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(Securities Code: 8399)
June 6, 2016

To Shareholders with Voting Rights:

Токеи Кинжо
President
Bank of The Ryukyus, Limited.
11-1, Kumoji 1-chome
Naha, Okinawa, Japan

NOTICE OF CONVOCATION OF THE 100TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 100th Annual General Meeting of Shareholders of the Bank of The Ryukyus, Limited. (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 by submitting the Voting Rights Exercise Form or via the Internet (electromagnetic means). Please consider the Reference Documents for the General Meeting of Shareholders (described hereinafter), review “4. Instructions for Exercise of Voting Rights” on page 2, and exercise your voting rights.

- 1. Date and Time:** Tuesday, June 28, 2016 at 10:00 a.m. Japan time
- 2. Place:** SAIKAI NO MA, 2F, ANA Crowne Plaza Okinawa Harborview,
2-46 Izumizaki, Naha, Okinawa, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report and Non-consolidated Financial Statements for the Bank’s 100th Fiscal Year (from April 1, 2015 to March 31, 2016)
 2. Consolidated Financial Statements for the Bank’s 100th Fiscal Year (from April 1, 2015 to March 31, 2016) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Ten (10) Directors
- Proposal No. 3:** Election of Three (3) Corporate Auditors

4. Instructions for Exercise of Voting Rights:

You can exercise your voting rights in the following three methods.

To attend the meeting:

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Please submit your Voting Rights Exercise Form to the reception.

Date	Tuesday, June 28, 2016
and	at 10:00 a.m.
Time	Japan time

To exercise your voting rights by mail:

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Please indicate your votes for or against the proposals on the enclosed Voting Rights Exercise Form to exercise your voting rights and return it to us so that it is received by the deadline designated below.

Voting	Monday, June 27, 2016
Dead	at 5:00 p.m.
Line	Japan time

To exercise your voting rights via the Internet (electromagnetic means):

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Please access the website (<http://www.evotep.jp/>) designated by the Bank for exercising voting rights and enter your votes for or against the proposals by the deadline designated below.

Voting	Monday, June 27,
Dead	
Line	at 5:00 p.m.

- (1) If you exercise your voting rights both by mail and via the Internet (electromagnetic means), the voting rights via the Internet (electromagnetic means) will be deemed valid.
- (2) If the voting rights are exercised via the Internet (electromagnetic means) multiple times, the last exercise of voting rights via the Internet (electromagnetic means) will be deemed valid.

End

Of the documents required to be attached to this Notice of Convocation, the following will be posted on the Bank's website (<http://www.ryugin.co.jp/>), pursuant to laws and regulations and the Articles 16 of Incorporation of the Bank, and are not included with this Notice of Convocation.

1. Business Report

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| (1) Of items relating to the current state of the Bank, "Employee Situation," "Branch Situation," and "Other Items of Importance Relating to the Current State of the Bank" | (6) Systems to ensure appropriate business duties and the operational status of said systems |
| (2) Of items relating to company officers (Directors, Corporate Auditors), "Liability Limitation Agreement" | (7) Items relating to specified wholly owned subsidiaries |
| (3) Of items relating to outside officers, "Concurrent Posts Held by Outside Officers and Other Situations" | (8) Items relating to transactions with Parent Company, etc. |
| (4) Items relating to reservation vouchers for new shares of the Bank, etc. | (9) Items relating to accounting advisors |
| (5) Basic policy regarding the state of individuals who decide financial affairs and business policies | (10) Other |

2. Financial Statements

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| (1) Notes to the Non-consolidated Financial Statements | (3) Notes to the Consolidated Financial Statements |
| (2) Non-consolidated Statements of Changes in Net Assets | (4) Consolidated Statements of Changes in Net Assets |

As a result, the documents attached to this Notice of Convocation are a subset of the Non-consolidated Financial Statements and the Consolidated Financial Statements audited by the Accounting Auditor during preparation of the Audit Report, and a subset of the Business Report, Non-consolidated Financial Statements and the Consolidated Financial Statements audited by the Board of Corporate Auditors during preparation of the Audit Report.

