These documents are partial translations of the Japanese originals for reference purposes only.
In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail. The Bank assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

(Securities Code: 8382)
June 3, 2016

**To Shareholders with Voting Rights:**

Masato Miyanaga
President
The Chugoku Bank, Ltd.
1-15-20 Marunouchi, Kita-ku,
Okayama, Japan

# NOTICE OF CONVOCATION OF THE 135TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 135th Ordinary General Meeting of Shareholders of The Chugoku Bank, Ltd. (the "Bank"). The meeting will be held for the purposes as described below.

**If you are unable to attend the meeting, you can exercise your voting rights by one of the following methods. Please review the "Reference Documents for the General Meeting of Shareholders" described hereinafter and exercise your voting rights by Thursday, June 23, 2016 at 5:00 p.m. Japan time.**

1. **Date and Time:** Friday, June 24, 2016 at 10:00 a.m. Japan time

2. **Place:** 3F Auditorium, Head Office, the Bank, 1-15-20 Marunouchi, Kita-ku, Okayama, Japan

3. **Meeting Agenda:**

**Matters to be reported:**

1. The Business Report and Non-consolidated Financial Statements for the Bank's 135th Fiscal Year (from April 1, 2015 to March 31, 2016)
2. Consolidated Financial Statements for the Bank's 135th Fiscal Year (from April 1, 2015 to March 31, 2016) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board

**Proposals to be resolved:**

**Proposal No. 1:** Appropriation of Surplus
**Proposal No. 2:** Partial Amendments to the Articles of Incorporation
**Proposal No. 3:** Election of Fourteen (14) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
**Proposal No. 4:** Election of Six (6) Directors Serving as Audit and Supervisory Committee Members
**Proposal No. 5:** Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
**Proposal No. 6:** Remuneration for Directors Serving as Audit and Supervisory Committee Members
**Proposal No. 7:** Remuneration in the Form of Stock Options — Amount and Type

**Exercise of Voting Rights**

**Exercise of Voting Rights by Attending the Meeting**

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

**Exercise of Voting Rights in Writing**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by the aforementioned deadline.

**Exercise of Voting Rights via the Internet, etc.**

If voting via the Internet, etc., please confirm the "Procedures to Exercise of Voting Rights via the Internet, etc." on pages 3 to 4 (available in Japanese only), and exercise your voting rights by the aforementioned deadline.

(1) If you exercise your vote multiple times via the Internet, etc., the last vote exercised will be deemed valid.
(2) If you vote both in writing on the Voting Rights Exercise Form and the Internet, etc., the vote placed via the Internet, etc. will be deemed valid.

End

◎ When attending the meeting, please bring the enclosed Voting Rights Exercise Form and this Notice of Convocation with you to conserve resources.
◎ The venue will be extremely crowded during the time immediately before the meeting begins; please arrive early. Additionally, the reception is scheduled to begin at 9:00 a.m. Japan time.
◎ Pursuant to laws and regulations as well as Article 16 of the Articles of Incorporation of the Bank, the following items are posted on the Bank's website and are not included in this Notice of Convocation.
(1) "Matters Concerning Stock Acquisition Rights of the Bank, etc." in the Business Report
(2) "Non-Consolidated Statements of Changes in Net Assets" and "Notes to the Non-consolidated Financial Statements"
(3) "Consolidated Statements of Changes in Net Assets" and "Notes to the Consolidated Financial Statements"

Accordingly, the attached documents in this Notice of Convocation are a part of the documents audited by the Accounting Auditor and the Audit & Supervisory Board during preparation of the Audit Reports. Additionally, concerning the documents posted on the Bank's website, shareholders may request a copy to be mailed by contacting the Bank's personnel in charge of stock, Public Relations & CSR Center (Telephone: 086-223-3111 (mainboard)).
◎ Revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and Consolidated Financial Statements will be posted on the Bank's website.

| The Bank's Website | http://www.chugin.co.jp/ |
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# Reference Documents for the General Meeting of Shareholders

**Proposals and References**

**Proposal No. 1:** Appropriation of Surplus

The Bank proposes the following regarding appropriation of surplus.

1. Matters concerning year-end dividends

   The Bank's policy on dividends, in view of working to provide further profit returns to shareholders, is to have a stable annual dividend of 18 yen per share which is unaffected by business results, and to have a shareholder return ratio, the sum of dividends and purchases of treasury stock, of 35% of net income. Based on this policy, the Bank proposes the following year-end dividends for the 135th fiscal year.

   (1) Matters concerning the allotment of dividend property to shareholders and the total amount
   10 yen per share of common stock, for a total of 1,947,106,220 yen
   *As 10 yen was paid as an interim dividend, dividends to be paid for the full fiscal year amount to 20 yen, an increase of 2 yen.

   (2) Effective date of distribution of surplus
   Monday, June 27, 2016

2. Other matters concerning the appropriation of surplus

   In consideration of strengthening the Bank's management structure and future business expansion, etc., the Bank proposes the following for other matters concerning the appropriation of surplus.

   (1) Item and the amount of surplus to be increased
   General reserve 14,000,000,000 yen

   (2) Item and amount of surplus to be decreased
   Retained earnings brought forward 14,000,000,000 yen

**Proposal No. 2: Partial Amendments to the Articles of Incorporation**

**1. Reasons for Amendments**

(1) Due to "Act for Partial Revision of the Companies Act" (Act No. 90 of 2014) (hereinafter the Companies Act after revision due to the aforementioned Act is referred to as "Revised Companies Act"), which was promulgated on May 1, 2015, it has become possible to transition to a company with an Audit and Supervisory Committee as a new institutional design.
Consequently, the Bank would like to transition to a company with an Audit and Supervisory Committee from the perspective of further improving corporate governance by enhancing the supervisory functions of the Board of Directors. In accordance with this transition, it is necessary to newly establish regulations concerning the Audit and Supervisory Committee Members and Audit and Supervisory Committee, remove regulations concerning the Audit & Supervisory Board Members and Audit & Supervisory Board, and change regulations concerning Directors and the Board of Directors.

(2) With the Revised Companies Act, Article 25 of the Articles of Incorporation requires revision as it will become possible to conclude limited liability agreements with Directors who do not execute business. Furthermore, agreement from all of the Audit & Supervisory Board Members has been obtained with regard to this revision.

