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(Securities Code: 8358)

June 11, 2020

**To Shareholders:**

Michio Arikuni  
Director and President  
Suruga Bank Ltd.  
23 Toriyoko-cho, Numazu City,  
Shizuoka, Japan

## **NOTICE OF CONVOCAION OF THE 209TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We wish to inform you that the 209th Annual General Meeting of Shareholders of Suruga Bank Ltd. (the “Bank”) will be held as described below.

The Japanese government and prefectural governments has recently issued requests urging people to refrain from outings in order to prevent the spread of coronavirus disease (COVID-19). Under these circumstances, after careful consideration, the Bank has decided to hold this General Meeting of Shareholders while implementing appropriate measures to prevent infection.

In view of these official requests urging people to stay at home and in order to prevent the spread of infection, the Bank requests that you exercise your voting rights in advance in writing or via the Internet, etc. as much as possible and refrain from attending this General Meeting of Shareholders regardless of your health condition.

Please review the Reference Documents for the General Meeting of Shareholders below and exercise your voting rights no later than 5:00 p.m. (JST) on June 25 (Thursday), 2020.

### **[Exercise of Voting Rights in Writing]**

Please indicate your approval or disapproval for each of the proposals on the enclosed Voting Rights Exercise Form and return it so that it will reach the Bank by the aforementioned deadline.

### **[Exercise of Voting Rights via the Internet, etc.]**

Please access the Bank’s designated website for the exercise of voting rights (<https://www.e-sokai.jp>) using the “Voting Rights Exercise Code” and “Password” shown on the enclosed Voting Rights Exercise Form, follow the on-screen guidance, and enter your approval or disapproval for each of the proposals.

Please refer to the “Information on Exercising Voting Rights via the Internet, etc.” on pages 3 to 4 when voting via the Internet, etc. and exercise your voting rights by the aforementioned deadline.

**1. Date and Time:** June 26, 2020 (Friday) at 10:00 a.m. Japan Standard Time  
(Reception opens at 9:00 a.m.)

**2. Place:** Convention Hall A, 1F,  
Plaza Verde  
1-1-4 Otemachi, Numazu City, Shizuoka, Japan  
\*The venue is subject to change depending on the situation of COVID-19 and the opening time may change accordingly. Any change to the venue and other matters will be posted on the Bank’s website (<https://www.surugabank.co.jp/>).

### 3. Meeting Agenda:

- Matters to be reported:** (1) The Business Report and Consolidated Financial Statements for the Bank's 209th Fiscal Year (from April 1, 2019 to March 31, 2020) and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee  
(2) Non-consolidated Financial Statements for the Bank's 209th Fiscal Year (from April 1, 2019 to March 31, 2020)

**Proposals to be resolved:**

- Proposal No. 1:** Election of Nine (9) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)  
**Proposal No. 2:** Election of One (1) Director Who Is an Audit and Supervisory Committee Member  
**Proposal No. 3:** Determination of the Amount and the Content of Post-Retirement Delivery-type Stock Remuneration, etc. for Directors

### 4. Information on Convocation:

- (1) If you choose to exercise your voting rights in writing and do not indicate your approval or disapproval for each of the proposals on the Voting Rights Exercise Form returned to the Bank, you will be deemed to indicate approval for the proposals.
- (2) If you exercise your voting rights in writing in duplicate, the last Voting Rights Exercise Form to reach the Bank will be deemed to be valid.
- (3) If you exercise your voting rights both in writing and via the Internet, etc., your exercise via the Internet, etc. will be deemed to be valid. In addition, if you exercise your voting rights multiple times via the Internet, etc., your last exercise will be deemed to be valid.
- (4) If you intend to engage in split voting, you are required to submit a written notice to the Bank indicating your intention to engage in split voting and the reasons for the split voting at least three days prior to the General Meeting of Shareholders.

**The Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, as well as the Copy of the Accounting Auditor's Report concerning Consolidated Financial Statements and the Copy of the Accounting Auditor's Report are as stated in the "Attached Documents."**

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- ◎ Of the documents required to be appended to this Notice of Convocation, Matters relating to Subscription Rights to Shares of the Company, Consolidated Statement of Shareholders' Equity, the Notes to the Consolidated Financial Statements, Non-consolidated Statement of Shareholders' Equity and the Notes to the Non-consolidated Financial Statements are posted on the Bank's website (<https://www.surugabank.co.jp/>) (Japanese only) in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Bank, and are therefore not included in the documents attached to this Notice of Convocation.

The Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements included in the documents attached to this Notice of Convocation are part of the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements that were subject to audit by the Accounting Auditor and the Audit and Supervisory Committee for the preparation of the Audit Report.

- ◎ Any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-consolidated Financial Statements will be posted on the Bank's website (<https://www.surugabank.co.jp/>).
- ◎ Exercise of voting rights by proxy is permitted, provided that another shareholder with voting rights is designated as a proxy, in accordance with Article 18 of the Articles of Incorporation of the Bank. A shareholder may designate one proxy. To enable exercise of voting rights by proxy, a document evidencing the proxy's power of representation must be submitted.

To shareholders attending the meeting

- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.  
◎ We would appreciate it if you could bring these reference documents with you to the meeting.  
◎ Please refrain from photographing and/or recording using a camera, smartphone, feature phone, etc. Please also refrain from talking or texting on a smartphone, feature phone, etc.  
◎ Please note that we no longer hand out gifts to shareholders attending the meeting and have not done so since the 206th Annual General Meeting of Shareholders.

## **Information on Exercising Voting Rights via the Internet, etc.**

Voting rights can be exercised via the Internet by accessing the website for the exercise of voting rights designated by the Bank indicated below. You are cordially requested to exercise your voting rights by the voting deadline to facilitate the timely recording of votes.

### **Voting deadline**

**5:00 p.m. (JST) on June 25 (Thursday), 2020**

### **Website for the exercise of voting rights**

**<https://www.e-sokai.jp>**

### **About Smart Exercise**

Please scan the “QR Code for Login to the Website for the Exercise of Voting Rights by Smartphone” printed on the enclosed Voting Rights Exercise Form, and you can access the website without entering the Voting Rights Exercise Code or the Password.

\*You can exercise your voting rights by “Smart Exercise” only once.

For details, please refer to the enclosed leaflet. (in Japanese)

### **Notes**

- > The website for the exercise of voting rights is not accessible via the Internet from mobile phones except for certain mobile phone terminals (smartphones, etc.).
- > All charges required for accessing the website for the exercise of voting rights, such as service charge by the Internet service provider and communication fees charged by carriers (telephone charges, etc.), shall be borne by shareholders.
- > The Password is a means to identify the voter is the shareholder. You are requested to keep the Password safely until the closure of this General Meeting of Shareholders. Please note that we are unable to respond to any inquiries about the Voting Rights Exercise Code or the Password.

