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(Securities Code: 8382)
June 4, 2018

To Shareholders with Voting Rights:

Masato Miyanaga
President
The Chugoku Bank, Ltd.
1-15-20 Marunouchi, Kita-ku,
Okayama, Japan

NOTICE OF CONVOCAION OF THE 137TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 137th Ordinary General Meeting of Shareholders of The Chugoku 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 either in writing or via the Internet, etc. Please review the “Reference Documents for the General Meeting of Shareholders” described hereinafter and exercise your voting rights by Monday, June 25, 2018 at 5:00 p.m. Japan time.

- 1. Date and Time:** Tuesday, June 26, 2018 at 10:00 a.m. Japan time
- 2. Place:** 3F Auditorium, Head Office, the Bank, 1-15-20 Marunouchi, Kita-ku, Okayama, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report and Non-consolidated Financial Statements for the Bank’s 137th Fiscal Year (from April 1, 2017 to March 31, 2018)
 2. Consolidated Financial Statements for the Bank’s 137th Fiscal Year (from April 1, 2017 to March 31, 2018) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
 - Proposals to be resolved:**
 - Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Election of Eleven (11) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
 - Proposal No. 3:** Election of Six (6) Directors Serving as Audit and Supervisory Committee Members

Exercise of Voting Rights

Exercise of Voting Rights by Attending the Meeting

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

Exercise of Voting Rights in Writing

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by the aforementioned deadline.

Exercise of Voting Rights via the Internet, etc.

If voting via the Internet, etc., please confirm the “Procedures to Exercise of Voting Rights via the Internet, etc.” and exercise your voting rights by the aforementioned deadline.

- (1) If you exercise your vote multiple times via the Internet, etc., the last vote exercised will be deemed valid.
- (2) If you vote both in writing on the Voting Rights Exercise Form and the Internet, etc., the vote placed via the Internet, etc. will be deemed valid.

End

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- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Additionally, please bring this Notice of Convocation with you to conserve resources.
 - ◎ The venue will be extremely crowded during the time immediately before the meeting begins; please arrive early. Additionally, the reception is scheduled to begin at 9:00 a.m. Japan time.
 - ◎ Pursuant to laws and regulations as well as Article 16 of the Articles of Incorporation of the Bank, the following items are posted on the Bank’s website and are not included in this Notice of Convocation.
 1. Business Report
 - (1) “Matters Concerning Stock Acquisition Rights of the Bank, etc.”
 - (2) “Basic Policy Regarding the Desirable State of Parties Controlling the Determination of the Bank’s Financial and Business Policies”
 - (3) “Systems to Secure the Appropriateness of Operations”
 - (4) “Matters Concerning Specified Wholly-Owned Subsidiaries”
 - (5) “Matters Concerning Transactions with the Parent Company”
 - (6) “Matters Concerning Accounting Advisor”
 2. Financial Statements
 - (1) “Non-Consolidated Statements of Changes in Net Assets” and “Notes to the Non-consolidated Financial Statements”
 - (2) “Consolidated Statements of Changes in Net Assets” and “Notes to the Consolidated Financial Statements”

Accordingly, the attached documents in this Notice of Convocation are a part of the documents audited by the Accounting Auditor and the Audit and Supervisory Committee during preparation of the Audit Reports. Additionally, concerning the documents posted on the Bank’s website, shareholders may request a copy to be mailed by contacting the Bank’s personnel in charge of stock, Public Relations & CSR Center (Telephone: 086-223-3111 (mainboard)).

- ◎ Revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and Consolidated Financial Statements will be posted on the Bank’s website.

The Bank’s Website	http://www.chugin.co.jp/
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Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Bank proposes the following regarding appropriation of surplus.

1. Matters concerning year-end dividends

The Bank's policy on dividends, in view of working to provide further profit returns to shareholders, is to have a stable annual dividend of 18 yen per share which is unaffected by business results, and to have a shareholder return ratio, the sum of dividends and purchases of treasury stock, of 35% of net income. Based on this policy, the Bank proposes the following year-end dividends for the 137th fiscal year.

(1) Matters concerning the allotment of dividend property to shareholders and the total amount
10 yen per share of common stock, for a total of 1,900,693,110 yen

*As 10 yen was paid as an interim dividend, dividends to be paid for the full fiscal year amount to 20 yen, the same as the previous fiscal year.

(2) Effective date of distribution of surplus

Wednesday, June 27, 2018

2. Other matters concerning the appropriation of surplus

In consideration of strengthening the Bank's management structure and future business expansion, etc., the Bank proposes the following for other matters concerning the appropriation of surplus.

