

Communication with our Shareholders and Investors

Basic Perspective

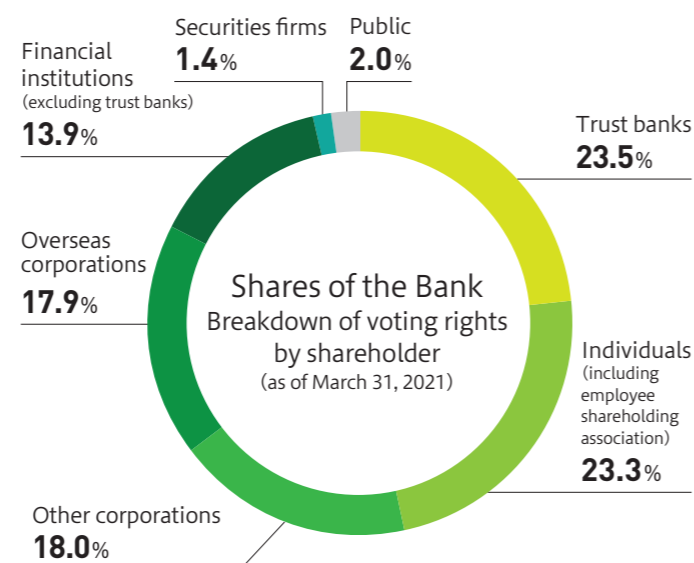
The Bank strives to make timely and appropriate disclosure of company information with a high level of transparency as well as have constructive dialogues with our shareholders and investors through IR activities. The opinions of shareholders and investors obtained through such dialogues are reported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



We are holding meetings mainly held online due to the impacts of the COVID-19 pandemic. (Photo: Large meeting conducted by telephone conference)



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.

	2019	2020	2021
Date	Jun. 25 (Tue.)	Jun. 24 (Wed.)	Jun. 24 (Thu.)
Number of shareholders in attendance	197	50*	46*
Voting rights exercise ratio	83.0%	85.1%	85.7%
Dispatch date of notice	Jun. 3 (Mon.)	Jun. 2 (Tue.)	Jun. 2 (Wed.)
Posting date of notice on website	May 28 (Tue.)	May 27 (Wed.)	May 27 (Thu.)

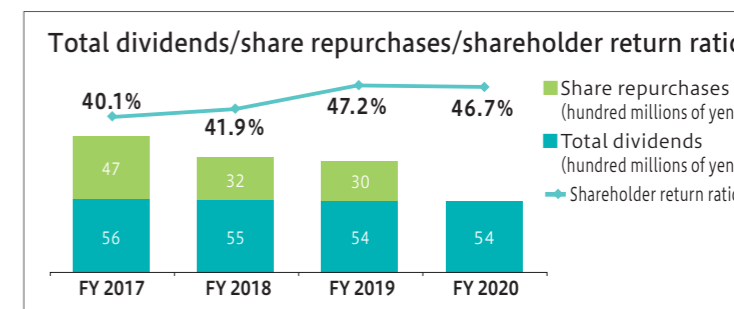
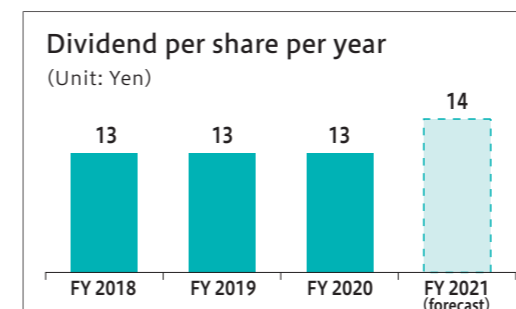


* To prevent the spread of COVID-19, in 2020 and 2021 we gave top priority to the safety and security of our shareholders and have asked them to avoid coming to meetings as much as possible.

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 through which we offer shareholders complimentary local specialty items.

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). From March 31, 2021, we introduced the "Shareholder Benefits TSUBASA Alliance Joint Plan" where shareholders can select from other local specialty items from the joint catalogs of banks participating in the TSUBASA Alliance. In this manner, we have enhanced our shareholder benefits program.

(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 Cross Shareholdings

The Bank has established a basic policy to reduce cross shareholdings where possible and only maintain cross shareholdings in the event that the significance of holding these shares for maintaining and strengthening business relationships with customers and stimulating the local economy is acknowledged. The balance of cross shareholdings (market value) compared to the total consolidated net assets has been reduced from 33.4% prior to the enactment of Japan's Corporate Governance Code (as of March 31, 2015) to 23.6% as of March 31, 2021.

Individual cross shareholdings are reported regularly to the Board of Directors after comprehensively examining the suitability of these holdings based on an in-depth review of the medium- to long-term business relationship and economic rationality. Economic rationality involves examining whether Return on Risk-Weighted Assets (RORA)* calculated based on profits obtained from transactions with individual business partners exceeds the baseline calculated using the Bank's ROE.

* RORA = (Profit After Expenses and Credit Costs + Dividends Received) ÷ Risk Assets of Borrowings and Stock