Any updates to the Reference Documents for the General Meeting of Shareholders or the attached documents will be posted on the Bank's website (<http://www.ryugin.co.jp/>). (In Japanese version only.)

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

As a basic policy, the Bank works to enrich internal reserves, while comprehensively taking into account business results, the financial environment, and the viewpoint, etc., of future improvement of shareholder value, to determine implementation of dividends.

As a result, concerning year-end dividends for the current fiscal year, the Bank proposes the following, in line with the basic policy.

- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount
The Bank proposes 17.50 yen per share of common stock, and the total dividends will amount to 666,246,088 yen. As a result, full-year dividends will be 35 yen per share, including the interim dividend of 17.50 yen per share.
- (3) Effective date of distribution of surplus
June 29, 2016

Proposal No. 2: Election of Ten (10) Directors

The terms of office of all ten (10) Directors will expire at the conclusion of the General Meeting of Shareholders. Accordingly, the election of ten (10) Directors is proposed.

The candidates for Director are as follows.

From the viewpoint of enhancing independence, objectivity, and accountability of the Board of Directors, the Bank has established a Corporate Governance Committee as a voluntary advisory committee for the Board of Directors, and candidates for Directors have been determined following deliberation by the Committee.

No.	Name	Positions at the Bank		
1	Tokei Kinjo	President	Reappointment	
2	Komei Takara	Managing Director	Reappointment	
3	Hidehiro Hayashi	Managing Director	Reappointment	
4	Tomoyuki Matsubara	Managing Director	Reappointment	
5	Yasushi Kawakami	Director and General Manager, General Planning Department; General Manager, Subsidiaries & Affiliates Office	Reappointment	
6	Satoshi Gibo	Director and General Manager, Corporate Finance Department	Reappointment	
7	Keishi Fukuhara	Director and General Manager, Business Administration Department	Reappointment	
8	Yasushi Tokashiki	Executive Officer and General Manager, Business Operations Department, Head Office	New appointment	
9	Moriaki Ota	Outside Director	Reappointment	Outside
10	Yoshiro Shimoji		New appointment	Outside

