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(Securities Code: 8397)
June 4, 2018

To Shareholders with Voting Rights:

Yoshiaki Tamaki
President
The Bank of Okinawa, Ltd.
10-1, Kumoji 3-chome
Naha, Okinawa, Japan

NOTICE OF CONVOCAION OF THE 87TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 87th Annual General Meeting of Shareholders of The Bank of Okinawa, Ltd. (the “Bank”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you may exercise your voting rights either in writing or via electromagnetic methods (the Internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and exercise your voting rights by Thursday, June 21, 2018 at 5:00 p.m. Japan time.

- 1. Date and Time:** Friday, June 22, 2018 at 10:00 a.m. Japan time
(Reception starts at 9:30 a.m.)
- 2. Place:** TENPI NO MA, 3F, LOISIR HOTEL & SPA TOWER NAHA,
2-1, Nishi 3-chome, Naha, Okinawa, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report and Non-Consolidated Financial Statements for the Bank’s 87th Fiscal Year (from April 1, 2017 to March 31, 2018)
 2. Consolidated Financial Statements for the Bank’s 87th Fiscal Year (from April 1, 2017 to March 31, 2018) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Ten (10) Directors
- Proposal No. 3:** Election of One (1) Corporate Auditor
- Proposal No. 4:** Payment of Bonuses to Directors
- Proposal No. 5:** Determination of Amount and Details of Stock Compensation, etc. for Directors, etc.

Instruction for Exercise of Voting Rights

Exercise of voting rights by attending the meeting:

When attending on the day of the meeting, please submit your Voting Rights Exercise Form at the reception desk.

Date of meeting: Friday, June 22, 2018 at 10:00 a.m. Japan time

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 such that it arrives by the exercise deadline.

Exercise deadline: Thursday, June 21, 2018 at 5:00 p.m. Japan time

Exercise of voting rights via the Internet, etc.

Please access the Voting Rights Exercise Website (<https://evote.tr.mufg.jp/>) and indicate your vote for or against the proposals by following the on-screen guidance.

Exercise deadline: Thursday, June 21, 2018 at 5:00 p.m. Japan time

- (1) If voting rights are exercised both by mail (Voting Rights Exercise Form) and electromagnetic method (the Internet, etc.), the voting rights exercised via electromagnetic method (the Internet, etc.) shall be deemed valid.
- (2) If voting rights are exercised multiple times via electromagnetic method (the Internet, etc.), the most recent voting right exercised via electromagnetic method (the Internet, etc.) shall be deemed valid.

End

● Notice

Of the documents required to be attached to this Notice of Convocation, the “Matters Related to the Bank’s Share Subscription Rights, etc.,” “Basic Policies regarding Persons Who Control the Bank’s Decisions on Financial and Business Policies,” “System to Ensure Adequacy of Business,” “Matters Related to Specified Wholly-owned Subsidiaries,” “Matters Related to Transactions with the Parent Company,” “Matters Related to Accounting Advisors,” and “Others” of the Business Report as well as the “Non-Consolidated Statements of Changes in Net Assets,” “Notes to the Non-Consolidated Financial Statements,” “Consolidated Statements of Changes in Net Assets” and “Notes to the Consolidated Financial Statements” will be posted on the Bank’s website (<http://www.okinawa-bank.co.jp/>) in accordance with laws and regulations and Article 17 of the Articles of Incorporation of the Bank, and are thus not included in the attached documents. As a result, the documents attached to this Notice of Convocation are a subset of the Non-Consolidated Financial Statements and the Consolidated Financial Statements audited by the Accounting Auditor during preparation of the Audit Report, and a subset of the Business Report, the Non-Consolidated Financial Statements and the Consolidated Financial Statements audited by the Board of Corporate Auditors during preparation of the Audit Report.

Should any revisions be required to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements, and the Consolidated Financial Statements after the date that this Notice of Convocation is mailed, such revisions will be posted on the Bank’s website (<http://www.okinawa-bank.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Bank's basic policy on appropriation of surplus is to aim to strengthen its management structure while providing stable dividends in light of the public nature of the banking business.

