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(Stock Exchange Code 8387)
June 7, 2021

To Shareholders with Voting Rights:

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

**NOTICE OF
THE 207th 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 207th Annual General Meeting of Shareholders of The Shikoku Bank, Ltd. (the “Bank”) will be held for the purposes as described below.

From the viewpoint of preventing COVID-19 infections, shareholders are requested to exercise voting rights in advance either in writing or via the Internet to the extent possible, and regardless of your state of health, refrain from attending the venue for the General Meeting of Shareholders.

Regarding the exercise of voting rights in advance, please review the attached Reference Documents for the General Meeting of Shareholders (pages 3 through 13), and exercise your voting rights by following the Instructions for the Exercise of Voting Rights (Japanese only), no later than 5:30 p.m. on Monday, June 28, 2021, Japan time.

- 1. Date and Time:** Tuesday, June 29, 2021 at 10:00 a.m., Japan time
(Reception begins at 9:00 a.m.)
- 2. Place:** Main conference room on the 5th floor of the head office of the Bank
1-1-1 Minamiharimaya-cho, Kochi-city, Kochi, Japan

As the distance between seats will be widened, there will be significantly less seating capacity available. The Bank requests that shareholders refrain from attending the venue for the General Meeting of Shareholders and consider exercising voting rights in advance either in writing or via the Internet.

* The venue and start time, etc., may change due to unavoidable circumstances. Shareholders are requested to be aware of any notifications that will be provided on the website below.
<https://www.shikokubank.co.jp>

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Non-consolidated Financial Statements for the Bank's 207th Fiscal Year (April 1, 2020 - March 31, 2021)
 2. The Consolidated Financial Statements for the Bank's 207th Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements

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 and Supervisory Committee)

Proposals from a shareholder

Proposal 3: Partial Amendment to the Articles of Incorporation

Proposal 4: Dismissal of Four Directors (excluding Directors who are Members of the Audit and Supervisory Committee)

Proposal 3 and Proposal 4 were made by a shareholder, and the Board of Directors opposes the Proposals.

Furthermore, an overview of the Proposals is as stated on the following Reference Documents for the General Meeting of Shareholders.

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- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - Of the documents required to be provided with this Notice, the "Non-consolidated Statements of Changes in Net Assets" and "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 provided on the Bank's website (<https://www.shikokubank.co.jp>) in accordance with laws and regulations and Article 17 of the Articles of Incorporation, and are thus not included with this Notice. Accordingly, the documents included with this Notice are portions of the Non-consolidated Financial Statements and Consolidated Financial Statements audited by the Audit and Supervisory Committee in preparation of the audit report, and by the Accounting Auditor in preparation of the accounting audit report.
 - Any revisions to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, or Consolidated Financial Statements will be provided on the Bank's website (<https://www.shikokubank.co.jp>).

<Matters of caution and requests for shareholders attending the venue for the General Meeting of Shareholders>

- The above matters are subject to change due to factors including the status of the spread of infection prior to the day of the General Meeting of Shareholders and the content of announcements by the government, etc. The Bank requests shareholders to confirm the content of information provided on the Bank's website (<https://www.shikokubank.co.jp>).
- Shareholders attending the venue are requested to bring and wear masks.
- Operational staff for the General Meeting of Shareholders will provide assistance after health checks, including measuring body temperatures, and wear masks.
- The distribution of souvenirs on the day of the General Meeting of Shareholders has been suspended from the previous year. The Bank appreciates your understanding.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposals from the Bank

Proposal 1 and Proposal 2 were made by the Bank.

Proposal 1: Appropriation of Surplus

Based on the basic policy of continuing to provide stable dividends to shareholders while working to secure a stable management foundation and strengthen its financial standing, the Bank proposes the following for the appropriation of surplus.