## **Procedures to Access the Website for the Exercise of Voting Rights**

### **1. Access the website for the exercise of voting rights**

Click “Proceed.”

### **2. Log in**

Enter the “Voting Rights Exercise Code” indicated at lower left on the Voting Rights Exercise Form and click “Log in.”

### **3. Enter the Password**

Enter the “Password” indicated on the Voting Rights Exercise Form and click “Proceed.”

**Then, follow the instructions on the screen and indicate your vote for or against each proposal.**

## **Inquiries regarding the Exercise of Voting Rights via the Internet**

If you have any inquiries about the exercise of voting rights via the Internet, please call the following number.

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|----------------------------|--|
| ■ Transfer agent:          | Agency Department, JAPAN SECURITIES AGENTS, LTD.                                       |
| ■ Web support direct line: | 0120-707-743 (toll-free in Japan)  |
| ■ Business hours:          | Open from 9:00 a.m. to 9:00 p.m. (including Saturdays, Sundays, and national holidays) |

For institutional investors

By applying in advance to use the Electronic Voting Platform for Institutional Investors managed by ICJ Inc., a company jointly established by the Tokyo Stock Exchange, Inc. and other entities, management trust banks and other nominee shareholders (including standing proxies) are able to use the platform as an alternative to the method for exercising the voting rights via the Internet described above.

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

#### **Proposal No. 1:** Election of Nine (9) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all the four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same applies in this Proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of nine (9) Directors is proposed, increasing the number of Directors by five (5) in order to further strengthen the management structure.

Nomination of the candidates for Director was determined by the Board of Directors based on the recommendation by the Nomination and Compensation Committee, an optional committee (chaired by an Independent Outside Director and with Independent Outside Directors constituting a majority of the members). The Audit and Supervisory Committee examined this proposal but there are no special matters on which the committee should state its opinions at the General Meeting of Shareholders in accordance with the provision of the Companies Act.

The candidates for Director are as follows:

No.	Name	Positions and responsibilities at the Bank	Candidate attributes	Attendance at the Board of Directors' meetings
1	Michio Arikuni	Representative Director and President Responsible for Corporate Administration Division, Business Administration Division, Compliance Department, and Systems Department	Reappointment	31/31 (100%)
2	Kosuke Saga	Representative Director and Vice President Responsible for General Management Planning Headquarters and Sales Division	Reappointment	24/24 (100%)
3	Kosuke Kato		New appointment	-
4	Tomoaki Tsutsumi	Director, Senior Executive Officer General Manager of Credit Division Responsible for Credit Division, Loan Management Division, and Market Finance Department	Reappointment	24/24 (100%)
5	Tomoki Toya	Executive Officer General Manager of Sales Division	New appointment	-
6	Yugo Minemura	-	New appointment	-
7	Hiroshi Nojima	-	New appointment Outside Director	-
8	Kiyoto Matsuda	Outside Director	Reappointment Outside Director Independent Director	23/24 (95%)
9	Yoriyuki Kusaki	-	New appointment Outside Director Independent Director	-

Note: Candidates for Director Mr. Kosuke Saga, Mr. Tomoaki Tsutsumi, and Mr. Kiyoto Matsuda were newly elected and took office as Director at the 208th Annual General Meeting of Shareholders held on June 26, 2019. Therefore, their attendance at the Board of Directors' meetings indicate the subsequent number of meetings held during the fiscal year.

## Candidates for Directors

### 1 Michio Arikuni

[Reappointment]

Date of birth: May 22, 1966

Number of shares of the Bank held: 2,000 shares

Career summary, positions, responsibilities and significant concurrent positions

- Apr. 1989 Joined the Bank
- Apr. 2002 General Manager of Numazu Central Branch
- Jul. 2007 Deputy General Manager of Personal Bank Department, Operations Division
- Apr. 2009 General Manager of Life Support Office, Operations Division
- Apr. 2011 General Manager of Compliance Department, Management Planning Division
- Jun. 2012 General Manager of Casting Department, Management Planning Division
- Jun. 2016 Director, responsible for Audit Division
- Apr. 2017 Director, responsible for Systems Division
- Apr. 2018 Director, responsible for Systems Division and Administration Division
- Jun. 2018 Director, responsible for Loan Management Division
- Sep. 2018 Representative Director and President
- Jun. 2019 Representative Director and President (current position)  
Responsible for Corporate Administration Division, Business Administration Division,  
Compliance Department, and Systems Department  
to present

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[Reasons for nomination as a candidate for Director]

As Representative Director and President, Mr. Michio Arikuni is addressing the Bank's priority management issues of restoring customer confidence in the Bank and revitalizing the Bank. He has been performing his duties with sincerity and appropriately to ensure thorough compliance, realize customer-first operation, and establish a sound organizational climate and corporate culture. Therefore, the Bank judges that Mr. Michio Arikuni will continue to make a great contribution to the Bank with a view to enhancing the Bank's corporate value, and thus nominated him as a candidate for Director.

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## 2 Kosuke Saga

[Reappointment]

Date of birth: July 2, 1964

Number of shares of the Bank held: - shares

Career summary, positions, responsibilities and significant concurrent positions

- Apr. 1987 Joined Recruit Cosmos Co., Ltd. (currently Cosmos Initia Co., Ltd.)
- Jun. 2006 Director (responsible for accounting and finance), Recruit Cosmos Co., Ltd.
- Nov. 2010 Director and Managing Executive Officer, MK Capital Management Corporation (currently IDERA Capital Management Ltd.)
- Sep. 2012 Director and Vice President, IDERA Capital Management Ltd.
- Nov. 2012 Representative Director and President, IDERA Capital Management Ltd.
- Mar. 2016 Executive Director responsible for strengthening management infrastructure, SG Holdings Co., Ltd.
- Jun. 2018 Director responsible for Corporate Planning, SG Holdings Co., Ltd.
- Jun. 2019 Director and Vice President of the Bank  
Responsible for General Management Planning Headquarters and Sales Division
- Oct. 2019 Representative Director and Vice President (current position)  
Responsible for General Management Planning Headquarters and Sales Division  
to present

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[Reasons for nomination as a candidate for Director]

As Representative Director and Vice President, Mr. Kosuke Saga is exerting leadership and has achieved substantial progress concerning the Bank's priority management issues of restoring customer confidence in the Bank and revitalizing the Bank. To thoroughly implement the Mid-term Management Plan, the Bank judges that, with his leadership and corporate management experience as well as his expertise concerning the Bank's current core business and his network of relationships, Mr. Kosuke Saga will continue to make a great contribution to the Bank with a view to enhancing the Bank's corporate value, and thus nominated him as a candidate for Director.

