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(Securities Code: 8386)
June 7, 2017

To Shareholders with Voting Rights:

Yujiro Ayada
President
The Hyakujushi Bank, Ltd.
5-1, Kamei-cho, Takamatsu,
Kagawa, Japan

**NOTICE OF CONVOCATION OF
THE 148TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 148th Annual General Meeting of Shareholders of The Hyakujushi 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 by submitting the Voting Rights Exercise Form, or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and exercise your voting rights in accordance with “Exercise of Voting Rights” (on page 2) by 5:00 p.m. on Wednesday, June 28, 2017 Japan time.

- 1. Date and Time:** Thursday, June 29, 2017 at 10:00 a.m. Japan time
- 2. Place:** 5F Hall, Head Office of the Bank, 5-1, Kamei-cho, Takamatsu, Kagawa, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report and Non-consolidated Financial Statements for the Bank’s 148th Fiscal Year (from April 1, 2016 to March 31, 2017)
 2. Consolidated Financial Statements for the Bank’s 148th Fiscal Year (from April 1, 2016 to March 31, 2017) and results of audits of the Consolidated Financial Statements by the Accounting Auditors and the Audit & Supervisory Board

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Partial Amendments to the Articles of Incorporation
- Proposal No. 3:** Election of Nine (9) Directors (excluding Directors serving as Audit and Supervisory Committee Members)
- Proposal No. 4:** Election of Six (6) Directors serving as Audit and Supervisory Committee Members

- Proposal No. 5:** Determination of Amount of Remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members)
- Proposal No. 6:** Determination of Amount of Remuneration for Directors serving as Audit and Supervisory Committee Members
- Proposal No. 7:** Determination of Amount and Details of Performance-linked Stock Compensation for Directors (excluding Directors serving as Audit and Supervisory Committee Members)

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- ◎ The following items are posted on **the Bank's website (<http://www.114bank.co.jp/>)** in accordance with laws and regulations as well as Article 17 of the Articles of Incorporation of the Bank, and are therefore not included in this notice of convocation.
- 1) Matters Concerning the Bank's Stock Acquisition Rights, etc. in the Business Report
 - 2) Statements of Changes in Shareholders' Equity as part of the Non-consolidated Financial Statements and Notes to Non-consolidated Financial Statements
 - 3) Consolidated Statements of Changes in Shareholders' Equity as part of the Consolidated Financial Statements and Notes to Consolidated Financial Statements
- Accordingly, the attached documents to this notice of convocation are part of the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements audited when the Audit & Supervisory Board Members prepared the audit report and the Accounting Auditors prepared the independent auditor's report.
- ◎ In case of exercising your voting rights through proxy, the proxy will need to submit your Voting Rights Exercise Form and written power of attorney at the reception desk. Your proxy needs to be another shareholder with voting rights of the Bank.
- ◎ Any updates to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements will be posted on **the Bank's website (<http://www.114bank.co.jp/>)**.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

In accordance with the basic policy of providing stable and continuous dividend while enhancing the financial structure through increasing internal reserve, the Bank proposes that the surplus be appropriated as follows.

1. Matters concerning year-end dividends
 - (1) Type of dividend property
Cash
 - (2) Matters concerning the allotment of dividend property to shareholders and the total amount
4 yen per share of common stock, for a total of 1,182,131,404 yen
Dividends to be paid for the full year, including the interim dividend, amount to 8 yen per share.
 - (3) Effective date of distribution of surplus
June 30, 2017
2. Other matters concerning the appropriation of surplus
 - (1) Item and the amount of surplus to be increased
General reserve 2,500,000,000 yen
 - (2) Item and amount of surplus to be decreased
Retained earnings 2,500,000,000 yen

References Common to Proposal No. 2 through Proposal No. 7

To further enhance the corporate governance system, the Bank wishes to make a transition to a Company with Audit and Supervisory Committee set forth by the Act for Partial Amendment to the Companies Act (Act No. 90 of 2014; hereinafter, the Companies Act as amended in accordance with the said Act No. 90 of 2014 is referred to as “the amended Companies Act”), which took effect as of May 1, 2015. Since Proposals No. 2 through No. 7 described on pages 6 to 32 of this notice of convocation are all concerning this transition, the Bank would like to explain the outline of a Company with Audit and Supervisory Committee and the reason why the Bank wishes to make a transition from a Company with Audit & Supervisory Board to a Company with Audit and Supervisory Committee” before making these proposals.

■ Outline of a Company with Audit and Supervisory Committee

- A Company with Audit and Supervisory Committee is a corporation that has Audit and Supervisory Committee and is not allowed to have Audit & Supervisory Board Member or Audit & Supervisory Board.
- Audit and Supervisory Committee consists of not less than three Directors serving as Audit and Supervisory Committee Members, a majority of which must be Outside Directors. While the term of office of Directors other than Audit and Supervisory Committee Members shall be one year, the term of office of Directors serving as Audit and Supervisory Committee Members shall be two years.
- Directors serving as Audit and Supervisory Committee Members shall have voting rights at the Board of Directors meetings, and they shall be involved in making decisions on election and dismissal of Directors, election and dismissal of Representative Directors, and all other overall decision-makings of business execution (excluding those delegated to Directors). In addition, Audit and Supervisory Committee has the authority to express its opinion at the General Meetings of Shareholders regarding election and dismissal, as well as remuneration, of Directors other than Audit and Supervisory Committee Members. In these respects, Audit and Supervisory Committee Members and Audit and Supervisory Committee are given stronger supervisory functions compared with Audit & Supervisory Board Members and Audit & Supervisory Board.
- A Company with Audit and Supervisory Committee can delegate all or part of the decisions on important business execution matters to Directors by resolution of the Board of Directors subject to a provision stipulated in the Articles of Incorporation. By doing this, the Director so delegated can make decisions promptly and execute business operations flexibly. On the other hand, the Board of Directors can strengthen its function to supervise those who execute business operations.

■ Reason for the transition

As this transition to a Company with Audit and Supervisory Committee will allow Directors serving as Audit and Supervisory Committee Members (including multiple Outside Directors) to have voting rights at the Board of Directors meetings, the Bank can enhance the supervisory function of the Board of Directors so as to further strengthen the corporate governance system with an aim to increase the corporate value.

■ Summary of Proposal No.2 through Proposal No. 7

In transitioning to a Company with Audit and Supervisory Committee, the Articles of Incorporation require amendments. Proposal No. 2: Partial Amendments to the Articles of Incorporation addresses such amendments along with others.

In a Company with Audit and Supervisory Committee, it is required that Directors other than Audit and Supervisory Committee Members and Directors serving as Audit and Supervisory Committee Members should be elected separately. Proposal No. 3 addresses the election of Directors other than Audit and Supervisory Committee Members, and Proposal No. 4 addresses the election of Directors serving as Audit and Supervisory Committee Members.

Also, in a Company with Audit and Supervisory Committee, it is required that the amount of remuneration for Directors other than Audit and Supervisory Committee Members and that for Directors serving as Audit and Supervisory Committee Members should be determined separately. Proposal No. 5 addresses determination of the amount of remuneration for Directors other than Audit and Supervisory Committee Members, and Proposal No. 6 addresses determination of the amount of remuneration for Directors serving as Audit and Supervisory Committee Members. Furthermore, Proposal No. 7 addresses determination of the amount and details of performance-linked stock compensation for Directors other than Audit and Supervisory Committee Members.

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

1. Reasons for the amendments

- 1) The amended Companies Act has enabled the adoption of a new organization design: a Company with Audit and Supervisory Committee. The Bank wishes to make a transition to a Company with Audit and Supervisory Committee to further enhance its corporate governance by strengthening supervisory functions of the Board of Directors. To achieve the above, the Bank proposes to establish new provisions concerning Audit and Supervisory Committee Members and Audit and Supervisory Committee, as well as to delete the provisions concerning Audit & Supervisory Board Members and Audit & Supervisory Board and make other necessary amendments.
- 2) The amended Companies Act has also changed the range of Directors, etc., with whom the Bank can conclude the limited liability agreement so that non-executive Directors may also conclude the limited liability agreement. Therefore, the Bank proposes to amend partially the current Article 32 (Limited liability agreement of Outside Directors) of the Articles of Incorporation so that the Bank presents as Article 33 (Limited liability agreement of Directors) in the Proposed Amendments. This proposal has already received the consent of all the Audit & Supervisory Board Members.
- 3) In addition to the above, the Bank proposes to change the numbering of the articles according to the aforementioned amendments.

