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(Securities Code: 8399)
June 6, 2017

To Shareholders with Voting Rights:

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

NOTICE OF CONVOCATION OF THE 101ST ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 101st 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:** Wednesday, June 28, 2017 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 101st Fiscal Year (from April 1, 2016 to March 31, 2017)
 2. Consolidated Financial Statements for the Bank’s 101st Fiscal Year (from April 1, 2016 to March 31, 2017) 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 Two (2) 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	Wednesday, June 28, 2017
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	Tuesday, June 27, 2017
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.evot.jp/>) designated by the Bank for exercising voting rights and enter your votes for or against the proposals by the deadline designated below.

Voting	Tuesday, June 27, 2017
Dead	at 5:00 p.m.
Line	Japan time

- (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

- (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"
- (2) Of items relating to company officers (Directors, Corporate Auditors), "Liability Limitation Agreement"
- (3) Of items relating to outside officers, "Concurrent Posts Held by Outside Officers and Other Situations"
- (4) Items relating to reservation vouchers for new shares of the Bank, etc.
- (5) Items relating to accounting auditors

- (6) Basic policy regarding the state of individuals who decide financial affairs and business policies
- (7) Systems to ensure appropriate business duties and the operational status of said systems
- (8) Items relating to specified wholly owned subsidiaries
- (9) Items relating to transactions with Parent Company, etc.
- (10) Items relating to accounting advisors
- (11) Other

2. Financial Statements

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

- (3) Notes to the Consolidated Financial Statements
- (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 666,723,803 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, 2017

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.

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.

The candidates for Director are as follows.

No.	Name	Positions at the Bank		
1	Takei Kinjo	Chairman of the Board	Reappointment	
2	Yasushi Kawakami	President	Reappointment	
3	Tomoyuki Matsubara	Senior Managing Director	Reappointment	
4	Satoshi Gibo	Managing Director	Reappointment	
5	Keishi Fukuhara	Managing Director	Reappointment	
6	Yasushi Tokashiki	Managing Director	Reappointment	
7	Toshiki Takehara	Executive Officer and General Manager, Securities & International Department	New appointment	
8	Yasushi Shiroma	Executive Officer, General Manager, General Planning Department and General Manager, Subsidiaries & Affiliates Office	New appointment	
9	Moriaki Ota	Outside Director	Reappointment	Outside
10	Yoshiro Shimoji	Outside Director	Reappointment	Outside

