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that Daishi Bank is the split company in either type), or share exchange or share transfer (only in the event that Daishi Bank becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), Daishi Bank shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes

effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

(v) Period when share options may be exercised

Period from the later of the starting date in “7. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “7. Period when share options may be exercised” above.

(vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “11. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

(vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(viii) Share option acquisition grounds and conditions

To be determined in accordance with “10. Share option acquisition grounds and conditions” above.

13. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

14. Method for applying to exercise share options and payment

(i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by Daishi Bank, the applicant’s name and seal must be affixed to the form, and the form must be submitted to the exercise application submission office provided below in 15.

(ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer

to the payment administration office provided in 16 below, by the date designated by Daishi Bank.

15. Exercise application submission office

Secretariat, Daishi Bank (or the department responsible for such duties from time to time).

16. Payment administration office for cash contributed when exercising share options

Head Office, Daishi Bank

1071-1 Higashiborimae-dori 7-bancho Chuo-ku Niigata

(or the successor bank to Daishi Bank or the branch that is the successor to such branch from time to time).

17. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and conditions, Daishi Bank may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

18. Announcement of issuance terms and conditions

Daishi Bank shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

19. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the President of Daishi Bank.

End

Terms of the Daishi Hokuetsu Financial Group Series 8 Share Options

1. Name of share options

Daishi Hokuetsu Financial Group Series 8 Share Options

2. Type and number of shares underlying the share options

Type of shares of the Daishi Hokuetsu Financial Group, Inc. (the “Company”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 10.

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

3. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

4. Period when share options may be exercised

From October 1, 2018 to July 28, 2047

5. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

6. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.; provided, however, that Share Option Holders may exercise the share options on or after July 29, 2046 even if they hold the position of a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.
- (ii) If a Share Option Holder dies, a successor approved by the Company’s Board of Directors may succeed to the share options; provided, however, that succession will be subject to the conditions provided in the share option allotment agreement (“Share Option Allotment Agreement”) between the Company and the Share Option Holder.
- (iii) Notwithstanding (i) and (ii) above, in the case provided below, a successor approved by a Share Option Holder and the Company’s Board of Directors may only exercise the share options within the prescribed period, except in the case where the Share Option Holder is delivered share options of a company subject to reorganization in accordance with 9 below.
 - If an agenda proposal for approval of a merger agreement in which the Company is the extinguished company or agenda proposal for a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary is adopted at the

Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), within 15 days from the day immediately following the date of such adoption or decision.

- (iv) No share option may be partially exercised.
- (v) Other conditions are as provided in the Share Option Allotment Agreement.

7. Share option acquisition grounds and conditions

If an agenda proposal for any of (i), (ii), (iii), (iv), or (v) below is adopted at the Company's general meeting of shareholders (a resolution of the Board of Directors or decision by an executive officer receiving delegation in accordance with the provisions of Article 416(4) of the Companies Act, if a resolution of a general meeting of shareholders is not required), the Company may acquire the share options without compensation, on a date separately set by the Board of Directors:

- (i) Agenda proposal for approval of a merger agreement under which the Company is the extinguished company;
- (ii) Agenda proposal for approval of a split agreement or split plan under which the Company is the split company
- (iii) Agenda proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary;
- (iv) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the Company's shares by assignment for any and all shares issued by The Company; or
- (v) Agenda proposal for approval of amendment to the Articles of Incorporation to set forth provisions to the effect that the approval of the Company is required to acquire the type of shares underlying the share options by assignment or with respect to the Company acquiring

all shares of the type underlying the share options by resolution of the general meeting of shareholders.

8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

9. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that the Company is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that the Company is the split company in either case), or share exchange or share transfer (only in the event that the Company becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), the Company shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an

incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (v) Period when share options may be exercised

Period from the later of the starting date in “4. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “4. Period when share options may be exercised” above.

- (vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

- (vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

- (viii) Share option acquisition grounds and conditions

To be determined in accordance with “7. Share option acquisition grounds and conditions” above.

10. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

11. Method for applying to exercise share options and payment

- (i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by the Company, the applicant’s name and seal must be affixed to the form, and the form must be submitted to account of the exercise application submission office designated by the Company.
- (ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the account of the payment administration office designated by the Company, by the date designated by the Company.

12. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and

conditions, the Company may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

13. Announcement of issuance terms and conditions

The Company shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

14. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the Representative Director of the Company.

End

Terms of The Hokuetsu Bank, Ltd. Series 1 Share Options

(1) Number of share options

2,391 share options shall be issued to directors of The Hokuetsu Bank, Ltd. (“Hokuetsu Bank”). This number is the planned number to be allotted, and if the number of allotted share options for subscription is reduced due to subscription applications not being made, etc., the number of allotted share options for subscription shall be the number of share options for subscription issued.

(2) Type and number of shares underlying share options

The type of shares underlying the share options shall be common shares of Hokuetsu Bank, and the number of shares underlying the share options shall be 100 shares (the number of shares to be issued after adjustment due to a share consolidation effective as of October 1, 2016 is 10 shares (the method of adjustment is provided below)).

Furthermore, the number of shares underlying one share option (the “Number of Shares to be Issued”) shall be adjusted in accordance with the following formula if Hokuetsu Bank conducts a share split (including the allotment without contribution of Hokuetsu Bank’s common shares; same hereinafter) or share consolidation after the share option allotment date for the share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\begin{aligned} \text{Number of Shares to be Issued after adjustment} &= \text{the Number of Shares to be} \\ &\text{Issued before adjustment} \times \text{the split or consolidation ratio} \end{aligned}$$

If it is necessary to adjust the Number of Shares to be Issued after the allotment date due to a merger, split, or equivalent event being carried out with respect to Hokuetsu Bank, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

(3) Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

(4) Period when share options may be exercised

From July 27, 2011 to July 26, 2041, or the preceding business day if the last day of the exercise period is not a business day of Hokuetsu Bank.

(5) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

(i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.

(ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

(6) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of Hokuetsu Bank.

(7) Conditions to exercise of share options

(i) Share option holders may only exercise the share options all at once, and such exercise shall be restricted to the 10-day period starting on the day immediately following the date that they lose their status as a director of Hokuetsu Bank.

(ii) If a share option holder dies, and the share options are inherited by only one statutory heir of the share option holder who is their spouse or a relative within one degree of kinship (the “Successor”), the Successor may exercise the share options, pursuant to the following

conditions; provided, however, that persons found to have committed a serious crime under the penal code may not become the Successor.

- A. If the Successor dies, their heir may not succeed to the share options.
- B. The Successor must complete the procedures prescribed by Hokuetsu Bank within 10 months after first inheriting the share options and before the last day of the exercise period.
- C. The Successor may only exercise the share options all at once, and such exercise shall be within the exercise period provided above in (4) and within 2 months after completing the procedures prescribed by Hokuetsu Bank.

(8) Matters regarding acquisition of share options

- (i) If a share option holder becomes unable to exercise the share options due to the provisions of (7) above or the provisions of the share option allotment agreement before they exercise the share options, Hokuetsu Bank may acquire the share options without compensation, on a date separately set by the Board of Directors of Hokuetsu Bank.
- (ii) If an agenda proposal for a merger agreement under which Hokuetsu Bank is the extinguished company, agenda proposal for approval of a split agreement or split plan under which Hokuetsu Bank is the split company, or agenda proposal for approval of a share exchange agreement or share transfer plan under which Hokuetsu Bank becomes a wholly-owned subsidiary is approved at a general meeting of shareholders of Hokuetsu Bank (a resolution of the Board of Directors of Hokuetsu Bank if a resolution of a general meeting of shareholders is not required), Hokuetsu Bank may acquire the share options that have yet to be exercised at that time, without compensation, on a date separately set by the Board of Directors of Hokuetsu Bank.

(9) Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that Hokuetsu Bank is extinguished in the merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer (hereinafter collectively referred to as “Corporate Reorganization”), Hokuetsu Bank shall deliver share options of the respective stock companies provided in (a) through (e) of

Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to share option holders who hold the share options remaining on the date that Corporate Reorganization takes effect (“Remaining Share Options”). In such case, the Remaining Share Options shall be extinguished, and share options of the Reorganized Company will be newly issued.

However, this will only take place in the case where the merger agreement, absorption-type split agreement, incorporation-type split agreement, share exchange agreement, or share transfer plan contains provisions to the effect that share options of the Reorganized Company shall be delivered in accordance with the following conditions.

(i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the share option holder will be delivered.

