

Corporate Governance

Basic Stance

Musashino Bank recognizes that upgrading and expanding its corporate governance capabilities are key priorities of management. In addition to adhering strictly to a policy of compliance with statutory and regulatory requirements as well as in-house rules and regulations, every effort is made to ensure that the Board of Directors and the Board of Corporate Auditors stringently monitor directors in the execution of their duties.

Two outside directors and three outside auditors who pose no threat of conflicts of interest with shareholders have been elected, and they monitor and audit directors in the execution of their duties. They also take part in meetings of the Board of Directors where they are able to proactively voice their opinions and offer advice on management from a broad, independent and neutral perspective. This ensures that the management monitoring function is both objective and impartial.

Also, the Bank has adopted an executive officer system in order to reduce the number of directors and to ensure a speedier decision-making process. Directors delegate authority to executive officers, who are charged with the responsibility of swiftly and efficiently carrying out their duties as leaders of the Bank's mainstay divisions.

Corporate Governance Structure

The Board of Directors is positioned as the ultimate decision-making body of the Bank. While strictly adhering to the Bank's variety of in-house rules and regulations, the introduction of an executive officer system allows the Bank to separate and clarify the management and business execution functions. A structure has therefore been put in place to allow directors and executive officers to go about their assigned duties and responsibilities.

Musashino Bank's management decision-making, business execution and oversight structure is presented as follows.

Corporate Governance Structure

(As of March 31, 2017)

