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(Securities Code: 8399)

June 4, 2026

(Start Date of Electronic Provision Measures June 2, 2026)

**To Shareholders:**

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

**NOTICE OF CONVOCATION OF  
THE 110TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We are pleased to notify you that the 110th Annual General Meeting of Shareholders of the Bank of The Ryukyus, Limited. (the “Bank”) will be held for the purposes as described below.

Electronic provision measures have been taken to convene this General Meeting of Shareholders, and the matters subject to electronic provision measures are posted on the following Internet website.

**The Bank’s website** (Home > Stock Information)

<https://www.ryugin.co.jp/english/stockinformation/>

In addition, the document is also posted on the following Internet website.

**The Tokyo Stock Exchange’s website** (Listed Company Search)

Please check the document by accessing the following URL and conducting a search by entering “Bank of the Ryukyus” in the Issue name (company name) field or the Bank’s Securities Code, “8399”, in the Code field. Then, select Basic information followed by Documents for public inspection/PR information, and under Filed information available for public inspection, view the section on Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting.

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Instead of attending, you may exercise your voting rights by mail or the Internet. Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to electronic provision measures and exercise your voting rights in accordance with the Instructions for Exercise of Voting Rights provided below no later than 5:00 p.m. Japan time on June 23, 2026 (Tuesday).

- 1. Date and Time:** Wednesday, June 24, 2026 at 10:00 a.m. Japan time
- 2. Place:** SAIKAI NO MA, 2F, Okinawa Harborview Hotel,  
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 110th Fiscal Year (from April 1, 2025 to March 31, 2026)
  2. Consolidated Financial Statements for the Bank's 110th Fiscal Year (from April 1, 2025 to March 31, 2026) 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 Nine (9) Directors  
**Proposal No. 3:** Revision of Amounts of Compensation for Directors  
**Proposal No. 4:** Revision of Amounts of Compensation for Corporate Auditors

### 4. Other Matters Regarding This Notice:

(1) For this General Meeting of Shareholders, a paper copy of the matters subject to electronic provision measures will be sent regardless of whether you have requested paper copies. However, a paper copy of the following documents will not be sent as they are excluded from the matters subject to electronic provision measures pursuant to laws and regulations and the Articles of Incorporation of the Bank.

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" | (6) Systems to ensure appropriate business duties and the operational status of said systems |
| (2) Of items relating to outside officers, "Concurrent Posts Held by Outside Officers and Other Situations"   | (7) Items relating to specified wholly owned subsidiaries                                    |
| (3) Items relating to Share Options of the Bank, etc.   | (8) Items relating to transactions with Parent Company, etc.                                 |
| (4) Items relating to accounting auditors   | (9) Items relating to accounting advisors  |
| (5) Basic policies related to the way a person is to control the decisions on the financial and business policies   | (10) Other   |

2. Financial Statements

- |  |  |
|--|--|
| (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, these documents 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.

(2) Any updates to the matters subject to electronic provision measures will be published on each website on which they have been posted.

**5. Instructions for Exercise of Voting Rights:**

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

**To attend the meeting:**

**To exercise your voting rights by mail:**

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

Please submit the enclosed Voting Rights Exercise Form to the reception when attending the meeting.

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.

Please access the website (<https://evote.tr.mufg.jp/>) designated by the Bank for exercising voting rights and enter your votes for or against the proposals by the deadline designated below. (In Japanese version only.)

Date and Time	Wednesday, June 24, 2026 at 10:00 a.m. Japan time
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Voting Dead Line	Tuesday, June 23, 2026 at 5:00 p.m. Japan time
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Voting Dead Line	Tuesday, June 23, 2026 at 5:00 p.m. Japan time
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- (1) If you exercise your voting rights both by the Voting Rights Exercise Form 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.
- (3) Voting rights exercised by mail which show neither an approving vote nor a disapproving vote in relation to a proposal will be deemed an approving vote for that proposal.

