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(Securities Code: 8358)

June 11, 2019

**To Shareholders:**

Michio Arikuni  
Director and President  
Suruga Bank Ltd.  
23 Toriyoko-cho, Numazu City,  
Shizuoka, Japan

## **NOTICE OF CONVOCAION OF THE 208TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 208th Annual General Meeting of Shareholders of Suruga Bank Ltd. (the “Bank”), which will be held as described below.

**If you are unable to attend the meeting, you can exercise your voting rights by either of the following methods. Please review the Reference Documents for the General Meeting of Shareholders below and exercise your voting rights no later than 5:00 p.m. (JST) on June 25 (Tuesday), 2019.**

[Exercise of Voting Rights in Writing]

Please indicate your approval or disapproval for each of the proposals on the enclosed Voting Rights Exercise Form and return it so that it will reach the Bank by the aforementioned deadline.

[Exercise of Voting Rights via the Internet, etc.]

Please access the Bank’s designated website for the exercise of voting rights (<https://www.e-sokai.jp>) using the “Voting Rights Exercise Code” and “Password” shown on the enclosed Voting Rights Exercise Form, follow the on-screen guidance, and enter your approval or disapproval for each of the proposals.

Please refer to the “Information on Exercising Voting Rights via the Internet, etc.” on pages 3 to 4 when voting via the Internet, etc. and exercise your voting right by the aforementioned deadline.

- 1. Date and Time:** June 26, 2019 (Wednesday) at 10:00 a.m. Japan Standard Time  
(Reception opens at 9:00 a.m.)
- 2. Place:** Convention Hall A, 1F,  
Plaza Verde  
1-1-4 Otemachi, Numazu City, Shizuoka, Japan
- 3. Meeting Agenda:**  
**Matters to be reported:** (1) The Business Report and Consolidated Financial Statements for the Bank’s 208th Fiscal Year (from April 1, 2018 to March 31, 2019) and the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board  
(2) Non-consolidated Financial Statements for the Bank’s 208th Fiscal Year (from April 1, 2018 to March 31, 2019)

**Proposals to be resolved:**

- Proposal No. 1:** Partial Amendments to the Articles of Incorporation
- Proposal No. 2:** Election of Four (4) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 3:** Election of Three (3) Directors Who Are Audit and Supervisory Committee Members
- Proposal No. 4:** Determination of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
- Proposal No. 5:** Determination of the Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members

**4. Information on Convocation:**

- (1) If you choose to exercise your voting rights in writing and do not indicate your approval or disapproval for each of the proposals on the Voting Rights Exercise Form returned to the Bank, you will be deemed to indicate approval for the proposals.
- (2) If you exercise your voting rights in writing in duplicate, the last Voting Rights Exercise Form to reach the Bank will be deemed to be valid.
- (3) If you exercise your voting rights both in writing and via the Internet, etc., your exercise via the Internet, etc. will be deemed to be valid. In addition, if you exercise your voting rights multiple times via the Internet, etc., your last exercise will be deemed to be valid.
- (4) If you intend to engage in split voting, you are required to submit a written notice to the Bank indicating your intention to engage in split voting and the reasons for the split voting at least three days prior to the General Meeting of Shareholders.

**The Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, as well as the Copy of the Accounting Auditor's Report concerning Consolidated Financial Statements and the Copy of the Accounting Auditor's Report are as stated in the "Attached Documents."**

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- ◎ Of the documents required to be appended to this Notice of Convocation, Matters relating to Subscription Rights to Shares of the Company, Consolidated Statement of Shareholders' Equity, the Notes to the Consolidated Financial Statements, Non-consolidated Statement of Shareholders' Equity and the Notes to the Non-consolidated Financial Statements are posted on the Bank's website (<https://www.surugabank.co.jp/>) (Japanese only) in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Bank, and are therefore not included in the documents attached to this Notice of Convocation.
- The Consolidated Financial Statements and the Non-consolidated Financial Statements included in the documents attached to this Notice of Convocation are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements that were subject to audit by the Accounting Auditor and the Audit & Supervisory Board Members for the preparation of the Audit Report.
- ◎ Any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-consolidated Financial Statements will be posted on the Bank's website (<https://www.surugabank.co.jp/>).
- ◎ Exercise of voting rights by proxy is permitted, provided that another shareholder with voting rights is designated as a proxy, in accordance with Article 18 of the Articles of Incorporation of the Bank. A shareholder may designate one proxy. To enable exercise of voting rights by proxy, a document evidencing the proxy's power of representation must be submitted.

To shareholders attending the meeting

- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- ◎ We would appreciate it if you could bring these reference documents with you to the meeting.
- ◎ Please refrain from photographing and/or recording using a camera, smartphone, feature phone, etc. Please also refrain from talking or texting on smartphone, feature phone, etc.
- ◎ Please note that we no longer hand out gifts to shareholders attending the meeting and have not done so for the past two years.

## **Information on Exercising Voting Rights via the Internet, etc.**

Please read the following before exercising your voting rights via the Internet, etc.

Voting rights can be exercised via the Internet by accessing **the website for the exercise of voting rights** (**<https://www.e-sokai.jp>**) designated by the Bank.

This website for the exercise of voting rights is not accessible via the Internet from mobile phones except for certain mobile phone terminals (smartphones, etc.).

You are cordially requested to exercise your voting rights by **the voting deadline** to facilitate the timely recording of votes.

The Password is a means to identify the voter is the shareholder.

You are requested to keep the Password safely until the closure of this General Meeting of Shareholders.

Please note that we are unable to respond to any inquiries about the Voting Rights Exercise Code or the Password.

### **Procedures to Access the Website for Exercising the Voting Rights**

#### **1. Access the website for the exercise of voting rights**

**Website for the exercise of voting rights**

**<https://www.e-sokai.jp>**

\*All charges required for accessing the website for the exercise of voting rights, such as service charge by the Internet service provider and communication fees charged by carriers (telephone charges, etc.), shall be borne by shareholders.

Access the website for the exercise of voting rights, read the instructions on the exercise of voting rights via the Internet and click “Proceed.”

#### **2. Log in**

Enter the “Voting Rights Exercise Code” indicated on the Voting Rights Exercise Form and click “Log in.”

#### **3. Enter the Password**

Enter the “Password” indicated on the Voting Rights Exercise Form and click “Proceed.”

**Then, follow the instructions on the screen and indicate your vote for or against each proposal.**

**Voting Deadline: 5:00 p.m. (JST) on June 25 (Tuesday), 2019**

For institutional investors

Management trust banks and other nominee shareholders (including standing proxies), by applying in advance to use the Electronic Voting Platform for Institutional Investors managed by ICJ Inc., a joint company established by the Tokyo Stock Exchange, Inc. and other entities, are able to use the Platform as an alternative to the method for exercising the voting rights via the Internet described above.