(1) Item and the amount of surplus to be increased

General reserve 10,000,000,000 yen

(2) Item and amount of surplus to be decreased

Retained earnings brought forward 10,000,000,000 yen

Proposal No. 2: Election of Eleven (11) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The terms of office of eleven (11) Directors (excluding Directors serving as Audit and Supervisory Committee Members; the same applies in the rest of this Proposal) will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of eleven (11) Directors is proposed.

Additionally, this Proposal had been deliberated by the Nominating and Compensation Committee in which outside directors compose the majority of members with an outside director as chairman, and then was considered in the Audit and Supervisory Committee, and there were no particular matters of note.

The candidates for Director are as follows:

No.	Name	Current position at the Bank		Attendance at meetings of the Board of Directors
1	Masato Miyanaga	Director and President	[Reappointment]	13/13 (100%)
2	Hajime Aoyama	Senior Managing Director	[Reappointment]	13/13 (100%)
3	Sadanori Kato	Senior Managing Director	[Reappointment]	13/13 (100%)
4	Yoshimasa Asama	Managing Director	[Reappointment]	12/13 (92.3%)
5	Masahiko Fukuda	Managing Director	[Reappointment]	13/13 (100%)
6	Koji Terasaka	Managing Director	[Reappointment]	13/13 (100%)
7	Ikuhide Harada	Managing Director	[Reappointment]	10/10 (100%)
8	Shinichi Taniguchi	Managing Director	[Reappointment]	10/10 (100%)
9	Kazushi Shiwaku	Director, Managing Executive Officer	[Reappointment]	13/13 (100%)
10	Yoshio Sato	Outside Director	[Reappointment] [Outside] [Independent]	13/13 (100%)
11	Akira Kodera	Outside Director	[Reappointment] [Outside] [Independent]	13/13 (100%)

1 Masato Miyanaga

[Reappointment]

Date of birth

September 12, 1954

Term of office as Director:

13 years (at the conclusion of this General Meeting of Shareholders)

Attendance at meetings of the Board of Directors:

13/13 (100%)

Number of shares of the Bank held:

21,400 shares

Past experience, positions, responsibilities, and significant concurrent positions

Apr.	1977	Joined the Bank
Jun.	1999	General Manager, Tanokuchi Branch
Oct.	2000	General Manager, Credit Administration Department
Jun.	2003	General Manager, Fukuyama Branch and Senior Deputy General Manager, Bingo Regional Headquarters
Jun.	2005	Director and General Manager, Credit Supervision Department
Jun.	2006	Director, General Manager, Credit Supervision Department and General Manager, Credit Rating Center
Jun.	2007	Managing Director
Jun.	2011	Director and President (Representative Director) (current position)

Responsibilities:

Overall business, Secretariat and NEXT 10 Promotion Department

Reasons for selecting the candidate for Director:

Since joining the Bank in 1977, he has gained examination and planning experience in the Credit Supervision Department, served as General Manager of the Credit Administration Department, General Manager of the Fukuyama Branch, General Manager of the Credit Supervision Department, and has also held the posts of supervisor of the Management Planning Department, Risk Management Department, Compliance Department, as Managing Officer. He possesses wide range of knowledge from his wealth of experience in a wide range of business, in addition to a high sense of balance. He has served as Director and President since 2011, when the Bank determined him to be the most fitting person as Representative, and is aptly fulfilling those duties and responsibilities such as formulating and implementing the 10-year long-term management plan, "Vision 2027: Plan for Creating the Future Together", by quickly responding to changes in the business environment. The Bank nominates him as a candidate for Director with the expectation that he will use his wealth of management experience and deep knowledge to lead the Bank's business performance development.

2

Hajime Aoyama

[Reappointment]

Date of birth

December 14, 1955

Term of office as Director:

11 years (at the conclusion of this General Meeting of Shareholders)

Attendance at meetings of the Board of Directors:

13/13 (100%)

Number of shares of the Bank held:

14,800 shares

Past experience, positions, responsibilities, and significant concurrent positions

Apr.	1978	Joined the Bank
Jun.	1999	General Manager, Mizushima Branch
Jun.	2001	General Manager, Management Planning Department and General Manager, Operation Development Office
Jul.	2002	General Manager, Management Planning Department
Jun.	2004	General Manager, Tokyo Branch
Jun.	2007	Director and General Manager, Tsuyama Branch
Jun.	2009	Managing Director
Jun.	2015	Senior Managing Director (Representative Director) (current position)

Responsibilities:

Overall business, Audit & Inspection Department, Personnel Department

Reasons for selecting the candidate for Director:

Since joining the Bank in 1978, he has gained management planning experience and accounting experience in the Management Planning Department, has served as General Manager of the Management Planning Department, the Tokyo Branch, the Tsuyama Branch, and has held the posts of supervisor of the Management Planning Department, the Compliance Department, Risk Management Department, Computer System Department, Personnel Department, and Audit & Inspection Department, as Managing Officer. He possesses deep knowledge of a wide range of business from his wealth of experience, and has both a good sense of balance and first-rate planning abilities and judgment ability from multiple perspectives. He has served as Senior Managing Director since 2015, and is aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to lead the Bank's business performance development.

3

Sadanori Kato

[Reappointment]

Date of birth

August 23, 1957

Term of office as Director:

5 years (at the conclusion of this General Meeting of Shareholders)

Attendance at meetings of the Board of Directors:

13/13 (100%)

Number of shares of the Bank held:

17,357 shares

Past experience, positions, responsibilities, and significant concurrent positions

Apr.	1981	Joined the Bank
Feb.	2003	General Manager, Kamogata Branch
Feb.	2005	General Manager, Konan Branch
Feb.	2008	Senior Deputy General Manager, Computer System Department
Jun.	2008	General Manager, Computer System Department
Jun.	2012	Commissioner and General Manager, Computer System Department
Jun.	2013	Director and General Manager, Personnel Department
Jun.	2015	Managing Director
Jun.	2017	Senior Managing Director (Representative Director) (current position)

Responsibilities:

Overall business, Management Planning Department, Compliance Department and Tokyo Liaison Office

Reasons for selecting the candidate for Director:

Since joining the Bank in 1981 he has gained experience in the Management Planning Department and Business Planning Department, has served as General Manager of the Konan Branch, the Computer System Department, and the Personnel Department, and has held the posts of supervisor of the Management Planning Department, Compliance Department, Computer System Department and Risk Management Department, as Managing Officer. He possesses deep knowledge of a wide range of operations from his wealth of experience, with a sense of balance and high trustworthiness and expertise. He has served as Senior Managing Director since 2017, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to lead the Bank's business performance development.

4 Yoshimasa Asama

[Reappointment]

Date of birth

May 29, 1957

Term of office as Director:

9 years (at the conclusion of this General Meeting of Shareholders)

Attendance at meetings of the Board of Directors:

12/13 (92.3%)

Number of shares of the Bank held:

16,000 shares

Past experience, positions, responsibilities, and significant concurrent positions

Apr.	1981	Joined the Bank
Oct.	2001	General Manager, Ako Branch
Jun.	2004	General Manager, Funds & Securities Department
Jun.	2009	Director and General Manager, Funds & Securities Department
Jun.	2011	Managing Director and General Manager, Bingo Regional Headquarters
Jun.	2013	Managing Director
Feb.	2015	Managing Director and General Manager, Shikoku Regional Headquarters
Jun.	2015	Managing Director (current position)

Responsibilities:

Funds & Securities Department, International Department and General Affairs Department

Reasons for selecting the candidate for Director:

Since joining the Bank in 1981, he has gained operation experience in the Funds & Securities Department, served as General Manager of the Ako Branch and Funds & Securities Department, and held the posts of supervisor of the Funds & Securities Department, International Department, Business Promotion Department, and Business Planning Department as Managing Officer. He possesses deep knowledge in precise fund operations from his wealth of experience, as well as international business operations. He has been serving as Managing Director since 2011, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to contribute to the Bank's business performance development.

5 Masahiko Fukuda

[Reappointment]

Date of birth

May 10, 1955

Term of office as Director:

9 years (at the conclusion of this General Meeting of Shareholders)

Attendance at meetings of the Board of Directors:

13/13 (100%)

Number of shares of the Bank held:

11,000 shares

Past experience, positions, responsibilities, and significant concurrent positions

Apr.	1978	Joined the Bank
Feb.	1997	General Manager, Fujito Branch
Jun.	1999	General Manager, Training and Education Office
Feb.	2001	General Manager, Kurashiki Ekimae Branch
Jun.	2003	General Manager, Hokancho Branch and General Manager, Tsushima Branch
Jun.	2004	General Manager, Hokancho Branch
Jun.	2005	General Manager, Administrative Planning Department
Jun.	2007	General Manager, Okayama-Nishi Branch
Jun.	2009	Director and General Manager, Head Office Business Department
Jun.	2013	Managing Director and General Manager, Bingo Regional Headquarters
Jun.	2015	Managing Director (current position)

Responsibilities:

Business Promotion Department and Solution Business Department

Reasons for selecting the candidate for Director:

Since joining the Bank in 1978, he has gained experience in personnel planning from the Personnel Department, served as General Manager of the Administrative Planning Department, the Okayama-Nishi Branch, and Head Office Business Department, and has held the posts of supervisor of the Business Promotion Department and Business Planning Department as Managing Officer. He possesses deep knowledge in business promotion operations from his wealth of experience. He has been serving as Managing Director since 2013, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to contribute to the Bank's business performance development.