End

# 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 shareholder returns.

In comprehensive consideration of the above policy and business results for the fiscal year under review, the Bank proposes the year-end dividends as detailed below based on 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 61 yen per share of common stock, and the total dividends will amount to 2,501,383,934 yen. As a result, full-year dividends will be 88 yen per share, including the interim dividend of 27 yen per share.
- (3) Effective date of distribution of surplus  
June 25, 2026

**Proposal No. 2:** Election of Nine (9) Directors

The terms of office of all nine (9) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of nine (9) 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	Yasushi Kawakami	Chairman of the Board	Reappointment		Male
2	Ken Shimabukuro	President	Reappointment		Male
3	Takeshi Kikuchi	Senior Managing Director	Reappointment		Male
4	Ikuo Tonaki	Managing Director	Reappointment		Male
5	Michio Nakagawa	Managing Director	Reappointment		Male
6	Hiroya Yamanoha	Managing Director	Reappointment		Male
7	Kanako Tomihara	Outside Director	Reappointment	Outside	Female
8	Masaharu Hanazaki	Outside Director	Reappointment	Outside	Male
9	Masakazu Nakachi		New appointment	Outside	Male

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Bank held
1	Yasushi Kawakami (Aug. 19, 1961)  [Reappointment] [Male]  Attendance at Board of Directors meetings: 15/15 (100%)	Apr. 1985 Dec. 2010 Jun. 2012  Jun. 2013 Jun. 2014 Jun. 2015 Jun. 2016 Apr. 2017 Apr. 2024	Joined the Bank Manager, Koza Branch General Manager, Business Administration Department Executive Officer and General Manager, Business Administration Department Director and General Manager, Business Administration Department Director, General Manager, General Planning Department and General Manager, Subsidiaries & Affiliates Office Managing Director President Chairman of the Board To the present	71,879 shares
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 Director and General Manager, Business Administration Department; Director and General Manager, General Planning Department; Managing Director and President as well as serving as Chairman of the Board since April 2024. Based on his wealth of experience and wide range of views regarding corporate management, as well as with sufficient social credibility, he is expected to execute the management of the Bank appropriately, fairly, and efficiently.				
2	Ken Shimabukuro (Sep. 28, 1963)  [Reappointment] [Male]  Attendance at Board of Directors meetings: 15/15 (100%)	Apr. 1987 Jun. 2005  Jun. 2012 Jun. 2014 Apr. 2017 Nov. 2017 Apr. 2021 Apr. 2022 Jun. 2022 Oct. 2023 Apr. 2024	Joined the Bank Manager, Fund & Markets Section, Securities & International Department Manager, Tomari Branch Assistant General Manager, Personnel Department Deputy General Manager, Personnel Department General Manager, Administration Department General Manager, General Planning Department Managing Executive Officer Managing Director Senior Managing Director President To the present [Responsibilities at the Bank] Audit Department	39,808 shares
Reason for election of the candidate for Director The Bank has chosen Mr. Ken Shimabukuro as a candidate for Director as he has experience and achievements as General Manager, Administration Department; General Manager, General Planning Department; Managing Executive Officer; Managing Director; and Senior Managing Director, as well as serving as President since April 2024. Based on his wealth of experience and wide range of views regarding corporate management, as well as with sufficient 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	Takeshi Kikuchi (Apr. 21, 1968)  [Reappointment] [Male]  Attendance at Board of Directors meetings: 15/15 (100%)	Apr. 2007	Joined the Bank	26,646 shares
		Jun. 2010	Manager, Retail Business Section, Business Administration Department	
Jun. 2014	Manager, Tomari Branch			
Apr. 2016	Manager, Nishihara Branch			
Apr. 2018	Assistant General Manager, Business Promotion Department			
Apr. 2020	General Manager, Personnel Department			
Apr. 2022	General Manager, General Planning Department			
Apr. 2023	Managing Executive Officer			
Jun. 2023	Managing Director			
Apr. 2024	Senior Managing Director To the present			
[Responsibilities at the Bank] Business Administration Department, Business Promotion Department and Corporate Business Planning Department				