The following system environment is required for the use of the website for the exercise of voting rights.

- Computer with Internet access
  - Microsoft® Internet Explorer Version 5.01 SP2 or later must be installed as your browser.
  - Hardware environment in which the above browser can be used.
  - The Notice of Convocation and the Reference Documents for the General Meeting of Shareholders can be viewed on the website for the exercise of voting rights only if Adobe Acrobat Reader Version 4.0 or later or Adobe Reader Version 6.0 or later is installed on your computer.
- \* Microsoft and Internet Explorer are registered trademarks or trademarks of Microsoft Corporation (U.S.A.) in the U.S.A. and other countries.
- \* Adobe Acrobat Reader and Adobe Reader are registered trademarks or trademarks of Adobe Systems Incorporated (U.S.A.) in the U.S.A. and other countries.

#### **Inquiries regarding the Exercise of Voting Rights via the Internet**

If you have any inquiries about the exercise of voting rights via the Internet, please call the following number.

- |                            |   |
|----------------------------|---|
| ■ Transfer agent:          | Agency Department, JAPAN SECURITIES AGENTS, LTD.  |
| ■ Web support direct line: | 0120-707-743 (toll-free)  |
| ■ Business hours:          | Open from 9:00 a.m. to 9:00 p.m. (including Saturdays, Sundays, and national holidays). |

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Partial Amendments to the Articles of Incorporation

#### 1. Reasons for amendments

- (1) The Bank intends to transition to a company with an audit and supervisory committee for the purpose of further enhancing corporate governance through further strengthening of the monitoring system by reinforcing the supervisory functions of the Board of Directors by including Audit and Supervisory Committee Members who are responsible for audit and supervision of Directors' performance of duties as members of the Board of Directors. Thus, it is proposed to amend the Articles of Incorporation of the Bank, including newly establishing provisions concerning Directors who are Audit and Supervisory Committee Members and concerning the Audit and Supervisory Committee and deletion of provisions concerning Audit & Supervisory Board Members and concerning the Audit & Supervisory Board.
- (2) For the purpose of enabling the Bank to recruit capable personnel as Directors on a continuous basis and allowing them to fulfill their expected roles, it is proposed to newly establish Article 29 (Exemption of Directors' Liability), which provides that Directors may, by resolution of the Board of Directors, be exempted from liability up to a limited amount permitted by laws and regulations and that the Bank may enter into limited liability agreements with Directors other than Executive Directors, etc. Audit & Supervisory Board Members have approved the establishment of this article.
- (3) In line with the amendments mentioned above, necessary adjustments will be made.

#### 2. Details of amendments

The details of the amendment are as follows. (Amended parts are underlined.)

The amended Articles of Incorporation will take effect at the conclusion of this Annual General Meeting of Shareholders.

Current Articles of Incorporation	Proposed Amendments
<p><b>CHAPTER I. GENERAL PROVISIONS</b></p> <p>Articles 1. to 3. (Omitted)</p> <p>Organs</p> <p>Article 4.</p> <p>The Bank shall have the following organs in addition to General Meeting of Shareholders and Directors:</p> <p>(1) Board of Directors;</p> <p>(2) <u>Audit &amp; Supervisory Board Members;</u></p> <p>(3) <u>Audit &amp; Supervisory Board; and</u></p> <p>(4) Accounting Auditor</p> <p>Method of Public Notice</p> <p>Article 5. (Omitted)</p> <p><b>CHAPTER II. SHARES</b></p> <p>Articles 6. to 11. (Omitted)</p> <p><b>CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</b></p> <p>Articles 12. to 14. (Omitted)</p> <p>Person to Convene and Chair a General Meeting of Shareholders</p> <p>Article 15.</p> <p>(1) A General Meeting of Shareholders shall be convened by <u>the Director and Chairman or</u> the Director and President and he or she shall chair the meeting.</p> <p>(2) If <u>neither the Director and Chairman nor</u> the Director and President is unable to act, a General Meeting of Shareholders shall be convened by another Director specified in accordance with the order previously determined by the Board of Directors, and that Director shall chair the meeting.</p> <p>Articles 16. to 18. (Omitted)</p>	<p><b>CHAPTER I. GENERAL PROVISIONS</b></p> <p>Articles 1. to 3. (Unchanged)</p> <p>Organs</p> <p>Article 4.</p> <p>The Bank shall have the following organs in addition to General Meeting of Shareholders and Directors:</p> <p>(1) Board of Directors;</p> <p>(2) <u>Audit and Supervisory Committee; and</u> (Removed)</p> <p>(3) Accounting Auditor</p> <p>Method of Public Notice</p> <p>Article 5. (Unchanged)</p> <p><b>CHAPTER II. SHARES</b></p> <p>Articles 6. to 11. (Unchanged)</p> <p><b>CHAPTER III. GENERAL MEETING OF SHAREHOLDERS</b></p> <p>Articles 12. to 14. (Unchanged)</p> <p>Person to Convene and Chair a General Meeting of Shareholders</p> <p>Article 15.</p> <p>(1) A General Meeting of Shareholders shall be convened by the Director and President and he or she shall chair the meeting.</p> <p>(2) If the Director and President is unable to act, a General Meeting of Shareholders shall be convened by another Director specified in accordance with the order previously determined by the Board of Directors, and that Director shall chair the meeting.</p> <p>Articles 16. to 18. (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
<p><b>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</b></p> <p>Number</p> <p>Article 19.</p> <p>The Bank shall have no more than twelve (12) Directors.</p> <p>(Newly established)</p> <p>Method of Election</p> <p>Article 20.</p> <p>(1) Directors shall be elected at the General Meeting of Shareholders.</p> <p>(2) Resolutions for the election of Directors shall be adopted by a majority vote of the attending shareholders who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.</p> <p>(3) Resolutions for the election of Directors shall not be by cumulative voting.</p> <p>Term of Office</p> <p>Article 21.</p> <p>The term of office of a Director shall expire at the conclusion of the Annual General Meeting of Shareholders held with respect to the last business year ending within one (1) year from his or her election to office.</p> <p>(Newly established)</p>	<p><b>CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</b></p> <p>Number</p> <p>Article 19.</p> <p>(1) The Bank shall have no more than twelve (12) Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u>.</p> <p>(2) <u>The Bank shall have at least three (3) and not more than five (5) Directors who are Audit and Supervisory Committee Members.</u></p> <p>Method of Election</p> <p>Article 20.</p> <p>(1) Directors shall be elected at the General Meeting of Shareholders, <u>making distinction between Directors who are Audit and Supervisory Committee Members and other Directors.</u></p> <p>(2) (Unchanged)</p> <p>(3) (Unchanged)</p> <p>Term of Office</p> <p>Article 21.</p> <p>(1) The term of office of a Director <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall expire at the conclusion of the Annual General Meeting of Shareholders held with respect to the last business year ending within one (1) year from his or her election to office.</p> <p>(2) <u>The term of office of a Director who is an Audit and Supervisory Committee Member shall expire at the conclusion of the Annual General Meeting of Shareholders held with respect to the last business year ending within two (2) years from his or her election to office.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Newly established)</p>	<p>(3) <u>The term of office of a Director who is an Audit and Supervisory Committee Member who was elected as a substitute of the Director who is an Audit and Supervisory Committee Member who retired before the expiration of his or her term of office shall be the remaining term of office of the retired Director who is an Audit and Supervisory Committee Member.</u></p> <p>(4) <u>The resolution concerning election of a substitute Director who is an Audit and Supervisory Committee Member pursuant to Article 329, Paragraph 3 of the Companies Act shall be effective until the start of the Annual General Meeting of Shareholders held with respect to the last business year ending within two (2) years from his or her election to office.</u></p>
<p>Representative Director and Directors with Titles Article 22.</p> <p>(1) The Board of Directors shall, by its resolution, elect <u>Representative Directors</u>.</p> <p>(2) The Board of Directors may, by its resolution, appoint one (1) Director and Chairman, <u>one (1) Director and President</u>, one (1) Director and Vice President, several Senior Managing Directors, and several Managing Directors.</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>Representative Director and Directors with Titles Article 22.</p> <p>(1) The Board of Directors shall, by its resolution, elect <u>one (1) Director and President from among Directors (excluding Directors who are Audit and Supervisory Committee Members)</u>.</p> <p>(2) The Board of Directors may, by its resolution, appoint one (1) Director and Chairman, one (1) Director and Vice President, several Senior Managing Directors, and several Managing Directors.</p> <p>(3) <u>The Director and President shall represent the Bank.</u></p> <p>(4) <u>The Board of Directors may, by its resolution, elect several Directors representing the Bank other than the Director and President.</u></p>
<p>Person to Convene and Chair a Board of Directors' Meeting Article 23.</p> <p>(1) A Board of Directors' meeting shall be convened by <u>the Director and Chairman or the Director and President</u> and he or she shall chair the meeting, unless otherwise specified by laws and regulations.</p> <p>(2) If <u>neither the Director and Chairman nor the Director and President</u> is unable to act, a Board of Directors' meeting shall be convened by another Director specified in accordance with the order previously determined by the Board of Directors, and that Director shall chair the meeting.</p>	<p>Person to Convene and Chair a Board of Directors' Meeting Article 23.</p> <p>(1) A Board of Directors' meeting shall be convened by <u>the Outside Director specified by the Board of Directors</u> and he or she shall chair the meeting, unless otherwise specified by laws and regulations.</p> <p>(2) If <u>the Outside Director specified in the preceding paragraph</u> is unable to act, a Board of Directors' meeting shall be convened by another <u>Outside Director</u> specified in accordance with the order previously determined by the Board of Directors, and that Director shall chair the meeting.</p>



