

**ARTICLES OF INCORPORATION**

(Revised on April 1, 2023)

**THE CHUGOKU BANK, LTD.**

CERTIFY TRUE COPY  
FOR AND ON BEHALF OF  
THE CHUGOKU BANK, LTD.

H. Kato

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AUTHORIZED SIGNATURE  
HIROMICHI KATO  
MANAGING DIRECTOR

THE CHUGOKU BANK, LTD.

**ARTICLES OF INCORPORATION**

CHAPTER I GENERAL PROVISIONS

(Trade Name)

Article 1. The trade name of the Bank shall be “Kabushiki Kaisha Chugoku Ginko”; however, this shall be expressed in the English language as “The Chugoku Bank, Ltd.”

(Purposes)

Article 2. The purpose of the Bank shall be to engage in the following business activities:

- (1) Acceptance of deposits and cumulative time deposits, lending of funds, discounting bills and notes, and exchange transactions;
- (2) Guaranteeing of obligations and the acceptance of bills and notes, and any other business incidental to the banking business mentioned in the preceding paragraph;
- (3) Underwriting, handling of offering for subscription and for sale, buying and selling and any other business with respect to government bonds, municipal bonds, government-guaranteed bonds and other securities;
- (4) Trust Business;
- (5) All business which a bank may engage in under the Banking Act, the Secured Bonds Trust Law and other laws; and
- (6) Any other business incidental to or related to any of the business activities provided for in the preceding paragraphs.

(Place of Head Office)

Article 3. The Bank shall have its Head Office in Okayama City.

(Organization)

Article 4. The Bank shall have following bodies in addition to general meeting of shareholders and Directors.

- (1) Board of directors
- (2) Audit and supervisory committee
- (3) Independent auditor

(Method of Public Notice)

Article 5. Public notice of the Bank shall be by means of electronic notice. However, in case the electronic notice cannot be issued by incident or by some force of circumstance, it will be done by placing in The

Sanyo Shimbun, published in Okayama City, and The Nihon Keizai Shimbun, published in Tokyo.

## CHAPTER II SHARES

(Total Number of Shares to be issued)

Article 6. The total number of shares authorized to be issued by the Bank shall be three hundred and ninety-one million (391,000,000) shares.

(Handling of Shares)

Article 7. The handling matters relating to shares and their handling fees shall be governed by the Share Handling Rules prescribed by the Board of Directors in addition to the laws and this Articles of Incorporation.

## CHAPTER III GENERAL MEETING OF SHAREHOLDERS

(Convocation)

Article 8. The Bank's Ordinary general meeting of Shareholders shall be held every June, and an Extraordinary General Meeting of shareholders shall be held whenever the need arises.

(Base date of Ordinary general meeting)

Article 9. The base date to identify voting rights at the Ordinary general meeting is 31<sup>st</sup> March of each year.

(Power of Convocation and Chairman)

Article 10. Except as otherwise required by law or regulations, the President of the Bank shall convene and act as chairman at general meetings of shareholders.

2. If the President is prevented from so acting, then one of the other directors shall convene and act in his place in the order established by the Board of Directors in advance.

(Exercise of Voting Rights by Proxy)

- Article 11. Shareholders may exercise their voting rights by appointing another shareholder of the Bank having a voting right as his proxy.
2. Shareholders or proxies shall submit a written notice to the Bank certifying their proxy at the time of each Shareholder's Meeting.

(The Way of Resolution)

- Article 12. Unless otherwise provided by law or the Articles of incorporation, resolutions of general meetings of shareholders shall be adopted by a majority of the votes of the shareholders who are present at the meeting and who can exercise voting rights.
2. Resolutions of the shareholders' meetings held in accordance with Article 309, Paragraph 2 of the Japanese Companies Act shall be adopted by a two-thirds ( $\frac{2}{3}$ ) majority of the votes of the shareholders who are present and holding shares representing one third ( $\frac{1}{3}$ ) or more of the shareholders who can exercise voting rights.

CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS AND AUDIT  
AND SUPERVISORY COMMITTEE

(Number of Directors)

- Article 13. The number of directors (excluding Directors Serving as Audit and Supervisory Committee Members) of the Bank shall be not more than fourteen (14).
2. The number of Directors Serving as Audit and Supervisory Committee Members of the Bank shall be not more than eight (8).

(Election of Directors)

- Article 14. Directors shall be elected at general meetings of shareholders, categorized as Directors Serving as Audit and Supervisory Committee Members and other directors.
2. Directors shall be elected by a majority of votes of the shareholders present and holding shares representing one third ( $\frac{1}{3}$ ) or more of the shareholders who can exercise voting rights.
3. No cumulative voting shall be used for the election of Directors.

(Term of office of Directors)

- Article 15. The term of office of a director (excluding Director Serving as Audit and Supervisory Committee Member) shall expire at the end of ordinary general meeting of shareholders for the last settlement period ending within one (1) year after their appointment to office.
2. The term of office of a Director Serving as Audit and Supervisory Committee Member shall expire at the end of ordinary general meeting of shareholders for the last settlement period ending within two (2) years after their appointment to office.
3. The term of office of a Director Serving as Audit and Supervisory Committee Member appointed to fill a vacancy of Director Serving as Audit and Supervisory Committee Member who resigned before his end of term shall be when the term of the resigned Directors

Serving as Audit and Supervisory Committee Member in office expires.

