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(Securities Code: 8385)  
June 5, 2019

**To Shareholders with Voting Rights:**

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

## **NOTICE OF CONVOCAION OF THE 116TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 116th Annual General Meeting of Shareholders of THE IYO BANK, LTD. (the “Bank”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet, etc. (pages 3-4). Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter) and exercise your voting rights by Wednesday, June 26, 2019 at 5:30 p.m. Japan time.

- 1. Date and Time:** Thursday, June 27, 2019 at 10:00 a.m. Japan time
- 2. Place:** 4F Hall, Head Office of the Bank  
1, Minami-Horibata-cho, Matsuyama-shi, Ehime
- 3. Meeting Agenda:**  
**Matters to be reported:**
  1. The Business Report and Non-consolidated Financial Statements for the Bank’s 116th Fiscal Year (from April 1, 2018 to March 31, 2019)
  2. Consolidated Financial Statements for the Bank’s 116th Fiscal Year (from April 1, 2018 to March 31, 2019) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee

**Proposals to be resolved:**

**<Propositions by the Company (Proposals 1 and 2)>**

**Proposal No. 1:** Election of Six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

**Proposal No. 2:** Election of Five (5) Directors (Audit and Supervisory Committee Members)

**<Propositions by the Shareholders (Proposals 3 to 6)>**

- Proposal No. 3:** Partial Amendment to the Articles of Incorporation (Amendment to Article 13 Standard Date)
- Proposal No. 4:** Partial Amendment to the Articles of Incorporation (Amendment by Deletion of Article 22 Consultants and Advisors)
- Proposal No. 5:** Dismissal of One (1) Director (Excluding Director Serving as Audit and Supervisory Committee Member)
- Proposal No. 6:** Dismissal of One (1) Director (Audit and Supervisory Committee Member)

**Proposals 3 to 6 are propositions by a shareholder (1 shareholder), and the Board of Directors objects to each of these Proposals.**

End

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- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  - ◎ If the venue becomes full, we will provide a second venue, etc. We appreciate your understanding.
  - ◎ The following matters are posted on the Bank's website in accordance with laws and regulations and Article 15 of the Bank's Articles of Incorporation, and are not provided with this Notice of Convocation.
    - 1) Items regarding stock acquisition rights of the Business Report
    - 2) Non-consolidated Statement of Changes in Net Assets
    - 3) Notes to the Non-consolidated Financial Statements
    - 4) Consolidated Statement of Changes in Net Assets
    - 5) Notes to the Consolidated Financial Statements

As a result, the attached documents of this Notice of Convocation are a subset of the Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements that were audited during preparation of the Accounting Auditor's Report by the Accounting Auditor and the Auditor's Report by the Audit and Supervisory Committee.

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

**The Bank's website:** <https://www.iyobank.co.jp/>

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Propositions by the Company (Proposals 1 and 2)

Proposals 1 to 2 are propositions by the Company.

#### **Proposal No. 1:** Election of Six (6) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The term of office of all six (6) Directors (excluding Directors Serving as Audit and Supervisory Committee Members; the same applies throughout this proposal) will expire at the close of this Annual General Meeting of Shareholders. Accordingly, the election of six (6) Directors is proposed.

The Audit and Supervisory Committee has reviewed this proposal, and pursuant to the provisions of the Companies Act, there are no particular matters of note to be stated.

The candidates for Directors are as follows:

No.	Name			Current positions in the Bank
1	Iwao Otsuka	Male	Reelection	President (Representative Director)
2	Kenji Takata	Male	Reelection	Senior Managing Director (Representative Director)
3	Kenji Miyoshi	Male	Reelection	Managing Director
4	Muneaki Todo	Male	Reelection	Managing Director
5	Tetsuo Takeuchi	Male	Reelection	Managing Director, CIO
6	Haruhiro Kono	Male	Reelection	Managing Director, Manager, Branch Banking Group