Based on comprehensive consideration of the above basic policy and the business results for the fiscal year under review, the Bank proposes a year-end dividend for this fiscal year as follows.

1. Matters concerning year-end dividend

- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount
35 yen per share of common stock
Total amount: 840,005,285 yen
- (3) Effective date of distribution of surplus
June 25, 2018

2. Other matters concerning appropriation of surplus

- (1) Item and the amount of surplus to be increased
General reserve: 4,500,000,000 yen
- (2) Item and amount of surplus to be decreased
Retained earnings brought forward: 4,500,000,000 yen

Proposal No. 2: Election of Ten (10) Directors

The terms of office of all ten (10) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Bank proposes the election of ten (10) Directors.

The candidates for Director are as follows:

No.	Name		Current positions at the Bank
1	☐ Reelection	Yoshiaki Tamaki	President
2	☐ Reelection	Masayasu Yamashiro	Managing Director
3	☐ Reelection	Choutetsu Hokumori	Managing Director
4	☐ Reelection	Yoshiteru Kinjo	Managing Director
5	☐ Reelection	Tatsuhiko Yamashiro	Director and General Manager, General Planning Division
6	☐ New candidate	Kazuya Iha	Executive Officer and General Manager, Corporate Division
7	☐ New candidate	Shigeru Takara	Executive Officer and General Manager, Systems Division
8	☐ Reelection	Yashuhiro Uchima	☐ Candidate for Outside Director Outside Director
9	☐ Reelection	Hiroshi Oshiro	☐ Candidate for Outside Director Outside Director
10	☐ New candidate	Chiharu Miyagi	☐ Candidate for Outside Director