Current Articles of Incorporation	Proposed Amendments
<p>Notice of Convocation of a Board of Directors' Meeting Article 24.</p> <p>(1) A notice of convocation of a Board of Directors' meeting shall be sent to each Director <u>and each Audit &amp; Supervisory Board Member</u> at least two (2) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</p> <p>(2) When the consent of all Directors <u>and Audit &amp; Supervisory Board Members</u> is obtained in advance, a Board of Directors' meeting may be held without following the procedures for convening a meeting.</p> <p>Article 25. (Omitted)</p> <p>(Newly established)</p> <p>Article <u>26</u>. (Omitted)</p> <p>Remuneration, etc. Article <u>27</u>.</p> <p>Remuneration, bonuses and any other proprietary benefits (<u>hereinafter referred to as "remuneration, etc."</u>) to be granted to Directors by the Bank as consideration for their performance of duties shall be determined by resolution of the General Meeting of Shareholders.</p>	<p>Notice of Convocation of a Board of Directors' Meeting Article 24.</p> <p>(1) A notice of convocation of a Board of Directors' meeting shall be sent to each Director at least two (2) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</p> <p>(2) When the consent of all Directors is obtained in advance, a Board of Directors' meeting may be held without following the procedures for convening a meeting.</p> <p>Article 25. (Unchanged)</p> <p><u>Delegation of Determination of Significant Business Execution</u> <u>Article 26.</u></p> <p><u>In accordance with the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Board of Directors may, by its resolution, delegate to Directors all or part of determination of significant business execution (excluding matters stated in each Item of Article 399-13, Paragraph 5 of the Companies Act).</u></p> <p>Article <u>27</u>. (Unchanged)</p> <p>Remuneration, etc. Article <u>28</u>.</p> <p>Remuneration, bonuses and any other proprietary benefits to be granted to Directors by the Bank as consideration for their performance of duties shall be determined by resolution of the General Meeting of Shareholders, <u>making distinction between Directors who are Audit and Supervisory Committee Members and other Directors.</u></p>



Current Articles of Incorporation	Proposed Amendments
<p><u>(2) The term of office of an Audit &amp; Supervisory Board Member who was elected as a substitute of the Audit &amp; Supervisory Board Member who retired before the expiration of his or her term of office shall be the remaining term of office of the retired Audit &amp; Supervisory Board Member.</u></p>	
<p><u>Standing Audit &amp; Supervisory Board Members</u>  <u>Article 31.</u>  <u>The Audit &amp; Supervisory Board shall elect, by its resolution, standing Audit &amp; Supervisory Board Members.</u></p>	(Removed)
<p><u>Notice of Convocation of an Audit &amp; Supervisory Board Meeting</u>  <u>Article 32.</u>  <u>(1) A notice of convocation of an Audit &amp; Supervisory Board meeting shall be sent to each Audit &amp; Supervisory Board Member at least two (2) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</u>  <u>(2) When the consent of all Audit &amp; Supervisory Board Members is obtained in advance, an Audit &amp; Supervisory Board meeting may be held without following the procedures for convening a meeting.</u></p>	(Removed)
<p><u>Audit &amp; Supervisory Board Regulations</u>  <u>Article 33.</u>  <u>Matters concerning the Audit &amp; Supervisory Board shall be governed by the Audit &amp; Supervisory Board Regulations specified by the Audit &amp; Supervisory Board in addition to laws and regulations and the Articles of Incorporation.</u></p>	(Removed)
<p><u>Remuneration, etc.</u>  <u>Article 34.</u>  <u>Remuneration, etc. for Audit &amp; Supervisory Board Members shall be determined by resolution of the General Meeting of Shareholders.</u></p>	(Removed)

