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Securities identification code: 8369  
June 3, 2022

To our shareholders:

Nobuhiro Doi  
President  
**The Bank of Kyoto, Ltd.**  
700, Yakushimae-cho, Karasuma-dori,  
Matsubara-Agaru, Shimogyo-ku, Kyoto, Japan

## NOTICE OF THE 119TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

The 119th Ordinary General Meeting of Shareholders of The Bank of Kyoto, Ltd. (the “Bank”) will be held as described below.

In order to prevent COVID-19 infection, we encourage you to exercise your voting rights for this General Meeting of Shareholders by postal mail or via the Internet in advance as far as possible.

Please indicate your approval or disapproval of the proposals after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it by postal mail or the Internet to reach us no later than 5:00 p.m. on Tuesday, June 28, 2022 (Japan Standard Time).

### Meeting Details

- 1. Date and Time:** Wednesday, June 29, 2022 at 10:00 a.m. (Japan Standard Time)  
(Reception will open at 9:00 a.m.)
- 2. Venue:** 7th floor Hall, Head office of the Bank  
700, Yakushimae-cho, Karasuma-dori, Matsubara-Agaru, Shimogyo-ku, Kyoto, Japan

### 3. Purposes:

#### Items to be reported:

1. Business Report and Non-Consolidated Financial Statements for the 119th Term (from April 1, 2021 to March 31, 2022)
2. Consolidated Financial Statements, as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 119th Term (from April 1, 2021 to March 31, 2022)

#### Items to be resolved:

##### [Company Proposals]

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|--------------------|---|
| <b>Proposal 1:</b> | Appropriation of surplus  |
| <b>Proposal 2:</b> | Partial Amendments to the Articles of Incorporation             |
| <b>Proposal 3</b>  | Election of eight (8) Directors                                 |
| <b>Proposal 4</b>  | Election of one (1) Substitute Audit & Supervisory Board Member |

##### [Shareholder Proposal]

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| <b>Proposal 5</b> | Dividend of surplus (special dividend) |
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[Exercise of Voting Rights by Postal Mail]

Please refer to “Guide to filling in the voting form” (Japanese only) on the next page, indicate your approval or disapproval of each proposal in the enclosed Voting Rights Exercise Form and return it by postal mail no later than 5:00 p.m. on Tuesday, June 28, 2022 (Japan Standard Time). In addition, if no approval or disapproval is expressed for the respective proposals, it will be treated as an approval vote for the Company’s proposals and a disapproval vote for the shareholder’s proposal.

[Exercise of Voting Rights via the Internet]

Please refer to “the Information About Exercising Voting Rights via the Internet” (Japanese only) and access the Voting Rights Exercise Site: <https://evote.tr.mufg.jp/>. (Japanese only) Follow the instructions on the screen and indicate approval or disapproval of each proposal no later than 5:00 p.m. on Tuesday, June 28, 2022 (Japan Standard Time).

Please note that any expenses pertaining to Internet connection shall be borne by shareholders.

[Handling of Duplicate Voting]

If you vote both in writing on the Voting Rights Exercise Form and via the Internet, only your vote placed via the Internet will be valid.

In addition, if you submit your vote more than once via the Internet, only the last vote will be valid.

## Reference Documents for the General Meeting of Shareholders

### Items to be Resolved and Reference Documents

#### Proposal 1: Appropriation of surplus

Appropriation of surplus has been positioned as the most important management issue, and our basic policy has been to continue stable payment of dividends to shareholders and to strengthen our business base by retaining sufficient internal reserve.

Now, with our intention to aim for sustained improvement of our corporate value and to improve return of profits to shareholders, we have set up a target around 50% for the total payout ratio defined as a ratio of total cash dividends and treasury stock purchases to net income attributable to owners of the parent.

Accordingly, the payment of year-end dividend and other appropriation of surplus are proposed as follows.

#### 1. Matters related to year-end dividends

##### (1) Types of dividend property

Cash

##### (2) Allocation of dividend property to shareholders and total amount thereof

¥65 per common share of the Bank

Total amount of dividends:¥4,886,459,760

As the interim dividend of ¥35 per share, including an 80-year anniversary dividend of ¥5, was paid in December 2021, the total the annual dividend for the current fiscal year will amount to ¥100 per share.