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Bank held
1	Yoshiaki Tamaki (Sep. 19, 1952) [Reelection]	Apr. 1977	Joined the Bank	4,940 shares
		Jul. 1998	Branch Manager, Itoman Branch	
Jun. 2005	General Manager, Personnel Division			
Jul. 2006	Executive Officer and General Manager, Personnel Division			
Jun. 2007	Director and General Manager, Personnel Division			
Jul. 2008	Director and General Manager, General Planning Headquarters			
Jun. 2009	Managing Director			
Jun. 2011	President			
To the present (Responsible for Auditing Division)				
Reasons for selection as a candidate for Director Mr. Yoshiaki Tamaki has been involved in the personnel division and general planning division, etc., and has a wealth of operational experience. Additionally, he has demonstrated strong management capability in overall bank management as President from 2011, and is appropriately fulfilling his duties and responsibilities. In light of these achievements, the Bank has judged that he can be expected to continue to contribute to improving corporate value of the Group over the medium- to long-term, and has selected him as a candidate for Director.				
2	Masayasu Yamashiro (Sep. 23, 1959) [Reelection]	Apr. 1982	Joined the Bank	2,080 shares
		Jul. 2002	Branch Manager, Shogyo-danchi Branch	
Jun. 2010	General Manager, Credit Supervision Division			
Jun. 2011	Executive Officer and General Manager, Credit Supervision Division			
Jun. 2012	Executive Officer and General Manager, Business Administration Division			
Jun. 2013	Director and General Manager, General Planning Headquarters			
Jun. 2014	Managing Director			
To the present (Responsible for Systems Division, Operations Division and Branch Operation Supervision Division)				
Reasons for selection as a candidate for Director Mr. Masayasu Yamashiro has been involved in the sales promotion division and general planning division, etc., and has a wealth of operational experience. Additionally, he has demonstrated strong management capability in bank management as Director from 2013, and is appropriately fulfilling his duties and responsibilities. In light of these achievements, the Bank has judged that he can be expected to continue to contribute to improving corporate value of the Group over the medium- to long-term, and has selected him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Bank held
3	Choutetsu Hokumori (Jun. 27, 1959) [Reelection]	Apr. 1982	Joined the Bank	2,280 shares
		Apr. 2003	Branch Manager, Sakata Branch	
		Jun. 2010	General Manager, Risk Management Division	
		Jun. 2013	Executive Officer and General Manager, Risk Management Division	
		Jun. 2014	Director and General Manager, Operations Administration Division	
		Jun. 2015	Director and General Manager, General Planning Division	
		Jun. 2016	Managing Director To the present (Responsible for Loan Administration Division and Risk Management Division)	
Reasons for selection as a candidate for Director Mr. Choutetsu Hokumori has been involved in the risk management division and operations and systems division, etc., and has a wealth of operational experience. Additionally, he has demonstrated strong management capability in bank management as Director from 2014, and is appropriately fulfilling his duties and responsibilities. In light of these achievements, the Bank has judged that he can be expected to continue to contribute to improving corporate value of the Group over the medium- to long-term, and has selected him as a candidate for Director.				
4	Yoshiteru Kinjo (Nov. 15, 1959) [Reelection]	Apr. 1983	Joined the Bank	1,600 shares
		Apr. 2003	Branch Manager, Ganeko Branch	
		Jul. 2009	General Manager, Head Office Business Division	
		Jun. 2011	General Manager, Corporate Loan Division	
		Jun. 2012	Executive Officer and General Manager, Corporate Loan Division	
		Jun. 2013	Executive Officer and General Manager, Business Administration Division	
		Jun. 2014	Director and General Manager, General Planning Headquarters	
		Jun. 2015	Managing Director To the present (Responsible for Customer Service Headquarters) [Responsible for Business Administration Division, Corporate Division and Personal Division]	
Reasons for selection as a candidate for Director Mr. Yoshiteru Kinjo has been involved in the sales promotion division and general planning division, etc., and has a wealth of operational experience. Additionally, he has demonstrated strong management capability in bank management as Director from 2014, and is appropriately fulfilling his duties and responsibilities. In light of these achievements, the Bank has judged that he can be expected to continue to contribute to improving corporate value of the Group over the medium- to long-term, and has selected him as a candidate for Director.				
5	Tatsuhiko Yamashiro (Jun. 5, 1962) [Reelection]	Apr. 1986	Joined the Bank	1,200 shares
		Jul. 2002	Branch Manager, Aja Branch	
		Jun. 2013	General Manager, Auditing Division	
		Jun. 2015	Executive Officer and General Manager, Auditing Division	
		Jun. 2016	Executive Officer and General Manager, General Planning Division	
		Jun. 2017	Director and General Manager, General Planning Division To the present	
Reasons for selection as a candidate for Director Mr. Tatsuhiko Yamashiro has been involved in the general planning division and served as a Branch Manager, and has a wealth of operational experience. Additionally, he has demonstrated strong management capability in bank management as Director from 2017, and is appropriately fulfilling his duties and responsibilities. In light of these achievements, the Bank has judged that he can be expected to contribute to improving corporate value of the Group over the medium- to long-term, and has selected him as a candidate for Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
6	Kazuya Iha (Jun. 5, 1963) [New candidate]	Apr. 1988 Joined the Bank Apr. 2006 Branch Manager, Yonabaru Branch Jun. 2013 General Manager, Head Office Business Division Jun. 2015 General Manager, Corporate Division, Customer Service Headquarters Jun. 2017 Executive Officer and General Manager, Corporate Division, Customer Service Headquarters To the present	1,400 shares
	Reasons for selection as a candidate for Director Mr. Kazuya Iha has been involved in the corporate sales division and served as a Branch Manager, and has a wealth of operational experience. Additionally, he has demonstrated strong capability in the execution of operations for responsible divisions as Executive Officer from 2017, and is appropriately fulfilling his duties and responsibilities. In light of these achievements, the Bank has judged that he can be expected to contribute to improving corporate value of the Group over the medium- to long-term, and has selected him as a candidate for Director.		
7	Shigeru Takara (Mar. 9, 1962) [New candidate]	Apr. 1984 Joined the Bank Jun. 2013 Operations Administration Division and General Manager, Systems Development Division Jun. 2015 Executive Officer and General Manager, Systems Division To the present	320 shares
	Reasons for selection as a candidate for Director Mr. Shigeru Takara has been involved in system planning and has a wealth of operational experience. Additionally, he has demonstrated strong capability in execution of operations for responsible divisions as Executive Officer from 2015, and is appropriately fulfilling his duties and responsibilities. In light of these achievements, the Bank has judged that he can be expected to contribute to improving corporate value of the Group over the medium- to long-term, and has selected him as a candidate for Director.		
8	Yasuhiro Uchima (Feb. 23, 1951) [Reelection] [Outside]	Mar. 2007 Manager, Anti-social Forces Countermeasures Section, Detective Department, Okinawa Prefectural Police Department Apr. 2008 Promoted to Senior Superintendent Mar. 2009 Station Chief, Okinawa Police Department Jan. 2010 General Manager, Detective Department, Okinawa Prefectural Police Department Apr. 2011 Special Advisor, Japan Post Co., Ltd. Jun. 2016 Outside Director, the Bank To the present	0 shares
	Reasons for selection as a candidate for Director Mr. Yasuhiro Uchima has many years of experience as a police officer, and has a wealth of specialized knowledge and broad insights particularly regarding response to anti-social forces and financial crimes. To continue to have him utilize these knowledge and insights as Outside Director in the management of the Bank, the Bank has selected him as a candidate for Director. Additionally, although Mr. Uchima has not been directly involved in corporate management aside from the roles as Outside Director and Outside Corporate Auditor, he is independent from the management team conducting business execution, and therefore does not pose a threat to creating conflicts of interest with general shareholders. Since the Bank wishes to have him utilize his knowledge and insights, etc., in the supervision of management, he has been selected as a candidate for Outside Director. Mr. Uchima's term of office as Outside Director will be two years at the conclusion of this General Meeting of Shareholders.		

