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(Securities Code: 8385)
June 6, 2018

To Shareholders with Voting Rights:

Iwao Otsuka
President
THE IYO BANK, LTD.
1, Minami-Horibata-cho,
Matsuyama-shi, Ehime, Japan

NOTICE OF CONVOCATION OF THE 115TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 115th Annual General Meeting of Shareholders of THE IYO 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 in writing or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and exercise your voting rights by Wednesday, June 27, 2018 at 5:30 p.m. Japan time.

- 1. Date and Time:** Thursday, June 28, 2018 at 10:00 a.m. Japan time
- 2. Place:** 4F Hall, Head Office of the Bank
1, Minami-Horibata-cho, Matsuyama-shi, Ehime
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report and Non-consolidated Financial Statements for the Bank’s 115th Fiscal Year (from April 1, 2017 to March 31, 2018)
 2. Consolidated Financial Statements for the Bank’s 115th Fiscal Year (from April 1, 2017 to March 31, 2018) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee

Proposals to be resolved:

- Proposal No. 1:** Election of Six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal No. 2:** Election of One (1) Director (Audit and Supervisory Committee Member)
- Proposal No. 3:** Determination of Amount and the Content of Stock Compensation Plan for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

4. Exercise of Voting Rights:

(1) 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 Wednesday, June 27, 2018 at 5:30 p.m. Japan time.

(2) Exercise of Voting Rights via the Internet, etc.

If exercising voting rights via the Internet, etc., please review the “Guide to Exercise of Voting Rights via the Internet, etc. (Japanese Only)” on page 56 to page 58, and exercise your voting rights by Wednesday, June 27, 2018 at 5:30 p.m. Japan time.

End

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

◎ If the venue becomes full, we will provide a second venue, etc. We appreciate your understanding.

◎ The following matters are posted on the Bank’s website (<http://www.iyobank.co.jp/>) in accordance with laws and regulations and Article 15 of the Bank’s Articles of Incorporation, and are not provided with this Notice of Convocation.

- 1) Items regarding stock acquisition rights of the Business Report
- 2) Non-consolidated Statement of Changes in Net Assets
- 3) Notes to the Non-consolidated Financial Statements
- 4) Consolidated Statement of Changes in Net Assets
- 5) Notes to the Consolidated Financial Statements

As a result, the attached documents of this Notice of Convocation are a subset of the Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements that were audited during preparation of the Accounting Auditor’s Report by the Accounting Auditor and the Auditor’s Report by the Audit and Supervisory Committee.

◎ Any revisions to the Business Report, the Non-consolidated Financial Statements, Consolidated Financial Statements, and the Reference Documents for the General Meeting of Shareholders, will be posted on the Bank’s website (<http://www.iyobank.co.jp/>)

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Election of Six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The term of office of all eight (8) Directors (excluding Directors Serving as Audit and Supervisory Committee Members; the same applies throughout this proposal) will expire at the close of this Annual General Meeting of Shareholders. Accordingly, the election of six (6) Directors is proposed, a decrease by two (2) in order to ensure prompt and efficient decision-making.

Additionally, the candidates for Directors were determined at the Board of Directors meeting after the deliberation at the “Management Deliberation Committee” composed of Representative Directors and Directors Serving as Audit and Supervisory Committee Members, and the majority of which are Outside Directors.

The candidates for Directors are as follows:

No.	Name		Current positions in the Bank
1	Iwao Otsuka	Reelection	President (Representative Director)
2	Kenji Takata	Reelection	Managing Director
3	Muneaki Todo	Reelection	Managing Director
4	Tetsuo Takeuchi	Reelection	Managing Director, CIO
5	Haruhiro Kono	Reelection	Managing Director, Manager, Branch Banking Group
6	Kenji Miyoshi	Reelection	Managing Director

