

# ARTICLES OF INCORPORATION

(Revised on 25<sup>th</sup> June 2020)

## THE SHIGA BANK, LTD.

THIS COPY OF THE ARTICLES OF INCORPORATION  
IN ENGLISH IS A TRUE AND CORRECT TRANSLATION  
OF THE JAPANESE VERSION

VERIFIED:

CERTIFIED:

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Satoshi OGINO  
Authorized Chief Representative

# THE SHIGA BANK, LTD.

## ARTICLES OF INCORPORATION

### CHAPTER I GENERAL PROVISIONS

(Trade name)

ARTICLE 1. The Bank shall be called “KABUSHIKI KAISHA SHIGA GINKO” in Japanese and “THE SHIGA BANK, LTD.” in English.

(Objectives)

ARTICLE 2. The objectives of the Bank shall be to engage in the following business:

- (1) Acceptance of deposits and installment savings, extending loans, discounting bills and notes, and extending transactions;
- (2) Guarantee of obligations, acceptance of bills, and other business incidental to the banking business listed in the preceding subparagraph;
- (3) Underwriting, handling of offering for subscription and for sale, buying and selling any other business with respect to government bonds, municipal bonds, government-guaranteed bonds and other securities.
- (4) Trust Business;
- (5) In addition to the business guaranteed in foregoing paragraphs, all business which a bank may engage in under the Secured Bonds Trust Law or any other law; and
- (6) Any other business incidental to or relating to any of the business enumerated in any of the foregoing subparagraphs.

(Location of Head Office)

ARTICLE 3. The Bank shall have its Head Office in Otsu.

(Organization)

ARTICLE 4. The Bank shall have the General Meetings of Shareholders, Directors and the following institutions.

1. Board of Directors
2. Corporate Auditors
3. Meeting of Corporate Auditors
4. Independent Auditors

(Manner of public notice)

ARTICLE 5. Public notices of the Bank shall be given by electronic public notice. However, in case when this cannot be done due to an accident or other necessary reasons, it may be given in the newspaper, The Nihon Keizai Shinbun.

## CHAPTER II SHARES

(Total number of shares that were authorized to issue)

ARTICLE 6. The total number of shares that were authorized to issue by the Bank shall be one hundred million (100,000,000) shares.

(Acquisition of own share)

ARTICLE 7. The Bank may purchase its own shares by the marketing, etc. with a resolution of the Board of Directors pursuant to ARTICLE 165-2 of the Companies Act.

(Number of shares in a unit)

ARTICLE 8. The number of shares composing one unit of the Bank shall be one hundred (100) shares.

(Rights of shares comprising less than one unit)

ARTICLE 9. The shareholders of the Bank cannot exercise their rights of share comprising less than one unit, excluding of the rights that were listed on next.

- (1) The right provided in the purview of Article 189-2 of the Companies Act.
- (2) The right to claim provided in the Article 166-1 of the Companies Act.
- (3) The right to receive the allocation of offering share and the allocation of reservation right of offering new share according to the number of share that shareholder hold.
- (4) The right to claim provided in the next article

(Increase of purchase of shares comprising less than one unit)

ARTICLE 10. As provided in the Share Handling Regulations, the shareholders of the Bank are able to sell over the shares comprising less than one unit that they hold, adding to the number of shares that becomes units.

(List of shareholders' custodian)

ARTICLE 11. The Bank shall have a list of shareholders' custodian.

- (2) The list of shareholders' custodian and the place of share transfer shall be decided by the resolution of the Board of Directors and announced.
- (3) To making and keeping of the list of shareholders and the list of equity warrant, and all of the procedures relating to the list of other shareholders and the list of equity warrant are consigned to the list of shareholders' custodian and all these mentioned above shall not be handled in the Bank.

(Share Handling Regulations)

ARTICLE 12. Handling and the commission concerning the share of the bank depend on the law, the Articles of Incorporation and the Share Handling Regulations provided by the Board of Directors.

### **CHAPTER III GENERAL MEETING OF SHAREHOLDERS**

(Convocation)

ARTICLE 13. An ordinary General Meeting of Shareholders shall be held in June every year, and an extra ordinary General Meetings of shareholders shall be held at any time when it is necessary.