When it comes to the return of profit to shareholders for the current fiscal year, besides the year-end dividend, 454,700 shares of common stock were purchased as treasury stock at ¥2.5 billion in total. As a result, the total payout ratio amounts to 49% for the current fiscal year.

##### (3) Effective date of distribution of dividends of surplus

June 30, 2022

#### 2. Matters related to other appropriation of surplus

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

General reserve: ¥6,000,000,000

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

Retained earnings brought forward: ¥6,000,000,000

**Proposal 2:** Partial Amendments to the Articles of Incorporation

It is proposed to amend a part of the Articles of Incorporation as follows.

1. Reasons for Amendments

Since the amending provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Bank proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system of electronic provision of informational materials for the general meeting of shareholders.

- (1) Article 15, paragraph 1 in the proposed amendments stipulates to the effect that the Bank shall take measures for electronically providing information that constitutes the content of reference documents for the general meeting of shareholders, etc.
- (2) Article 15, paragraph 2 in the proposed amendments establishes a provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested delivery thereof.
- (3) Since the provision for Internet disclosure and deemed provision of reference documents for the general meeting of shareholders, etc. (Article 15 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) As a result of the aforementioned establishment and deletion, supplementary provisions pertaining to the effective date, etc. will be established.

2. Description of Amendments

Amendments are described below.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> <u>Article 15</u></p> <p><u>In convening a general meeting of shareholders, the Bank may be deemed to have provided information about matters to be stated or indicated in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements by disclosing the said information via the Internet in accordance with provisions of laws and regulations.</u></p> <p>&lt;To be established&gt;</p>	<p>&lt;Deleted&gt;</p> <p><u>(Measures for Electronic Provision, Etc.)</u> <u>Article 15</u></p> <p>1. <u>In convening a general meeting of shareholders, the Bank shall take measures for electronically providing information that constitutes the content of reference documents for the general meeting of shareholders, etc.</u></p> <p>2. <u>Among items for which the measures for electronically providing information will be taken, the Bank may refrain from stating all or some of those items designated by the Ministry of Justice Order in the paper-based documents to be delivered to shareholders who requested delivery thereof by the record date of voting rights.</u></p>

<p>&lt;To be established&gt;</p>	<p style="text-align: center;"><u>(Supplementary Provisions)</u></p> <p><u>Article 1</u></p> <ol style="list-style-type: none"> <li>1. <u>The amendment to Article 15 of the Articles of Incorporation shall be effective from September 1, 2022, which is the date of enforcement of the amending provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></li> <li>2. <u>Notwithstanding the provision of the preceding paragraph, Article 15 of the Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective for any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></li> <li>3. <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders referred to in the preceding paragraph, whichever is later.</u></li> </ol>
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(For Your Information)

The system of electronic provision refers to a system that enables providing shareholders with information materials for a general meeting of shareholders by uploading them to a website such as the Bank’s website and notifying shareholders, in writing, of the website’s address and other relevant information to shareholders.

Since the establishment of the system of electronic provision will be mandatory for listed companies, the Bank will establish this system for the next (June 2023) and subsequent general meetings of shareholders.

**Proposal 3** Election of eight (8) Directors

As the terms of office of all eight (8) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders, the Bank proposes the election of eight (8) Directors, including three (3) Outside Directors.

The candidates for Directors are as follows:

No.	Name			Current position in the Bank	Attendance at Board of Directors meetings	Expertise			
						Corporate management	Financial industry	Finance and accounting/ Economy	IT and systems
Reelection 1	Nobuhiro Doi		Male	President	13/13 (100%)	○	○		
Reelection 2	Toshiro Iwahashi		Male	Managing Director	13/13 (100%)	○	○		
Reelection 3	Mikiya Yasui		Male	Managing Director	13/13 (100%)	○	○		
Reelection 4	Hiroyuki Hata		Male	Managing Director	13/13 (100%)	○	○		
New election 5	Minako Okuno		Female	Executive Officer (General Manager, Public & Regional Affairs Division)		○	○		
Reelection 6	Junko Otagiri	Outside Independent	Female	Director (Outside Director)	13/13 (100%)			○	
Reelection 7	Chiho Oyabu	Outside Independent	Female	Director (Outside Director)	13/13 (100%)			○	
Reelection 8	Eiji Ueki	Outside Independent	Male	Director (Outside Director)	10/10 (100%)	○			○

\* The above list does not represent all of the candidates' knowledge.