Reelection:            Candidate for reelected Director

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Bank held
1	<p>Iwao Otsuka (April 7, 1952)</p> <p>[Male] [Reelection]</p> <p>Term of office as Director: 12 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p>April 1976      Joined the Bank</p> <p>July 1995      Manager, Human Resources Division</p> <p>August 1998    General Manager, Gunchu Branch</p> <p>July 2000      General Manager, Kochi Branch</p> <p>June 2003      General Manager, Oita Branch</p> <p>August 2006    General Manager, Human Resources Division</p> <p>June 2007      Director, General Manager, Human Resources Division</p> <p>June 2008      Director, General Manager, Head Office, Business Department</p> <p>June 2010      Managing Director, General Manager, Branch Banking Group</p> <p>June 2011      Senior Managing Director</p> <p>June 2012      President (current position)</p> <p>[Responsibilities] General Secretariat Tokyo Representative Office Internal Audit Division</p> <p>[Significant concurrent positions] Chairman, Ehime Bankers Association Chairman, Ehime Industrial Promotion Foundation</p>	22,270 shares
<p>Reasons for selection as a candidate for Director: Mr. Iwao Otsuka has a wealth of experience as General Manager of sales branches, in the personnel division, the sales division, and the planning division, etc., and has deep knowledge of overall operations of banks. Additionally, he has executed corporate management in a precise, fair, and efficient manner as President of the Bank, and by utilizing these experiences and insights as Director, the Bank has judged that he is a person that can continue to contribute to the improvement of corporate value of the Bank over the medium to long term, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director: Mr. Iwao Otsuka is the Chairman of the Ehime Industrial Promotion Foundation, and the Bank conducts ordinary finance transactions between said foundation.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Bank held
2	<p>Kenji Takata (November 15, 1955)</p> <p>[Male] [Reelection]</p> <p>Term of office as Director: 9 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 13/14 (92.9%)</p>	<p>April 1978      Joined the Bank</p> <p>February 1998      Manager, Loan Division No. 1</p> <p>July 2000      Acting General Manager, Osaka Branch</p> <p>July 2003      General Manager, Mishima Branch</p> <p>August 2006      General Manager, Oita Branch</p> <p>August 2008      General Manager, Business Planning &amp; Promotion Division</p> <p>June 2010      Director, General Manager, Business Planning &amp; Promotion Division</p> <p>June 2012      Director, General Manager, Head Office, Business Department</p> <p>June 2014      Managing Director</p> <p>June 2016      Managing Director, General Manager, Branch Banking Group</p> <p>April 2018      Managing Director</p> <p>June 2018      Senior Managing Director (current position)</p> <p>[Responsibilities] Credit Division Ship Finance Division Consumer Loan Center Corporate Consulting Division Loan Management Office Mortgage Valuation Office</p>	21,600 shares
<p>Reasons for selection as a candidate for Director: Mr. Kenji Takata has a wealth of operational experience as General Manager of sales branches and in the sales division and the credit division, etc., and is well-versed in the operations of banks. By utilizing this wealth of experiences and insights as Director, the Bank has judged that he is a person that can continue to contribute to the improvement of corporate value of the Bank over the medium to long term, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director: There are no special interest relationships between Mr. Kenji Takata and the Bank.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Bank held
3	<p>Kenji Miyoshi (December 18, 1959)</p> <p>[Male] [Reelection]</p> <p>Term of office as Director: 2 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 13/14 (92.9%)</p>	<p>April 1982      Joined the Bank</p> <p>March 2004      General Manager, Tsubaki Branch</p> <p>August 2006      Acting General Manager, Hiroshima Branch</p> <p>August 2009      General Manager, Osaka Kita Branch</p> <p>August 2012      General Manager, Funds Operation &amp; Securities Division</p> <p>June 2014      Executive Officer, General Manager, General Planning Division</p> <p>June 2015      Managing Executive Officer, General Manager, General Planning Division</p> <p>June 2016      Managing Executive Officer, Deputy General Manager, Branch Banking Group</p> <p>June 2017      Managing Director (current position)</p> <p>[Responsibilities] General Planning Division Public Relations &amp; CSR Office International Division Funds Operation &amp; Securities Division Financial Market Business Office</p>		11,900 shares
<p>Reasons for selection as a candidate for Director: Mr. Kenji Miyoshi has a wealth of operational experience as General Manager of sales branches, in the financial market division, the planning division, and the sales division, etc., and is well-versed in the operations of banks. By utilizing this wealth of experiences and insights as Director, the Bank has judged that he is a person that can continue to contribute to the improvement of corporate value of the Bank over the medium to long term, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director: There are no special interest relationships between Mr. Kenji Miyoshi and the Bank.</p>				