Reason for election of the candidate for Director The Bank has chosen Mr. Takeshi Kikuchi as a candidate for Director as he has experience and achievements as General Manager, Personnel Department; General Manager, General Planning Department; Managing Executive Officer; and Managing Director, as well as serving as Senior Managing Director since April 2024. Based on his wealth of experience and wide range of views regarding corporate management, as well as with sufficient social credibility, he is expected to execute the management of the Bank appropriately, fairly, and efficiently.				
4	Ikuo Tonaki (May 17, 1969)  [Reappointment] [Male]  Attendance at Board of Directors meetings: 15/15 (100%)	Apr. 1992	Joined the Bank	16,192 shares
		Mar. 2013	Manager, Makabi Branch	
Dec. 2014	Manager, Ishikawa Branch			
Apr. 2017	Manager, Yonabaru Branch			
Jul. 2018	Assistant General Manager, General Planning Department and General Manager, Subsidiaries & Affiliates Office			
Apr. 2020	General Manager, Audit Department			
Apr. 2021	General Manager, System & Operations Planning Department			
Apr. 2023	General Manager, General Planning Department			
Apr. 2024	Managing Executive Officer			
Jun. 2024	Managing Director To the present			
[Responsibilities at the Bank] Credit Department and Corporate Finance Department				
Reason for election of the candidate for Director The Bank has chosen Mr. Ikuo Tonaki as a candidate for Director as he has experience and achievements as General Manager, Audit Department; General Manager, System & Operations Planning Department; General Manager, General Planning Department; and Managing Executive Officer as well as serving as Managing Director since June 2024. Based on his wealth of experience and wide range of views regarding corporate management, as well as with sufficient 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	Michio Nakagawa (Oct. 23, 1968)  [Reappointment] [Male]  Attendance at Board of Directors meetings: 15/15 (100%)	Apr. 2007	Joined the Bank	18,892 shares
		Apr. 2015	Manager, Shogyo-danchi Branch	
		Apr. 2017	Manager, Futenma Branch	
		Apr. 2018	General Manager, Credit Department	
		Apr. 2022	President, RYUKYULEASING CO., LTD.	
		Apr. 2024	Managing Executive Officer, the Bank	
		Jun. 2024	Managing Director	
		To the present		
		[Responsibilities at the Bank] Administration Department, Risk Management Department, Operations Department and Systems & Operations Planning Department		
Reason for election of the candidate for Director The Bank has chosen Mr. Michio Nakagawa as a candidate for Director as he has experience and achievements as Manager, Futenma Branch; General Manager, Credit Department; President, RYUKYULEASING CO., LTD.; and Managing Executive Officer of the Bank, as well as serving as Managing Director since June 2024. Based on his wealth of experience and wide range of views regarding corporate management, as well as with sufficient social credibility, he is expected to execute the management of the Bank appropriately, fairly, and efficiently.				
6	Hiroya Yamanoha (Jul. 25, 1968)  [Reappointment] [Male]  Attendance at Board of Directors meetings: 11/11 (100%)	Apr. 1991	Joined the Bank	10,546 shares
		Apr. 2013	Manager, Sakata Branch	
		Apr. 2015	Manager, Chatan Branch	
		Apr. 2017	Manager, Miyako Branch	
		Apr. 2020	General Manager, Business Operations Department, Head Office	
		Apr. 2022	General Manager, Business Promotion Department	
		Apr. 2024	General Manager, General Planning Department	
		Apr. 2025	Managing Executive Officer	
		Jun. 2025	Managing Director	
		To the present		
		[Responsibilities at the Bank] General Planning Department, Personnel Department and Business Operations Department, Head Office		
Reason for election of the candidate for Director The Bank has chosen Mr. Hiroya Yamanoha as a candidate for Director as he has experience and achievements as General Manager, Business Operations Department, Head Office; General Manager, Business Promotion Department; General Manager, General Planning Department; and Managing Executive Officer as well as serving as Managing Director of the Bank since June 2025. Based on his wealth of experience and wide range of views regarding corporate management, as well as with sufficient 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	Kanako Tomihara (Aug. 7, 1956)  [Reappointment] [Outside] [Female]  Attendance at Board of Directors meetings: 15/15 (100%)	Apr. 1980  Jun. 2001  Jun. 2003  Jun. 2005  Jun. 2011  May 2014  May 2014  May 2019  Jun. 2019  Jun. 2020 Apr. 2021  Mar. 2025	Joined Ryukyu Oil Corporation (currently RYUSEKI CORPORATION) General Manager in charge of Corporate Planning, RYUSEKI CORPORATION Director, General Manager, Administration Department and General Manager, Secretarial Office Director, General Manager, Business Development Division Managing Director, General Manager, Business Development Division and General Manager, Hotel and Food Business Department Representative Director, Ryuseki Shoji Co., Ltd. Director (part-time), RYUSEKI CORPORATION Retired from Representative Director, Ryuseki Shoji Co., Ltd. Retired from Director, RYUSEKI CORPORATION Outside Director of the Bank Part-time Executive Director, University of the Ryukyus Retired from Part-time Executive Director, University of the Ryukyus To the present (Significant concurrent positions) Advisor, Female Leader Group, Okinawa Employers' Association	600 shares
