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(Securities Code: 8385)
June 7, 2017

To Shareholders with Voting Rights:

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

NOTICE OF CONVOCAION OF THE 114TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 114th 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 28, 2017 at 5:30 p.m. Japan time.

- 1. Date and Time:** Thursday, June 29, 2017 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 114th Fiscal Year (from April 1, 2016 to March 31, 2017)
 2. Consolidated Financial Statements for the Bank’s 114th Fiscal Year (from April 1, 2016 to March 31, 2017) 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 Eight (8) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal No. 2:** Election of Six (6) Directors (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 28, 2017 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 59 to page 60, and exercise your voting rights by Wednesday, June 28, 2017 at 5:30 p.m. Japan time.

End

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◎ 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 Eight (8) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The term of office of all seven (7) 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 eight (8) Directors is proposed, an increase by one (1) in order to further strengthen the management structure.

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   | Ippei Nagai     | Reelection   | Senior Managing Director (Representative Director)                                          |
| 3   | Kenji Takata    | Reelection   | Managing Director, General Manager, Branch Banking Group                                    |
| 4   | Muneaki Todo    | Reelection   | Managing Director                                                                           |
| 5   | Tetsuo Takeuchi | Reelection   | Managing Director, CIO                                                                      |
| 6   | Haruhiro Kono   | New election | Managing Executive Officer, General Manager, Niihama Group; General Manager, Niihama Branch |
| 7   | Kenji Miyoshi   | New election | Managing Executive Officer, Deputy General Manager, Branch Banking Group                    |
| 8   | Yuichi Matsuura | New election | Managing Executive Officer, General Manager, Head Office, Business Department               |

Reelection: Candidate for reelected Director

New election: Candidate for newly elected Director

| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Name<br>(Date of birth)                                                                                                                                                                                                          | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  | Number of<br>shares of the<br>Bank held |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------|
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>Iwao Otsuka<br/>(April 7, 1952)</p> <p>[Reelection]</p> <p>Term of office as<br/>Director: 10 years (at<br/>the close of this<br/>General Meeting)</p> <p>Attendance at Board<br/>of Directors meetings:<br/>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<br/>Department</p> <p>June 2010      Managing Director, General Manager, Branch Banking<br/>Group</p> <p>June 2011      Senior Managing Director</p> <p>June 2012      President (current position)</p> <p>[Responsibilities]<br/>Internal Audit Division</p> <p>[Significant concurrent positions]<br/>Chairman, Ehime Bankers Association<br/>Chairman, Ehime Industrial Promotion Foundation</p> |  | 19,270 shares                           |
| <p>Reasons for selection as a candidate for Director:<br/>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:<br/>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>Ippei Nagai<br/>(April 27, 1953)</p> <p>[Reelection]</p> <p>Term of office as<br/>Director: 9 years (at<br/>the close of this<br/>General Meeting)</p> <p>Attendance at Board<br/>of Directors meetings:<br/>14/14 (100%)</p> | <p>April 1977      Joined the Bank</p> <p>February 1998   Manager, Loan Division No. 1</p> <p>July 1999      General Manager, Kurashiki Branch</p> <p>February 2002   Deputy General Manager, General Planning Division</p> <p>April 2004      General Manager, Okayama Branch</p> <p>June 2007      General Manager, Loan Division No. 1</p> <p>June 2008      Director, General Manager, Niihama Branch</p> <p>June 2011      Managing Director, General Manager, Branch Banking<br/>Group</p> <p>June 2012      Senior Managing Director (current position)</p> <p>[Responsibilities]<br/>Management Planning Unit<br/>(General Planning Division, Public Relations &amp; CSR Office, Human<br/>Resources Division, General Affairs Division, Customer Satisfaction<br/>Enhancement Division)<br/>Cross-departmental Special Missions</p>                                |  | 22,627 shares                           |
| <p>Reasons for selection as a candidate for Director:<br/>Mr. Ippei Nagai has a wealth of operational experience as General Manager of sales branches, in the credit division, the sales division, and the planning division, etc., and has deep knowledge of overall 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:<br/>There are no special interest relationships between Mr. Ippei Nagai and the Bank.</p>                                                                                                                                                                                  |                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |                                         |

| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Name<br>(Date of birth)                                                                                                                                                                                                                  | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of<br>shares of the<br>Bank held |
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| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>Kenji Takata<br/>(November 15,<br/>1955)</p> <p>[Reelection]</p> <p>Term of office as<br/>Director: 7 years (at<br/>the close of this<br/>General Meeting)</p> <p>Attendance at Board<br/>of Directors meetings:<br/>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 &amp; Promotion<br/>Division</p> <p>June 2010      Director, General Manager, Business Planning &amp;<br/>Promotion Division</p> <p>June 2012      Director, General Manager, Head Office, Business<br/>Department</p> <p>June 2014      Managing Director</p> <p>June 2016      Managing Director, General Manager, Branch Banking<br/>Group (current position)</p> <p>[Responsibilities]<br/>General Manager, Branch Banking Group<br/>(Corporate &amp; Retail Banking Planning Division, Retail Banking Promotion<br/>Division, Business Promotion &amp; Solution Division and Regional<br/>Vitalization Division)</p> | 18,500 shares                           |
| <p>Reasons for selection as a candidate for Director:<br/>Mr. Kenji Takata 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. 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:<br/>There are no special interest relationships between Mr. Kenji Takata and the Bank.</p>  |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                         |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>Muneaki Todo<br/>(December 7, 1955)</p> <p>[Reelection]</p> <p>Term of office as<br/>Director: 7 years (at<br/>the close of this<br/>General Meeting)</p> <p>Attendance at Board<br/>of Directors meetings:<br/>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<br/>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]<br/>Credit Unit<br/>(Credit Division, Ship Finance Division, Consumer Loan Center, Loan<br/>Management Office, Mortgage Valuation Office, Corporate Consulting<br/>Division)</p>                                                                                                                                                                                                                                                                   | 9,600 shares                            |
| <p>Reasons for selection as a candidate for Director:<br/>Mr. Muneaki Todo has a wealth of operational experience as General Manager of sales branches and in 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:<br/>There are no special interest relationships between Mr. Muneaki Todo and the Bank.</p> |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                         |

| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Name<br>(Date of birth)                                                                                                                                                                                                             | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number of<br>shares of the<br>Bank held |
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| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Tetsuo Takeuchi<br/>(July 18, 1957)</p> <p>[Reelection]</p> <p>Term of office as<br/>Director: 5 years (at<br/>the close of this<br/>General Meeting)</p> <p>Attendance at Board<br/>of Directors meetings:<br/>14/14 (100%)</p> | <p>April 1980<br/>August 1999<br/>August 2001<br/>July 2005<br/>February 2008<br/>August 2009<br/>June 2011<br/>June 2015<br/>June 2016</p> <p>[Responsibilities]<br/>Operations and Systems Unit<br/>(Operations Management Division, Systems Development Division)<br/>Risk Management Division</p> | <p>Joined the Bank<br/>Manager, Head Office, Business Department<br/>Manager, Human Resources Division<br/>General Manager, Fukuoka Branch<br/>Acting General Manager, Systems Development Division<br/>General Manager, Systems Development Division<br/>Director, General Manager, Systems Development<br/>Division<br/>Managing Executive Officer, General Manager of<br/>Systems Development Division<br/>Managing Director, CIO (current position)</p>                                                       | 11,000 shares                           |
| <p>Reasons for selection as a candidate for Director:<br/>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 risk control 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:<br/>1. There are no special interest relationships between Mr. Tetsuo Takeuchi and the Bank.<br/>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> |                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                         |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Haruhiro Kono<br/>(October 26, 1958)</p> <p>[New election]</p> <p>Term of office as<br/>Director: 3 years (at<br/>the close of this<br/>General Meeting)</p> <p>Attendance at Board<br/>of Directors meetings:<br/>—</p>         | <p>April 1981<br/>July 2002<br/>July 2004<br/>August 2007<br/>August 2009<br/>June 2012<br/>June 2014<br/>April 2015<br/>June 2015</p>                                                                                                                                                                | <p>Joined the Bank<br/>General Manager, Ushibuchi Branch<br/>General Manager, Kure Branch<br/>General Manager, Mitsuhamam Branch<br/>General Manager, Okayama Branch<br/>Director, General Manager, Business Planning &amp;<br/>Promotion Division<br/>Director, General Manager, Niihama Branch<br/>Director, General Manager, Niihama Group; General<br/>Manager, Niihama Branch<br/>Managing Executive Officer, General Manager, Niihama<br/>Group; General Manager, Niihama Branch (current<br/>position)</p> | 12,660 shares                           |
| <p>Reasons for selection as a candidate for Director:<br/>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:<br/>1. There are no special interest relationships between Mr. Haruhiro Kono and the Bank.<br/>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<br>(Date of birth)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Past experience, positions, responsibilities<br>and significant concurrent positions                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of<br>shares of the<br>Bank held |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 7   | Kenji Miyoshi<br>(December 18,<br>1959)<br><br>[New election]<br><br>Term of office as<br>Director: —<br><br>Attendance at Board<br>of Directors meetings:<br>—                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | April 1982<br>March 2004<br>August 2006<br>August 2009<br>August 2012<br>June 2014<br><br>June 2015<br><br>June 2016           | Joined the Bank<br>General Manager, Tsubaki Branch<br>Acting General Manager, Hiroshima Branch<br>General Manager, Osaka Kita Branch<br>General Manager, Funds Operation & Securities Division<br>Executive Officer, General Manager, General Planning<br>Division<br>Managing Executive Officer, General Manager, General<br>Planning Division<br>Managing Executive Officer, Deputy General Manager,<br>Branch Banking Group (current position)                               | 9,200 shares                            |
|     | Reasons for selection as a candidate for Director:<br>Mr. Kenji Miyoshi has a wealth of operational experience as General Manager of sales branches, in the financial market<br>division, the planning division, and the sales division, etc., and is well-versed in operations of the Bank. By utilizing this<br>wealth of experiences and insights as Director, the Bank has judged that he is a person that can contribute to the<br>improvement of corporate value of the Bank over the medium to long term, and has selected him as a candidate for Director.<br><br>Other matters of note regarding the candidate for Director:<br>There are no special interest relationships between Mr. Kenji Miyoshi and the Bank. |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                         |
| 8   | Yuichi Matsuura<br>(September<br>13, 1961)<br><br>[New election]<br><br>Term of office as<br>Director: —<br><br>Attendance at Board<br>of Directors meetings:<br>—                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | April 1984<br>February 2005<br>August 2007<br>July 2008<br>July 2009<br>August 2012<br>June 2013<br>June 2014<br><br>June 2015 | Joined the Bank<br>General Manager, Shiomi Branch<br>Manager, General Planning Division<br>Deputy General Manager, Tokyo Representative Office<br>Deputy General Manager, General Planning Division<br>Acting General Manager, General Planning Division<br>General Manager, Human Resources Division<br>Executive Officer, General Manager, Human Resources<br>Division<br>Managing Executive Officer, General Manager, Head<br>Office, Business Department (current position) | 16,679 shares                           |
|     | Reasons for selection as a candidate for Director:<br>Mr. Yuichi Matsuura has a wealth of operational experience as General Manager of sales branches and in the planning<br>division, etc., and is well-versed in operations of the Bank. By utilizing this wealth of experiences and insights as Director,<br>the Bank has judged that he is a person that can contribute to the improvement of corporate value of the Bank over the<br>medium to long term, and has selected him as a candidate for Director.<br><br>Other matters of note regarding the candidate for Director:<br>There are no special interest relationships between Mr. Yuichi Matsuura and the Bank.                                                 |                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                         |

(Note) The opinion of the Audit and Supervisory Committee regarding the selection of Directors and the compensation, etc., of Directors is as follows.