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Bank held
1	Tokei Kinjo (Aug. 2, 1954) [Reappointment]	Apr. 1977	Joined the Bank	7,200 shares
		Apr. 2001 Jun. 2004 Jun. 2005 Jun. 2008 Apr. 2012	General Manager, Risk Management Department Executive Officer and General Manager, General Planning Department Director and General Manager, General Planning Department Managing Director President To the present	
[Responsibilities at the Bank] In charge of Audit Department				
Reason for election of the candidate for Director The Bank has chosen Mr. Tokei Kinjo as a candidate for Director as he has experience and achievements as General Manager, Risk Management Department; Director and General Manager, General Planning Department; and Managing Director as well as he has served as President at the Bank since April 2012. Based on his wealth of experience, wide range of views regarding corporate management, as well as his social credibility, he is expected to execute the management of the Bank appropriately, fairly, and efficiently.				
2	Komei Takara (Nov. 21, 1956) [Reappointment]	Apr. 1979	Joined the Bank	5,991 shares
		Jun. 2006 Jun. 2009 Jun. 2009 Jun. 2012 Jun. 2013 Jun. 2014	Executive Officer and General Manager, Securities & International Department Part-time Executive Officer Representative Director and President, Ryugin DC Co., Ltd. Director and General Manager, General Planning Department; and General Manager, Subsidiaries & Affiliates Office, the Bank Managing Director and General Manager, General Planning Department; and General Manager, Subsidiaries & Affiliates Office Managing Director To the present	
[Responsibilities at the Bank] In charge of System & Operations Planning Department, Personnel Department and Risk Management Department				
Reason for election of the candidate for Director The Bank has chosen Mr. Komei Takara as a candidate for Director as he has experience and achievements as Executive Officer and General Manager, Securities & International Department; President of the affiliated company; and Director and General Manager, General Planning Department as well as he has served as Managing Director since June 2013. Based on his wealth of experience, wide range of views regarding corporate management, as well as his social credibility, he is expected to execute the management of the Bank appropriately, fairly, and efficiently.				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held	
3	Hidehiro Hayashi (Nov. 7, 1957) [Reappointment]	Apr. 1982	Joined the Bank	2,500 shares
		Jun. 2008	General Manager, Direct Business Department	
		Jun. 2009	General Manager, Business Advisory Department	
		Jun. 2011	Executive Officer and General Manager, Business Advisory Department	
		Jun. 2012	Director and General Manager, Business Operations Department, Head Office	
		Jun. 2014	Managing Director To the present	
		[Responsibilities at the Bank] In charge of Credit Department and Corporate Finance Department		
Reason for election of the candidate for Director The Bank has chosen Mr. Hidehiro Hayashi as a candidate for Director as he has experience and achievements as Executive Officer and General Manager, Business Advisory Department and Director and General Manager, Business Operations Department, Head Office as well as he has served as Managing Director since June 2014. Based on his wealth of experience, wide range of views regarding corporate management, as well as his social credibility, he is expected to execute the management of the Bank appropriately, fairly, and efficiently.				
4	Tomoyuki Matsubara (Sep. 14, 1958) [Reappointment]	Apr. 1983	Joined the Bank	2,300 shares
		Jun. 2008	General Manager, Credit Department	
		Jun. 2011	Executive Officer and General Manager, Credit Department	
		Jun. 2012	Executive Officer and General Manager, System & Operations Planning Department	
		Jun. 2013	Director and General Manager, System & Operations Planning Department	
		Jun. 2014	Director and General Manager, General Planning Department; and General Manager, Subsidiaries & Affiliates Office	
		Jun. 2015	Managing Director To the present	
		[Responsibilities at the Bank] In charge of General Planning Department and Securities & International Department		
Reason for election of the candidate for Director The Bank has chosen Mr. Tomoyuki Matsubara as a candidate for Director as he has experience and achievements as Executive Officer and General Manager, Credit Department; Director and General Manager, System & Operations Planning Department; and Director and General Manager, General Planning Department as well as he has served as Managing Director since June 2015. Based on his wealth of experience, wide range of views regarding corporate management, as well as his social credibility, he is expected to execute the management of the Bank appropriately, fairly, and efficiently.				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Bank held
5	Yasushi Kawakami (Aug. 19, 1961) [Reappointment]	Apr. 1985	Joined the Bank	4,700 shares
		Dec. 2010	Manager, Koza Branch	
Jun. 2012	General Manager, Business Administration Department			
Jun. 2013	Executive Officer and General Manager, Business Administration Department			
Jun. 2014	Director and General Manager, Business Administration Department			
Jun. 2015	Director and General Manager, General Planning Department General Manager, Subsidiaries & Affiliates Office To the present			
Reason for election of the candidate for Director The Bank has chosen Mr. Yasushi Kawakami as a candidate for Director as he has experience and achievements as Manager, Koza Branch; Executive Officer and General Manager, Business Administration Department; and Director and General Manager, Business Administration Department as well as he has served as Director and General Manager, General Planning Department since June 2015. Based on his wealth of experience, wide range of views regarding corporate management, as well as his social credibility, he is expected to execute the management of the Bank appropriately, fairly, and efficiently.				