(ii) Type and number of shares of the Reorganized Company underlying the share options

The type of shares underlying the share options shall be common shares of the Reorganized Company, and the number of common shares of the Reorganized Company to be delivered by exercising the share options shall be determined in accordance with (2) above, taking into account the terms, etc. of the Corporate Reorganization.

(iii) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

(iv) Period when share options may be exercised

Period from the later of the starting of the period when share options may be exercised provided in (4) above or the effective date of the Corporate Reorganization, until the expiration date provided in (4).

(v) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with (5) above.

(vi) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(vii) Matters regarding acquisition of share options

To be determined in accordance with (8) above.

(10) Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

(11) No share option certificates to be issued

Hokuetsu Bank will not issue share option certificates for the share options.

(12) Payment administration office for property contributed when exercising share options

Main Branch, Sales Department, The Hokuetsu Bank, Ltd.

2-2-14 Ote-dori, Nagaoka-shi, Niigata

(13) Total number of authorized shares

600,000,000 shares of stock

(14) Number of shares constituting one unit

1,000 shares of stock

(15) Name, address, and office of administrator of the shareholder register

Administrator of shareholder register

Mizuho Trust & Banking Co., Ltd.

1-2-1 Yaesu, Chuo-ku, Tokyo

Administrative office

Head Office, Mizuho Trust & Banking Co., Ltd.

1-2-1 Yaesu, Chuo-ku, Tokyo

END

Terms of the Daishi Hokuetsu Financial Group Series 9 Share Options

1. Name of share options

Daishi Hokuetsu Financial Group Series 9 Share Options

2. Type and number of shares underlying the share options

Type of shares of the Daishi Hokuetsu Financial Group, Inc. (the “Company”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 5.

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing due to a merger, split, or equivalent event being carried out with respect to the Company, the Number

of Shares to be Issued shall be adjusted within a reasonable scope.

3. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

4. Period when share options may be exercised

From October 1, 2018 to July 26, 2041 or the preceding business day if the last day of the exercise period is not a business day of the Company.

5. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

6. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options, all at once, during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.; provided, however, that Share Option Holders may exercise the share options on or after July 28, 2039 even if they hold the position of a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.
- (ii) If a Share Option Holder dies, and the share options are inherited by only one statutory heir of the Share Option Holder who is their spouse or a relative within one degree of kinship (the “Successor”), the Successor may exercise the share options, pursuant to the following conditions; provided, however, that persons found to have committed a serious crime under the penal code may not become the Successor.
 - A. If the Successor dies, their heir may not succeed to the share options.
 - B. The Successor must complete the procedures prescribed by the Company within 10 months after first inheriting the share options and before the last day of the exercise

period.

- C. The Successor may only exercise the share options all at once, within the exercise period provided above in “4. Period when share options may be exercised” and within 2 months after completing the procedures prescribed by the Company.

7. Share option acquisition grounds and conditions

- (i) If a share option holder becomes unable to exercise the share options due to the provisions of “6. Conditions to exercise of share options” above or the provisions of the share option allotment agreement before they exercise the share options, the Company may acquire the share options without compensation, on a date separately set by the Board of Directors of the Company.
- (ii) If an agenda proposal for a merger agreement under which the Company is the extinguished company, agenda proposal for approval of a split agreement or split plan under which the Company is the split company, or agenda proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary is approved at a general meeting of shareholders of the Company (a resolution of the Board of Directors of the Company if a resolution of a general meeting of shareholders is not required), the Company may acquire the share options that have yet to be exercised at that time, without compensation, on a date separately set by the Board of Directors of the Company.

8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.

- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

9. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that the Company is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that the Company is the split company in either case), or share exchange or share transfer (only in the event that the Company becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), the Company shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (v) Period when share options may be exercised

Period from the later of the starting date in “4. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “4. Period when share options may be exercised” above.

- (vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

- (vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

- (viii) Share option acquisition grounds and conditions

To be determined in accordance with “7. Share option acquisition grounds and conditions” above.

10. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

11. Method for applying to exercise share options and payment

- (i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by the Company, the applicant’s name and seal must be affixed to the form, and the form must be submitted to account of the exercise application submission office designated by the Company.
- (ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the account of the payment administration office designated by the Company, by the date designated by the Company.

12. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and conditions, the Company may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

13. Announcement of issuance terms and conditions

The Company shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business

hours.

14. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the Representative Director of the Company.

End

Terms of The Hokuetsu Bank, Ltd. Series 2 Share Options

(1) Number of share options

2,950 share options shall be issued to directors of The Hokuetsu Bank, Ltd. (“Hokuetsu Bank”). This number is the planned number to be allotted, and if the number of allotted share options for subscription is reduced due to subscription applications not being made, etc., the number of allotted share options for subscription shall be the number of share options for subscription issued.

(2) Type and number of shares underlying share options

The type of shares underlying the share options shall be common shares of Hokuetsu Bank, and the number of shares underlying the share options shall be 100 shares (the number of shares to be issued after adjustment due to a share consolidation effective as of October 1, 2016 is 10 shares (the method of adjustment is provided below)).

Furthermore, the number of shares underlying one share option (the “Number of Shares to be Issued”) shall be adjusted in accordance with the following formula if Hokuetsu Bank conducts a share split (including the allotment without contribution of Hokuetsu Bank’s common shares; same hereinafter) or share consolidation after the share option allotment date for the share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\begin{aligned} \text{Number of Shares to be Issued after adjustment} &= \text{the Number of Shares to be} \\ &\text{Issued before adjustment} \times \text{the split or consolidation ratio} \end{aligned}$$

If it is necessary to adjust the Number of Shares to be Issued after the allotment date due to a merger, split, or equivalent event being carried out with respect to Hokuetsu Bank, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

(3) Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen

amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

(4) Period when share options may be exercised

From July 27, 2012 to July 26, 2042, or the preceding business day if the last day of the exercise period is not a business day of Hokuetsu Bank.

(5) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

(i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.

(ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

(6) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of Hokuetsu Bank.

(7) Conditions to exercise of share options

(i) Share option holders may only exercise the share options all at once, and such exercise shall be restricted to the 10-day period starting on the day immediately following the date that they lose their status as a director of Hokuetsu Bank.

(ii) If a share option holder dies, and the share options are inherited by only one statutory heir of the share option holder who is their spouse or a relative within one degree of kinship (the “Successor”), the Successor may exercise the share options, pursuant to the following conditions; provided, however, that persons found to have committed a serious crime under the penal code may not become the Successor.

- A. If the Successor dies, their heir may not succeed to the share options.
- B. The Successor must complete the procedures prescribed by Hokuetsu Bank within 10 months after first inheriting the share options and before the last day of the exercise period.
- C. The Successor may only exercise the share options all at once, and such exercise shall be within the exercise period provided above in (4) and within 2 months after completing the procedures prescribed by Hokuetsu Bank.

(8) Matters regarding acquisition of share options

- (i) If a share option holder becomes unable to exercise the share options due to the provisions of (7) above or the provisions of the share option allotment agreement before they exercise the share options, Hokuetsu Bank may acquire the share options without compensation, on a date separately set by the Board of Directors of Hokuetsu Bank.
- (ii) If an agenda proposal for a merger agreement under which Hokuetsu Bank is the extinguished company, agenda proposal for approval of a split agreement or split plan under which Hokuetsu Bank is the split company, or agenda proposal for approval of a share exchange agreement or share transfer plan under which Hokuetsu Bank becomes a wholly-owned subsidiary is approved at a general meeting of shareholders of Hokuetsu Bank (a resolution of the Board of Directors of Hokuetsu Bank if a resolution of a general meeting of shareholders is not required), Hokuetsu Bank may acquire the share options that have yet to be exercised at that time, without compensation, on a date separately set by the Board of Directors of Hokuetsu Bank.

(9) Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that Hokuetsu Bank is extinguished in the merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer (hereinafter collectively referred to as “Corporate Reorganization”), Hokuetsu Bank shall deliver share options of the respective stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to share option holders who hold the share options remaining on the date that Corporate Reorganization takes effect

(“Remaining Share Options”). In such case, the Remaining Share Options shall be extinguished, and share options of the Reorganized Company will be newly issued.

However, this will only take place in the case where the merger agreement, absorption-type split agreement, incorporation-type split agreement, share exchange agreement, or share transfer plan contains provisions to the effect that share options of the Reorganized Company shall be delivered in accordance with the following conditions.

(i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the share option holder will be delivered.

(ii) Type and number of shares of the Reorganized Company underlying the share options

The type of shares underlying the share options shall be common shares of the Reorganized Company, and the number of common shares of the Reorganized Company to be delivered by exercising the share options shall be determined in accordance with (2) above, taking into account the terms, etc. of the Corporate Reorganization.