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Bank held
1	<p>Токеи Кинжо (Aug. 2, 1954)</p> <p>[Reappointment]</p>	<p>Apr. 1977</p> <p>Apr. 2001</p> <p>Jun. 2004</p> <p>Jun. 2005</p> <p>Jun. 2008</p> <p>Apr. 2012</p> <p>Apr. 2017</p> <p>[Responsibilities at the Bank] In charge of Audit Department</p>	<p>Joined the Bank</p> <p>General Manager, Risk Management Department</p> <p>Executive Officer and General Manager, General Planning Department</p> <p>Director and General Manager, General Planning Department</p> <p>Managing Director</p> <p>President</p> <p>Chairman of the Board To the present</p>	8,200 shares
<p>Reason for election of the candidate for Director</p> <p>The Bank has chosen Mr. Токеи Кинжо as a candidate for Director as he has experience and achievements as General Manager, Risk Management Department; Director and General Manager, General Planning Department; Managing Director; and President as well as serving as Chairman of the Board at the Bank since April 2017. 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.</p>				
2	<p>Yasushi Kawakami (Aug. 19, 1961)</p> <p>[Reappointment]</p>	<p>Apr. 1985</p> <p>Dec. 2010</p> <p>Jun. 2012</p> <p>Jun. 2013</p> <p>Jun. 2014</p> <p>Jun. 2015</p> <p>Jun. 2016</p> <p>Apr. 2017</p>	<p>Joined the Bank</p> <p>Manager, Koza Branch</p> <p>General Manager, Business Administration Department</p> <p>Executive Officer and General Manager, Business Administration Department</p> <p>Director and General Manager, Business Administration Department</p> <p>Director and General Manager, General Planning Department</p> <p>General Manager, Subsidiaries & Affiliates Office</p> <p>Managing Director</p> <p>President To the present</p>	4,900 shares
<p>Reason for election of the candidate for Director</p> <p>The Bank has chosen Mr. Yasushi Kawakami as a candidate for Director as he has experience and achievements as; Director and General Manager, Business Administration Department; Director and General Manager, General Planning Department; and Managing Director as well as serving as President since April 2017. 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.</p>				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
3	Tomoyuki Matsubara (Sep. 14, 1958) [Reappointment]	Apr. 1983 Joined the Bank 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 Apr. 2017 Senior Managing Director To the present [Responsibilities at the Bank] In charge of Business Administration Department, Business Promotion Department, System & Operations Planning Department and Operations Department	2,700 shares
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; Director and General Manager, General Planning Department; and Managing Director as well as serving as Senior Managing Director since April 2017. 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	Satoshi Gibo (Mar. 30, 1961) [Reappointment]	Apr. 1983 Joined the Bank Jun. 2005 Manager, Aja Branch 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 Jun. 2016 Director and General Manager, Business Operations Department, Head Office Apr. 2017 Managing Director To the present [Responsibilities at the Bank] In charge of Credit Department, Corporate Finance Department and Risk Management Department	3,986 shares
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, Compliance Administration Department; General Manager, Credit Department; Director and General Manager, Corporate Finance Department; and Director and General Manager, Business Operations Department, Head Office as well as serving as Managing Director since April 2017. 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	Keishi Fukuhara (Sep. 27, 1960) [Reappointment]	Apr. 1984 Jun. 2007 Jun. 2010 Jun. 2012 Jun. 2014 Jun. 2015 Jun. 2016 Apr. 2017 To the present [Responsibilities at the Bank] In charge of General Planning Department and Personnel Department	2,200 shares
		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 General Manager, Consulting Business Department; Executive Officer and General Manager, Personnel Department; Director and General Manager, Business Administration Department; and Director and General Manager, General Planning Department as well as serving as Managing Director since April 2017. 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	Yasushi Tokashiki (Sep. 25, 1961) [Reappointment]	Apr. 1985 Apr. 2006 Apr. 2009 Jun. 2012 Jun. 2014 Jun. 2015 Jun. 2016 Apr. 2017 To the present [Responsibilities at the Bank] In charge of Corporate Business Planning Department and Securities & International Department	1,100 shares
		Reason for election of the candidate for Director The Bank has chosen Mr. Yasushi Tokashiki as a candidate for Director as he has experience and achievements as Executive Officer and General Manager, Business Operations Department, Head Office; and Director and General Manager, Business Promotion Department as well as serving as Managing Director since April 2017. 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	Toshiki Takehara (Jul. 18, 1959) [New appointment]	Apr. 1984	Joined the Bank	2,300 shares
		Jun. 2000	Manager, Kanagusuku Branch	
Jun. 2005	Manager, Ginowan Branch			
Jun. 2008	Manager, Gushikawa Branch			
Jun. 2013	General Manager, Securities & International Department			
Jun. 2014	Executive Officer and General Manager, Securities & International Department To the present			
Reason for election of the candidate for Director The Bank has chosen Mr. Toshiki Takehara as a new candidate for Director as he has experience and achievements as Manager, Gushikawa Branch; and General Manager, Securities & International Department as well as serving as Executive Officer and General Manager, Securities & International Department 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.				
8	Yasushi Shiroma (Apr. 12, 1962) [New appointment]	Apr. 1985	Joined the Bank	3,100 shares
		Feb. 2004	Manager, Uenokura Branch	
Jun. 2006	Manager, Nishizaki Branch			
Oct. 2008	Manager, Nishihara Branch			
Jun. 2014	General Manager, System & Operations Planning Department			
Jun. 2015	Executive Officer and General Manager, Personnel Department			
Apr. 2017	Executive Officer, General Manager, General Planning Department and General Manager, Subsidiaries & Affiliates Office To the present			
Reason for election of the candidate for Director The Bank has chosen Mr. Yasushi Shiroma as a new candidate for Director as he has experience and achievements as General Manager, System & Operations Planning Department; and Executive Officer and General Manager, Personnel Department as well as serving as Executive Officer and General Manager, General Planning Department since April 2017. 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	1,600 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) [Reappointment] [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 Jun. 2016 Outside Director of the Bank 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 candidate for Outside Director. Additionally, while he has no previous involvement in corporate management except as an outside director, 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 two (2) years at the conclusion of the General Meeting.
4. Mr. Yoshiro Shimoji is currently 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.
5. The Bank has registered Messrs. Moriaki Ota and Yoshiro Shimoji as Independent Directors/Auditors to the Tokyo Stock Exchange, Inc. and Securities Membership Corporation Fukuoka Stock Exchange, and if they are reelected and reappointed, the Bank plans to continue to designate them as Independent Directors/Auditors.
6. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Bank has concluded a liability limitation agreement with Mr. Moriaki Ota and Mr. Yoshiro Shimoji 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 they are reelected as Directors, the Bank plans to continue with the agreement.