4	<p>Muneaki Todo (December 7, 1955)</p> <p>[Male] [Reelection]</p> <p>Term of office as Director: 9 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p>April 1978      Joined the Bank</p> <p>February 1999      Manager, Head Office, Business Department</p> <p>June 2003      General Manager, Kochi Branch</p> <p>August 2006      General Manager, Takamatsu Branch; Chief Representative, Takamatsu Representative Office</p> <p>August 2008      General Manager, Loan Division No. 1</p> <p>June 2010      Director, General Manager, Imabari Branch</p> <p>June 2014      Managing Director (current position)</p> <p>[Responsibilities] General Affairs Division Risk Management Division Customer Satisfaction Enhancement Office Compliance Division</p>		13,200 shares
<p>Reasons for selection as a candidate for Director: Mr. Muneaki Todo has a wealth of operational experience as General Manager of sales branches and in the credit division and the risk control division etc., and is well-versed in the operations of banks. By utilizing this wealth of experiences and insights as Director, the Bank has judged that he is a person that can continue to contribute to the improvement of corporate value of the Bank over the medium to long term, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director: There are no special interest relationships between Mr. Muneaki Todo and the Bank.</p>				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Bank held
5	<p>Tetsuo Takeuchi (July 18, 1957)</p> <p>[Male] [Reelection]</p> <p>Term of office as Director: 7 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 14/14 (100%)</p>	<p>April 1980      Joined the Bank</p> <p>August 1999    Manager, Head Office, Business Department</p> <p>August 2001    Manager, Human Resources Division</p> <p>July 2005       General Manager, Fukuoka Branch</p> <p>February 2008   Acting General Manager, Systems Development Division</p> <p>August 2009    General Manager, Systems Development Division</p> <p>June 2011       Director, General Manager, Systems Development Division</p> <p>June 2015       Managing Executive Officer, General Manager of Systems Development Division</p> <p>June 2016       Managing Director, CIO (current position)</p> <p>[Responsibilities] Human Resources Division Operations Management Division Systems Development Division</p> <p>[Significant concurrent positions] Director, Audit and Supervisory Committee Member, Daiki Axis Co., Ltd.</p>	11,600 shares
<p>Reasons for selection as a candidate for Director: Mr. Tetsuo Takeuchi has a wealth of operational experience as General Manager of sales branches, and in the business administration division, the systems development division, and the personnel division etc., and is well-versed in the operations of banks. Additionally, he served as Director from June 2011 to June 2015 and appropriately fulfilled his responsibilities. By utilizing this wealth of experiences and insights as Director, the Bank has judged that he is a person that can continue to contribute to the improvement of corporate value of the Bank over the medium to long term, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director: 1. There are no special interest relationships between Mr. Tetsuo Takeuchi and the Bank. 2. In line with the transition to a Company with Audit and Supervisory Committee in June 2015, Mr. Tetsuo Takeuchi retired from Director and was appointed Managing Executive Officer.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Bank held
6	<p>Haruhiro Kono (October 26, 1958)</p> <p>[Male] [Reelection]</p> <p>Term of office as Director: 5 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 13/14 (92.9%)</p>	<p>April 1981      Joined the Bank</p> <p>July 2002      General Manager, Ushibuchi Branch</p> <p>July 2004      General Manager, Kure Branch</p> <p>August 2007    General Manager, Mitsuhamam Branch</p> <p>August 2009    General Manager, Okayama Branch</p> <p>June 2012      Director, General Manager, Business Planning &amp; Promotion Division</p> <p>June 2014      Director, General Manager, Niihama Branch</p> <p>April 2015      Director, General Manager, Niihama Group; General Manager, Niihama Branch</p> <p>June 2015      Managing Executive Officer, General Manager, Niihama Group; General Manager, Niihama Branch (current position)</p> <p>June 2017      Managing Director</p> <p>April 2018      Managing Director, General Manager, Branch Banking Group (current position)</p> <p>[Responsibilities] Branch Banking Group (Corporate &amp; Retail Banking Planning Division, Consulting Business Division, Online Business Division and Regional Vitalization Division)</p>	15,760 shares
<p>Reasons for selection as a candidate for Director:</p> <p>Mr. Haruhiro Kono has a wealth of operational experience as General Manager of sales branches and in the sales division, etc., and is well-versed in the operations of banks. Additionally, he served as Director from June 2012 to June 2015 and appropriately fulfilled his responsibilities. By utilizing this wealth of experiences and insights as Director, the Bank has judged that he is a person that can continue to contribute to the improvement of corporate value of the Bank over the medium to long term, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director:</p> <p>1. There are no special interest relationships between Mr. Haruhiro Kono and the Bank.</p> <p>2. In line with the transition to a Company with Audit and Supervisory Committee in June 2015, Mr. Haruhiro Kono retired from Director and was appointed Managing Executive Officer.</p>			



