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(Stock Exchange Code: 8387)

June 7, 2023

(Electronic Provision Measures Commencement Date: May 30, 2023)

**To Shareholders with Voting Rights:**

Fumiaki Yamamoto  
Director and President  
The Shikoku Bank, Ltd.  
1-1-1 Minamiharimaya-cho, Kochi-shi  
Kochi, Japan

**NOTICE OF  
THE 209th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

Please be informed that the 209th Annual General Meeting of Shareholders of The Shikoku Bank, Ltd. (the “**Bank**”) will be held for the purposes described below.

In the convocation of this General Meeting of Shareholders, measures for the electronic provision of information will be implemented and matters subject to these measures will be posted on the following website.

The Bank’s website

<https://www.shikokubank.co.jp/profile/stockholder/> (in Japanese only)

In addition to the above, the information is posted on the following website.

Tokyo Stock Exchange (the “**TSE**”) website

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

For the TSE website, please enter the Bank’s name or stock exchange code and click the “Search” button, then click the “Basic information” button and then the “Documents for public inspection/PR information” tab.

Regarding advance exercise of voting rights, please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by following the Instructions for the Exercise of Voting Rights (Japanese version only) no later than 5:30 p.m. on Wednesday, June 28, 2023 (Japan time).

- 1. Date and Time:** Thursday, June 29, 2023 at 10:00 a.m. (Japan time)  
(Reception begins at 9:00 a.m.)
- 2. Place:** Head office of the Bank, 5th floor, Main conference room  
1-1-1 Minamiharimaya-cho, Kochi-shi, Kochi, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. Business Report and Non-consolidated Financial Statements for the Bank's 209th Fiscal Year (April 1, 2022 - March 31, 2023)
  2. Consolidated Financial Statements for the Bank's 209th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits of the Consolidated Financial Statements conducted by the Accounting Auditor and the Audit & Supervisory Committee

**Proposals to be resolved:**

**Proposals from the Bank**

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Nine Directors (excluding Directors who are Members of the Audit & Supervisory Committee)

**Proposals from a shareholder**

- Proposal 3:** Addendum to the Articles of Incorporation (Establishment of a Third-Party Committee)
- Proposal 4:** Addendum to the Articles of Incorporation (Preparation and Submission of Shareholder Report and Comprehensive Expense Report)
- Proposal 5:** Addendum to the Articles of Incorporation (Prohibition of Sponsored Advertisement for Conferment of Decoration Using Company Expenses)
- Proposal 6:** Addendum to the Articles of Incorporation (Disclosure of Each Director's Individual Remuneration)
- Proposal 7:** Addendum to the Articles of Incorporation (Definition of the Ratio of Affirmative Votes as the Ratio of the Number of Voting Rights of Shareholders Present at the Meeting, Including Proxies)
- Proposal 8:** Addendum to the Articles of Incorporation (Disclosure of the Annual Securities Report Prior to the General Meeting of Shareholders)
- Proposal 9:** Dismissal of Two Directors (excluding Directors who are Members of the Audit & Supervisory Committee)
- Proposal 10:** Dismissal of Two Directors who are Members of the Audit & Supervisory Committee

**Proposals 3 to 10 were made by a shareholder, and the Board of Directors opposes these eight proposals.**

An overview of all 10 proposals is provided in the following Reference Documents for the General Meeting of Shareholders.

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- In accordance with the provisions of applicable laws and regulations and Article 17 of the Articles of Incorporation of the Bank, the "Non-consolidated Statements of Changes in Net Assets," "Notes to the Non-consolidated Financial Statements," of the Non-consolidated Financial Statements and the "Consolidated Statements of Changes in Net Assets" and "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements are not provided in the paper-based documents delivered to shareholders who have requested delivery of such documents. Accordingly, these documents are portions of the Non-consolidated Financial Statements and Consolidated Financial Statements audited by the Audit & Supervisory Committee in preparation of the audit report, and by the Accounting Auditor in preparation of the accounting audit report.
- Any revisions to the matters subject to measures for the electronic provision of information will be provided on both websites listed above.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposals from the Bank

**Proposals 1 and 2 were made by the Bank.**

#### **Proposal 1: Appropriation of Surplus**

The Bank's shareholder return policy is to implement flexible shareholder return by taking into consideration the economic situation, the Bank's financial standing, financial results outlook, etc. while striving to maintain the annual dividend of 35 yen per share.

Based on this policy, the Bank proposes the following year-end dividend per share for the fiscal year under review.