(iii) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

(iv) Period when share options may be exercised

Period from the later of the starting date in of the period when share options may be exercised provided in (4) above or the effective date of the Corporate Reorganization, until the expiration date provided in (4).

(v) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with (5) above.

(vi) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(vii) Matters regarding acquisition of share options

To be determined in accordance with (8) above.

(10) Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

(11) No share option certificates to be issued

Hokuetsu Bank will not issue share option certificates for the share options.

(12) Payment administration office for property contributed when exercising share options

Main Branch, Sales Department, The Hokuetsu Bank, Ltd.

2-2-14 Ote-dori, Nagaoka-shi, Niigata

(13) Total number of authorized shares

600,000,000 shares of stock

(14) Number of shares constituting one unit

1,000 shares of stock

(15) Name, address, and office of administrator of the shareholder register

Administrator of shareholder register	Mizuho Trust & Banking Co., Ltd. 1-2-1 Yaesu, Chuo-ku, Tokyo
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Administrative office	Head Office, Mizuho Trust & Banking Co., Ltd. 1-2-1 Yaesu, Chuo-ku, Tokyo
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END

Terms of the Daishi Hokuetsu Financial Group Series 10 Share Options

1. Name of share options

Daishi Hokuetsu Financial Group Series 10 Share Options

2. Type and number of shares underlying the share options

Type of shares of the Daishi Hokuetsu Financial Group, Inc. (the “Company”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 5.

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing due to a merger, split, or equivalent event being carried out with respect to the Company, the Number

of Shares to be Issued shall be adjusted within a reasonable scope.

3. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

4. Period when share options may be exercised

From October 1, 2018 to July 26, 2042 or the preceding business day if the last day of the exercise period is not a business day of the Company.

5. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

6. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options, all at once, during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.; provided, however, that Share Option Holders may exercise the share options on or after July 28, 2039 even if they hold the position of a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.
- (ii) If a Share Option Holder dies, and the share options are inherited by only one statutory heir of the Share Option Holder who is their spouse or a relative within one degree of kinship (the “Successor”), the Successor may exercise the share options, pursuant to the following conditions; provided, however, that persons found to have committed a serious crime under the penal code may not become the Successor.
 - A. If the Successor dies, their heir may not succeed to the share options.
 - B. The Successor must complete the procedures prescribed by the Company within 10 months after first inheriting the share options and before the last day of the exercise

period.

- C. The Successor may only exercise the share options all at once, within the exercise period provided above in “4. Period when share options may be exercised” and within 2 months after completing the procedures prescribed by the Company.

7. Share option acquisition grounds and conditions

- (i) If a share option holder becomes unable to exercise the share options due to the provisions of “6. Conditions to exercise of share options” above or the provisions of the share option allotment agreement before they exercise the share options, the Company may acquire the share options without compensation, on a date separately set by the Board of Directors of the Company.
- (ii) If an agenda proposal for a merger agreement under which the Company is the extinguished company, agenda proposal for approval of a split agreement or split plan under which the Company is the split company, or agenda proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary is approved at a general meeting of shareholders of the Company (a resolution of the Board of Directors of the Company if a resolution of a general meeting of shareholders is not required), the Company may acquire the share options that have yet to be exercised at that time, without compensation, on a date separately set by the Board of the Company.

8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.
- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share

options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

9. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that the Company is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that the Company is the split company in either case), or share exchange or share transfer (only in the event that the Company becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), the Company shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

(ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

(iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

(iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

(v) Period when share options may be exercised

Period from the later of the starting date in “4. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “4. Period when share options may be exercised” above.

(vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

(vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(viii) Share option acquisition grounds and conditions

To be determined in accordance with “7. Share option acquisition grounds and conditions”

above.

10. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

11. Method for applying to exercise share options and payment

- (i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by the Company, the applicant's name and seal must be affixed to the form, and the form must be submitted to account of the exercise application submission office designated by the Company.
- (ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the account of the payment administration office designated by the Company, by the date designated by the Company.

12. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and conditions, the Company may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

13. Announcement of issuance terms and conditions

The Company shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business hours.

14. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the Representative Director of the Company.

End

Terms of The Hokuetsu Bank, Ltd. Series 3 Share Options

(1) Number of share options

2,407 share options shall be issued to directors of The Hokuetsu Bank, Ltd. (“Hokuetsu Bank”). This number is the planned number to be allotted, and if the number of allotted share options for subscription is reduced due to subscription applications not being made, etc., the number of allotted share options for subscription shall be the number of share options for subscription issued.

(2) Type and number of shares underlying share options

The type of shares underlying the share options shall be common shares of Hokuetsu Bank, and the number of shares underlying the share options shall be 100 shares (the number of shares to be issued after adjustment due to a share consolidation effective as of October 1, 2016 is 10 shares (the method of adjustment is provided below)).

Furthermore, the number of shares underlying one share option (the “Number of Shares to be Issued”) shall be adjusted in accordance with the following formula if Hokuetsu Bank conducts a share split (including the allotment without contribution of Hokuetsu Bank’s common shares; same hereinafter) or share consolidation after the share option allotment date for the share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\begin{aligned} \text{Number of Shares to be Issued after adjustment} &= \text{the Number of Shares to be} \\ &\text{Issued before adjustment} \times \text{the split or consolidation ratio} \end{aligned}$$

If it is necessary to adjust the Number of Shares to be Issued after the allotment date due to a merger, split, or equivalent event being carried out with respect to Hokuetsu Bank, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

(3) Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen

amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

(4) Period when share options may be exercised

From July 27, 2013 to July 26, 2043, or the preceding business day if the last day of the exercise period is not a business day of Hokuetsu Bank.

(5) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

(i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.

(ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

(6) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of Hokuetsu Bank.

(7) Conditions to exercise of share options

(i) Share option holders may only exercise the share options all at once, and such exercise shall be restricted to the 10-day period starting on the day immediately following the date that they lose their status as a director of Hokuetsu Bank.

(ii) If a share option holder dies, and the share options are inherited by only one statutory heir of the share option holder who is their spouse or a relative within one degree of kinship (the “Successor”), the Successor may exercise the share options, pursuant to the following conditions; provided, however, that persons found to have committed a serious crime under the penal code may not become the Successor.

- A. If the Successor dies, their heir may not succeed to the share options.
- B. The Successor must complete the procedures prescribed by Hokuetsu Bank within 10 months after first inheriting the share options and before the last day of the exercise period.
- C. The Successor may only exercise the share options all at once, and such exercise shall be within the exercise period provided above in (4) and within 2 months after completing the procedures prescribed by Hokuetsu Bank.

(8) Matters regarding acquisition of share options

- (i) If a share option holder becomes unable to exercise the share options due to the provisions of (7) above or the provisions of the share option allotment agreement before they exercise the share options, Hokuetsu Bank may acquire the share options without compensation, on a date separately set by the Board of Directors of Hokuetsu Bank.
- (ii) If an agenda proposal for a merger agreement under which Hokuetsu Bank is the extinguished company, agenda proposal for approval of a split agreement or split plan under which Hokuetsu Bank is the split company, or agenda proposal for approval of a share exchange agreement or share transfer plan under which Hokuetsu Bank becomes a wholly-owned subsidiary is approved at a general meeting of shareholders of Hokuetsu Bank (a resolution of the Board of Directors of Hokuetsu Bank if a resolution of a general meeting of shareholders is not required), Hokuetsu Bank may acquire the share options that have yet to be exercised at that time, without compensation, on a date separately set by the Board of Directors of Hokuetsu Bank.

(9) Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that Hokuetsu Bank is extinguished in the merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer (hereinafter collectively referred to as “Corporate Reorganization”), Hokuetsu Bank shall deliver share options of the respective stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to share option holders who hold the share options remaining on the date that Corporate Reorganization takes effect

(“Remaining Share Options”). In such case, the Remaining Share Options shall be extinguished, and share options of the Reorganized Company will be newly issued.

However, this will only take place in the case where the merger agreement, absorption-type split agreement, incorporation-type split agreement, share exchange agreement, or share transfer plan contains provisions to the effect that share options of the Reorganized Company shall be delivered in accordance with the following conditions.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the share option holder will be delivered.

- (ii) Type and number of shares of the Reorganized Company underlying the share options

The type of shares underlying the share options shall be common shares of the Reorganized Company, and the number of common shares of the Reorganized Company to be delivered by exercising the share options shall be determined in accordance with (2) above, taking into account the terms, etc. of the Corporate Reorganization.

- (iii) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (iv) Period when share options may be exercised

Period from the later of the starting date in of the period when share options may be exercised provided in (4) above or the effective date of the Corporate Reorganization, until the expiration date provided in (4).