Reason for election of the candidate for Outside Director and outline of expected roles Ms. Kanako Tomihara meets the Bank's independence standards for Independent Directors/Auditors, and with her ample experience and specialized knowledge regarding business management based on experience as an officer of other companies, she 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.				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
8	<p>Masaharu Hanazaki (Jan. 11, 1957)</p> <p>[Reappointment] [Outside] [Male]</p> <p>Attendance at Board of Directors meetings: 15/15 (100%)</p>	<p>Apr. 1979 Joined Japan Development Bank (currently Development Bank of Japan Inc.)</p> <p>Jul. 1985 Organization for Economic Cooperation and Development in Paris</p> <p>Mar. 1994 The Brookings Institution in U.S.A.</p> <p>Oct. 2000 Associate Professor, Hitotsubashi University Institute of Economic Research</p> <p>Oct. 2007 Executive Director, Research Institute of Capital Formation, Development Bank of Japan Inc.</p> <p>Apr. 2012 Professor, Graduate School of Commerce, Hitotsubashi University</p> <p>Apr. 2020 Professor, Saitama Gakuen University</p> <p>Jun. 2020 Outside Director of the Bank</p> <p>Apr. 2023 Dean, Faculty of Economics and Business Management, Saitama Gakuen University</p> <p>To the present</p> <p>(Significant concurrent positions) Dean, Faculty of Economics and Business Management; Department Chairperson, Department of Economics and Business Management; Professor, Saitama Gakuen University Professor Emeritus, Hitotsubashi University Councilor, Fukoku Mutual Life Insurance Company</p>	5,300 shares
<p>Reason for election of the candidate for Outside Director and outline of expected roles Mr. Masaharu Hanazaki meets the Bank's independence standards for Independent Directors/Auditors, and with his ample experience working abroad and professional knowledge as a university professor specializing in corporate governance, 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.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Bank held
9	<p data-bbox="260 622 480 689">Masakazu Nakachi (Dec. 22, 1957)</p> <p data-bbox="260 719 480 813">[New appointment] [Outside] [Male]</p> <p data-bbox="260 846 507 976">Attendance at Board of Directors meetings: - / - (-%)</p>	<p data-bbox="523 275 1150 304">Apr. 1982 Joined SHURI KANKO CO., LTD.</p> <p data-bbox="523 309 1150 371">Nov. 1989 Joined DDI Corporation (currently KDDI CORPORATION)</p> <p data-bbox="523 376 1206 465">Apr. 2004 General Manager, Sales Department, OKINAWA CELLULAR TELEPHONE COMPANY</p> <p data-bbox="523 470 946 499">Jun. 2006 Executive Officer</p> <p data-bbox="523 504 839 533">Jun. 2007 Director</p> <p data-bbox="523 537 1177 600">Jun. 2013 Managing Director (in charge of Sales Division)</p> <p data-bbox="523 604 1214 667">Jun. 2016 President and Representative Director, OTNET COMPANY, INCORPORATED</p> <p data-bbox="523 672 1206 761">Apr. 2017 Managing Director, Head of Sales Headquarters, OKINAWA CELLULAR TELEPHONE COMPANY</p> <p data-bbox="523 766 1182 855">Jun. 2017 Senior Managing Director and Representative Director, Head of Sales Headquarters</p> <p data-bbox="523 860 1166 922">Jun. 2019 Vice President and Representative Director, Head of Sales Headquarters</p> <p data-bbox="523 927 1238 990">Jun. 2020 Retired from position as Vice President and Representative Director</p> <p data-bbox="523 994 1094 1057">Jun. 2022 Advisor, OTNET COMPANY, INCORPORATED</p> <p data-bbox="523 1061 1142 1124">Jul. 2022 Advisor, OKINAWA CELLULAR TELEPHONE COMPANY</p> <p data-bbox="523 1128 959 1158">Jun. 2023 Retired as Advisor</p> <p data-bbox="523 1162 1214 1225">Jun. 2023 Retired as Advisor, OTNET COMPANY, INCORPORATED</p> <p data-bbox="523 1229 1214 1317">Sep. 2023 Advisor, GLOVALEX Okinawa Co., Ltd. (Significant concurrent positions) Advisor, GLOVALEX Okinawa Co., Ltd.</p>	0 shares
<p data-bbox="236 1328 1426 1478">Reason for election of the candidate for Outside Director and outline of expected roles Mr. Masakazu Nakachi meets the Bank's independence standards for Independent Directors/Auditors, and with his ample experience and specialized knowledge regarding business management based on 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.</p>			