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

15 yen per share of the Bank's common stock; total of 625,045,380 yen

(3) Effective date of appropriation of surplus

June 30, 2021

2. Other matters concerning appropriation of surplus

(1) Item and amount of surplus to be increased

General reserve	5,000,000,000 yen
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(2) Item and amount of surplus to be decreased

Retained earnings brought forward	5,000,000,000 yen
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Proposal 2: Election of Nine Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all nine Directors (excluding Directors who are Audit and Supervisory Committee Members; 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, although this Proposal was considered in the Audit and Supervisory Committee, there were no matters of note to report to the General Meeting of Shareholders pursuant to the stipulations of the Companies Act.

The candidates for Director are as follows.

Candidate No.	Name		Current positions, etc., at the Bank
1	Fumiaki Yamamoto	Reelection	Director and President
2	Yoshitsugu Ota	Reelection	Senior Managing Director
3	Seiichi Ioroi	Reelection	Managing Director
4	Tatsuji Kobayashi	Reelection	Managing Director
5	Masahiko Suka	Reelection	Director and General Manager, Tokushima Sales Headquarters
6	Masato Hashitani	Reelection	Director and General Manager, Sales Supervision Department
7	Isao Shiraishi	Reelection	Director and General Manager, Credit Department
8	Hiroyuki Hamada	New election	General Manager, Administrative Supervision Department
9	Yoshinori Ozaki	Reelection Outside Independent Director	Director

* Independent Director: Independent Director submitted to the Tokyo Stock Exchange

Candidate No.	1 Fumiaki Yamamoto (Born September 24, 1954)	Reelection
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Number of shares of the Bank held: 29,427 shares

Status of attendance at Board of Directors Meetings during FY2020: 100% (16/16)

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 the present

Jun. 2006 General Manager, General Administration Department

Jun. 2010 Director and General Manager, General Planning Department

Jun. 2014 Managing Director

Jun. 2015 Senior Managing Director

Significant concurrent positions

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 to make decisions on important management matters and appropriately fulfilled his role in supervising business execution as 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 Yoshitsugu Ota (Born January 26, 1956)	Reelection
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Number of shares of the Bank held: 18,361 shares

Status of attendance at Board of Directors Meetings during FY2020: 100% (16/16)

Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1979 Joined the Bank	Jun. 2010 General Manager, Audit Department
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Jul. 2001 Manager, Matsuyama-minami Branch	Aug. 2011 Executive Officer and General Manager, Kobe Branch
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Jul. 2004 Manager, Marugame Branch	Jun. 2014 Director and General Manager, Head Office Sales Department
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Jul. 2006 Manager, Kamimachi Branch	Jun. 2016 Managing Director
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Jun. 2009 Manager, Nakamura Branch	Jun. 2020 Senior Managing Director
	To the present

Reasons for selection as a candidate for Director

Since assuming the position of Director in June 2014, he has utilized his experience, insight, and expertise required for bank management to make decisions on important management matters and appropriately fulfilled his role in supervising business execution as Director of the Bank. Furthermore, he has served as Managing Director since June 2016 and as Senior Managing Director since June 2020 and appropriately performed his duties, and thus the Bank has selected him as a candidate for Director.

Number of shares of the Bank held: 17,239 shares

Status of attendance at Board of Directors Meetings during FY2020: 100% (16/16)

Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1982	Joined the Bank	Jun. 2012	Executive Officer and General Manager, Human Resources Department
Jul. 2002	Manager, Marine Pier Branch	Jun. 2015	Director and General Manager, Human Resources Department
Jul. 2005	Deputy General Manager, Head Office Sales Department	Jun. 2016	Director and General Manager, Head Office Sales Department
Jul. 2007	Manager, Kanonji Branch	Jun. 2018	Managing Director and General Manager, Head Office Sales Department
Jun. 2010	Manager, Tokyo Branch	Jun. 2019	Managing Director To the present

Reasons for selection as a candidate for Director

Since assuming the position of Director in June 2015, he has utilized his experience, insight, and expertise required for bank management to make decisions on important management matters and appropriately fulfilled his role in supervising business execution as Director of the Bank. Furthermore, he has served as Managing Director since June 2018 and appropriately performed his duties with supervision over planning and risk management divisions, etc., and thus the Bank has selected him as a candidate for Director.