(3) Other matters, including the numbering of articles, require revision accordingly.

**2. Details of Amendments**

The details of the amendment are as follows.

(Amended sections are underlined.)

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| CHAPTER I GENERAL PROVISIONS | CHAPTER I GENERAL PROVISIONS |
| Article 1 – Article 3 (Omitted) | Article 1 – Article 3 (Unchanged) |
| (Organization)<br>Article 4 The Bank shall have following bodies in addition to general meeting of shareholders and Directors.<br>(1) Board of directors<br>(2) Internal auditors<br>(3) Board of internal auditors<br>(4) Independent auditor | (Organization)<br>Article 4 The Bank shall have following bodies in addition to general meeting of shareholders and Directors.<br>(1) Board of directors<br>(2) Audit and supervisory committee<br>(Removed)<br>(3) Independent auditor |
| Article 5 (Omitted) | Article 5 (Unchanged) |
| CHAPTER II SHARES | CHAPTER II SHARES |
| Article 6 – Article 12 (Omitted) | Article 6 – Article 12 (Unchanged) |
| CHAPTER III GENERAL MEETING OF SHAREHOLDERS | CHAPTER III GENERAL MEETING OF SHAREHOLDERS |
| Article 13 – Article 18 (Omitted) | Article 13 – Article 18 (Unchanged) |
| CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS | CHAPTER IV DIRECTORS, BOARD OF DIRECTORS AND AUDIT AND SUPERVISORY COMMITTEE |
| (Number of Directors)<br>Article 19 The number of directors of the Bank shall be not more than twenty (20). | (Number of Directors)<br>Article 19 The number of directors (excluding Directors Serving as Audit and Supervisory Committee Members) of the Bank shall be not more than fourteen (14).<br>2. The number of Directors Serving as Audit and Supervisory Committee Members of the Bank shall be not more than eight (8). |
| (Newly established) | |
| (Election of Directors)<br>Article 20 Directors shall be elected at general meetings of shareholders.<br>2. (Omitted)<br>3. (Omitted) | (Election of Directors)<br>Article 20 Directors shall be elected at general meetings of shareholders, categorized as Directors Serving as Audit and Supervisory Committee Members and other directors.<br>2. (Unchanged)<br>3. (Unchanged) |

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| (Term of Office)<br>Article 21 The term of office of a director 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. | (Term of Office)<br>Article 21 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. |
| (Newly established) | 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. |
| (Newly established) | 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)<br>Article 22 The Board of Directors shall appoint Representative Director by its resolution. | (Representative Directors and Directors with Special Title)<br>Article 22 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. | 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). |
| Article 23 (Omitted) | Article 23 (Unchanged) |
| (Emolument and other financial benefits for the Directors)<br>Article 24 The emolument, bonus and other financial benefits received from the Bank in consideration of execution of the duty (hereinafter referred to as "emoluments and other financial benefits") of directors shall be determined by resolution at a general meeting of shareholders. | (Emolument and other financial benefits for the Directors)<br>Article 24 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)<br>Article 25 In accordance with Article 427, Paragraph 1 of the Japanese Company Code, the Bank shall be able to enter into an agreement with each of the Outside Directors to the effect that any liability for damages of such Outside Director 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. | (Liability Limitation Agreement for Directors)<br>Article 25 In accordance with Article 427, Paragraph 1 of the Japanese Company Code, 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. |
| Article 26 – Article 27 (Omitted) | Article 26 – Article 27 (Unchanged) |

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| (Notice of Convocation of Board of Directors)<br>Article 28 A notice of convocation of a meeting of the Board of Directors shall be given to each director and internal auditor 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.<br>2. In case all directors and internal auditors agree, the meeting of directors shall be able to convened without undergoing the procedures of convocation. | (Notice of Convocation of Board of Directors)<br>Article 28 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.<br>2. In case all directors agree, the meeting of directors shall be able to convened without undergoing the procedures of convocation. |
| (Newly established) | (Delegation of Determination of Significant Business Execution)<br>Article 29 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. |
| Article 29 (Omitted) | Article 30 (Unchanged) |
| (Newly established) | (Notice of Convocation of Audit and Supervisory Committee)<br>Article 31 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 schedules date of the meeting. Provided, however, that this period can be shortened in the event of an emergency. |
| (Newly established) | 2. In case all Audit and Supervisory Committee Members agree, the meeting of the Audit and Supervisory Committee shall be able to convened without undergoing the procedures of convocation. |
| (Newly established) | (Standing Audit and Supervisory Committee Members)<br>Article 32 The Audit and Supervisory Committee shall appoint standing audit and supervisory committee members by its resolution. |
| (Newly established) | (Rules of Audit and Supervisory Committee)<br>Article 33 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 Rules of the Audit and Supervisory Committee which shall be determined by resolution of the Audit and Supervisory Committee. |
| Article 30 (Omitted) | Article 34 (Unchanged) |
| CHAPTER V AUDITORS AND BOARD OF AUDITORS<br>(Number of Auditors)<br>Article 31 The number of auditors of the Bank shall be not more than five (5). | (Removed)<br>(Removed) |
| (Election of Auditors)<br>Article 32 Auditors shall be elected at ordinary general meeting.<br>2. Auditors shall be elected by a majority of votes of the shareholders present and holding shares representing one third (1/3) or more of the number of shareholders who can exercise the voting rights. | (Removed) |

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| (Term of Office of Auditors)<br>Article 33 The term of office of auditor shall expire at the end of the ordinary general meeting of shareholders for the last settlement period ending within four (4) years after their appointment.<br>2. The term of office of an auditor appointed to fill a vacancy of auditor who resigned before his end of term shall be when the term of the other directors in office expires. | (Removed) |
| (Emolument for Auditors)<br>Article 34 The emolument of the auditors shall be determined by resolution at general meeting of shareholders. | (Removed) |
| (Liability Limitation Agreement for Outside Audit & Supervisory Board Members)<br>Article 35 In accordance with Article 427, Paragraph 1 of the Japanese Company Code, the Bank shall be able to enter into an agreement with each of the Outside Audit & Supervisory Board Members to the effect that any liability for damages of such Outside Audit & Supervisory Board Member 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. | (Removed) |
| (Standing Auditors)<br>Article 36 The Board of Auditors shall appoint standing auditors by its resolution. | (Removed) |
| (Notice of Convocation of Board of Auditors)<br>Article 37 A notice of convocation of a meeting of the Board of Auditors shall be given to each auditor and each auditor by three (3) days prior to the schedules date of the meeting. Provided, however, that this period can be shortened in the event of an emergency.<br>2. In case all Auditors agree, the meeting of directors shall be able to convened without undergoing the procedures of convocation. | (Removed) |
| (Operation of Board of Auditors)<br>Article 38 In addition to these Articles of Incorporation, the matters regarding operation of a meeting of the Board of Auditors shall comply with Rules of the Board of Auditors which shall be determined by resolution of the Board of Auditors. | (Removed) |