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Bank held			
9	Hiroshi Oshiro (Jul. 9, 1951) [Reelection] [Outside]	Apr.	1999	Head Teacher, Okinawa Prefectural Chinen High School	0 shares		
		Apr.	2005	Principal, Okinawa Prefectural KOYO Senior High School			
		Apr.	2011	Superintendent of Education, Okinawa Prefectural Board of Education			
		Apr.	2013	President, Okinawa International Exchange & Human Resources Development Foundation			
		Apr.	2016	Okinawa University (Visiting Professor) and Okinawa Women’s Junior College (Part-time Instructor)			
		Jun.	2016	Outside Director, the Bank			
To the present							
Reasons for selection as a candidate for Director Mr. Hiroshi Oshiro has many years of experience as an educator, and has a wealth of specialized knowledge and wide insights particularly regarding educational administration and international exchange and personnel development. To continue to have him utilize these knowledge and insights as Outside Director in the management of the Bank, the Bank has selected him as a candidate for Director. Additionally, although Mr. Oshiro has not been directly involved in corporate management aside from the roles as Outside Director and Outside Corporate Auditor, he is independent from the management team conducting business execution, and therefore does not pose a threat to creating conflicts of interest with general shareholders. Since the Bank wishes to have him utilize his knowledge and insights, etc., in the supervision of management, he has been selected as a candidate for Outside Director. Mr. Oshiro’s term of office as Outside Director will be two years at the conclusion of this General Meeting of Shareholders.							
10	Chiharu Miyagi (Jun. 13, 1951) [New candidate] [Outside]	Mar.	1985	Registered as a certified public accountant	0 shares		
		Apr.	1989	Established Miyagi Certified Public Accountant's Office			
		Apr.	1995	Registered as a certified public tax accountant			
		To the present					
		Reasons for selection as a candidate for Director Ms. Chiharu Miyagi has many years of experience as a certified public accountant, and has a wealth of specialized knowledge and broad insights particularly regarding overall corporate accounting. To have her utilize these knowledge and insights as Outside Director in the management of the Bank, and because the Bank has judged that she will be able to contribute to work style reforms, including the active participation of women, that the Bank is promoting based on the 18th Medium-Term Business Plan, the Bank has selected her as a candidate for Director. Additionally, although Ms. Miyagi has not been directly involved in corporate management aside from the roles as Outside Director and Outside Corporate Auditor, she is independent from the management team conducting business execution, and therefore does not pose a threat to creating conflicts of interest with general shareholders. Since the Bank wishes to have her utilize her knowledge and insights, etc., in the supervision of management, she has been selected as a candidate for Outside Director					