##### 1. Matters concerning the year-end dividend

###### (1) Type of dividend property

Cash

###### (2) Matters related to allocation of dividend property to shareholders and its total amount

17.50 yen per share of the Bank's common stock; total of 731,093,440 yen

###### (3) Effective date of appropriation of surplus

June 30, 2023

##### 2. Other matters concerning appropriation of surplus

###### (1) Item and amount of surplus to be increased

General reserve 5,000,000,000 yen

###### (2) Item and amount of surplus to be decreased

Retained earnings brought forward 5,000,000,000 yen

**Proposal 2: Election of Nine Directors (excluding Directors who are Members of the Audit & Supervisory Committee)**

The terms of office of all nine Directors (excluding Directors who are Members of the Audit & Supervisory Committee; the same applies hereinafter in this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Bank proposes the election of nine Directors.

Furthermore, the Audit & Supervisory Committee reviewed this proposal and found no matters of note to report to the General Meeting of Shareholders pursuant to the stipulations of the Companies Act.

The candidates for the nine Director positions are as follows:

Candidate No.	Name		Current positions, etc. at the Bank
1	Fumiaki Yamamoto	Re-election	Director and President
2	Tatsuji Kobayashi	Re-election	Managing Director
3	Masahiko Suka	Re-election	Managing Director
4	Masato Hashitani	Re-election	Director and General Manager, Head Office Sales Department
5	Isao Shiraishi	Re-election	Director and General Manager, General Planning Department
6	Hiroyuki Hamada	Re-election	Director and General Manager, Sales Supervision Department
7	Mitsufumi Ito	Re-election	Director and General Manager, Tokushima Sales Headquarters
8	Ken Tsunemitsu	New election	General Manager, Consulting Department
9	Yoshinori Ozaki	Re-election Independent Director*	Outside Director Director

\* Independent Director: It means the director submitted to the TSE as an independent director.

Candidate No. **1 Fumiaki Yamamoto** (born September 24, 1954) Re-election

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**Number of shares of the Bank held:** 52,216 shares  
**Status of attendance at Board of Directors' Meetings during FY2022:**100% (15/15)  
**Past experience, positions, responsibilities, and significant concurrent positions**

Apr. 1978	Joined the Bank	Apr. 2016	Director and President
Jul. 1997	Deputy General Manager, General Planning Department		To present
Jun. 2006	General Manager, General Administration Department		
Jun. 2010	Director and General Manager, General Planning Department		
Jun. 2014	Managing Director		<b>Significant concurrent positions</b>
Jun. 2015	Senior Managing Director		Chairman, Kochi Prefecture Bankers Association

**Reasons for selection as a candidate for Director**

Since assuming the position of Director in June 2010, he has utilized his experience, insight, and expertise required for bank management and appropriately fulfilled his role in making important management decisions and supervising business execution, etc. as a Director of the Bank. Furthermore, he has served as Senior Managing Director since June 2015 and as Director and President since April 2016 and appropriately performed his duties, and thus the Bank has selected him as a candidate for Director.

Candidate No. **2 Tatsuji Kobayashi** (born June 4, 1960) Re-election

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**Number of shares of the Bank held:** 28,221 shares  
**Status of attendance at Board of Directors' Meetings during FY2022:**100% (15/15)  
**Past experience, positions, responsibilities, and significant concurrent positions**

Apr. 1984	Joined the Bank	Jun. 2014	Executive Officer and General Manager, General Planning Department
Feb. 2003	Deputy General Manager, General Planning Department	Jun. 2016	Director and General Manager, General Planning Department
Feb. 2012	Vice General Manager, General Planning Department	Jun. 2018	Managing Director To present

**Reasons for selection as a candidate for Director**

Since assuming the position of Director in June 2016, he has utilized his experience, insight, and expertise required for bank management and appropriately fulfilled his role in making important management decisions and supervising business execution, etc. as a Director of the Bank. Furthermore, he has served as Managing Director since June 2018 and appropriately performed his duties with supervision over the planning, risk management and other divisions, and thus the Bank has selected him as a candidate for Director.

Candidate No. **3 Masahiko Suka** (born September 17, 1962)

Re-election

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**Number of shares of the Bank held:** 20,964 shares  
**Status of attendance at Board of Directors' Meetings during FY2022:**100% (15/15)  
**Past experience, positions, responsibilities, and significant concurrent positions**

Apr. 1986	Joined the Bank	Jun. 2015	Executive Officer and General Manager, Tokyo Branch
Feb. 2007	Manager, Marugame-minami Branch	Jun. 2017	Executive Officer and General Manager, Kobe Branch
Jul. 2008	Manager, Tokushima-chuo Branch	Apr. 2019	Executive Officer and General Manager, Tokushima Sales Headquarters
Feb. 2012	Manager, Hiroshima Branch	Jun. 2019	Director and General Manager, Tokushima Sales Headquarters
Jun. 2014	Manager, Tokyo Branch	Jun. 2022	Managing Director To present

**Reasons for selection as a candidate for Director**

Since assuming the position of Director in June 2019, he has utilized his experience, insight, and expertise required for bank management and appropriately fulfilled his role in making important management decisions and supervising business execution, etc. as a Director of the Bank. Furthermore, he has served as Managing Director since June 2022 and appropriately performed his duties with supervision over the sales and market divisions, and thus the Bank has selected him as a candidate for Director.