2. Details of the amendments

Details of the amendments are as described below.

These amendments to the Articles of Incorporation shall take effect upon the close of this General Meeting of Shareholders.

(Note: Proposed amendments are underlined.)

Current Articles	Proposed Amendments
CHAPTER I	CHAPTER I
GENERAL PROVISIONS	GENERAL PROVISIONS
Article 1 through Article 3 (Texts omitted) (Organization)	Articles 1 through Article 3 (Same as the present) (Organization)
Article 4 In addition to General Meetings of Shareholders and Directors, the Bank shall have the following organizations:	Article 4 In addition to General Meetings of Shareholders and Directors, the Bank shall have the following organizations:
1) Board of Directors	1) Board of Directors
2) <u>Audit & Supervisory Board Members</u>	(Deleted)
3) <u>Audit & Supervisory Board</u>	2) <u>Audit and Supervisory Committee</u>
4) <u>Accounting Auditors</u>	3) <u>Accounting Auditors</u>
Article 5 (Text omitted)	Article 5 (Same as the present)
CHAPTER II	CHAPTER II
SHARES	SHARES
Article 6 through Article 12 (Texts omitted)	Article 6 through Article 12 (Same as the present)
CHAPTER III	CHAPTER III
GENERAL MEETINGS OF SHAREHOLDERS	GENERAL MEETINGS OF SHAREHOLDERS
Article 13 through Article 19 (Texts omitted)	Article 13 through Article 19 (Same as the present)

Current Articles	Proposed Amendments
CHAPTER IV	CHAPTER IV
DIRECTORS AND BOARD OF DIRECTORS	DIRECTORS AND BOARD OF DIRECTORS
(Number of Directors)	(Number of Directors)
Article 20 The number of Directors of the Bank shall not be more than fifteen (15).	Article 20 The number of Directors <u>(excluding Directors serving as Audit and Supervisory Committee Members)</u> of the Bank shall not be more than fifteen (15).
(Newly established)	2. <u>The number of Directors serving as Audit and Supervisory Committee Members shall not be more than eight (8).</u>
(Election of Directors)	(Election of Directors)
Article 21 Directors shall be elected at the General Meeting of Shareholders.	Article 21 Directors serving as Audit and Supervisory Committee Members <u>and other Directors</u> shall be elected <u>separately</u> at the General Meeting of Shareholders.
2. (Text omitted)	2. (Same as the present)
3. (Text omitted)	3. (Same as the present)
(Term of office of Directors)	(Term of office of Directors)
Article 22 The term of office of Directors shall expire at the close of the Annual General Meeting of Shareholders concerning the last business year ending within <u>two (2) years</u> after their election to the office.	Article 22 The term of office of Directors <u>(excluding Directors serving as Audit and Supervisory Committee Members)</u> shall expire at the close of the Annual General Meeting of Shareholders concerning the last business year ending within <u>one (1) year</u> after their election to the office.
(Newly established)	2. <u>The term of office of Directors serving as Audit and Supervisory Committee Members shall expire at the close of the Annual General Meeting of Shareholders concerning the last business year ending within two (2) years after their election to the office.</u>
2. The term of office of a Director who has been elected <u>to increase the number of Directors</u> or to fill a vacancy of a Director shall expire when the term of office of the <u>other Directors then serving</u> would have expired.	3. <u>The term of office of a Director serving as an Audit and Supervisory Committee Member and who has been elected to fill a vacancy of a Director serving as an Audit and Supervisory Committee Member and who has retired prior to the termination of his or her term shall expire when the term of office of the said retired Director serving as an Audit and Supervisory Committee Member would have expired.</u>
(Directors with special titles)	(Directors with special titles)
Article 23 The Board of Directors shall appoint by its resolution each of Chairman and President, and a few Executive Vice Presidents. However, depending on the circumstances of business, Chairman and/or Executive Vice Presidents may not be appointed.	Article 23 The Board of Directors shall appoint by its resolution each of Chairman and President, and a few Executive Vice Presidents <u>from Directors (excluding Directors serving as Audit and Supervisory Committee Members)</u> . However, depending on the circumstances of business, Chairman and/or Executive Vice Presidents may not be appointed.

Current Articles	Proposed Amendments
(Representative Directors)	(Representative Directors)
Article 24 The Board of Directors shall elect by its resolution President as Representative Director, and in addition, may elect a few more as Representative Directors.	Article 24 The Board of Directors shall elect by its resolution President as Representative Director, and in addition, may elect a few more as Representative Directors <u>from among Directors (excluding Directors serving as Audit and Supervisory Committee Members).</u>
Article 25 (Text omitted)	Article 25 (Same as the present)
(Convener and Chairman of the Board of Directors)	(Convener and Chairman of the Board of Directors)
Article 26 (Text omitted)	Article 26 (Same as the present)
2. (Text omitted)	2. (Same as the present)
(Newly established)	3. <u>Notwithstanding the provisions of the preceding two paragraphs, Audit and Supervisory Committee Members elected by the Audit and Supervisory Committee are entitled to convene the Board of Directors meeting.</u>
(Convocation notice of the Board of Directors meetings)	(Convocation notice of the Board of Directors meetings)
Article 27 A notice of the convocation of the Board of Directors meeting shall be dispatched to Directors <u>and Audit & Supervisory Board Members</u> at least two (2) days prior to the date set for such meeting, provided, however, that in case of emergency such notice period may be shortened.	Article 27 A notice of the convocation of the Board of Directors meeting shall be dispatched to Directors at least two (2) days prior to the date set for such meeting, provided, however, that in case of emergency such notice period may be shortened.
2. When Directors <u>and Audit & Supervisory Board Members</u> unanimously agree, the Board of Directors meeting may be held without the formal convocation procedures.	2. When Directors unanimously agree, the Board of Directors meeting may be held without the formal convocation procedures.
Article 28 and Article 29 (Texts omitted)	Article 28 and Article 29 (Same as the present)
(Newly established)	<u>(Delegation of Decision regarding Execution of Important Operations)</u>
	Article 30 <u>Pursuant to Article 399-13, Paragraph 6 of the Companies Act, the Bank may delegate, by resolution of the Board of Directors, all or part of the decisions regarding execution of important operations (excluding each item listed under Article 399-13, Paragraph 5) to Directors.</u>
Article 30 (Text omitted)	Article 31 (Same as the present)
(Remuneration and other payments for Directors)	(Remuneration and other payments for Directors)
Article 31 Directors' compensation, bonuses and other property benefits to be received from the Bank in consideration of their execution of duties (hereinafter referred to as "remuneration, etc.") shall be determined by a resolution of the Annual General Meeting of Shareholders.	Article 32 Directors' compensation, bonuses and other property benefits to be received from the Bank in consideration of their execution of duties (hereinafter referred to as "remuneration, etc.") shall be determined <u>separately for Directors serving as Audit and Supervisory Committee Members and the other Directors</u> by a resolution of the Annual General Meeting of Shareholders.

Current Articles	Proposed Amendments
(Limited liability agreement of <u>Outside</u> Directors) Article <u>32</u> Pursuant to Article 427, Paragraph 1 of the Companies Act, the Bank may enter into an agreement with <u>Outside</u> Directors to apply the statutory limit to liability for damages due to negligence in the performance of their duties, provided that the limit of liability under said agreement shall be the total amount of the items listed under Article 425, Paragraph 1 of the Companies Act.	(Limited liability agreement of Directors) Article <u>33</u> Pursuant to Article 427, Paragraph 1 of the Companies Act, the Bank may enter into an agreement with Directors <u>(excluding Executive Directors, etc.)</u> to apply the statutory limit to liability for damages due to negligence in the performance of their duties, provided that the limit of liability under said agreement shall be the total amount of the items listed under Article 425, Paragraph 1 of the Companies Act.
<u>CHAPTER V</u> <u>AUDIT & SUPERVISORY BOARD MEMBERS</u> <u>AND AUDIT & SUPERVISORY BOARD</u>	(Deleted)
(Number of Audit & Supervisory Board Members) Article <u>33</u> The Bank shall have up to five (5) Audit & Supervisory Board Members.	(Deleted)
(Election of Audit & Supervisory Board Members) Article <u>34</u> <u>Audit & Supervisory Board Members shall be elected at the General Meeting of Shareholders.</u> 2. <u>The resolution for said election shall be adopted by a majority of the voting rights of shareholders present when not less than one-third of the voting rights of the shareholders entitled to exercise voting rights are present.</u>	(Deleted)
(Term of office of Audit & Supervisory Board Members) Article <u>35</u> <u>The term of office of an Audit & Supervisory Board Member shall expire at the close of the Annual General Meeting of Shareholders concerning the last business year ending within four (4) years after his or her election to the office.</u> 2. <u>The term of office of an Audit & Supervisory Board Member who has been elected to fill the vacancy of an Audit & Supervisory Board Member who has retired prior to the termination of his or her term shall expire when the term of office of the said retired Audit & Supervisory Board Member would expire.</u>	(Deleted)