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p><b>CHAPTER VI. ACCOUNTS</b></p> <p>Articles <u>35</u>. to <u>38</u>. (Omitted)</p>	<p><b><u>CHAPTER V. AUDIT AND SUPERVISORY COMMITTEE</u></b></p> <p><u>Notice of Convocation of an Audit and Supervisory Committee Meeting</u></p> <p><u>Article 30.</u></p> <p>(1) <u>A notice of convocation of an Audit and Supervisory Committee meeting shall be sent to each Audit and Supervisory Committee Member at least two (2) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</u></p> <p>(2) <u>When the consent of all Audit and Supervisory Committee Members is obtained in advance, an Audit and Supervisory Committee meeting may be held without following the procedures for convening a meeting.</u></p> <p><u>Audit and Supervisory Committee Regulations</u></p> <p><u>Article 31.</u></p> <p><u>Matters concerning the Audit and Supervisory Committee shall be governed by the Audit and Supervisory Committee Regulations specified by the Audit and Supervisory Committee in addition to laws and regulations and the Articles of Incorporation.</u></p> <p><b>CHAPTER VI. ACCOUNTS</b></p> <p>Articles <u>32</u>. to <u>35</u>. (Unchanged)</p>

**Proposal No. 2:** Election of Four (4) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of six (6) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. The Bank will transition to a company with an audit and supervisory committee, provided that Proposal No. 1 “Partial Amendments to the Articles of Incorporation” is approved and resolved. Accordingly, in order to further enhance and advance corporate governance, the election of four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same applies in this Proposal) is proposed.

The candidates for Director are as follows:

No.	Name	Positions and responsibilities at the Bank	Candidate attributes	Attendance at the Board of Directors' meetings
1	Michio Arikuni	Representative Director and President	Reappointment	29/29 (100%)
2	Kosuke Saga		New appointment	-
3	Tomoaki Tsutsumi	Senior Executive Officer General Manager of Credit Group	New appointment	-
4	Kiyoto Matsuda		New appointment Outside Director Independent Director	-

## Candidates for Directors

### 1 Michio Arikuni

[Reappointment]

Date of birth: May 22, 1966

Number of shares of the Bank held: 2,000 shares

Career summary, positions, responsibilities and significant concurrent positions

- Apr. 1989 Joined the Bank
- Apr. 2002 General Manager of Numazu Central Branch
- Apr. 2004 Senior Manager of Casting Department, Management Planning Division
- Jul. 2007 Deputy General Manager of Personal Bank Department, Operations Division
- Apr. 2009 General Manager of Life Support Office, Operations Division
- Apr. 2011 General Manager of Compliance Department, Management Planning Division
- Jun. 2012 General Manager of Casting Department, Management Planning Division
- Jun. 2016 Director, responsible for Audit Division
- Apr. 2017 Director, responsible for Systems Division
- Apr. 2018 Director, responsible for Systems Division and Administration Division
- Jun. 2018 Director, responsible for Loan Management Division
- Sep. 2018 Representative Director and President (current position)  
to present

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#### [Reasons for nomination as a candidate for Director]

Mr. Michio Arikuni served as Director, responsible for Loan Management Division, and currently serves as Representative Director and President. He has been performing his duties with sincerity and appropriately to ensure thorough compliance, realize customer-first operation, and establish a sound organizational climate and corporate culture with regard to the share-house loan problem that came to light. Moreover, he has exercised strong leadership, demonstrated in promotion of business alliances to reinforce the Bank's strengths and achieve complementarity. Therefore, the Bank judges that Mr. Arikuni will make a great contribution to the Bank with a view to enhancing the Bank's corporate value, and thus nominated him as a candidate for Director.

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## 2 Kosuke Saga

[New appointment]

Date of birth: July 2, 1964

Number of shares of the Bank held: - shares

Career summary, positions, responsibilities and significant concurrent positions

Apr. 1987 Joined Recruit Cosmos Co., Ltd. (currently Cosmos Initia Co., Ltd.)

Jun. 2006 Director (responsible for accounting and finance), Recruit Cosmos Co., Ltd.

Nov. 2010 Director and Managing Executive Officer, MK Capital Management Corporation (currently IDERA Capital Management Ltd.)

Sep. 2012 Director and Vice President, IDERA Capital Management Ltd.

Nov. 2012 Representative Director and President, IDERA Capital Management Ltd.

Mar. 2016 Executive Director responsible for strengthening management infrastructure, SG Holdings Co., Ltd.

Jun. 2018 Director responsible for Corporate Planning, SG Holdings Co., Ltd.  
to present

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### [Reasons for nomination as a candidate for Director]

Mr. Kosuke Saga has extensive knowledge of corporate finance and fulfilled responsibilities as a Director of SG Holdings Co., Ltd. in his recent career. The Bank is implementing the business improvement plan and believes that, in order to reform the Bank's corporate climate and corporate culture, it is essential for the Bank to have a manager from outside who will be involved in the Bank's core management as an internal Director. The Bank judges that he will make a great contribution to reestablishment of the Bank's compliance system and strengthening of the business management system, and thus nominated him as a candidate for Director.

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### 3 Tomoaki Tsutsumi

[New appointment]

Date of birth: November 23, 1966

Number of shares of the Bank held: 3,343 shares

Career summary, positions, responsibilities and significant concurrent positions

Apr. 1990 Joined the Bank

Apr. 2010 General Manager of Integrated Risk Management Department, Management Planning Division

Apr. 2013 General Manager of Ito Branch

Apr. 2014 General Manager of Integrated Risk Department, Corporate Administration Division

Apr. 2017 Executive Officer, General Manager of Credit Department

Dec. 2018 Senior Executive Officer, General Manager of Credit Division (current position)  
to present

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[Reasons for nomination as a candidate for Director]

Since assuming office as General Manager of Credit Division in April 2017, Mr. Tomoaki Tsutsumi has been fulfilling his duties with sincerity and appropriately in the Bank's initiatives to deal with the share-house loan problem that came to light, including grasping of the situation and consideration of responses. The Bank judges that having him continue to be in charge of reform of the Bank's credit risk management system will contribute to the Bank's management, and thus nominated him as a candidate for Director.

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Note 1. The shares of the Bank held by Mr. Tomoaki Tsutsumi are shares held through the Suruga Bank Employee Shareholding Association.