- (Notes)
- Messrs. Kazuya Iha and Shigeru Takara, and Ms. Chiharu Miyagi are candidates for new Director.
 - There are no special conflicts of interest between the Bank and each candidate for Director.
 - Messrs. Yasuhiro Uchima and Hiroshi Oshiro, and Ms. Chiharu Miyagi are candidates for Outside Director.
 - Liability limitation agreements with Outside Directors
To allow for Outside Directors to adequately fulfill their expected roles, the Bank allows for the conclusion of agreements with Outside Directors to limit liability for damages caused by negligence of duties, in accordance with Article 427, Paragraph 1 of the Companies Act and Article 28 of the Articles of Incorporation. Due to the above, Messrs. Yasuhiro Uchima and Hiroshi Oshiro have concluded a liability limitation agreement with the Bank to limit their liability for damages to the amount defined by laws and regulations, and if their reelection is approved, this agreement is planned to be continued. In addition, if the election of Ms. Chiharu Miyagi is approved, an identical agreement is planned to be concluded with her.
A summary of the agreement is as follows.
 - If an Outside Director is liable for damages arising in the Bank due to negligence of duties, the Outside Director shall be liable up to the minimum liability amount provided in Article 425, Paragraph 1 of the Companies Act.
 - The above limitation of liability only applies to the case where the execution of duties of an Outside Director was conducted in good faith and without gross negligence.
 - Messrs. Yasuhiro Uchima and Hiroshi Oshiro are candidates for Outside Director, and have been notified as Independent Directors/Auditors to the Tokyo Stock Exchange, Inc. and Fukuoka Stock Exchange. In addition, Ms. Chiharu Miyagi is also a candidate for Outside Director, and is planned to be notified as an Independent Director/Auditor to the Tokyo Stock Exchange, Inc. and Fukuoka Stock Exchange.

Furthermore, there are no matters other than the above to be specifically stated regarding proposals for the

election of Directors as defined in Article 74 of the Ordinance for Enforcement of the Companies Act.

Independence Standards for Independent Outside Officers

In the selection of candidates for Outside Officers, a candidate must satisfy all of the conditions set out in 1 to 7 below.

1. The party does not hold the Bank as a major business partner nor is an executive thereof, currently or in the past three years.
2. The party is not a major business partner of the Bank nor is an executive thereof, currently or in the past three years.

The criteria for a major business partner in 1. and 2. above shall be as follows.

- o The transaction of cash in line with the provision of duties, etc., continues (includes the case where continuity is estimated) to account for 2% or more of annual consolidated net sales (if determining whether or not the party is a major business partner of the Bank, annual consolidated operating gross profit of the Bank) in the most recent fiscal year.
 - o In the case of loan transactions, the Bank is the most significant provider of credit, and changes in the loan policies of the Bank will have a significant impact on the business partner.
3. The party is not a consultant, accounting specialist, or legal specialist (if the party is an organization such as a legal entity or association, parties affiliated with said organization) that has received cash or other property income of 10 million yen or more on average over the past three years either currently or in the recent past, nor was it affiliated with said organization within the past three years.
 4. The party is not a major shareholder that holds 5% or more of the voting rights of the Bank nor is an executive thereof, currently or in the past three years.
 5. Of a party with which there are mutual appointments of Outside Officers with the Bank, the person is not an Outside Officer affiliated with a party that is deemed to have a close relationship with the Bank, currently or in the past three years. A close relationship refers to cases where officers of both parties continue to serve mutually and where there are no several Outside Officers other than those from the Bank.
 6. The party is not a receiver of donations, etc., from the Bank of 10 million yen or more on average over the past three years nor is an executive thereof, currently or in the past three years.
 7. The party is not a party that does not satisfy the items set out in 1. to 6. above or a close relative (relative to within the second degree of kinship) of a Director, Corporate Auditor, or significant employee of the Bank or its subsidiaries.
 - * An executive refers to persons in the positions equivalent to Director, Corporate Auditor or General Manager.
 - * Accounting specialists and legal specialists refer to certified public accountants and attorneys.