Number of shares of the Bank held: 15,161 shares

Status of attendance at Board of Directors Meetings during FY2020: 100% (16/16)

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 the 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 to make decisions on important management matters and appropriately fulfilled his role in supervising business execution as Director of the Bank. Furthermore, he has served as Managing Director since June 2018 and appropriately performed his duties with supervision over sales and market divisions, etc., and thus the Bank has selected him as a candidate for Director.

Candidate No.	5 Masahiko Suka (Born September 17, 1962)	Reelection
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Number of shares of the Bank held:		9,588 shares
Status of attendance at Board of Directors Meetings during FY2020: 100% (16/16)		
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	To the present

Reasons for selection as a candidate for Director

With his wealth of business experience in sales, market operations, etc., since assuming the position of Director in June 2019, he has utilized his experience, insight, and expertise to make decisions on management matters and appropriately fulfilled his role in supervising business execution as Director of the Bank. He also has appropriately performed his duties, and thus the Bank has selected him as a candidate for Director.

Candidate No.	6 Masato Hashitani (Born December 14, 1960)	Reelection
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Number of shares of the Bank held:		5,828 shares
Status of attendance at Board of Directors Meetings during FY2020: 100% (12/12)		
Past experience, positions, responsibilities, and significant concurrent positions		
Apr. 1983	Joined the Bank	Jun. 2012 Manager, Marugame Branch
Jul. 2004	Manager, Nakamura-ekimae Branch	Jun. 2015 Manager, Okayama Branch
Feb. 2007	Manager, Moriguchi Branch	Jun. 2017 Executive Officer and General Manager, Sales Supervision Department
Feb. 2010	Deputy General Manager, Sales Supervision Department	Jun. 2020 Director and General Manager, Sales Supervision Department
		To the 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 to make decisions on management matters and appropriately fulfilled his role in supervising business execution as Director of the Bank. He also has appropriately performed his duties, and thus the Bank has selected him as a candidate for Director.

Candidate No.	7 Isao Shiraishi (Born September 13, 1962)	Reelection
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Number of shares of the Bank held: 5,416 shares

Status of attendance at Board of Directors Meetings during FY2020: 100% (12/12)

Past experience, positions, responsibilities, and significant concurrent positions

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

Reasons for selection as a candidate for Director

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

Candidate No.	8 Hiroyuki Hamada (Born June 14, 1965)	New election
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Number of shares of the Bank held: 1,700 shares

Status of attendance at Board of Directors Meetings during FY2020: -

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	To the present

Reasons for selection as a candidate for Director

Since 1990, he has accumulated a wealth of experience in sales, administrative supervision operations, etc., as a member of the Bank, and has been well versed in business of the Bank. By utilizing his experience and insight as Director, he can be expected to contribute to the reinforcement of decision making and supervision functions of the Board of Directors, and thus the Bank has selected him as a candidate for Director.

Number of shares of the Bank held: 6,465 shares

Status of attendance at Board of Directors Meetings during FY2020: 100% (16/16)

Past experience, positions, responsibilities, and significant concurrent positions

Apr. 1975	Joined The Yasuda Mutual Life Insurance Company	Jun. 2015	Director, the Bank (current position)
Apr. 2000	General Manager, Corporate Finance Department, the 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 the present
Jul. 2012	Director and Deputy President, Meiji Yasuda Life Insurance Company	Significant concurrent positions	
Jul. 2014	Representative Director and President, Meiji Yasuda Real Estate Management Company Limited		
			Chairman, Educational Committee, Yasuda Educational Foundation

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

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 to make decisions on important management matters and appropriately fulfill his role in supervising business execution. In addition, he has discussed matters on the appointment and dismissal of Directors, selection of Directors with titles, compensation for Directors (excluding those who are members of the Audit and Supervisory Committee) and other particularly important matters regarding corporate governance, and has given necessary opinions as appropriate from an objective and fair standpoint as Chairman of the Governance Committee that gives advices and suggestions to the Board of Directors to contribute to the reinforcement of supervision functions. By reflecting his knowledge and experience as a corporate manager, he can be expected to contribute 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 judged that there are no concerns with respect to conflict of interest with general shareholders in view of the standards for independence stipulated by the Tokyo Stock Exchange and the standards of independence stipulated by the Bank, he has been submitted as an Independent Director.