No.	Name (Date of birth)	Career summary (position and responsibilities in the Bank, and significant concurrent positions outside the Bank)	Number of the Bank's shares owned	
1	Nobuhiro Doi (April 25, 1956)	Apr. 1980 June 2007	Joined the Bank Director, General Manager, Personnel Division	9,515
		June 2008 June 2010 June 2012 June 2015	Managing Director Managing Director, General Manager, Head Office Business Department Managing Director President (present position)	
[Reasons for selection as Director candidate] Nobuhiro Doi served as Director in charge of business management, risk management, personnel affairs, and others. He has served as President since June 2015 and sufficiently fulfilled his duties and responsibilities. As Doi has such knowledge and experience that enable him to perform bank administration and management in a precise, fair, and efficient manner, the Bank selected him as a candidate for a Director.				
2	Toshiro Iwahashi (December 12, 1961)	Apr. 1986 June 2014 June 2015	Joined the Bank Director, General Manager, Sanjo Branch Director, General Manager, Credit Examination Division	6,065
		June 2016 June 2018	Managing Director, General Manager, Head Office Business Department Managing Director (present position) in charge of Treasury & Investment Division, General Secretariat, Human Resources and General Affairs Division and Kyoto Banking College	
[Reasons for selection as Director candidate] Toshiro Iwahashi served as General Manager in charge of business management, sales and credit examination. He has served as Managing Director since June 2016 and sufficiently fulfilled his duties and responsibilities. As Iwahashi has such knowledge and experience that enable him to perform bank administration and management in a precise, fair, and efficient manner, the Bank selected him as a candidate for a Director.				
3	Mikiya Yasui (February 8, 1965)	Apr. 1987 June 2017	Joined the Bank Director	5,225
		June 2018 June 2021	Managing Director, General Manager, Head Office Business Department Managing Director (present position) in charge of Business Headquarters	
[Reasons for selection as Director candidate] Mikiya Yasui served as General Manager in charge of business management, sales and personnel. He has served as Managing Director since June 2018 and sufficiently fulfilled his duties and responsibilities. As Yasui has such knowledge and experience that enable him to perform bank administration and management in a precise, fair, and efficient manner, the Bank selected him as a candidate for a Director.				
4	Hiroyuki Hata (April 16, 1963)	Apr. 1987 Feb. 2017	Joined the Bank Executive Officer (commissioned General Manager of Productivity Innovation Headquarters Secretariat)	6,105
		June 2018 June 2019	Director, General Manager of Productivity Innovation Headquarters Secretariat Managing Director (present position) in charge of Innovation & Digital Strategy Division, Business Administration Division, Operations Support Division and Systems Division	
[Reasons for selection as Director candidate] Hiroyuki Hata served as General Manager in charge of business management, sales, risk management and personnel. He has served as Managing Director since June 2019 and sufficiently fulfilled his duties and responsibilities. As Hata has such knowledge and experience that enable him to perform bank administration and management in a precise, fair, and efficient manner, the Bank selected him as a candidate for a Director.				