**Proposal No. 2:** Election of Five (5) Directors (Audit and Supervisory Committee Members)

The term of office of five (5) Directors (Audit and Supervisory Committee Members) will expire at the close of this Annual General Meeting of Shareholders. Accordingly, the election of five (5) Directors (Audit and Supervisory Committee Members) is proposed.

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

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

No.	Name			Current positions in the Bank
1	Shiro Hirano	Male	Reelection	Director (Audit and Supervisory Committee Member) (Standing)
2	Kaname Saeki	Male	Reelection Outside Independent	Director (Audit and Supervisory Committee Member)
3	Takeshi Ichikawa	Male	Reelection Outside Independent	Director (Audit and Supervisory Committee Member)
4	Yasunobu Yanagisawa	Male	Reelection Outside Independent	Director (Audit and Supervisory Committee Member)
5	Keiji Joko	Male	Newly elected Outside Independent	

Reelection: Candidate for reelected Director

Outside: Candidate for Outside Director

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

Newly elected: Candidate for newly elected Director

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Bank held
1	<p>Shiro Hirano (May 15, 1958)</p> <p>[Male] [Reelection]</p> <p>Term of office as Director (Audit and Supervisory Committee Member): 5 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 14/14 (100%)</p> <p>Attendance at Audit and Supervisory Committee meetings: 15/15 (100%)</p>	<p>April 1981 August 2001 August 2006 August 2008 June 2010 June 2012 June 2014 June 2015 June 2017</p>	<p>Joined the Bank Manager, General Planning Division Deputy General Manager, General Planning Division Acting General Manager, General Planning Division General Manager, General Planning Division Director, General Manager, General Planning Division Director, General Manager, Tokyo Branch; General Manager, Financial Market Business Office Managing Executive Officer, General Manager, Tokyo Branch; General Manager, Financial Market Business Office Director (Audit and Supervisory Committee Member) (current position)</p>	24,900 shares
<p>Reasons for selection as a candidate for Director: Mr. Shiro Hirano has a wealth of operational experience as General Manager of sales branches and the planning division, etc., and is well-versed in the operations of banks. Additionally, he served as Director from June 2012 to June 2015 and appropriately fulfilled his responsibilities. By utilizing this wealth of experiences and insights, the Bank has judged that he is a person that can appropriately conduct the auditing and supervision of Directors' duty execution, accounting audits in cooperation with the Accounting Auditor, and other duties, from a standpoint independent from business execution, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director:</p> <ol style="list-style-type: none"> <li>1. There are no special interest relationships between Mr. Shiro Hirano and the Bank.</li> <li>2. In line with the transition to a Company with Audit and Supervisory Committee in June 2015, Mr. Shiro Hirano retired from Director and was appointed Managing Executive Officer.</li> <li>3. The Bank concluded a liability limitation agreement with Mr. Shiro Hirano based on Article 427, Paragraph 1 of the Companies Act. If Mr. Shiro Hirano is reappointed as Director (Audit and Supervisory Committee Member), the Bank plans to continue the liability limitation agreement with him. The limit of liability for Directors (Audit and Supervisory Committee Members) under said agreement is the minimum liability amount stipulated by laws and regulations.</li> </ol>				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Bank held
2	<p>Kaname Saeki (October 29, 1944)</p> <p>[Male] [Reelection] [Outside] [Independent]</p> <p>Term of office as Outside Director: 4 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 12/14 (85.7%)</p> <p>Attendance at Audit and Supervisory Committee meetings: 12/15 (80%)</p>	<p>April 1968      Joined Teito Rapid Transit Authority</p> <p>March 1975      Joined Iyo Railway Co., Ltd. (currently IYOTETSU Group Co., Ltd.)</p> <p>June 1995      General Manager, Engineering Division</p> <p>June 1997      Director, General Manager, Engineering Division</p> <p>May 1998      Director, General Manager, Railway Division</p> <p>June 1999      Director, General Manager, Railway &amp; Vehicles Division</p> <p>June 2001      Managing Director</p> <p>June 2005      Senior Managing Director</p> <p>April 2006      President and Representative Director</p> <p>June 2012      Outside Auditor, the Bank</p> <p>June 2015      Representative Director and Chairman, Iyo Railway Co., Ltd. (currently IYOTETSU Group Co., Ltd.) (current position)</p> <p>June 2015      Director (Audit and Supervisory Committee Member) (Outside), the Bank (current position)</p> <p>[Significant concurrent positions] Representative Director and Chairman, IYOTETSU Group Co., Ltd. Representative Director and Chairman, Matsuyama Development Co., Ltd. President and Representative Director, Matsuyama Kanko Golf Co., Ltd. Chairman, the Matsuyama Chamber of Commerce and Industry Chairman, the Ehime Prefectural Federation of Chambers of Commerce and Industry</p>	16,769 shares
<p>Reasons for selection as a candidate for Director:</p> <p>Mr. Kaname Saeki has a wealth of experience and wide insights as a corporate manager, and the Bank expects to receive appropriate suggestions from the viewpoint of securing legality and appropriateness regarding decision-making of business execution as well as monitoring and supervision of management, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director:</p> <ol style="list-style-type: none"> <li>1. There are ordinary finance transactions between the Bank and IYOTETSU Group Co., Ltd., Matsuyama Development Co., Ltd., Matsuyama Kanko Golf Co., Ltd., the Matsuyama Chamber of Commerce and Industry, and the Ehime Prefectural Federation of Chambers of Commerce and Industry, where Mr. Kaname Saeki holds significant concurrent positions. Additionally, although there are transactional relationships between the Group and Matsuyama Development Co., Ltd. and Matsuyama Kanko Golf Co., Ltd. for facility usage, etc., the amount of the transactions is less than 2% of the Bank's ordinary revenue and each of the companies' net sales. Therefore, he satisfies the standards of independence (Page 16) for Outside Directors of the Bank.</li> <li>2. The Bank concluded a liability limitation agreement with Mr. Kaname Saeki based on Article 427, Paragraph 1 of the Companies Act. If Mr. Kaname Saeki is reappointed as Director (Audit and Supervisory Committee Member), the Bank plans to continue the liability limitation agreement with him. The limit of liability for Directors (Audit and Supervisory Committee Members) under said agreement is the minimum liability amount stipulated by laws and regulations.</li> <li>3. The Bank registered Mr. Kaname Saeki as an Independent Director (Outside Director) with Tokyo Stock Exchange, Inc. If this proposal is approved and Mr. Kaname Saeki is reappointed as Director (Audit and Supervisory Committee Member), the Bank plans to continue the registration as an Independent Director (Outside Director) with the Exchange.</li> </ol>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Bank held