- (Notes)
1. There are no special conflicts of interest between the Bank and any of the candidates for Director.
  2. Ms. Kanako Tomihara, Mr. Masaharu Hanazaki, and Mr. Masakazu Nakachi are candidates for Outside Director.
  3. Ms. Kanako Tomihara and Mr. Masaharu Hanazaki are both currently Outside Directors of the Bank, and their terms of office as Outside Director will be six (6) years at the conclusion of the General Meeting.
  4. The Bank has registered Ms. Kanako Tomihara and Mr. Masaharu Hanazaki 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. Furthermore, if Mr. Masakazu Nakachi is elected and appointed, the Bank will newly register him as an Independent Director/Auditor.
  5. Pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Bank, the Bank has concluded a liability limitation agreement with Outside Directors 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 Ms. Kanako Tomihara and Mr. Masaharu Hanazaki, candidates for Outside Director, are reelected and reappointed, the Bank plans to continue with the agreements. In addition, if Mr. Masakazu Nakachi is elected and appointed as Director, the Bank will conclude a similar agreement with him.
  6. The Bank has concluded a directors and officers liability insurance agreement with an insurance company as prescribed under Article 430-3, Paragraph 1 of the Companies Act, with Directors including Outside Directors, Corporate Auditors including Outside Corporate Auditors, Executive Officers, and managerial employees who are general managers as insured parties, and the applicable insurance premiums are fully paid by the Bank. This insurance agreement covers damages and litigation expenses in the event that a claim for damages is made against the insured parties during the insurance period by shareholders, companies, their employees, or other third parties due to the insured parties' conduct in the course of fulfilling their duties as officers of the company. However, there are certain exemptions, such as in case of actions taken with the knowledge that such actions are in violation of laws and regulations. Each of the candidates for Director is an insured party under this insurance agreement. The agreement is scheduled to be renewed with identical terms at its subsequent renewal date.