Candidate No. **4 Masato Hashitani** (born December 14, 1960)

Re-election

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**Number of shares of the Bank held:** 16,539 shares  
**Status of attendance at Board of Directors' Meetings during FY2022:**100% (15/15)  
**Past experience, positions, responsibilities, and significant concurrent positions**

Apr. 1983	Joined the Bank	Jun. 2015	Manager, Okayama Branch
Jul. 2004	Manager, Nakamura-ekimae Branch	Jun. 2017	Executive Officer and General Manager, Sales Supervision Department
Feb. 2007	Manager, Moriguchi Branch	Jun. 2020	Director and General Manager, Sales Supervision Department
Feb. 2010	Deputy General Manager, Sales Supervision Department	Jun. 2021	Director and General Manager, Head Office Sales Department
Jun. 2012	Manager, Marugame Branch		To present

**Reasons for selection as a candidate for Director**

With his wealth of business experience in sales, sales supervision operations, etc. since assuming the position of Director in June 2020, he has utilized his experience, insight, and expertise, appropriately fulfilled his role in making management decisions and supervising business execution, etc. as a Director of the Bank, and appropriately performed his duties, and thus the Bank has selected him as a candidate for Director.

Candidate No. **5 Isao Shiraishi** (born September 13, 1962)

Re-election

**Number of shares of the Bank held:** 15,362 shares

**Status of attendance at Board of Directors' Meetings during FY2022:** 100% (15/15)

**Past experience, positions, responsibilities, and significant concurrent positions**

Apr. 1986	Joined the Bank	Jun. 2017	Manager, Tokyo Branch
Jul. 2008	Manager, Kacho Branch	Jun. 2018	General Manager, Credit Department
Jun. 2010	Manager, Sakaide Branch	Jun. 2020	Director and General Manager, Credit Department
Feb. 2013	Manager, Amagasaki Branch	Mar. 2022	Director and General Manager, General Planning Department
Jun. 2015	Manager, Osaka Branch		To present

**Reasons for selection as a candidate for Director**

With his wealth of business experience in sales, credit operations, planning operations, etc. since assuming the position of Director in June 2020, he has utilized his experience, insight, and expertise, appropriately fulfilled his role in making management decisions and supervising business execution, etc. as a Director of the Bank, and appropriately performed his duties, and thus the Bank has selected him as a candidate for Director.

Candidate No. **6 Hiroyuki Hamada** (born June 14, 1965)

Re-election

**Number of shares of the Bank held:** 10,843 shares

**Status of attendance at Board of Directors' Meetings during FY2022:** 100% (15/15)

**Past experience, positions, responsibilities, and significant concurrent positions**

Apr. 1990	Joined the Bank	Mar. 2017	Manager, Obiyamachi Branch
Aug. 2012	Manager, Matsushige Branch	Jun. 2018	General Manager, Administrative Supervision Department
Jun. 2014	Manager, Matsuyama-minami Branch	Jun. 2021	Director and General Manager, Sales Supervision Department
			To present

**Reasons for selection as a candidate for Director**

With his wealth of business experience in administrative supervision operations, sales supervision operations, etc. since assuming the position of Director in June 2021, he has utilized his experience, insight, and expertise, appropriately fulfilled his role in making management decisions and supervising business execution, etc. as a Director of the Bank, and appropriately performed his duties, and thus the Bank has selected him as a candidate for Director.

Candidate No. **7 Mitsufumi Ito** (born November 8, 1967)

Re-election

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**Number of shares of the Bank held:** 4,867 shares  
**Status of attendance at Board of Directors' Meetings during FY2022:** 100% (11/11)  
**Past experience, positions, responsibilities, and significant concurrent positions**

Apr. 1991	Joined the Bank	Jun. 2018	General Manager, General Planning Department
Aug. 2009	Deputy General Manager, Customer Support Department	Mar. 2020	Manager, Nakamura Branch
Jun. 2014	General Manager, Customer Support Department	Apr. 2021	Manager, Nakamura Branch and Manager, Irino Branch Office
Apr. 2016	General Manager, Corporate Support Department	Jun. 2022	Director and General Manager, Tokushima Sales Headquarters To present

**Reasons for selection as a candidate for Director**

With his wealth of business experience in sales, consulting supervision operations, planning supervision operations, etc. since assuming the position of Director in June 2022, he has utilized his experience, insight, and expertise, appropriately fulfilled his role in making management decisions and supervising business execution, etc. as a Director of the Bank, and appropriately performed his duties, and thus the Bank has selected him as a candidate for Director.