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 Group, 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, 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.

Additionally, regarding the compensation, etc., for Directors, the Committee received explanations from the President in the "Management Deliberation Committee" regarding views 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, etc. 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.



**Proposal No. 2:** Election of Six (6) Directors (Audit and Supervisory Committee Members)

The term of office of five (5) Directors (Audit and Supervisory Committee Members) will expire at the close of this Annual General Meeting of Shareholders. Additionally, Director (Audit and Supervisory Committee Member) Mr. Kazutaka Koza resigned as of March 31, 2017. Accordingly, the election of six (6) Directors (Audit and Supervisory Committee Members) is proposed.

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

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

| No. | Name                |                                      | Current positions in the Bank                                                                                |
|-----|---------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------|
| 1   | Takaya Iio          | New election                         | Managing Director                                                                                            |
| 2   | Shiro Hirano        | New election                         | Managing Executive Officer, General Manager, Tokyo Branch; General Manager, Financial Market Business Office |
| 3   | Kaname Saeki        | Reelection<br>Outside<br>Independent | Director (Audit and Supervisory Committee Member)                                                            |
| 4   | Takeshi Ichikawa    | Reelection<br>Outside<br>Independent | Director (Audit and Supervisory Committee Member)                                                            |
| 5   | Yasunobu Yanagisawa | Reelection<br>Outside<br>Independent | Director (Audit and Supervisory Committee Member)                                                            |
| 6   | Soichiro Takahama   | Reelection<br>Outside<br>Independent | Director (Audit and Supervisory Committee Member)                                                            |

New election: Candidate for newly elected Director

Reelection: Candidate for reelected Director

Outside: Candidate for Outside Director

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

| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Name<br>(Date of birth)                                                                                                                                                                                                                   | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of<br>shares of the<br>Bank held |
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| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Takaya Iio<br/>(September 16,<br/>1955)</p> <p>[New election]</p> <p>Term of office as<br/>Director: 6 years (at<br/>the close of this<br/>General Meeting)</p> <p>Attendance at Board<br/>of Directors meetings:<br/>14/14 (100%)</p> | <p>April 1978      Joined the Bank</p> <p>February 1999      Manager, Loan Division No. 1</p> <p>February 2002      General Manager, Kurashiki Branch</p> <p>February 2005      General Manager, Kobe Branch</p> <p>August 2007      General Manager, Loan Management Office</p> <p>August 2008      General Manager, Takamatsu Branch; Chief<br/>Representative, Takamatsu Representative Office</p> <p>June 2011      Director, General Manager, Tokyo Branch</p> <p>April 2014      Director, General Manager, Tokyo Branch; General<br/>Manager, Financial Market Business Office</p> <p>June 2014      Director, General Manager, Head Office, Business<br/>Department</p> <p>June 2015      Managing Director (current position)</p> <p>[Significant concurrent positions]<br/>Outside Director, Daiki Axis Co., Ltd.</p> | 37,920 shares                           |
| <p>Reasons for selection as a candidate for Director:<br/>Mr. Takaya Iio has a wealth of operational experience as General Manager of sales branches and in the credit division, the financial market division, and the international division, etc., and is well-versed in operations of the Bank. Additionally, he served as Managing Director from June 2015 to June 2017 and appropriately fulfilled his duties and responsibilities. The Bank has judged that he is a person who can audit and supervise the execution of duties by Directors, as well as exercise authority over the external auditor in an objective and appropriate manner by utilizing these wealth of experiences and insights, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director:</p> <ol style="list-style-type: none"> <li>1. There are no special interest relationships between Mr. Takaya Iio and the Bank.</li> <li>2. If Mr. Takaya Iio is appointed Director (Audit and Supervisory Committee Member), the Bank plans to conclude a liability limitation agreement with him based on Article 427, Paragraph 1 of the Companies Act. The limit of liability for Directors (Audit and Supervisory Committee Members) under said agreement is the minimum liability amount stipulated by laws and regulations.</li> </ol> |                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                         |