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## 3 Kosuke Kato

[New appointment]

Date of birth: March 15, 1966

Number of shares of the Bank held: - shares

Career summary, positions, responsibilities and significant concurrent positions

- Apr. 1989 Joined Nippon Life Insurance Company
- Mar. 1997 Joined Boston Consulting Group
- Jul. 2003 Partner of Boston Consulting Group
- Jan. 2010 Senior Partner & Managing Director of Boston Consulting Group
- Oct. 2013 Vice President of American Family Life Assurance Company of Columbus (currently, Aflac Life Insurance Japan Ltd.)
- Jan. 2016 Senior Vice President of American Family Life Assurance Company of Columbus (currently, Aflac Life Insurance Japan Ltd.)
- Aug. 2018 Chief Executive Officer of AEGON Sony Life Insurance Co., Ltd. (currently, Sony Life With Insurance Co., Ltd.)  
to present

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[Reasons for nomination as a candidate for Director]

Mr. Kosuke Kato, as a Senior Partner & Managing Director of Boston Consulting Group, provided advisory services to clients, including mega-banks, insurance companies, and major securities firms. He also has corporate management experience at Aflac Life Insurance Japan Ltd. and AEGON Sony Life Insurance Co., Ltd. With such experience and knowledge of financial services and his extensive network of relationships in the financial industry, the Bank judges that Mr. Kosuke Kato will make a great contribution to the Bank's management reform and thus nominated him as a candidate for Director.

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## 4 Tomoaki Tsutsumi

[Reappointment]

Date of birth: November 23, 1966

Number of shares of the Bank held: 3,300 shares

Career summary, positions, responsibilities and significant concurrent positions

Apr. 1990 Joined the Bank

Apr. 2010 General Manager of Integrated Risk Management Department, Management Planning Division

Apr. 2013 General Manager of Ito Branch

Apr. 2014 General Manager of Integrated Risk Department, Corporate Administration Division

Apr. 2017 Executive Officer, General Manager of Credit Department

Dec. 2018 Senior Executive Officer, General Manager of Credit Division

Jun. 2019 Director, Senior Executive Officer, General Manager of Credit Division (current position)  
Responsible for Credit Division, Loan Management Division, and Market Finance Department  
to present

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[Reasons for nomination as a candidate for Director]

Mr. Tomoaki Tsutsumi has ample expertise concerning control of credit risk, which accounts for a major part of the Bank's risks. From the viewpoint of promoting retail banking while executing appropriate risk-return control, the Bank judges that Mr. Tomoaki Tsutsumi is indispensable to the Bank, and thus nominated him as a candidate for Director.

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## 5 Tomoki Toya

[New appointment]

Date of birth: March 11, 1966

Number of shares of the Bank held: 1,000 shares

Career summary, positions, responsibilities and significant concurrent positions

Apr. 1989 Joined the Bank

Apr. 2006 General Manager of Hatano Branch

Apr. 2015 General Manager of Personal Finance Department, Customer Support Division

Jun. 2016 General Manager of Casting Department, Corporate Planning Division

Sep. 2018 Executive Officer, General Manager of Human Resources Department

Oct. 2018 Executive Officer, General Manager of Sales Division

Apr. 2019 Executive Officer, General Manager of Sales Division and General Manager of Kanagawa Community Bank

May 2020 Executive Officer, General Manager of Sales Division (current position)  
to present

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[Reasons for nomination as a candidate for Director]

Mr. Tomoki Toya, serving as General Manager of Sales Division, is well versed in field operations and has established good relationships with prefectural and local governments and with excellent local customers. The Bank judges that Mr. Tomoki Toya is indispensable to the Bank for reestablishment of the Bank's sales systems based on customer-oriented business operations, and thus nominated him as a candidate for Director.

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## 6 Yugo Minemura

[New appointment]

Date of birth: June 28, 1977

Number of shares of the Bank held: - shares

Career summary, positions, responsibilities and significant concurrent positions

- Apr. 2000 Joined The Sumitomo Bank, Limited (currently, Sumitomo Mitsui Banking Corporation)
- Feb. 2005 Joined Mizuho Securities Co., Ltd.
- Mar. 2008 Joined Morgan Stanley Japan Securities Co., Ltd.
- Aug. 2010 Joined SMBC Nikko Securities Inc.
- Mar. 2016 Joined Invesco Global Real Estate Asia Pacific, Inc.
- Jan. 2017 Executive Director of Invesco Office J-REIT, Inc.  
to present

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[Reasons for nomination as a candidate for Director]

Mr. Yugo Minemura worked at a mega-bank and major securities companies and serves as the representative of Invesco Office J-REIT, Inc. Through this experience, he has gained knowledge and a network of relationships in financial and real estate investment fields. The Bank judges that Mr. Yugo Minemura will make a great contribution to the Bank with a view to cultivating new fields corresponding to the sustainable business model the Bank aims to introduce from now on and enhancing corporate value, and thus nominated him as a candidate for Director.

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## 7 Hiroshi Nojima

[New appointment] [Outside Director]

Date of birth: January 12, 1951

Number of shares of the Bank held: - shares

Career summary, positions, responsibilities and significant concurrent positions

- Apr. 1973 Joined Nojima Denki Shokai LLC (currently, Nojima Corporation)
- Aug. 1978 Director of Nojima Denki Shokai LLC
- Jun. 2003 President & Representative Executive Officer (CEO) of Nojima Corporation
- Apr. 2006 Chairman & Representative Executive Officer (CEO) of Nojima Corporation
- Jun. 2007 Chairman, President & Representative Executive Officer (CEO) of Nojima Corporation
- Jun. 2008 President & Representative Executive Officer (CEO) of Nojima Corporation (current position)
- Apr. 2017 President & Representative Director of ITX Corp. (current position)
- Apr. 2017 Director of Nifty Corp. (current position)  
to present

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[Reasons for nomination as a candidate for Outside Director]

The Bank entered into an agreement on capital and business alliance with Nojima Corporation on May 19, 2020. Mr. Hiroshi Nojima is the President of Nojima Corporation, which is the largest shareholder of the Bank. The Bank judges that having Mr. Hiroshi Nojima as an Outside Director will further deepen the collaboration between the Bank and Nojima Corporation and contribute to the creation of new financial services utilizing digital technology pursued by the parties, and thus nominated him as a candidate for Outside Director.

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- Notes
1. The Bank entered into a basic agreement on a business alliance on May 15, 2019 and an agreement on a capital and business alliance on May 19, 2020 with Nojima Corporation where Mr. Hiroshi Nojima serves as President & Representative Executive Officer. Nojima Corporation holds shares of the Bank at a ratio of 18.52% of total voting rights. Other than the above, no special interest exists between Mr. Hiroshi Nojima and the Bank.
  2. Mr. Hiroshi Nojima is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. If the election of Mr. Hiroshi Nojima is approved and resolved as originally proposed, the Bank will enter into an agreement with him in accordance with the Articles of Incorporation of the Bank and Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.