Candidate No. **8 Ken Tsunemitsu** (born March 24, 1969)

New election

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**Number of shares of the Bank held:** 2,484 shares  
**Status of attendance at Board of Directors' Meetings during FY2022:-**  
**Past experience, positions, responsibilities, and significant concurrent positions**

Apr. 1991	Joined the Bank	Jun. 2018	General Manager, Corporate Support Department
Feb. 2012	Deputy General Manager, Human Resources Department	Apr. 2019	General Manager, Consulting Department
Sep. 2016	Manager, Katsurahama-dori Branch		To present

**Reasons for selection as a candidate for Director**

Since 1991, he has accumulated a wealth of experience in sales, human resources, consulting supervision operations, etc. as a member of the Bank, and is well-versed in the Bank's operations. By utilizing his experience and insight as a Director, he can be expected to contribute to the reinforcement of decision-making and supervisory functions of the Board of Directors, and thus the Bank has selected him as a candidate for Director.



Candidate No. **9 Yoshinori Ozaki** (born January 13, 1953)

Re-election  
Outside Director  
Independent Director

**Number of shares of the Bank held:** 10,015 shares

**Status of attendance at Board of Directors' Meetings during FY2022:** 100% (15/15)

**Past experience, positions, responsibilities, and significant concurrent positions**

Apr. 1975	Joined Yasuda Mutual Life Insurance Company	Jun. 2015	Director, the Bank (current position)
Apr. 2000	General Manager, Corporate Finance Department, Yasuda Mutual Life Insurance Company	Mar. 2017	Retired from Representative Director and President, Meiji Yasuda Real Estate Management Company Limited
Jan. 2004	(Name changed to Meiji Yasuda Life Insurance Company due to merger)	Apr. 2017	Advisor, Meiji Yasuda Life Insurance Company
Jul. 2005	Director and General Manager, Corporate Finance Department, Meiji Yasuda Life Insurance Company	Mar. 2018	Retired from Advisor, Meiji Yasuda Life Insurance Company
Apr. 2008	Managing Executive Officer, Meiji Yasuda Life Insurance Company	May 2018	Chairman, Educational Committee, Yasuda Educational Foundation (current position)
Apr. 2011	Senior Managing Executive Officer, Meiji Yasuda Life Insurance Company	To present	
Jul. 2012	Director and Deputy President, Meiji Yasuda Life Insurance Company		
Jul. 2014	Representative Director and President, Meiji Yasuda Real Estate Management Company Limited		

**Significant concurrent positions**

Chairman, Educational Committee, Yasuda Educational Foundation

**Reasons for selection as a candidate for Outside Director and overview of expected roles**

Since assuming the position of Outside Director of the Bank in June 2015, he has utilized his wealth of experience and insight as a corporate manager and appropriately fulfilled his role in making important management decisions and supervising business execution, etc. In addition, he has discussed the appointment and dismissal of Directors, selection of Directors with titles, compensation for Directors (excluding those who are members of the Audit & Supervisory Committee) and other particularly important matters regarding corporate governance, and he has given necessary opinions as appropriate from an objective and fair standpoint as Chairman of the Governance Committee that gives advice and suggestions to the Board of Directors to contribute to the reinforcement of supervisory functions. By reflecting his knowledge and experience as a corporate manager, he can be expected to contribute to the Bank's sustainable growth and improvement in corporate value, and thus the Bank has selected him as a candidate for Outside Director.

As it has been determined that there are no concerns with respect to conflicts of interest with general shareholders in view of the standards for independence stipulated by the TSE and those stipulated by the Bank, he has also been selected as a candidate for Independent Director.

Notes 1. Special interests between the candidates for the nine Director positions and the Bank are as follows:

- (1) There are ordinary lending transactions between Mr. Suka and the Bank.
- (2) There are guarantee obligation transactions between Mr. Hamada and the Bank.
- (3) There are ordinary lending transactions between Mr. Tsunemitsu and the Bank.
- (4) There are no special interests between any other candidates and the Bank.
2. Mr. Ozaki is a candidate for Outside Director.
3. Mr. Ozaki has also been selected as a candidate for Independent Director based on the stipulations of the TSE, and, if his election is approved, the Bank plans to continue to elect him as an Independent Director.
4. The term of office of Mr. Ozaki as Outside Director will be eight (8) years at the conclusion of this Annual General Meeting of Shareholders.
5. The Bank has concluded an agreement to limit liability with Mr. Ozaki based on Article 423, Paragraph 1 of the Companies Act, and, if his election is approved, the Bank plans to continue with said agreement between the two parties. The limitation of liability under said agreement is the minimum liability as stipulated by applicable laws and regulations.
6. The Bank has concluded a directors and officers liability insurance policy with an insurance agency as set forth in Article 430-3, Paragraph 1 of the Companies Act. This insurance policy covers damages, legal fees, and other costs to be borne by the insured persons. All candidates (excluding the newly elected candidate for Director) are the insured under this insurance policy, and, if this proposal is approved as originally proposed and all candidates are appointed

as Directors, all of the candidates including the newly elected candidate for Director will be included as the insured persons. The Bank plans to renew this insurance policy unchanged upon the next renewal during the term of office.