| No. | Name<br>(Date of birth)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Number of<br>shares of the<br>Bank held |
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|     | <p>Shiro Hirano<br/>(May 15, 1958)</p> <p>[New election]</p> <p>Term of office as<br/>Director: 3 years (at<br/>the close of this<br/>General Meeting)</p> <p>Attendance at Board<br/>of Directors meetings:<br/>—</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>April 1981      Joined the Bank</p> <p>August 2001    Manager, General Planning Division</p> <p>August 2006    Deputy General Manager, General Planning Division</p> <p>August 2008    Acting General Manager, General Planning Division</p> <p>June 2010      General Manager, General Planning Division</p> <p>June 2012      Director, General Manager, General Planning Division</p> <p>June 2014      Director, General Manager, Tokyo Branch; General<br/>Manager, Financial Market Business Office</p> <p>June 2015      Managing Executive Officer, General Manager, Tokyo<br/>Branch; General Manager, Financial Market Business<br/>Office (current position)</p> | 9,600 shares                            |
| 2   | <p>Reasons for selection as a candidate for Director:</p> <p>Mr. Shiro Hirano has a wealth of operational experience as General Manager of sales branches and in the planning 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. The Bank has judged that he is a person who can audit and supervise the execution of duties by Directors, as well as exercise authority over the external auditor in an objective and appropriate manner by utilizing these wealth of experiences and insights, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director:</p> <ol style="list-style-type: none"> <li>1. There are no special interest relationships between Mr. Shiro Hirano and the Bank.</li> <li>2. In line with the transition to a Company with Audit and Supervisory Committee in June 2015, Mr. Shiro Hirano retired from Director and was appointed Managing Executive Officer.</li> <li>3. If Mr. Shiro Hirano is appointed Director (Audit and Supervisory Committee Member), the Bank plans to conclude a liability limitation agreement with him based on Article 427, Paragraph 1 of the Companies Act. The limit of liability for Directors (Audit and Supervisory Committee Members) under said agreement is the minimum liability amount stipulated by laws and regulations.</li> </ol> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                         |

| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Name<br>(Date of birth)                                                                                                                                                                                                                                                      | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Number of<br>shares of the<br>Bank held |
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| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>Kaname Saeki<br/>(October 29, 1944)</p> <p>[Reelection]<br/>[Outside]<br/>[Independent]</p> <p>Term of office as<br/>Outside Director: 2<br/>years (at the close of<br/>this General Meeting)</p> <p>Attendance at Board<br/>of Directors meetings:<br/>13/14 (92.9%)</p> | <p>April 1968      Joined Teito Rapid Transit Authority</p> <p>March 1975      Joined Iyo Railway Co., Ltd.</p> <p>June 1995      General Manager, Engineering Division</p> <p>June 1997      Director, General Manager, Engineering Division</p> <p>May 1998      Director, General Manager, Railway Division</p> <p>June 1999      Director, General Manager, Railway &amp; Vehicles Division</p> <p>June 2001      Managing Director</p> <p>June 2005      Senior Managing Director</p> <p>April 2006      President and Representative Director</p> <p>June 2012      Outside Auditor, the Bank</p> <p>June 2015      Representative Director and Chairman, Iyo Railway Co., Ltd. (current position)</p> <p>June 2015      Outside Director (Audit and Supervisory Committee Member), the Bank (current position)</p> <p>[Significant concurrent positions]</p> <p>Representative Director and Chairman, Iyo Railway Co., Ltd.</p> <p>Representative Director and Chairman, Matsuyama Development Co., Ltd.</p> <p>President and Representative Director, Matsuyama Kanko Golf Co., Ltd.</p> <p>Chairman, the Matsuyama Chamber of Commerce and Industry</p> <p>Chairman, the Ehime Prefectural Federation of Chambers of Commerce and Industry</p> | 7,769 shares                            |
| <p>Reasons for selection as a candidate for Director:</p> <p>The Bank has selected Mr. Kaname Saeki as a candidate for Director in the hope that it receives appropriate suggestions on securing legality and appropriateness regarding decision-making of business execution of the Bank based on the viewpoint of monitoring and supervision of management by utilizing his wealth of experience and broad insights as a business manager.</p> <p>Other matters of note regarding the candidate for Director:</p> <ol style="list-style-type: none"> <li>1. There are ordinary finance transactions between the Bank and Iyo Railway Co., Ltd., Matsuyama Development Co., Ltd., Matsuyama Kanko Golf Co., Ltd., the Matsuyama Chamber of Commerce and Industry and the Ehime Prefectural Federation of Chambers of Commerce and Industry, where Mr. Kaname Saeki holds significant concurrent positions.</li> <li>2. The Bank has concluded a liability limitation agreement with Mr. Kaname Saeki based on Article 427, Paragraph 1 of the Companies Act. If Mr. Kaname Saeki is reappointed Director (Audit and Supervisory Committee Member), the Bank plans to continue the liability limitation agreement with him. The limit of liability for Directors (Audit and Supervisory Committee Members) under said agreement is the minimum liability amount stipulated by laws and regulations.</li> <li>3. The Bank registered Mr. Kaname Saeki as an Independent Director (Outside Director) with Tokyo Stock Exchange. If this proposal is approved and Mr. Kaname Saeki is reappointed Director (Audit and Supervisory Committee Member), the Bank plans to continue the registration as an Independent Director (Outside Director) with the Exchange.</li> </ol> |                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                         |

| No. | Name<br>(Date of birth)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Number of<br>shares of the<br>Bank held |
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|     | <p>Takeshi Ichikawa<br/>(April 3, 1950)</p> <p>[Reelection]<br/>[Outside]<br/>[Independent]</p> <p>Term of office as<br/>Outside Director: 2<br/>years (at the close of<br/>this General Meeting)</p> <p>Attendance at Board<br/>of Directors meetings:<br/>14/14 (100%)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>April 1988 Registered as an attorney at law</p> <p>April 1988 Joined Isao Yoneda Law Office (currently Matsuyama Chuo Law Office)</p> <p>April 2008 Chairman, Ehime Bar Association</p> <p>March 2009 Retired as Chairman, Ehime Bar Association</p> <p>April 2013 President, Matsuyama Chuo Law Office (current position)</p> <p>April 2014 Director, Ehime District Office, The Japan Legal Support Center (current position)</p> <p>June 2014 Outside Auditor, the Bank</p> <p>June 2015 Outside Director (Audit and Supervisory Committee Member), the Bank (current position)</p> <p>[Significant concurrent positions]<br/>President, Matsuyama Chuo Law Office<br/>Director, Ehime District Office, The Japan Legal Support Center</p> | 600 shares                              |
| 4   | <p>Reasons for selection as a candidate for Director:</p> <p>Mr. Takeshi Ichikawa has a wealth of experience and broad insights as an attorney at law, although he has never been involved in corporate management. The Bank expects to receive appropriate suggestions on securing legality and appropriateness regarding decision-making of business execution of the Bank based on the viewpoint of monitoring and supervision of management based on these experience and insights, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director:</p> <ol style="list-style-type: none"> <li>1. Mr. Takeshi Ichikawa is President of Matsuyama Chuo Law Office, with which the Bank has ordinary finance transactions. Additionally, the Bank has concluded an advisory contract with the Law Office, but the amount of transaction meets the Standards of Independence stipulated by the Bank.</li> <li>2. The Bank has concluded a liability limitation agreement with Mr. Takeshi Ichikawa based on Article 427, Paragraph 1 of the Companies Act. If Mr. Takeshi Ichikawa is reappointed Director (Audit and Supervisory Committee Member), the Bank plans to continue the liability limitation agreement with him. The limit of liability for Directors (Audit and Supervisory Committee Members) under said agreement is the minimum liability amount stipulated by laws and regulations.</li> <li>3. The Bank registered Mr. Takeshi Ichikawa as an Independent Director (Outside Director) with Tokyo Stock Exchange. If this proposal is approved and Mr. Takeshi Ichikawa is reappointed Director (Audit and Supervisory Committee Member), the Bank plans to continue the registration as an Independent Director (Outside Director) with the Exchange.</li> </ol> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                         |

| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Name<br>(Date of birth)                                                                                                                                                                                                                                                             | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Number of<br>shares of the<br>Bank held |
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| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>Yasunobu Yanagisawa<br/>(December 16, 1947)</p> <p>[Reelection]<br/>[Outside]<br/>[Independent]</p> <p>Term of office as<br/>Outside Director: 2<br/>years (at the close of<br/>this General Meeting)</p> <p>Attendance at Board<br/>of Directors meetings:<br/>14/14 (100%)</p> | <p>April 1996 Professor, Faculty of Science, Ehime University</p> <p>April 2005 Director, Ehime University</p> <p>April 2009 President, Ehime University</p> <p>March 2015 Retired as President, Ehime University</p> <p>June 2015 Outside Director (Audit and Supervisory Committee Member), the Bank (current position)</p> <p>April 2016 President, Okayama University of Science, Kake Educational Institution (current position)</p> <p>[Significant concurrent positions]<br/>President, Okayama University of Science, Kake Educational Institution</p> | 200 shares                              |
| <p>Reasons for selection as a candidate for Director:</p> <p>Mr. Yasunobu Yanagisawa has a wealth of experience and specialized knowledge as an academic expert, although he has never been involved in corporate management. The Bank expects to receive appropriate suggestions on securing legality and appropriateness regarding decision-making of business execution of the Bank based on the viewpoint of monitoring and supervision of management based on these experience and insights, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director:</p> <ol style="list-style-type: none"> <li>1. There are no special interest relationships between Mr. Yasunobu Yanagisawa and the Bank.</li> <li>2. The Bank has concluded a liability limitation agreement with Mr. Yasunobu Yanagisawa based on Article 427, Paragraph 1 of the Companies Act. If Mr. Yasunobu Yanagisawa is reappointed Director (Audit and Supervisory Committee Member), the Bank plans to continue the liability limitation agreement with him. The limit of liability for Directors (Audit and Supervisory Committee Members) under said agreement is the minimum liability amount stipulated by laws and regulations.</li> <li>3. The Bank registered Mr. Yasunobu Yanagisawa as an Independent Director (Outside Director) with Tokyo Stock Exchange. If this proposal is approved and Mr. Yasunobu Yanagisawa is reappointed Director (Audit and Supervisory Committee Member), the Bank plans to continue the registration as an Independent Director (Outside Director) with the Exchange.</li> </ol> |                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                         |