Reelection: Candidate for reelected Director

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Bank held
1	<p>Iwao Otsuka (April 7, 1952)</p> <p>[Reelection]</p> <p>Term of office as Director: 11 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p>April 1976 Joined the Bank</p> <p>July 1995 Manager, Human Resources Division</p> <p>August 1998 General Manager, Gunchu Branch</p> <p>July 2000 General Manager, Kochi Branch</p> <p>June 2003 General Manager, Oita Branch</p> <p>August 2006 General Manager, Human Resources Division</p> <p>June 2007 Director, General Manager, Human Resources Division</p> <p>June 2008 Director, General Manager, Head Office, Business Department</p> <p>June 2010 Managing Director, General Manager, Branch Banking Group</p> <p>June 2011 Senior Managing Director</p> <p>June 2012 President (current position)</p> <p>[Significant concurrent positions] Chairman, Ehime Bankers Association Chairman, Ehime Industrial Promotion Foundation</p>	20,670 shares
<p>Reasons for selection as a candidate for Director: Mr. Iwao Otsuka has a wealth of experience as General Manager of sales branches, in the personnel division, the sales division, and the planning division, etc., and has deep knowledge of overall operations of the Bank. Additionally, he has executed corporate management in a precise, fair, and efficient manner as President of the Bank, and by utilizing these experiences and insights as Director, the Bank has judged that he is a person that can continue to contribute to the improvement of corporate value of the Bank over the medium to long term, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director: Mr. Iwao Otsuka is the Chairman of the Ehime Industrial Promotion Foundation, and the Bank conducts ordinary finance transactions between said foundation.</p>			
2	<p>Kenji Takata (November 15, 1955)</p> <p>[Reelection]</p> <p>Term of office as Director: 8 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p>April 1978 Joined the Bank</p> <p>February 1998 Manager, Loan Division No. 1</p> <p>July 2000 Acting General Manager, Osaka Branch</p> <p>July 2003 General Manager, Mishima Branch</p> <p>August 2006 General Manager, Oita Branch</p> <p>August 2008 General Manager, Business Planning & Promotion Division</p> <p>June 2010 Director, General Manager, Business Planning & Promotion Division</p> <p>June 2012 Director, General Manager, Head Office, Business Department</p> <p>June 2014 Managing Director</p> <p>June 2016 Managing Director, General Manager, Branch Banking Group</p> <p>April 2018 Managing Director (current position)</p> <p>[Responsibilities] Credit Unit (Credit Division, Ship Finance Division, Consumer Loan Center, Loan Management Office, Mortgage Valuation Office, Corporate Consulting Division)</p>	19,900 shares
<p>Reasons for selection as a candidate for Director: Mr. Kenji Takata has a wealth of operational experience as General Manager of sales branches and in the sales division and the credit division, etc., and is well-versed in operations of the Bank. By utilizing this wealth of experiences and insights as Director, the Bank has judged that he is a person that can continue to contribute to the improvement of corporate value of the Bank over the medium to long term, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director: There are no special interest relationships between Mr. Kenji Takata and the Bank.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Bank held
3	<p>Muneaki Todo (December 7, 1955)</p> <p>[Reelection]</p> <p>Term of office as Director: 8 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p>April 1978 Joined the Bank</p> <p>February 1999 Manager, Head Office, Business Department</p> <p>June 2003 General Manager, Kochi Branch</p> <p>August 2006 General Manager, Takamatsu Branch; Chief Representative, Takamatsu Representative Office</p> <p>August 2008 General Manager, Loan Division No. 1</p> <p>June 2010 Director, General Manager, Imabari Branch</p> <p>June 2014 Managing Director (current position)</p> <p>[Responsibilities] General Affairs Division Customer Satisfaction Enhancement Division Risk Management Division</p>	11,500 shares
<p>Reasons for selection as a candidate for Director: Mr. Muneaki Todo has a wealth of operational experience as General Manager of sales branches and in the credit division and the risk control division etc., and is well-versed in operations of the Bank. By utilizing this wealth of experiences and insights as Director, the Bank has judged that he is a person that can continue to contribute to the improvement of corporate value of the Bank over the medium to long term, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director: There are no special interest relationships between Mr. Muneaki Todo and the Bank.</p>			