6 Koji Terasaka

[Reappointment]

Date of birth
October 25, 1957

Term of office as Director:
5 years (at the conclusion of this General Meeting of Shareholders)

Attendance at meetings of the Board of Directors:
13/13 (100%)

Number of shares of the Bank held:
7,376 shares

Past experience, positions, responsibilities, and significant concurrent positions

Apr.	1980	Joined the Bank
Feb.	2003	General Manager, Hinase Branch
Jun.	2005	General Manager, Fuchu Branch
Jun.	2009	General Manager, Credit Supervision Department and General Manager, Credit Rating Center
Oct.	2011	General Manager, Credit Supervision Department
Jun.	2012	Commissioner and General Manager, Credit Supervision Department
Jun.	2013	Director and General Manager, Shikoku Regional Headquarters
Feb.	2015	Director and General Manager, Head Office Business Department
Jun.	2017	Managing Director (current position)

Responsibilities:

Credit Supervision Department, Administrative Planning Department and Treasury Administration Department

Reasons for selecting the candidate for Director:

Since joining the Bank in 1980 he has gained experience in the Credit Supervision Department, served as a General Manager of the Credit Supervision Department, Shikoku Regional Headquarters, and Head Office Business Department, and has held the posts of supervisor of the Credit Supervision Department, Administrative Planning Department and Treasury Administration Department as Managing Officer. He possesses deep knowledge in precise credit decision, operation and risk administration business from a wealth of business experience. He has been serving as Managing Director since 2017, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to contribute to the Bank's business performance development.

7 Ikuhide Harada

[Reappointment]

Date of birth
April 6, 1961

Term of office as Director:
1 year (at the conclusion of this General Meeting of Shareholders)

Attendance at meetings of the Board of Directors:
10/10 (100%)

Number of shares of the Bank held:
8,663 shares

Past experience, positions, responsibilities, and significant concurrent positions

Apr.	1985	Joined the Bank
Oct.	2007	General Manager, Hirai Branch
Jun.	2009	General Manager, Fuchu Branch
Jun.	2011	General Manager, Osaka Branch
Jun.	2013	General Manager, Fukuyama Branch and Senior Deputy General Manager, Bingo Regional Headquarters
Jun.	2015	Executive Officer and General Manager, Personnel Department
Jun.	2017	Managing Director (current position)

Responsibilities:

Computer System Department and Risk Management Department

Reasons for selecting the candidate for Director:

Since joining the Bank in 1985, he has gained experience in the Business Promotion Department, served as General Manager of the Osaka Branch, Fukuyama Branch, and Personnel Department and has held the posts of supervisor of Computer System Department and Risk Management Department, as Managing Officer. He possesses deep knowledge in business promotion, personnel planning, system, and risk management from a wealth of business experience. He has been serving as Managing Director since 2017, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to contribute to the Bank's business performance development.

8 Shinichi Taniguchi

[Reappointment]

Date of birth

October 21, 1964

Term of office as Director:

1 year (at the conclusion of this General Meeting of Shareholders)

Attendance at meetings of the Board of Directors:

10/10 (100%)

Number of shares of the Bank held:

5,735 shares

Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1987 Joined the Bank
Jun. 2008 General Manager, Kakogawa Branch
Jun. 2011 General Manager, Tanokuchi Branch
Jun. 2013 General Manager, Management Planning Department
Jun. 2015 Executive Officer and General Manager, Tsuyama Branch
Jun. 2017 Managing Director and General Manager, Bingo Regional Headquarters (current position)

Reasons for selecting the candidate for Director:

Since joining the Bank in 1987, he has gained experience in the Management Planning Department served as General Manager of the Management Planning Department and Tsuyama Branch, and has held the posts of supervisor of Bingo Regional Headquarters as Managing Officer. He possesses deep knowledge in management planning and business promotion from a wealth of business experience. He has been serving as Managing Director since 2017, and has been aptly fulfilling those duties and responsibilities. The Bank nominates him as candidate for Director with the expectation that he will utilize his wealth of experience and wide range of knowledge to contribute to the Bank's business performance development.