## 8 Kiyoto Matsuda

[Reappointment] [Outside Director] [Independent Director]

Date of birth: September 6, 1952

Number of shares of the Bank held: - shares

Career summary, positions, responsibilities and significant concurrent positions

- Apr. 1975 Joined The Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.)
- Apr. 2002 Executive Officer of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
- Apr. 2004 Managing Executive Officer of Mizuho Corporate Bank, Ltd.
- Apr. 2007 Deputy President of Mizuho Securities Co., Ltd.
- Apr. 2008 Partner of Unison Capital, Inc.
- Mar. 2010 Outside Director of SANYO SHOKAI LTD.
- Jun. 2012 Director of TOPAZ CAPITAL, INC.
- Jun. 2017 Outside Director of SCSK Corporation (current position)
- Mar. 2018 Outside Director of Hotto Link Inc. (current position)
- Apr. 2018 Director and Chairman of TOPAZ CAPITAL, INC. (current position)
- Jun. 2019 Outside Director of the Bank (current position)  
to present

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### [Reasons for nomination as a candidate for Outside Director]

Mr. Kiyoto Matsuda has many years of experience in the financial sector and extensive knowledge of laws and regulations governing banks and management and administration. He also has a wealth of experience in serving as an outside director of listed companies. The Bank aims to recover customer trust and confidence in the Bank by thoroughly implementing the business reform plan. The Bank believes that Mr. Kiyoto Matsuda's specialized knowledge and experience in the management of banks will greatly contribute to strengthening of the Bank's governance system and business management system, and thus nominated him as a candidate for Outside Director.

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| Notes | <ol style="list-style-type: none"><li>1. No special interest exists between Mr. Kiyoto Matsuda and the Bank.</li><li>2. Mr. Kiyoto Matsuda is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act and satisfies the Bank's criteria for independence of outside directors. Mr. Kiyoto Matsuda is an independent director as provided for by Tokyo Stock Exchange, Inc. and the Bank has registered him as an independent director with Tokyo Stock Exchange, Inc. The Bank has a consignment agreement regarding systems, etc. with SCSK Corporation. The transaction amount during the year ended March 31, 2020 was less than 1% of the annual consolidated net sales of SCSK Corporation and less than 1% of the consolidated gross operating profit of the Bank. Mr. Kiyoto Matsuda is Director and Chairman of TOPAZ CAPITAL, INC. The Bank had a consignment agreement with the TOPAZ CAPITAL Group regarding advisory on financial services. The transaction amount during the year ended March 31, 2020 was less than 2% of the annual consolidated net sales of TOPAZ CAPITAL, INC. and less than 2% of the consolidated gross operating profit of the Bank. Therefore, these transactions do not pose any risk of affecting his independence.</li><li>3. The Bank has entered into an agreement with Mr. Kiyoto Matsuda in accordance with the Articles of Incorporation of the Bank and Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations. If the election of Mr. Kiyoto Matsuda is approved and resolved as originally proposed, the said liability limitation agreement will remain in effect.</li><li>4. Mr. Kiyoto Matsuda will have served as Outside Director of the Bank for one (1) year upon the conclusion of this Annual General Meeting of Shareholders.</li></ol> |
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## 9 Yoriyuki Kusaki

[New appointment] [Outside Director] [Independent Director]

Date of birth: March 31, 1958

Number of shares of the Bank held: - shares

Career summary, positions, responsibilities and significant concurrent positions

- Apr. 1980 Joined Daiwa Securities Co. Ltd.
- Apr. 1999 Managing Director of Corporate Institution Sales Dept. I of Daiwa Securities SB Capital Markets Co. Ltd.
- Jul. 2002 Managing Director of Corporate Institution Sales Dept. III of Daiwa Securities SMBC Co. Ltd.
- May 2004 Senior Managing Director, Head of Corporate Institution Sales of Daiwa Securities SMBC Co. Ltd.
- Apr. 2005 Senior Managing Director, Head of Corporate Institution Sales Dept. III of Daiwa Securities SMBC Co. Ltd.
- Apr. 2006 Senior Managing Director, Head of Corporate Institution Sales Dept. II and III of Daiwa Securities SMBC Co. Ltd.
- Apr. 2007 Executive Managing Director, Head of Corporate Institution Sales Dept. III and IV of Daiwa Securities SMBC Co. Ltd.
- Apr. 2008 Executive Managing Director, Head of Corporate Institution Sales of Daiwa Securities SMBC Co. Ltd.
- Apr. 2009 Senior Executive Managing Director, Head of Sales Division of Daiwa Securities Co. Ltd.
- Apr. 2012 Representative Director and Deputy President, Head of Sales Division of Daiwa Securities Co. Ltd.;  
Corporate Executive Officer, Deputy President, Deputy Head of Retail of Daiwa Securities Group Inc.
- Apr. 2016 President and Representative Director of Daiwa Institute of Research Holdings Ltd.;  
President and Representative Director of Daiwa Institute of Research Ltd.;  
President and Representative Director of Daiwa Institute of Research Business Innovation Ltd.;  
Executive Vice President in charge of Thinktanks of Daiwa Securities Group Inc.
- Apr. 2020 Adviser of Daiwa Institute of Research Holdings Ltd. (current position)  
to present

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[Reasons for nomination as a candidate for Outside Director]

Mr. Yoriyuki Kusaki has many years of experience in the securities sector. Having served as Representative Director and Deputy President of Daiwa Securities Co. Ltd., President and Representative Director of Daiwa Institute of Research Holdings Ltd., and in other key positions, he also has a wealth of managerial experiences. The Bank believes that Mr. Yoriyuki Kusaki's abundant knowledge and network of relationships cultivated through his career will greatly contribute to strengthening of the Bank's governance system and business management system, and thus nominated him as a candidate for Outside Director.

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- Notes
1. No special interest exists between Mr. Yoriyuki Kusaki and the Bank.
  2. Mr. Yoriyuki Kusaki is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act and satisfies the Bank's criteria for independence of outside directors. Mr. Yoriyuki Kusaki is an independent director as provided for by Tokyo Stock Exchange, Inc. and the Bank has registered him as an independent director with Tokyo Stock Exchange, Inc. The Bank has no transactions with Mr. Yoriyuki Kusaki.
  3. If the election of Mr. Yoriyuki Kusaki is approved and resolved as originally proposed, the Bank will enter into an agreement with him in accordance with the Articles of Incorporation of the Bank and Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.

**Proposal No. 2:** Election of One (1) Director Who Is an Audit and Supervisory Committee Member

The election of one (1) Director who is an Audit and Supervisory Committee Member is proposed in order to further enhance corporate governance by strengthening the supervisory functions of the Board of Directors and thoroughly reinforcing monitoring systems.

The Audit and Supervisory Committee has approved this proposal in advance. Nomination of the candidate for Director who is an Audit and Supervisory Committee Member was determined by the Board of Directors based on the recommendation by the Nomination and Compensation Committee, an optional committee (chaired by an Independent Outside Director and with Independent Outside Directors constituting a majority of the members).