## 4 Kiyoto Matsuda

[New appointment] [Outside Director] [Independent Director]

Date of birth: September 6, 1952

Number of shares of the Bank held: - shares

Career summary, positions, responsibilities and significant concurrent positions

- Apr. 1975 Joined The Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.)
- Jun. 2002 Executive Officer of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
- Apr. 2004 Managing Executive Officer of Mizuho Corporate Bank, Ltd.
- Apr. 2007 Deputy President of Mizuho Securities Co., Ltd.
- Apr. 2008 Partner of Unison Capital, Inc.
- Mar. 2010 Outside Director of SANYO SHOKAI LTD. (current position)
- Jun. 2012 Director of TOPAZ CAPITAL, INC.
- Jun. 2017 Outside Director of SCSK Corporation (current position)
- Mar. 2018 Outside Director of Hotto Link Inc. (current position)
- Apr. 2018 Director and Chairman of TOPAZ CAPITAL, INC. (current position)  
to present

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### [Reasons for nomination as a candidate for Outside Director]

Mr. Kiyoto Matsuda has many years of experience in the financial sector and extensive knowledge of laws and regulations governing banks and management and administration. He also has a wealth of experience in serving as an outside director of listed companies. The Bank believes that having a manager with experience of working at banks involved in the Bank's management is an important element in the Bank's initiatives to reestablish the corporate governance system in accordance with the business reform plan. From this perspective, the Bank judges that having Mr. Kiyoto Matsuda as an Outside Director will greatly contribute to strengthening of the Bank's business management system, and thus nominated him as a candidate for Outside Director.

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- Notes
1. No special interest exists between Mr. Kiyoto Matsuda and the Bank.
  2. Mr. Kiyoto Matsuda is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act and satisfies the Bank's criteria for independence of outside directors. Mr. Kiyoto Matsuda is an independent director as provided for by Tokyo Stock Exchange, Inc. and the Bank has registered him as an independent director with Tokyo Stock Exchange, Inc. The Bank has a consignment agreement regarding systems, etc. with SCSK Corporation and Hotto Link Inc. The transaction amount during the year ended March 31, 2019 was no more than 1% of the annual consolidated net sales of both of these companies and no more than 1% of the ordinary income of the Bank, and does not pose any risk of affecting his independence.
  3. If Proposal No. 1 "Partial Amendments to the Articles of Incorporation" as well as the election of Mr. Kiyoto Matsuda are approved and resolved as originally proposed, the Bank will enter into an agreement with him in accordance with the Articles of Incorporation of the Bank and Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.

**Proposal No. 3:** Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

Should Proposal No. 1 “Partial Amendments to the Articles of Incorporation” be approved and resolved as originally proposed, the Bank will transition to a company with an audit and supervisory committee. Accordingly, the election of three (3) Directors who are Audit and Supervisory Committee Members is proposed.

The Audit & Supervisory Board has approved this proposal in advance.

The content of this proposal shall take effect, provided that the amendments to the Articles of Incorporation proposed in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect.

No.	Name	Positions and responsibilities at the Bank	Candidate attributes	Attendance at the Board of Directors' meetings
1	Emi Noge	Outside Audit & Supervisory Board Member	New appointment Outside Director Independent Director	24/25 (96%)
2	Yoichi Namekata	Outside Audit & Supervisory Board Member	New appointment Outside Director Independent Director	24/25 (96%)
3	Tetsuya Ono	-	New appointment Outside Director	-

## Candidates for Directors who are Audit and Supervisory Committee Members

### 1 Emi Noge

[New appointment] [Outside Director] [Independent Director]

Date of birth: January 17, 1970

Number of shares of the Bank held: - shares

Career summary, positions, responsibilities and significant concurrent positions

- Apr. 1993 Legal apprentice (47th term)
- Apr. 1995 Became a public prosecutor
- Mar. 2006 Registered as attorney-at-law
- Apr. 2012 Joined Fuji Godo Law Office (current position)
- Apr. 2012 Dispute Coordinating Committee Member, Tokyo Labor Bureau (current position)
- Apr. 2017 Mediation Committee Member, Tokyo Summary Court (current position)
- Jun. 2018 Outside Audit & Supervisory Board Member, the Bank (current position)  
to present

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[Reasons for nomination as a candidate for Outside Director]

Ms. Emi Noge has a wealth of experience and a distinguished record of accomplishment as a public prosecutor through her career at the Tokyo District Public Prosecutors Office, the Litigation Department of the Tokyo Legal Affairs Bureau, and the Secretarial Division of the Minister's Secretariat of the Ministry of Justice. The Bank believes that, in view of her specialized knowledge gained in the legal profession, having her engaged in auditing of the Bank's business execution as an Audit and Supervisory Committee Member will contribute to strengthening of the Bank's governance.

Moreover, Ms. Noge investigated the responsibilities of the Bank's former management team as a member of the Committee to Investigate the Responsibilities of Directors, etc. in the previous fiscal year. In view of the fact that the related lawsuit is still continuing, the Bank nominated her as a candidate for Outside Director who is an Audit and Supervisory Committee Member.

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- Notes
1. No special interest exists between Ms. Emi Noge and the Bank.
  2. Ms. Emi Noge is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act and satisfies the Bank's criteria for independence of outside directors. Ms. Emi Noge is an independent director as provided for by Tokyo Stock Exchange, Inc. and the Bank has registered her as an independent director with Tokyo Stock Exchange, Inc. The Bank has no transactions with Ms. Emi Noge.
  3. If Proposal No. 1 "Partial Amendments to the Articles of Incorporation" as well as the election of Ms. Emi Noge are approved and resolved as originally proposed, the Bank will enter into an agreement with her in accordance with the Articles of Incorporation of the Bank and Article 427, Paragraph 1 of the Companies Act, to limit her liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.

## 2 Yoichi Namekata

[New appointment] [Outside Director] [Independent Director]

Date of birth: March 21, 1969

Number of shares of the Bank held: - shares

Career summary, positions, responsibilities and significant concurrent positions

Apr. 1996 Registered as attorney-at-law  
 Aug. 1999 Joined Merrill Lynch Japan Securities Co., Ltd.  
 May 2003 Joined the Financial Service Agency  
 Jan. 2008 Joined Tokyo Aoyama Aoki Koma Law Office  
 Aug. 2009 Joined Blakemore & Mitsuki  
 Aug. 2013 Representative Partner, NAMEKATA International Law Office (current position)  
 Jun. 2018 Outside Audit & Supervisory Board Member, the Bank (current position)  
 Mar. 2019 Corporate Auditor, LINE Corporation (current position)  
 to present

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[Reasons for nomination as a candidate for Outside Director]

Mr. Yoichi Namekata has been engaged in affairs related to compliance, internal control and governance mainly in the financial field as an in-house lawyer at a foreign securities firm for many years. The Bank believes that, in view of his specialized knowledge in such field, having him engaged in auditing of the Bank's business execution as an Audit and Supervisory Committee Member will contribute to strengthening of the Bank's governance.