(Representative Directors and Directors with Special Title)

Article 16. The Board of Directors shall appoint Representative Director from among directors (excluding Directors Serving as Audit and Supervisory Committee Members) by its resolution.

2. The Board of Directors shall be able to appoint by its resolution one Chairman, a number of Deputy Chairmen, one President and a number of Deputy Presidents, Senior Managing Directors and Managing Directors from among directors (excluding Directors Serving as Audit and Supervisory Committee Members).

(Emolument and other financial benefits for the Directors)

Article 17. The emolument, bonus and other financial benefits received from the Bank in consideration of execution of the duty of directors shall be determined, categorized as Directors Serving as Audit and Supervisory Committee Members and other Directors by resolution at a general meeting of shareholders.

(Liability Limitation Agreement for Outside Directors)

Article 18. In accordance with Article 427, Paragraph 1 of the Japanese Companies Act, the Bank shall be able to enter into an agreement with each of the Directors (excluding executive director and others) to the effect that any liability for damages of such Director (excluding executive director and others) arising from negligence in the performance of his/her duties shall be limited; provided, however, the liability amount pursuant to such agreement shall be the amount stipulated by laws and regulations.

(Omission of resolution of Board of Directors)

Article 19. The Bank shall assume that the resolutions of Board of directors were made if the requirement of Article 370 of the Companies Act were fulfilled.

(Power of Convocation and Chairman of the Board of Directors)

Article 20. Except as otherwise required by a law or regulations the President shall convene each meeting of the Board of Directors and act as chairman of the meeting.

2. In the event that the President is prevented from executing his duties, then one of the other Directors shall convene and act in his place in the order established by the Board of Directors in advance.

(Notice of Convocation of Board of Directors)

Article 21. A notice of convocation of a meeting of the Board of Directors shall be given to each director by three (3) days prior to the scheduled date of the meeting. Provided, however, that this period can be shortened in the event of an emergency.

2. In case all directors agree, the meeting of directors shall be able to be convened without undergoing the procedures of convocation.

(Delegation of Determination of Significant Business Execution)

Article 22. The Bank may delegate to Directors all or part of determination of significant business execution (excluding matters stated in each Item of Article 399-13, Paragraph 5 of the Companies Act) via resolution of the Board of Directors.

(Operation of Board of Directors)

Article 23. In addition to laws and these Articles of Incorporation, the matters regarding operation of a meeting of the Board of Directors shall comply with the Rules of the Board of Directors which shall be determined by resolution of the Board of Directors.

(Notice of Convocation of Audit and Supervisory Committee)

Article 24. A notice of convocation of a meeting of the Audit and Supervisory Committee shall be given to each audit and supervisory committee member by three (3) days prior to the scheduled date of the meeting. Provided, however, that this period can be shortened in the event of an emergency.

2. In case all Audit and Supervisory Committee Members agree, the meeting of the Audit and Supervisory Committee shall be able to be convened without undergoing the procedures of convocation.

(Standing Audit and Supervisory Committee Members)

Article 25. The Audit and Supervisory Committee shall appoint standing audit and supervisory committee members by its resolution.

(Rules of Audit and Supervisory Committee)

Article 26. In addition to related laws and regulations or these Articles of Incorporation, the matters regarding operation of a meeting of the Audit and Supervisory Committee shall comply with the Rules of the Audit and Supervisory Committee which shall be determined by resolution of the Audit and Supervisory Committee.

(Counsellors and Advisors)

Article 27. If the Bank deems it necessary for its business, the Bank, by resolution of the Board of Directors, may appoint counsellors or advisors. Provided, however, that the term of such offices shall be one (1) year.

## CHAPTER V ACCOUNTING

(Business Term and Settlement Day)

Article 28. The business year of the Bank shall commence on April 1<sup>st</sup> of each year and end on March 31<sup>st</sup> of the following year.

(Body to Determine Dividends for Retained Earnings and Other Matters)

Article 29. Except as otherwise required by law or regulations, the Bank may determine matters stated in each Item of Article 459, Paragraph 1 of the Companies Act by a resolution of the Board of Directors.

(Base Date for Payment of Dividends for Retained Earnings)

Article 30. The base date of payment of year-end dividends shall be 31<sup>st</sup> March of every year.

2. The base date of payment of interim dividends shall be 30<sup>th</sup> September of every year.

3. In addition to the previous two paragraphs, the payment of dividends can be made by setting the base date.

(Period of Exclusion)

Article 31. In case the dividends are distributed in species, the Bank shall be relieved of the obligation of payment if full five (5) years have passed since the date of the commencement of payment thereof yet has not been received.

Supplementary Provisions

(Transitional measures for limited liability agreements with Outside Audit & Supervisory Board Members)

Article 1. Due to stipulations in Article 426, Paragraph 1 of the Companies Act, the Bank is able, through a resolution of the Board of Directors, to exempt Outside Audit & Supervisory Board Members (including those who used to be Audit & Supervisory Board Members) from liability for damages to the extent stipulated in the laws and regulations of Article 423, Paragraph 1 of the Companies Act, before the conclusion of the General Meeting of Shareholders for the year ended March 31, 2016.