Current Articles	Proposed Amendments
<u>(Full-time Audit & Supervisory Board Members and Standing Audit & Supervisory Board Members)</u>	(Deleted)
Article 36 <u>The Audit & Supervisory Board shall elect full-time Audit & Supervisory Board Members by its resolution.</u>	
2. <u>The Audit & Supervisory Board may elect Standing Audit & Supervisory Board Members from the full-time Audit & Supervisory Board Members by its resolution.</u>	
<u>(Convocation notice of the Audit & Supervisory Board meetings)</u>	(Deleted)
Article 37 <u>A convocation notice of the Audit & Supervisory Board meeting shall be issued to each Audit & Supervisory Board Member at least two (2) days prior to the date of such meeting, provided, however, that such period may be shortened in the case of urgent necessity.</u>	
2. <u>When Audit & Supervisory Board Members unanimously agree, the Audit & Supervisory Board meetings may be held without the formal convocation procedures.</u>	
<u>(Resolutions of the Audit & Supervisory Board)</u>	(Deleted)
Article 38 <u>Except as otherwise provided by laws and resolutions of a meeting of the Audit & Supervisory Board shall be adopted by a majority of the Audit & Supervisory Board Members.</u>	
<u>(Regulations of the Audit & Supervisory Board)</u>	(Deleted)
Article 39 <u>Matters concerning the Audit & Supervisory Board shall be governed by the Regulations of the Audit & Supervisory Board established by the Audit & Supervisory Board, in addition to laws, regulations and the Bank's Articles of Incorporation.</u>	
<u>(Remuneration and other benefits for Audit & Supervisory Board Members)</u>	(Deleted)
Article 40 <u>Remuneration and other benefits for Audit & Supervisory Board Members shall be determined by the resolution of the General Meeting of Shareholders.</u>	
<u>(Limited liability agreement with Outside Audit & Supervisory Board Members)</u>	(Deleted)
Article 41 <u>Pursuant to Article 427, Paragraph 1 of the Companies Act, the Bank may enter into the agreement with Outside Audit & Supervisory Board Members to apply the statutory limit to liability for damages due to negligence in the performance of their duties, provided that the limit of liability under said agreement shall be the total amount of the items listed under Article 425, Paragraph 1 of the Companies Act.</u>	

Current Articles	Proposed Amendments
	CHAPTER V
(Newly established)	AUDIT AND SUPERVISORY COMMITTEE
(Newly established)	<u>(Full-time Audit and Supervisory Committee Member)</u>
	Article 34 <u>The Audit and Supervisory Committee may, by its resolution, appoint full-time Audit and Supervisory Committee Members from Audit and Supervisory Committee Members.</u>
(Newly established)	<u>(Convocation notice of the Audit and Supervisory Committee meetings)</u>
	Article 35 <u>A convocation notice of the Audit and Supervisory Committee meetings shall be issued to Audit and Supervisory Committee Members at least two (2) days prior to the date of such meeting, provided, however, that such period may be shortened in the case of urgent necessity.</u>
	2. <u>When Audit and Supervisory Committee Members unanimously agree, the Audit and Supervisory Committee meetings may be held without the formal convocation procedures.</u>
(Newly established)	<u>(Resolutions of the Audit and Supervisory Committee)</u>
	Article 36 <u>The resolutions of the Audit and Supervisory Committee shall be adopted, subject to provisions by laws and regulations, by a majority of the Audit and Supervisory Committee Members present at a meeting, when a majority of the Audit and Supervisory Committee Members entitled to participate in voting are present.</u>
(Newly established)	<u>(Regulations of the Audit and Supervisory Committee)</u>
	Article 37 <u>Matters concerning the Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee, in addition to laws, regulations and the Bank's Articles of Incorporation.</u>
CHAPTER VI ACCOUNTS	CHAPTER VI ACCOUNTS
Article 42 through Article 45 (Texts omitted)	Article 38 through Article 41 (Same as the present)

-End-

-End-

Proposal No. 3: Election of Nine (9) Directors (excluding Directors serving as Audit and Supervisory Committee Members)

Subject to the approval of Proposal No. 2: Partial Amendments to the Articles of Incorporation, the Bank shall make a transition to a Company with Audit and Supervisory Committee. Accordingly, the term of office of all of the nine (9) current Directors will expire at the close of this Annual General Meeting of Shareholders. Therefore, the election of nine (9) Directors (excluding Directors serving as Audit and Supervisory Committee Members; hereinafter the same applies within this proposal) is proposed.

This proposal shall take effect on the condition that the amendments to the Articles of Incorporation stated in Proposal No. 2 take effect.

The candidates for Director are as follows:

No.	Name	Current position, etc. at the Bank
1	Tomoki Watanabe (Reappointment)	Chairman (Representative Director)
2	Yujiro Ayada (Reappointment)	President (Representative Director)
3	Ryohei Kagawa (Reappointment)	Director and Senior Managing Executive Officer (Representative Director)
4	Teruo Kiuchi (Reappointment)	Director and Senior Managing Executive Officer
5	Ryuji Nishikawa (Reappointment)	Director and Managing Executive Officer
6	Kazushi Kozuchi (Reappointment)	Director and Managing Executive Officer
7	Takashi Mori (Reappointment)	Director and Managing Executive Officer
8	Kiichiro Oyama (New appointment)	Managing Executive Officer
9	Masakazu Toyoshima (New appointment)	Managing Executive Officer

No.	Name (Date of birth)	Careers, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
1	Tomoki Watanabe (Mar. 9, 1952) Reappointment	Apr. 1974 Joined the Bank Jan. 2003 General Manager, Osaka Branch, the Bank Jun. 2004 Director and General Manager, Tokyo Branch, the Bank Mar. 2006 Director and General Manager, Tokyo Branch and General Manager, Tokyo Public Affairs Division, the Bank Jun. 2006 Managing Director and General Manager, Corporate Planning Division, the Bank Jun. 2007 Managing Director, the Bank Jun. 2008 Director and Senior Managing Executive Officer, the Bank Jun. 2009 President Apr. 2017 Chairman (to present)	74,750 shares
		Reasons for nomination as a candidate for Director Tomoki Watanabe has fulfilled his responsibilities with his deep knowledge of the overall business through his experiences as General Manager, Osaka Branch, General Manager, Tokyo Branch and General Manager, Corporate Planning Division as well as serving as Director from Jun. 2004, President from Jun. 2009 and Chairman from Apr. 2017. The Bank has determined that his wealth of experience and a high level of insight will contribute to the management of the Bank, and therefore requests his election as Director.	
2	Yujiro Ayada (May 10, 1959) Reappointment	Apr. 1982 Joined the Bank Mar. 2006 General Manager, Ritsurin Branch, the Bank Apr. 2008 General Manager, Nagoya Branch, the Bank Apr. 2010 General Manager, Business Management Division, the Bank Apr. 2012 Executive Officer and General Manager, Tokyo Branch and General Manager in charge of Tokyo Public Affairs, the Bank Oct. 2012 Executive officer and General Manager, Tokyo Branch and General Manager in charge of Tokyo Public Affairs and General Manager, Tokyo Liaison Office, the Bank Apr. 2014 Managing Executive Officer, the Bank Jun. 2015 Director and Managing Executive Officer, the Bank Apr. 2016 Director and Senior Managing Executive Officer, the Bank Apr. 2017 President (to present) (Responsibility) Auditing Division (Significant concurrent position) Chairman, Kagawa Prefecture Bankers Association	488,662 shares
		Reasons for nomination as a candidate for Director Yujiro Ayada has fulfilled his responsibilities with his deep knowledge of the overall business through his experiences as General Manager, Ritsurin Branch, General Manager, Nagoya Branch, General Manager, Business Management Division, and General Manager, Tokyo Branch, etc. as well as serving as Director and Managing Executive Officer from Jun. 2015, Director, Senior Managing Executive Officer from Apr. 2016, and President from Apr. 2017. The Bank has determined that his wealth of experience and a high level of insight will contribute to the management of the Bank, and therefore requests his election as Director.	

