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Securities identification code: 8524

May 31, 2016

To our shareholders:

Junji Ishii  
Director and President  
**North Pacific Bank, Ltd.**  
7, Odori Nishi 3-chome, Chuo-ku, Sapporo, Hokkaido, Japan

## **NOTICE OF THE 160TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 160th Ordinary General Meeting of Shareholders of North Pacific Bank, Ltd. (the "Bank"), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail or electromagnetic means.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights.

### **Meeting Details**

- 1. Date and time:** Tuesday, June 28, 2016 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** Banquet room "Hou-ou (鳳凰),"  
2nd floor, Hotel Sapporo Garden Palace  
3-1, Kita 1-jyo Nishi 6-chome, Chuo-ku, Sapporo, Hokkaido, Japan
- 3. Purposes:**  
**Items to be reported:**
  1. Business Report and Non-Consolidated Financial Statements for the 160th Term (from April 1, 2015 to March 31, 2016)
  2. Consolidated Financial Statements for the 160th Term (from April 1, 2015 to March 31, 2016) and the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board.

### **Items to be resolved:**

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Election of fourteen (14) Directors
- Proposal 3:** Election of two (2) Audit & Supervisory Board Members

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of surplus

The Bank's basic policy is to provide a comprehensive return of profits to shareholders through stable dividends taking into consideration such factors as trends in the capital adequacy ratio and performance and changes in the business environment from the perspective of ensuring sound management in view of the public nature of the banking business.

Under this policy, the year-end dividend from surplus for the fiscal year ended March 2016 is proposed as follows, according to the Bank's performance-linked dividend system and taking into account the Bank's having secured adequate income due to the decrease in credit cost and an increase in gain related to securities amid a decrease in income on loans and bills discounted due to falling market interest rates.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof to shareholders

7.5 yen per common share of the Bank

Total amount of dividends: 2,991,582,300 yen

(3) Effective date of distribution of dividends of surplus

Common share of the Bank: June 29, 2016

As a result, the annual dividend for the fiscal year ended March 31, 2016 will increase by 5.5 yen from the previous fiscal year to 12.5 yen per common share, which includes the interim dividend of 5.0 yen per common share.

Of this year-end dividend of surplus of 7.5 yen per common share, 2.5 yen is a performance-linked dividend per the Bank's performance-linked dividend system.

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(Reference) The Bank's performance-linked dividend system

Ordinary dividend:

We intend to pay 10 yen per common share in order to be able to pay stable dividends.

Performance-linked dividend system:

For the part related to performance, when the profit attributable to shareholders of parent for the entire fiscal year is more than 15 billion yen, we intend to aim for a payment of 30% of the amount over 15 billion yen.

**Proposal 2: Election of fourteen (14) Directors**

The term of office for the current thirteen (13) Directors will expire at the conclusion of the 160th Ordinary General Meeting of Shareholders. Also, on March 31, 2016, Hidehiko Oomi stepped down from being a Director due to his resignation. Accordingly, the Bank proposes that fourteen (14) Directors be elected.

The candidates for Directors are as follows:

No.	Ryuzo Yokouchi (date of birth: July 7, 1944) [Reelection]	
1	Number of the Bank's shares owned 103,000	<p>[Career summary and position]</p> <p>April 1967      Joined Bank of Japan.</p> <p>December 1994      Director-General, Information System Services Department, Bank of Japan</p> <p>March 1996      Director-General, Personnel Department, Bank of Japan</p> <p>October 2000      Registered as a Lawyer, Daiichi Tokyo Bar Association. Joined Tanabe &amp; Partners.</p> <p>June 2003      Corporate Auditor (External), Sapporo Hokuyo Holdings, Inc. (currently the Bank)</p> <p>October 2004      Deputy President and Executive Officer, the Bank</p> <p>June 2005      Director and Deputy President, Sapporo Hokuyo Holdings, Inc.</p> <p>June 2005      Director and Deputy President, the Bank</p> <p>June 2006      Director and President, Sapporo Hokuyo Holdings, Inc.</p> <p>June 2006      Director and President, the Bank</p> <p>April 2012      Director and Chairman, Sapporo Hokuyo Holdings, Inc.</p> <p>April 2012      Director and Chairman, the Bank (present position)</p> <p>[Reason for selection as Director nominee]</p> <p>At Bank of Japan, he held successive posts of responsibility such as Director-General of the Information System Services Department and Director-General of the Personnel Department so not only does he have broad knowledge and experience regarding the banking industry and banking operation, as a lawyer he also has specialized knowledge of the legal field. He worked as Director and President of the Bank from June 2006 and has been Director and Chairman since April 2012. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>