(Reference) The Bank's standards to determine independence for Independent Directors/Auditors are printed on page 19 and 20.

### **Proposal No. 3: Revision of Amounts of Compensation for Directors**

Compensation for Directors of the Bank comprises the three types of “basic compensation” (fixed), “officers’ bonuses” (linked to short-term business performance), and “stock compensation” (linked to the share price and medium- to long-term business performance).

Of these, the maximum amount of compensation for “basic compensation” and “officers’ bonuses” was approved to be 168 million yen per year (however, this does not include salary as an employee for Directors concurrently serving as employees, and the maximum amount of compensation for Outside Directors was approved to be 15 million yen per year) at the 103rd Annual General Meeting of Shareholders held on June 27, 2019, and these amounts have remained unchanged to the present.

In consideration of the substantial changes in the economy and society since 2019, as well as the increase in the expected roles and responsibilities of Directors amid growing demands faced by companies in recent years for more advanced corporate governance, the Bank has been reviewing its compensation framework for Directors. In our reviews, we considered the appropriateness of Director compensation levels using officer compensation levels at comparable regional banks and listed companies within the prefecture as external benchmarks, as well as comprehensively considered a balance between the Bank’s finances and profit levels.

As a result of the review by the Board of Directors, it is proposed revising the maximum amount of compensation for Directors to 218 million yen per year (however, this does not include employee salaries for Directors concurrently serving as employees, and the maximum amount of compensation for Outside Directors is proposed at 20 million yen per year).

From the perspective of enhancing the independency, objectivity, and accountability of the Board of Directors, the Bank established the Corporate Governance Committee chaired by an Outside Director with Outside Directors/Auditors comprising a majority of its members, as a voluntary advisory committee for the Board of Directors. In deliberations by the Committee, the above proposal was confirmed to be reasonable and appropriate.

Additionally, for “stock compensation,” it was approved at the 103rd Annual General Meeting of Shareholders held on June 27, 2019, that monetary claims paid to eligible Directors for the granting of restricted shares be set at a maximum 80 million yen per year, separately from “basic compensation” and “officers’ bonuses,” and this amount has remained unchanged to the present. There will be no changes to the compensation framework for “stock compensation.” If Proposal No. 2 is passed and approved as originally proposed, there will be nine Directors (including three Outside Directors).

**Proposal No. 4:** Revision of Amounts of Compensation for Corporate Auditors

The maximum amount of compensation for Corporate Auditors of the Bank was approved at 36 million yen per year at the 103rd Annual General Meeting of Shareholders held on June 27, 2019, and remains in effect to this day.

In consideration of the substantial changes in the economy and society since 2019, as well as the increase in the roles and responsibilities of Corporate Auditors against a background of even greater calls as of late for companies to strengthen corporate governance and their supervisory systems, the Bank has been reviewing its compensation framework for Corporate Auditors to ensure compensation levels are effective for securing and keeping superior human resources. In our reviews, we considered the appropriateness of compensation levels for Corporate Auditors through comparisons with compensation for Directors, as well as comprehensively considered a balance between the Bank's finances and profit levels.

After careful consideration of these, it is proposed revising the maximum amount of compensation for Corporate Auditors to 46 million yen per year.

There are currently four Corporate Auditors.

**(Reference) Skill Matrix**

**Internal Directors/Auditors**

(This is not an exhaustive list of all expertise and knowledge possessed by Directors and Corporate Auditors.)

Name	Position	Business-related				Compliance-related					
		Traditional banking*1	Corporate consulting*2	Retail consulting*3	Payment business*4	Compliance	Risk management*5	HR development / Diversity	Sustainability	Market operations	DX / IT
Yasushi Kawakami	Chairman of the Board	✓			✓	✓	✓	✓	✓	✓	✓
Ken Shimabukuro	President	✓				✓	✓	✓	✓	✓	
Takeshi Kikuchi	Senior Managing Director	✓	✓	✓	✓		✓	✓	✓		✓
Ikuo Tonaki	Managing Director	✓				✓	✓		✓	✓	
Michio Nakagawa	Managing Director	✓	✓		✓	✓	✓				
Hiroya Yamanoha	Managing Director	✓					✓		✓		✓
Kazumi Ito	Corporate Auditor	✓				✓		✓			✓

(Reference)

Takashi Hiraoka	Managing Executive Officer	✓			✓					✓	✓
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\*1 Conventional banking operations divisions such as corporate planning, sales and credit.