No.	Name (Date of birth)	Career summary (position and responsibilities in the Bank, and significant concurrent positions outside the Bank)	Number of the Bank's shares owned
*5	Minako Okuno (February 23, 1966)	<p>Apr. 1989      Joined the Bank</p> <p>June 2009      General Manager, Takatsukiminami Branch</p> <p>June 2011      General Manager, Nishinanajo Branch</p> <p>June 2013      General Manager, Kyoto Banking College</p> <p>June 2018      General Manager, Public &amp; Regional Affairs Division</p> <p>June 2019      Executive Officer (commissioned General Manager of Public &amp; Regional Affairs Division) (present position)</p>	2,700
<p>[Reasons for selection as Director candidate]</p> <p>Minako Okuno served as General Manager in charge of sales and personnel. She has served as Executive Officer since June 2019 and sufficiently fulfilled her duties and responsibilities. As Okuno has such knowledge and experience that enable her to perform bank administration and management in a precise, fair, and efficient manner, the Bank selected her as a candidate for a Director.</p>			
6	Junko Otagiri (June 24, 1952)	<p>Apr. 1987      Assistant Professor, Junior College of Economics, Shiga University</p> <p>Apr. 1993      Assistant Professor, Faculty of Economics, Shiga University</p> <p>Apr. 1998      Professor, Faculty of Economics, Shiga University</p> <p>June 2017      Director, the Bank (present position)</p> <p>Apr. 2018      Professor Emeritus, Shiga University (present position)</p>	1,700
<p>[Reasons for selection as Outside Director candidate and overview of expected roles]</p> <p>Junko Otagiri has served as Outside Director since June 2017 and sufficiently fulfilled her duties and responsibilities. As a university professor with cost accounting and managerial accounting as her main areas of research, Otagiri has expertise as well as broad knowledge in those and other areas. The Bank would like to have Otagiri continue to utilize her knowledge for the management of the Bank. After her election, the Bank expects her to provide valuable advice from her independent position as an Outside Director, utilizing her expertise as a professor emeritus at a university. Even though Otagiri has never been involved in corporate management, she has adequately carried out her duties as Outside Director since taking office of Outside Director of the Bank.</p>			
7	Chiho Oyabu (March 15, 1962)	<p>Apr. 1994      Assistant Professor, Faculty of Education, Gifu University</p> <p>Apr. 2010      Professor, Faculty of Education, Gifu University (present position)</p> <p>Apr. 2019      Professor, Graduate School, Hyogo University of Teacher Education (present position)</p> <p>June 2020      Director, the Bank (present position)</p> <p>Apr. 2021      Vice President, Gifu University, Tokai National Higher Education and Research System (present position)</p>	0
<p>[Reasons for selection as Outside Director candidate and overview of expected roles]</p> <p>Chiho Oyabu has served as Outside Director since June 2020 and sufficiently fulfills her duties and responsibilities. As a university professor with household finance, financial education and consumer issues as her main areas of research, Oyabu has expertise as well as broad knowledge in those and other areas. The Bank would like to have Oyabu continue to utilize her knowledge for the management of the Bank from an independent standpoint as Outside Director. After her election, the Bank expects her to provide valuable advice from her independent position as an Outside Director, utilizing her expertise as a professor at a university. Even though Oyabu has never been involved in corporate management, she has adequately carried out her duties as Outside Director since taking office of Outside Director of the Bank.</p>			



No.	Name (Date of birth)	Career summary (position and responsibilities in the Bank, and significant concurrent positions outside the Bank)	Number of the Bank's shares owned
8	Eiji Ueki (June 18, 1958)	<p>Apr. 1981    Joined Nippon Telegraph and Telephone Public Corporation (currently NIPPON TELEGRAPH AND TELEPHONE CORPORATION)</p> <p>June 2009    Executive Officer, NTT DATA Corporation</p> <p>June 2013    Director and Executive Officer, NTT DATA Corporation</p> <p>June 2014    Director and Managing Executive Officer, NTT DATA Corporation</p> <p>June 2016    Representative Director and Managing Executive Officer, NTT DATA Corporation</p> <p>June 2017    Representative Director and Executive Vice President, NTT DATA Corporation</p> <p>June 2018    Representative Director and President, NTT DATA SYSTEM TECHNOLOGIES INC.</p> <p>June 2021    Representative Director and President, NTT DATA FORCE CORPORATION (present position)</p> <p>June 2021    Director, the Bank (present position)</p> <p>Apr. 2022    Representative Director and President, NTT DATA FINANCIAL TECHNOLOGY CORPORATION (present position)</p> <p>&lt;Significant concurrent positions outside the Bank&gt;</p> <p>Representative Director and President, NTT DATA FORCE CORPORATION</p> <p>Representative Director and President, NTT DATA FINANCIAL TECHNOLOGY CORPORATION</p>	0
<p>[Reasons for selection as Outside Director candidate and overview of expected roles]</p> <p>Eiji Ueki has held important positions at NTT DATA Corporation and currently serves as Representative Director and President of NTT DATA FORCE CORPORATION and NTT DATA FINANCIAL TECHNOLOGY CORPORATION. The Bank proposes his reelection as Outside Director so that his extensive experience as a corporate manager and his specialized and extensive knowledge in the field of information systems can be utilized in the management of the Bank. After his election, the Bank expects him to perform supervisory functions in general management and provide valuable advice, utilizing his experience as a corporate manager and knowledge in the area of information systems.</p>			