No.	Name (Date of birth)	Careers, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
3	Ryohei Kagawa (Nov. 21, 1958) Reappointment	Apr. 1982 Joined the Bank Feb. 2004 Deputy General Manager, Kobe Branch, the Bank Mar. 2006 Acting General Manager, Corporate Planning Division, the Bank Jan. 2010 Deputy General, Corporate Planning Division, the Bank Apr. 2010 General Manager, Corporate Planning Division, the Bank Apr. 2012 Executive Officer and General Manager, Kobe Branch, the Bank Apr. 2014 Managing Executive Officer, the Bank Jun. 2014 Director and Managing Executive Officer, the Bank Apr. 2016 Director and Senior Managing Executive Officer, the Bank (to present) (Responsibilities) Personnel Division and Executive Secretariat Office	18,776 shares
		Reasons for nomination as a candidate for Director Ryohei Kagawa has fulfilled his responsibilities by supervising Corporate Planning Division, Personnel Division, etc. through Director and Managing Executive Officer from Jun. 2014, and Director and Senior Managing Executive Officer from Apr. 2016 in addition to General Manager, Corporate Planning Division, and General Manager, Kobe Branch, etc. The Bank has determined that such abundant experience and a high level of insight he has will contribute to the management of the Bank, and therefore requests his election as Director.	
4	Teruo Kiuchi (Sep. 17, 1955) Reappointment	Apr. 1979 Joined the Bank Jun. 2003 General Manager, Ota Branch, the Bank Jun. 2005 Deputy General Manager, Tokyo Branch, the Bank Jan. 2008 General Manager, Kanonji Branch, the Bank Apr. 2010 Executive Officer and General Manager, Tokyo Branch, the Bank Apr. 2012 Executive Officer and General Manager, Corporate Planning Division, the Bank Apr. 2013 Managing Executive Officer, the Bank Jun. 2013 Director and Managing Executive Officer, the Bank Apr. 2017 Director and Senior Managing Executive Officer, the Bank (to present) (Responsibilities) Business Management Division, Regional Revitalization Division, Retail Banking Division and Retail Business Promotion Division	16,397 shares
		Reasons for nomination as a candidate for Director Teruo Kiuchi has fulfilled his responsibilities by supervising the Bank's Marketing Related Sector through Director and Managing Executive Officer from Jun. 2013 and Director and Senior Managing Executive Officer from Apr. 2017 in addition to General Manager, Kanonji Branch, General Manager, Tokyo Branch, and General Manager, Corporate Planning Division, etc. The Bank has determined that such abundant experience and a high level of insight he has will contribute to the management of the Bank, and therefore requests his election as Director.	

No.	Name (Date of birth)	Careers, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
5	Ryuji Nishikawa (Oct. 29, 1955) Reappointment	Apr. 1978 Joined the Bank Nov. 2002 Acting General Manager, Corporate Planning Division, the Bank Jan. 2008 General Manager, Executive Secretariat Office, the Bank Apr. 2010 Executive Officer and General Manager, Marugame Branch, the Bank Apr. 2012 Managing Executive Officer, the Bank Jun. 2012 Director and Managing Executive Officer, the Bank (to present) (Responsibilities) Operations Supervision Division and Central Operations Division	26,710 shares
		Reasons for nomination as a candidate for Director Ryuji Nishikawa has fulfilled his responsibilities by supervising the Bank's Operations Supervision Sector through Director and Managing Executive Officer from Jun. 2012 in addition to General Manager, Executive Secretariat Office, and General Manager, Marugame Branch, etc. The Bank has determined that such abundant experience and a high level of insight he has will contribute to the management of the Bank, and therefore requests his election as Director.	
6	Kazushi Kozuchi (Oct. 10, 1957) Reappointment	Apr. 1981 Joined the Bank Jun. 2005 Deputy General Manager, Central Business Division, the Bank Jul. 2008 General Manager, Kurashiki Branch, the Bank Apr. 2010 Executive Officer and General Manager, Imabari Branch, the Bank Apr. 2013 Managing Executive Officer, the Bank Apr. 2014 Managing Executive Officer and General Manager, Central Business Division, the Bank Apr. 2016 Managing Executive Officer, the Bank Jun. 2016 Director and Managing Executive Officer, the Bank (to present) (Responsibility) Credit Supervision Division	26,646 shares
		Reasons for nomination as a candidate for Director Kazushi Kozuchi has fulfilled his responsibilities by supervising the Bank's Credit Supervision Division as Director and Managing Executive Officer from Jun. 2016 and through his experiences as General Manager, Kurashiki Branch, General Manager, Imabari Branch, and General Manager, Central Business Division, etc. The Bank has determined that his wealth of experience and a high level of insight will contribute to the management of the Bank, and therefore requests his election as Director.	

No.	Name (Date of birth)	Careers, positions, responsibilities, and significant concurrent positions		Number of shares of the Bank held
7	Takashi Mori (Apr. 27, 1958) Reappointment	Apr. 1981	Joined the Bank	13,000 shares
		Jan. 2003	Deputy General Manager, Central Business Division, the Bank	
Mar. 2006	Deputy General Manager, Tokyo Branch, the Bank			
Jun. 2007	General Manager, Hiroshima Branch, the Bank			
Apr. 2011	Executive Officer and General Manager, Central Business Division, the Bank			
Apr. 2014	Managing Executive Officer, General Manager, Tokyo Branch, General Manager in charge of Tokyo Public Affairs, General Manager, Tokyo Liaison Office, the Bank			
Apr. 2016	Managing Executive Officer, the Bank			
Jun. 2016	Director and Managing Executive Officer, the Bank (to present)			
(Responsibility)				
Treasury and International Division				
Reasons for nomination as a candidate for Director Takashi Mori has fulfilled his responsibilities by supervising the Bank’s Market Sector through Director and Managing Executive Officer from Jun. 2016 in addition to General Manager, Hiroshima Branch, General Manager, Central Business Division, and General Manager, Tokyo Branch, etc. The Bank has determined that such abundant experience and a high level of insight he has will contribute to the management of the Bank, and therefore requests his election as Director.				
8	Kiichiro Oyama (Jun. 25, 1959) New appointment	Apr. 1983	Joined the Bank	7,000 shares
		Jul. 2007	Deputy General Manager, Tokyo Branch, the Bank	
Jul. 2008	Deputy General Manager, Central Business Division, the Bank			
Apr. 2011	General Manager, Hiroshima Branch, the Bank			
Apr. 2013	Deputy General Manager, Business Management Division, the Bank			
Apr. 2014	Executive Officer and General Manager, Okayama Branch, the Bank			
Apr. 2017	Managing Executive Officer, the Bank (to present)			
(Responsibilities)				
Risk Control Division, General Administration Division, and Compliance and Legal Affairs Office				
Reasons for nomination as a candidate for Director Kiichiro Oyama has fulfilled his responsibilities through Executive Officer from Apr. 2014 and Managing Executive Officer from Apr. 2017 in addition to General Manager, Hiroshima Branch, and General Manager, Okayama Branch, etc. The Bank has determined that such abundant experience and a high level of insight he has will contribute to the management of the Bank, and therefore requests his election as Director.				

No.	Name (Date of birth)	Careers, positions, responsibilities, and significant concurrent positions		Number of shares of the Bank held
9	Masakazu Toyoshima (Mar. 5, 1963) New appointment	Apr. 1985	Joined the Bank	8,000 shares
		Oct. 2011	Deputy General Manager, Business Management Division, the Bank	
		Apr. 2012	Deputy General Manager, Credit Supervision Division, the Bank	
		Apr. 2013	General Manager, Corporate Planning Division, the Bank	
		Apr. 2015	Executive Officer and General Manager, Corporate Planning Division, the Bank	
		Apr. 2017	Managing Executive Officer, the Bank (to present)	
		(Responsibility)	Corporate Planning Division	
	Reasons for nomination as a candidate for Director			
	Masakazu Toyoshima has fulfilled his responsibilities through Executive Officer from Apr. 2015 and Managing Executive Officer from Apr. 2017 in addition to important positions including Deputy General Manager, Business Management Division, Deputy General Manager, Credit Supervision Division and General Manager, Corporate Planning Division, etc. The Bank has determined that such abundant experience and a high level of insight he has will contribute to the management of the Bank, and therefore requests his election as Director.			