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| CHAPTER VI ACCOUNTING<br>Article 39 – Article 42 (Omitted)<br><br>(Newly established) | CHAPTER V ACCOUNTING<br>Article 35 – Article 38 (Unchanged)<br><br>Supplementary Provisions<br>(Transitional measures for limited liability agreements with Outside Audit & Supervisory Board Members)<br>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. |

**Proposal No. 3:** Election of Fourteen (14) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The terms of office of thirteen (13) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. In addition, on the condition that Proposal No. 2: Partial Amendments to the Articles of Incorporation is approved as proposed, the Bank will transition to a company with an Audit and Supervisory Committee. Accordingly, in order to further strengthen corporate management and supervision functions, the number of Outside Directors shall be increased by one (1) person, and the election of fourteen (14) Directors (excluding Directors serving as Audit and Supervisory Committee Members; the same applies in the rest of this Proposal) is proposed.

The resolution of this Proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal No. 2 take effect.

The candidates for Director are as follows:

<table>
<tr><th>No.</th><th>Name<br>(Date of birth)</th><th>Past experience, positions, responsibilities,<br>and significant concurrent positions</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">1</td><td>(Reappointment)<br><br>Masato Miyanaga<br>(September 12, 1954)</td><td>Apr. 1977 Joined the Bank<br>Jun. 1999 General Manager, Tanokuchi Branch<br>Oct. 2000 General Manager, Credit Administration Department<br>Jun. 2003 General Manager, Fukuyama Branch and Senior Deputy General Manager, Bingo Regional Headquarters<br>Jun. 2005 Director (Delegate General Manager, Credit Supervision Department)<br>Jun. 2006 Director (Delegate General Manager, Credit Supervision Department and Delegate General Manager, Credit Rating Center)<br>Jun. 2007 Managing Director<br>Jun. 2011 Director and President (Representative Director) (in charge of overall business, Secretariat and NEXT 10 Promotion Department) (current position)</td><td rowspan="2">18,900 shares</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Director<br>Since joining the Bank in 1977, he has gained examination and planning experience in the Credit Supervision Department, served as General Manager of the Credit Administration Department, General Manager of the Credit Supervision Department, General Manager of the Fukuyama Branch, and has also held the posts of supervisor of the Management Planning Department, Risk Management Department, Compliance Department, etc., as Managing Officer. He possesses deep knowledge from his wealth of experience in a wide range of business, in addition to a high sense of balance.<br>He has served as Director and President since 2011, when the Bank determined him to be the most fitting person as Representative, and is aptly fulfilling those duties and responsibilities.<br>The Bank nominates him as a candidate for Director with the expectation that he will use his wealth of experience and deep knowledge to lead the Bank’s business performance development.</td></tr>
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<table>
<tr><th>No.</th><th>Name<br>(Date of birth)</th><th>Past experience, positions, responsibilities,<br>and significant concurrent positions</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">2</td><td>(Reappointment)<br><br>Hiromichi Tsuboi<br>(May 18, 1953)</td><td>Apr. 1977 Joined the Bank<br>Feb. 1997 General Manager, Tama Branch<br>Oct. 1999 General Manager, Kobashi Branch<br>Oct. 2001 General Manager, Toiyacho Branch<br>Jan. 2002 General Manager, Okayama-Nishi Branch<br>Jun. 2003 General Manager, Business Promotion Department<br>Jun. 2005 Director (Delegate General Manager, Kurashiki Branch)<br>Jun. 2007 Director (Delegate General Manager, Audit & Inspection Department)<br>Jun. 2009 Managing Director<br>Jun. 2011 Senior Managing Director (Representative Director)<br>Jun. 2015 Director and Deputy President (Representative Director) (in charge of overall business, Audit & Inspection Department and Personnel Department) (current position)</td><td rowspan="2">15,900 shares</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Director<br>Since joining the Bank in 1977, he has gained experience in the Sales Department and International Department, including Overseas Branch, has served as General Manager of the Business Promotion Department, the Audit & Inspection Department, and the Kurashiki Branch, and has held the posts of supervisor of the Personnel Department, the Audit & Inspection Department, the Risk Management Department, and the Compliance Department, etc., as Managing Officer. He possesses a wealth of knowledge from his wide experience, and has a great driving force.<br>He has been serving as Senior Managing Director since 2011 and Director and Deputy President since 2015, and has been aptly fulfilling those duties and responsibilities.<br>The Bank nominates him as a candidate for Director with the expectation that he will use his wealth of experience and knowledge to lead the Bank’s business performance development.</td></tr>
<tr><td rowspan="2">3</td><td>(Reappointment)<br><br>Hajime Aoyama<br>(December 14, 1955)</td><td>Apr. 1978 Joined the Bank<br>Jun. 1999 General Manager, Mizushima Branch<br>Jun. 2001 General Manager, Management Planning Department and General Manager, Operation Development Office<br>Jul. 2002 General Manager, Management Planning Department<br>Jun. 2004 General Manager, Tokyo Branch<br>Jun. 2007 Director (Delegate General Manager, Tsuyama Branch)<br>Jun. 2009 Managing Director<br>Jun. 2015 Senior Managing Director (Representative Director) (in charge of overall business, Management Planning Department, Compliance Department and Tokyo Liaison Office) (current position)</td><td rowspan="2">12,300 shares</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Director<br>Since joining the Bank in 1978, he has gained management planning experience and accounting experience in the Management Planning Department , has served as General Manager of the Management Planning Department, the Tokyo Branch, the Tsuyama Branch, and has held the posts of supervisor of the Management Planning Department, the Risk Management Department, the Compliance Department, and the Computer System Department, etc., as Managing Officer. He possesses deep knowledge of a wide range of business from his wealth of experience, and has both a good sense of balance and first-rate planning abilities.<br>He has served as Senior Managing Director since 2015, and is aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to lead the Bank’s business performance development.</td></tr>
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<table>
<tr><th>No.</th><th>Name<br>(Date of birth)</th><th>Past experience, positions, responsibilities,<br>and significant concurrent positions</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">4</td><td>(Reappointment)<br><br>Yoshinori Yamamoto<br>(December 18, 1955)</td><td>Apr. 1978 Joined the Bank<br>Jun. 2001 General Manager, Onomichi Ekimae Branch<br>Jun. 2003 General Manager, Credit Administration Department<br>Jun. 2005 General Manager, Tsuyama Branch<br>Jun. 2007 Director (Delegate General Manager, Credit Supervision Department and Delegate General Manager, Credit Rating Center)<br>Jun. 2009 Managing Director (in charge of Credit Supervision Department, Administrative Planning Department and Treasury Administration Department) (current position)</td><td rowspan="2">12,200 shares</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Director<br>Since joining the Bank in 1978, he has gained examination experience in the Credit Supervision Department, served as General Manager of the Credit Administration Department, the Credit Supervision Department, and the Tsuyama Branch, and held the posts of supervisor of the Credit Supervision Department, the Administration Department, and Treasury Administration Department as Managing Officer. He can make appropriate credit decisions from his wealth of experience, and possesses deep knowledge in administration and risk management operations.<br>He has been serving as Managing Director since 2009, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to contribute to the Bank’s business performance development.</td></tr>
<tr><td rowspan="2">5</td><td>(Reappointment)<br><br>Hiroyuki Hanazawa<br>(May 19, 1956)</td><td>Apr. 1979 Joined the Bank<br>Feb. 1999 General Manager, Tamashima Kita Branch<br>Jun. 2001 General Manager, Funds & Securities Department<br>Jun. 2004 General Manager, Management Planning Department<br>Jun. 2005 Director (Delegate General Manager, Management Planning Department)<br>Jun. 2007 Director (Delegate General Manager, Head Office Business Department)<br>Jun. 2009 Director (Delegate General Manager, Audit & Inspection Department)<br>Jun. 2011 Managing Director (Delegate General Manager, Bingo Regional Headquarters) (current position)</td><td rowspan="2">11,900 shares</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Director<br>Since joining the Bank in 1979, he has gained operations experience in the Funds & Securities Department, has served as General Manager of the Funds and Securities Department, the Management Planning Department, the Audit & Inspection Department, and the Head Office Business Department, and held the posts of supervisor of the Funds & Securities Department and Management Planning Department as Managing Officer. He possesses deep knowledge in precise fund operations from his wealth of experience.<br>He has been serving as Managing Director since 2011, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to contribute to the Bank’s business performance development.</td></tr>