4	<p>Tetsuo Takeuchi (July 18, 1957)</p> <p>[Reelection]</p> <p>Term of office as Director: 6 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p>April 1980 Joined the Bank</p> <p>August 1999 Manager, Head Office, Business Department</p> <p>August 2001 Manager, Human Resources Division</p> <p>July 2005 General Manager, Fukuoka Branch</p> <p>February 2008 Acting General Manager, Systems Development Division</p> <p>August 2009 General Manager, Systems Development Division</p> <p>June 2011 Director, General Manager, Systems Development Division</p> <p>June 2015 Managing Executive Officer, General Manager of Systems Development Division</p> <p>June 2016 Managing Director, CIO (current position)</p> <p>[Responsibilities] Human Resources Division Operation & System Unit (Operations Management Division, Systems Development Division)</p>	11,300 shares
<p>Reasons for selection as a candidate for Director: Mr. Tetsuo Takeuchi has a wealth of operational experience as General Manager of sales branches, and in the business administration division, the systems development division, and the personnel division etc., and is well-versed in operations of the Bank. Additionally, he served as Director from June 2011 to June 2015 and appropriately fulfilled his duties and responsibilities. By utilizing this wealth of experiences and insights as Director, the Bank has judged that he is a person that can continue to contribute to the improvement of corporate value of the Bank over the medium to long term, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director: 1. There are no special interest relationships between Mr. Tetsuo Takeuchi and the Bank. 2. In line with the transition to a Company with Audit and Supervisory Committee in June 2015, Mr. Tetsuo Takeuchi retired from Director and was appointed Managing Executive Officer.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Bank held
5	<p>Haruhiro Kono (October 26, 1958)</p> <p>[Reelection]</p> <p>Term of office as Director: 4 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p>April 1981 Joined the Bank</p> <p>July 2002 General Manager, Ushibuchi Branch</p> <p>July 2004 General Manager, Kure Branch</p> <p>August 2007 General Manager, Mitsuhamama Branch</p> <p>August 2009 General Manager, Okayama Branch</p> <p>June 2012 Director, General Manager, Business Planning & Promotion Division</p> <p>June 2014 Director, General Manager, Niihama Branch</p> <p>April 2015 Director, General Manager, Niihama Group; General Manager, Niihama Branch</p> <p>June 2015 Managing Executive Officer, General Manager, Niihama Group; General Manager, Niihama Branch (current position)</p> <p>June 2017 Managing Director</p> <p>April 2018 Managing Director, General Manager, Branch Banking Group (current position)</p> <p>[Responsibilities] Branch Banking Group (Corporate & Retail Banking Planning Division, Retail Banking Promotion Division, Business Promotion & Solution Division and Regional Vitalization Division)</p>	14,060 shares
<p>Reasons for selection as a candidate for Director: Mr. Haruhiro Kono has a wealth of operational experience as General Manager of sales branches and in the sales division, etc., and is well-versed in operations of the Bank. Additionally, he served as Director from June 2012 to June 2015 and appropriately fulfilled his duties and responsibilities. By utilizing this wealth of experiences and insights as Director, the Bank has judged that he is a person that can contribute to the improvement of corporate value of the Bank over the medium to long term, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director: 1. There are no special interest relationships between Mr. Haruhiro Kono and the Bank. 2. In line with the transition to a Company with Audit and Supervisory Committee in June 2015, Mr. Haruhiro Kono retired from Director and was appointed Managing Executive Officer.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Bank held
6	<p>Kenji Miyoshi (December 18, 1959)</p> <p>[Reelection]</p> <p>Term of office as Director: 1 year (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p>April 1982 Joined the Bank</p> <p>March 2004 General Manager, Tsubaki Branch</p> <p>August 2006 Acting General Manager, Hiroshima Branch</p> <p>August 2009 General Manager, Osaka Kita Branch</p> <p>August 2012 General Manager, Funds Operation & Securities Division</p> <p>June 2014 Executive Officer, General Manager, General Planning Division</p> <p>June 2015 Managing Executive Officer, General Manager, General Planning Division</p> <p>June 2016 Managing Executive Officer, Deputy General Manager, Branch Banking Group</p> <p>June 2017 Managing Director (current position)</p> <p>[Responsibilities] General Planning Division Public Relations & CSR Office Financial Market Business Unit (Funds Operation & Securities Division, Financial Market Business Office and International Division) Tokyo Representative Office</p>	10,200 shares
<p>Reasons for selection as a candidate for Director: Mr. Kenji Miyoshi has a wealth of operational experience as General Manager of sales branches, in the financial market division, the planning division, and the sales division, etc., and is well-versed in operations of the Bank. By utilizing this wealth of experiences and insights as Director, the Bank has judged that he is a person that can contribute to the improvement of corporate value of the Bank over the medium to long term, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director: There are no special interest relationships between Mr. Kenji Miyoshi and the Bank.</p>			