(Reference) The Bank's standards to determine independence for Independent Directors/Auditors are printed on page 13 and 14.

Proposal No. 3: Election of Two (2) Corporate Auditors

Mr. Tamotsu Teruya will resign from office of Corporate Auditor at the conclusion of the General Meeting of Shareholders. Accordingly, in order to further enhance our corporate governance structure, the election of two (2) Corporate Auditors, including one Outside Corporate Auditor, is proposed.

Since Mr. Ryoji Toyoda, a candidate for Corporate Auditor, is to be elected as a substitute for Mr. Tamotsu Teruya, his term of office will be until the expiry of the term of office of the retiring Corporate Auditor in accordance with the provision of the Articles of Incorporation of the Bank.

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.

The candidates for Corporate Auditor are as follows.

No.	Name	Positions at the Bank	
1	Ryoji Toyoda	Executive Officer (Part-time)	New appointment
2	Hiroshi Kitagawa	New appointment	Outside

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Bank held
1	Ryoji Toyoda (Aug. 25, 1960) [New appointment]	Apr. 1983	Joined the Bank	1,300 shares
		Jun. 2010	General Manager, System & Operations Planning Department	
Jun. 2012	General Manager, Audit Department			
Jun. 2014	General Manager, Risk Management Department			
Jun. 2015	Executive Officer and General Manager, Risk Management Department			
Jun. 2016	Part-time Executive Officer			
Jun. 2016	Executive Vice President, RYUCOM (To retire in June 2017)			
Reason for election of the candidate for Corporate Auditor Mr. Ryoji Toyoda has held posts as General Manager, System & Operations Planning Department; General Manager, Audit Department; and Executive Officer and General Manager, Risk Management Department; and since June 2016, as Executive Vice President of a business firm. 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 new candidate for Corporate Auditor.				
2	Hiroshi Kitagawa (Sep. 26, 1949) [New appointment] [Outside]	Apr. 1973	Joined the Industrial Bank of Japan	0 shares
		Mar. 2000	Joined DDI CORPORATION (current KDDI CORPORATION)	
Jun. 2000	Director			
Apr. 2004	Executive Officer and Executive Director, Customer Service Division			
Apr. 2008	Deputy General Manager, Consumer Sales Sector			
Jun. 2008	Representative Director and President, OKINAWA CELLULAR TELEPHONE COMPANY			
Jun. 2016	Advisor (To retire in June 2017)			
Reason for election of the candidate for Outside Corporate Auditor Mr. Hiroshi Kitagawa meets the Bank's independence standards for Independent Directors/Auditors, and has ample experience and a wide range of insight into corporate management based on his experience as a director at other companies. 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 new candidate for Outside Corporate Auditor.				

(Notes)

1. There are no special conflicts of interest between the Bank and any of the candidates for Corporate Auditor.
2. Mr. Hiroshi Kitagawa is a candidate for Outside Corporate Auditor.
3. The Bank has registered Mr. Hiroshi Kitagawa as Independent Director/Auditor to the Tokyo Stock Exchange, Inc. and Securities Membership Corporation Fukuoka Stock Exchange.
4. 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. Hiroshi Kitagawa, a candidate for Outside Corporate Auditor, is elected and appointed, 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 13 and 14.

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 Article 2, Paragraph 3, Item 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.