Moreover, Mr. Namekata investigated the responsibilities of the Bank's former management team as a member of the Committee to Investigate the Responsibilities of Directors, etc. in the previous fiscal year. In view of the fact that the related lawsuit is still continuing, the Bank nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.

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- Notes
1. No special interest exists between Mr. Yoichi Namekata and the Bank.
  2. Mr. Yoichi Namekata is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act and satisfies the Bank's criteria for independence of outside directors. Mr. Yoichi Namekata is an independent director as provided for by Tokyo Stock Exchange, Inc. and the Bank has registered him as an independent director with Tokyo Stock Exchange, Inc. The Bank requested NAMEKATA International Law Office, with which Mr. Yoichi Namekata is affiliated, to provide lecturers for the training of all of its employees. The transaction amount during the year ended March 31, 2019 was no more than ¥5 million, and does not pose any risk of affecting his independence.
  3. If Proposal No. 1 "Partial Amendments to the Articles of Incorporation" as well as the election of Mr. Yoichi Namekata are approved and resolved as originally proposed, the Bank will enter into an agreement with him in accordance with the Articles of Incorporation of the Bank and Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.

### 3 Tetsuya Ono

[New appointment] [Outside Director]

Date of birth: September 8, 1975

Number of shares of the Bank held: - shares

Career summary, positions, responsibilities and significant concurrent positions

- Oct. 1998 Passed the bar exam
- Apr. 2000 Joined the Legal Training and Research Institute of the Supreme Court of Japan (54th period)
- Oct. 2001 Completed the training  
Registered as attorney-at-law (Tokyo Bar Association)  
Joined Nagawa-Okamura Law Firm
- Apr. 2007 Joined American Family Life Insurance Company of Columbus (currently Aflac Life Insurance Japan Ltd.), in-house lawyer
- Jun. 2012 Deputy Director-General, Secretariat of Committee on Anti-Racketeering, Japan Federation of Bar Associations (current position)
- Jan. 2013 Joined proact law office (current position)
- Apr. 2013 Vice Chairman of Special Committee on Measures against Racketeering through Intercession in Civil Disputes, Tokyo Bar Association (except for fiscal 2016) (current position)
- Oct. 2017 Certified as Fraud Examiner (CFE)
- Jul. 2018 Certified as Anti-Money Laundering Specialist (CAMS)
- Nov. 2018 Member of Compliance System Restructuring Committee (current position) to present

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[Reasons for nomination as a candidate for Outside Director]

The Bank established the Compliance System Restructuring Committee (hereinafter referred to as the “Restructuring Committee”) on November 27, 2018 for the purpose of fundamentally reviewing and reestablishing the Bank’s compliance system in accordance with the business improvement plan. As a member of the Restructuring Committee, drawing on his specialized knowledge, Mr. Tetsuya Ono has been providing guidance not only in the compliance field but also concerning the Bank’s overall internal control. Mr. Tetsuya Ono also has experience as an in-house lawyer and has sufficient knowledge and experience of risk management. The Bank believes that having him as an Outside Director will greatly contribute to strengthening of the Bank’s compliance system and the business management system, and thus nominated him as a candidate for Outside Director who is an Audit and Supervisory Committee Member.

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- Notes
1. Mr. Tetsuya Ono is a candidate for Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
  2. The Bank has a consignment agreement with proact law office, with which Mr. Tetsuya Ono is affiliated. During the year ended March 31, 2019, transactions with the said office amounted to ¥21 million for the activities of the Compliance System Restructuring Committee and for the establishment of systems for anti-money laundering (AML) and combating the financing of terrorism (CFT). Although the Bank does not plan to register him as an independent director with Tokyo Stock Exchange, Inc., the work consigned by the Bank is that of reestablishing the compliance system from an independent and objective standpoint, etc. Therefore, the relationship between the Bank and Mr. Tetsuya Ono does not give rise to a conflict of interest.
  3. If Proposal No. 1 “Partial Amendments to the Articles of Incorporation” as well as the election of Mr. Tetsuya Ono are approved and resolved as originally proposed, the Bank will enter into an agreement with him in accordance with the Articles of Incorporation of the Bank and Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount stipulated by laws and regulations.

**Proposal No. 4:** Determination of the Amount of Remuneration for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

It was approved at the 205th Annual General Meeting of Shareholders held on June 23, 2016 that the maximum amount of remuneration for Directors of the Bank shall be ¥600 million a year (including the maximum ¥40 million for Outside Directors; however, employee salaries are not included.).

Should Proposal No. 1 “Partial Amendments to the Articles of Incorporation” be approved and resolved as originally proposed, the Bank will transition to a company with an audit and supervisory committee. Accordingly, taking into account the circumstances, such as the recent economic situation, it is proposed that the maximum amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same applies in this Proposal) shall be ¥300 million a year (including ¥50 million for Outside Directors) after the Bank’s transition to a company with an audit and supervisory committee. It is also proposed that the decisions on the specific amount for each Director, time of payment, and other matters be entrusted to the Board of Directors for its resolution.

The amount of remuneration for Outside Directors will be increased to a maximum of ¥50 million in light of the fact that they will be expected to play a greater role should Proposal No. 1 “Partial Amendments to the Articles of Incorporation” be approved and resolved as originally proposed, and in order to continuously recruit capable personnel to serve as Outside Directors.

The current number of Directors is six (6), including four (4) Outside Directors. Should Proposal No. 1 “Partial Amendments to the Articles of Incorporation” and Proposal No. 2 “Election of Four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members)” be approved and resolved as originally proposed, the number of Directors will be four (4), including one (1) Outside Director.

The content of this proposal shall take effect, provided that the amendments to the Articles of Incorporation proposed by Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect.

**Proposal No. 5:** Determination of the Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members

Should Proposal No. 1 “Partial Amendments to the Articles of Incorporation” be approved and resolved as originally proposed, the Bank will transition to a company with an audit and supervisory committee. Accordingly, in order to secure human resources from now on and taking into account the circumstances, such as the recent economic situation, it is proposed that the maximum amount of remuneration, etc. for Directors who are Audit and Supervisory Committee Members shall be ¥100 million a year after the Bank’s transition to a company with an audit and supervisory committee. It is also proposed that the decisions on the specific amount for each Director who is an Audit and Supervisory Committee Member, time of payment, and other matters shall be discussed and determined by Directors who are Audit and Supervisory Committee Members.

Should Proposal No. 1 “Partial Amendments to the Articles of Incorporation” and Proposal No. 3 “Election of Three (3) Directors who are Audit and Supervisory Committee Members” be approved and resolved as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will be three (3).

