

Topics

Message from an Outside Director

I will fulfill my duties as Outside Director and hope to assist in the development of the regional society and sustainable growth of the Chugoku Bank Group

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Position of the Chugoku Bank in the regional community

The Chugoku Bank is a leading regional bank with outstanding credence and the number one share in the region. I learned that the Bank was established as a result of sequential mergers of many regional banks, each having possessed solid business foundations throughout Okayama Prefecture, the eastern regions of Hiroshima Prefecture, western regions of Hyogo Prefecture, and Kagawa Prefecture during the Taisho and early Showa eras. Adding to the history and incomparable name recognition in the region, the Bank is also known for its longstanding, solid management policies, which is the reason many regional companies select us as the sole or main bank for their business accounts. Also, as a regional financial institution near by, the Bank is the main business partner to many individual customers and is highly relied upon. The Chugoku Bank is built upon the trust of such local people and, keeping with its fundamental policy to stand beside regional industries, operates with an aim to resolve various corporate management issues for current and future customers. For individual customers, we strive to provide detailed advice and proposals on the supply and management of capital that will be needed at various stages in life. And to increase our presence as an essential partner in the region, we will continue to exert our efforts positively and proactively.

Demonstration of career and expertise as Director of the Chugoku Bank

I have a total of nearly fifty years' experience as a certified public accountant as member of audit firms in the United States and Japan, having been engaged in accounting audits of large-scale corporations, and management advisory services providing consultation on multi-faceted inquiries that come directly from management of medium-size companies. Therefore, I have extensive experience not only in issues from a financial perspective, but also in various managerial issues, business succession, and inheritance-related matters. Based on this expertise, I am able, not only to focus on short-term results, but to raise issues and provide advice on medium- and long-term management issues and management strategy formulation from a comprehensive perspective.

Duties as Director

I attend the meetings of the Board of Directors and pay particular attention to expressing my opinions from an objective and medium- to

long-term standpoint as an outside third party in addition to my views as Director. To do so, it is important to be briefed in advance of the agendas from the departments in charge and for complicated matters, hold thorough prior discussions and gain insight on the subject. I also make sure to receive regular lectures on the key operations of the Bank to understand the overall business of the Bank. In addition, I chair the voluntary Nominating and Compensation Committee consisting of three independent Outside Directors and two Representative Directors, so I express my opinions and deliberate from an outside, independent position on matters such as the election of Directors, policy on nurturing successors, as well as on the officer compensation system and payment policy, and so on.

Evaluation of the corporate governance of the Chugoku Bank

As an Outside Director, I focus on stating my theory without reserve on matters that I think go against common sense of the general public or feel uncomfortable with, even if they are considered normal within the Bank. Fortunately, the Board of Directors of the Chugoku Bank offers an atmosphere that allows Outside Directors to speak out freely, and also a blessed environment in which the members respond seriously to our opinions. Also, we have regular opportunities for Outside Directors and Representative Directors to exchange opinions, which I think is quite effective in providing frank opinions.

Future prospect of the Chugoku Bank and the path toward achieving it

The Chugoku Bank considers it a mission to support the local economy as the leading bank of the region. As such, the Bank will continue to contribute to the further development of the economy of the region through such services as providing local companies with adequate funds to expand their businesses and proactive consulting to resolve fundamental management issues, and for individual customers, assistance in designing life plans in different stages of life. And to achieve mutual development with the regional society, we post pillars under the medium-term management plan, namely (1) strengthening our efforts in revitalization of regional economies and SDGs, (2) "deepening" the sales with customers first spirit, (3) revitalization of organization, (4) strengthening the digital strategies, and (5) establishing sustainable growth model. We declare that we will endeavor to develop the regional community and achieve a sustainable society by combining the Chugoku Bank Group's strengths, and I will fulfill my duties as Outside Director toward the realization of those challenges.