\*2 Business succession / M&A / structured finance, etc.

\*3 Consulting for upper class / inheritance business, etc.

\*4 Cashless related businesses such as issuing and acquiring.

\*5 Management of credit risk, interest rate risk, liquidation risk and reputational risk

## Reasons for Selecting Skills

Item	Reason for selection
Traditional banking	<ul style="list-style-type: none"> <li>• Required for the achievement of the core initiative of the medium-term management plan, “Strengthening deposit, loan, and securities management”</li> </ul>
Corporate consulting	<ul style="list-style-type: none"> <li>• Required for the realization of advanced financial services</li> </ul>
Retail consulting	<ul style="list-style-type: none"> <li>• Required for the realization of advanced financial services</li> </ul>
Payment business	<ul style="list-style-type: none"> <li>• Required for the realization of cashless payments throughout Okinawa Prefecture</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>• Required for the realization of the fairness and transparency of operations that form the basis of management</li> </ul>
Risk management	<ul style="list-style-type: none"> <li>• Required for an appropriate response to the various risks that may arise in business activities</li> </ul>
HR development / Diversity	<ul style="list-style-type: none"> <li>• Required for the development of human resources who can realize the management strategy, and to create an environment where employees can maximize their individual capabilities</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>• Required for the Bank to play a leading role in resolving social issues, including environmental issues</li> </ul>
Market operations	<ul style="list-style-type: none"> <li>• Required for flexible and efficient market operations in a world with interest rates</li> </ul>
DX / IT	<ul style="list-style-type: none"> <li>• Required for utilizing technology to improve business efficiency and enhance products and services</li> </ul>

**Outside Directors/Auditors**

(This is not an exhaustive list of all expertise and knowledge possessed by Directors and Corporate Auditors.)

Name	Position	Corporate management	Finance	HR development / Diversity	Sustainability	Finance / Accounting	DX / IT	Risk Management	Regional economy
Kanako Tomihara	Director	✓		✓			✓		✓
Masaharu Hanazaki	Director	✓	✓		✓	✓			
Masakazu Nakachi	Director	✓					✓	✓	✓
Koji Kuwahara	Corporate Auditor	✓	✓			✓		✓	✓
Mayumi Koike	Corporate Auditor	✓	✓			✓			✓
Futoshi Ueno	Corporate Auditor	✓	✓			✓		✓	

## Reasons for Selecting Skills

Item	Reason for selection
Corporate management	<ul style="list-style-type: none"> <li>• Required for the provision of appropriate advice to executive directors</li> </ul>
Finance	<ul style="list-style-type: none"> <li>• Required for the provision of appropriate advice regarding the Bank's business operations</li> </ul>
HR development / Diversity	<ul style="list-style-type: none"> <li>• Required for the development of human resources who can realize the management strategy, and to create an environment where employees can maximize their individual capabilities</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>• Required for the Bank to play a leading role in resolving social issues, including environmental issues</li> </ul>
Finance / Accounting	<ul style="list-style-type: none"> <li>• Required for the realization of the fairness and transparency of operations that form the basis of management</li> </ul>
DX / IT	<ul style="list-style-type: none"> <li>• Required for utilizing technology to improve business efficiency and enhance products and services</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>• Required for responding appropriately to various risks that may arise in business activities</li> </ul>
Regional economy	<ul style="list-style-type: none"> <li>• Required for the Bank to contribute to resolving issues in Okinawa Prefecture</li> </ul>

## (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 above 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, a subsidiary or an affiliated 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 in the most recent fiscal year consists of revenue from said client.
- 3) For debtors, when two (2) or more percent of the Bank's total 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 total 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 donations from the Bank exceeding 10 million yen or thirty (30) percent of said organization's yearly total costs, whichever amount is greater, as a yearly average over the past three years.

(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 firm 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 the second degree of kinship.

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.