### (Reference) Skills Matrix

The areas of expertise and experience possessed by each candidate for Director including those who are Members of the Audit & Supervisory Committee are as follows:

Name	Corporate management	Personnel management	Digital strategy	Consulting/Regional development	Market management	Risk management	Finance/Accounting	Legal affairs
Fumiaki Yamamoto	○	○	○		○	○	○	
Tatsuji Kobayashi	○		○		○	○	○	
Masahiko Suka				○	○			
Masato Hashitani				○				
Isao Shiraishi	○			○			○	
Hiroyuki Hamada			○	○				
Mitsufumi Ito	○			○			○	
Ken Tsunemitsu	New election	○		○				
Yoshinori Ozaki	Outside	○			○	○		
Shinichiro Kumazawa		○		○				
Masahiro Hamada	Outside			○				
Chieko Inada	Outside							○
Yasushi Kanamoto	Outside						○	
Toshikazu Sakai	Outside							○

\* This table does not indicate all of the areas of expertise, experience and insight possessed by each candidate for Director.

### Definition of Skills

#### ■ Basic skills required for business operations

Skill	Definition
Corporate management	Holds knowledge and experience to formulate and manage corporate governance and medium- to long-term management strategies
Finance/Accounting	Holds knowledge and experience in finance and accounting
Legal affairs	Holds high level of expertise in legal affairs

#### ■ Basic skills required to achieve medium-term business plan

Skill	Definition
Personnel management	Holds knowledge and experience to (i) develop systems that enable diverse human resources to play active roles and (ii) conduct appropriate personnel and labor management
Digital strategy	Holds knowledge and experience to develop and manage digital-enabled operational reforms and business strategies
Consulting/Regional development	Holds knowledge and experience to develop and manage business strategies to resolve customer and community issues
Market management	Holds knowledge and experience to formulate and manage operational strategies that contribute to improving corporate value over the medium to long term
Risk management	Holds knowledge and experience to properly manage and control the risks that exist within the Bank

## Proposals from a shareholder

Proposals 3 to 10 were made by a certain shareholder who holds 310 voting rights.

The “Reasons for the proposal” in these proposals, including factual recognition, are stated exactly as submitted by the proposing shareholder (in the Japanese original).

### Proposal 3: Addendum to the Articles of Incorporation (Establishment of a Third-Party Committee)

#### 1. Details of the proposal

To create an addendum to the Articles of Incorporation regarding the establishment of a third-party committee in order to raise the standards of information disclosure.

#### 2. Reasons for the proposal

- 1) The Bank has not disclosed any information about the past loans made to the former Tosa Fighting Dog Center, the former Tosa Electric Railway, Medical Corporation A, and Uwa Tokushi Co., Ltd., which was prosecuted for subsidy fraud following disastrous heavy rainfalls in Ehime Prefecture, nor about the progress of large-scale loans or resolved/unresolved incidents. A public forum should be held to discuss the issues related to the alliance with Daiwa Securities, rather than only the Bank’s management holding discussions behind closed doors.

Example: Net losses continue even after the management transition from the former Tosa Electric Railway to Tosaden Traffic Co., Ltd. In fact, the management continues to deteriorate. If the current triangle relationship between the Bank, Kochi Prefecture, and Tosaden Traffic Co., Ltd. carries on, the burden on local residents will only increase. They will not be deceived by the promise of receiving discounted tickets. Loans are often accompanied by bad debts, hence resulting in the September 2010 court decision in the shareholder lawsuit. Auditors did not file any lawsuits but instead pushed the responsibilities onto shareholders. As a result, it is obvious that auditors have become a mere formality. They should play the lead role in reporting large-scale incidents, but they are simply not capable. This is why a third-party committee is required. Japan is currently facing the aftermath of a problematic public records system. I call on the Bank to establish an information disclosure system.

### Opinion of the Board of Directors on Proposal 3

**The Board of Directors opposes this proposal.**

The Bank discloses necessary information appropriately in accordance with the existing disclosure system and internal rules.

The decision-making and management after execution for loan proposals are appropriately operated and managed by the department in charge. In addition, the Board of Directors is appropriately reported to for highly important matters. The Audit & Supervisory Committee, which is entrusted by shareholders and is a legally independent body that audits the Directors’ execution of their duties, properly performs its own duties.

Loan proposals involve a variety of customer information and, from the standpoint of confidentiality, the Bank does not believe that establishing a third-party committee or excessive disclosure of information is the best course of action.

Accordingly, the Board of Directors opposes this proposal.

#### **Proposal 4: Addendum to the Articles of Incorporation (Preparation and Submission of Shareholder Report and Comprehensive Expense Report)**

##### **1. Details of the proposal**

To create an addendum to the Articles of Incorporation regarding having the Financial Advisory Department prepare and submit a shareholder report and a comprehensive expense report every quarter to disclose information to shareholders in relation to the business alliance with Daiwa Securities.