No.	Junji Ishii (date of birth: May 25, 1951) [Reelection]	
2	Number of the Bank's shares owned 109,600	<p>[Career summary and position]</p> <p>April 1975      Joined The Hokkaido Takushoku Bank, Ltd.</p> <p>November 1998   Administrator, Business Promotion Division, the Bank</p> <p>April 1999      Manager, Planning Section II, Management Planning Division, the Bank</p> <p>May 2003      General Manager, Corporate Banking Promotion Division, the Bank</p> <p>April 2004      Branch Manager, Odori Branch, the Bank</p> <p>June 2004      Director, Sapporo Hokuyo Holdings, Inc. (currently the Bank)</p> <p>June 2004      Director and Branch Manager, Odori Branch, the Bank</p> <p>April 2005      Director and General Manager, Business Planning Division, the Bank</p> <p>April 2006      Managing Director and General Manager, Business Planning Division, the Bank</p> <p>June 2006      Managing Director, the Bank</p> <p>June 2009      Managing Director and Senior General Manager, Business Promotion Headquarters, the Bank</p> <p>June 2010      Director and Deputy President, Sapporo Hokuyo Holdings, Inc.</p> <p>June 2010      Director and Deputy President, the Bank</p> <p>April 2012      Director and President, Sapporo Hokuyo Holdings, Inc.</p> <p>April 2012      Director and President, the Bank (present position)</p> <p>June 2015      Audit &amp; Supervisory Board Member (External), Hokkaido Railway Company (present position)</p> <p>June 2015      Chairman, The Second Association of Regional Banks (present position)</p> <p>[Significant concurrent positions outside the Bank]</p> <p>Audit &amp; Supervisory Board Member (External), Hokkaido Railway Company</p> <p>[Reason for selection as Director nominee]</p> <p>Junji Ishii has successively held positions such as General Manager of the Business Planning Division, General Manager of the Risk Management and System Division, and Senior General Manager of the Business Promotion Headquarters. He has broad knowledge and experience regarding the banking operations. He worked as Director and Deputy President of the Bank from June 2010 and as President from April 2012. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>

No.	Ryu Shibata (date of birth: January 25, 1957) [Reelection]	
3	Number of the Bank's shares owned 92,200	<p>[Career summary and position]</p> <p>April 1981      Joined Hokuyo Sogo Bank, Ltd. (currently the Bank)</p> <p>November 1998   Administrator, Loan Administration Division I, the Bank</p> <p>June 2000      Manager, Screening Section, Loan Administration Division I, the Bank</p> <p>July 2002      General Manager, Risk Management Office, the Bank</p> <p>April 2004      General Manager, Management Planning Division, the Bank</p> <p>June 2004      Director, Sapporo Hokuyo Holdings, Inc. (currently the Bank)</p> <p>June 2004      Director and General Manager, Management Planning Division, the Bank</p> <p>April 2006      Managing Director and General Manager, Management Planning Division, the Bank</p> <p>June 2009      Managing Director, the Bank</p> <p>April 2010      Audit &amp; Supervisory Board Member (External), Nakamichi Leasing Co., Ltd. (present position)</p> <p>June 2010      Director and Deputy President, Sapporo Hokuyo Holdings, Inc.</p> <p>June 2010      Director and Deputy President, the Bank (present position)</p> <p>[Significant concurrent positions outside the Bank] Audit &amp; Supervisory Board Member (External), Nakamichi Leasing Co., Ltd.</p> <p>[Reason for selection as Director nominee] Ryu Shibata has successively held positions such as General Manager of the Risk Management Office and Management Planning Division and Managing Director in charge of the System Division. He has broad knowledge and experience regarding the banking operations. Since June 2010, he has worked as Deputy President, and Senior General Manager of Management Planning, Crisis Management Headquarters and General Manager of Planning &amp; Strategic Headquarters of the Bank. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>