(Site)

ARTICLE 14. The Bank shall hold the General Meeting of Shareholders on the place of Head Office or its adjacent areas.

(The base date of ordinary general meeting of shareholders)

ARTICLE 15. The base date of the voting right of the ordinary general meeting of shareholders of the Bank is set on March 31 every year.

(The man who has a right of convocation and Chairman)

ARTICLE 16. The president of the Bank shall convoke a General Meeting of Shareholders and act as a Chairman.

- (2) However, if he is unable to do so for any reason, then one of the other Directors, taking turns in the order established by the Board of Directors in advance, shall convoke a General Meeting of Shareholders and act as a Chairman on his behalf.

(The Internet disclosure and considering offer of the reference books etc. of General Meetings of Shareholders)

ARTICLE 17. It can be considered that the bank offered it to the shareholder if the Bank provides information about the matters that should be described or displayed in the reference books of General Meetings of Shareholders, business reports, financial statements, and consolidated financial statements according to the legal affairs ministerial ordinance upon the convocation of General Meetings of Shareholders by a internet-based method.

(The way of resolution)

ARTICLE 18. Except as otherwise required by law or other articles of this association, all resolutions of the General Meeting of Shareholders shall be adopted by an affirmative vote of a majority of the shares represented by shareholders who can exercise voting right and present at the bank.

- (2) The resolution provided in article No.309-2 of the Companies Act shall be required the attendance of shareholders who have one-third (1/3) or more of shares represented by total shareholders and shall be adopted by an affirmative vote of two-third (2/3) or more of the shares represented by shareholders who can exercise voting right and present at the Bank.

(Exercise of voting rights of proxy)

ARTICLE 19. A shareholder may exercise his voting by appointing a proxy who is other and also a shareholder of the Bank.

- (2) A shareholder or an agent should present the document that proves the proxy by each general meeting of stockholders to the Bank.

#### **CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS**

(Number of Directors)

ARTICLE 20. The number of directors of the Bank shall be no more than fifteen (15).

(Election method)

ARTICLE 21. The Directors shall be elected at the General Meetings of Shareholders.

- (2) The resolution of election of Directors shall be required the attendance of shareholders who have one-third (1/3) or more of shares represented by total shareholders and shall be adopted by an affirmative vote of two-third (2/3) or more of the shares represented by shareholders who can exercise voting right and present at the Bank.
- (3) No cumulative voting shall be used for the election of Directors.

(Term of office)

ARTICLE 22. The term of office of each Director shall expire at the end of the final Ordinary General Meeting of Shareholders regarding the last business term within two (2) years after his election of office.

- (2) The term of office of the newly elected or alternate Directors shall expire at the end of the processors' remaining term.

(Representative Directors and Directors with specific titles)

ARTICLE 23. The Board of Directors shall elect Representative Directors by its resolutions.

- (2) The Board of Directors shall elect one Chairman, one President, a number of Vice-president, Senior Managing Directors and Managing Directors by its resolution

(Emolument etc.)

ARTICLE 24. Emolument, bonus and other profit on property received from the Bank as consideration of duty laps for the Directors (hereinafter called "Emolument etc") shall be determined by the resolution of General Meeting of Shareholders.

(Power of Board of Directors)

ARTICLE 25. Except as otherwise limited by law and articles of this association, the Board of Directors shall determine and execute the important business of the Bank.

(Convening of Meeting of Board of Directors)

ARTICLE 26. Except as otherwise required by law, the president of the Board of Directors shall convene a Meeting of the Board of Directors. However, if he is unable to do so for any reason, then one of the other Directors, taking turns in the order set by the Board of Directors, shall take his place.

- (2) A notice of convening a Meeting of the Board of Directors shall be dispatched to each Director and each Auditor seven (7) days before the scheduled date. However, this period can be shortened in case of emergency.
- (3) The Meeting of the Board of Directors may be held under the common consent of all Directors and Auditors even without the proceedings of convening of meeting.
- (4) The Chairman shall act as a chairman of the Board of Directors. In case the Chairman is not elected or unable to execute his duties for any reason, then the President shall take his place. In case the President is unable to do so for any reason, then one of the other directors, taking turns in the order set by the Board of Directors shall take his place.

(Resolution methods of Board of Directors etc.)