3	<p>Takeshi Ichikawa (April 3, 1950)</p> <p>[Male] [Reelection] [Outside] [Independent]</p> <p>Term of office as Outside Director: 4 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 14/14 (100%)</p> <p>Attendance at Audit and Supervisory Committee meetings: 15/15 (100%)</p>	<p>April 1988 Registered as attorney-at-law</p> <p>April 1988 Joined Isao Yoneda Law Office (currently Matsuyama Chuo Law Office)</p> <p>April 2008 Chairman, Ehime Bar Association</p> <p>March 2009 Retired as Chairman, Ehime Bar Association</p> <p>April 2013 President, Matsuyama Chuo Law Office (current position)</p> <p>April 2014 Director, Ehime District Office, The Japan Legal Support Center</p> <p>June 2014 Outside Auditor, the Bank</p> <p>June 2015 Director (Audit and Supervisory Committee Member) (Outside), the Bank (current position)</p> <p>April 2018 Retired as Director, Ehime District Office, The Japan Legal Support Center</p> <p>[Significant concurrent positions] President, Matsuyama Chuo Law Office</p>	1,200 shares
<p>Reasons for selection as a candidate for Director:</p> <p>Although Mr. Takeshi Ichikawa has not been directly involved in corporate management, he has a wealth of experience and professional insights as an attorney-at-law, and the Bank expects to receive appropriate suggestions from the viewpoint of securing legality and appropriateness regarding decision-making of business execution as well as monitoring and supervision of management, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director:</p> <ol style="list-style-type: none"> <li>1. Mr. Takeshi Ichikawa is President of Matsuyama Chuo Law Office, with which the Bank has ordinary finance transactions. Additionally, the Group has concluded consultant agreements with multiple legal professional corporations and law offices. The said law office is one of the consultant legal professional corporations, and remuneration to the said law office has been not more than 10 million yen per annum on average over the past three fiscal years. Therefore, he satisfies the standards of independence (Page 16) for Outside Directors of the Bank.</li> <li>2. The Bank concluded a liability limitation agreement with Mr. Takeshi Ichikawa based on Article 427, Paragraph 1 of the Companies Act. If Mr. Takeshi Ichikawa is reappointed as Director (Audit and Supervisory Committee Member), the Bank plans to continue the liability limitation agreement with him. The limit of liability for Directors (Audit and Supervisory Committee Members) under said agreement is the minimum liability amount stipulated by laws and regulations.</li> <li>3. The Bank registered Mr. Takeshi Ichikawa as an Independent Director (Outside Director) with Tokyo Stock Exchange, Inc. If this proposal is approved and Mr. Takeshi Ichikawa is reappointed as Director (Audit and Supervisory Committee Member), the Bank plans to continue the registration as an Independent Director (Outside Director) with the Exchange.</li> </ol>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Bank held
4	<p>Yasunobu Yanagisawa (December 16, 1947)</p> <p>[Male] [Reelection] [Outside] [Independent]</p> <p>Term of office as Outside Director: 4 years (at the close of this General Meeting)</p> <p>Attendance at Board of Directors meetings: 11/14 (78.6%)</p> <p>Attendance at Audit and Supervisory Committee meetings: 14/15 (93.3%)</p>	<p>April 1996 Professor, Faculty of Science, Ehime University</p> <p>April 2005 Director, Ehime University</p> <p>April 2009 President, Ehime University</p> <p>March 2015 Retired as President, Ehime University</p> <p>June 2015 Director (Audit and Supervisory Committee Member) (Outside), the Bank (current position)</p> <p>April 2016 President, Okayama University of Science, Kake Educational Institution (current position)</p> <p>[Significant concurrent positions] President, Okayama University of Science, Kake Educational Institution</p>	500 shares
<p>Reasons for selection as a candidate for Director: Although Mr. Yasunobu Yanagisawa has not been directly involved in corporate management, he has a wealth of experience and professional insights as an academic expert, and the Bank expects to receive appropriate suggestions from the viewpoint of securing legality and appropriateness regarding decision-making of business execution as well as monitoring and supervision of management, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director:</p> <ol style="list-style-type: none"> <li>1. Mr. Yasunobu Yanagisawa is the President of Okayama University of Science, Kake Educational Institution. There are ordinary finance transactions between the Bank and the said educational institution, but there are no other transactions besides that. Therefore, he satisfies the standards of independence (Page 16) for Outside Directors of the Bank.</li> <li>2. The Bank concluded a liability limitation agreement with Mr. Yasunobu Yanagisawa based on Article 427, Paragraph 1 of the Companies Act. If Mr. Yasunobu Yanagisawa is reappointed as Director (Audit and Supervisory Committee Member), the Bank plans to continue the liability limitation agreement with him. The limit of liability for Directors (Audit and Supervisory Committee Members) under said agreement is the minimum liability amount stipulated by laws and regulations.</li> <li>3. The Bank registered Mr. Yasunobu Yanagisawa as an Independent Director (Outside Director) with Tokyo Stock Exchange, Inc. If this proposal is approved and Mr. Yasunobu Yanagisawa is reappointed as Director (Audit and Supervisory Committee Member), the Bank plans to continue the registration as an Independent Director (Outside Director) with the Exchange.</li> </ol>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Bank held
5	<p>Keiji Joko (February 3, 1950)</p> <p>[Male] [Newly elected] [Outside] [Independent]</p> <p>Term of office as Outside Director: –</p> <p>Attendance at Board of Directors meetings: –</p> <p>Attendance at Audit and Supervisory Committee meetings: –</p>	<p>April 1968 April 2006</p> <p>April 2008</p> <p>April 2010 December 2010 April 2012 August 2014 June 2015 June 2015 March 2019</p>	<p>Joined Ehime Prefectural Government General Manager, Economics and Labor Department, Ehime Prefecture</p> <p>General Manager, Agriculture, Forestry and Fisheries Department, Ehime Prefecture</p> <p>Advisor, Ehime Prefecture</p> <p>Assistant to the Governor, Ehime Prefecture</p> <p>Deputy Governor, Ehime Prefecture</p> <p>Special Advisor, Ehime Prefecture</p> <p>Retired as Special Advisor, Ehime Prefecture</p> <p>Chairman, Ehime Guarantee</p> <p>Retired as Chairman, Ehime Guarantee</p>	0 shares
<p>Reasons for selection as a candidate for Director: Although Mr. Keiji Joko has not been directly involved in corporate management, he has a wealth of experience and wide insights in the field of public administration, and the Bank expects to receive appropriate suggestions from the viewpoint of securing legality and appropriateness regarding decision-making of business execution as well as monitoring and supervision of management, and has selected him as a candidate for Director.</p> <p>Other matters of note regarding the candidate for Director:</p> <ol style="list-style-type: none"> <li>1. There are no special interest relationships between Mr. Keiji Joko and the Bank. The Bank has transactions with Ehime prefecture, where Mr. Keiji Joko is from, as its designated financial institution, and there are ordinary finance transactions such as deposits and loans between the Bank and the prefecture. However, considering the nature of the transactions and the character of the prefecture where he is from, his independence is not affected. Therefore, he satisfies the standards of independence (Page 16) for Outside Directors of the Bank.</li> <li>2. If Mr. Keiji Joko is appointed as Director (Audit and Supervisory Committee Member), the Bank will conclude a liability limitation agreement with Mr. Keiji Joko based on Article 427, Paragraph 1 of the Companies Act. The limit of liability for Directors (Audit and Supervisory Committee Members) under said agreement is the minimum liability amount stipulated by laws and regulations.</li> <li>3. If this proposal is approved, the Bank will register Mr. Keiji Joko as an Independent Director (Outside Director) with Tokyo Stock Exchange, Inc.</li> </ol>				