Proposal No. 3: Election of One (1) Corporate Auditor

Corporate Auditor Tadashi Kinjo will resign at the conclusion of this General Meeting of Shareholders. Accordingly, the Bank proposes the election of one (1) Corporate Auditor as a substitute.

The Board of Corporate Auditors has previously given its approval to this proposal.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
Mamoru Ikei (Dec. 17, 1958) [New candidate]	Apr. 1977 Joined the Bank Oct. 2001 Branch Manager, Ojana Branch Jul. 2008 General Manager, Corporate Loan Division Jun. 2010 Executive Officer and General Manager, Corporate Loan Division Jun. 2011 Executive Officer and General Manager, Head Office Business Division Jun. 2013 Managing Director Jun. 2016 Senior Managing Director To the present (Responsible for General Planning Division, Personnel Division and Securities & International Division)	4,320 shares

Reasons for selection as a candidate for Corporate Auditor

Mr. Mamoru Ikei has been involved in the credit division and sales promotion division, etc., and has a wealth of operational experience.

Additionally, he has demonstrated strong management capability in overall bank management as Representative Director from 2016, and is appropriately fulfilling his duties and responsibilities.

In light of these achievements, the Bank has judged that he can be expected to contribute to improving corporate value of the Group over the medium- to long-term through the audit of execution of duties by Directors from an independent standpoint, and has therefore selected him as a candidate for Corporate Auditor.

(Note) There are no special conflicts of interest between the Bank and the candidate for Corporate Auditor.

Furthermore, there are no matters other than the above to be specifically stated regarding proposals for the election of Corporate Auditors as defined in Article 76 of the Ordinance for Enforcement of the Companies Act.

Proposal No. 4: Payment of Bonuses to Directors

In consideration of business results, etc., for the fiscal year under review, the Bank proposes the payment of a total amount of 14,175,000 yen in executive bonuses for seven (7) Directors (excluding Outside Directors) in office as of the end of the fiscal year under review.

Furthermore, the Bank proposes that the amount to be paid to each Director be determined by the Board of Directors.

Proposal No. 5: Determination of Amount and Details of Stock Compensation, etc. for Directors, etc.**1. Reasons for the Proposal and Reasons for the appropriateness of the Compensation**

Compensation for Directors (excluding Outside Directors and non-residents of Japan; hereinafter the same applies in this Proposal) of the Bank consists of “basic compensation”, “bonuses,” and “stock options”. In this Proposal, the Bank proposes the introduction of a new stock compensation scheme (the “Plan”) for Directors and Executive Officers of the Bank (“Directors, etc.”), to replace “stock options” within the aforementioned compensation structure.

The objective of the introduction of the Plan is to further clarify the link between the compensation of Directors, etc. and the business performance of the Bank, and increase motivation to contribute to improving corporate value over the medium- to long-term, and therefore the Bank believes its introduction is appropriate.

In this Proposal, the Bank proposes the payment of stock compensation to Directors, etc. separately to the maximum amount of compensation for Directors (within 132 million yen; however, this does not

include the portion of salary as an employee for Directors concurrently serving as employees) approved at the 79th Annual General Meeting of Shareholders held on June 18, 2010.

Furthermore, if Proposal 2 “Election of Ten (10) Directors” is approved and passed as originally proposed, there will be seven (7) Directors eligible for the Plan.

