

May 13, 2020

Company name: Mebuki Financial Group, Inc.
Representative: Ritsuo Sasajima, President
(Code number : 7167 First Section,
Tokyo Stock Exchange)

Notice Regarding Introduction of Restricted Stock Remuneration Plan

Mebuki Financial Group Inc. (the "Company") hereby announces that, at the meeting of the Board of Directors held today, the Company reviewed its executive remuneration plan and resolved to introduce a restricted stock remuneration plan (the "Plan"). An item concerning the Plan will be submitted to the 4th Ordinary General Meeting of Shareholders (the "General Meeting of Shareholders") scheduled to be held on June 24, 2020.

1. Purpose and conditions of introduction of the Plan

(1) Purpose of introduction of the Plan

The Plan aims at promoting further value-sharing with Company's shareholders, and providing an additional incentive to the Directors, excluding Outside Directors and Directors who are Audit and Supervisory Committee Members, ("Eligible Directors") to achieve the sustainable enhancement of the Company's corporate value.

(2) Conditions for introduction of the Plan

To grant the restricted stock under the Plan, monetary compensation claims will be provided to the Eligible Directors. Accordingly, the introduction of the Plan is subject to approval of shareholders at the General Meeting of Shareholders for the provision of such remuneration.

At the ordinary general meeting of shareholders held on June 28, 2016, it was approved that the amount of remuneration for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members) is set at 200 million yen or less per year (however, which excludes employee salaries for Directors concurrently serving as employees) and the Company allocate stock acquisition rights granted as stock compensation-type stock options to the Directors (excluding Directors who are Audit and Supervisory Committee Members) within the above-mentioned amount. At the General Meeting of Shareholders, shareholders will be asked to approve the introduction of the Plan and the establishment of an amount of remuneration for the Plan for the Eligible Directors.

Subject to the approval of the resolution to introduce the Plan at the General Meeting of Shareholders, the current remuneration framework for the above-mentioned stock compensation-type stock options will be abolished, and future stock acquisition rights granted as stock compensation-type stock options will no longer be allocated to the Eligible Directors.

2. Outline of the Plan

Under the Plan, the Eligible Directors will make payments in kind as contributed assets using all of the monetary compensation claims provided to them by the Company and receive the issuance or disposal of the Company's common shares.

The total amount of monetary compensation claims to be provided to the Eligible Directors under the Plan is set at 20 million yen or less per year (however, which excludes employee salaries for Directors concurrently serving as employees). The specific timing and allocation of payment to each Eligible Director shall be determined by the Board of Directors.

Under the Plan, the total number of common shares newly issued or disposed of by the Company shall be 200 thousand shares or less per year (provided, however, if a share split (including an gratis allotment of common stock) or share consolidation is performed effective on or after the date when the resolution is approved by the General Meeting of Shareholders, the total number of shares shall be adjusted within a reasonable range, as necessary, according to the split or consolidation ratio, etc. on or after such effective date).

The amount to be paid in per common share shall be determined by the Board of Directors so that the amount is not particularly favorable to the Eligible Directors receiving the common shares. It shall be based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately prior to the Board of Directors' resolution of issuance or disposal of the common share (if the transaction is not completed on this business day, it will be based on the closing price of the immediately previous trading day).

In addition, upon issuance or disposal of the Company's common shares (the "Shares") under the Plan, the Company and each of the Eligible Directors receiving restricted stock remuneration based on the Plan shall enter into a restricted stock allocation agreement which provides for among other things the following two conditions:

- 1) No transfer of the Shares to a third party, no use of the Shares as collateral, nor any other disposal of the Shares for a fixed period (the "Transfer Restriction Period") will be allowed.
- 2) The Company may acquire the Shares without consideration if certain events occur.

To prevent the Shares from being transferred, used as collateral, or otherwise disposed of during the Transfer Restriction Period, the Shares will be managed in a dedicated account opened by each Eligible Director, at Nomura Securities Co., Ltd. during the Transfer Restriction Period.

Finally, the same restricted stock remuneration provided to the Eligible Directors based on the Plan is planned to be provided also to Executive Officers who are not concurrently serving as the Company's Directors, Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) of the Joyo Bank, Ltd. ("Joyo") and the Ashikaga Bank, Ltd. ("Ashikaga") which are wholly-owned subsidiaries of the Company, and Joyo's and Ashikaga's Executive Officers who are not concurrently serving as respective subsidiary's Directors, upon a resolution being approved by the Board of Directors, for the Company's common stock to be newly issued or disposed of.

With respect to the restricted stock remuneration to be provided to Executive Officers who are not concurrently serving as the Company's Directors, the total number of common shares newly issued or disposed of by the Company shall be within the above-mentioned 200 thousand shares or less per year; provided, however, if a share split (including an gratis allotment of common stock) or share consolidation is performed effective on or after the date when the resolution is approved by the General Meeting of Shareholders, the total number of shares shall be adjusted within a reasonable range, as necessary, according to the split or consolidation ratio, etc. on or after such effective date. With respect to the restricted stock remuneration to be provided to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) of Joyo and Ashikaga which are wholly-owned subsidiaries of the Company, and Joyo's and Ashikaga's Executive Officers who are not concurrently serving as respective subsidiary's Directors, the total number of common shares shall be 800 thousand shares or less per year.

End

Inquiries:

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