##### **2. Reasons for the proposal**

I thought the securities business was perfect under Shikoku Alliance Securities Co., Ltd.; however, the Bank thereafter agreed to a comprehensive alliance with Daiwa Securities and will accept approximately 60 loaned staff from them in April. Some say that the Bank is being utilized by Daiwa Securities' restructuring measures. Also, Daiwa Securities is well known as one of the "Big Three" for the active sales of structured bonds. Shareholders were satisfied with the establishment of Shikoku Alliance. The Bank is based in Kochi Prefecture. The securities accounts at the Bank will be transferred to Daiwa and a new Financial Advisory Department consisting of 120 members will be established, and Mr. Horiuchi from Daiwa will be appointed as the manager. This alliance presents a significant changeover in terms of the Bank's business performance. The Bank has a rare and valuable track record, with a judicial precedent at the Supreme Court. This time, a triangle relationship, which the Bank has achieved fair results with in the past, cannot be built. The strategy is to entrust all local clients to a group of professionals with advanced knowledge of financial products. Shareholders should monitor expenses, profits, etc. more closely.

#### **Opinion of the Board of Directors on Proposal 4**

##### **The Board of Directors **opposes** this proposal.**

In order to provide better value-added financial services and solutions to customers, the Bank initiated the comprehensive business alliance with Daiwa Securities Co. Ltd. in April 2023. In forming the alliance, the two companies held thorough discussions on strategy, revenue, cost, and other aspects of the alliance. As a result, the Bank determined that the alliance would contribute to the enhancement of its corporate value.

The financial statements, including revenues and expenses, resulting from this alliance will be disclosed appropriately in accordance with accounting rules. In addition, it is our policy to disclose the effects of this alliance and other information as appropriate in a timely manner in accordance with the purpose of the disclosure system.

Accordingly, the Board of Directors opposes this proposal.

## **Proposal 5: Addendum to the Articles of Incorporation (Prohibition of Sponsored Advertisement for Conferment of Decoration Using Company Expenses)**

### **1. Details of the proposal**

“Sponsored advertisement of the former President’s conferment of decoration, etc.” was a personal matter. To create an addendum to the Articles of Incorporation regarding not permitting such a diversion of company expenses.

### **2. Reasons for the proposal**

A sponsored advertisement of former President Akihiro Aoki celebrating his conferment of decoration appeared over a two-page spread in The Kochi Shimbun newspaper last year. Mr. Aoki was a Director during the September 2010 court trial for the shareholder lawsuit. Shareholders do not agree with spending company funds on sponsored advertisements. Other banks do not spend on such matters or events either. Only news articles should be published in newspapers. As conferment of decoration is a personal matter, spending company funds on “sponsored advertisement for conferment of decoration” should not be allowed, otherwise shareholders are concerned that when the Chamber of Commerce and Industry’s Chief Advisor retires, there will be another sponsored advertisement. I call on the Bank not to permit the diversion of company expenses for personal matters.

## **Opinion of the Board of Directors on Proposal 5**

### **The Board of Directors **opposes** this proposal.**

The use of company funds is properly managed and administered in accordance with the Bank’s internal rules.

Regarding the advertisement of Mr. Aoki’s conferment of decoration published in The Kochi Shimbun newspaper on January 4, 2022, the Bank was one of the supporters. This advertisement was supported by 150 companies (including the Bank) within Kochi Prefecture, and this is within socially accepted norms, considering that Mr. Aoki was formerly with the Bank.

Accordingly, the Board of Directors opposes this proposal.

## **Proposal 6: Addendum to the Articles of Incorporation (Disclosure of Each Director’s Individual Remuneration)**

### **1. Details of the proposal**

To disclose each Director’s individual remuneration.

### **2. Reasons for the proposal**

- 1) Each Director’s remuneration was resolved at the Bank’s General Meeting of Shareholders held on June 26, 2018.
- 2) Also, the Governance Committee reports annually that appropriate verification results are used as evaluation criteria for director remuneration, but the demand for disclosure of individual remuneration figures has been increasing nationwide every year. As a bank that has established a brilliant judicial precedent, it should be more proactive in disclosing information. I call on the Bank to be the first to disclose each Director’s individual remuneration, ahead of the rest of the country.

## **Opinion of the Board of Directors on Proposal 6**

### **The Board of Directors **opposes** this proposal.**

The Bank discloses the total number and remuneration of Directors (including those who are members of the Audit & Supervisory Committee) classified by fixed remuneration, performance-based remuneration, etc. in the Business Report and the Annual Securities Report in accordance with the provisions of the Companies Act and other applicable laws, which we believe is sufficient disclosure of management costs.

Accordingly, the Board of Directors opposes this proposal.