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<table>
<tr><th>No.</th><th>Name<br>(Date of birth)</th><th>Past experience, positions, responsibilities,<br>and significant concurrent positions</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">6</td><td>(Reappointment)<br><br>Yoshimasa Asama<br>(May 29, 1957)</td><td>Apr. 1981 Joined the Bank<br>Oct. 2001 General Manager, Ako Branch<br>Jun. 2004 General Manager, Funds & Securities Department<br>Jun. 2009 Director (Delegate General Manager, Funds & Securities Department)<br>Jun. 2011 Managing Director (Delegate General Manager, Bingo Regional Headquarters)<br>Feb. 2015 Managing Director (Delegate General Manager, Shikoku Regional Headquarters)<br>Jun. 2015 Managing Director (in charge of Funds & Securities Department, International Department and General Affairs Department) (current position)</td><td rowspan="2">14,400 shares</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Director<br>Since joining the Bank in 1981, he has gained operation experience in the Funds & Securities Department, served as General Manager of the Ako Branch and Funds & Securities Department, and held the posts of supervisor of the Funds & Securities Department, International Department, Business Promotion Department, and Business Planning Department as Managing Officer. He possesses deep knowledge in precise fund operations from his wealth of experience, as well as business promotion operations.<br>He has been serving as Managing Director since 2011, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to contribute to the Bank’s business performance development.</td></tr>
<tr><td rowspan="2">7</td><td>(Reappointment)<br><br>Masahiko Fukuda<br>(May 10, 1955)</td><td>Apr. 1978 Joined the Bank<br>Feb. 1997 General Manager, Fujito Branch<br>Jun. 1999 General Manager, Training and Education Office<br>Feb. 2001 General Manager, Kurashiki Ekimae Branch<br>Jun. 2003 General Manager, Hokancho Branch and General Manager, Tsushima Branch<br>Jun. 2004 General Manager, Hokancho Branch<br>Jun. 2005 General Manager, Administrative Planning Department<br>Jun. 2007 General Manager, Okayama-Nishi Branch<br>Jun. 2009 Director (Delegate General Manager, Head Office Business Department)<br>Jun. 2013 Managing Director (in charge of Business Promotion Department, Business Planning Department and Financial Business Department) (current position)</td><td rowspan="2">9,400 shares</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Director<br>Since joining the Bank in 1978, he has gained experience in personnel planning from the Personnel Department, served as General Manager of the Administrative Planning Department, the Okayama-Nishi Branch, and Head Office Business Department, and has held the posts of supervisor of the Business Promotion Department and Business Planning Department as Managing Officer. He possesses deep knowledge in business promotion operations from his wealth of experience.<br>He has been serving as Managing Director since 2013, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to contribute to the Bank’s business performance development.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name<br>(Date of birth)</th><th>Past experience, positions, responsibilities,<br>and significant concurrent positions</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">8</td><td>(Reappointment)<br><br>Sadanori Kato<br>(August 23, 1957)</td><td>Apr. 1981 Joined the Bank<br>Feb. 2003 General Manager, Kamogata Branch<br>Feb. 2005 General Manager, Konan Branch<br>Feb. 2008 Senior Deputy General Manager, Computer System Department<br>Jun. 2008 General Manager, Computer System Department<br>Jun. 2012 Commissioner (General Manager, Computer System Department)<br>Jun. 2013 Director (Delegate General Manager, Personnel Department)<br>Jun. 2015 Managing Director (in charge of Computer System Department and Risk Management Department) (current position)</td><td rowspan="2">15,757 shares</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Director<br>Since joining the Bank in 1981 he has gained experience in the Management Planning Department and Business Planning Department, has served as General Manager of the Konan Branch, the Computer System Department, and the Personnel Department, and has held the posts of supervisor of the Computer Systems Department and Risk Management Department as Managing Officer. He possesses deep knowledge of computer systems operations from his wealth of experience.<br>He has served as Managing Director since 2015, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to contribute to the Bank’s business performance development.</td></tr>
<tr><td rowspan="2">9</td><td>(Reappointment)<br><br>Hiromichi Ando<br>(February 28, 1958)</td><td>Apr. 1981 Joined the Bank<br>Feb. 2002 General Manager, Higashi Okayama Branch<br>Jan. 2004 Senior Deputy General Manager, Okayama-Minami Branch<br>Nov. 2005 Senior Supervisor, Business Support Department<br>Jun. 2006 Senior Supervisor, Business Support Department and General Manager, Public Services Department<br>Jun. 2007 General Manager, Management Planning Department<br>Jun. 2009 General Manager, Tokyo Branch<br>Jun. 2011 Director (Delegate General Manager, Personnel Department)<br>Jun. 2013 Director (Delegate General Manager, Audit & Inspection Department) (current position)</td><td rowspan="2">11,100 shares</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Director<br>Since joining the Bank in 1981, he has gained experience in the Personnel Department and held the posts of General Manager of the Management Planning Department and Personnel Department. He possesses a wealth of business experience and is familiar with overall business. The Bank nominates him as candidate for Director based on his experience as General Manager of the Audit & Inspection Department with the expectation that he will utilize his experience and knowledge to contribute to the Bank’s business performance development.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name<br>(Date of birth)</th><th>Past experience, positions, responsibilities,<br>and significant concurrent positions</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">10</td><td>(Reappointment)<br><br>Kazushi Shiwaku<br>(January 21, 1959)</td><td>Apr. 1981 Joined the Bank<br>Feb. 2002 General Manager, Tsurajima Branch<br>Jun. 2004 Senior Deputy General Manager, Fukuyama Branch<br>Feb. 2006 General Manager, Yonago Branch<br>Nov. 2008 General Manager, Kojima Branch<br>Jun. 2011 Director (Delegate General Manager, Kurashiki Branch)<br>Jun. 2013 Director (Delegate General Manager, Business Promotion Department)<br>Jun. 2015 Director (Delegate General Manager, Shikoku Regional Headquarters) (current position)</td><td rowspan="2">7,100 shares</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Director<br>Since joining the Bank in 1981, he has gained experience in the Credit Supervision Department and held the post of General Manger of the Business Promotion Department. He possesses a wealth of business experience and is familiar with overall business.<br>The Bank nominates him as candidate for Director based on his experience as General Manager of the Shikoku Regional Headquarters with the expectation that he will utilize this experience and knowledge to contribute to the Bank’s business performance development.</td></tr>
<tr><td rowspan="2">11</td><td>(Reappointment)<br><br>Tokikazu Tsurui<br>(October 25, 1959)</td><td>Apr. 1982 Joined the Bank<br>Jun. 2003 General Manager, Fukuhama Branch and General Manager, Fukutomi Branch<br>Jun. 2004 General Manager, Fukuhama Branch<br>Oct. 2005 General Manager, Bingo Regional Headquarters<br>Nov. 2005 Senior Supervisor, Bingo Regional Headquarters<br>Oct. 2007 General Manager, Akaiwa Branch<br>Jun. 2009 General Manager, Osaka Branch<br>Jun. 2011 Director (Delegate General Manager, Shikoku Regional Headquarters)<br>Jun. 2013 Director (Delegate General Manager, Tsuyama Branch)<br>Jun. 2015 Director (Delegate General Manager, Kurashiki Branch) (current position)</td><td rowspan="2">15,100 shares</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Director<br>Since joining the Bank in 1982, he has gained experience in the Management Planning Department and held the posts of General Manager of the Shikoku Regional Headquarters and Tsuyama Branch. He possesses a wealth of business experience and is familiar with overall business.<br>The Bank nominates him as candidate for Director based on his experience as General Manager of the Kurashiki Area with the expectation that he will utilize his experience and knowledge to contribute to the Bank’s business performance development.</td></tr>
</table>