No.	Fumiyo Fujii (date of birth: August 20, 1954) [Reelection]	
4	Number of the Bank's shares owned 23,000	<p>[Career summary and position]</p> <p>April 1979      Joined The Hokkaido Takushoku Bank, Ltd. November 1998   Administrator, Personnel Division, the Bank July 1999      Manager, Personnel Management Section, Personnel Division, the Bank February 2001   Deputy Branch Manager, Tokyo Branch, the Bank May 2003      Branch Manager, Rumoi Branch, the Bank April 2005      Administrator, Loan Administration Division I, the Bank September 2006   General Manager (sub), Management Planning Division, the Bank June 2009      General Manager (sub), Business Promotion Division, the Bank June 2010      Executive Officer and General Manager, Business Promotion Division, the Bank June 2011      Director and Chief of Secretariat, Sapporo Hokuyo Holdings, Inc. (currently the Bank) June 2011      Director, the Bank October 2012   Director and General Manager, Management Planning Division, the Bank June 2014      Managing Director, the Bank (present position) August 2015   Corporate Auditor (Outside), TSURUHA HOLDINGS INC. (present position)</p> <p>[Significant concurrent positions outside the Bank] Corporate Auditor (Outside), TSURUHA HOLDINGS INC.</p> <p>[Reason for selection as Director nominee] Fumiyo Fujii has successively held positions such as General Manager of Business Promotion Division, Director responsible for the Holdings company, and General Manager of the Management Planning Division, etc. He has broad knowledge and experience regarding the banking operations. Since June 2014, he has worked as General Manager of Loan Administration Headquarters in his capacity as Managing Director. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>

No.	Toshitaka Sakoda (date of birth: April 17, 1956) [Reelection]	
5	Number of the Bank's shares owned 3,900	<p>[Career summary and position]</p> <p>April 1980      Joined Bank of Japan.</p> <p>May 1998      Accounting Manager, Secretariat of the Policy Board, Bank of Japan</p> <p>June 2002      Kochi Branch Manager, Bank of Japan</p> <p>May 2004      Associate Director-General, Personnel Department, Bank of Japan</p> <p>July 2004      Associate Director-General, Personnel and Corporate Affairs Department, Bank of Japan</p> <p>January 2006   Hiroshima Branch Manager, Bank of Japan</p> <p>July 2008      Deputy Director-General, Financial System and Bank Examination Department, Bank of Japan</p> <p>May 2011      Director-General, Secretariat of the Policy Board, Bank of Japan</p> <p>June 2013      Managing Executive Officer, the Bank</p> <p>June 2014      Managing Executive Officer and General Manager, International Division, the Bank</p> <p>June 2015      Managing Director, the Bank (present position)</p> <p>[Reason for selection as Director nominee] Toshitaka Sakoda has successively held positions such as Deputy Director-General of the Financial System and Bank Examination Department and Director-General of the St Bank of Japan. He has broad knowledge and experience regarding the banking industry and banking operations. Since June 2015, he has worked as Managing Director of the Bank being responsible for the Legal Compliance Division and Risk Management Division. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>

No.	Iwao Takeuchi (date of birth; April 5, 1958) [New election]	
6	Number of the Bank's shares owned 10,800	<p>[Career summary and position]</p> <p>April 1981      Joined Hokuyo Sogo Bank, Ltd. (currently the Bank)</p> <p>July 2000      Branch Manager, Date Branch, the Bank</p> <p>September 2002 Administrator, Sales Promotion Division, the Bank</p> <p>October 2002   Administrator, Management Planning Division, the Bank</p> <p>December 2002 Administrator, Loan Administration Division I, the Bank</p> <p>June 2004      Manager, Chitose Airport Sub Branch, Branch Manager, Chitose-Chuo Branch, the Bank</p> <p>May 2007      General Manager in charge of liaison, Head Office, the Bank</p> <p>November 2008 General Manager, Corporate Banking Division, Head Office, the Bank</p> <p>June 2010      Branch Manager, Sapporo-eki Minami-guchi Branch, the Bank</p> <p>June 2012      Executive Officer and Branch Manager, Kushiro-Chuo Branch, the Bank</p> <p>November 2013 Executive Officer and Loan Administration Division I, the Bank</p> <p>June 2014      Managing Executive Officer, the Bank (present position)</p> <p>[Reason for selection as Director nominee]</p> <p>Iwao Takeuchi has successively held positions such as Branch Manager of the Sapporo-eki Minami-guchi Branch, the Kushiro-Chuo Branch, and Administrator of the Loan Administration Division I. He has broad knowledge and experience regarding the banking operations. Since June 2014, he has been responsible for the Management Improvement Support Office in Loan Administration Division I in his capacity as Managing Executive Officer. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>