- Notes
1. Special interests between candidates for Director and the Bank are as follows.
 - (1) There are ordinary lending transactions between Mr. Masahiko Suka and the Bank.
 - (2) There are guarantee obligation transactions between Mr. Hiroyuki Hamada and the Bank.
 - (3) There are no special interests between any other candidates and the Bank.
 2. Mr. Yoshinori Ozaki is a candidate for Outside Director.
 3. Mr. Yoshinori Ozaki has been submitted as an Independent Director based on the stipulations of the Tokyo Stock Exchange, and if his election is approved, the Bank plans to continue to submit him as an Independent Director.
 4. The term of office of Mr. Yoshinori Ozaki as Outside Director will be six years at the conclusion of this Annual General Meeting of Shareholders.
 5. The Bank has concluded an agreement to limit liability with Mr. Yoshinori 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 Bank and Mr. Yoshinori Ozaki. The limit of liability under said agreement is the minimum amount of liability as stipulated by 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, the legal fees and other costs to be borne by the insured persons. Each candidate (excluding a newly elected candidate for Director) is the insured under this insurance policy, and if this proposal is approved as originally proposed and each candidate is appointed as Director, all of the candidates including a newly elected candidate for Director will be included as an insured person. The Bank plans to renew the insurance policy with the same details upon the next renewal during the term of office.

Proposals from a shareholder

Proposal 3 and Proposal 4 were made by a shareholder. The number of voting rights held by the shareholder who made the Proposals is 310.

The “Reasons for the proposal” in the Proposals, including factual recognition, are stated exactly as submitted by the shareholder (in the Japanese language).

Proposal 3: Partial Amendment to the Articles of Incorporation

1. Details of the proposal

To abolish all current posts of advisors and counselors

2. Reasons for the proposal

- 1) This proposal was submitted and rejected at the 203rd Annual General Meeting of Shareholders in the past. The reasons for rejection were as follows.

According to the Bank, “advisors and counselors of the Bank are not involved in managerial decision making. They participate in business community activities and work on services for the public interest, which contributes to improvement in the corporate value of the Bank.” Changes in profit can be used to measure their level of contribution. There does not appear to be any effect, with 8,870 million yen for 2017, 7,159 million yen for 2018, 6,222 million yen for 2019, and 3,096 million yen for 2020. At THE IYO BANK, LTD., the Director, Chairman concurrently serves as Chairman of Chamber of Commerce and Industry, has management responsibility, and business community activities are lively.

Regional banks are facing tough times. In addition to ultra-low interest rates, population decline, and a decrease in profits, banks are required to work on reducing fees and structural reforms. In particular, reduction of fixed costs is necessary and the process determining the amount of remuneration for officers will become clearer with the enforcement of the amended Companies Act on March 1, 2021. There is no room for having advisors and counselors who do not take any management responsibility. It is time to seriously consider cost reductions and management reforms. I once again propose the abolishment of advisors and counselors.

Opinion of the Board of Directors on Proposal 3

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

We think the mission of the Bank as a regional financial institution is to contribute to the progress of the region and grow and evolve together with the region. Under this mission, the Bank appoints persons with experience as Representative Director to become counselors who are expected to engage in activities outside the Bank including business community activities and services for the public interest, aiming at improvement in corporate value by maintaining and enhancing the trust of the Bank to work on the progress of the region and regional economy. Currently, one counselor with experience as Representative Director has been appointed, and he engages in activities outside the Bank mainly as Chairman of the Kochi Chamber of Commerce & Industry. To participate in these activities, he needs to hold a position at the Bank, so it is acknowledged that the appointment as counselor is necessary.

The election, dismissal, and remuneration, etc., of counselors are determined by resolution of the Board of Directors after discussion in the Governance Committee, which consists of the Representative Director and all Outside Directors.