- (v) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with (5) above.

(vi) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(vii) Matters regarding acquisition of share options

To be determined in accordance with (8) above.

(10) Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

(11) No share option certificates to be issued

Hokuetsu Bank will not issue share option certificates for the share options.

(12) Payment administration office for property contributed when exercising share options

Main Branch, Sales Department, The Hokuetsu Bank, Ltd.

2-2-14 Ote-dori, Nagaoka-shi, Niigata

(13) Total number of authorized shares

600,000,000 shares of stock

(14) Number of shares constituting one unit

1,000 shares of stock

(15) Name, address, and office of administrator of the shareholder register

Administrator of shareholder register Mizuho Trust & Banking Co., Ltd.

1-2-1 Yaesu, Chuo-ku, Tokyo

Administrative office

Head Office, Mizuho Trust & Banking Co., Ltd.

1-2-1 Yaesu, Chuo-ku, Tokyo

END

Terms of the Daishi Hokuetsu Financial Group Series 11 Share Options

1. Name of share options

Daishi Hokuetsu Financial Group Series 11 Share Options

2. Type and number of shares underlying the share options

Type of shares of the Daishi Hokuetsu Financial Group, Inc. (the “Company”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 5.

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing due to a merger, split, or equivalent event being carried out with respect to the Company, the Number

of Shares to be Issued shall be adjusted within a reasonable scope.

3. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

4. Period when share options may be exercised

From October 1, 2018 to July 26, 2043 or the preceding business day if the last day of the exercise period is not a business day of the Company.

5. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

6. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options, all at once, during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.; provided, however, that Share Option Holders may exercise the share options on or after July 28, 2039 even if they hold the position of a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.
- (ii) If a Share Option Holder dies, and the share options are inherited by only one statutory heir of the Share Option Holder who is their spouse or a relative within one degree of kinship (the “Successor”), the Successor may exercise the share options, pursuant to the following conditions; provided, however, that persons found to have committed a serious crime under the penal code may not become the Successor.
 - A. If the Successor dies, their heir may not succeed to the share options.
 - B. The Successor must complete the procedures prescribed by the Company within 10 months after first inheriting the share options and before the last day of the exercise

period.

- C. The Successor may only exercise the share options all at once, within the exercise period provided above in “4. Period when share options may be exercised” and within 2 months after completing the procedures prescribed by the Company.

7. Share option acquisition grounds and conditions

- (i) If a share option holder becomes unable to exercise the share options due to the provisions of “6. Conditions to exercise of share options” above or the provisions of the share option allotment agreement before they exercise the share options, the Company may acquire the share options without compensation, on a date separately set by the Board of Directors of the Company.
- (ii) If an agenda proposal for a merger agreement under which the Company is the extinguished company, agenda proposal for approval of a split agreement or split plan under which the Company is the split company, or agenda proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary is approved at a general meeting of shareholders of the Company (a resolution of the Board of Directors of the Company if a resolution of a general meeting of shareholders is not required), the Company may acquire the share options that have yet to be exercised at that time, without compensation, on a date separately set by the Board of Directors of the Company.

8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.

- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

9. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that the Company is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that the Company is the split company in either case), or share exchange or share transfer (only in the event that the Company becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), the Company shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (v) Period when share options may be exercised

Period from the later of the starting date in “4. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “4. Period when share options may be exercised” above.

- (vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

- (vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

- (viii) Share option acquisition grounds and conditions

To be determined in accordance with “7. Share option acquisition grounds and conditions” above.

10. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

11. Method for applying to exercise share options and payment

- (i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by the Company, the applicant’s name and seal must be affixed to the form, and the form must be submitted to account of the exercise application submission office designated by the Company.
- (ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the account of the payment administration office designated by the Company, by the date designated by the Company.

12. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and conditions, the Company may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

13. Announcement of issuance terms and conditions

The Company shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business

hours.

14. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of Representative Director of the Company.

End

Terms of The Hokuetsu Bank, Ltd. Series 4 Share Options

(1) Number of share options

2,000 share options shall be issued to directors of The Hokuetsu Bank, Ltd. (“Hokuetsu Bank”). This number is the planned number to be allotted, and if the number of allotted share options for subscription is reduced due to subscription applications not being made, etc., the number of allotted share options for subscription shall be the number of share options for subscription issued.

(2) Type and number of shares underlying share options

The type of shares underlying the share options shall be common shares of Hokuetsu Bank, and the number of shares underlying the share options shall be 100 shares (the number of shares to be issued after adjustment due to a share consolidation effective as of October 1, 2016 is 10 shares (the method of adjustment is provided below)).

Furthermore, the number of shares underlying one share option (the “Number of Shares to be Issued”) shall be adjusted in accordance with the following formula if Hokuetsu Bank conducts a share split (including the allotment without contribution of Hokuetsu Bank’s common shares; same hereinafter) or share consolidation after the share option allotment date for the share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\begin{aligned} \text{Number of Shares to be Issued after adjustment} &= \text{the Number of Shares to be} \\ &\text{Issued before adjustment} \times \text{the split or consolidation ratio} \end{aligned}$$

If it is necessary to adjust the Number of Shares to be Issued after the allotment date due to a merger, split, or equivalent event being carried out with respect to Hokuetsu Bank, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

(3) Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen

amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

(4) Period when share options may be exercised

From July 29, 2014 to July 28, 2044, or the preceding business day if the last day of the exercise period is not a business day of Hokuetsu Bank.

(5) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

(i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.

(ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

(6) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of Hokuetsu Bank.

(7) Conditions to exercise of share options

(i) Share option holders may only exercise the share options all at once, and such exercise shall be restricted to the 10-day period starting on the day immediately following the date that they lose their status as a director of Hokuetsu Bank.

(ii) If a share option holder dies, and the share options are inherited by only one statutory heir of the share option holder who is their spouse or a relative within one degree of kinship (the “Successor”), the Successor may exercise the share options, pursuant to the following conditions; provided, however, that persons found to have committed a serious crime under the penal code may not become the Successor.

- A. If the Successor dies, their heir may not succeed to the share options.
- B. The Successor must complete the procedures prescribed by Hokuetsu Bank within 10 months after first inheriting the share options and before the last day of the exercise period.
- C. The Successor may only exercise the share options all at once, and such exercise shall be within the exercise period provided above in (4) and within 2 months after completing the procedures prescribed by Hokuetsu Bank.

(8) Matters regarding acquisition of share options

- (i) If a share option holder becomes unable to exercise the share options due to the provisions of (7) above or the provisions of the share option allotment agreement before they exercise the share options, Hokuetsu Bank may acquire the share options without compensation, on a date separately set by the Board of Directors of Hokuetsu Bank.
- (ii) If an agenda proposal for a merger agreement under which Hokuetsu Bank is the extinguished company, agenda proposal for approval of a split agreement or split plan under which Hokuetsu Bank is the split company, or agenda proposal for approval of a share exchange agreement or share transfer plan under which Hokuetsu Bank becomes a wholly-owned subsidiary is approved at a general meeting of shareholders of Hokuetsu Bank (a resolution of the Board of Directors of Hokuetsu Bank if a resolution of a general meeting of shareholders is not required), Hokuetsu Bank may acquire the share options that have yet to be exercised at that time, without compensation, on a date separately set by the Board of Directors of Hokuetsu Bank.

(9) Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that Hokuetsu Bank is extinguished in the merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer (hereinafter collectively referred to as “Corporate Reorganization”), Hokuetsu Bank shall deliver share options of the respective stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to share option holders who hold the share options remaining on the date that Corporate Reorganization takes effect

(“Remaining Share Options”). In such case, the Remaining Share Options shall be extinguished, and share options of the Reorganized Company will be newly issued.

However, this will only take place in the case where the merger agreement, absorption-type split agreement, incorporation-type split agreement, share exchange agreement, or share transfer plan contains provisions to the effect that share options of the Reorganized Company shall be delivered in accordance with the following conditions.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the share option holder will be delivered.

- (ii) Type and number of shares of the Reorganized Company underlying the share options

The type of shares underlying the share options shall be common shares of the Reorganized Company, and the number of common shares of the Reorganized Company to be delivered by exercising the share options shall be determined in accordance with (2) above, taking into account the terms, etc. of the Corporate Reorganization.

- (iii) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (iv) Period when share options may be exercised

Period from the later of the starting date in of the period when share options may be exercised provided in (4) above or the effective date of the Corporate Reorganization, until the expiration date provided in (4).

- (v) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with (5) above.

(vi) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(vii) Matters regarding acquisition of share options

To be determined in accordance with (8) above.