(Reference)

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

Name			Current positions in the Bank, significant concurrent positions
Shiro Hirano	Male		Director (Audit and Supervisory Committee Member) (Standing)
Kaname Saeki	Male	Outside Independent	Director (Audit and Supervisory Committee Member) Representative Director and Chairman, IYOTETSU Group Co., Ltd. Representative Director and Chairman, Matsuyama Development Co., Ltd. President and Representative Director, Matsuyama Kanko Golf Co., Ltd. Chairman, the Matsuyama Chamber of Commerce and Industry Chairman, the Ehime Prefectural Federation of Chambers of Commerce and Industry
Takeshi Ichikawa	Male	Outside Independent	Director (Audit and Supervisory Committee Member) President, Matsuyama Chuo Law Office
Yasunobu Yanagisawa	Male	Outside Independent	Director (Audit and Supervisory Committee Member) President, Okayama University of Science, Kake Educational Institution
Junko Miyoshi	Female	Outside Independent	Director (Audit and Supervisory Committee Member) Chairman, Ability Center Inc.
Keiji Joko	Male	Outside Independent	Director (Audit and Supervisory Committee Member)

Outside: Outside Director or candidate for Outside Director

Independent: Independent Directors for notification to Tokyo Stock Exchange, Inc.

\* The term of office of Directors (Audit and Supervisory Committee Members) is two (2) years. Ms. Junko Miyoshi was elected and assumed office at the 115th Annual General Meeting of Shareholders held in June 2018.

(Reference) Standards of Independence for Outside Directors of the Bank

In the event that none of the following items apply, the Board of Directors will judge that the Outside Director in question possesses independence. Additionally, even in the event that the following items formally apply, under the condition that an explicit explanation is made regarding the reasoning for why the person is suited as an Independent Director, judgment may be made that the Outside Director in question possesses independence.

1. A party that is a business executor (an Executive Director, Executive, Manager, or other employee of a company; an Officer, Director, or employee of another corporation or organization that executes business; or a party that executes business in a position similar to the above; the same applies hereinafter) of the Bank or a group company of the Bank (parent company, subsidiary, or affiliated company; the same applies hereinafter) or was a business executor within 10 years prior to appointment
2. A party that holds the Bank as a major transaction partner (to which (1) or (2) below apply) or a business executor thereof
  - (1) Borrowings from the Bank are highest, and, its borrower classification is debtor under caution or lower, etc., causing it to be dependent on the Bank due to lack of a substitute regarding fund procurement
  - (2) Regarding ordinary commercial transactions other than borrowings, the amount of transactions with the Bank is 2% or more of net sales (if a business executor of multiple companies, etc., then net sales of each company) of said transaction partner
3. A major transaction partner (transactions approximately in excess of 2% of ordinary revenue of the Bank) of the Bank or a business executor thereof
4. A party (attorney, certified public accountant, tax accountant, or other consultant) that receives remuneration over a certain amount other than officer remuneration (10 million yen per annum or 2% of total revenue of said organization on average over the past three fiscal years, whichever amount is higher) from the Bank, or a party affiliated with said organization
5. A business executor of an organization that receives donations over a certain amount (10 million yen per annum or 2% of total revenue of said organization on average over the past three fiscal years, whichever amount is higher) from the Bank.
6. A party to which 2 to 5 above applied within 5 years prior to appointment
7. A spouse or relative to within the second degree or a person sharing livelihood with a party to which the following applies
  - (1) An important business executor (Executive director, Executive Officer, General Manager, or a party that conducts important business similar to the above; the same applies hereinafter) of the Bank or a group company of the Bank
  - (2) Of parties to which 2 to 5 above apply, a party that can be considered an important business executor

End



**Propositions by the Shareholders (Proposals 3 to 6)**

Proposals 3 to 6 are propositions by a shareholder. The number of voting rights held by the proposing shareholder (1 shareholder) is 310.