Meanwhile, the counselor does not attend the Board of Directors and other meetings of the Bank and does not receive any reports from management. The counselor is not involved in any managerial decision-making, and there are no issues in terms of governance. As previously disclosed in the corporate governance report, the employment arrangement and terms and conditions of the counselor are appropriate in the light of his duties. As for advisors, there are currently no applicable persons, however, there was a case in which a Director without experience as Representative Director became an advisor after retirement for individual operations in the past. In the future, we may appoint a former Director without experience as Representative Director as advisor to utilize his insight based on his expertise in the business operations of the Bank. Although we believe that holding these positions does not raise any governance issues, the matters related to election, dismissal, and remuneration of advisors are also determined by resolution of the Board of Directors after discussion in the Governance Committee.

We see the decreasing trends in profit, but these are due to various factors including prolonged ultra-low interest rates. Currently, under the Mid-term Management Plan “Challenge aiming at Best Reliable Bank: Step 3,” the Bank is steadily proceeding with various measures stated in the strategy targets of I: Establishment of the Shikoku Bank Style, II: Acceleration of BPR and ICT strategy, and III: Provision of three consulting functions, and working on strategy target IV: Establishment of sustainable financial and management

foundations. In the 207th fiscal year, profit increased from the previous fiscal year. In the current management environment, aiming at improvement in corporate value by maintaining and enhancing the trust of the Bank to work on the progress of the region and regional economy, the meaning of having the counselor remains the same.

Therefore, the Board of Directors opposes this proposal.

Proposal 4: Dismissal of Four Directors (excluding Directors who are Members of the Audit and Supervisory Committee)

1. Details of the proposal

To dismiss the following Directors:

1. Mr. Fumiaki Yamamoto, Representative Director and President
2. Mr. Masahiko Suka, Director
3. Mr. Masato Hashitani, Director
4. Mr. Isao Shiraishi, Director

2. Reasons for the proposal

(1) Reasons for dismissal of Mr. Fumiaki Yamamoto, Representative Director and President

- 1) The Bank was involved in a cumulative deficit of around 7.5 billion yen, which consists of around 4.5 billion yen for the former Tosa Electric Railway Co., Ltd. and around 3.0 billion yen for the Kochi Traffic Co., Ltd. Six financial institutions waived the deficit amount, ranging from 2.6 billion yen to 2.8 billion yen, and Kochi Prefecture and 12 cities/towns/villages along the railway line invested 1.0 billion yen in a new company, Tosaden Traffic Co., Ltd. Apparently, Tosaden Traffic Co., Ltd. has taken over operations and benefited by receiving a large amount of debt waiver, and its financial results for the fiscal year ended March 31, 2021 are expected to be a loss of around 850 million yen. Additionally, it has already been reported that results for the fiscal year ending March 31, 2022 will be a loss as well. I would like to question the meaning of the debt waiver by the Bank.
- 2) In December 2016, the Bank filed bankruptcy proceedings against the former Tosa Fighting Dog Center with the Kochi District Court, and it was announced that the loss could amount to over 1.7 billion yen of debt. No specific explanation has yet been made.
- 3) The Kochi District Court ordered the former President of Tosa Electric Railway Co., Ltd. (an ex-employee at the Bank) to pay around 1,330 million yen. The collection amount of the Bank is around 810 million yen. No explanation on collection has yet been made.
- 4) No explanation on collection of around 950 million yen from the former Chairman of Tosa Electric Railway Co., Ltd. (bankruptcy was filed) has yet been made.
- 5) Company A in Kochi City to which the Bank lends to has had liabilities in excess of assets for four consecutive years. No specific explanation has yet been made.