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

Subject to the approval of Proposal No. 2, “Partial Amendments to the Articles of Incorporation,” the Bank will make a transition to a Company with Audit and Supervisory Committee. Accordingly, the term of office of all of the five (5) current Audit & Supervisory Board Members will expire at the close of this Annual General Meeting of Shareholders. Therefore, the election of six (6) Directors serving as Audit and Supervisory Committee Members is proposed.

This proposal will take effect on the condition that the amendments to the Articles of Incorporation stated in Proposal No. 2 take effect.

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

No.	Name	Current position, etc. at the Bank
1	Yukio Hirao (New appointment)	Standing Audit & Supervisory Board Member
2	Masanobu Satomi (New appointment)	Full-time Audit & Supervisory Board Member
3	Hideki Kuwashiro (New appointment) (Outside Director) (Independent Director)	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)
4	Michiyo Ihara (New appointment) (Outside Director) (Independent Director)	Director (Outside Director)
5	Kazuo Kobayashi (New appointment) (Outside Director) (Independent Director)	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)
6	Junichi Itoh (New appointment) (Outside Director) (Independent Director)	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)

No.	Name (Date of birth)	Careers, positions, and significant concurrent positions	Number of shares of the Bank held
1	Yukio Hirao (Jul. 30, 1950) New appointment	Apr. 1974 Joined the Bank Jul. 1997 General Manager, Matsushima Branch, the Bank Jun. 2006 General Manager in charge of IT Systems, Operations Supervision Division, the Bank Jun. 2007 Director in charge of Treasury and International Division, the Bank Jun. 2008 Director and Executive Officer in charge of Treasury and International Division, the Bank Jun. 2009 Director and Managing Executive Officer, the Bank Apr. 2011 Director and Senior Managing Executive Officer, the Bank Apr. 2016 Director, the Bank Jun. 2016 Standing Audit & Supervisory Board Member, the Bank (to present)	146,500 shares
		Reasons for nomination as a candidate for Director <p>Yukio Hirao has been responsible for areas including IT systems, market and marketing with ample knowledge about banking operations. Further, he served as Director and Senior Managing Officer from Apr. 2011 and has served as Standing Audit & Supervisory Board Member since Jun. 2016. The Bank has determined that his experience and a high level of insight will contribute to management supervision as an Audit and Supervisory Committee Member, and therefore requests his election as Director who is an Audit and Supervisory Committee Member.</p>	
2	Masanobu Satomi (Jul. 13, 1954) New appointment	Apr. 1977 Joined the Bank Feb. 2002 General Manager, Nagao Branch, the Bank Mar. 2005 General Manager, Executive Secretariat Office, the Bank Jun. 2008 General Manager, Personnel Division, the Bank Jun. 2009 Executive Officer and General Manager, Personnel Division, the Bank Apr. 2012 Executive Officer and General Manager, Auditing Division, the Bank Apr. 2014 Executive Officer and Advisor to Auditing Division, the Bank Jun. 2014 Audit & Supervisory Board Member, the Bank (to present)	27,512 shares
		Reasons for nomination as a candidate for Director <p>Masanobu Satomi has been responsible for areas including personnel, internal audit and marketing with ample knowledge about banking operations. Further, he has served as Full-time Audit & Supervisory Board Member since Jun. 2014. The Bank has determined that his experience and a high level of insight will contribute to management supervision as an Audit and Supervisory Committee Member, and therefore requests his election as Director who is an Audit and Supervisory Committee Member.</p>	

No.	Name (Date of birth)	Careers, positions, and significant concurrent positions		Number of shares of the Bank held	
3	Hideki Kuwashiro (Sep. 25, 1948) New appointment Outside Director Independent Director	Apr. 1981	Registered as a lawyer (to present)	0 shares	
	Jun. 2003	Legal System Reform Promotion Headquarters Committee, Japan Federation of Bar Associations			
3		Apr. 2004	Chairman, Kagawa Bar Association		
		Apr. 2006	Takamatsu Summary Court Mediation Committee		
		Oct. 2009	Dispute Coordinating Committee, Kagawa Labor Bureau (to present)		
		Oct. 2009	Chairman, Kagawa Prefecture Human Resources Committee		
		Jun. 2013	Audit & Supervisory Board Member, the Bank (to present)		
		Jun. 2014	Justice System Reform and Regional Judicial Reform Promotion Headquarters Committee, Japan Federation of Bar Associations (to present)		
		Reasons for nomination as a candidate for Director			
		Hideki Kuwashiro has specialized legal knowledge and a wealth of practical experience over many years as a lawyer. He also has excellent personality and insights. Further, although he has no direct experience in actual corporate management, he has served as the Bank’s Outside Audit & Supervisory Board Member since Jun. 2013. The Bank has determined that he will contribute to management supervision as an Audit and Supervisory Committee Member with an independent standpoint, and therefore requests his election as an Outside Director who is an Audit and Supervisory Committee Member.			
		Meanwhile, the term of office of his Outside Audit & Supervisory Board Member position will be four (4) years at the close of this Annual General Meeting of Shareholders.			
		4	Michiyo Ihara (Aug. 8, 1945) New appointment Outside Director Independent Director		Nov. 1985
Apr. 2002	Dean, Faculty of Economics, Kagawa University				
Apr. 2004	Professor and Dean, Graduate School of Management, Kagawa University				
Dec. 2007	Management Committee, NHK				
Apr. 2008	Management Committee and Auditing Committee, NHK				
Apr. 2009	Professor Emeritus, Kagawa University (to present)				
Apr. 2014	Professor, Faculty of Business Administration, Takamatsu University (to present)				
Jun. 2014	Outside Director, Shikoku Electric Power Co., Inc. (to present)				
Jun. 2015	Director, the Bank (to present)				
4				Reasons for nomination as a candidate for Director	
		Michiyo Ihara holds an important post as a university professor and has expertise as an academic expert and experience as a member of NHK’s Management Committee. She has excellent personality and insights. Further, although she has no direct experience in actual corporate management, she has served as the Bank’s Outside Director since Jun. 2015. Thus, the Bank has determined that she will contribute to management supervision as an Audit and Supervisory Committee Member with an independent standpoint, and therefore requests her election as Director who is an Audit and Supervisory Committee Member.			
		Meanwhile, the term of office of her Outside Director position will be two (2) years at the close of this Annual General Meeting of Shareholders.			

No.	Name (Date of birth)	Careers, positions, and significant concurrent positions		Number of shares of the Bank held
5	Kazuo Kobayashi (Dec. 8, 1955) New appointment Outside Director Independent Director	Apr. 1980	Joined Nippon Life Insurance Company	0 shares
		Mar. 2007	Executive Officer, Nippon Life Insurance Company	
		Mar. 2010	Managing Executive Officer, Nippon Life Insurance Company	
		Jul. 2010	Director and Managing Executive Officer, Nippon Life Insurance Company	
		Mar. 2012	Director and Senior Managing Executive Officer, Nippon Life Insurance Company	
		Jun. 2015	Audit & Supervisory Board Member, the Bank (to present)	
		Mar. 2016	Director and Executive Vice President, Nippon Life Insurance Company (to present)	
	<p>Reasons for nomination as a candidate for Director</p> <p>Kazuo Kobayashi is in an important position of Director and Executive Vice President and has wealth of experience and a wide range of knowledge as a corporate manager, and has excellent personality and insights. Further, he has served as the Bank's Outside Audit & Supervisory Board Member since Jun. 2015. The Bank has determined that he will contribute to management supervision as an Audit and Supervisory Committee Member with an independent standpoint, and therefore requests his election as Outside Director who is an Audit and Supervisory Committee Member.</p> <p>Meanwhile, the term of office of his Outside Audit & Supervisory Board Member position will be two (2) years at the close of this Annual General Meeting of Shareholders.</p>			
6	Junichi Itoh (Nov. 26, 1950) New appointment Outside Director Independent Director	Apr. 1975	Joined The Mitsubishi Bank, Ltd.	0 shares
		Jun. 2002	Executive Officer, The Bank of Tokyo-Mitsubishi, Ltd.	
		Jun. 2005	Managing Director, The Bank of Tokyo-Mitsubishi, Ltd.	
		Jan. 2006	Managing Director, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
		May 2009	Senior Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
		Jun. 2011	Director, Senior Executive Vice President, CFO, NIKON CORPORATION	
		Jun. 2016	Advisor, NIKON CORPORATION (to present)	
		Jun. 2016	Audit & Supervisory Board Member, the Bank (to present)	
	<p>Reasons for nomination as a candidate for Director</p> <p>Junichi Itoh has many years of experience at financial institutions and NIKON CORPORATION as its CFO (Chief Financial Officer) and extensive knowledge on overall management. He has also excellent personality and insights. Further, he has served as the Bank's Outside Audit & Supervisory Board Member since Jun. 2016. The Bank has determined that he will contribute to management supervision as an Audit and Supervisory Committee Member with an independent standpoint, and therefore requests his election as Outside Director who is an Audit and Supervisory Committee Member.</p> <p>Meanwhile, the term of office of his Outside Audit & Supervisory Board Member position will be one (1) year at the close of this Annual General Meeting of Shareholders</p>			