| No. | Name (Date of birth) | Past experience, positions, responsibilities, and significant concurrent positions | Number of shares of the Bank held |
|---|---|---|---|
| 12 | (Reappointment)<br>Koji Terasaka<br>(October 25, 1957) | Apr. 1980 Joined the Bank<br>Feb. 2003 General Manager, Hinase Branch<br>Jun. 2005 General Manager, Fuchu Branch<br>Jun. 2009 General Manager, Credit Supervision Department and General Manager, Credit Rating Center<br>Oct. 2011 General Manager, Credit Supervision Department<br>Jun. 2012 Commissioner (General Manager, Credit Supervision Department)<br>Jun. 2013 Director (Delegate General Manager, Shikoku Regional Headquarters)<br>Feb. 2015 Director (Delegate General Manager, Head Office Business Department) (current position) | 5,776 shares |
| | Reasons for selecting the candidate for Director<br>Since joining the Bank in 1980 he has gained experience in the Credit Supervision Department and has held the posts of General Manager of the Credit Supervision Department and Shikoku Regional Headquarters. He possesses a wealth of business experience and is familiar with overall business.<br>The Bank nominates him as candidate for Director based on his experience as General Manager of the Head Office Business Department with the expectation that he will utilize his experience and knowledge to contribute to the Bank's business performance development. | | |
| 13 | (Reappointment)<br>(Outside Director)<br>Yoshio Sato<br>(February 14, 1949) | Jul. 1974 Joined Arthur Andersen & Co.<br>Jul. 1979 Resigned from Arthur Andersen & Co.<br>Aug. 1979 Joined Tomatsu Aoki Audit Firm<br>Mar. 1981 Registered as Certified Public Accountant<br>Aug. 1986 Resigned from Tomatsu Aoki Audit Firm<br>Sep. 1986 Established Yoshio Sato CPA Firm<br>Jun. 2006 Outside Audit & Supervisory Board Member<br>Jun. 2014 Outside Director (current position) | 500 shares |
| | Reasons for selecting the candidate for Outside Director<br>Through his many years of experience as a certified public accountant, he has gained a wealth of experience and a high level of knowledge and specialization in finance and accounting, in addition to being sufficiently familiar with the local economic community.<br>The Bank nominates him as candidate for Outside Director with the expectation that he will give advice that utilizes his knowledge and strengthen the viability of the decision-making functions and supervisory functions of the Board of Directors from his position of being independent from management. | | |
| 14 | (New appointment)<br>(Outside Director)<br>Akira Kodera<br>(April 23, 1947) | Apr. 1970 Joined ITOCHU Corporation<br>Jun. 2000 Executive Officer, ITOCHU Corporation<br>Apr. 2002 Managing Executive Officer, ITOCHU Corporation<br>Jun. 2004 Representative Director and Managing Executive Officer, ITOCHU Corporation<br>Jun. 2006 Resigned from ITOCHU Corporation<br>Assumed the office of Representative Director, ITOCHU ENEX CO., LTD.<br>Jun. 2012 Chairman of the Board of Directors, ITOCHU ENEX CO., LTD.<br>Mar. 2015 Resigned from ITOCHU ENEX CO., LTD. | — |
| | Reasons for selecting the candidate for Outside Director<br>He has held the posts of Representative Director and Managing Executive Officer of the ITOCHU Corporation and Representative Director, President and Chairman of ITOCHU ENEX CO., LTD., so he possesses a wealth of corporate management experience and a high level of knowledge.<br>The Bank nominates him as candidate for Outside Director with the expectation that he will give advice that utilizes his knowledge and experience as a corporate manager, and strengthen the viability of the decision-making functions and supervisory functions of the Board of Directors from his position of being independent from management. | | |