**Proposal 7: Addendum to the Articles of Incorporation (Definition of the Ratio of Affirmative Votes as the Ratio of the Number of Voting Rights of Shareholders Present at the Meeting, Including Proxies)**

**1. Details of the proposal**

To stipulate in the Articles of Incorporation regarding the definition of the ratio of affirmative votes as the ratio of the number of voting rights of shareholders present at the meeting, including proxies, rather than the ratio of the total number of voting rights.

**2. Reasons for the proposal**

At the 208th General Meeting of Shareholders, a proposal was submitted to amend the Articles of Incorporation to “abolish advisors and counselors” as was proposed in the 207th fiscal year. However, the denominator of the ratio of affirmative votes was the total number of voting rights instead of the number of voting rights of shareholders present at the meeting, including proxies. As a result, the proposal was rejected because the ratio of affirmative votes was 8.6%. Such ratio, which even includes shareholders who waived their voting rights, does not reflect shareholder opinion. To clearly reflect the opinions of shareholders, I call on the Bank to adopt a denominator that is the number of voting rights of shareholders present at the meeting, including proxies.

**Opinion of the Board of Directors on Proposal 7**

**The Board of Directors **opposes** this proposal.**

The Bank determines the success or failure of resolutions made at the General Meeting of Shareholders based on the ratio of affirmative votes, using the ratio of voting rights of shareholders present at the meeting, including proxies, as the denominator in accordance with Article 309 of the Companies Act. In addition, the Bank determines whether or not to restrict any proposals made by shareholders based on the ratio of affirmative votes, using the ratio of voting rights of all shareholders as the denominator in accordance with Article 305, Paragraph 6 of the Companies Act.

Accordingly, the Board of Directors opposes this proposal.

**Proposal 8: Addendum to the Articles of Incorporation (Disclosure of the Annual Securities Report Prior to the General Meeting of Shareholders)**

**1. Details of the proposal**

To create an addendum to the Articles of Incorporation regarding disclosure of the Annual Securities Report prior to the General Meeting of Shareholders.

**2. Reasons for the proposal**

Few companies disclose their Annual Securities Report prior to the General Meeting of Shareholders. In the past, the Bank set a precedent by losing a shareholder lawsuit for breach of directors' duty of due care. In order to prevent the same mistake, a large volume of information (i.e., the Annual Securities Report) is beneficial for shareholders to decide whether to approve or reject proposals at the General Meeting. In the U.K., the U.S., and Germany, the submission of the report is required within 2-4 months after the end of the fiscal year. The Bank is listed on the TSE Prime Market and has an obligation to take the initiative in providing shareholders with a large amount of information prior to the General Meeting of Shareholders.

**Opinion of the Board of Directors on Proposal 8**

**The Board of Directors opposes this proposal.**

In accordance with the Financial Instruments and Exchange Act, the Bank submits securities reports within 90 days after the last day of the fiscal year.

Although the 2010 amendment to the Cabinet Office Ordinance allows the submission of the Annual Securities Report prior to the General Meeting of Shareholders, it is not a mandatory requirement. The Bank submits its Annual Securities Report after the General Meeting of Shareholders in order to secure the accuracy and appropriateness of the report itself.

Accordingly, the Board of Directors opposes this proposal.

## **Proposal 9: Dismissal of Two Directors (excluding Directors who are Members of the Audit & Supervisory Committee)**

### **1. Details of the proposal**

- (1) To dismiss Mr. Tatsuji Kobayashi, Managing Director
- (2) To dismiss Mr. Yoshinori Ozaki, Outside Director

### **2. Reasons for the proposal**

- (1) Reasons for the proposal to dismiss Mr. Kobayashi

Some employees are dissatisfied with the Bank accepting a large number of loaned staff from Daiwa Securities under the alliance. Another major objective for the Board Members is to consolidate branches, reduce staffed branches, and reduce the workforce due to this extensive shift in business policy. The Bank has approximately 110 head offices, branches, and branch offices, including bank agencies. Kochi Prefecture is experiencing a decline in population and economic strength. It will be the ninth time in a row that this proposal to the General Meeting has been exercised since the 201st fiscal year. Shareholders like the triangle relationship of “The Bank - Dismissal of Directors - Shareholder Proposal.” We have learned from past triangle relationships:

1. Triangle of The Bank - Kochi Prefecture - the former Tosa Electric Railway
2. Triangle of The Bank - Kochi Prefecture - the former Tosa Fighting Dog Center
3. Triangle of The Bank - Kochi Prefecture - Tosaden Traffic Co., Ltd.
4. Triangle of The Bank - Kochi Prefecture - Medical Corporation T

From the shareholders’ perspective, the Bank prefers triangle relationships. Mr. Kobayashi also has experience in such relationships historically. He has been the subject of dismissal resolutions three times in the past and offers no ability to help overcome difficult situations in the Bank’s past or future.