In the “Reasons for the Proposition” of each proposal, the original propositions submitted by the proposing shareholder have been stated without any changes in written expressions, perception of facts, and such.

**About Propositions by the Shareholders**

The Companies Act recognizes the shareholders’ right to make a proposition when certain requirements are met. Regarding such propositions, excluding the case where they violate laws and regulations or the Articles of Incorporation, regardless of their contents, the Company is obligated to publish the propositions.

**In this instance, the Company has received propositions from a shareholder (1 shareholder). In consideration of the above, the Company has decided to publish all of the shareholder’s propositions.**

**Proposal No. 3:** Partial Amendment to the Articles of Incorporation (Amendment to Article 13 Standard Date)

**1. Contents of the Proposition**

The contents of the amendments are as follows. (The amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Standard Date of the Annual General Meeting of Shareholders) Article 13 The standard date of voting rights of the Annual General Meeting of Shareholders of the Bank shall be <u>March 31 of each year</u> .	(Standard Date of the Annual General Meeting of Shareholders) Article 13 The standard date of voting rights of the Annual General Meeting of Shareholders of the Bank shall be <u>April 30 of each year</u> .

**2. Reasons for the Proposition**

- (1) As the General Meeting of Shareholders is held on the same day and at the same time as other banks, we are unable to attend the meeting, which creates a huge disadvantage for us. Accordingly, we wish that the standard date of the Annual General Meeting of Shareholders of the Iyo Bank shall be changed from March 31 of each year to April 30 of each year.
- (2) By shifting the standard date of the Annual General Meeting of Shareholders by a month, shareholders gain advantages such as a wider range of options for attending each General Meeting of Shareholders.

**The Board of Directors' Opinion on Proposal 3**

**The Board of Directors objects to this Proposal.**

In accordance with the “Corporate Governance Guidelines,” the Bank has carried out appropriate responses to ensure that the rights of all shareholders are effectively secured, including: delivering the Notice of Convocation of the General Meeting of Shareholders early, publishing the notice on the Company’s website before delivering the physical copies, using an electronic platform for the exercising of voting rights, and setting an appropriate date for the meeting.

Regarding changing the standard date of voting rights, as such responses are not generally conducted at the moment, this change could bring about confusion among shareholders, and the Bank has judged that the proposed amendment to the Articles of Incorporation is not necessary.

**Proposal No. 4:** Partial Amendment to the Articles of Incorporation (Amendment by Deletion of Article 22 Consultants and Advisors)

**1. Contents of the Proposition**

The contents of the amendments are as follows.

Current Articles of Incorporation	Proposed Amendments
(Consultants and Advisors) Article 22 The Board of Directors may determine consultants and advisors through a resolution.	(Deletion)

**2. Reasons for the Proposition**

- (1) The Iyo Bank does not disclose the duties and remuneration amounts of its advisors and consultants. At the Annual General Meeting of Shareholders held in 2018, through a shareholder's question, it was finally announced that the annual remuneration for a consultant was 5 million yen. This represents a violation of the obligation to notify shareholders.
- (2) The business environment surrounding regional banks is becoming increasingly harsh. At the Iyo Bank, the amount of bad debt has increased, and the amount of consolidated net profit has decreased significantly. It is time for the Bank to consider cutting expenses in terms of labor costs and the number of branches. It is a nationwide trend to abolish positions such as advisors and consultants. The Ehime Bank, Ltd. does not have such a system.
- (3) Shareholders have been forced to accept low dividends from the Iyo Bank for a long time. Officers and former officers are being assigned to various positions, and receive a high amount of remuneration regardless of business performances. Officers and former officers should consider emphasis on shareholders and returning profits to shareholders as priorities.
- (4) Mr. Akihiro Aoki, the current consultant of The Shikoku Bank, Ltd., was a Director of the said bank "during the Supreme Court's decision on illegal financing." Tomoki Watanabe, the consultant of The Hyakujushi Bank, Ltd., resigned at the end of March, and the position of a consultant will be abolished. The Bank should not use "the positions of advisors and consultants as a refuge when a scandal occurs."

**The Board of Directors' Opinion on Proposal 4**

**The Board of Directors **objects** to this Proposal.**

The Bank is a regional bank, which states "creating a bright and prosperous future for the region" as its corporate credo. The Bank considers earning a firm level of trust from all members of the region as well as from shareholders and customers and contributing to the development and vitalization of the region as its social responsibility, and as necessary for its sustainable growth and a medium- to long-term improvement in its corporate value. The consultants and advisors of the Bank mainly engage in public duties such as activities in the business circles and public welfare duties, which allow the Bank to fulfill its abovementioned role in the region, and they contribute to the Bank through such activities. The consultants and advisors of the Bank do not attend internal meetings of the Bank, such as those of the Board of Directors or of the Executive Committee, and do not have any involvement in the management of the Bank. Accordingly, the Bank has judged that the proposed amendment to the Articles of Incorporation is not necessary.