The candidate for Director who is an Audit and Supervisory Committee Member is as follows:

Name	Positions and responsibilities at the Bank	Candidate attributes	Attendance at the Board of Directors' meetings
Yasumine Satake	-	New appointment Outside Director Independent Director	-

## Yasumine Satake

[New appointment] [Outside Director] [Independent Director]

Date of birth: December 1, 1953

Number of shares of the Bank held: - shares

Career summary, positions, responsibilities and significant concurrent positions

- Apr. 1976 Joined The Mitsubishi Bank, Ltd. (currently, MUFG Bank, Ltd.)
- Nov. 1980 Research Department of The Mitsubishi Bank, Ltd. (currently, MUFG Bank, Ltd.)
- Dec. 1984 Deputy Manager of Finance and Securities Department of The Mitsubishi Bank, Ltd. (currently, MUFG Bank, Ltd.)
- Jun. 1990 Deputy General Manager of Foreign Exchange and Finance Department of The Mitsubishi Bank, Ltd. (currently, MUFG Bank, Ltd.)
- Mar. 1993 Assistant Branch Manager of Singapore Branch of The Mitsubishi Bank, Ltd. (currently, MUFG Bank, Ltd.)
- Jul. 1997 Chief of Planning Division of Tokyo Mitsubishi Asset Management Co., Ltd. (currently, Mitsubishi UFJ Kokusai Asset Management Co., Ltd.)
- Jul. 2000 Chief of Asset Management Planning Division of The Bank of Tokyo-Mitsubishi, Ltd. (currently, MUFG Bank, Ltd.)
- Jul. 2002 Chief of Investment Banking and Asset Management Planning Department of The Bank of Tokyo-Mitsubishi, Ltd. (currently, MUFG Bank, Ltd.)
- Jul. 2004 Representative Director and President of Mitsubishi Tokyo Wealth Management Securities, Ltd.
- Aug. 2008 Chairman of The Tokyo Star Bank, Limited
- Jun. 2015 Outside Director of SBI Holdings, Inc.
- Jul. 2017 External Auditor of SBI Sumishin Net Bank, Ltd.  
to present

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### [Reasons for nomination as a candidate for Outside Director]

Mr. Yasumine Satake has a wealth of managerial experience. At The Tokyo Star Bank, Limited, he served as Chairman, Chair of the Audit Committee, and as a member of the Nomination Committee and of the Compensation Committee. He served as Outside Director of SBI Holdings, Inc. and External Auditor of SBI Sumishin Net Bank, Ltd. The Bank judges that having Mr. Yasumine Satake who has experience in bank management involved in the Bank as an Outside Director will contribute to strengthening the supervisory functions from a more multifaceted perspective, and thus nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.

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- Notes
1. No special interest exists between Mr. Yasumine Satake and the Bank.
  2. Mr. Yasumine Satake is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act and satisfies the Bank's criteria for independence of outside directors. Mr. Yasumine Satake is an independent director as provided for by Tokyo Stock Exchange, Inc. and the Bank has registered him as an independent director with Tokyo Stock Exchange, Inc. The Bank has no transactions with Mr. Yasumine Satake.
  3. If the election of Mr. Yasumine Satake is approved and resolved as originally proposed, the Bank will enter into an agreement with him in accordance with the Articles of Incorporation of the Bank and Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.

**Proposal No. 3:** Determination of the Amount and the Content of Post-Retirement Delivery-type Stock Remuneration, etc. for Directors

1. Reasons for the proposal and grounds for considering the said remuneration to be reasonable

Remuneration of the Bank's Directors (excluding Outside Directors, Directors who are Audit and Supervisory Committee Members, and non-residents of Japan; hereinafter the same applies in this proposal.) consists of "basic remuneration," "bonuses" and "directors' retirement benefits." It is proposed that a post-retirement delivery-type stock remuneration plan (hereinafter referred to as the "Plan") be introduced for the Bank's Directors to replace directors' retirement benefits. Under the Plan, shares of common stock of the Bank shall be delivered to the Bank's Directors according to their titles, positions, etc., the degree of achievement of performance targets, and other factors.

Provided that this proposal is approved and resolved, the directors' retirement benefit plan shall be abolished and no new provision shall be made for directors' retirement benefits. Regarding unappropriated past provision for directors' retirement benefits applicable to the Directors who are eligible for the Plan, the said Directors shall waive their right to it, provided that this proposal is approved and resolved and the Plan is introduced. As a measure for transition from directors' retirement benefits, the Directors shall be granted units corresponding to the number of shares equivalent to the directors' retirement benefits waived.

The purpose of the introduction of the Plan is to further clarify the linkage between the remuneration for Directors and the Bank's business results and share value and to incentivize Directors to contribute to improvement of business results and enhancement of corporate value over the medium to long term, and the Bank believes that the introduction of the Plan is reasonable.

In introducing the Plan, in order to ensure appropriateness of the level of remuneration for Directors and the content of the Plan, the Bank has designed the Plan based on deliberation by the Nomination and Compensation Committee, an optional committee (chaired by an Independent Outside Director and with Independent Outside Directors constituting a majority of the members).

Under this proposal, it is requested that the Plan be introduced and stock remuneration be paid to Directors, separately from the maximum amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members), that is, ¥300 million a year (including ¥50 million for Outside Directors), which was approved at the 208th Annual General Meeting of Shareholders held on June 26, 2019.

Should Proposal No. 1 "Election of Nine (9) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)" be approved and resolved as originally proposed, the number of the Bank's Directors eligible for the Plan will be six (6).

Should this proposal be approved and resolved as originally proposed, remuneration to the Bank's Directors will consist of "basic remuneration," "bonuses," and "post-retirement delivery-type stock remuneration."

The Audit and Supervisory Committee examined this proposal but there are no special matters on which the committee should state its opinions at the General Meeting of Shareholders in accordance with the provision of the Companies Act.

2. The amount and the content of remuneration, etc. under the Plan

(1) Overview of the Plan

Under the Plan, shares of common stock of the Bank and money (hereinafter referred to as "the Bank's Common Stock, etc.") shall be delivered and provided, respectively, to the Bank's Directors according to the degree of achievement, etc. of the Bank's performance indicators for the three fiscal years covered by the Bank's Mid-term Management Plan (hereinafter referred to as the "Subject Period"). (Hereinafter, shares of common stock of the Bank to be delivered shall be referred to as the "Share Delivery Portion" and money to be provided shall be referred to as the "Monetary Benefit Portion.") Notwithstanding the foregoing, the initial Subject Period (hereinafter referred to as the "Initial Subject Period") that starts from the fiscal year ending on March 31, 2021 (hereinafter referred to as the "Current Fiscal Year") shall be the three fiscal years corresponding to the currently remaining portion of the period covered by the Bank's Mid-term Management Plan "Re:Start2025 Phase 1".