6	Satoshi Gibo (Mar. 30, 1961) [Reappointment]	Apr. 1983	Joined the Bank	3,986 shares
		Jun. 2005	Manager, Aja Branch	
Jun. 2009	General Manager, Risk Management Department			
Jun. 2010	General Manager, Compliance Administration Department			
Jun. 2012	General Manager, Credit Department			
Jun. 2014	Director and General Manager, Business Advisory Department			
Jun. 2015	Director and General Manager, Corporate Finance Department To the present			
Reason for election of the candidate for Director The Bank has chosen Mr. Satoshi Gibo as a candidate for Director as he has experience and achievements as General Manager, Risk Management Department; General Manager, Compliance Administration Department; General Manager, Credit Department; and Director and General Manager, Business Advisory Department as well as he has served as Director and General Manager, Corporate Finance Department since June 2015. Based on his wealth of experience, wide range of views regarding corporate management, as well as his social credibility, he is expected to execute the management of the Bank appropriately, fairly, and efficiently.				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held	
7	Keishi Fukuhara (Sep. 27, 1960) [Reappointment]	Apr. 1984	Joined the Bank	2,100 shares
		Jun. 2007	Manager, Nago Branch	
Jun. 2010	General Manager, Consulting Business Department			
Jun. 2012	General Manager, Personnel Department			
Jun. 2014	Executive Officer and General Manager, Personnel Department			
Jun. 2015	Director and General Manager, Business Administration Department To the Present			
Reason for election of the candidate for Director The Bank has chosen Mr. Keishi Fukuhara as a candidate for Director as he has experience and achievements as Manager, Nago Branch; General Manager, Consulting Business Department; and Executive Officer and General Manager, Personnel Department as well as he has served as Director and General Manager, Business Administration Department since June 2015. Based on his wealth of experience, wide range of views regarding corporate management, as well as his social credibility, he is expected to execute the management of the Bank appropriately, fairly, and efficiently.				
8	Yasushi Tokashiki (Sep. 25, 1961) [New appointment]	Apr. 1985	Joined the Bank	800 shares
		Apr. 2006	Manager, Futenma Branch	
Apr. 2009	Senior Managing Director, Okinawa Credit Service Co., Ltd.			
Jun. 2012	Manager, Oroku Branch			
Jun. 2014	General Manager, Business Operations Department, Head Office			
Jun. 2015	Executive Officer and General Manager, Business Operations Department, Head Office To the Present			
Reason for election of the candidate for Director The Bank has newly chosen Mr. Yasushi Tokashiki as a candidate for Director as he has experience and achievements as Manager, Futenma Branch and Manager, Oroku Branch as well as he has served as Executive Officer and General Manager, Business Operations Department since June 2015. Based on his wealth of experience, wide range of views regarding corporate management, as well as his social credibility, he is expected to execute the management of the Bank appropriately, fairly, and efficiently.				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
9	Moriaki Ota (May 7, 1946) [Reappointment] [Outside]	May 1965 Joined RYUSEKI CORPORATION Jun. 1990 Managing Director Jun. 1992 Senior Managing Director Jun. 1999 Representative Director and President Jun. 2006 Representative Director and Chairman Jun. 2013 Advisor Jun. 2015 Outside Director of the Bank May 2016 Advisor, RYUSEKI CORPORATION To the Present (Significant concurrent positions) Advisor, RYUSEKI CORPORATION	1,100 shares
Reason for election of the candidate for Outside Director Mr. Moriaki Ota meets the Bank's independence standards for Independent Directors/Auditors, and with his ample experience and broad insight into corporate management based on his experience as an officer of other companies, he is expected to contribute to open, lively, and constructive discussions at the Bank's Board of Directors and has thus been made a candidate for Outside Director.			
10	Yoshiro Shimoji (Sep. 12, 1957) [New appointment] [Outside]	May 1981 Joined Okinawa Prefectural Government Apr. 2009 Director, Tourism Promotion Division, Department of Tourism Commerce Apr. 2011 Deputy Director General in charge of Tourism Policies, Department of Culture, Tourism and Sports Apr. 2013 Professor, Faculty of Tourism Sciences and Industrial Management, University of The Ryukyus; Assistant to President, University of The Ryukyus Apr. 2016 Dean, Faculty of Tourism Sciences and Industrial Management, University of The Ryukyus To the Present (Significant concurrent positions) Dean and Professor, Faculty of Tourism Sciences and Industrial Management, University of The Ryukyus	0 shares
Reason for election of the candidate for Outside Director Mr. Yoshiro Shimoji meets the Bank's independence standards for Independent Directors/Auditors, and with his ample experience in governmental bodies as well as his specialized knowledge as a university professor, he is expected to contribute to open, lively, and constructive discussions at the Bank's Board of Directors and has thus been made a new candidate for Outside Director. Additionally, while he has no previous involvement in corporate management, the Bank believes that he has the capability to carry out his duties as Outside Director for the above reasons.			