The content of this proposal shall take effect, provided that the amendments to the Articles of Incorporation proposed in Proposal No. 1 “Partial Amendments to the Articles of Incorporation” take effect.

## **Consolidated Balance Sheet**

(As of March 31, 2019)

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
<b>Cash and due from banks</b>	424,073	<b>Deposits</b>	3,159,604
<b>Call loans and bills bought</b>	561	<b>Borrowed money</b>	740
<b>Trading account securities</b>	167	<b>Foreign exchanges</b>	16
<b>Money held in trust</b>	515	<b>Other liabilities</b>	20,999
<b>Securities</b>	133,186	<b>Provision for bonus</b>	482
<b>Loans and bills discounted</b>	2,904,387	<b>Net defined benefit liability</b>	295
<b>Foreign exchanges</b>	2,407	<b>Provision for directors' retirement benefits</b>	246
<b>Lease receivables and investment assets</b>	6,368	<b>Provision for reimbursement of deposits</b>	398
<b>Other assets</b>	62,493	<b>Provision for contingent loss</b>	111
<b>Tangible fixed assets</b>	48,311	<b>Deferred tax liabilities</b>	572
Buildings	12,770	<b>Acceptances and guarantees</b>	2,551
Land	23,934		
Leased assets	16	<b>Total liabilities</b>	3,186,019
Construction in progress	180		
Other tangible fixed assets	11,410	(Net assets)	
<b>Intangible fixed assets</b>	24,601	<b>Capital stock</b>	30,043
Software	22,299	<b>Capital surplus</b>	1,202
Goodwill	1,683	<b>Retained earnings</b>	193,263
Leased assets	3	<b>Treasury stock</b>	(560)
Software development in progress	236	<b>Total shareholders' equity</b>	223,948
Other intangible fixed assets	378	<b>Valuation difference on available-for-sale securities</b>	13,352
<b>Net defined benefit asset</b>	15,376	<b>Deferred gains or losses on hedges</b>	(35)
<b>Deferred tax assets</b>	13,400	<b>Remeasurements of defined benefit plans</b>	3,750
<b>Customers' liabilities for acceptances and guarantees</b>	2,551	<b>Total accumulated other comprehensive income</b>	17,067
<b>Allowance for loan losses</b>	(210,076)	<b>Subscription rights to shares</b>	12
		<b>Non-controlling interests</b>	1,280
		<b>Total net assets</b>	242,308
<b>Total assets</b>	3,428,327	<b>Total liabilities and net assets</b>	3,428,327



## Consolidated Statement of Income

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

Accounts	Amount	
<b>Ordinary income</b>		139,635
<b>Interest income</b>	111,901	
Interest on loans and discounts	109,933	
Interest and dividends on securities	1,383	
Interest on call loans and bills bought	21	
Interest on deposits with banks	538	
Other interest income	23	
<b>Fees and commissions</b>	11,902	
<b>Other ordinary income</b>	4,068	
Gains on sales of bonds	5	
Gains on redemption of bonds	594	
Other	3,468	
<b>Other income</b>	11,763	
Recoveries of written off claims	1,141	
Gain on sales of stocks and other securities	9,801	
Share of profit of entities accounted for using equity method	1	
Other	819	
<b>Ordinary expenses</b>		213,978
<b>Interest expenses</b>	2,033	
Interest on deposits	1,706	
Interest on call money and bills sold	0	
Interest on borrowings and rediscounts	8	
Other interest expenses	317	
<b>Fees and commissions payments</b>	13,992	
<b>Other ordinary expenses</b>	3,062	
Loss on sales of bonds	1	
Loss on redemption of bonds	96	
Other	2,964	
<b>General and administrative expenses</b>	51,326	
<b>Other expenses</b>	143,562	
Provision for allowance for loan losses	134,216	
Written-off of loans	4,649	
Loss on sales of stocks and other securities	198	
Losses on devaluation of stocks and other securities	16	
Other	4,481	
<b>Ordinary loss</b>		74,342
<b>Extraordinary income</b>		2,469
Gain on disposal of fixed assets	157	
Reversal of provision for retirement benefits for directors	2,311	
<b>Extraordinary loss</b>		3,186
Loss on disposal of fixed assets	356	
Impairment loss	2,829	
<b>Profit before income taxes</b>		75,059
<b>Income taxes - current</b>	17,474	
<b>Income taxes - deferred</b>	4,647	
<b>Total income taxes</b>		22,122
<b>Loss</b>		97,181
<b>Loss attributable to non-controlling interests</b>		35
<b>Loss attributable to owners of parent</b>		97,146

## **Consolidated Statement of Shareholders' Equity**

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	30,043	489	292,841	(582)	322,791
Changes of items during the year					
Dividends of surplus			(2,432)		(2,432)
Change in ownership interest of parent due to transactions with non-controlling interests		714			714
Loss attributable to owners of parent			(97,146)		(97,146)
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		(0)		23	22
Net changes of items other than shareholders' equity					
Total changes of items during the year	-	713	(99,578)	22	(98,842)
Balance at the end of the year	30,043	1,202	193,263	(560)	223,948

	Accumulated other comprehensive income			
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at the beginning of the year	18,489	(15)	1,402	19,876
Changes of items during the year				
Dividends of surplus				
Change in ownership interest of parent due to transactions with non-controlling interests				
Loss attributable to owners of parent				
Purchase of treasury stock				
Disposal of treasury stock				
Net changes of items other than shareholders' equity	(5,136)	(20)	2,347	(2,809)
Total changes of items during the year	(5,136)	(20)	2,347	(2,809)
Balance at the end of the year	13,352	(35)	3,750	17,067

	Subscription rights to shares	Non-controlling interests	Total net assets
Balance at the beginning of the year	17	2,078	344,763
Changes of items during the year			
Dividends of surplus			(2,432)
Change in ownership interest of parent due to transactions with non-controlling interests			714
Loss attributable to owners of parent			(97,146)
Purchase of treasury stock			(0)
Disposal of treasury stock			22
Net changes of items other than shareholders' equity	(5)	(798)	(3,613)
Total changes of items during the year	(5)	(798)	(102,455)
Balance at the end of the year	12	1,280	242,308

## **Non-consolidated Balance Sheet**

(As of March 31, 2019)