(Notes) 1. There are no special interests between the candidates and the Bank.

2. Messrs. Yoshio Sato and Akira Kodera are candidates for Outside Director. The Bank has registered Mr. Yoshio Sato at the Tokyo Stock Exchange as an Independent Director/Auditor stipulated by the aforementioned Exchange. If this Proposal is approved as proposed, the Bank plans to designate Messrs. Yoshio Sato and Akira Kodera as Independent Director/Auditor.
3. The term of office of Mr. Yoshio Sato as Outside Director will be two (2) years at the close of this General Meeting of Shareholders.
4. The Bank has concluded a liability limitation agreement with Mr. Yoshio Sato based on provisions under Article 427, Paragraph 1 of the Companies Act. If this Proposal is approved as proposed, the Bank plans to continue with the above liability limitation agreement with Mr. Yoshio Sato and conclude a liability limitation agreement with Mr. Akira Kodera based on provisions under Article 427, Paragraph 1 of the Companies Act. The liability amount for Outside Directors pursuant to such agreement shall be the minimum amount stipulated by laws and regulations.

**Proposal No. 4:** Election of Six (6) Directors Serving as Audit and Supervisory Committee Members

On the condition that Proposal No. 2: Partial Amendments to the Articles of Incorporation is approved as proposed, the Bank will transition to a company with an Audit and Supervisory Committee. In addition, the terms of office of all five (5) Audit & Supervisory Board Members will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of six (6) Directors serving as Audit and Supervisory Committee Members is proposed.

The resolution of this Proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal No. 2 take effect.

The candidates for Directors Serving as Audit and Supervisory Committee Members are as follows:

<table>
<tr><th>No.</th><th>Name<br>(Date of birth)</th><th>Past experience, positions, responsibilities,<br>and significant concurrent positions</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">1</td><td>(New appointment)<br><br>Nobuyasu Tachimori<br>(February 24, 1956)</td><td>Apr. 1979 Joined the Bank<br>Jun. 2003 General Manager, Management Planning Department<br>Jun. 2004 General Manager, Compliance & Risk Management Department<br>Jun. 2007 General Manager, Compliance Department<br>Jan. 2011 Commissioner (General Manager, Compliance Department)<br>Jun. 2011 Audit & Supervisory Board Member (full-time) (current position)</td><td rowspan="2">6,100 shares</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Director<br>Since joining the Bank in 1979 he has held the post of General Manager of the Compliance Department. He possesses a wealth of business experience and is familiar with overall business. The Bank nominates him as candidate for Director Serving as Audit and Supervisory Committee Member with the expectation that he will use his experience and knowledge to strengthen the viability of the decision-making functions and supervisory functions of the Board of Directors from his position of being independent from management.</td></tr>
<tr><td rowspan="2">2</td><td>(New appointment)<br><br>Yasuo Okazaki<br>(February 9, 1958)</td><td>Apr. 1980 Joined the Bank<br>Jul. 2002 General Manager, Tama Branch<br>Feb. 2005 General Manager, Kamogata Branch<br>Jun. 2009 General Manager, General Affairs Department<br>Jun. 2012 Audit & Supervisory Board Member (full-time) (current position)</td><td rowspan="2">5,656 shares</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Director<br>Since joining the Bank in 1980 he has held the position of General Manger of the General Affairs Department. He possesses a wealth of business experience and is familiar with overall business. The Bank nominates him as candidate for Director Serving as Audit and Supervisory Committee Member with the expectation that he will use his experience and knowledge to strengthen the viability of the decision-making functions and supervisory functions of the Board of Directors from his position of being independent from management.</td></tr>
<tr><td rowspan="2">3</td><td>(New appointment)<br>(Outside Director)<br><br>Michiyo Nishida<br>(September 27, 1941)</td><td>Apr. 1969 Judicial apprentice<br>Apr. 1971 Registered as Attorney-At-Law<br>Apr. 1971 Established Nishida Law Firm<br>1999 Chairman, Okayama Lawyers Association<br>1999 Executive Governor, Japan Federation of Bar Associations<br>Jun. 2003 Outside Audit & Supervisory Board Member, the Bank (current position)</td><td rowspan="2">10,000 shares</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Outside Director<br>Through her many years of experience as a lawyer, she has gained a wealth of experience as well as a high level of knowledge and specialization.<br>The Bank nominates her as candidate for Outside Director Serving as Audit and Supervisory Committee Member with the expectation that she will use her specialization in the law to strengthen the viability of the decision-making functions and supervisory functions of the Board of Directors from her position of being independent from management.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name<br>(Date of birth)</th><th>Past experience, positions, responsibilities,<br>and significant concurrent positions</th><th>Number of shares of the Bank held</th></tr>
<tr><td rowspan="2">4</td><td>(New appointment)<br>(Outside Director)<br><br>Hiromichi Furuya<br>(August 27, 1948)</td><td>Apr. 1971 Joined Okayama Prefectural Government<br>Apr. 2006 General Manager, Agriculture, Forestry and Fisheries Division<br>Apr. 2008 Public Corporation Manager<br>Apr. 2009 Assumed the office of Deputy Governor, Okayama Prefecture<br>Nov. 2012 Resigned from Deputy Governor, Okayama Prefecture<br>Jun. 2013 Outside Audit & Supervisory Board Member, the Bank (current position)</td><td rowspan="2">—</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Outside Director<br>He was the Deputy Governor of Okayama Prefecture, and possesses a wealth of experience and knowledge from engaging in regional politics.<br>The bank nominates him as candidate for Outside Director Serving as Audit and Supervisory Committee Member with the expectation that he will use his specialization in politics to strengthen the viability of the decision-making functions and supervisory functions of the Board of Directors from his position of being independent from management.</td></tr>
<tr><td rowspan="2">5</td><td>(New appointment)<br>(Outside Director)<br><br>Shinji Inoue<br>(April 22, 1959)</td><td>Oct. 1982 Joined Shinwa Audit Corporation<br>Dec. 1985 Resigned from Shinwa Audit Corporation<br>Mar. 1986 Registered as Certified Public Accountant<br>Mar. 1986 Established Inoue Public Accounting Firm<br>Jun. 2014 Outside Audit & Supervisory Board Member, the Bank (current position)</td><td rowspan="2">—</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Outside Director<br>Through his many years of experience as a certified public accountant, he has gained a wealth of experience, a high level of knowledge, and specialization regarding finance and accounting.<br>The Bank nominates him as candidate for Outside Director Serving as Audit and Supervisory Committee Member with the expectation that he will use his specialization in finance and accounting to strengthen the viability of the decision-making and supervisory functions of the Board of Directors from his position of being independent from management.</td></tr>
<tr><td rowspan="2">6</td><td>(New appointment)<br>(Outside Director)<br><br>Toshihide Saito<br>(July 16, 1952)</td><td>Apr. 1976 Joined Kao Soap Co., Ltd. (currently Kao Corporation)<br>Jun. 2004 Director and Executive Officer, Kao Corporation<br>Jun. 2012 Director and Managing Executive Officer, Kao Corporation<br>Mar. 2014 Resigned from Kao Corporation</td><td rowspan="2">—</td></tr>
<tr><td colspan="2">Reasons for selecting the candidate for Outside Director<br>He possesses a wealth of experience and high level of knowledge regarding corporate management from holding positions in the legal and compliance departments of Kao Corporation as a Director and Managing Executive Officer.<br>The Bank nominates him as candidate for Outside Director Serving as Audit and Supervisory Committee Member with the expectation that he will use his experience in corporate management to strengthen the viability of the decision-making functions and supervisory functions of the Board of Directors from his position of being independent from management.</td></tr>
</table>

(Notes)
1. There are no special interests between the candidates for Directors serving as Audit and Supervisory Committee Members and the Bank.
2. Ms. Michiyo Nishida and Messrs. Hiromichi Furuya, Shinji Inoue and Toshihide Saito are candidates for Outside Directors. The Bank has registered Messrs. Hiromichi Furuya and Shinji Inoue at the Tokyo Stock Exchange as Independent Director/Auditor stipulated by the aforementioned Exchange. If this Proposal is approved as proposed, the Bank plans to designate Messrs. Hiromichi Furuya, Shinji Inoue and Toshihide Saito as Independent Director/Auditor.
3. The Bank has concluded a liability limitation agreement with Ms. Michiyo Nishida and Messrs. Hiromichi Furuya and Shinji Inoue based on provisions under Article 427, Paragraph 1 of the Companies Act. If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and this Proposal is approved as proposed, the Bank plans to continue with the liability limitation agreements with Ms. Michiyo Nishida and Messrs. Hiromichi Furuya and Shinji Inoue, and conclude a liability limitation agreement with Mr. Toshihide Saito based on provisions under Article 427, Paragraph 1 of the Companies Act. The liability amount for Outside Directors pursuant to such agreement shall be the minimum amount stipulated by laws and regulations.

**Proposal No. 5:** Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

With regard to the compensation system for Director of the Bank, at the 128th Ordinary General Meeting of Shareholders held on June 24, 2009, basic fixed compensation, performance-linked monetary compensation, and stock option compensation were approved, with the limit for basic fixed compensation as 300 million yen per annum, and the limit for stock option compensation as 100 million yen per annum. This system continues to the present day, but on the condition that Proposal No. 2: Partial Amendments to the Articles of Incorporation is approved as proposed, the Bank will transition to a company with an Audit and Supervisory Committee. Consequently, in accordance with the stipulations in Article 361, Paragraph 1 and Paragraph 2 of the Companies Act, in substitution of the current stipulations regarding the monetary compensation for Directors, the Company would like to stipulate the limit for basic fixed compensation for Directors (excluding Directors Serving as Audit and Supervisory Committee Members (applies to the rest of this Proposal)) at 300 million yen per annum (of which the compensation for Outside Directors is 30 million yen per annum), upon taking into consideration the various factors of the state of the economy and the contents of performance-linked monetary compensation for Directors (excluding Outside Directors) at the Performance-linked Compensation Upper Limit Amounts in the table below, using net income for the current fiscal year as a standard.

Furthermore, the compensation system for Outside Directors will be comprised only of basic fixed compensation. With regard to the basic fixed compensation and performance-linked monetary compensation for Directors, compensation as an employee is not included for those who serve concurrently as both employees and Directors.