(Notes)

1. There are no special conflicts of interest between the Bank and any of the other candidates for Director. The Bank has credit transactions with a candidate for Outside Director, Mr. Yoshiro Shimoji.
2. Messrs. Moriaki Ota and Yoshiro Shimoji are candidates for Outside Director.
3. Mr. Moriaki Ota is currently an Outside Director of the Bank, and his term of offices as Outside Director will be one (1) year at the conclusion of the General Meeting
4. The Bank has registered Mr. Moriaki Ota as an Independent Director/Auditor to the Tokyo Stock Exchange, Inc. and Securities Membership Corporation Fukuoka Stock Exchange, and if he is reelected and reappointed, the Bank plans to continue to designate him as an Independent Director/Auditor.
5. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Bank has concluded a liability limitation agreement with Mr. Moriaki Ota to limit the amount of liability under Article 423, Paragraph 1 of the Companies Act to the total amount stipulated by each Item in Article 425, Paragraph 1 of the Companies Act. Furthermore, if he is reelected as Director, the Bank plans to continue with the agreement. Additionally, if Mr. Yoshiro Shimoji is elected as Director, the Bank plans to conclude the same agreement with him.

(Reference) The Bank's standards to determine independence for Independent Directors/Auditors are printed on page 16 and 17.

Proposal No. 3: Election of Three (3) Corporate Auditors

The terms of office of all three (3) Corporate Auditors will expire at the conclusion of the General Meeting of Shareholders. Accordingly, the election of three (3) Corporate Auditors is proposed.

The candidates for Corporate Auditor are as follows.

The candidates for Corporate Auditor have been determined upon deliberation by the Corporate Governance Committee.

The Bank has already obtained the approval from the Board of Corporate Auditors with respect to this proposal.

No.	Name	Positions at the Bank		
1	Tamotsu Teruya	Standing Corporate Auditor	Reappointment	
2	Shunsuke Takahashi		New appointment	Outside
3	Kyoko Nakayama		New appointment	Outside

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Bank held
1	Tamotsu Teruya (Dec. 10, 1958) [Reappointment]	Apr. 1981	Joined the Bank	1,100 shares
		Jun. 2008	General Manager, Audit Department	
Jun. 2010	General Manager, Securities & International Department			
Jun. 2013	President, Ryukyu Comprehensive Insurance Support Co., Ltd.			
Jun. 2014	Standing Corporate Auditor, the Bank To the Present			
Reason for election of the candidate for Corporate Auditor Mr. Tamotsu Teruya has held posts as General Manager, Audit Department; General Manager, Securities & International Department; Representative Director and President of a business firm; and since June 2014, as Corporate Auditor. Judging from his experience and a proven track record, the Bank believes that he possesses the knowledge and experience needed to accurately, fairly, and efficiently audit the execution of duties of the Bank's Directors, and has sufficient social credibility. For this reason, he has been made a candidate for Corporate Auditor.				
2	Shunsuke Takahashi (Sep. 18, 1954) [New appointment] [Outside]	Jul. 1993	Representative Director and President, Watson Wyatt (Retired in June 1997)	0 shares
		Jul. 1997	Established People Factor Consulting	
May 2000	Professor, Keio University Graduate School of Media and Governance			
Nov. 2011	Project Professor, Keio University Graduate School of Media and Governance To the Present			
	[Significant Concurrent Positions] Project Professor, Keio University Graduate School of Media and Governance Representative, People Factor Consulting			
Reason for election of the candidate for Outside Corporate Auditor Mr. Shunsuke Takahashi meets the Bank's independence standards for Independent Directors/Auditors, and has ample experience and high level of insight as a consultant and university professor. The Bank believes that he possesses the knowledge and experience needed to accurately, fairly, and efficiently audit the execution of duties of the Bank's Directors, and has sufficient social credibility. For this reason, he has been made a candidate for Outside Corporate Auditor.				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
3	Kyoko Nakayama (Nov. 17, 1973) [New appointment] [Outside]	Oct. 2003 Joined Yamauchi Certified Public Accountant Licensed Tax Accountant Office	0 shares
		Dec. 2003 Registered as a certified tax accountant May 2007 Registered as a certified public accountant To the Present [Significant Concurrent Positions] Certified Public Accountant, Yamauchi Certified Public Accountant Licensed Tax Accountant Office	
Reason for election of the candidate for Outside Corporate Auditor Ms. Kyoko Nakayama meets the Bank's independence standards for Independent Directors/Auditors, and has ample experience and high level of insight as an accounting specialist. The Bank believes that she possesses the knowledge and experience needed to accurately, fairly, and efficiently audit the execution of duties of the Bank's Directors, and has sufficient social credibility. For this reason, she has been made a candidate for Outside Corporate Auditor. Additionally, while she has no previous involvement in corporate management, the Bank believes that she has the capability to carry out her duties as Outside Corporate Auditor for the above reasons.			