No.	Sachio Higashihara (date of birth: March 12, 1959) [Reelection]	
7	Number of the Bank's shares owned 15,900	<p>[Career summary and position]</p> <p>April 1982      Joined Hokuyo Sogo Bank, Ltd. (currently the Bank)</p> <p>January 2006    Branch Manager, Nishisen Branch, the Bank</p> <p>October 2008    Branch Manager, Sapporo Minami Branch, the Bank</p> <p>June 2010        General Manager (sub), System Division, the Bank</p> <p>June 2011        General Manager, System Division, the Bank</p> <p>June 2012        Executive Officer and Branch Manager, Hakodate-Chuo Branch, the Bank</p> <p>June 2014        Director and General Manager, Business Strategy Division, the Bank (present position)</p> <p>[Reason for selection as Director nominee]</p> <p>Sachio Higashihara has successively held positions such as General Manager (sub) of the System Division, General Manager of the System Division, and Branch Manager of the Hakodate-Chuo Branch. He has broad knowledge and experience regarding the banking operations. Since June 2014, he has been responsible for the Business Strategy Division in his capacity as a Director. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>

No.	Minoru Nagano (date of birth: November 16, 1959) [Reelection]	
8	Number of the Bank's shares owned 12,300	<p>[Career summary and position]</p> <p>April 1982      Joined The Hokkaido Takushoku Bank, Ltd.</p> <p>November 1998      Joined the Bank</p> <p>June 2005      Manager, Planning Section, Management Planning Division, the Bank</p> <p>April 2009      Deputy General Manager, Management Planning Division, and Manager, Planning Section I, the Bank</p> <p>June 2009      General Manager, Management Planning Division, the Bank</p> <p>January 2011      General Manager, Management Planning Division, and Manager, Planning Section II, the Bank</p> <p>June 2011      Executive Officer and General Manager, Business Promotion Division, the Bank</p> <p>June 2012      Executive Officer and Branch Manager, Asahikawa-Chuo Branch, the Bank</p> <p>June 2014      Director and Branch Manager, Asahikawa-Chuo Branch, the Bank</p> <p>April 2015      Director and Head Office Manager, the Bank (present position)</p> <p>[Reason for selection as Director nominee]</p> <p>Minoru Nagano has successively held positions such as General Manager of the Management Planning Division, Business Promotion Division and Branch Manager of the Asahikawa-Chuo Branch. He has broad knowledge and experience regarding the banking operations. Since June 2014, he has worked as Head Office Manager in his capacity as a Director. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>

No.	Mitsuharu Yasuda (date of birth: October 5, 1959) [Reelection]	
9	Number of the Bank's shares owned 15,900	<p>[Career summary and position]</p> <p>April 1983      Joined Hokuyo Sogo Bank, Ltd. (currently the Bank)</p> <p>April 2004      Manager, Planning Section, Management Planning Division, the Bank</p> <p>April 2005      Branch Manager, Miyanosawa Branch, the Bank</p> <p>August 2007    Assistant General Manager, Personnel Division, the Bank (temporary transfer to Ishiya Co., Ltd.)</p> <p>April 2009      Deputy General Manager, Loan Administration Division I, the Bank</p> <p>June 2011      General Manager (sub), Loan Administration Division I and General Manager, Credit Planning Office, the Bank</p> <p>June 2013      Executive Officer and General Manager, Loan Administration Division I, the Bank</p> <p>June 2014      Director and General Manager, Management Planning Division, the Bank (present position)</p> <p>[Reason for selection as Director nominee] Mitsuharu Yasuda has successively held positions such as Branch Manager of the Miyanosawa Branch, General Manager (sub) of Loan Administration Division I and General Manager of the Credit Planning Office, and General Manager of Loan Administration Division I. He has broad knowledge and experience regarding the banking operations. Since June 2014, he has worked as General Manager of the Management Planning Division in his capacity as a Director. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>