| No. | Name<br>(Date of birth)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Past experience, positions, responsibilities<br>and significant concurrent positions                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Number of<br>shares of the<br>Bank held |
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|     | Soichiro Takahama<br>(January 13, 1949)<br><br>[Reelection]<br>[Outside]<br>[Independent]<br><br>Term of office as<br>Outside Director: 2<br>years (at the close of<br>this General Meeting)<br><br>Attendance at Board<br>of Directors meetings:<br>14/14 (100%)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | April 2002<br>April 2003<br><br>April 2006<br><br>April 2008<br>March 2012<br>April 2012<br>June 2015<br>June 2015 | Director, Imabari Regional Bureau, Ehime Prefecture<br>General Manager, Economy & Labor Division, Ehime<br>Prefecture<br>General Manager, Agriculture, Forestry and Fisheries<br>Division, Ehime Prefecture<br>Vice Governor, Ehime Prefecture<br>Retired as Vice Governor, Ehime Prefecture<br>Chairman, Ehime Guarantee Association<br>Retired as Chairman, Ehime Guarantee Association<br>Outside Director (Audit and Supervisory Committee<br>Member), the Bank (current position) | 200 shares                              |
| 6   | <p>Reasons for selection as a candidate for Director:</p> <p>Mr. Soichiro Takahama has a wealth of experience and insights in the field of public administration, although he has never been involved in corporate management. The Bank expects to receive appropriate suggestions on securing legality and appropriateness regarding decision-making of business execution of the Bank based on the viewpoint of monitoring and supervision of management based on these experience and insights, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director:</p> <ol style="list-style-type: none"> <li>1. There are no special interest relationships between Mr. Soichiro Takahama and the Bank.</li> <li>2. The Bank has concluded a liability limitation agreement with Mr. Soichiro Takahama based on Article 427, Paragraph 1 of the Companies Act. If Mr. Soichiro Takahama is reappointed Director (Audit and Supervisory Committee Member), the Bank plans to continue the liability limitation agreement with him. The limit of liability for Directors (Audit and Supervisory Committee Members) under said agreement is the minimum liability amount stipulated by laws and regulations.</li> <li>3. The Bank registered Mr. Soichiro Takahama as an Independent Director (Outside Director) with Tokyo Stock Exchange. If this proposal is approved and Mr. Soichiro Takahama is reappointed Director (Audit and Supervisory Committee Member), the Bank plans to continue the registration as an Independent Director (Outside Director) with the Exchange.</li> </ol> |                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                         |

(Reference)

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

| Name                |                        | Current positions in the Bank,<br>significant concurrent positions                                                                                                                                                                                                                                                                                                                                                |
|---------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Takaya Iio          |                        | Director (Audit and Supervisory Committee Member) (Standing)<br>Outside Director, Daiki Axis Co., Ltd.                                                                                                                                                                                                                                                                                                            |
| Shiro Hirano        |                        | Director (Audit and Supervisory Committee Member) (Standing)                                                                                                                                                                                                                                                                                                                                                      |
| Kaname Saeki        | Outside<br>Independent | Director (Audit and Supervisory Committee Member)<br>Representative Director and Chairman, Iyo Railway Co., Ltd.<br>Representative Director and Chairman, Matsuyama Development Co., Ltd.<br>President and Representative Director, Matsuyama Kanko Golf Co., Ltd.<br>Chairman, the Matsuyama Chamber of Commerce and Industry<br>Chairman, the Ehime Prefectural Federation of Chambers of Commerce and Industry |
| Takeshi Ichikawa    | Outside<br>Independent | Director (Audit and Supervisory Committee Member)<br>President, Matsuyama Chuo Law Office<br>Director, Ehime District Office, The Japan Legal Support Center                                                                                                                                                                                                                                                      |
| Yasunobu Yanagisawa | Outside<br>Independent | Director (Audit and Supervisory Committee Member)<br>President, Okayama University of Science, Kake Educational Institution                                                                                                                                                                                                                                                                                       |
| Soichiro Takahama   | Outside<br>Independent | Director (Audit and Supervisory Committee Member)                                                                                                                                                                                                                                                                                                                                                                 |
| Junko Miyoshi       | Outside<br>Independent | Director (Audit and Supervisory Committee Member)<br>President and Representative Director, 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. Ms. Junko Miyoshi was elected and assumed office at the 113th Annual General Meeting of Shareholders held in June 2016.



(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