(Notes)

1. Hideki Kuwashiro, Michiyo Ihara, Kazuo Kobayashi and Junichi Itoh are candidates for Outside Director.
2. Kazuo Kobayashi is Director and Executive Vice President of Nippon Life Insurance Company. The Bank has transactions with Nippon Life Insurance Company, in which the Bank is entrusted with businesses related to insurance sales.
3. The Bank has an agreement concluded with each of Hideki Kuwashiro, Michiyo Ihara, Kazuo Kobayashi and Junichi Itoh to limit their liability for damages under Article 423, paragraph 1 of the Companies Act to the amount of the liability stipulated in Article 425, paragraph 1 of said Act, in case the relevant person has acted in good faith and has not been grossly negligent in performing his or her duties with respect to the responsibilities set forth in Article 423, Paragraph 1 of said Act, and when the proposed elections are approved, the Bank will continue such agreements above.
4. The Bank has already registered Hideki Kuwashiro and Michiyo Ihara as Independent Directors with the Tokyo Stock Exchange according to the regulations provided by the said Stock Exchange, and when the proposed elections are approved, the Bank will continue such registration.
Kazuo Kobayashi and Junichi Itoh shall be registered with the Tokyo Stock Exchange as Independent Directors upon approval of the elections.

(Reference)

Criteria for Independence of Outside Directors of the Bank

An Outside Director who has independence in the criteria here shall be a person who meets the legal and regulatory requirements as an Outside Director and, at the same time, does not correspond to any of the followings either currently or recently (Note 1).

1. A major customer (Note 2)
 - 1) A person for which the Bank is a major customer or a person who executes business (a person who executes business prescribed in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act) if such person is a corporation or other organization (hereinafter referred to as “corporation, etc.”).
 - 2) A major customer —or a person who executes business of a major customer if such person is a corporation, etc.
2. A professional
 - 1) A consultant, an accounting professional or a legal professional who obtains money or other properties of not less than 10 million yen per year as an average for the last three years from the Bank, excluding compensations for Director, Audit & Supervisory Board Member or Executive Officer.
 - 2) A person belonging to a corporation, etc. that provides professional services such as a consulting firm, an accounting firm, or a law firm, etc. that obtains money or other benefits of not less than 10 million yen per year as an average for the last three years from the Bank.
3. Donations
A person or a person who executes business thereof if such person is a “corporation, etc.” who receives money or other benefits of not less than 10 million yen per year as an average for the last three years.
4. A major shareholder
A major shareholder of the Bank (a shareholder with more than 5% of the voting rights of the Bank) or, if such shareholder is a “corporation, etc.,” a person who executes business thereof (including a major shareholder or a person who executes business thereof within the last three years).
5. A close relative
A close relative (a spouse or a relative within the second degree of kinship) of any person listed in the following [important (Note 3) persons]:
 - 1) Those who correspond to the items 1 to 4 above.
 - 2) Directors, Audit & Supervisory Board Members, Executive Officers and employees of the Bank or its group companies (subsidiary companies and subsidiary corporations, etc. based on the classification of the Banking Act).

Note 1: Definition of “recently”

- “Recently” refers to the period of time that can be deemed to the present. For example, a person who was a major customer at the time when the content of the proposal of nomination as Outside Director does not have independence.

Note 2: Definition of “a major customer”

- “A person for which the Bank is a major customer” refers to a case in which the ratio of the person’s consolidated net sales to the Bank against his or her total consolidated net sales for the latest business year is 2% or more.
- “A major customer of the Bank” refers to a case in which the ratio of the Bank’s consolidated gross profit by transactions with the person against its total consolidated gross profit for the latest business year is 2% or more.

Note 3: Examples of “important” persons

- Persons in the officer or manager of each company.
- In cases of accounting experts or legal experts, those who hold professional qualifications.

Proposal No. 5: Determination of Amount of Remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members)

At the 137th Annual General Meeting of Shareholders held on June 29, 2006, the remuneration for Directors of the Bank was determined to be within 270 million yen annually, and this situation continues to the present. However, subject to the approval of Proposal No.2: Partial Amendments to the Articles of Incorporation, the Bank will make a transition to a Company with Audit and Supervisory Committee.

Accordingly, in accordance with the provision of Article 361, Paragraphs 1 and 2, of the Companies Act, it is proposed to set the maximum amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members; hereinafter the same applies within this proposal) at 300 million yen annually, in lieu of the current maximum amount of remuneration set for Directors and in consideration of the economic and other circumstances, and to leave a decision on the details, such as the amount for each Director, the timing of payment and other matters, to the resolution of the Board of Directors.

The amount of remuneration for Directors does not include portions of their salaries as employees.

The current number of Directors is nine (9) including one (1) Outside Director. If Proposal No.2: Partial Amendments to the Articles of Incorporation, and Proposal No. 3: Election of Nine (9) Directors (excluding Directors serving as Audit and Supervisory Committee Members), are approved as originally proposed, the number of Directors excluding Directors serving as Audit and Supervisory Committee Members will be nine (9).

This proposal will take effect on the condition that the amendments to the Articles of Incorporation stated in Proposal No. 2 take effect.

Proposal No. 6: Determination of Amount of Remuneration for Directors serving as Audit and Supervisory Committee Members

At the 140th Annual General Meeting of Shareholders held on June 26, 2009, the remuneration for Audit & Supervisory Board Members of the Bank was determined to be within 67 million yen annually, and this situation continues to the present. However, subject to the approval of Proposal No.2: Partial Amendments to the Articles of Incorporation, the Bank will make a transition to a Company with Audit and Supervisory Committee.

Accordingly, in accordance with the provision of Article 361, Paragraphs 1 and 2, of the Companies Act, it is proposed to set the maximum amount of remuneration for Directors serving as Audit and Supervisory Committee Members at 100 million yen annually, in lieu of the current maximum amount of remuneration set for Audit and Supervisory Committee Members and in consideration of the economic and other circumstances, and to leave a decision on the details, such as amount for each Director serving as an Audit and Supervisory Committee Member, the timing of payment and other matters, to consultation among Directors serving as Audit and Supervisory Committee Members.

The current number of Audit and Supervisory Committee Members is five (5) including three (3) Outside Corporate Auditors. If Proposal No.2: Partial Amendments to the Articles of Incorporation, and Proposal No.4: Election of Six (6) Directors serving as Audit and Supervisory Committee Members are approved as originally proposed, the number of Directors serving as Audit and Supervisory Committee Members will be six (6) including four (4) Outside Corporate Auditors.

This proposal will take effect on the condition that the amendments to the Articles of Incorporation stated in Proposal No. 2 take effect.

Proposal No. 7: Determination of Amount and Details of Performance-linked Stock Compensation for Directors (excluding Directors serving as Audit and Supervisory Committee Members)

Subject to approval of Proposal No.2: Partial Amendments to the Articles of Incorporation, this proposal requests approval to introduce a performance-linked stock compensation system (hereinafter, “the System”) in which the Bank shares are delivered in accordance with the performance or other factors, to the Directors excluding Directors serving as Audit and Supervisory Committee Members, Outside Directors, or residents outside Japan (hereinafter, “Bank Directors”).

The objectives of the System are to clarify the linkage between the remuneration of the Bank Directors and the Bank’s performance in order to further motivate the Bank Directors to improve the medium to long term business performance and corporate value, and therefore, the Bank deem this introduction to be appropriate.

The proposal asks for approval for the remuneration of the Bank Directors based on the System in accordance with achieved performance targets, separate from the remuneration of the Directors (excluding Directors serving as Audit and Supervisory Committee Members), which are proposed for approval in the Proposal No.5. This proposal will take effect on the condition that Proposal No.2: Partial Amendments to the Articles of Incorporation is approved as originally proposed, and that the amendments to the Articles of Incorporation stated in the proposal take effect.