No.	Katsunori Matsushita (date of birth: July 25, 1959) [New election]	
10	Number of the Bank's shares owned 2,100	<p>[Career summary and position]</p> <p>April 1983      Joined Hokkaido Sogo Bank, Ltd. (currently the Bank)</p> <p>April 2000      Branch Manager, Yamahana Branch, The Sapporo Bank, Ltd.</p> <p>May 2003        Branch Manager, Shizunai Branch, The Sapporo Bank, Ltd.</p> <p>June 2005        Branch Manager, Sapporo Eki-mae Branch, The Sapporo Bank, Ltd.</p> <p>January 2007    General Manager (sub), Management Headquarters, The Sapporo Bank, Ltd.</p> <p>October 2008    Manager, Planning Section II, Management Planning Division, the Bank</p> <p>May 2010        Deputy General Manager, Management Planning Division and Manager, Planning Section II, the Bank</p> <p>January 2011    Branch Manager, Sapporo Nishi Branch and Manager, Sapporo Medical University Hospital Sub Branch, the Bank</p> <p>April 2013        General Manager, Corporate Business Division, Head Office, the Bank</p> <p>June 2014        Executive Officer and Deputy Head Office Manager, the Bank (present position)</p> <p>[Reason for selection as Director nominee] Kazunori Matsushita has successively held positions such as Deputy General Manager of the Management Planning Division, Branch Manager of the Sapporo Nishi Branch, General Manager of Corporate Banking Division at the Head Office, etc. He has broad knowledge and experience regarding the banking operations. Since June 2014, he has worked as Deputy Head Office Manager in his capacity as an Executive Officer. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>

No.	Hirokimi Ito (date of birth: January 28, 1962) [New election]	
11	Number of the Bank's shares owned 5,300	<p>[Career summary and position]</p> <p>April 1984      Joined The Hokkaido Takushoku Bank, Ltd.</p> <p>November 1998      Joined the Bank</p> <p>April 2006      Administrator, Personnel Division, the Bank</p> <p>October 2006      Branch Manager, Naebo Branch, the Bank</p> <p>March 2009      Administrator, Loan Administration Division I, the Bank</p> <p>January 2011      Deputy General Manager, Personal Banking Division, the Bank</p> <p>April 2011      Deputy General Manager, Personal Banking Division and Manager, Personal Banking Section, the Bank</p> <p>October 2012      General Manager, Corporate Banking Division, Head Office, the Bank</p> <p>March 2013      General Manager, Corporate Business Division, Head Office, the Bank</p> <p>June 2014      Executive Officer and General Manager, Loan Administration Division I, the Bank (present position)</p> <p>[Reason for selection as Director nominee]</p> <p>Hirokimi Ito has successively held positions such as Administrator of Loan Administration Division I, Deputy General Manager of the Personal Banking Division, and General Manager of Corporate Business Division at the Head Office, etc. He has broad knowledge and experience regarding the banking operations. Since June 2014, he has worked as General Manager of Loan Administration Division I in his capacity as an Executive Officer. He has been appropriately fulfilling those duties and responsibilities so the Bank concluded that he can continue to contribute to the Bank's continued growth and increase in medium- to long-term corporate value and so made him a candidate for Director.</p>

No	Mikako Hayashi (date of birth: April 12, 1953) [Reelection] [Director (External)] [Independent Director]	
12	Number of the Bank's shares owned -	[Career summary and position] April 1976      Joined The Sapporo Television Broadcasting Co., Ltd. January 1985    Started business as a freelance newscaster, continuing. April 2008      Specially appointed Professor, Keio University Graduate School of System Design and Management June 2008      External Supervisor, Hokuren Agricultural Cooperative April 2011      Project Professor, Keio University Graduate School of System Design and Management (present position) January 2012    Guest Professor, Hokkaido University, Graduate School of Agriculture (present position) June 2015      Director (External), the Bank (present position)  [Reason for selection as Director nominee] Mikako Hayashi not only works as a Project Professor at Keio University Graduate School of System Design and Management with Agriculture and Regional Revitalization as a specialty and a Guest Professor at Hokkaido University, Graduate School of Agriculture, she is also active as a freelance newscaster. The Bank concluded that she can continue to use those varied experiences and specialist's knowledge and can greatly contribute to constructive discussions toward promoting the activity of women and continued growth of the Hokkaido economy which is the Bank's foundation with a point of view independent of that of the Bank's management in the Board of Directors and so made her a candidate for External Director.

