

Communication with our Shareholders and Investors

Basic Perspective

The Bank strives to make timely and appropriate disclosure of company information with a high level of transparency as well as have constructive dialogues with our shareholders and investors through IR activities. The opinions of shareholders and investors obtained through such dialogues are reported to the management in a timely and appropriate manner and utilized in management strategies.

Plans and results of IR activities are regularly reported to the Board of Directors, and efforts are being made to improve such activities.

IR Activities

Our IR activities include regularly holding financial briefings for analysts by the President, IR briefings for individual investors, and IR briefings for overseas investors. Small meetings are hosted by the directors in charge to meet analysts' request for individual interviews. In this way, we have set up opportunities to explain our business performance and sales strategies, etc. to the shareholders and investors and to absorb market opinions.

A breakdown of voting rights of the shareholders shows that foreign corporations account for a little less than 20%, and we therefore strive to promote constructive dialogues with overseas investors. In addition to overseas IR briefings, our directors in charge actively participate in conferences hosted by a securities firm for overseas investors. Also, based on the disclosure policy, English translations of timely-disclosed information and financial results briefing materials, etc. for analysts are quickly posted on our website.

<<Shares of the Bank>> Breakdown of voting rights by shareholder (as of March 31, 2020)

| Trust banks | Individuals (including employee shareholding association) | Other corporations | Overseas corporations | Financial institutions (excluding trust banks) | Securities firms | Public | Total |
|-------------|---|--------------------|--------------------------|---|------------------|--------|--------|
| 22.2% | 23.1% | 18.7% | 18.5% | 14.4% | 1.1% | 2.0% | 100.0% |

IR Activity Results in Fiscal year 2019

| IR activities (FY 2019 results) | Number of participants | |
|---|------------------------------------|-----|
| For analysts and institutional investors | | |
| Mid-Term Business Plan briefing | Once | 33 |
| Financial results briefing (large meeting) | Twice (May/November) | 260 |
| Profitability trend briefings (small meeting) | Four times (every quarter) | 69 |
| Individual interviews | 11 | |
| IR briefings for individual investors | Two times (September) | 268 |
| Overseas IR briefings | Twice (June/Europe, November/Asia) | |



Briefing for analysts



Briefing for individuals

*In fiscal 2019, the Bank had scheduled a brief for analysts and a briefing for individuals in March 2020, but they were postponed in order to prevent the spread of COVID-19.

General Meeting of Shareholders

For the general meeting of shareholders held in June, we issue a convocation notice before the meeting and post a notice at the stock exchanges and the Bank's website. We have also striven to improve the voting environment by enabling shareholders to exercise their voting rights via the Internet and participate in the voting platform. After the general meeting, a notice of resolutions and results of the exercise of voting rights (extraordinary report) are immediately posted on our website.

| | 2018 | 2019 | 2020 |
|--------------------------------------|----------------|----------------|----------------|
| Date | Jun. 26 (Tue.) | Jun. 25 (Tue.) | Jun. 24 (Wed.) |
| Number of shareholders in attendance | 172 | 197 | 50※ |
| Voting rights exercise ratio | 84.7% | 83.0% | 85.1% |
| Dispatch date of notice | Jun. 4 (Mon.) | Jun. 3 (Mon.) | Jun. 2 (Tue.) |
| Posting date of notice on website | May 29 (Tue.) | May 28 (Tue.) | May 27 (Wed.) |

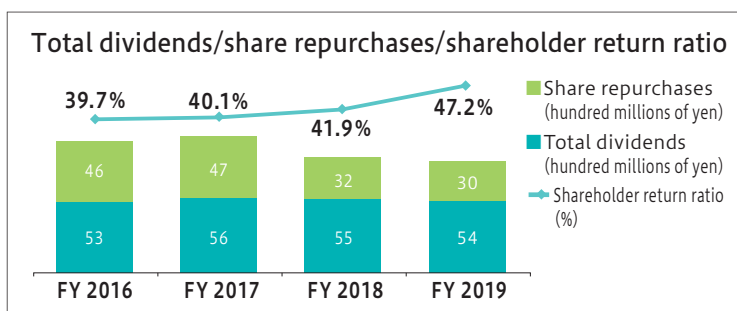
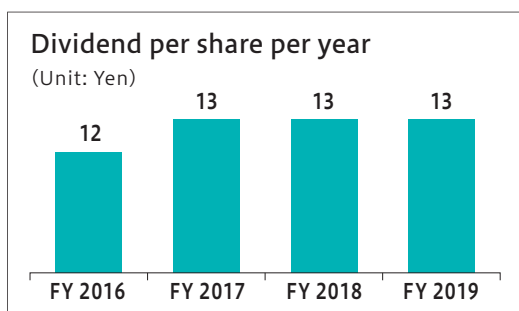
*To prevent the spread of COVID-19, we have given top priority to the safety and security of our shareholders and have asked them to avoid coming to meetings as much as possible.



Shareholder Returns

Shareholder return policy

While strengthening our financial structure with a basic policy of continuing stable dividends, we link the shareholder returns to our business performance. The target of the shareholder return ratio, which involves the sum of dividends and share repurchases, will be set to, for the time being, 40% of non-consolidated net income.



Shareholder Benefits Program

The Bank has a shareholder benefits program in order to contribute to the revitalization of the regional economy, we offer shareholders complimentary local specialties.

There are many local specialties such as foods and crafts and products from our local business partners. Since March 31, 2019, we have introduced the "Donation Course" that contributes to achieving the Sustainable Development Goals (SDGs).

<<Shareholder benefits program (shareholder registration as of March 31)>>
(Local specialties, etc.)

| | |
|--|-------------------------|
| 1,000 shares or more and less than 5,000 shares | Equivalent to 2,500 yen |
| 5,000 shares or more and less than 10,000 shares | Equivalent to 4,000 yen |
| 10,000 shares or more | Equivalent to 6,000 yen |

Initiatives to Reduce Strategic Holdings

From the perspective of ensuring the rights and equality of our shareholders, we are working to reduce our policy-holding shareholdings by examining the significance of holding these shares for maintaining and strengthening business relationships with customers and stimulating the local economy.

As of the end of March 2020, the balance of strategically held shares decreased both in market and book value, and the market value for non-consolidated Tier 1 was 25.4% and the book value was 12.4%.