The number of the Directors eligible for the System shall be nine (9) on the condition that Proposal No.3: Election of Nine (9) Directors (excluding Directors serving as Audit and Supervisory Committee Members) is approved as originally proposed.

The remuneration for the Bank Directors immediately before this Annual General Meeting of Shareholders comprises “basic remuneration,” “bonus,” and “share remuneration-type stock option.” On the condition that this proposal is approved as originally proposed at this Annual General Meeting of Shareholders, the remuneration in the form of “share remuneration-type stock option” (limited to the amount of 100 million yen annually), which was approved at the 140th Annual General Meeting of Shareholders held on June 26, 2009 will be abolished except for those already allocated, and no new assignments will be made on and after fiscal year 2017. As a result, on the condition that this proposal is approved as originally proposed at this Annual General Meeting of Shareholders, the “share remuneration-type stock option” will essentially be replaced by the System. Therefore, in the future, remuneration of the Bank Directors will be composed of “basic remuneration,” “bonus,” and “performance-linked stock compensation.”

Amount and detail of remuneration in the System

(1) Overview of the System

The System is the stock compensation system in which the Bank shares are acquired through a trust based on the amount of the remuneration of the Bank Directors contributed by the Bank. Through the trust, the Bank shares and monetary benefits equivalent to the amount converted into the cash (hereinafter, “Bank Shares, etc.”) are delivered and granted (hereinafter “Delivery, etc.”) to the Bank Directors. Details are as in section (2) to (6).

1) Persons eligible to Delivery, etc. of Bank Shares, etc. subject to the proposal	- Directors (excluding Directors serving as Audit and Supervisory Committee Members, Outside Directors, or residents outside Japan)
2) Impact of the Bank shares subject to the proposal on the total number of issued shares	
Maximum amount of money the Bank contributes (As in (2) below,)	- Total of 300 million yen in the subject period consisting of three business years.
Maximum number of Bank Shares, etc. subject to Delivery, etc. to the Bank Directors, and the method of acquiring the Bank shares (As in (2) and (3) below.))	<ul style="list-style-type: none"> - The maximum number of points granted to the Bank Directors per business year is 220,000 points. The maximum total number of Bank Shares, etc. subject to Delivery, etc. to the Bank Directors for the subject period of three business years is 660,000 shares. - Per the above business year, the ratio of the number of the Bank shares equivalent to the maximum number of points granted to the Bank Directors to the total number of issued shares of the Bank is approximately 0.07% (as of March 31, 2017, excluding the shares of treasury stock). - The Bank shares will be acquired from the stock market or the Bank (treasury stock). (Regarding the System which is established in this fiscal year, dilution will not occur because the Bank share will be acquired from the stock market.)
3) Detail of performance achievement condition (As in (3) below.)	<ul style="list-style-type: none"> - Variable according to the degree of achievements against performance targets for a single fiscal year in the Medium-term Management Plan. - For the initial subject period, which corresponds to the subject period of the current Medium-term Management Plan, the indicator to evaluate the degree of achievement against performance targets shall be the consolidated net income of the current year, etc., which is the management targets in the current Medium-term Management Plan.
4) Timing of Delivery, etc. of Bank Shares, etc. to the Bank Directors (As in (4) below.)	- In principle, after the retirement of the Bank Directors.

(2) Maximum amount of money contributed by the Bank

The System covers three consecutive business years. (Initially, it shall cover the three business years from the business year ending on March 31, 2018 to the business year ending on March 31, 2020, which is the period covered by the current Medium-term Management Plan. If the trust period was extended as below, it shall cover each of the three business years to follow. (The term covered by the System is hereinafter referred to as "the Subject Period".)

The Bank will contribute up to a total of 300 million yen for each Subject Period as the remuneration for the Bank Directors, and set up the trust with a trust period of three years with the Bank Directors satisfying the beneficiary requirements as beneficiaries (hereinafter, "the Trust"). In accordance with the order of the trust caretaker, the Bank shares will be acquired by the Trust from the stock market or the Bank (treasury stock), using the trusted money as resources. (For the Trust set for this fiscal year, the Bank shares will be acquired from the stock market.) The Bank will grant points as stipulated in (3) below, to the Bank Directors every year during the trust period. After the retirement of the Bank Directors (or, if it is decided that a Bank Director will become a resident outside Japan due to overseas assignment, after such decision; or, if a Bank Director dies, after the death; hereinafter the same applies within this proposal.), the Bank will perform the Delivery, etc. of the Bank Shares, etc. equivalent to the cumulative value of points (hereinafter, "the Cumulative Points") from the Trust.

At the expiration of the trust period of the Trust, the Trust may continue by changing the trust agreements and conducting additional trusts. In that case, the trust period of the Trust shall be extended for another three years. The Bank will make additional contributions within a total of 300 million yen for each extended trust period, and continue to grant points to the Bank Directors during the extended trust period. In the case of such additional contribution, if there is the Bank shares (except for the shares for which Delivery, etc. have not yet performed in the Bank Shares, etc. equivalent to the Cumulative Points granted to the Directors.) and money remaining in the Trust (hereinafter "Remaining Bank Shares, etc.") at the last day of the trust period before the extension, the total amount of the Remaining Bank Shares, etc. and the additionally contributed trust money shall be within 300 million yen. Extension of the trust period may occur multiple times. The Trust may be re-continued thereafter in the same manner.

Even in the case of termination of the Trust, if the Bank Directors who are likely to satisfy the beneficiary requirements are in office at the expiration of the trust period, the Trust will not terminate immediately. The trust period of the Trust will be extended for a certain period. However, in that case, additional point will not be granted to the Bank Directors.

- (3) Method of calculating the number of the Bank shares subject to Delivery, etc. (including those subject to conversion) to the Bank Directors and the maximum limit

The points will be awarded to the person who is in office as the Bank Directors during the period from July 1 of the previous year to June 30 of the current year (hereinafter, “Subject Period of Office”). In principle, the points are awarded in June during the trust period in accordance with the Bank Director’s performance in the business year ended on March 31 in the same year and the number of months in the office during the corresponding Subject Period of Office. The specific calculation formula of points is as follows.

The performance-linked coefficient will change according to the accomplishments of the performance targets for a single fiscal year in the Medium-term Management Plan. For the initial Subject Period (which is the same as the period subject to current Medium-term Management Plan), the indicator to evaluate the achievements of the performance targets shall be consolidated net income, etc. which is the management target of the current Medium-term Management Plan.

(Points calculation formula)

The sum of (Amount of share-based compensation determined by position x Number of months in office per position in the Subject Period of Office / 12 months) / The average closing price of the Bank shares in the Tokyo Stock Exchange in August, 2017^(note) x Performance-linked coefficient for the business year ending during the Subject Period of Office (Fractions after the decimal point to be rounded down.)

* When continuing the Trust according to the third paragraph of (2) above takes place, it shall be the month to which the first day of the extended trust period belongs.

To the Bank Directors who resigned for a reason other than the expiration of term (except for resignation due to self-circumstances), passed away, or decision of overseas assignment, the points are granted promptly without application of the performance-linked coefficient, according to position and the Subject Period of Office.

The Delivery, etc. of the Bank Shares, etc. equivalent to the Cumulative Points granted will be performed after the retirement, death or decision of overseas assignment of the Bank Directors. One point shall correspond to one Bank share, provided that the points shall be rounded down to the integer. However, if an event occurs during the trust period by which the adjustment of the points such as stock split and reverse stock split of the Bank shares is deemed fair, the number of the Bank shares per point shall be adjusted according to the split ratio.

The total number of points granted to the Bank Directors per business year shall be limited to 220,000 points, and the total number of points granted to the Bank Directors during the Subject Period shall not exceed 660,000 points. The upper limit of the total number of points is set, with historical stock prices as reference, based on the maximum amount of the trust money in (2) above.

- (4) Method and timing of the Delivery, etc. of Bank Shares, etc. to the Bank Directors

After the retirement, death or decision of overseas assignment of the Bank Directors satisfying the beneficiary requirement, the Delivery, etc. of Bank Shares, etc. equivalent to the Cumulative Points calculated based on the above (3) will be performed.