No.	<p>Rieko Ubagai (date of birth; April 20, 1960)  [Reelection]  [Director (External)]  [Independent Director]</p>	
13	<p>Number of the Bank's  shares owned  200</p>	<p>[Career summary and position]  April 1996 Registered as a lawyer, opened Ubagai Law Office.  November 1999 Member, Kita Ishikari Labor Dispute Committee  (present position)  April 2002 Part-time Director, Hokkaido Housing Supply  Corporation  November 2003 Opened Hirooka &amp; Ubagai Law Office (currently  Ubagai &amp; Nakatsuji Law Office).  April 2004 Member, Management Committee, Hokkaido  University of Education  October 2004 Supervisor, Hokkaido Housing Supply Corporation  July 2007 Member, Hokkaido Prefectural Public Safety  Commission (present position)  June 2015 Director (External), the Bank (present position)</p> <p>[Reason for selection as Director nominee]  Rieko Ubagai is active in the front line as an attorney and has also held  positions of responsibility in various public bodies such as being a  member of the Management Committee at Hokkaido University of  Education and also a member of the Hokkaido Prefectural Public Safety  Commission. The Bank concluded that she can continue to use those  varied experiences and specialist's knowledge and can greatly contribute  to constructive discussions toward promoting the activity of women and  securing the continued health of management with a point of view  independent of that of the Bank's management in the Board of Directors  and so made her a candidate for External Director.</p>

No	Kazuaki Shimamoto (date of birth: October 7, 1946) [New election] [Director (External)] [Independent Director]	
14	Number of the Bank's shares owned -	<p>[Career summary and position]</p> <p>April 1978     Doctor of Medicine</p> <p>September 1996     Professor, Internal Medicine Seminar II, School of Medicine, Sapporo Medical University</p> <p>April 2000     Deputy Hospital Superintendent, Sapporo Medical University Hospital</p> <p>March 2004     Hospital Superintendent, Sapporo Medical University Hospital</p> <p>April 2010     Chairperson and President, Sapporo Medical University</p> <p>April 2016     Chancellor, Japan Health Care College (present position)</p> <p>[Reason for selection as Director nominee]</p> <p>Kazuaki Shimamoto has held successive positions of responsibility such as Hospital Superintendent of Sapporo Medical University Hospital and Chairperson and President of Sapporo Medical University and from April 2016 is working as Chancellor of Japan Health Care College. The Bank concluded that he can use his extensive experience and specialist's knowledge as an executive in the medical field and can greatly contribute to constructive discussions toward promoting continued growth of the Bank and the region with a point of view independent of that of the Bank's management in the Board of Directors and so made her a candidate for External Director.</p>

Notes:

1. There is no special interest between each of the candidates and the Bank.
2. A limited liability agreement under the provision of Article 427, paragraph 1 of the Companies Act has been concluded between Mikako Hayashi and Rieko Ubagai, and the Bank. The Bank intends to continue this agreement with Mikako Hayashi and Rieko Ubagai in the event that their reappointments are approved. Furthermore, in the event that the appointment of Kazuaki Shimamoto is approved, the Bank intends to conclude a limited liability agreement under the provision of Article 427, paragraph 1 of the Companies Act with him. A summary of the limited liability agreements is as follows.
  - In the event of damage to the Bank caused by failure to perform duties as External Directors, they will be liable to the maximum amount below so long as their duties are performed in good faith and without gross negligence.
  - The maximum amount of liability shall be whichever is the higher of 20 million yen or the amount provided for by legislation (the minimum liability provided for under Article 425, paragraph 1, of the Companies Act).
3. Matters pertaining to candidates for External Directors provided for under Article 74, paragraph 4 of the Ordinance for Enforcement of the Companies Act
  - (1) Mikako Hayashi, Rieko Ubagai, and Kazuaki Shimamoto are candidates for External Director.
  - (2) Mikako Hayashi, Rieko Ubagai, and Kazuaki Shimamoto have no previous experience of being involved in corporate management other than serving as External Director or External Audit & Supervisory Board Member. However, it is deemed that they are able to execute duties appropriately due to the reasons described above.
  - (3) With reference to the specific standards for determination that the Bank has established regarding stock exchange criteria for independence ("independence determination standards" below), Mikako Hayashi and Rieko Ubagai are independent from the executive management team. Therefore, the Bank has designated them as Independent Directors stipulated under Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange and Rule 5-2 of the Corporate Conduct Rules of the Sapporo Securities Exchange. In the event that their reappointments are approved, the Bank intends to continue this designation.