ARTICLE 27. Except as otherwise required by law, resolutions of the Board of Directors shall be adopted by a majority of votes at a Meeting of the Board of Directors attended by a majority of the Directors.

- (2) When it meets with requirements of Article 370 of the Companies Act, the Bank considers that there was a resolution of Board of Directors.

(The Code of Board of directors)

ARTICLE 28. The matter concerning with the Board of Directors shall comply with laws or Articles of Incorporation, and the other, the Code of Board of Directors, which was determined by the Board of Directors.

(Exemption from Liability for Outside Board Members)

ARTICLE 29. The Bank shall be able to conclude a contract with an outside board member pursuant to rules under Item 1, Article 427 of the Corporate Law in order to set the scope of compensation for loss arising from the outside member's negligence of duties. However, such loss compensation shall be limited in amount to the larger of a predetermined amount exceeding JPY 10 million and a relevant statutory amount.

## CHAPTER V AUDITORS AND BOARD OF AUDITORS

(Number of Auditors)

ARTICLE 30. The number of Auditors of the Bank shall be no more than four (4).

(Election of Auditors)

ARTICLE 31. The Auditors shall be elected at the General Meetings of Shareholders.

- (2) The resolution of election of Auditors shall be required the attendance of shareholders who have one-third (1/3) or more of shares and can exercise voting right, and shall be adopted by an affirmative vote of majority of the shares which are represented by shareholders.

(Proficiency of alternate auditor's preliminary contest)

ARTICLE 32. The proficiency of alternate auditor's preliminary contest shall expire with the commencement of Ordinary General Meeting of Shareholders in four years after General Meetings of Shareholders on which he is elected.

(Term of Office of Auditors)

ARTICLE 33. The term of office of each Auditor shall expire with the end of the Ordinary General Meeting of Shareholders regarding the last business term within four (4) years after the election of office.

- (2) The term of office of Auditors elected to fill vacancies shall expire at the end of the processors' remaining term.

(Full Time Auditors)

ARTICLE 34. The Meeting of Corporate Auditors may elect full time Auditor(s) by its resolution.

(Emolument etc.)

ARTICLE 35. Emolument etc. of the Auditors shall be determined by the resolution of General Meeting of Shareholders.

(Convening of the Meeting of Corporate Auditors)

ARTICLE 36. A notice of convening a Meeting of Corporate Auditors shall be despatched to each Auditor seven (7) days before the scheduled date. However, this period can be shortened in case of emergency.

- (2) The Meeting of Corporate Auditors may be held under the common consent of all Auditors even without the proceedings of convening of meeting.

(Resolution of the Meeting of Corporate Auditors)

ARTICLE 37. Except as otherwise required by law, the resolutions of Meeting of Corporate Auditors shall be adopted by a majority of votes at a Meeting of Corporate Auditors.

(Code of Meeting of Corporate Auditors)

ARTICLE 38. The matter concerning with the Meeting of Corporate Auditors shall comply with laws or Articles of Incorporation, and the other, the Code of Meeting of Corporate Auditors, which was determined by the Meeting of Corporate of Auditors.

(Outside auditor's exemption from liability)

ARTICLE 39. The Bank can conclude the agreement that limits the liability for damage by having neglected the duty pursuant to Article 427-1 of the Companies Act between Outside Auditors. However the limit amount of liability for damage based on the agreement shall be 10 million yen or more, and either high amount provided on the agreement beforehand or on prescripts.

## CHAPTER VI

## ACCOUNTING

(Business term)

ARTICLE 40. The business term of the Bank shall be one (1) year from April 1<sup>st</sup> of each year until March 31<sup>st</sup> of the next succeeding year.

(Dividend)

ARTICLE 41. The base date of the year-end dividend of the Bank shall be set on March 31 every year.

- (2) The dividend of surplus may be paid on the special base date besides the preceding clause.

(Interim Dividend)

ARTICLE 42. The Bank may pay the interim dividend by making September 30 every year a base date by the resolution of Board of Directors.



(Period of exclusion)

ARTICLE 43. The Bank shall be discharged from the liability to pay the dividend, as the case may be, if the dividend property is money, and it remains un-received by the person entitled thereto within five (5) years after the day on which the payment was commenced.