(10) Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

(11) No share option certificates to be issued

Hokuetsu Bank will not issue share option certificates for the share options.

(12) Payment administration office for property contributed when exercising share options

Main Branch, Sales Department, The Hokuetsu Bank, Ltd.

2-2-14 Ote-dori, Nagaoka-shi, Niigata

(13) Total number of authorized shares

600,000,000 shares of stock

(14) Number of shares constituting one unit

1,000 shares of stock

(15) Name, address, and office of administrator of the shareholder register

Administrator of shareholder register Mizuho Trust & Banking Co., Ltd.

1-2-1 Yaesu, Chuo-ku, Tokyo

Administrative office

Head Office, Mizuho Trust & Banking Co., Ltd.

1-2-1 Yaesu, Chuo-ku, Tokyo

END

Terms of the Daishi Hokuetsu Financial Group Series 12 Share Options

1. Name of share options

Daishi Hokuetsu Financial Group Series 12 Share Options

2. Type and number of shares underlying the share options

Type of shares of the Daishi Hokuetsu Financial Group, Inc. (the “Company”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 5.

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\begin{aligned} &\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued} \\ &\text{before adjustment} \times \text{the split or consolidation ratio} \end{aligned}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing due to a merger, split, or equivalent event being carried out with respect to the Company, the Number

of Shares to be Issued shall be adjusted within a reasonable scope.

3. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

4. Period when share options may be exercised

From October 1, 2018 to July 28, 2044 or the preceding business day if the last day of the exercise period is not a business day of the Company.

5. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

6. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options, all at once, during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.; provided, however, that Share Option Holders may exercise the share options on or after July 28, 2039 even if they hold the position of a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.
- (ii) If a Share Option Holder dies, and the share options are inherited by only one statutory heir of the Share Option Holder who is their spouse or a relative within one degree of kinship (the “Successor”), the Successor may exercise the share options, pursuant to the following conditions; provided, however, that persons found to have committed a serious crime under the penal code may not become the Successor.
 - A. If the Successor dies, their heir may not succeed to the share options.
 - B. The Successor must complete the procedures prescribed by the Company within 10 months after first inheriting the share options and before the last day of the exercise

period.

- C. The Successor may only exercise the share options all at once, within the exercise period provided above in “4. Period when share options may be exercised” and within 2 months after completing the procedures prescribed by the Company.

7. Share option acquisition grounds and conditions

- (i) If a share option holder becomes unable to exercise the share options due to the provisions of “6. Conditions to exercise of share options” above or the provisions of the share option allotment agreement before they exercise the share options, the Company may acquire the share options without compensation, on a date separately set by the Board of Directors of the Company.
- (ii) If an agenda proposal for a merger agreement under which the Company is the extinguished company, agenda proposal for approval of a split agreement or split plan under which the Company is the split company, or agenda proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary is approved at a general meeting of shareholders of the Company (a resolution of the Board of Directors of the Company if a resolution of a general meeting of shareholders is not required), the Company may acquire the share options that have yet to be exercised at that time, without compensation, on a date separately set by the Board of Directors of the Company.

8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.

- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

9. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that the Company is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that the Company is the split company in either case), or share exchange or share transfer (only in the event that the Company becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), the Company shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (v) Period when share options may be exercised

Period from the later of the starting date in “4. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “4. Period when share options may be exercised” above.

- (vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

- (vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

- (viii) Share option acquisition grounds and conditions

To be determined in accordance with “7. Share option acquisition grounds and conditions” above.

10. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

11. Method for applying to exercise share options and payment

- (i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by the Company, the applicant’s name and seal must be affixed to the form, and the form must be submitted to account of the exercise application submission office designated by the Company.
- (ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the account of the payment administration office designated by the Company, by the date designated by the Company.

12. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and conditions, the Company may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

13. Announcement of issuance terms and conditions

The Company shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business

hours.

14. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the Representative Director of the Company.

End

Terms of The Hokuetsu Bank, Ltd. Series 5 Share Options

(1) Number of share options

1,637 share options shall be issued to directors of The Hokuetsu Bank, Ltd. (“Hokuetsu Bank”). This number is the planned number to be allotted, and if the number of allotted share options for subscription is reduced due to subscription applications not being made, etc., the number of allotted share options for subscription shall be the number of share options for subscription issued.

(2) Type and number of shares underlying share options

The type of shares underlying the share options shall be common shares of Hokuetsu Bank, and the number of shares underlying the share options shall be 100 shares (the number of shares to be issued after adjustment due to a share consolidation effective as of October 1, 2016 is 10 shares (the method of adjustment is provided below)).

Furthermore, the number of shares underlying one share option (the “Number of Shares to be Issued”) shall be adjusted in accordance with the following formula if Hokuetsu Bank conducts a share split (including the allotment without contribution of Hokuetsu Bank’s common shares; same hereinafter) or share consolidation after the share option allotment date for the share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\begin{aligned} \text{Number of Shares to be Issued after adjustment} &= \text{the Number of Shares to be} \\ &\text{Issued before adjustment} \times \text{the split or consolidation ratio} \end{aligned}$$

If it is necessary to adjust the Number of Shares to be Issued after the allotment date due to a merger, split, or equivalent event being carried out with respect to Hokuetsu Bank, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

(3) Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen

amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

(4) Period when share options may be exercised

From July 28, 2015 to July 27, 2045, or the preceding business day if the last day of the exercise period is not a business day of Hokuetsu Bank.

(5) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

(i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.

(ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

(6) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of Hokuetsu Bank.

(7) Conditions to exercise of share options

(i) Share option holders may only exercise the share options all at once, and such exercise shall be restricted to the 10-day period starting on the day immediately following the date that they lose their status as a director of Hokuetsu Bank.

(ii) If a share option holder dies, and the share options are inherited by only one statutory heir of the share option holder who is their spouse or a relative within one degree of kinship (the “Successor”), the Successor may exercise the share options, pursuant to the following conditions; provided, however, that persons found to have committed a serious crime under the penal code may not become the Successor.

- A. If the Successor dies, their heir may not succeed to the share options.
- B. The Successor must complete the procedures prescribed by Hokuetsu Bank within 10 months after first inheriting the share options and before the last day of the exercise period.
- C. The Successor may only exercise the share options all at once, and such exercise shall be within the exercise period provided above in (4) and within 2 months after completing the procedures prescribed by Hokuetsu Bank.

(8) Matters regarding acquisition of share options

- (i) If a share option holder becomes unable to exercise the share options due to the provisions of (7) above or the provisions of the share option allotment agreement before they exercise the share options, Hokuetsu Bank may acquire the share options without compensation, on a date separately set by the Board of Directors of Hokuetsu Bank.
- (ii) If an agenda proposal for a merger agreement under which Hokuetsu Bank is the extinguished company, agenda proposal for approval of a split agreement or split plan under which Hokuetsu Bank is the split company, or agenda proposal for approval of a share exchange agreement or share transfer plan under which Hokuetsu Bank becomes a wholly-owned subsidiary is approved at a general meeting of shareholders of Hokuetsu Bank (a resolution of the Board of Directors of Hokuetsu Bank if a resolution of a general meeting of shareholders is not required), Hokuetsu Bank may acquire the share options that have yet to be exercised at that time, without compensation, on a date separately set by the Board of Directors of Hokuetsu Bank.

(9) Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that Hokuetsu Bank is extinguished in the merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer (hereinafter collectively referred to as “Corporate Reorganization”), Hokuetsu Bank shall deliver share options of the respective stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to share option holders who hold the share options remaining on the date that Corporate Reorganization takes effect

(“Remaining Share Options”). In such case, the Remaining Share Options shall be extinguished, and share options of the Reorganized Company will be newly issued.

However, this will only take place in the case where the merger agreement, absorption-type split agreement, incorporation-type split agreement, share exchange agreement, or share transfer plan contains provisions to the effect that share options of the Reorganized Company shall be delivered in accordance with the following conditions.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the share option holder will be delivered.

- (ii) Type and number of shares of the Reorganized Company underlying the share options

The type of shares underlying the share options shall be common shares of the Reorganized Company, and the number of common shares of the Reorganized Company to be delivered by exercising the share options shall be determined in accordance with (2) above, taking into account the terms, etc. of the Corporate Reorganization.

- (iii) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (iv) Period when share options may be exercised

Period from the later of the starting date in of the period when share options may be exercised provided in (4) above or the effective date of the Corporate Reorganization, until the expiration date provided in (4).

- (v) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with (5) above.

(vi) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(vii) Matters regarding acquisition of share options

To be determined in accordance with (8) above.

(10) Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

(11) No share option certificates to be issued

Hokuetsu Bank will not issue share option certificates for the share options.