(Notes)

1. There are no special conflicts of interest between the Bank and any of the other candidates for Corporate Auditor. The Bank has credit transactions with a candidate for Outside Corporate Auditor, Ms. Kyoko Nakayama.
2. Mr. Shunsuke Takahashi and Ms. Kyoko Nakayama are both candidates for Outside Corporate Auditor.
3. The Bank has registered Mr. Shunsuke Takahashi and Ms. Kyoko Nakayama as Independent Directors/Auditors to the Tokyo Stock Exchange, Inc. and Securities Membership Corporation Fukuoka Stock Exchange.
4. Ms. Kyoko Nakayama's name is one used in the course of her profession, and her name according to her family register is Ms. Kyoko Toda.
5. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Bank has concluded a liability limitation agreement with Outside Corporate Auditors to limit the amount of liability under Article 423, Paragraph 1 of the Companies Act to the total amount stipulated by each Item in Article 425, Paragraph 1 of the Companies Act. Furthermore, if Mr. Shunsuke Takahashi and Ms. Kyoko Nakayama, candidates for Outside Corporate Auditor, are elected and appointed, the Bank plans to conclude the same agreement with them.

(Reference) The Bank's standards to determine independence for Independent Directors/Auditors are printed on page 14 and 15.

End

(Reference)

Independence Standards for Independent Directors/Auditors

1. Requisites for Independence

Officers who are independent from the Bank, based on Tokyo Stock Exchange, Inc.'s "Guidelines Regarding Listing Management, etc.," meet the requisites for Outside Directors or Outside Corporate Auditors as demanded by laws, regulations, etc., and do not fall under any of the following items (1) to (7).

- (1) A party who has the Bank as a major client or their business executives
- (2) A major client of the Bank or their business executives
- (3) A consultant, accounting specialist, or legal specialist who receives a large amount of monetary or other assets from the bank outside of officer compensation (or in the case that said assets are received by a legal entity, association, or other organization, an individual belonging to said organization)
- (4) A major shareholder of the Bank or their business executives
- (5) A party to whom the Bank makes donations or their business executives
- (6) An individual who has recently fallen under any of the above categories (1) to (5)
- (7) A close relative of an individual who falls under any of the following items 1) to 4) (excluding individuals who are not of major importance)
 - 1) An individual who falls under the above (1) to (6)
 - 2) A business executive of a subsidiary company of the Bank
 - 3) A Director who is not a business executive of a subsidiary company of the Bank (applicable only when the independence of Outside Corporate Auditors is being determined)
 - 4) An individual who has recently fallen under the previous 2), 3), or who has been a business executive of the Bank (when determining the independence of Outside Corporate Auditors, this includes Directors who are not business executives)

2. Standards for Judging Independence

The standards for judging the requisites stated in the above 1. in a practical fashion are as follows, based on Tokyo Stock Exchange, Inc.'s "Practical Considerations when Appointing Independent director/auditor."