Proposal No. 2: Election of One (1) Director (Audit and Supervisory Committee Members)

The term of office of one (1) Director (Audit and Supervisory Committee Member) will expire at the close of this Annual General Meeting of Shareholders. Accordingly, the election of one (1) Director (Audit and Supervisory Committee Member) is proposed.

We have obtained the approval of the Audit and Supervisory Committee for this item.

The candidate for Director (Audit and Supervisory Committee Member) is as follows:

Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Bank held
<p>Junko Miyoshi (December 8, 1947)</p> <p>[Reelection] [Outside] [Independent]</p> <p>Term of office as Director (Audit and Supervisory Committee Member): 2 years (at the close of this General Meeting)</p> <p>Term of office as Outside Director: 2 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 14/14 (100%)</p> <p>Attendance at Audit and Supervisory Committee meetings: 15/15 (100%)</p>	<p>October 1986 Joined Ability Center inc. August 1987 Representative Senior Managing Director, Ability Center inc.</p> <p>October 1990 President and Representative Director, Ability Center inc. (current position)</p> <p>June 2016 Director (Audit and Supervisory Committee Member), the Bank (current position)</p> <p>June 2018 Chairman, Ability Center inc. (scheduled to be served)</p> <p>[Significant concurrent positions] Chairman, Ability Center inc. (scheduled to be served)</p>	<p>2,500 shares</p>

Reasons for selection as a candidate for Director:

Ms. Junko Miyoshi has a wealth of experience and wide insights as a founding manager in the temporary staffing industry, and the Bank expects to receive appropriate suggestions on securing legality and appropriateness regarding decision-making of business execution from the viewpoint of monitoring and supervision of management. Additionally, the Bank has judged that she will make significant contributions to the promotion, etc., of diversity including providing opportunities for women, and has selected her as a candidate for Outside Director.

Other matters of note regarding the candidate for Director:

1. There are ordinary finance transactions between the Bank and Ability Center inc., where Ms. Junko Miyoshi serves as President and Representative Director (scheduled to become Chairman in June 2018) and Miyoshi Iron Works Co., Ltd. where a spouse of Ms. Junko Miyoshi serves as Representative Director and Chairman. Additionally, although there are transactional relationships between the Group and Ability Center inc. for temporary staffing, etc., the amount of the transactions is less than 1 % of the Bank' ordinary revenue and the companies' net sales, and she satisfies the standards of independence for Outside Directors of the Bank.
2. The Bank concluded a liability limitation agreement with her based on Article 427, Paragraph 1 of the Companies Act. If Ms. Junko Miyoshi is reappointed as Director (Audit and Supervisory Committee Member), the Bank plans to continue the liability limitation agreement with her. The limit of liability for Directors (Audit and Supervisory Committee Members) under said agreement is the minimum liability amount stipulated by laws and regulations.
3. The Bank registered Ms. Junko Miyoshi as an Independent Director (Outside Director) with Tokyo Stock Exchange, Inc. If this proposal is approved and Ms. Junko Miyoshi is reappointed as Director (Audit and Supervisory Committee Member), the Bank plans to continue the registration as an Independent Director (Outside Director) with the Exchange.

Reelection: Candidate for reelected Director

Outside: Candidate for Outside Director

Independent: Candidate for Independent Director for notification to Tokyo Stock Exchange, Inc.

(Reference)

Composition of the Audit and Supervisory Committee after election (plan)

Name		Current positions in the Bank, significant concurrent positions
Takaya Iio		Director (Audit and Supervisory Committee Member) (Standing) Outside Auditor, Daiki Axis Co., Ltd.
Shiro Hirano		Director (Audit and Supervisory Committee Member) (Standing)
Kaname Saeki	Outside Independent	Director (Audit and Supervisory Committee Member) Representative Director and Chairman, IYOTETSU Group Co., Ltd. Representative Director and Chairman, Matsuyama Development Co., Ltd. President and Representative Director, Matsuyama Kanko Golf Co., Ltd. Chairman, the Matsuyama Chamber of Commerce and Industry Chairman, the Ehime Prefectural Federation of Chambers of Commerce and Industry
Takeshi Ichikawa	Outside Independent	Director (Audit and Supervisory Committee Member) President, Matsuyama Chuo Law Office
Yasunobu Yanagisawa	Outside Independent	Director (Audit and Supervisory Committee Member) President, Okayama University of Science, Kake Educational Institution
Soichiro Takahama	Outside Independent	Director (Audit and Supervisory Committee Member)
Junko Miyoshi	Outside Independent	Director (Audit and Supervisory Committee Member) Chairman, Ability Center inc.