(12) Payment administration office for property contributed when exercising share options

Main Branch, Sales Department, The Hokuetsu Bank, Ltd.

2-2-14 Ote-dori, Nagaoka-shi, Niigata

(13) Total number of authorized shares

600,000,000 shares of stock

(14) Number of shares constituting one unit

1,000 shares of stock

(15) Name, address, and office of administrator of the shareholder register

Administrator of shareholder register Mizuho Trust & Banking Co., Ltd.

1-2-1 Yaesu, Chuo-ku, Tokyo

Administrative office

Head Office, Mizuho Trust & Banking Co., Ltd.

1-2-1 Yaesu, Chuo-ku, Tokyo

END

Terms of the Daishi Hokuetsu Financial Group Series 13 Share Options

1. Name of share options

Daishi Hokuetsu Financial Group Series 13 Share Options

2. Type and number of shares underlying the share options

Type of shares of the Daishi Hokuetsu Financial Group, Inc. (the “Company”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 5.

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing due to a merger, split, or equivalent event being carried out with respect to the Company, the Number

of Shares to be Issued shall be adjusted within a reasonable scope.

3. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

4. Period when share options may be exercised

From October 1, 2018 to July 27, 2045 or the preceding business day if the last day of the exercise period is not a business day of the Company.

5. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

6. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options, all at once, during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.; provided, however, that Share Option Holders may exercise the share options on or after July 28, 2039 even if they hold the position of a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.
- (ii) If a Share Option Holder dies, and the share options are inherited by only one statutory heir of the Share Option Holder who is their spouse or a relative within one degree of kinship (the “Successor”), the Successor may exercise the share options, pursuant to the following conditions; provided, however, that persons found to have committed a serious crime under the penal code may not become the Successor.
 - A. If the Successor dies, their heir may not succeed to the share options.
 - B. The Successor must complete the procedures prescribed by the Company within 10 months after first inheriting the share options and before the last day of the exercise

period.

- C. The Successor may only exercise the share options all at once, within the exercise period provided above in “4. Period when share options may be exercised” and within 2 months after completing the procedures prescribed by the Company.

7. Share option acquisition grounds and conditions

- (i) If a share option holder becomes unable to exercise the share options due to the provisions of “6. Conditions to exercise of share options” above or the provisions of the share option allotment agreement before they exercise the share options, the Company may acquire the share options without compensation, on a date separately set by the Board of Directors of the Company.
- (ii) If an agenda proposal for a merger agreement under which the Company is the extinguished company, agenda proposal for approval of a split agreement or split plan under which the Company is the split company, or agenda proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary is approved at a general meeting of shareholders of the Company (a resolution of the Board of Directors of the Company if a resolution of a general meeting of shareholders is not required), the Company may acquire the share options that have yet to be exercised at that time, without compensation, on a date separately set by the Board of Directors of the Company.

8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.

- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

9. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that the Company is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that the Company is the split company in either case), or share exchange or share transfer (only in the event that the Company becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), the Company shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered
A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.
- (ii) Type of shares of the Reorganized Company underlying the share options
Common shares of the Reorganized Company.
- (iii) Number of shares of the Reorganized Company underlying the share options
To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.
- (iv) The value of property to be contributed upon exercise of the share options
The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.
- (v) Period when share options may be exercised
Period from the later of the starting date in “4. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “4. Period when share options may be exercised” above.
- (vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options
To be determined in accordance with “8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.
- (vii) Restrictions on acquisition of share options by assignment
Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.
- (viii) Share option acquisition grounds and conditions

To be determined in accordance with “7. Share option acquisition grounds and conditions” above.

10. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

11. Method for applying to exercise share options and payment

- (i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by the Company, the applicant’s name and seal must be affixed to the form, and the form must be submitted to account of the exercise application submission office designated by the Company.
- (ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the account of the payment administration office designated by the Company, by the date designated by the Company.

12. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and conditions, the Company may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

13. Announcement of issuance terms and conditions

The Company shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business

hours.

14. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the Representative Director of the Company.

End

Terms of The Hokuetsu Bank, Ltd. Series 6 Share Options

(1) Number of share options

2,196 share options shall be issued to directors of The Hokuetsu Bank, Ltd. (“Hokuetsu Bank”). This number is the planned number to be allotted, and if the number of allotted share options for subscription is reduced due to subscription applications not being made, etc., the number of allotted share options for subscription shall be the number of share options for subscription issued.

(2) Type and number of shares underlying share options

The type of shares underlying the share options shall be common shares of Hokuetsu Bank, and the number of shares underlying the share options shall be 100 shares (the number of shares to be issued after adjustment due to a share consolidation effective as of October 1, 2016 is 10 shares (the method of adjustment is provided below)).

Furthermore, the number of shares underlying one share option (the “Number of Shares to be Issued”) shall be adjusted in accordance with the following formula if Hokuetsu Bank conducts a share split (including the allotment without contribution of Hokuetsu Bank’s common shares; same hereinafter) or share consolidation after the share option allotment date for the share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\begin{aligned} \text{Number of Shares to be Issued after adjustment} &= \text{the Number of Shares to be} \\ &\text{Issued before adjustment} \times \text{the split or consolidation ratio} \end{aligned}$$

If it is necessary to adjust the Number of Shares to be Issued after the allotment date due to a merger, split, or equivalent event being carried out with respect to Hokuetsu Bank, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

(3) Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen

amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

(4) Period when share options may be exercised

From July 28, 2016 to July 27, 2046, or the preceding business day if the last day of the exercise period is not a business day of Hokuetsu Bank.

(5) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

(i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.

(ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

(6) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of Hokuetsu Bank.

(7) Conditions to exercise of share options

(i) Share option holders may only exercise the share options all at once, and such exercise shall be restricted to the 10-day period starting on the day immediately following the date that they lose their status as a director of Hokuetsu Bank.

(ii) If a share option holder dies, and the share options are inherited by only one statutory heir of the share option holder who is their spouse or a relative within one degree of kinship (the “Successor”), the Successor may exercise the share options, pursuant to the following conditions; provided, however, that persons found to have committed a serious crime under the penal code may not become the Successor.

- A. If the Successor dies, their heir may not succeed to the share options.
- B. The Successor must complete the procedures prescribed by Hokuetsu Bank within 10 months after first inheriting the share options and before the last day of the exercise period.
- C. The Successor may only exercise the share options all at once, and such exercise shall be within the exercise period provided above in (4) and within 2 months after completing the procedures prescribed by Hokuetsu Bank.

(8) Matters regarding acquisition of share options

- (i) If a share option holder becomes unable to exercise the share options due to the provisions of (7) above or the provisions of the share option allotment agreement before they exercise the share options, Hokuetsu Bank may acquire the share options without compensation, on a date separately set by the Board of Directors of Hokuetsu Bank.
- (ii) If an agenda proposal for a merger agreement under which Hokuetsu Bank is the extinguished company, agenda proposal for approval of a split agreement or split plan under which Hokuetsu Bank is the split company, or agenda proposal for approval of a share exchange agreement or share transfer plan under which Hokuetsu Bank becomes a wholly-owned subsidiary is approved at a general meeting of shareholders of Hokuetsu Bank (a resolution of the Board of Directors of Hokuetsu Bank if a resolution of a general meeting of shareholders is not required), Hokuetsu Bank may acquire the share options that have yet to be exercised at that time, without compensation, on a date separately set by the Board of Directors of Hokuetsu Bank.

(9) Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that Hokuetsu Bank is extinguished in the merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer (hereinafter collectively referred to as “Corporate Reorganization”), Hokuetsu Bank shall deliver share options of the respective stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to share option holders who hold the share options remaining on the date that Corporate Reorganization takes effect

(“Remaining Share Options”). In such case, the Remaining Share Options shall be extinguished, and share options of the Reorganized Company will be newly issued.

However, this will only take place in the case where the merger agreement, absorption-type split agreement, incorporation-type split agreement, share exchange agreement, or share transfer plan contains provisions to the effect that share options of the Reorganized Company shall be delivered in accordance with the following conditions.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the share option holder will be delivered.

- (ii) Type and number of shares of the Reorganized Company underlying the share options

The type of shares underlying the share options shall be common shares of the Reorganized Company, and the number of common shares of the Reorganized Company to be delivered by exercising the share options shall be determined in accordance with (2) above, taking into account the terms, etc. of the Corporate Reorganization.

- (iii) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (iv) Period when share options may be exercised

Period from the later of the starting date in of the period when share options may be exercised provided in (4) above or the effective date of the Corporate Reorganization, until the expiration date provided in (4).