(1) "Major Client"

"Major Client" in the above 1. (1)/(2) is defined as a business partner with whom a business relationship has been formed where an equivalent amount of influence as a parent or child company or a related company is held over the Bank or that business partner's business, etc., decision making, and specific standards are as follows.

- 1) For a party who has the Bank as a client, when two (2) or more percent of said party's net sales in the most recent fiscal year consists of sales from the Bank.
- 2) For clients of the Bank, when two (2) or more percent of the Bank's gross profit consists of revenue from said client
- 3) For debtors, when two (2) or more percent of the Bank's net assets as of the end of the most recent fiscal year are being lent by the Bank to said client, or in cases where there are no other financial institutions that are conducting lending transactions of the same scale as the Bank's and when, according to a debtor classification, etc. determined by the Bank's self-assessment, the lending transaction with the Bank is essential to said client's funding to the degree that it is determined to be irreplaceably dependent upon it
- 4) For depositors, when two (2) or more percent of the Bank's net assets as of the end of the most recent fiscal year are deposits made by said client to the Bank

(2) "Business Executives"

Practical standards for determining a "business executive" in the above 1. (1)/(2)/(4)/(5)/(7) are the same as a business executive as established in Paragraph 2, Article 3-6 of the Order for Enforcement of the Companies Act, and include both executive Directors as well as employees but not Corporate Auditors.

(3) "Large amount"

Practical standards for determining a "large amount" in the above 1. (3) are as follows.

1) A consultant, accounting, legal, or other professional who receives over 10 million yen in monetary or other compensation from the Bank in a year on average over the past three years in non-officer compensation

2) An individual who belongs to a consulting company, accounting office, legal office, or other company that provides specialized services whose net sales in the most recent fiscal year consists of payments from the Bank totaling two (2) or more percent

(4) "Major shareholders"

The practical standard for determining a "major shareholder" in the above 1. (4) is a shareholder with five (5) or more percent of voting rights.

(5) "Donations"

The practical standard for determining "A party to whom the Bank makes donations" in the above 1. (5) is an organization receiving a yearly average over the past three years of 10 million yen or thirty (30) percent of said organization's yearly total costs, whichever amount is greater.

(6) "Recent"

"Recent" in the above 1. (6) and 1. (7) is defined as a situation where an individual can currently be seen in substance as an individual who falls under any of the reasons listed in the above 1. (1) to 1. (5), and is practically defined by the standard of having fallen under any of the above 1. (1) to 1. (5) in the past one (1) year.

(7) "Major importance"

The practical standard for determining "major importance" in the above 1. (7) is as follows.

1) In the case of company business executives, an individual at the level of officer or general manager

2) For an individual belonging to a specialized service company, a Certified Public Accountant belonging to an audit corporation or an attorney belonging to a legal office (including so-called "associates")

(8) "Close relative"

"Close relative" in the above 1. (7) is defined as a spouse or a relative within two degrees

3. Independent Director/Auditor Selection Standards

If for reasons other than the above items 1. (1) to (7) the judgment is made that the selection of an individual may create a constant and substantive conflict of interest with the general shareholders of the Bank as a whole, said individual's independence may not be recognized. Also, even in the case that the above items 1. (1) to (7) apply to an individual, if in view of said individual's character, insight, etc., they are thought by the Bank to be an appropriate Independent Director/Auditor of the Bank, if said individual fulfills the requisites for Outside Directors or Outside Corporate Auditors according to the Companies Act and given that the reasons said individual is thought to be suited to be an Independent Director/Auditor of the Bank is externally explained, said individual may be made an Independent Director/Auditor of the Bank.