In addition, with reference to the independence determination standards, Kazuaki Shimamoto is independent from the executive management team. Therefore, in the event that his appointment is approved, the Bank intends to designate him as an Independent Director stipulated under Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange and Rule 5-2 of the Corporate Conduct Rules of the Sapporo Securities Exchange.
  - (4) The term of office of Mikako Hayashi and Rieko Ubagai as External Directors shall be one (1) year at the close of this General Meeting of Shareholders.



**Proposal 3: Election of Two (2) Audit & Supervisory Board Members**

The term of office for the Audit & Supervisory Board Members, Niichi Muto and Noriyasu Yamada will expire at the conclusion of the 160th Annual Shareholders' Meeting. Accordingly, the Bank proposes the election of two (2) Audit & Supervisory Board Members.

The Audit & Supervisory Board has given its consent to this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Makoto Nojima (date of birth; November 26, 1956) [New election] [Auditor (External)] [Independent Auditor]	
1	Number of the Bank's shares owned -	<p>[Career summary and position]</p> <p>April 1979      Joined Japanese National Railways.</p> <p>June 2007      Director and General Manager, Finance Department, Hokkaido Railway Company</p> <p>June 2010      Managing Director and General Manager, General Planning Headquarters, Hokkaido Railway Company</p> <p>May 2012      Managing Director and General Manager, Railway Business Headquarters, Hokkaido Railway Company</p> <p>June 2012      Senior Managing Director and General Manager, Railway Business Headquarters, Hokkaido Railway Company</p> <p>June 2013      Representative Director and President, Hokkaido Railway Company</p> <p>December 2014   Advisor, Sapporo Station General Development Co., Ltd. (present position)</p> <p>[Reason for selection as Audit &amp; Supervisory Board Member nominee] Makoto Nojima has had positions of responsibility in management such as being the Representative Director and President of the corporation he was originally at. Also, he has a long history of being responsible for the Finance area and has worked as a Director in charge of finance. The Bank concluded that he can use his extensive experience as a chief executive of a representative Hokkaido corporation and abundant knowledge of finance and, through highly effective audits from an objective point of view can greatly contribute to securing managerial health of the Bank and so made him a candidate for External Auditor.</p>

No.	Kimihiro Homma (date of birth: April 25, 1956) [New election] [Auditor (External)] [Independent Auditor]	
2	Number of the Bank's shares owned 1,200	<p>[Career summary and position]</p> <p>April 1979      Joined Hokkaido Electric Power Co., Ltd.</p> <p>July 2009      Director and General Manager, Secretary Office, Hokkaido Electric Power Co., Ltd.</p> <p>June 2010      Managing Director and Deputy General Manager, Business Support Division, Hokkaido Electric Power Co., Ltd.</p> <p>June 2011      Managing Director and Branch Manager, Sapporo Branch, Hokkaido Electric Power Co., Ltd.</p> <p>June 2012      Senior Corporate Auditor, Hokkaido Electric Power Co., Ltd. (present position)</p> <p>[Reason for selection as Audit &amp; Supervisory Board Member nominee] Kimihiro Homma after having had positions of responsibility in management such as being the Managing Director and Sapporo Branch Manager, from June 2012 he has been the Senior Corporate Auditor of the corporation he was originally at. The Bank concluded that he can use his extensive experience involved in the management of a representative Hokkaido corporation and abundant knowledge of audits and, through highly effective audits from an objective point of view, can greatly contribute to securing managerial health and so made him a candidate for External Auditor</p>

Notes:

1. There is no special interest between each of the candidates and the Bank.
2. If the elections of Makoto Nojima and Kimihiro Homma are approved, the Bank intends to conclude limited liability agreements with them according to the provision of Article 427, Paragraph 1 of the Companies Act. An overview of the limited liability agreements is as follows.
  - If the event of damage to the Bank caused by failure to perform duties as External Audit and Supervisory Board Members, they will be liable to the maximum amount below so long as their duties are performed in good faith and without gross negligence.
  - The maximum amount of liability shall be whichever is the higher of 10 million yen or the amount provided for by legislation (the minimum liability provided for under Article 425, paragraph 1, of the Companies Act).
3. Matters pertaining to the candidates for External Audit & Supervisory Board Member provided for under Article 76, paragraph 4 of the Ordinance for Enforcement of the Companies Act
  - (1) Makoto Nojima and Kimihiro Homma are candidates for External Audit & Supervisory Board Members.
  - (2) After the freight train derailment accident on the premises of the Onuma Station of the Hakodate Line occurred on September 19, 2013, while Makoto Nojima was Representative Director and President of Hokkaido Railway Company, it was found that a rail abnormality was left uncorrected and test data were rewritten so the company was given an Operational Improvement Order Regarding the Safety of Transport and a Supervision Order Regarding the Proper Operation and Appropriate Operation of a Business from the Minister of Land, Infrastructure and Transport based on the Railway Business Act and JR Company Law. In response to these orders, the company formulated and undertook a Plan to Workout Measures.
  - (3) Kimihiro Homma intends to step down from his position of Senior Corporate Auditor of Hokkaido Electric Power Co., Ltd. as of the conclusion of this same Company's General Meeting of Shareholders on June 28, 2016.
  - (4) Makoto Nojima and Kimihiro Homma were compared with the independence determination standards, listed later, and were found to be independent of the management group which undertakes management so if the election of both is approved, the Bank intends to designate both as Independent Auditors as specified by Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange and Rule 5-2 of the Corporate Conduct Rules of the Sapporo Securities Exchange. Also, the Bank has business transactions with each of the businesses that both candidates came from but the size of those business transactions were compared with the independence standards and are not of a nature to question the independence of both candidates.

<Reference> Independence Determination Standards

At the Bank, if none of the following conditions apply to External Directors or External Audit and Supervisory Committee Members (hereinafter both referred to as “External Officers”) for the past one (1 ) year, it is decided that the concerned External Officer has independence.

1. A person or entity to whom the Bank is a major business partner (\*1) or an Executive (an executive director, executive officer or officer or employee who executes the business of another company, etc. The same shall apply hereinafter).
2. A major trading partner (\*1) of the Bank or an Executive of such entity.
3. Consultant, accounting specialist or legal specialist who receives large amounts (\*2) of monies or other assets other than Officer Remuneration from the Bank (if the recipient of the applicable assets is a corporation or group such as an Association, refers to a person belonging to that organization).
4. A major shareholder of the Bank (\*3) or Executive
5. An entity which receives large amounts (\*2) of donations from the Bank, or Executive.
6. A closely related person (\*5) of any of the following people (limited to Important (\*4) persons)
  - (1) A person to whom any of 1-5 above, applies
  - (2) An Executive of the Bank or one of its subsidiaries
  - (3) A director who is not an Executive of the Bank or one of its subsidiaries (limited to determining the independence of External Audit and Supervisory Committee Members)

(\*1) Definition of “major trading partner:” (a partner to which any of the following apply)

- a. A partner for which transactions account for 2% or more of the Bank’s consolidated gross profit or the trading partner’s consolidated net sales of the most recent fiscal year (however, excludes regional public organizations)
- b. A partner for whom the Bank is the largest lender and it is thought that procurement from another financial institution would be difficult for the concerned partner.

(\*2) Definition of “large amount”

An annual amount averaging 10 million yen or more over the past three years

(\*3) Definition of “major shareholder”

A shareholder with voting rights of 10% or more of the Bank’s total voting rights

(\*4) Examples of “important person”

An officer or person of general manager level of a company

Regarding the accounting specialist and legal specialist in 3 above, refer to persons with the specialized qualifications of a Certified Public Accountant or Attorney at Law

(\*5) Definition of “closely related person”

A spouse or relative in the second degree