In addition, as described above, Executive Officers are also eligible for the Plan (at present there are four (4) Executive Officers not concurrently serving as Directors who will be eligible for the Plan), and the compensation to be paid based on the Plan includes compensation to be paid to Executive Officers. In this Proposal, the Bank proposes an amount and content as compensation, etc. for Directors, etc. in regard to compensation based on the Plan, taking into consideration the possibility that these Executive Officers may be newly appointed as Directors during the Target Period of the Trust as defined in the below item 2. (2).

2. Amount and Details, etc. of Compensation, etc. under the Plan

(1) Overview of the Plan

The Plan is a stock compensation plan whereby shares of the Bank will be acquired through a trust using an amount of compensation for Directors, etc. contributed by the Bank, and shares of the Bank and cash equivalent to the conversion value of shares of the Bank (the “Bank Shares, etc.”) will be delivered and paid (“delivered, etc.”) to Directors, etc. (See item (2) below and further for details.)

1) Persons eligible for delivery, etc. of Bank Shares, etc. under the Plan	- Directors of the Bank (excluding Outside Directors and non-residents of Japan) - Executive Officers of the Bank
2) Impact of the shares of the Bank covered by the Plan on the total number of shares outstanding	
Maximum amount of cash to be contributed by the Bank (as described in item (2) below)	- 350 million yen, for three (3) fiscal years
Method of acquisition of the shares of the Bank (as described in item (2) below) and the maximum number of the Bank Shares, etc. to be delivered, etc. to Directors, etc. (as described in item (3) below)	- The maximum total number of points to be granted to Directors, etc. in a single fiscal year will be 27,300 points, and the maximum total number of the Bank Shares, etc. to be acquired by the trust for delivery, etc. to Directors, etc. for three (3) fiscal years will be 81,900 shares. - The ratio of the number of shares equivalent to the maximum total number of points to be granted to Directors, etc. in a single fiscal year to the total number of shares outstanding of the Bank (as of March 31, 2018; after deducting treasury shares) will be approximately 0.11%. - Shares of the Bank will be acquired from the Bank (disposal of treasury shares) or the stock market.
3) Details of business performance achievement criteria (as described in item (3) below)	- Varies according to the level of achievement of targets for business profit on core banking operations and ROE for consolidated net income in each fiscal year
4) Timing of delivery, etc. of the Bank Shares, etc. to Directors, etc. (as described in item (4) below)	- Upon resignation or retirement of Directors, etc.

(2) Maximum Amount of Cash to be contributed by the Bank

The Plan will cover three (3) consecutive fiscal years (the initial period will be from the fiscal year ending March 31, 2019 to the fiscal year ending March 31, 2021, and if the trust period is extended as described below, for a period of three (3) subsequent fiscal years each time) (the period covered by the Plan is hereinafter referred to as the “Target Period”).

The Bank will contribute cash up to a maximum of 350 million yen for each Target Period as compensation for Directors, etc., and will establish a trust (the “Trust”), with a trust period of three (3) years, with Directors, etc. who satisfy the beneficiary requirements as the beneficiaries.

In accordance with the directions of the trust administrator, the Trust will acquire shares of the Bank using the money entrusted as funds from the Bank (disposal of treasury shares) or the stock market.

Furthermore, at the expiration of the trust period of the Trust, the Trust may be continued by making modifications to the trust agreement and additional entrustments. In this case, the trust period of the Trust will be extended for a length of time equivalent to the initial trust period, and thus the Target Period will be the subsequent three (3) fiscal years, including the fiscal year when the trust period is extended. The Bank will, for each extended trust period, contribute additional cash within the limit of 350 million yen, and continue to award points to Directors, etc. and the Trust will make Delivery, etc. of the Bank Shares, etc. to Directors, etc. during the extended trust period. However, when additional contributions are made in this way, if there are shares of the Bank (excluding shares of the Bank corresponding to points granted to Directors, etc. that have not yet been delivered) and cash remaining ("Residual Shares, etc.") within the trust assets as of the final day of the trust period prior to extension, the sum of the amount of the Residual Shares, etc. and the trust money to be additionally contributed shall be within the limit of 350 million yen. These extensions of the trust period shall not be limited to one time, and the Trust may be subsequently continued again in the same manner. If the trust agreement is not modified and additional entrustments are not made at the expiration of the trust period, there shall be no subsequent determination of points to be granted to Directors, etc. However, if there are Directors, etc. in office who may satisfy the beneficiary requirements at this time, the Bank may extend the trust period of the Trust by a maximum of up to ten (10) years, until these Directors, etc. resign or retire and the delivery, etc. of the Bank Shares, etc. is completed.

