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May 23, 2025

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Name of representative:	Yoshinori Nishikawa, President
	(Securities code: 8541; Tokyo Stock
	Exchange Prime Market)
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Notice Concerning Our Board of Directors' Opinion on a Shareholder Proposal

The Ehime Bank, Ltd. (the "Bank") hereby announces that it has received on April 24, 2025, a document concerning the exercise of rights to submit shareholder proposals at the Bank's 121st Annual General Meeting of Shareholders scheduled for June 27, 2025, and resolved at the meeting of the Board of Directors held on May 23, 2025, to oppose the said proposal as described below.

1. Shareholder Proponent

Name of shareholder: Not disclosed since the proponent is an individual shareholder.

Number of voting rights held: 327 (0.0835% of total voting rights)

2. Details of Shareholder Proposal

Proposal Increase of Dividends

(1) Content of proposal

- a. To increase dividends from ¥34 per year to ¥38 per year.
- b. To set as the benchmark for dividends an annual "payout ratio" of 30% or higher and eventually aim for a total return ratio of 40%.

As part of shareholder returns, many companies listed on the Tokyo Stock Exchange are increasing dividends and thereby enhancing shareholder returns. The Company had been keeping its dividends unchanged for over a decade (aside from commemorative dividend increase) despite the growth in profits, until it implemented a dividend increase of ¥4 last year.

(2) Reason for proposal

In 2000, the Company consolidated its shares with a ratio of five shares into one share and consequently revised its dividends from ¥6 to ¥30. In the previous fiscal year, the annual dividend was increased by ¥4 to ¥34. However, considering the past performance, the Company has not increased dividends (aside from commemorative dividends) for over a decade, which is considered to be a major cause of its floundering share price. While share prices on the Tokyo Stock Exchange are hitting new highs in 34 years since the bubble era, the Company's share price has fallen by 87% from the post-listing high of ¥1,630 (February 1990) to ¥214 (¥1,073 as of March 31, 2025), taking into account the share consolidation (five shares into one share). In its Consolidated Financial Results for the Year Ended March 31, 2025, and the Business Report for the 120th fiscal year, the Company reports that it aims to achieve a payout ratio of 30% or higher. The amount of annual dividends paid is currently ¥34 (¥1,335. 04 million). If increased to ¥38, it would be ¥1,492.00 million, which is not an unreasonable amount in the light of the earnings forecast for this term. Therefore, a dividend of ¥38 is hereby proposed.

(3) Others

The content of proposal and the reason for proposal submitted by the shareholder proponent are shown here as they appear in the original except for corrections in terms of formatting.

The Bank interprets the gist of the shareholder proponent to be a proposal of a year-end dividend of ¥21 (an increase of ¥4), based on the idea of combining the year-end dividend with the ¥17 dividend paid for the first half of the previous fiscal year to make an annual dividend of ¥38, pursuant to the Articles of Incorporation.

3. Opinion of the Bank's Board of Directors on the Shareholder Proposal

The Board of Directors is against this shareholder proposal. Maintaining a certain level of capital adequacy ratio is indispensable to sustained growth amid instability in Japan and abroad and with downside risks to the local economy on the rise. The Bank's capital adequacy ratio is not at a high level. The Bank believes that enhancing its ability to supply funds to the local area, while maintaining a capital adequacy ratio of 8% or higher, will lead to improving the corporate value of the Bank that works under the motto of contributing to the local area as well as the stakeholders' views of the Bank. The dividend of ¥17 represents a level decided by the Board of Directors in careful consideration of a balance between shareholder dividends and the enhancement of equity capital necessary for a sustained growth.

With regard to the payout ratio, last year, the Bank has decided to increase its ordinary dividends, which had remained unchanged for many years, by ¥4, and recently introduced a shareholder benefit program. In addition to this, the Bank is planning to pay a commemorative dividend of ¥2, in addition to ordinary dividends, in the fiscal year ending March 31, 2026. As such, the Bank is making concrete and steady efforts in shareholder returns. The Bank will strive first and foremost towards achieving a payout ratio of 30%, which is a goal for the final year of its 18th Medium-term Plan.