**Proposal No. 5:** Dismissal of One (1) Director (Excluding Director Serving as Audit and Supervisory Committee Member)

**1. Contents of the Proposition**

The dismissal of the President, Mr. Iwao Otsuka, is proposed.

**2. Reasons for the Proposition**

- (1) According to an article on the Nikkei newspaper dated September 8, 2018, Mr. Iwao Otsuka reportedly donated to Yawatahama City the land and buildings of the former Kawanoeshi Branch (Yawatahama City, Ehime Prefecture), which is “the Bank’s founding location.” The land and buildings of the Bank are assets of the company, and assets of the shareholders. For this decision, there was no attempt to obtain the opinions of shareholders through a General Meeting of Shareholders. This is a violation of the Bank’s disclosure obligation to shareholders.
- (2) “The former name of Shikoku Alliance Securities Co., Ltd. is Iyo Securities.” “Iyo Securities is a wholly-owned subsidiary of the Iyo Bank.” Without consulting with shareholders at a General Meeting of Shareholders, the name change was conducted, which represents a violation of the Bank’s disclosure obligation. This is a distorted form of corporate governance by the President, who did not consider “the asset value of goodwill.”
- (3) According to an article on the Nikkei newspaper dated November 7, 2015, it was reported that the Iyo Bank submitted a corporate governance report to Tokyo Stock Exchange, Inc. that reflects its corporate governance policy, which declares that it will “take a shareholder-oriented stance, and increase the transparency of management.” Ironically, the year before, on November 7, 2014 (Friday), there was a report of an Iyo Bank Managing Director who passed away after a “30 million yen fraud.” If the declaration had been made in response to the lesson learned from this incident, then there has been absolutely no indication of any improvement made, as the state of “low dividends, low level of transparency, and disregard for the shareholders” continues.

**The Board of Directors’ Opinion on Proposal 5**

**The Board of Directors objects to this Proposal.**

Since he assumed office as Director, President Mr. Iwao Otsuka has utilized his wealth of experiences and insights necessary for the operations of a bank, and conducted precise, fair and efficient management and administration operations as a Director of the Bank. In terms of the determination of important matters and the supervision of business execution, he has also done his utmost to improve the medium to long-term corporate value of the Group, and has amply fulfilled his responsibilities.

Regarding the Shikoku Alliance, while maintaining the independence of each of the four banks’ management and a healthy competitive relationship between them, as the population decline advances, the alliance aims to contribute to the sustainable growth and development of each region and of customers by having the four banks cooperate and collaborate to deal with the shared challenge of promoting revitalization and creation across the entire Shikoku region. Furthermore, through such initiatives, each of the four banks shall also strive for their own sustainable growth and development.

**Proposal No. 6:** Dismissal of One (1) Director (Audit and Supervisory Committee Member)

**1. Contents of the Proposition**

The dismissal of Director (Audit and Supervisory Committee Member) Mr. Shiro Hirano is proposed.

**2. Reasons for the Proposition**

- (1) The state of low interest rates is persisting over the long term, and the Bank's earning capacity has reached its limit. Even when the first-tier regional banks of Shikoku have come together to form a Shikoku Alliance, the population continues to decline at an intense rate, and the business environment in Shikoku looks set to worsen. The vision the Bank strives for is not recognized in the Shikoku Alliance. An association formed with banks that have a reputation for scandals will not lead to a promising future.
- (2) In light of the lesson learned from the "30 million yen embezzlement" incident caused by a former Managing Director of the Iyo Bank, the Iyo Bank declared to Tokyo Stock Exchange, Inc. that it will (a) take a shareholder-oriented stance, and (b) increase the transparency of management. Compared to the Ehime Bank, the Iyo Bank has "core operational profit that is three times stronger," and yet it has a lower payout ratio than the Ehime Bank. This fact represents the actual state of how "the Iyo Bank is disregarding its shareholders." From the perspective of the shareholders, there is no point in appointing any Audit and Supervisory Committee Members in the Iyo Bank. Even if the Bank tries to construct a large organization, "creating a structure without a soul" is akin to "building castles in the air." The shareholders of the Iyo Bank are to be pitied. The alliance association is known for its scandals, and we do not wish for its further development.

**The Board of Directors' Opinion on Proposal 6**

**The Board of Directors objects to this Proposal.**

Since he assumed office as Director (Audit and Supervisory Committee Member), Director (Audit and Supervisory Committee Member) Mr. Shiro Hirano has utilized his wealth of experiences and insights necessary for the operations of a bank, and appropriately conducted the auditing and supervision of Directors' duty execution, accounting audits in cooperation with the Accounting Auditor, and other duties, from a standpoint independent from business execution, and has amply fulfilled his responsibilities.

Regarding the purpose of the Shikoku Alliance and its meaning to the Bank, please refer to "The Board of Directors' Opinion on Proposal 5" on page 20.