- (v) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with (5) above.

(vi) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(vii) Matters regarding acquisition of share options

To be determined in accordance with (8) above.

(10) Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

(11) No share option certificates to be issued

Hokuetsu Bank will not issue share option certificates for the share options.

(12) Payment administration office for property contributed when exercising share options

Main Branch, Sales Department, The Hokuetsu Bank, Ltd.

2-2-14 Ote-dori, Nagaoka-shi, Niigata

(13) Total number of authorized shares

600,000,000 shares of stock

(14) Number of shares constituting one unit

1,000 shares of stock

(15) Name, address, and office of administrator of the shareholder register

Administrator of shareholder register Mizuho Trust & Banking Co., Ltd.

1-2-1 Yaesu, Chuo-ku, Tokyo

Administrative office

Head Office, Mizuho Trust & Banking Co., Ltd.

1-2-1 Yaesu, Chuo-ku, Tokyo

END

Terms of the Daishi Hokuetsu Financial Group Series 14 Share Options

1. Name of share options

Daishi Hokuetsu Financial Group Series 14 Share Options

2. Type and number of shares underlying the share options

Type of shares of the Daishi Hokuetsu Financial Group, Inc. (the “Company”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 5.

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing due to a merger, split, or equivalent event being carried out with respect to the Company, the Number

of Shares to be Issued shall be adjusted within a reasonable scope.

3. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

4. Period when share options may be exercised

From October 1, 2018 to July 27, 2046 or the preceding business day if the last day of the exercise period is not a business day of the Company.

5. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

6. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options, all at once, during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.; provided, however, that Share Option Holders may exercise the share options on or after July 28, 2039 even if they hold the position of a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.
- (ii) If a Share Option Holder dies, and the share options are inherited by only one statutory heir of the Share Option Holder who is their spouse or a relative within one degree of kinship (the “Successor”), the Successor may exercise the share options, pursuant to the following conditions; provided, however, that persons found to have committed a serious crime under the penal code may not become the Successor.
 - A. If the Successor dies, their heir may not succeed to the share options.
 - B. The Successor must complete the procedures prescribed by the Company within 10 months after first inheriting the share options and before the last day of the exercise

period.

- C. The Successor may only exercise the share options all at once, within the exercise period provided above in “4. Period when share options may be exercised” and within 2 months after completing the procedures prescribed by the Company.

7. Share option acquisition grounds and conditions

- (i) If a share option holder becomes unable to exercise the share options due to the provisions of “6. Conditions to exercise of share options” above or the provisions of the share option allotment agreement before they exercise the share options, the Company may acquire the share options without compensation, on a date separately set by the Board of Directors of the Company.
- (ii) If an agenda proposal for a merger agreement under which the Company is the extinguished company, agenda proposal for approval of a split agreement or split plan under which the Company is the split company, or agenda proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary is approved at a general meeting of shareholders of the Company (a resolution of the Board of Directors of the Company if a resolution of a general meeting of shareholders is not required), the Company may acquire the share options that have yet to be exercised at that time, without compensation, on a date separately set by the Board of Directors of the Company.

8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.

- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

9. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that the Company is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that the Company is the split company in either case), or share exchange or share transfer (only in the event that the Company becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), the Company shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (v) Period when share options may be exercised

Period from the later of the starting date in “4. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “4. Period when share options may be exercised” above.

- (vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

- (vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

- (viii) Share option acquisition grounds and conditions

To be determined in accordance with “7. Share option acquisition grounds and conditions” above.

10. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

11. Method for applying to exercise share options and payment

- (i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by the Company, the applicant’s name and seal must be affixed to the form, and the form must be submitted to account of the exercise application submission office designated by the Company.
- (ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the account of the payment administration office designated by the Company, by the date designated by the Company.

12. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and conditions, the Company may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

13. Announcement of issuance terms and conditions

The Company shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business

hours.

14. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the Representative Director of the Company.

End

Terms of The Hokuetsu Bank, Ltd. Series 7 Share Options

(1) Number of share options

1,552 share options shall be issued to directors of The Hokuetsu Bank, Ltd. (“Hokuetsu Bank”). This number is the planned number to be allotted, and if the number of allotted share options for subscription is reduced due to subscription applications not being made, etc., the number of allotted share options for subscription shall be the number of share options for subscription issued.

(2) Type and number of shares underlying share options

The type of shares underlying the share options shall be common shares of Hokuetsu Bank, and the number of shares underlying the share options shall be 10 shares.

Furthermore, the number of shares underlying one share option (the “Number of Shares to be Issued”) shall be adjusted in accordance with the following formula if Hokuetsu Bank conducts a share split (including the allotment without contribution of Hokuetsu Bank’s common shares; same hereinafter) or share consolidation after the share option allotment date for the share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \frac{\text{Number of Shares to be Issued before adjustment}}{\text{the split or consolidation ratio}}$$

If it is necessary to adjust the Number of Shares to be Issued after the allotment date due to a merger, split, or equivalent event being carried out with respect to Hokuetsu Bank, the Number of Shares to be Issued shall be adjusted within a reasonable scope.

(3) Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

(4) Period when share options may be exercised

From July 27, 2017 to July 26, 2047, or the preceding business day if the last day of the exercise period is not a business day of Hokuetsu Bank.

(5) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

(i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.

(ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

(6) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of Hokuetsu Bank.

(7) Conditions to exercise of share options

(i) Share option holders may only exercise the share options all at once, and such exercise shall be restricted to the 10-day period starting on the day immediately following the date that they lose their status as a director of Hokuetsu Bank.

(ii) If a share option holder dies, and the share options are inherited by only one statutory heir of the share option holder who is their spouse or a relative within one degree of kinship (the “Successor”), the Successor may exercise the share options, pursuant to the following conditions; provided, however, that persons found to have committed a serious crime under the penal code may not become the Successor.

A. If the Successor dies, their heir may not succeed to the share options.

B. The Successor must complete the procedures prescribed by Hokuetsu Bank within 10

months after first inheriting the share options and before the last day of the exercise period.

C. The Successor may only exercise the share options all at once, and such exercise shall be within the exercise period provided above in (4) and within 2 months after completing the procedures prescribed by Hokuetsu Bank.

(8) Matters regarding acquisition of share options

(i) If a share option holder becomes unable to exercise the share options due to the provisions of (7) above or the provisions of the share option allotment agreement before they exercise the share options, Hokuetsu Bank may acquire the share options without compensation, on a date separately set by the Board of Directors of Hokuetsu Bank.

(ii) If an agenda proposal for a merger agreement under which Hokuetsu Bank is the extinguished company, agenda proposal for approval of a split agreement or split plan under which Hokuetsu Bank is the split company, or agenda proposal for approval of a share exchange agreement or share transfer plan under which Hokuetsu Bank becomes a wholly-owned subsidiary is approved at a general meeting of shareholders of Hokuetsu Bank (a resolution of the Board of Directors of Hokuetsu Bank if a resolution of a general meeting of shareholders is not required), Hokuetsu Bank may acquire the share options that have yet to be exercised at that time, without compensation, on a date separately set by the Board of Directors of Hokuetsu Bank.

(9) Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that Hokuetsu Bank is extinguished in the merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer (hereinafter collectively referred to as “Corporate Reorganization”), Hokuetsu Bank shall deliver share options of the respective stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to share option holders who hold the share options remaining on the date that Corporate Reorganization takes effect (“Remaining Share Options”). In such case, the Remaining Share Options shall be extinguished, and share options of the Reorganized Company will be newly issued.

However, this will only take place in the case where the merger agreement, absorption-type split agreement, incorporation-type split agreement, share exchange agreement, or share transfer plan contains provisions to the effect that share options of the Reorganized Company shall be delivered in accordance with the following conditions.

(i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the share option holder will be delivered.

(ii) Type and number of shares of the Reorganized Company underlying the share options

The type of shares underlying the share options shall be common shares of the Reorganized Company, and the number of common shares of the Reorganized Company to be delivered by exercising the share options shall be determined in accordance with (2) above, taking into account the terms, etc. of the Corporate Reorganization.

(iii) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

(iv) Period when share options may be exercised

Period from the later of the starting date in of the period when share options may be exercised provided in (4) above or the effective date of the Corporate Reorganization, until the expiration date provided in (4).

(v) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with (5) above.

(vi) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

(vii) Matters regarding acquisition of share options

To be determined in accordance with (8) above.

(10) Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

(11) No share option certificates to be issued

Hokuetsu Bank will not issue share option certificates for the share options.

(12) Payment administration office for property contributed when exercising share options

Main Branch, Sales Department, The Hokuetsu Bank, Ltd.