- Notes:
1. A new candidate for Director is indicated by an asterisk (\*).
  2. None of the above candidates have any special interest in the Bank.
  3. Junko Otagiri, Chiho Oyabu and Eiji Ueki are candidates for Outside Directors as defined in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. The terms of office for Otagiri, Oyabu and Ueki will be five (5), two (2), and one (1) years, respectively, as of the conclusion of this Ordinary General Meeting of Shareholders. Otagiri's name on her family register is Junko Hayashi.
  4. Until June 2018, Eiji Ueki was an executive of NTT DATA Corporation, which is a specified related business operator (major trading partner) of the Bank.
  5. Conclusion of Agreement Limiting Liability  
The Bank has entered into a liability limitation agreement respectively with Otagiri, Oyabu and Ueki that limits their liability for damages to the liability amount stipulated by laws and regulations. If their election is approved at this Ordinary General Meeting of Shareholders, the Bank plans to continue the said agreements with them.
  6. Content of Directors and Officers Liability Insurance Contract  
The Bank concludes a directors and officers liability insurance contract with an insurance company to compensate for any damage to the insured persons including damages and litigation expenses. All candidates for Directors will be included in the insured of the insurance contract. In addition, at the next renewal, we plan to renew the insurance contract with the equivalent content.
  7. Registration as Independent Officers  
Junko Otagiri, Chiho Oyabu and Eiji Ueki are registered with the Tokyo Stock Exchange (TSE) as Independent Officer in accordance with the TSE's rules and regulations. If their election is approved at this Ordinary General Meeting of Shareholders, the Bank plans to continue their appointments as Independent Officers.
  8. Please refer to the Bank's website for details (career summaries, photographs and others) of the eight (8) candidates for Directors.

**Proposal 4** Election of one (1) Substitute Audit & Supervisory Board Member

The term of office of Substitute Audit & Supervisory Board Member Jun Demizu will expire at the commencement of this Ordinary General Meeting of Shareholders. Accordingly, the Bank proposes the election of one (1) Substitute Audit & Supervisory Board Member to maintain continuity of auditing even in the event the number of Outside Audit & Supervisory Board Members falls below the number required by laws and regulations.

The election of Substitute Audit & Supervisory Board Member may be nullified by resolution of the Board of Directors upon the consent of the Audit & Supervisory Board only before the elected individual assumes office.

Furthermore, the consent of the Audit & Supervisory Board has been obtained in advance for this proposal.

The candidate for Substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary (Position and significant concurrent positions outside the Bank)	Number of the Bank's shares owned
Jun Demizu (April 18, 1947)	Apr. 1974 Registered as an attorney at law (Osaka Bar Association)	0
	Jan. 1980 Established Kita Sogo Law Offices (present position)	
	June. 2006 Outside Audit & Supervisory Board Member, PanaHome Corporation (currently Panasonic Homes Co., Ltd.)	
	Aug. 2008 Outside Audit & Supervisory Board Member, UENO FINE CHEMICALS INDUSTRY, LTD.	
	Apr. 2011 Visiting Professor, Osaka University Law School (present position)	
	Aug. 2020 Audit & Supervisory Board Member, UENO FINE CHEMICALS INDUSTRY, LTD. (present position)	
[Reasons for selection as Substitute Audit & Supervisory Board Member candidate] Jun Demizu is thoroughly experienced in legal affairs as an attorney-at-law. The Bank has selected Demizu as a candidate for Substitute Audit & Supervisory Board Member again, expecting that he will utilize his experience and extensive knowledge to execute an objective and neutral audit for bank management.		

- Notes:
1. Jun Demizu doesn't have any special interest in the Bank.
  2. Jun Demizu is a candidate for Substitute Outside Audit & Supervisory Board Member as defined in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
  3. Conclusion of Agreement Limiting Liability  
If Jun Demizu assumes the office of Audit & Supervisory Board Member, the Bank plans to enter into an Agreement Limiting Liability with him that limits his liability for damages to the liability amount stipulated by laws and regulations.
  4. Content of Directors and Officers Liability Insurance Contract  
The Bank concludes a directors and officers liability insurance contract with an insurance company to compensate for any damage to the insured persons including damages and litigation expenses. If Jun Demizu assumes the office of Audit & Supervisory Board Member, he will be included in the insured persons of the said insurance contract. In addition, at the next renewal, we plan to renew the insurance contract with the equivalent content.
  5. Registration as Independent Officers  
If Jun Demizu assumes the office of Audit & Supervisory Board Member, the Bank plans to register him with the Tokyo Stock Exchange (TSE) as Independent Officers in accordance with the TSE's rules and regulations.
  6. Please refer to the Bank's website for details (career summaries, photographs, etc.) of the one (1) candidate for Substitute Audit & Supervisory Board Members.