9 Kazushi Shiwaku

[Reappointment]

Date of birth

January 21, 1959

Term of office as Director:

7 years (at the conclusion of this General Meeting of Shareholders)

Attendance at meetings of the Board of Directors:

13/13 (100%)

Number of shares of the Bank held:

8,800 shares

Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1981 Joined the Bank
Feb. 2002 General Manager, Tsurajima Branch
Jun. 2004 Senior Deputy General Manager, Fukuyama Branch
Feb. 2006 General Manager, Yonago Branch
Nov. 2008 General Manager, Kojima Branch
Jun. 2011 Director and General Manager, Kurashiki Branch
Jun. 2013 Director and General Manager, Business Promotion Department
Jun. 2015 Director and General Manager, Shikoku Regional Headquarters
Jun. 2017 Director, Managing Executive Officer and General Manager, Kurashiki Regional Headquarters (current position)

Reasons for selecting the candidate for Director:

Since joining the Bank in 1981, he has gained experience in the Credit Supervision Department and held the posts of General Manager of the Business Promotion Department, Shikoku Regional Headquarters and Kurashiki Regional Headquarters as Managing Officer. He possesses a wealth of business experience and wide range of knowledge. The Bank nominates him as candidate for Director based on his experience as General Manager of the Kurashiki Regional Headquarters with the expectation that he will utilize this experience and knowledge to contribute to the Bank's business performance development.

10

Yoshio Sato

[Reappointment]
[Outside]
[Independent]

Date of birth

February 14, 1949

Term of office as Director:

4 years (at the conclusion of this General Meeting of Shareholders)

Attendance at meetings of the Board of Directors:

13/13 (100%)

Number of shares of the Bank held:

1,300 shares

Past experience, positions, responsibilities, and significant concurrent positions

Jul. 1974 Joined Arthur Andersen & Co.
Jul. 1979 Resigned from Arthur Andersen & Co.
Aug. 1979 Joined Tohmatsu Aoki Audit Firm
Mar. 1981 Registered as Certified Public Accountant
Aug. 1986 Resigned from Tohmatsu Aoki Audit Firm
Sep. 1986 Established Yoshio Sato CPA Firm
Jun. 2006 Outside Audit & Supervisory Board Member, the Bank
Jun. 2014 Outside Director (current position)

Reasons for selecting the candidate for Outside Director:

Through his many years of experience as a certified public accountant, he has gained a wealth of experience and a high level of knowledge and specialization in finance and accounting, in addition to being sufficiently familiar with the local economic community. The Bank nominates him as candidate for Outside Director with the expectation that he will give advice that utilizes his knowledge and strengthen the viability of the decision-making functions and supervisory functions of the Board of Directors from his position of being independent from management.

11

Akira Kodera

[Reappointment]
[Outside]
[Independent]

Date of birth

April 23, 1947

Term of office as Director:

2 years (at the conclusion of this General Meeting of Shareholders)

Attendance at meetings of the Board of Directors:

13/13 (100%)

Number of shares of the Bank held:

600 shares

Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1970 Joined ITOCHU Corporation
Jun. 2000 Executive Officer, ITOCHU Corporation
Apr. 2002 Managing Executive Officer, ITOCHU Corporation
Jun. 2004 Representative Director and Managing Executive Officer, ITOCHU Corporation
Jun. 2006 Resigned from ITOCHU Corporation
Assumed the office of Representative Director, ITOCHU ENEX CO., LTD.
Jun. 2012 Chairman of the Board of Directors, ITOCHU ENEX CO., LTD.
Mar. 2015 Resigned from ITOCHU ENEX CO., LTD.
Jun. 2016 Outside Director, the Bank (current position)

Reasons for selecting the candidate for Outside Director:

He has held the posts of Representative Director and Managing Executive Officer of the ITOCHU Corporation and Representative Director, President and Chairman of ITOCHU ENEX CO., LTD. He possesses a wealth of corporate management experience and a high level of knowledge. The Bank nominates him as candidate for Outside Director with the expectation that he will give advice that utilizes his knowledge and experience as a corporate manager, and strengthen the viability of the decision-making functions and supervisory functions of the Board of Directors from his position of being independent from management.

