

MIYAZAKI BANK '16 INFORMATION

Corporate Governance

The Bank recognizes the importance of corporate governance and considers the enhancement of management soundness and transparency to be important matters. Accordingly, we undertake proactive measures in this regard.

Overview of the Corporate Governance Structure

Changes to the Articles of Incorporation were resolved at the General Meeting of Stockholders, held on June 24, 2016. Accordingly, the Bank transitioned to a “company with an Audit and Supervisory Committee” as of that date.

This change enhances the auditing and supervisory functions with respect to directors’ execution of duties, further augmenting the corporate governance structure. At the same time, this arrangement allows for swift decision-making due to the delegation of authority and further increases enterprise value through heightened management efficiency.

With regard to operations management, we have in place management structures to respond to drastic changes in the management environment and ensure accurate and swift decision-making on important matters at the Bank and throughout the Group by the Board of Directors and the Executive Committee. The Audit and Supervisory Committee supervises and audits the execution of operations by the directors.

The Bank has adopted the structure of a “company with an Audit and Supervisory Committee.” Members of this committee attend meetings of the Board of Directors as directors with voting rights, and full-time committee members sit in on meetings of the Executive Committee, thereby enhancing the auditing and supervisory functions of overall operations.

In accordance with the provisions of Paragraph 1, Article 427, of the Companies Act, the Bank has signed liability limitation agreements with its outside directors, limiting their responsibility for damages to the Bank to obligations provided in Paragraph 1, Article 423, of the Companies Act in the minimum amount provided in Paragraph 1, Article 425, of the Companies Act, provided their duties are executed with good intent and without gross negligence.

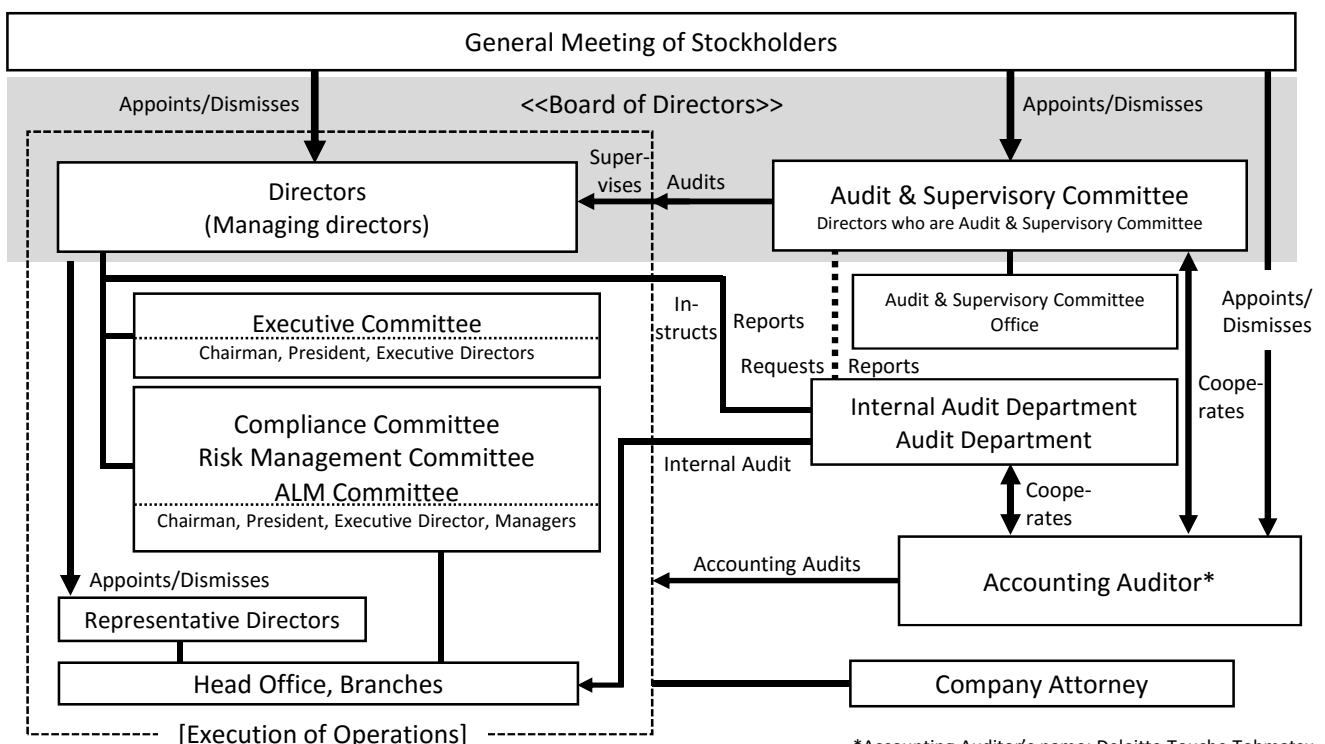
With regard to the Bank’s various committees, a Compliance Committee is in place as the body for checking the status of compliance and considering measures to counter any compliance-related problems or issues. This committee is composed of directors of executive officer level or higher, as well as the heads of related departments. We also have in place a Risk Management Committee to comprehensively ascertain the management status of an increasingly diverse variety of risks and ensure management soundness and profitability by creating appropriate risk management preparations. Members of this committee include directors of executive officer level or higher and the heads of various departments.

Corporate Governance Structure

Our internal control structure clearly defines the departments responsible for controlling and conducting risk management to counter the risks inherent in our operations and duly ensures mutual checking functions.

Our corporate governance structure is described by the chart below.

(As of June 30, 2016)



*Accounting Auditor’s name: Deloitte Touche Tohmatsu