The Plan consists of the following two components:

- (i) Post-retirement delivery-type fixed stock remuneration (Restricted Stock Unit; hereinafter referred to as the "RSU") for which a predetermined number of units (hereinafter referred to as the "fixed units") is granted every year during the Subject Period and the Bank's Common Stock, etc. shall be delivered after retirement

- (ii) Post-retirement delivery-type performance-linked stock remuneration (Performance Share Unit; hereinafter referred to as the “PSU”) for which a predetermined number of units (hereinafter referred to as the “performance-linked units”) is granted every year during the Subject Period and the Bank’s Common Stock, etc. shall be delivered after retirement. The number of performance-linked units to be granted varies in the range from 0% to 150% according to the degree of achievement of the performance targets upon completion of the Subject Period.

The Bank’s Directors shall receive the Bank’s Common Stock, etc. after they retire from the position of Director (including retirement due to death; hereinafter the same applies.). (For details, refer to (2) and subsequent items below.)

1) Persons eligible for delivery of the Bank’s Common Stock, etc. under the Plan	<ul style="list-style-type: none"> <li>The Bank’s Directors (excluding Outside Directors, Directors who are Audit and Supervisory Committee Members, and non-residents of Japan)</li> </ul>
2) Maximum amount of the monetary remuneration receivables to be granted by the Bank (sum of the monetary remuneration receivables which will fund the Share Delivery Portion, and the Monetary Benefit Portion. As stated in (2) below.)	<ul style="list-style-type: none"> <li>A total of ¥675 million for the three fiscal years</li> <li>Notwithstanding the foregoing, for the initial Subject Period that starts from the fiscal year ending on March 31, 2021 (hereinafter referred to as the “Current Fiscal Year”), monetary remuneration receivables up to ¥150 million shall be granted separately, to fund the Share Delivery Portion corresponding to the units to be granted to Directors as a measure for transition from directors’ retirement benefits and the Monetary Benefit Portion.</li> </ul>
3) Maximum number of the Bank’s Common Stock, etc. to be delivered to Directors (As stated in (3) below.)	<ul style="list-style-type: none"> <li>The maximum total number of units to be granted to Directors per fiscal year shall be 800,000 units (one (1) unit is one (1) share of the Bank’s common stock.)</li> <li>Notwithstanding the foregoing, for the Current Fiscal Year, up to 300,000 units shall be granted to Directors separately, as a measure for transition from directors’ retirement benefits.</li> <li>The number of shares of the Bank’s common stock corresponding to a certain proportion of the units shall be delivered and for the remaining portion, money in the amount corresponding to it shall be provided instead of shares of the Bank’s common stock</li> <li>The number of shares corresponding to the maximum total number of units to be granted to Directors per fiscal year accounted for approximately 0.35% of the total number of issued shares (excluding treasury stock, as of March 31, 2020).</li> </ul>
4) Content of the conditions for achievement of performance targets for PSU (As stated in (3) below.)	<ul style="list-style-type: none"> <li>Varies in the range from 0% to 150% according to the degree of achievement of the performance targets (risk-adjusted (RA) gross operating profit, etc.) upon completion of the Subject Period.</li> </ul>
5) Timing of delivery of the Bank’s Common Stock, etc. (As stated in (4) below.)	<ul style="list-style-type: none"> <li>Upon retirement from the position of Director (upon death if a Director passes away)</li> </ul>

## (2) Maximum amount of the monetary remuneration receivables granted by the Bank

The maximum amount of the monetary remuneration receivables (sum of the monetary remuneration receivables to fund the Share Delivery Portion, and the Monetary Benefit Portion) to be granted by the Bank to Directors for each Subject Period shall be ¥675 million.

Notwithstanding the foregoing, in addition to the amount mentioned above, for the Initial Subject Period, the Bank shall grant monetary remuneration receivables up to ¥150 million separately, to fund the Share Delivery Portion corresponding to the units to be granted to Directors as a measure for transition from directors’ retirement benefits and the Monetary Benefit Portion.

## (3) Method of calculation of the number of the Bank’s Common Stock, etc. to be delivered to Directors and the maximum number of such shares

During the Subject Period, the Bank shall grant each Director the “fixed units” (RSU) and the “performance-linked units” (PSU) at a certain time each fiscal year according to his/her title, position, etc. in each fiscal year. The number of performance-linked units to be granted varies in the range from 0% to 150%

according to the degree of achievement of the performance targets (RA gross operating profit, etc.) upon completion of the Subject Period.

Notwithstanding the foregoing, for the Current Fiscal Year, as a measure for transition from directors' retirement benefits, the Directors who waive the right to directors' retirement benefits in line with the introduction of the Plan shall be separately granted the fixed units (RSU) corresponding to the number of shares equivalent to the directors' retirement benefits waived.

Units granted shall be accumulated each year and the Bank's Common Stock, etc. shall be delivered to a Director according to the cumulative number of units (hereinafter referred to as the "Cumulative Units") upon retirement of the Director.

One (1) unit shall be one (1) share of the Bank's common stock. Notwithstanding the foregoing, in the event that a stock split or a reverse stock split of the Bank's common stock, or any other circumstances arise during the Subject Period that make adjustment of a unit reasonable, the number of shares of the Bank's common stock per unit shall be adjusted according to the split ratio, the reverse split ratio, etc.

The total number of units (sum of the number of units corresponding to the Share Delivery Portion and the Monetary Benefit Portion) to be granted to the Bank's Directors per fiscal year shall be up to 800,000 units. Notwithstanding the foregoing, separately from the total number of units to be granted per fiscal year, up to 300,000 units shall be granted for the Current Fiscal Year as a measure for transition from directors' retirement benefits.

(4) Method and timing of delivery etc. of the Bank's Common Stock, etc.

After retirement, by implementing a predetermined procedure, Directors shall receive shares of the Bank's common stock (Shares less than one trading unit will be rounded down.) corresponding to a certain proportion of the Cumulative Units upon their retirement (Share Delivery Portion) and money in an amount corresponding to the remaining portion of the Cumulative Units (Monetary Benefit Portion) instead of shares of the Bank's common stock.

Delivery of shares of the Bank's common stock to Directors shall be by means of issuance of shares or disposal of treasury stock by the Bank. In such case, the Bank shall grant monetary remuneration receivables to Directors and Directors shall make in-kind contribution of the amount concerning the Share Delivery Portion of the said monetary remuneration receivables and, in return, acquire shares of the Bank's common stock to be issued or disposed of, and be provided with monetary benefits for the remaining amount. The amount of the said monetary remuneration receivables shall be calculated by multiplying the number of Cumulative Units by the amount to be paid in per share. The amount to be paid in per share shall be the amount determined by the Board of Directors within a range that is not particularly advantageous to the Directors who will receive such shares of the Bank's common stock, based on the closing price of a share of the Bank's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors concerning the Bank's stock split or reverse stock split (or the closing price on the trading day immediately prior thereto if no transaction is made on such business day).