2-2-14 Ote-dori, Nagaoka-shi, Niigata

(13) Total number of authorized shares

60,000,000 shares of stock

(14) Number of shares constituting one unit

100 shares of stock

(15) Name, address, and office of administrator of the shareholder register

Administrator of shareholder register Mizuho Trust & Banking Co., Ltd.

1-2-1 Yaesu, Chuo-ku, Tokyo

Administrative office

Head Office, Mizuho Trust & Banking Co., Ltd.

1-2-1 Yaesu, Chuo-ku, Tokyo

END

Terms of the Daishi Hokuetsu Financial Group Series 15 Share Options

1. Name of share options

Daishi Hokuetsu Financial Group Series 15 Share Options

2. Type and number of shares underlying the share options

Type of shares of the Daishi Hokuetsu Financial Group, Inc. (the “Company”) underlying the share options: common shares; number of shares underlying the share options (“Number of Shares to be Issued”): 5.

Furthermore, the Number of Shares to be Issued shall be adjusted in accordance with the following formula if the Company conducts a share split (including the allotment without contribution of the Company’s common shares; same hereinafter) or share consolidation; provided, however, that such adjustment shall be carried out for the Number of Shares to be Issued for share options that have not been exercised at that time, and fractions of a whole share resulting from such adjustment shall be rounded down.

$$\text{Number of Shares to be Issued after adjustment} = \text{the Number of Shares to be Issued before adjustment} \times \text{the split or consolidation ratio}$$

The Number of Shares to be Issued after adjustment shall apply on and after the day immediately following the record date for such share split and on and after the effective date in the case of share consolidation.

If it is necessary to adjust the Number of Shares to be Issued in addition to the foregoing due to a merger, split, or equivalent event being carried out with respect to the Company, the Number

of Shares to be Issued shall be adjusted within a reasonable scope.

3. Value of property contributed when exercising share options

The value of property to be contributed when each share option is exercised shall be the one yen amount to be paid in per share in order to be issued shares by exercising the share options, multiplied by the Number of Shares to be Issued.

4. Period when share options may be exercised

From October 1, 2018 to July 26, 2047 or the preceding business day if the last day of the exercise period is not a business day of the Company.

5. Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors.

6. Conditions to exercise of share options

- (i) Persons allotted share options (“Share Option Holders”) may only exercise the share options, all at once, during 10-day period starting on the day immediately following the date that they lose their status as a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.; provided, however, that Share Option Holders may exercise the share options on or after July 28, 2039 even if they hold the position of a director or executive officer of the Company, The Daishi Bank Ltd., or the Hokuetsu Bank Ltd.
- (ii) If a Share Option Holder dies, and the share options are inherited by only one statutory heir of the Share Option Holder who is their spouse or a relative within one degree of kinship (the “Successor”), the Successor may exercise the share options, pursuant to the following conditions; provided, however, that persons found to have committed a serious crime under the penal code may not become the Successor.
 - A. If the Successor dies, their heir may not succeed to the share options.
 - B. The Successor must complete the procedures prescribed by the Company within 10 months after first inheriting the share options and before the last day of the exercise

period.

- C. The Successor may only exercise the share options all at once, within the exercise period provided above in “4. Period when share options may be exercised” and within 2 months after completing the procedures prescribed by the Company.

7. Share option acquisition grounds and conditions

- (i) If a share option holder becomes unable to exercise the share options due to the provisions of “6. Conditions to exercise of share options” above or the provisions of the share option allotment agreement before they exercise the share options, the Company may acquire the share options without compensation, on a date separately set by the Board of Directors of the Company.
- (ii) If an agenda proposal for a merger agreement under which the Company is the extinguished company, agenda proposal for approval of a split agreement or split plan under which the Company is the split company, or agenda proposal for approval of a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary is approved at a general meeting of shareholders of the Company (a resolution of the Board of Directors of the Company if a resolution of a general meeting of shareholders is not required), the Company may acquire the share options that have yet to be exercised at that time, without compensation, on a date separately set by the Board of Directors of the Company.

8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

- (i) Increases in the amount of capital if shares are issued due to the exercise of share options shall be a half the maximum amount of increase in stated capital calculated in accordance with Article 17(1) of the Rules of Corporate Accounting, and fractions of a yen generated as a result of calculations will be rounded up.

- (ii) Increases in the amount of capital reserves if shares are issued due to the exercise of share options shall be the amount calculated by deducting the amount of the capital increase provided in (i) above from the maximum amount of increase in stated capital provided in (i) above.

9. Handling of share options in the event of corporate reorganization

In the event of a merger (only in the event that the Company is extinguished in the merger), absorption-type company split or incorporation-type company split (only in the event that the Company is the split company in either case), or share exchange or share transfer (only in the event that the Company becomes a wholly-owned subsidiary in either case) (hereinafter collectively referred to as “Corporate Reorganization”), the Company shall deliver respective share options of the stock companies provided in (a) through (e) of Article 236(1)(viii) of the Companies Act (“Reorganized Company”) to Share Option Holders who hold the share options remaining (“Remaining Share Options”) immediately before the date that Corporate Reorganization takes effect (meaning the date that the absorption-type company merger takes effect in the case of an the absorption-type company merger, the incorporation date of the stock company incorporated in a consolidation-type merger in the case of a consolidation-type merger, the date that the absorption-type company split takes effect in the case of an absorption-type company split, the incorporation date of the stock company incorporated in an incorporation-type split in the case of an incorporation-type company split, the date that the share exchange takes effect in the case of a share exchange, and the incorporation date of the wholly owning parent company incorporated in a share transfer in the case of a share transfer; same hereinafter); provided, however, that this shall be conditioned upon setting forth provisions in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan to the effect that share options of the Reorganized Company will be delivered, in accordance with the following.

- (i) Number of share options of the Reorganized Company to be delivered

A number equal to the number of Remaining Share Options held by the Share Option Holder will be delivered respectively.

- (ii) Type of shares of the Reorganized Company underlying the share options

Common shares of the Reorganized Company.

- (iii) Number of shares of the Reorganized Company underlying the share options

To be decided in accordance with “2. Type and number of shares underlying the share options” above, taking into account the terms, etc. of the Corporate Reorganization.

- (iv) The value of property to be contributed upon exercise of the share options

The value of property to be contributed when each share option is exercised shall be the amount calculated by multiplying the exercise value after reorganization below by the number of shares of the Reorganized Company underlying the share options determined in accordance with (iii) above to be delivered by exercise of each share option. The exercise value after reorganization shall be one yen per share of the Reorganized Company that can be received by exercising each share option delivered.

- (v) Period when share options may be exercised

Period from the later of the starting date in “4. Period when share options may be exercised” above or the effective date of the Corporate Reorganization until the expiration date provided in “4. Period when share options may be exercised” above.

- (vi) Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options

To be determined in accordance with “8. Matters regarding increases in capital and capital reserves if shares are issued due to the exercise of share options” above.

- (vii) Restrictions on acquisition of share options by assignment

Acquisition of share options by assignment requires the approval of the Board of Directors of the Reorganized Company.

- (viii) Share option acquisition grounds and conditions

To be determined in accordance with “7. Share option acquisition grounds and conditions” above.

10. Handling of fractions of a share delivered due to exercise of share options

Any fraction of a whole share in the number of shares to be delivered due to exercise of the share options will be rounded down.

11. Method for applying to exercise share options and payment

- (i) If a share option is exercised, the necessary matters must be entered in the Share Option Exercise Application form prescribed by the Company, the applicant’s name and seal must be affixed to the form, and the form must be submitted to account of the exercise application submission office designated by the Company.
- (ii) In addition to submission of the Share Option Exercise Application provided above in (i), the amount calculated by multiplying the value of property to be contributed when exercising each share option by the number of share options being exercised must be paid in full, in cash, in accordance with the provisions of Article 281(1) of the Companies Act, by transfer to the account of the payment administration office designated by the Company, by the date designated by the Company.

12. Reading of these terms and conditions and handling in connection with other measures

If it is necessary to read and replace, or take other measures regarding these terms and conditions, the Company may amend these terms and conditions using the method it regards as appropriate with respect to the handling of matters in connection therewith, in accordance with the provisions of the Companies Act and intent of the share options, and such amendments shall constitute an integral part of these terms and conditions.

13. Announcement of issuance terms and conditions

The Company shall retain a copy of the issuance terms and conditions of share options at its head office, and make it available for inspection by Share Option Holders during business

hours.

14. Other

Details of share option issuance and allotment and the administrative procedures necessary to issue share options, such as the various procedures required to issue share options, will be determined at the discretion of the Representative Director of the Company.

End