Outside: Outside Director or candidate for Outside Director

Independent: Independent Directors for notification to Tokyo Stock Exchange, Inc.

* The term of office of Directors (Audit and Supervisory Committee Members) is two (2) years. Mr. Takaya Iio, Mr. Shiro Hirano, Mr. Kaname Saeki, Mr. Takeshi Ichikawa, Mr. Yasunobu Yanagisawa, and Mr. Soichiro Takahama were elected and assumed office at the 114th Annual General Meeting of Shareholders held in June 2017.

(Reference) Standards of Independence for Outside Directors of the Bank

In the event that none of the following items apply, the Board of Directors will judge that the Outside Director in question possesses independence. Additionally, even in the event that the following items formally apply, under the condition that an explicit explanation is made regarding the reasoning for why the person is suited as an Independent Director, judgment may be made that the Outside Director in question possesses independence.

1. A party that is a business executor (an Executive Director, Executive, Manager, or other employee of a company; an Officer, Director, or employee of another corporation or organization that executes business; or a party that executes business in a position similar to the above; the same applies hereinafter) of the Bank or a group company of the Bank (parent company, subsidiary, or affiliated company; the same applies hereinafter) or was a business executor within 10 years prior to appointment
2. A party that holds the Bank as a major transaction partner (to which (1) or (2) below apply) or a business executor thereof
 - (1) Borrowings from the Bank are highest, and, its borrower classification is debtor under caution or lower, etc., causing it to be dependent on the Bank due to lack of a substitute regarding fund procurement
 - (2) Regarding ordinary commercial transactions other than borrowings, the amount of transactions with the Bank is 2% or more of net sales (if a business executor of multiple companies, etc., then net sales of each company) of said transaction partner
3. A major transaction partner (transactions approximately in excess of 2% of ordinary revenue of the Bank) of the Bank or a business executor thereof
4. A party (attorney, certified public accountant, tax accountant, or other consultant) that receives remuneration over a certain amount other than officer remuneration (10 million yen per annum or 2% of total revenue of said organization on average over the past three fiscal years, whichever amount is higher) from the Bank, or a party affiliated with said organization
5. A business executor of an organization that receives donations over a certain amount (10 million yen per annum or 2% of total revenue of said organization on average over the past three fiscal years, whichever amount is higher) from the Bank.
6. A party to which 2 to 5 above applied within 5 years prior to appointment
7. A spouse or relative to within the second degree or a person sharing livelihood with a party to which the following applies
 - (1) An important business executor (Executive director, Executive Officer, General Manager, or a party that conducts important business similar to the above; the same applies hereinafter) of the Bank or a group company of the Bank
 - (2) Of parties to which 2 to 5 above apply, a party that can be considered an important business executor

End

Proposal No. 3: Determination of Amount and the Content of Stock Compensation, etc., for Directors
(Excluding Directors Serving as Audit and Supervisory Committee Members)

1. Reasons for the proposal and reasons justifying such compensation plan

The compensation plan for Directors of the Bank (excluding Directors Serving as Audit and Supervisory Committee Members, and the same applies hereinafter in this proposal) consists of “Basic Compensation” and “Stock Compensation-type Stock Options.” Subject to the approval and resolution of this proposal, the Bank intends to abolish the remuneration framework for “Stock Compensation-type Stock Options” and seek approval for the introduction of a new stock compensation plan (hereinafter referred to as the “Compensation Plan”) for Directors. The Bank proposes that the details of the Compensation Plan be entrusted to the Board of Directors as stated in the item 2 below.

The purpose of the Compensation Plan is to increase the awareness of Directors of contributing to enhancing the Bank’s medium- to long-term business performance and corporate value, by clarifying the link between the Directors’ compensation and the Bank’s stock value and sharing with shareholders the profits and risks involved in stock price fluctuations, and the Bank believes the Compensation Plan is appropriate.

This proposal is to provide a new stock compensation to Directors, separate from the limit of compensation for Directors approved at the 112th General Meeting of Shareholders held on June 26, 2015 (up to ¥330 million per year, provided, however, that this does not include the salaries for employees who simultaneously serve as Director and employee).

The number of Directors eligible for the Compensation Plan will be six (6) Directors, if Proposal No. 1 “Election of Six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)” is approved and resolved as originally proposed.