- (2) Reasons for the proposal to dismiss Mr. Ozaki

Outside Directors should be able to speak unsparingly to the Board of Directors. They have an important role to make decisions regarding business execution. Also, they should have no conflicts of interest or ties to the Bank in order to strictly scrutinize its management. Although Mr. Ozaki is a former member of the Bank, he was originally a Board Member of Meiji Yasuda Life Insurance Company, a major shareholder of the Bank with a close connection, meaning that the Bank is his second place of employment. He is the exact opposite of the spirit of the Companies Act. This is the third time in total that a proposal to dismiss Mr. Ozaki is being submitted. Under the Companies Act, the least relevant person is the most qualified to be an Outside Director. The Prime Market guidelines should be followed. The responsibilities of Outside Directors of the Bank should not be distorted. Mr. Ozaki is not fulfilling his responsibilities as an Outside Director adequately and has merely been in office for a long time. It will cost the Bank more and more to reeducate and retrain the employees under the alliance with Daiwa Securities. Although he is currently not a member of the company, his first interest is Meiji Yasuda Life Insurance Company, the Bank’s major shareholder. I propose his dismissal for the third time.

## **Opinion of the Board of Directors on Proposal 9**

### **The Board of Directors **opposes** this proposal.**

Since assuming the position of Director, both Mr. Kobayashi, Managing Director, and Mr. Ozaki, Outside Director, have made diligent efforts and fulfilled their responsibilities adequately to ensure the development of the Group and strengthen the business foundation as Directors of the Bank, while leveraging the experience, insight, and expertise required for bank management to make important management decisions and supervise business execution.

Accordingly, the Board of Directors opposes this proposal.



## **Proposal 10: Dismissal of Two Directors who are Members of the Audit & Supervisory Committee**

### **1. Details of the proposal**

- (1) To dismiss Mr. Shinichiro Kumazawa, Director who is a Member of the Audit & Supervisory Committee
- (2) To dismiss Mr. Toshikazu Sakai, Director who is a Member of the Audit & Supervisory Committee

### **2. Reasons for the proposal**

- (1) Reasons for the proposal to dismiss Mr. Kumazawa

This is the third proposal to dismiss Mr. Kumazawa. Kochi Prefecture is experiencing a severe population decline. Two loss-making companies, the former Tosa Electric Railway and Kochi Traffic Co., Ltd. were merged to create Tosaden Traffic Co., Ltd. However, the survival of the streetcars is in jeopardy. Shareholders will not forget how their stock certificates turned into scrap paper. Over 800 million yen, which was the Bank's debt, from the former Chairman of Tosa Electric Railway was unrecoverable due to the termination of bankruptcy proceedings. The district court ruling demanding payment to the former president, who was a former employee of the Bank, also failed. All remained silent with no final report. The Bank is only buying time. Abolishment of advisors and counselors was also proposed at the 203rd General Meeting of Shareholders on June 27, 2017. This abolishment was resolved when Mr. Akihiro Aoki, Advisor, retired as Chair of the Kochi Chamber of Commerce and Industry. Five years have passed since the abolition proposal. The Bank is generous to its insiders. The Bank coldly rejected the Bank's name being "The Shikoku Aoki Bank, Ltd." as a form of praise of Mr. Aoki. Mr. Kumazawa has been a veteran director since 2017, the 203rd fiscal year, and he has merely been in office for a long time. He does not take minority opinions into consideration. I propose his dismissal.

- (2) Reasons for the proposal to dismiss Mr. Sakai

Mr. Sakai, as an attorney, is over-optimistic in assessing the role standards of Outside Directors under the Companies Act. Mr. Ozaki, Outside Director, is a former officer of Meiji Yasuda Life Insurance Company, a major shareholder of the Bank. It was announced that the Financial Services Agency would conduct an on-site inspection of Meiji Yasuda on February 20, 2023. Even though Mr. Ozaki is a former employee, Meiji Yasuda Life Insurance Company is a major shareholder of the Bank. They are closely related. Shareholders are concerned about Mr. Ozaki's role with his approach to "surveillance and supervision." The Company's property rights rest with the shareholders, and the newspaper advertisement for Mr. Aoki's personal conferment and the flashy sponsored advertisement should have been dealt with by those who had an interest and should not have been paid for by the Bank. Shareholders always request that the Audit & Supervisory Committee Members, who are attorneys, monitor and supervise the Bank's actions from a broad, high-level perspective. I demand his dismissal because he is not fit to serve as a director.

## **Opinion of the Board of Directors on Proposal 10**

### **The Board of Directors **opposes** this proposal.**

Since assuming the position of Directors who are members of the Audit & Supervisory Committee, Mr. Kumazawa and Mr. Sakai have utilized their experience, insight, and expertise required for bank management to perform their duties in accordance with the law and the Articles of Incorporation of the Bank, and have fulfilled their responsibilities adequately by giving advice and recommendations to ensure appropriate decision-making by the Board of Directors.

Accordingly, the Board of Directors opposes this proposal.