(3) Method of Calculating the Number of Shares of the Bank to be delivered, etc. to Directors, etc. and the Maximum Number thereof

During the trust period, at a prescribed time every year, points shall be granted to Directors, etc. in accordance with their position and the level of achievement of business performance targets* in the fiscal year ending on March 31 of the same year (the first time shall be for the fiscal year ending on March 31, 2019). The Bank Shares, etc. shall be delivered, etc. in accordance with the accumulated number of points (the "Accumulated Number of Points") granted when the Director, etc. resigns or retires.

One (1) point shall equal one (1) share of the Bank. However, if circumstances arise during the trust period whereby it is recognized that it is fair to adjust the points, such as a share split, consolidation of shares, etc. of the shares of the Bank, the number of shares of the Bank per point shall be adjusted in accordance with the split ratio, consolidation ratio, etc.

* Points shall be determined in accordance with the level of achievement of targets for business profit on core banking operations and ROE for consolidated net income.

The maximum total number of points to be granted to Directors, etc. during the trust period of the Trust shall be 27,300 points per fiscal year, and the maximum total number of shares of the Bank to be acquired by the Trust for delivery, etc. to Directors, etc. during the Target Period shall be 81,900 shares. Historical share prices and other factors have been referred to when determining the maximum total number of the Bank Shares, etc. to be acquired by the Trust, based on the maximum amount of trust money in the above item (2).

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

Directors, etc. who satisfy the beneficiary requirements shall receive delivery, etc. of a number of the Bank Shares, etc. equivalent to the Accumulated Number of Points calculated based on the above item (3) when they resign or retire. At this time, Directors, etc. shall receive delivery of shares of the Bank equivalent to 65% of the Accumulated Number of Points (shares less than one unit shall be rounded down), and shall receive payment of the cash conversion value of the number of shares equivalent to the remaining Accumulated Number of Points, after conversion within the Trust.

Furthermore, if a Director, etc. who satisfies the beneficiary requirements dies while he or she is in office, his or her heir shall receive payment of the cash conversion value of all shares of the Bank corresponding to the Accumulated Number of Points calculated based on the above item (3), after conversion within the Trust.

(5) Exercise of Voting Rights for Shares of the Bank in the Trust

In order to ensure neutrality toward management, voting rights for shares of the Bank in the Trust shall not be exercised during the trust period.

(6) Treatment at the End of the Trust

If there are shares remaining at the end of the Trust (or the end of the extended trust period, if the trust period is extended as described in the above item (2)), owing to the failure to achieve business performance targets or any other reason, the Bank intends to cancel these remaining shares after they are transferred from the Trust to the Bank without consideration, as a measure for shareholder returns. In addition, any dividends from shares of the Bank remaining in the Trust when the trust period expires will be utilized as funds for acquiring shares in the event that the Trust continues to be used, but if the Trust ends owing to the expiration of the trust period, they shall revert to the Bank within the scope of the reserve for trust expenses, and the Bank intends to donate any portion exceeding the reserve for trust expenses to a body with no special conflicts of interest with the Bank and Directors, etc.

(7) Other Details of the Plan

Other details of the Plan shall be determined by the Board of Directors when the Trust is established, when modifications are made to the trust agreement, and when additional contributions are made to the Trust.

For more details of the Plan, please refer to “Notice of Introduction of Stock Compensation Plan” dated May 11, 2018.

End