(Millions of yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
<b>Cash and due from banks</b>	423,646	<b>Deposits</b>	3,165,680
Cash	39,521	Current deposits	67,194
Due from banks	384,124	Ordinary deposits	1,287,567
<b>Call loans</b>	561	Saving deposits	13,750
<b>Trading account securities</b>	167	Deposits at notice	22,829
Trading government bonds	20	Time deposits	1,709,301
Trading local government bonds	146	Other deposits	65,037
<b>Money held in trust</b>	515	<b>Foreign exchanges</b>	16
<b>Securities</b>	136,166	Foreign bills sold	13
Local government bonds	81,196	Foreign bills payable	3
Corporate bonds	5,537	<b>Other liabilities</b>	14,632
Stocks	34,218	Income taxes payable	7,556
Other securities	15,213	Accrued expenses	3,234
<b>Loans and bills discounted</b>	2,898,864	Unearned revenue	67
Bills discounted	2,326	Deposits received from employees	691
Loans on bills	17,995	Lease obligations	434
Loans on deeds	2,608,942	Derivatives other than for trading – liabilities	95
Overdrafts	269,600	Other	2,553
<b>Foreign exchanges</b>	2,407	<b>Provision for bonus</b>	434
Due from foreign banks (our accounts)	1,327	<b>Provision for directors' retirement benefits</b>	245
Foreign bills bought	0	<b>Provision for reimbursement of deposits</b>	398
Foreign bills receivable	1,080	<b>Provision for contingent loss</b>	111
<b>Other assets</b>	54,445	<b>Acceptances and guarantees</b>	2,551
Prepaid expenses	2,210	<b>Total liabilities</b>	3,184,070
Accrued income	8,127	(Net assets)	
Initial margins of futures markets	200	<b>Capital stock</b>	30,043
Derivatives other than for trading – assets	22	<b>Capital surplus</b>	18,589
Other	43,884	Legal capital surplus	18,585
<b>Tangible fixed assets</b>	47,082	Other capital surplus	3
Buildings	12,145	<b>Retained earnings</b>	167,641
Land	23,408	Legal retained earnings	30,043
Leased assets	410	Other retained earnings	137,598
Construction in progress	179	(Reserve for advanced depreciation of fixed assets)	59
Other tangible fixed assets	10,938	(General reserve)	103,032
<b>Intangible fixed assets</b>	22,546	(Retained earnings brought forward)	34,506
Software	22,012	<b>Treasury stock</b>	(560)
Software in progress	164	<b>Total shareholders' equity</b>	215,714
Other intangible fixed assets	370	<b>Valuation difference on available-for-sale securities</b>	12,250
<b>Prepaid pension cost</b>	9,995	<b>Deferred gains or losses on hedges</b>	(29)
<b>Deferred tax assets</b>	13,774	<b>Total valuation and translation adjustments</b>	12,221
Customers' liabilities for acceptances and guarantees	2,551	<b>Subscription rights to shares</b>	12
<b>Allowance for loan losses</b>	(200,708)	<b>Total net assets</b>	227,947
<b>Total assets</b>	3,412,017	<b>Total liabilities and net assets</b>	3,412,017

## Non-consolidated Statement of Income

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

Accounts	Amount	
<b>Ordinary income</b>		127,407
<b>Interest income</b>	105,975	
Interest on loans and discounts	101,500	
Interest and dividends on securities	3,891	
Interest on call loans	21	
Interest on deposits with banks	538	
Other interest income	23	
<b>Trust fees</b>	0	
<b>Fees and commissions</b>	9,510	
Fees and commissions on domestic and foreign exchanges	2,181	
Other fees and commissions	7,328	
<b>Other ordinary income</b>	635	
Gains on foreign exchange transactions	35	
Gain on trading account securities transactions	0	
Gains on sales of bonds	5	
Gains on redemption of bonds	594	
<b>Other income</b>	11,284	
Recoveries of written off claims	702	
Gain on sales of stocks and other securities	9,801	
Gain on investments in money held in trust	9	
Other	771	
<b>Ordinary expenses</b>		202,392
<b>Interest expenses</b>	2,059	
Interest on deposits	1,707	
Interest on call money	0	
Interest on borrowings and rediscounts	0	
Interest on interest swaps	3	
Other interest expenses	348	
<b>Fees and commissions payments</b>	13,969	
Fees and commissions on domestic and foreign exchanges	932	
Other fees and commissions	13,036	
<b>Other ordinary expenses</b>	98	
Loss on sales of bonds	1	
Loss on redemption of bonds	96	
<b>General and administrative expenses</b>	46,420	
<b>Other expenses</b>	139,844	
Provision for allowance for loan losses	132,167	
Written-off of loans	2,661	
Loss on sales of stocks and other securities	198	
Losses on devaluation of stocks and other securities	1,978	
Loss on money held in trust	33	
Other	2,804	
<b>Ordinary loss</b>		74,985
<b>Extraordinary income</b>		2,469
Gain on disposal of fixed assets	157	
Reversal of provision for retirement benefits for directors	2,311	
<b>Extraordinary loss</b>		3,172
Loss on disposal of fixed assets	342	
Impairment loss	2,829	
<b>Loss before income taxes</b>		75,688
<b>Income taxes - current</b>	16,998	
<b>Income taxes - deferred</b>	4,330	
<b>Total income taxes</b>		21,328
<b>Loss</b>		97,016

## **Non-consolidated Statement of Shareholders' Equity**

(From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of the year	30,043	18,585	4	18,590
Changes of items during the year				
Dividends of surplus				
Loss				
Purchase of treasury stock				
Disposal of treasury stock			(0)	(0)
Net changes of items other than shareholders' equity				
Total changes of items during the year	-	-	(0)	(0)
Balance at the end of the year	30,043	18,585	3	18,589

	Shareholders' equity						
	Retained earnings					Treasury stock	Total shareholders' equity
	Legal retained earnings	Other retained earnings			Total retained earnings		
		Reserve for advanced depreciation of fixed assets	General reserve	Retained earnings brought forward			
Balance at the beginning of the year	30,043	59	103,032	133,955	267,090	(582)	315,141
Changes of items during the year							
Dividends of surplus				(2,432)	(2,432)		(2,432)
Loss				(97,016)	(97,016)		(97,016)
Purchase of treasury stock						(0)	(0)
Disposal of treasury stock						23	22
Net changes of items other than shareholders' equity							
Total changes of items during the year	-	-	-	(99,448)	(99,448)	22	(99,427)
Balance at the end of the year	30,043	59	103,032	34,506	167,641	(560)	215,714

(Millions of yen)

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at the beginning of the year	17,563	(10)	17,552	17	332,711
Changes of items during the year					
Dividends of surplus					(2,432)
Loss					(97,016)
Purchase of treasury stock					(0)
Disposal of treasury stock					22
Net changes of items other than shareholders' equity	(5,312)	(19)	(5,331)	(5)	(5,337)
Total changes of items during the year	(5,312)	(19)	(5,331)	(5)	(104,764)
Balance at the end of the year	12,250	(29)	12,221	12	227,947