If the Bank Directors who satisfy the beneficiary requirement retires (excluding resignation due to death), the Bank shares (shares less than one (1) unit are truncated) equivalent to 60% of the Cumulative Points will be delivered from the Trust by conducting the prescribed beneficiary settlement procedure. With respect to the Bank shares equivalent to the remaining Cumulative Points, they shall be converted within the Trust, and monetary benefits equivalent to the amount converted into the cash shall be paid from the Trust.

If the Bank Directors who satisfy the beneficiary requirements pass away during the trust period, the number of the Bank shares corresponding to the Cumulative Points calculated after the death shall be converted within the Trust, and the heir of the subject Bank Directors shall receive monetary benefits equivalent to the amount converted into the cash from the Trust. When overseas assignment of the Bank Director who satisfies the beneficiary requirements during the trust period is decided, the same procedure as when the Bank Director passes away shall apply. The number of the Bank shares corresponding to the

Cumulative Points calculated after the decision of overseas assignment shall be converted within the Trust, and the Bank Director shall receive a monetary amount converted from the Trust.

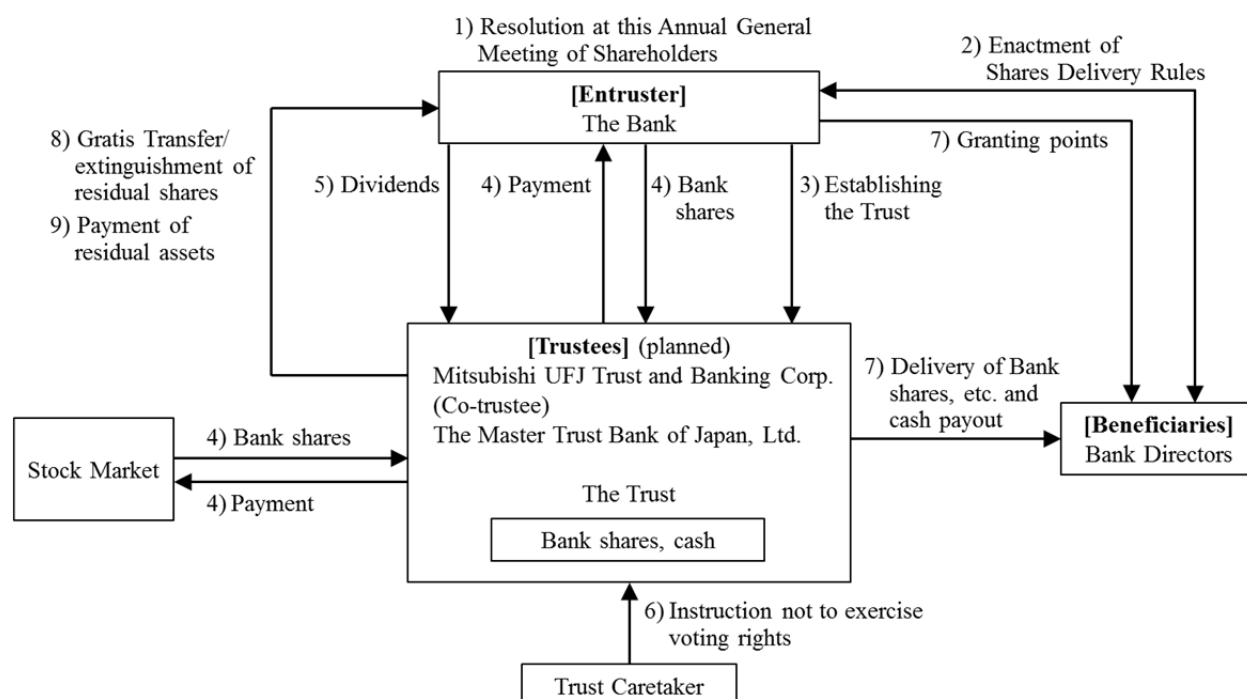
(5) Exercise of voting rights on the Bank shares in the Trust

Regarding the Bank shares in the Trust, i.e. the Bank shares before Delivery, etc. to the Bank Directors, in order to ensure the neutrality to management, voting rights shall not be exercised during the trust period.

(6) Other details of the System

The Board of Directors shall decide other details of the System upon the setting of the Trust, the change of the trust agreement and any additional contributions to the Trust.

(Reference): Overview of the System (Excerpt from the press release dated May 12, 2017 “Introduction of Performance-linked Stock Compensation System”)



- 1) The Bank will obtain approval for introduction of the System at this Annual General Meeting of Shareholders.
- 2) The Bank will, at the Board of Directors meeting, enact the Shares Delivery Rules concerning the detail of the System.
- 3) The Bank will entrust money to the extent approved by the resolution at this Annual General Meeting of Shareholders in 1) above, and establish a trust ("the Trust") wherein the Directors who satisfy the beneficiary requirements, are beneficiaries.
- 4) The Trustee (of the Trust) acquires the Bank shares from the stock market or the Bank (treasury stock) using money contributed in 3) above in accordance with the instructions of the trust caretaker. The number of shares to be acquired by the Trust shall be within the approval resolution of this Annual General Meeting of Shareholders in 1).
- 5) Dividends of the Bank shares in the Trust will be distributed as well as other Bank share.
- 6) The voting rights of Bank shares in the Trust will not be exercised during the trust term.
- 7) During the trust term, the Bank Directors will acquire certain points each year according to the position and the performance in each business year. In principle, the Bank Directors who satisfy certain beneficiary requirements receive the Bank shares equivalent to a certain percentage of the points accumulated after the retirement of the Bank Directors. With respect to the Bank shares equivalent to the remaining number of points, in accordance with the provisions of the trust agreement, they will be converted into cash within the trust and monetary amount equivalent to the amount converted will be delivered.
- 8) If there are remaining shares at the expiry date of the trust term due to non-achievement of performance targets or other reasons during the trust term, the Trust may continue to be used by changing the trust agreement and entrusting additional money to the Trust, or the Trust may voluntarily convey said remaining shares to the Bank and the Bank may amortize the remaining shares by a resolution at the Board of Directors meeting.
- 9) Residual properties after distribution to beneficiaries at the end of the Trust will belong to the Bank to the extent of allowances for trust expenses, which are calculated by deducting the funds to acquire Bank shares from the trust money. The portion exceeding the allowance for trust expenses will be donated to groups that have no vested interest with the Bank or the Bank Directors.

(Note) During the trust period, if there is a possibility that the number of shares in the Trust will be short of the number of shares corresponding to the Cumulative Points (stipulated in above (3)) set for each Bank Director during the trust term, or if there is a possibility that the money in the trust property will be short of the payment of the trust fee and the trust expense, additional money may be added to the Trust within the upper limit of the trust money stated in above (2).

(Reference) Trust Agreement Contents

- 1) Type of trust: An individually operated designated trust of cash other than cash trust (third party benefit trust)
- 2) Purpose of trust: To grant incentives to the Bank Directors.
- 3) Entruster: The Bank
- 4) Trustee: Mitsubishi UFJ Trust and Banking Corporation (planned)
(Co-trustee: The Master Trust Bank of Japan, Ltd. (planned))
- 5) Beneficiaries Bank Directors including those who retired, who meet the beneficiary requirements
- 6) Trust caretaker: A third person who has no vested interest with the Bank
- 7) Date of trust agreement: August 7, 2017 (planned)
- 8) Trust period: From August 7, 2017 (planned) to August 31, 2020 (planned)
- 9) Start of the System: September 1, 2017 (planned)
- 10) Exercise of voting rights: No voting rights will be exercised.
- 11) Type of acquired shares: Common stock of the Bank
- 12) Total amount of trust money: 300 million yen (scheduled) (including trust fees and trust expenses)
- 13) Time to acquire shares: From August 9, 2017 (planned) to September 29, 2017 (planned)
(Except for the days from the five business days prior to the end of the account period (including the interim accounting period and the quarterly accounting periods) until the end of the account period.)
- 14) Manner of share acquisition: To be acquired from the stock market
- 15) Vested rights holder: The Bank
- 16) Residual properties: Residual properties that the Bank, which is the holder of vested rights, can receive are within the extent of allowances for trust expenses, which are calculated by deducting funds to acquire Bank shares from the trust money.

[Administrations of Trust and Shares]

- 1) Administration of trust: Mitsubishi UFJ Trust and Banking Corporation and The Master Trust Bank of Japan, Ltd. will be the trustee of the Trust and engage in affairs related to the Trust.
- 2) Administration of shares: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will engage in affairs related to delivering the Bank shares to beneficiaries based on the agreement of entrustment of affairs.

End of document