- (Notes)
1. There are no special interests between the candidates and the Bank.
 2. Messrs. Yoshio Sato and Akira Kodera are candidates for Outside Director. The Bank has registered Messrs. Yoshio Sato and Akira Kodera at the Tokyo Stock Exchange as Independent Director/Auditor stipulated by the aforementioned Exchange. If this Proposal is approved as proposed, the Bank plans to designate Messrs. Yoshio Sato and Akira Kodera as Independent Director/Auditor.
 3. In November 2017, during the service of Mr. Yoshio Sato and Mr. Akira Kodera as outside directors, a case of cash embezzlement by a former employee was uncovered. Mr. Sato and Mr. Kodera had always given timely proposals and advice regarding prevention of misconduct as well as other legal compliance issues. Furthermore, after the case was uncovered, they have required thorough investigation and strict action and actively given advice regarding

establishing a companywide early detection system as a measure to prevent the reoccurrence of the incident. We believe, therefore, that they have appropriately performed their duties.

4. The Bank has concluded a liability limitation agreement with Messrs. Yoshio Sato and Akira Kadera based on provisions under Article 427, Paragraph 1 of the Companies Act. If this Proposal is approved as proposed, the Bank plans to continue with the above liability limitation agreement with Messrs. Yoshio Sato and Akira Kadera based on provisions under Article 427, Paragraph 1 of the Companies Act. The liability amount for Outside Directors pursuant to such agreement shall be the minimum amount stipulated by laws and regulations.

Proposal No. 3: Election of Six (6) Directors Serving as Audit and Supervisory Committee Members

All six (6) directors serving as Audit and Supervisory Committee Members will be completing their terms as of the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of six (6) Directors serving as Audit and Supervisory Committee Members is proposed.

This proposal has received the approval of the Audit and Supervisory Committee.

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

No.	Name	Current position at the Bank		Attendance at meetings of the Board of Directors and Audit and Supervisory Committee
1	Yasuo Okazaki	Full-time of Audit and Supervisory Committee Member	[Reappointment]	Board of Directors 13/13 (100%) Audit and Supervisory Committee 13/13 (100%)
2	Hiromichi Ando	Full-time of Audit and Supervisory Committee Member	[Reappointment]	Board of Directors 13/13 (100%) Audit and Supervisory Committee 10/10 (100%)
3	Michiyo Nishida	Audit and Supervisory Committee Member	[Reappointment] [Outside]	Board of Directors 13/13 (100%) Audit and Supervisory Committee 13/13 (100%)
4	Hiromichi Furuya	Audit and Supervisory Committee Member	[Reappointment] [Outside] [Independent]	Board of Directors 13/13 (100%) Audit and Supervisory Committee 13/13 (100%)
5	Toshihide Saito	Audit and Supervisory Committee Member	[Reappointment] [Outside] [Independent]	Board of Directors 13/13 (100%) Audit and Supervisory Committee 13/13 (100%)
6	Kazuhiro Tanaka	Audit and Supervisory Committee Member	[Reappointment] [Outside] [Independent]	Board of Directors 10/10 (100%) Audit and Supervisory Committee 9/10 (90%)

1 Yasuo Okazaki

[Reappointment]

Date of birth

February 9, 1958

Term of office as Director:

2 years (at the conclusion of this General Meeting of Shareholders)

Term of office as Director serving as Audit and Supervisory Committee Member:

2 years (at the conclusion of this General Meeting of Shareholders)

Attendance at meetings of the Board of Directors:

13/13 (100%)

Attendance at meetings of the Audit and Supervisory Committee

13/13 (100%)

Number of shares of the Bank held:

7,256 shares

Past experience, positions, responsibilities, and significant concurrent positions

Apr.	1980	Joined the Bank
Jul.	2002	General Manager, Tama Branch
Feb.	2005	General Manager, Kamogata Branch
Oct.	2007	General Manager, Shinichi Branch
Jun.	2009	General Manager, Management Planning Department
Jun.	2012	Full-time Audit & Supervisory Board Member
Jun.	2016	Director (Full-time Audit and Supervisory Committee Member) (current position)

Reasons for selecting the candidate for Director:

Since joining the Bank in 1980, he has gained experience of accounting and ALM, in the Management Planning Department, and has held the position of General Manager of the General Affairs Department. He possesses a wealth of business experience and a wide range of knowledge. The Bank nominates him as candidate for Director serving as Audit and Supervisory Committee Member with the expectation that he will audit the execution of duties by Directors in fair and appropriate manner as Audit and Supervisory Committee Member.