* The Bank intends to introduce a similar compensation plan for Executive Officers who have concluded a mandate agreement with the Bank if this proposal is approved and resolved as originally proposed.

* The current plan of “Stock Compensation-type Stock Options” will be abolished and the Bank will no longer grant new stock options if this proposal is approved and resolved as originally proposed, provided, however, that the stock acquisition rights that are granted as stock option and not exercised will continue to be effective.

2. Amount and the content of compensation, etc., under the Compensation Plan

(1) Overview of the Compensation Plan

The Compensation Plan is a stock compensation plan in which the Bank’s shares are acquired by a trust established using the amounts contributed by the Bank (hereinafter referred to as the “Trust”) and the number of the Bank’s shares corresponding to the number of the points granted by the Bank to each Director will be issued to Directors through the Trust.

Furthermore, under the Compensation Plan, the Bank’s shares will be issued to Directors who serve during a period of three (3) years from the day following the date when this General Meeting of Shareholders is held in June 2018 until the conclusion of the General Meeting of Shareholders to be held in June 2021 (hereinafter referred to as “Applicable Period”).

In principle, the Bank will issue its shares to Directors when they retire as Directors.

1. Directors eligible for the Compensation Plan	Directors (excluding Directors Serving as Audit and Supervisory Committee Members)
2. Initial trust period	Approximately three (3) years
3. Maximum amount contributed by the Bank as funds to acquire the Bank’s shares required to be issued to Directors during the initial trust period in item 2 above	¥600 million in total
4. Method to acquire the Bank’s share	Through disposal of treasury shares or by acquisition from the stock market (including after-hours trading)
5. Limit of the number of points to be granted to Directors as stated in item 1 above	120,000 points per fiscal year (as stated in ① and ② of (3) below)

6. Criteria for granting points	Granting points according to the positions, etc.
7. Timing of issuance of the Bank's share to Directors as stated in the item 1 above	At the time of retirement, in principle

(2) Maximum amount contributed by the Bank

The initial trust period of the Trust is set to three (3) years. During the trust period, the Bank will contribute a maximum of ¥600 million in total as compensation for Directors serving during the Applicable Period, as funds to acquire the Bank's shares needed for issuing the Bank's shares to Directors under the Compensation Plan, and establish the Trust with Directors who meet certain requirement as the beneficiaries. The Trust will acquire the Bank's shares through disposal of treasury shares or by acquisition from the stock market (including after-hours trading), using cash entrusted by the Bank as funds.

* The amount entrusted to the Trust by the Bank includes necessary estimated expenses such as funds to acquire the Bank's shares, trust fees and remuneration for the trust administrator.

When the trust period expires (if the trust period is extended and the Compensation Plan is continued pursuant to the following procedure, "when the extended trust period expires"), the Bank may extend the trust period (including in the event that the trust period was substantially extended by transferring trust assets of the Trust to a trust with the same purpose as the Trust established by the Bank, and the same applies hereinafter in this proposal) and continue the Compensation Plan, based on the decision of the Board of Directors. In this case, the Bank will contribute additional cash to the Trust during the extended trust period, with the amount calculated by multiplying the number of years of the extended trust period by ¥200 million as the upper limit of additional funds to acquire the Bank's shares necessary to issue the Bank's shares to Directors under the Compensation Plan. Also, in such case, the Applicable Period will be extended according to the continuation of the Compensation Plan and extension of the trust period, and the Bank will continue to grant the points stipulated in (3) below and issue the Bank's shares during the extended trust period.

Even if the Bank does not continue the Compensation Plan due to an extension of the Applicable Period as stated above, if there is any Director who have yet to retire despite the points already being granted at the expiry of the trust period, the trust period of the Trust may be extended until the Director retires and issuance of the Bank's shares is completed.

(3) Calculation method and upper limit of the Bank's share to be issued to Directors

① Method of granting the points to Directors

Under the Rules on Issuance of Shares set forth by the Board of Directors of the Bank, the Bank will grant points to each Director according to their positions, etc., on the date for granting points during the trust period prescribed in the Rules on Issuance of Shares.

However, the total number of the points to be granted by the Bank to Directors will be limited to 120,000 points per fiscal year.

② Issuance of the Bank's share corresponding to the points granted

The number of the Bank's share to be issued to Directors will correspond to the points granted as stated in ① above in accordance with the procedure stated in ③ below.