In the event that a Director passes away during the Subject Period, following his/her death, the successor of the Director shall receive, without delay, the monetary benefits in the amount equivalent to the shares of the Bank's common stock corresponding to the Cumulative Units at the time of the Director's death.

(5) No payment of remuneration

If a Director leaves the position of the Bank's Director without a justifiable reason, is in breach of law or regulation, or comes under the disqualification criteria determined by the Board of Directors, the Director shall receive neither monetary remuneration receivables nor shares of the Bank's common stock under the Plan.

(6) Other contents of the Plan

Other contents of the Plan shall be determined by the Board of Directors after deliberation by the Nomination and Compensation Committee, an optional committee (chaired by an Independent Outside Director and with Independent Outside Directors constituting a majority of the members), in order to ensure appropriateness of the Plan.

(Reference)

Provided that the introduction of the Plan is approved by the shareholders at this General Meeting of Shareholders, the Bank intends to introduce the Plan, by resolution of the Board of Directors, also for Executive Officers who are not concurrently serving as Director.

## **Consolidated Balance Sheet**

(As of March 31, 2020)

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
<b>Cash and due from banks</b>	876,301	<b>Deposits</b>	3,204,791
<b>Call loans and bills bought</b>	65	<b>Foreign exchanges</b>	3
<b>Trading account securities</b>	180	<b>Other liabilities</b>	15,663
<b>Money held in trust</b>	978	<b>Provision for bonuses</b>	491
<b>Securities</b>	133,860	<b>Provision for directors' bonuses</b>	35
<b>Loans and bills discounted</b>	2,502,838	<b>Net defined benefit liability</b>	275
<b>Foreign exchanges</b>	2,215	<b>Provision for directors' retirement benefits</b>	270
<b>Lease receivables and investment assets</b>	6,439	<b>Provision for reimbursement of deposits</b>	245
<b>Other assets</b>	52,980	<b>Provision for contingent loss</b>	139
<b>Tangible fixed assets</b>	37,507	<b>Deferred tax liabilities</b>	707
Buildings	11,140	<b>Acceptances and guarantees</b>	2,062
Land	21,562		
Leased assets	28	<b>Total liabilities</b>	3,224,686
Other tangible fixed assets	4,776		
<b>Intangible fixed assets</b>	21,569	(Net assets)	
Software	19,201	<b>Capital stock</b>	30,043
Goodwill	1,553	<b>Capital surplus</b>	2,045
Leased assets	3	<b>Retained earnings</b>	218,587
Software development in progress	434	<b>Treasury stock</b>	(561)
Other intangible fixed assets	375	<b>Total shareholders' equity</b>	250,115
<b>Net defined benefit asset</b>	12,660	<b>Valuation difference on available-for-sale securities</b>	6,276
<b>Deferred tax assets</b>	15,897	<b>Deferred gains or losses on hedges</b>	(23)
<b>Customers' liabilities for acceptances and guarantees</b>	2,062	<b>Remeasurements of defined benefit plans</b>	412
<b>Allowance for loan losses</b>	(183,979)	<b>Total accumulated other comprehensive income</b>	6,665
		<b>Non-controlling interests</b>	111
		<b>Total net assets</b>	256,892
<b>Total assets</b>	3,481,579	<b>Total liabilities and net assets</b>	3,481,579



## **Consolidated Statement of Income**

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

Accounts	Amount	
<b>Ordinary income</b>		118,008
<b>Interest income</b>	94,016	
Interest on loans and discounts	92,607	
Interest and dividends on securities	828	
Interest on call loans and bills bought	8	
Interest on deposits with banks	529	
Other interest income	42	
<b>Fees and commissions</b>	10,372	
<b>Other ordinary income</b>	5,892	
Gains on sales of bonds	6	
Gains on redemption of bonds	375	
Other	5,509	
<b>Other income</b>	7,727	
Recoveries of written off claims	1,838	
Gain on sales of stocks and other securities	5,440	
Share of profit of entities accounted for using equity method	5	
Other	442	
<b>Ordinary expenses</b>		76,245
<b>Interest expenses</b>	1,578	
Interest on deposits	1,293	
Interest on call money and bills sold	(0)	
Interest on borrowings and rediscounts	4	
Other interest expenses	280	
<b>Fees and commissions payments</b>	15,094	
<b>Other ordinary expenses</b>	3,143	
Loss on redemption of bonds	152	
Other	2,991	
<b>General and administrative expenses</b>	47,559	
<b>Other expenses</b>	8,869	
Provision for allowance for loan losses	759	
Written-off of loans	2,727	
Loss on sales of stocks and other securities	143	
Losses on devaluation of stocks and other securities	6	
Other	5,233	
<b>Ordinary profit</b>		41,763
<b>Extraordinary income</b>		47
Gain on disposal of fixed assets	35	
Gain on reversal of subscription rights to shares	12	
<b>Extraordinary loss</b>		9,951
Loss on disposal of fixed assets	500	
Impairment loss	9,451	
<b>Profit before income taxes</b>		31,858
<b>Income taxes - current</b>	4,124	
<b>Income taxes - deferred</b>	2,161	
<b>Total income taxes</b>		6,285
<b>Profit</b>		25,573
<b>Profit attributable to non-controlling interests</b>		248
<b>Profit attributable to owners of parent</b>		25,324

## **Consolidated Statement of Shareholders' Equity**

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	30,043	1,202	193,263	(560)	223,948
Changes of items during the year					
Dividends of surplus					
Change in ownership interest of parent due to transactions with non-controlling interests		843			843
Profit attributable to owners of parent			25,324		25,324
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the year	-	843	25,324	(0)	26,167
Balance at the end of the year	30,043	2,045	218,587	(561)	250,115

	Accumulated other comprehensive income			
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at the beginning of the year	13,352	(35)	3,750	17,067
Changes of items during the year				
Dividends of surplus				
Change in ownership interest of parent due to transactions with non-controlling interests				
Profit attributable to owners of parent				
Purchase of treasury stock				
Disposal of treasury stock				
Net changes of items other than shareholders' equity	(7,076)	11	(3,337)	(10,401)
Total changes of items during the year	(7,076)	11	(3,337)	(10,401)
Balance at the end of the year	6,276	(23)	412	6,665

	Subscription rights to shares	Non-controlling interests	Total net assets
Balance at the beginning of the year	12	1,280	242,308
Changes of items during the year			
Dividends of surplus			-
Change in ownership interest of parent due to transactions with non-controlling interests			843
Profit attributable to owners of parent			25,324
Purchase of treasury stock			(0)
Disposal of treasury stock			0
Net changes of items other than shareholders' equity	(12)	(1,169)	(11,583)
Total changes of items during the year	(12)	(1,169)	14,584
Balance at the end of the year	-	111	256,892

## **Non-consolidated Balance Sheet**

(As of March 31, 2020)