The current number of Directors is thirteen (13) including one (1) Outside Director. However, if Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of Fourteen (14) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)” are approved as proposed, the number of Directors will be fourteen (14) including two (2) Outside Directors.

The resolution of this Proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal No. 2 take effect, and matters such as the payment period, distribution, etc., shall be entrusted to the Board of Directors.

*Performance-linked Compensation Upper Limit Amounts

| Net income (Note) | Performance-linked Compensation Upper Limit Amounts |
|---|---|
| More than 25.0 billion yen | 90 million yen |
| More than 22.5 billion yen but not more than 25.0 billion yen | 80 million yen |
| More than 20.0 billion yen but not more than 22.5 billion yen | 70 million yen |
| More than 17.5 billion yen but not more than 20.0 billion yen | 60 million yen |
| More than 15.0 billion yen but not more than 17.5 billion yen | 50 million yen |
| More than 12.5 billion yen but not more than 15.0 billion yen | 40 million yen |
| More than 10.0 billion yen but not more than 12.5 billion yen | 30 million yen |
| More than 7.5 billion yen but not more than 10.0 billion yen | 20 million yen |
| More than 5.0 billion yen but not more than 7.5 billion yen | 10 million yen |
| Not more than 5.0 billion yen | 0 yen |

(Note) Net income for the current fiscal year is comprised only of the amount for the Bank’s non-consolidated net income.

**Proposal No. 6:** Remuneration for Directors Serving as Audit and Supervisory Committee Members

On the condition that Proposal No. 2: Partial Amendments to the Articles of Incorporation is approved as proposed, the Bank will transition to a company with an Audit and Supervisory Committee. Consequently, in accordance with Article 361, Paragraph 1 and Paragraph 2 of the Companies Act, the limit for basic fixed compensation for Directors Serving as Audit and Supervisory Committee Members shall be set at 80 million yen per annum, upon taking into consideration the various factors of the state of the economy, and the payment period and distribution, etc., for each Director Serving as Audit and Supervisory Committee Member shall be delegated to a counsel of the Directors Serving as Audit and Supervisory Committee Members.

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” and Proposal No. 4 “Election of Six (6) Directors Serving as Audit and Supervisory Committee Members” are approved as proposed, the number of Directors serving as Audit and Supervisory Committee Members will be six (6) including four (4) Outside Directors.

The resolution of this Proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal No. 2 take effect.

**Proposal No. 7:** Remuneration in the Form of Stock Options — Amount and Type

If Proposal No. 5 "Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)" is approved as proposed, the amount of remuneration of Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors; the same applies to the rest of this Proposal.) shall be comprised of basic fixed compensation and performance-linked monetary compensation, but the Bank seeks approval to provide the stock acquisition rights to Directors in the form of stock compensation-type stock options up to a maximum value of 100 million yen per annum being in addition to the Directors' remuneration described above.

The value of remuneration in stock options is calculated as the fair and reasonable price per stock acquisition right on the date on which allocation takes place, multiplied by the number of stock acquisition rights allocated.

If Proposal No. 2 "Partial Amendments to the Articles of Incorporation" and Proposal No. 3 "Election of Fourteen (14) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)" are approved as proposed, the number of Directors to which the stock compensation-type stock options in this Proposal applies would be twelve (12). Furthermore, the payment period and distribution, etc., to the Directors shall be delegated to the Board of Directors.

The reasons of the allocation of stock acquisition rights as compensation to Directors and the contents of the stock acquisition rights themselves are as follows:

1. Reason for distributing stock acquisition rights as compensation

   To raise management awareness for improving stockholder value over the mid- to long-term by providing incentive effects to Directors for raising corporate performance and sharing profits with shareholders, through further strengthening the link between the Bank's performance and its share value.

2. Contents of the stock acquisition rights

   (1) Total number of stock acquisition rights, type and number of stocks to be acquired

   The maximum number of stock acquisition rights:

   1,000 within one year.

   The type of stocks to be acquired:

   100 thousand shares of common stock shall be the maximum for a single year.

   The number of stocks to be acquired upon the exercise of one stock acquisition right (the "Number of Distributed Shares") is 100 shares. In case the above number of stocks needs to be adjusted due to merger, company split, gratis allotment, reverse stock splits, etc., the Bank may adjust the number of distributed shares.

   (2) The amount to be paid for the stock acquisition right

   The amount of payment for the stock acquisition right is calculated based on the Black-Scholes model (Note) on the stock acquisition rights allocation date. However, those who have received allotment of stock acquisition rights shall offset their remuneration claims owed by the Bank against the amount to be paid for the stock acquisition right.

   (3) The value of property to be contributed to the exercise of stock acquisition right

   The value of property to be contributed to the exercise of stock acquisition right is equal to the amount of one yen (i.e. the per share amount of payment for the stocks issued or transferred by exercising the stock acquisition right) multiplied by the Number of Distributed Shares.

   (4) Exercise period of stock acquisition right

   Within 30 years from a day after the stock acquisition right is allocated.

   (5) Main condition for the exercise of stock acquisition right

   The holder of stock acquisition right may only exercise his/her right in the period stipulated in (4) above within 10 days from the day after he/she lost his/her position as Director of the Bank.

   (6) Other details of stock acquisition right

   Other details of stock acquisition rights shall be determined by the Board of Directors, where the subscription requirements for stock acquisition rights shall be determined.

(Note) The Black-Scholes model calculates the option evaluation value with the stock price, exercise price, volatility, no-risk interest rate, and exercise period as variables, making it a calculation method that is practically established.

*Reference

Current compensation system for officers

| | | | |
|---|---|---|---|
| Directors | Basic fixed compensation (within 300 million yen per annum) | Performance-linked compensation | Remuneration in the form of stock options |
| Audit & Supervisory Board Members | Basic fixed compensation (within 80 million yen per annum) | | |

Compensation system for officers after the revision

| | | | |
|---|---|---|---|
| Directors (excluding Directors serving as Audit and Supervisory Committee Members) | Basic fixed compensation (within 300 million yen per annum) | Performance-linked compensation | Remuneration in the form of stock options |
| [of which, Outside Directors] | [Basic fixed compensation (within 30 million yen per annum)] | [ - ] | [ - ] |
| Directors serving as Audit and Supervisory Committee Members | Basic fixed compensation (within 80 million yen per annum) | | |