One point will be taken as one share of the Bank. However, if any share split, reverse share split, etc., or any other event for which it would be considered reasonable to adjust the number of the Bank's shares to be issued occurs with respect to the Bank's shares, then the Bank will make reasonable adjustments depending on the ratio of such share split or reverse share split, etc.

③ Issuance of the Bank's share to Directors

Issuance of the Bank's shares to each Director stated in ② above will be made from the Trust after each Director performs the established beneficiary determination procedures at the time of his/her retirement.

However, a certain portion of the Bank's shares may be sold and converted into cash within the Trust for the purpose of tax deduction at source, including withholding tax, etc., and distributed in cash instead of the Bank's shares. If the Bank's shares left within the Trust are converted into cash such as when a tender offer is accepted and settled with respect to the Bank's shares, the Bank may make a distribution in cash instead of shares.

(4) Exercise of the voting right

Pursuant to the instructions of the trust administrator who will be independent of the Bank and its Officers, the voting rights associated with the Bank's shares kept within the Trust will not be exercised without exception and which will assure the neutrality of the Bank's management in relation to exercise of the voting rights of the Bank's shares kept within the Trust

(5) Handling of dividends

Dividends on the Bank's shares kept within the Trust will be received by the Trust, and will be applied towards payment for acquisition of the Bank's shares and trust fees for the trustee associated with the Trust, etc.

(Reference)

Please refer to the "Announcement of the Introduction of a Performance-Linked Stock Compensation Plan for Directors, etc." dated May 11, 2018 for the framework of the Compensation Plan (which was posted on the Bank's website).

[The opinion of the Audit and Supervisory Committee regarding the selection of Directors and the compensation, etc., of Directors is as follows]

1. Regarding the selection of Directors

Pursuant to the Audit and Supervisory Committee Standards, the Committee deliberated on issues including the following: whether or not the determination of candidates for Director underwent appropriate procedures in line with the Bank's Corporate Governance Guidelines; and in light of the basic policy for the Bank's management and the environment surrounding the Bank, whether the Board of Directors is well balanced in terms of its knowledge, experience, and ability and whether it is constituted in a manner that achieves both diversity and appropriate size to allow for the Board of Directors to fulfill its roles and duties effectively.

As a result, the candidates for Director proposed in this Proposal have been judged to be appropriate, on the grounds that persons who have a deep expertise and a wealth of experience, and have a profound knowledge of the Bank's management philosophy and approach are nominated, and persons who can fulfill his/her roles, including improvement of the corporate value through decisions on the execution of operation, as expected by the Board of Directors are selected when looking at the Board of Directors as a whole. Thus, pursuant to the provisions of the Companies Act, there are no particular matters of note to be submitted to the General Meeting of Shareholders.

2. Regarding the compensations, etc. of Directors

Additionally, regarding the compensation, etc., for Directors, the Committee received explanations from the President at the "Management Deliberation Committee" regarding concepts and calculation methods for compensation, etc., and pursuant to the Audit and Supervisory Committee Standards, deliberated on that subject in consideration of the fairness of the calculation methods for compensation, etc. and correlation with the Bank's business results. As a result, the content of compensation, etc., for Directors for the fiscal year under review has been judged to be appropriate, and pursuant to the provisions of the Companies Act, there are no particular matters of note to be submitted to the General Meeting of Shareholders.

Also, regarding the Proposal No. 3 "Determination of Amount and the Content of Stock Compensation Plan for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)," the Committee received explanations from the President at the "Management Deliberation Committee" regarding the concepts for the remuneration policy and establishment of incentives, etc., through deliberations on four occasions, and carefully deliberated whether or not an appropriate incentive reflecting medium- to long-term business performance and potential risks and contributing to a demonstration of entrepreneurial spirit is provided; and whether or not the ratio between the Basic Compensation and Performance-linked Compensation and the ratio between the Cash Compensation and Share Compensation are appropriately established to improve the link between the Bank's performance and the interests of the shareholders. As a result, on the grounds that the standard of compensation considers the Bank's performance and is appropriate for the roles and responsibilities, and that the ratio between cash compensation and share compensation is appropriate, the content of this proposal has been judged to be appropriate, and pursuant to the provisions of the Companies Act, there are no particular matters of note to be submitted to the General Meeting of Shareholders.

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