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
<b>Cash and due from banks</b>	875,425	<b>Deposits</b>	3,210,823
Cash	39,087	Current deposits	104,108
Due from banks	836,337	Ordinary deposits	1,252,287
<b>Call loans</b>	65	Saving deposits	12,986
<b>Trading account securities</b>	180	Deposits at notice	18,247
Trading government bonds	58	Time deposits	1,768,588
Trading local government bonds	121	Other deposits	54,604
<b>Money held in trust</b>	978	<b>Foreign exchanges</b>	3
<b>Securities</b>	137,729	Foreign bills sold	3
Government bonds	2,518	Foreign bills payable	0
Local government bonds	95,820	<b>Other liabilities</b>	9,816
Corporate bonds	4,808	Accrued expenses	2,773
Stocks	22,294	Unearned revenue	78
Other securities	12,288	Deposits received from employees	682
<b>Loans and bills discounted</b>	2,496,157	Lease obligations	355
Bills discounted	1,874	Derivatives other than for trading – liabilities	305
Loans on bills	14,771	Other	5,620
Loans on deeds	2,255,077	<b>Provision for bonuses</b>	446
Overdrafts	224,434	<b>Provision for directors' bonuses</b>	35
<b>Foreign exchanges</b>	2,215	<b>Provision for directors' retirement benefits</b>	270
Due from foreign banks (our accounts)	1,226	<b>Provision for reimbursement of deposits</b>	245
Foreign bills bought	0	<b>Provision for contingent loss</b>	139
Foreign bills receivable	988	<b>Acceptances and guarantees</b>	2,062
<b>Other assets</b>	45,272	<b>Total liabilities</b>	3,223,842
Prepaid expenses	1,170	(Net assets)	
Accrued income	7,071	<b>Capital stock</b>	30,043
Initial margins of futures markets	200	<b>Capital surplus</b>	18,589
Derivatives other than for trading – assets	24	Legal capital surplus	18,585
Other	36,806	Other capital surplus	3
<b>Tangible fixed assets</b>	36,466	<b>Retained earnings</b>	192,116
Buildings	10,560	Legal retained earnings	30,043
Land	21,181	Other retained earnings	162,072
Leased assets	325	(Reserve for advanced depreciation of fixed assets)	59
Other tangible fixed assets	4,398	(General reserve)	103,032
<b>Intangible fixed assets</b>	19,752	(Retained earnings brought forward)	58,981
Software	18,957	<b>Treasury stock</b>	(561)
Software in progress	427	<b>Total shareholders' equity</b>	240,187
Other intangible fixed assets	367	<b>Valuation difference on available-for-sale securities</b>	5,054
<b>Prepaid pension cost</b>	12,069	<b>Deferred gains or losses on hedges</b>	(23)
<b>Deferred tax assets</b>	14,831	<b>Total valuation and translation adjustments</b>	5,030
Customers' liabilities for acceptances and guarantees	2,062		
<b>Allowance for loan losses</b>	(174,146)	<b>Total net assets</b>	245,218
<b>Total assets</b>	3,469,060	<b>Total liabilities and net assets</b>	3,469,060

## Non-consolidated Statement of Income

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

Accounts	Amount	
<b>Ordinary income</b>		104,464
<b>Interest income</b>	86,578	
Interest on loans and discounts	85,213	
Interest and dividends on securities	785	
Interest on call loans	8	
Interest on deposits with banks	529	
Other interest income	42	
<b>Trust fees</b>	0	
<b>Fees and commissions</b>	8,118	
Fees and commissions on domestic and foreign exchanges	2,026	
Other fees and commissions	6,091	
<b>Other ordinary income</b>	2,408	
Gains on foreign exchange transactions	37	
Gains on sales of bonds	6	
Gains on redemption of bonds	375	
Other	1,988	
<b>Other income</b>	7,358	
Gain on sales of stocks and other securities	5,472	
Recoveries of written off claims	1,351	
Reversal of allowance for loan losses	229	
Other	304	
<b>Ordinary expenses</b>		64,472
<b>Interest expenses</b>	1,613	
Interest on deposits	1,293	
Interest on call money	(0)	
Interest on interest swaps	3	
Other interest expenses	315	
<b>Fees and commissions payments</b>	14,994	
Fees and commissions on domestic and foreign exchanges	864	
Other fees and commissions	14,130	
<b>Other ordinary expenses</b>	153	
Loss on trading account securities transactions	1	
Loss on redemption of bonds	152	
<b>General and administrative expenses</b>	42,974	
<b>Other expenses</b>	4,737	
Written-off of loans	1,556	
Loss on sales of stocks and other securities	117	
Losses on devaluation of stocks and other securities	52	
Loss on money held in trust	32	
Other	2,979	
<b>Ordinary profit</b>		39,991
<b>Extraordinary income</b>		12
Gain on reversal of subscription rights to shares	12	
<b>Extraordinary loss</b>		9,920
Loss on disposal of fixed assets	469	
Impairment loss	9,451	
<b>Profit before income taxes</b>		30,083
<b>Income taxes - current</b>	3,529	
<b>Income taxes - deferred</b>	2,079	
<b>Total income taxes</b>		5,609
<b>Profit</b>		24,474

## **Non-consolidated Statement of Shareholders' Equity**

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of the year	30,043	18,585	3	18,589
Changes of items during the year				
Dividends of surplus				
Profit				
Provision of reserve for tax purpose reduction entry of non-current assets				
Purchase of treasury stock				
Disposal of treasury stock			(0)	(0)
Net changes of items other than shareholders' equity				
Total changes of items during the year	-	-	(0)	(0)
Balance at the end of the year	30,043	18,585	3	18,589

	Shareholders' equity						
	Retained earnings					Treasury stock	Total shareholders' equity
	Legal retained earnings	Other retained earnings			Total retained earnings		
		Reserve for advanced depreciation of fixed assets	General reserve	Retained earnings brought forward			
Balance at the beginning of the year	30,043	59	103,032	34,506	167,641	(560)	215,714
Changes of items during the year							
Dividends of surplus							
Profit				24,474	24,474		24,474
Provision of reserve for tax purpose reduction entry of non-current assets		0		(0)	-		-
Purchase of treasury stock						(0)	(0)
Disposal of treasury stock						0	0
Net changes of items other than shareholders' equity							
Total changes of items during the year	-	0	-	24,474	24,474	(0)	24,473
Balance at the end of the year	30,043	59	103,032	58,981	192,116	(561)	240,187

(Millions of yen)

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at the beginning of the year	12,250	(29)	12,221	12	227,947
Changes of items during the year					
Dividends of surplus					-
Profit					24,474
Provision of reserve for tax purpose reduction entry of non-current assets					-
Purchase of treasury stock					(0)
Disposal of treasury stock					0
Net changes of items other than shareholders' equity	(7,196)	6	(7,190)	(12)	(7,202)
Total changes of items during the year	(7,196)	6	(7,190)	(12)	17,270
Balance at the end of the year	5,054	(23)	5,030	-	245,218