2 Hiromichi Ando

[Reappointment]

Date of birth

February 28, 1958

Term of office as Director:

7 years (at the conclusion of this General Meeting of Shareholders)

Term of office as Director serving as Audit and Supervisory Committee Member:

1 year (at the conclusion of this General Meeting of Shareholders)

Attendance at meetings of the Board of Directors:

13/13 (100%)

Attendance at meetings of the Audit and Supervisory Committee:

10/10 (100%)

Number of shares of the Bank held:

12,800 shares

Past experience, positions, responsibilities, and significant concurrent positions

Apr.	1981	Joined the Bank
Feb.	2002	General Manager, Higashi Okayama Branch
Jan.	2004	Senior Deputy General Manager, Okayama-Minami Branch
Nov.	2005	Senior Supervisor, Business Support Department
Jun.	2006	Senior Supervisor, Business Support Department and General Manager, Public Services Department
Jun.	2007	General Manager, Management Planning Department
Jun.	2009	General Manager, Tokyo Branch
Jun.	2011	Director and General Manager, Personnel Department
Jun.	2013	Director and General Manager, Audit & Inspection Department
Jun.	2017	Director (Full-time Audit and Supervisory Committee Member) (current position)

Reasons for selecting the candidate for Director:

Since joining the Bank in 1981, he has gained experience in the Personnel Department and held the posts of General Manager of the Management Planning Department and Personnel Department. He possesses a wealth of business experience and wide range of knowledge. The Bank nominates him as candidate for Director Serving as Audit and Supervisory Committee Member with the expectation that he will audit the execution of duties by Directors in fair and appropriate manner as Audit and Supervisory Committee Member.

3

Michiyo Nishida

[Reappointment]
[Outside]

Date of birth

September 27, 1941

Term of office as Outside Director:

2 years (at the conclusion of
this General Meeting of
Shareholders)

Term of office as Director serving as Audit and Supervisory Committee Member:

2 years (at the conclusion of
this General Meeting of
Shareholders)

Attendance at meetings of the Board of Directors:

13/13 (100%)

Attendance at meetings of the Audit and Supervisory Committee:

13/13 (100%)

Number of shares of the Bank held:

10,000 shares

Past experience, positions, responsibilities, and significant concurrent positions

Apr.	1969	Judicial apprentice
Apr.	1971	Registered as Attorney-At-Law
Apr.	1971	Established Nishida Law Firm
	1999	Chairman, Okayama Lawyers Association
	1999	Executive Governor, Japan Federation of Bar Associations
Jun.	2003	Outside Audit & Supervisory Board Member, the Bank
Jun.	2016	Outside Director (Audit and Supervisory Committee Member) (current position)

Reasons for selecting the candidate for Director:

Through her many years of experience as a Lawyer, she has gained a wealth of experience as well as a high level of knowledge and specialization. The Bank nominates her as candidate for Outside Director serving as Audit and Supervisory Committee Member with the expectation that she will ensure the appropriateness of decision-making of the Board of Directors and strengthen the audit and supervising system of the Bank.

4 Hiromichi Furuya

[Reappointment]
[Outside]
[Independent]

Date of birth
August 27, 1948

Term of office as Director:
2 years (at the conclusion of
this General Meeting of
Shareholders)

**Term of office as Director
serving as Audit and
Supervisory Committee
Member:**
2 years (at the conclusion of
this General Meeting of
Shareholders)

**Attendance at meetings of
the Board of Directors:**
13/13 (100%)

**Attendance at meetings of
the Audit and Supervisory
Committee:**
13/13 (100%)

**Number of shares of the
Bank held:**
- share

Past experience, positions, responsibilities, and significant concurrent positions

Apr.	1971	Joined Okayama Prefectural Government
Apr.	2006	General Manager, Agriculture, Forestry and Fisheries Department
Apr.	2008	Public Corporation Manager
Apr.	2009	Assumed the office of Deputy Governor, Okayama Prefecture
Nov.	2012	Resigned from Deputy Governor, Okayama Prefecture
Jun.	2013	Outside Audit & Supervisory Board Member, the Bank
Jun.	2016	Outside Director (Audit and Supervisory Committee Member) (current position)

Reasons for selecting the candidate for Director:

He was the Deputy Governor of Okayama Prefecture, and possesses a wealth of experience and knowledge from engaging in regional politics. The Bank nominates him as candidate for Outside Director serving as Audit and Supervisory Committee Member with the expectation that he will ensure the appropriateness of decision-making of the Board of Directors and strengthen the audit and supervising system of the Bank.