## <Shareholder Proposal (Proposal 5)>

Proposal 5 was advanced by one shareholder (hereinafter referred to as the “Proposing Shareholder”). A shareholder proposal is indicated, in principle, by transcribing the statements received from the Proposing Shareholder except for “Opinion of the Board of Directors of the Bank” and “Reasons for Opposition.”

### [Shareholder Proposal]

#### **Proposal 5:** Dividend of surplus (special dividend)

##### 1. Summary of the Proposal

###### (1) Agenda No. 1: Dividend of Surplus (special dividend)

A special dividend shall be made as follows:

###### A. Type of dividend:

Cash

###### B. Allocation and the total amount of dividends:

An amount equal to **JP¥132** per share shall be paid in addition to the amount (if any) of the dividend payment from surplus per share of common stock which is approved at the 119<sup>th</sup> Annual General Meeting of Shareholders based on the proposal on the dividend of surplus made by the Company. The total amount of special dividends to be paid pursuant to Agenda No 1 shall be calculated by multiplying the amount of the special dividend per share of common stock by the number of shares eligible to receive dividend payments as of 31<sup>st</sup> March 2022.

###### C. Effective date of dividend payment from surplus

The day after the date of the 119<sup>th</sup> Annual General Meeting of Shareholders.

##### 2. Outline of Reason for the Proposal

The Company’s dividend policy should be to distribute to shareholders amount equal to 100% of the amount of the Company’s net income that is not directly related to its core business activities (specifically, dividend income that the Company receives on the Company’s equity holdings) plus an amount equal to 50% of the net income from its core lending activities. If the Company adopts such policy, the Company is able to retain 50% of the available earnings generated by the Company’s core lending and banking activities. The Company has sufficient financial flexibility to self-fund the expansion of its banking business.

The payment of this special dividend to be proposed at the upcoming General Meeting of Shareholders does not adversely impact the Company and its future business prospects or solvency of the Company. Further, the payment of such a special dividend does not jeopardise the Company’s ability to prepare for various technology changes, provide services to its customers, or fulfill its obligations to stakeholders in the Kyoto prefecture.

<Opinion of the Board of Directors of the Bank>

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

<Reasons for Opposition>

The Bank recognizes returning profit to shareholders is one of the most important issues in management and has been improving shareholder returns. Specifically, from the point of view of further reinforcing shareholder returns, the Bank revised the policy up to the fiscal year ended March 31, 2021 of “targeting a payout ratio of around 30% based on a stable dividend policy” and announced a new shareholder return policy on December 28, 2021 to set up a target around 50% for the total payout ratio defined on the basis of “net income attributable to owners of the parent.”

The Bank has embraced the idea that, for a regional financial institution to improve its corporate value continuously over a medium and long term, it is important to realize “investment for growth,” “ensuring sound management” and “enhancing shareholder returns” in a balanced manner. In light of viewpoints of “investment for growth,” in the form of positive support for the start-up and growth of regional companies, and “ensuring sound management,” which enables financing for supporting companies even if the corporate business environment suddenly deteriorates and remains in that state for a long time, as has been the case with the current COVID-19 calamity, the return programs based on the current shareholder return policy of the Bank is considered to be optimal at present.

With regard to the basis for shareholder return, shareholder return should be positioned as the distribution of profit to shareholders who have invested in the Bank in light of its business strategies, and the Bank thinks that it should be determined on the basis of “net income attributable to owners of the parent,” which was generated as a result of business activities during the current fiscal year, rather than focusing on dividends the Bank receives for shares it owns in particular.

Distributing dividend of surplus (special dividend) per this shareholder proposal cannot but be considered to be based on a short-term point of view that does not take into account the characteristics of the Bank as a regional financial institution and is judged not to lead to improvement in medium- and long-term corporate value.

Therefore, the Board of Directors of the Bank opposes this shareholder proposal.