(2) Reasons for dismissal of Mr. Masahiko Suka, Director

- 1) Competition for survival has become tougher under the enforcement of the special act for the merger of regional banks. Kochi Prefecture is experiencing a difficult situation amid the deteriorated regional economy affected by prolonged ultra-low interest rates and population decline. I raise the question on the current approach for bad debt. Credit costs will also increase due to the spread of COVID-19. The low stock price of the Bank reflects negligence in management reform and lack of crisis consciousness. I question the responsibility for that.
- 2) The ordinary profit ratio has changed from 25.1% for the fiscal year ended March 31, 2017 to 7.2% for the fiscal year ended March 31, 2020. Furthermore, ROE (2.16%) and ROA (0.1%) for the fiscal year ended March 31, 2020 decreased significantly. I would like to question the responsibility for this matter.
- 3) In November 2016, Iyogin Securities Co., Ltd. was renamed Shikoku Alliance Securities Co., Ltd., of which the Bank was also a participant. However, The Awa Bank, Ltd. left Shikoku Alliance and formed a comprehensive tie-up with Nomura Securities Co., Ltd. The effect of the four banks alliance could not be seen, and I would like to question this strategic planning failure.
- 4) Nippon Life Insurance Company made notification to over 40 regional banks to the effect that it sells the shares of the regional banks. It is a major shareholder of the Bank. Shares of the regional banks seem to have less investment value, given the population decline and sluggish business of the banks. I hope the appearance of an activist will move the management of the Bank.

(3) Reasons for dismissal of Mr. Masato Hashitani, Director

- 1) Company A to which the Bank lends to had no profit from FY2012 to FY2016. The company turned a profit for FY2017 only. It had fallen into excessive debt for four consecutive years until FY2019. No effective measures have been taken.
- 2) Regarding loans to Company A in Kochi City, the Bank approved an additional loan of around 4.0 billion yen through a certain agent on March 18, 2019, regardless of the difficult situation in collecting loans from the company, and no specific explanation was made at the General Meeting of Shareholders. Important proposals have never been submitted at the General Meeting of

Shareholders, and shareholders only hear the facts of debt waivers. I would like to question the responsibility concerning loan standards and collection methods.

- 3) ROA core net business profit has decreased, ROE has declined, stock prices are sluggish and bad loans have increased. The Bank does not listen to shareholders' proposals for the abolishment of counselors and the baseball club, and the integration of branch offices is still halfway. Even though people are talking about the hardships of a severe depression for regional banks in recent years, the Bank does not present any clear measures for its survival or policies for corporate reforms. I would like to question the responsibility for this matter.
- 4) Nippon Life Insurance Company made notification to over 40 regional banks to the effect that it sells the shares of the regional banks. It is a major shareholder of the Bank. I would like to question future policies after losing a reliable shareholder.

(4) Reasons for dismissal of Mr. Isao Shiraishi, Director

- 1) Reportedly, management of golf courses has been severely impacted by COVID-19. An amount of around 1.2 billion yen to be collected from B located in the northern part of Kochi City is expected to increase, and the collection of money will become difficult. I ask again for finalized collection plans. I need a clear answer.
- 2) Reduction of fixed costs is an urgent issue in terms of any major management themes for regional banks such as integration of branch offices, abolishment of counselors and the baseball club, issues on the collection of bad debt, and methods to determine remuneration for officers. This situation is no laughing matter now. Management difficulties will become severe for the Bank. These matters are arising from the negligence of duties by Directors. They are no longer allowed to rest on their laurels. I would like to question their responsibility for not presenting clear management innovation.
- 3) Nippon Life Insurance Company made notification to over 40 regional banks to the effect that it sells the shares of the regional banks. It is a major shareholder of the Bank. Shares of regional banks with sluggish business seem to have less investment value. I hope the appearance of an activist will move the management of the Bank.

Opinion of the Board of Directors on Proposal 4

The Board of Directors opposes this proposal.

Since assuming the position of Director, Fumiaki Yamamoto, Director and President, Masahiko Suka, Director, Masato Hashitani, Director, and Isao Shiraishi, Director, have made efforts for growth of the group of the Bank and reinforcement of management foundations by utilizing their experience, insight, and expertise required for bank management to make decisions on important management matters and supervise business execution as Directors of the Bank, and have sufficiently fulfilled their duties.

Therefore, the Board of Directors opposes this proposal.