5 Toshihide Saito

[Reappointment]
[Outside]
[Independent]

Date of birth
July 16, 1952

Term of office as Director:
2 years (at the conclusion of
this General Meeting of
Shareholders)

**Term of office as Director
serving as Audit and
Supervisory Committee
Member:**
2 years (at the conclusion of
this General Meeting of
Shareholders)

**Attendance at meetings of
the Board of Directors:**
13/13 (100%)

**Attendance at meetings of
the Audit and Supervisory
Committee:**
13/13 (100%)

**Number of shares of the
Bank held:**
600 shares

Past experience, positions, responsibilities, and significant concurrent positions

Apr.	1976	Joined Kao Soap Co., Ltd. (currently Kao Corporation)
Jun.	2004	Director and Executive Officer, Kao Corporation
Jun.	2012	Director and Managing Executive Officer, Kao Corporation
Mar.	2014	Resigned from Kao Corporation
Jun.	2016	Outside Director (Audit and Supervisory Committee Member) , the Bank (current position)

Reasons for selecting the candidate for Director:

He possesses a wealth of experience and high level of knowledge regarding corporate management from holding positions in the legal and compliance departments of Kao Corporation as a Director and Managing Executive Officer. The Bank nominates him as candidate for Outside Director serving as Audit and Supervisory Committee Member with the expectation that he will ensure the appropriateness of decision-making of the Board of Directors and strengthen the audit and supervising system of the Bank.

6 Kazuhiro Tanaka

[Reappointment]
[Outside]
[Independent]

Date of birth
November 27, 1957

Term of office as Director:
1 year (at the conclusion of this General Meeting of Shareholders)

Term of office as Director serving as Audit and Supervisory Committee Member:
1 year (at the conclusion of this General Meeting of Shareholders)

Attendance at meetings of the Board of Directors:
10/10 (100%)

Attendance at meetings of the Audit and Supervisory Committee:
9/10 (90%)

Number of shares of the Bank held:
12,000 shares

Past experience, positions, responsibilities, and significant concurrent positions

Apr.	1981	Joined Tohmatsu Aoki Audit Firm
Mar.	1985	Registered as Certified Public Accountant
Sep.	1986	Resigned from Tohmatsu Aoki Audit Firm
Oct.	1986	Joined Chikashi Tanaka Certified Tax Accountant Firm
Oct.	1986	Established Kazuhiro Tanaka CPA Firm
Oct.	2015	Established TANAKA tax accounting office Representative Partner (current position)
Jun.	2017	Outside Director (Audit and Supervisory Committee Member), the Bank (current position)

Reasons for selecting the candidate for Outside Director:

Through his many years of experience as a certified public accountant, he has gained a wealth of experience, a high level of knowledge, and specialization regarding finance and accounting. The Bank nominates him as candidate for Outside Director serving as Audit and Supervisory Committee Member with the expectation that he will ensure the appropriateness of decision-making of the Board of Directors and strengthen the audit and supervising system of the Bank.

- (Notes)
1. There are no special interests between the candidates and the Bank.
 2. Ms. Michiyo Nishida, Mr. Hiromichi Furuya, Mr. Toshihide Saito and Mr. Kazuhiro Tanaka are candidates for Outside Director. We have registered Mr. Hiromichi Furuya, Mr. Toshihide Saito and Mr. Kazuhiro Tanaka as Independent Director/Auditor with the Tokyo Stock Exchange pursuant to its rules. If this Proposal is approved as proposed, the Bank plans to designate Messrs. Hiromichi Furuya, Toshihide Saito and Kazuhiro Tanaka as Independent Director/Auditor stipulated by the Tokyo Stock Exchange.
 3. In November 2017, during the service of Ms. Michiyo Nishida, Mr. Hiromichi Furuya, Mr. Toshihide Saito and Mr. Kazuhiro Tanaka as outside directors serving as Audit and Supervisory Committee Members, a case of cash embezzlement by a former employee was uncovered. Ms. Nishida, Mr. Furuya, Mr. Saito and Mr. Tanaka had always given timely proposals and advice regarding prevention of misconduct as well as other legal compliance issues. Furthermore, after the case was uncovered, they have required thorough investigation as well as strict action and actively given advice regarding companywide implementation of measures to prevent the reoccurrence of the incident and its follow-up with supervising the status after its implementation. We believe, therefore, that they have appropriately performed their duties in this case as well.
 4. The Bank has concluded the "Liability Limitation Agreement" with Ms. Michiyo Nishida, Mr. Hiromichi Furuya, Mr. Toshihide Saito and Mr. Kazuhiro Tanaka that limits the liability under Paragraph 1 of Article 423 of the Companies Act to the ceiling amount under laws and regulations. If they are re-elected, we will renew their agreement. The liability amount for Outside Directors pursuant to such agreement shall be the minimum amount stipulated by laws and regulations.